

Mayor  
James Kallander

Council Members  
Keith van den Broek  
James Kacsh  
David Allison  
Bret Bradford  
EJ Cheshier  
David Reggiani  
Robert Beedle

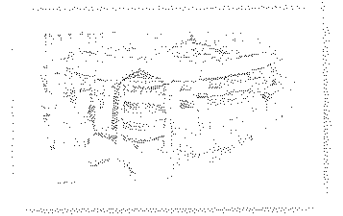
City Manager  
Mark Lynch

City Clerk  
Susan Bourgeois

Deputy Clerk  
Erika Empey  
Robyn Kincaid

Student Council  
Jessica Smyke

**REGULAR COUNCIL MEETING  
DECEMBER 15, 2010 @ 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 Kallander, Council members Keith van den Broek, James Kacsh, David Allison, Bret Bradford, EJ Cheshier, David Reggiani and Robert Beedle

**D. APPROVAL OF REGULAR AGENDA..... (voice vote)**

**E. DISCLOSURES OF CONFLICTS OF INTEREST**

**F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Guest Speakers
  - a. Buck Adams – UBS Financial..... (page 1)
  - b. Kristin Smith of the CRWP – update on NOAA grant..... (page 13)
  - c. John Bitney – prospective City lobbyist
2. Audience comments regarding agenda items..... (3 minutes per speaker)
3. Chairpersons and Representatives of Boards and Commissions
  - a. Student Council Representative

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

4. Record excused absence for Council member Bret Bradford (work-related) from the 12-01-10 regular meeting.
5. Waive right to protest renewal of liquor license #2433 OK Restaurant..... (page 16)
6. Proclamation of Appreciation to Andrew Craig..... (page 20)
7. Resolution 12-10-67..... (page 21)

A resolution of the City Council of the City of Cordova, Alaska, authorizing Mark Lynch, City Manager; Cathy Sherman, Acting City Manager; Susan Bourgeois, City Clerk; James Kallander, Mayor; David Reggiani, Vice-Mayor; and Samantha Greenwood, City Planner, to sign checks, vouchers, notes and other documents authorized by the City Council.
8. Resolution 12-10-68..... (page 23)

A resolution of the City Council of the City of Cordova, Alaska adopting an alternative allocation method for the FY11 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 management area.
9. Resolution 12-10-69..... (page 26)

A resolution of the City Council of the City of Cordova, Alaska, to authorize the City Manager to enter into an agreement with Appraisal Company of Alaska for tax year 2011 assessment services in the amount of fifteen thousand dollars (\$15,000).
10. Resolution 12-10-70..... (page 32)

A resolution of the City Council of the City of Cordova, Alaska, to authorize the City Manager to enter into a two year agreement with John W. Bitney for consulting services in the amount of forty thousand dollars (\$40,000) per year plus reasonable expenses.
11. Resolution 12-10-71..... (page 35)

A resolution of the City Council of the City of Cordova, Alaska, designating asset allocation for investment of the City's General Reserve (permanent) Fund.

<b>H. APPROVAL OF MINUTES.....</b>	<b>(voice vote)</b>
12. Minutes of 10-13-10 Joint Work Session.....	(page 37)
13. Minutes of 11-08-10 Council Public Hearing.....	(page 42)
14. Minutes of 11-08-10 Special Council Meeting.....	(page 43)

**I. CONSIDERATION OF BIDS - None**

**J. REPORTS OF OFFICERS**

15. Mayor's Report	
16. Manager's Report.....	(page 45)
17. City Clerk's Report.....	(page 46)
18. Staff Reports	
a. Tom Cohenour, COR, Director of Public Works – School Gym & Reno updates	
b. Moe Zamarron, COR, Cordova Center Project	

**K. CORRESPONDENCE**

19. Letter from Clay Koplin, CEC to AIGCO.....	(page 47)
20. Letter from Erin Hollowell, Cordova Arts & Pageants.....	(page 49)
21. Letter to Denise Branshaw.....	(page 50)
22. Three Letters of support to Teresa Benson, USFS (in re Moose, Geese, Invasive plants).....	(page 51)
23. Letter to Cora Campbell, Acting Commissioner ADF&G.....	(page 54)
24. Letter to Governor Parnell.....	(page 55)

**L. ORDINANCES AND RESOLUTIONS**

25. Ordinance 1077.....	(page 56)
An ordinance of the City of Cordova enacting Chapter 18.46 of the Cordova Municipal Code to establish standards for the siting, construction, and operation of wind energy systems (wind turbines) - 2 <sup>nd</sup> reading	
26. Resolution 12-10-72.....	(voice vote)(page 61)
A resolution of the City Council of the City of Cordova, Alaska, authorizing the City to issue general obligation bonds in the principal amount of not to exceed \$500,000 to finance the planning, design, and construction of a building to be used as Cordova Schools correspondence program, and to submit the question of the issuance of such bonds to the qualified voters of the City at the March 1, 2011 regular City election; and declaring the intent of the City of Cordova to reimburse original expenditures for costs of the planning, design, and construction of Cordova Schools correspondence program building.	

**M. UNFINISHED BUSINESS - None**

**N. NEW & MISCELLANEOUS BUSINESS**

27. Brian Wildrick land purchase discussion and direction to staff.....	(voice vote)(page 66)
28. James & Dea Dundas performance deed of trust discussion and direction to staff.....	(voice vote)(page 74)
29. Pending Agenda and Calendar.....	(page 81)

**O. AUDIENCE PARTICIPATION**

**P. COUNCIL COMMENTS**

30. Council Comments	
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**Q. EXECUTIVE SESSION**

**R. ADJOURNMENT**

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 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 disclosures.

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



**UBS Financial Services Inc.**

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Buck Adams, CFP®, CIMA®  
Senior Vice President - Investments  
Advisory & Brokerage Services  
Senior Managed Accounts Consultant  
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December 3, 2010

City Council  
City of Cordova  
P.O. Box 1210  
Cordova, Alaska 99574

Dear Council members,

Thank you for permitting me to speak this week in regards to the principles and theories behind asset allocation and why diversification is vital to the long-term success of Cordova's investments. As requested, we have prepared a sample asset allocation recommendation, which is in-line with Council's decision to accept a recommended allocation for the Permanent Fund of 50% Fixed Income, 40% Equities and 10% Alternative Investments.

Attached is a spreadsheet, which outlines the suggested asset allocation, including the recommended investment manager, or mutual fund that we recommend being included in the portfolio. In addition, a Morningstar illustration is attached, which provides the hypothetical performance of the recommended funds. In order to provide the longest time period, in this case 1998-2010, we substituted representative indexes for several of the funds that were not available in 1998, in order to show a longer time period. The time period between 1998-2010 includes two of the most significant bear markets in modern history, 2000-2002 as well as 2007-2009. None-the-less, this asset allocation withstood the test of time and clearly demonstrates the value of diversification. While there can never be assurances in an uncertain world, we feel this recommendation provides Cordova with a well-rounded portfolio.

I plan to either personally attend the December 15th meeting, or attend via teleconference to review the recommendations. As always, thank you so much for your kind attention this week and for the trust and confidence you have placed in us.

Sincerely,

Buck Adams, CFP®, CIMA®, ChFC®,  
Senior Vice President – Investments

Enc: Asset allocation recommendation, Permanent fund Morningstar report

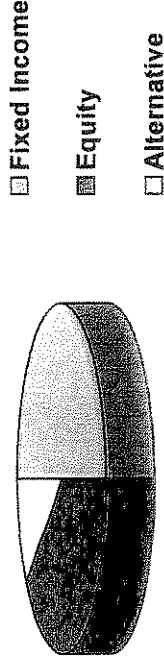
# City of Cordova Permanent Fund Allocation Recommendation

Total Assets:

\$7,000,000

Broad Asset Class	Weighting %	Weighting \$
Fixed Income	50%	\$3,500,000.00
Equity	40%	\$2,800,000.00
Alternative	10%	\$700,000.00
	100%	\$7,000,000.00

## Asset Allocation



### Fixed Income

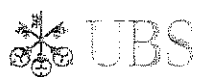
Style	Manager	Symbol	Asset Class %	Total Weighting %	Total Weighting \$
US Intermediate Fixed Income	Sage	N/A	78%	39.00%	\$2,730,000.00
Global Fixed Income	AllianceBernstein	ANAGX	8%	4.00%	\$280,000.00
Strategic Fixed Income	PIMCO	PTTAX	7%	3.50%	\$245,000.00
Investment Grade Strategic Fixed Income	Loomis Sayles	LIGRX	7%	3.50%	\$245,000.00
			100.00%	50.00%	\$3,500,000.00

### Equity

Style	Manager	Symbol	Asset Class %	Total Weighting %	Total Weighting \$
US - Large Company - Value	UBS PACE SELECT	PCPAX	23%	9.20%	\$644,000.00
US - Large Company - Growth	UBS PACE SELECT	PLAAX	23%	9.20%	\$644,000.00
US - Small / Medium Company - Value	UBS PACE SELECT	PEVAX	10%	4.00%	\$280,000.00
US - Small / Medium Company - Growth	UBS PACE SELECT	PQUAX	10%	4.00%	\$280,000.00
TransAmerica Multi Manager International	MorningStar	IMNAX	20%	8.00%	\$560,000.00
International - Emerging Markets	UBS PACE SELECT	PWEAX	7%	2.80%	\$196,000.00
Global - Real Estate	Prudential	PURAX	7%	2.80%	\$196,000.00
			100.00%	40.00%	\$2,800,000.00

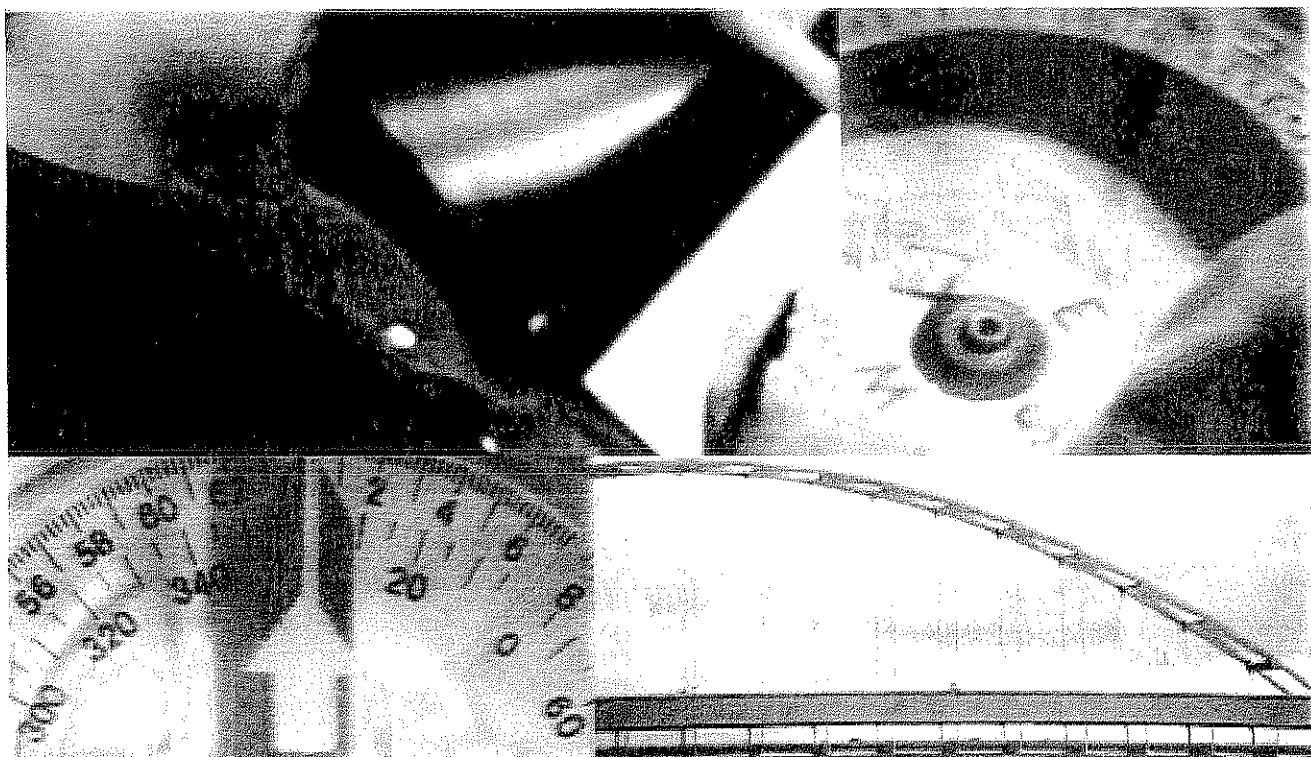
### Alternative

Style	Manager	Symbol	Asset Class %	Total Weighting %	Total Weighting \$
Hedge Fund Beta Replication	Natixis ASG	GAFAF	35%	3.50%	\$245,000.00
Absolute Return (Equity)	Putnam	PDMAX	35%	3.50%	\$245,000.00
Commodity	DWS	SKNRX	30%	3.00%	\$210,000.00
			100.00%	10.00%	\$700,000.00



# Perm Fund - Hypo - 1998-2010

December 03, 2010



Prepared for  
City of Cordova

Presented by  
Buck Adams  
UBS Financial Services Inc.  
907-261-5944

UBS Financial Services Inc.

## A Global Financial Services Firm

UBS AG is a leading global financial services firm servicing a diverse client base that includes affluent individuals, corporations, institutions and governments.

For over 150 years, clients have turned to UBS for our methodical, scientific approach to investing. They have entrusted us with their goals and aspirations, knowing that their portfolios will be thoughtfully constructed and continually monitored.

By integrating and leveraging the combined resources, expertise and best practices of its business units, UBS offers products and services designed to provide appropriate solutions to its clients, regardless of where they are located.

UBS has significant operations in all of the world's major financial centers and strong, long-term credit ratings.

From investment banking to asset management services, our Financial Advisors have at their command a broad array of financial resources to help our clients manage their wealth.

### Mutual Funds at UBS Financial Services, Inc.

- We offer thousands of mutual funds from over 170 fund families.
- We offer a broad range of mutual funds from a wide range of asset classes, investing styles and geographic regions.
- Mutual Funds are available at UBS through a variety of account types, from traditional (Resource Management Account - RMA) to fee-based consulting accounts.
- We service over \$149 billion in mutual fund assets.

### The UBS Client Experience


Our Financial Advisors take the time to understand our clients needs and goals and proactively provide appropriate solutions. We keep our clients informed on a periodic basis and can monitor and update strategies as appropriate to respond to ever-changing markets and our client's evolving needs.

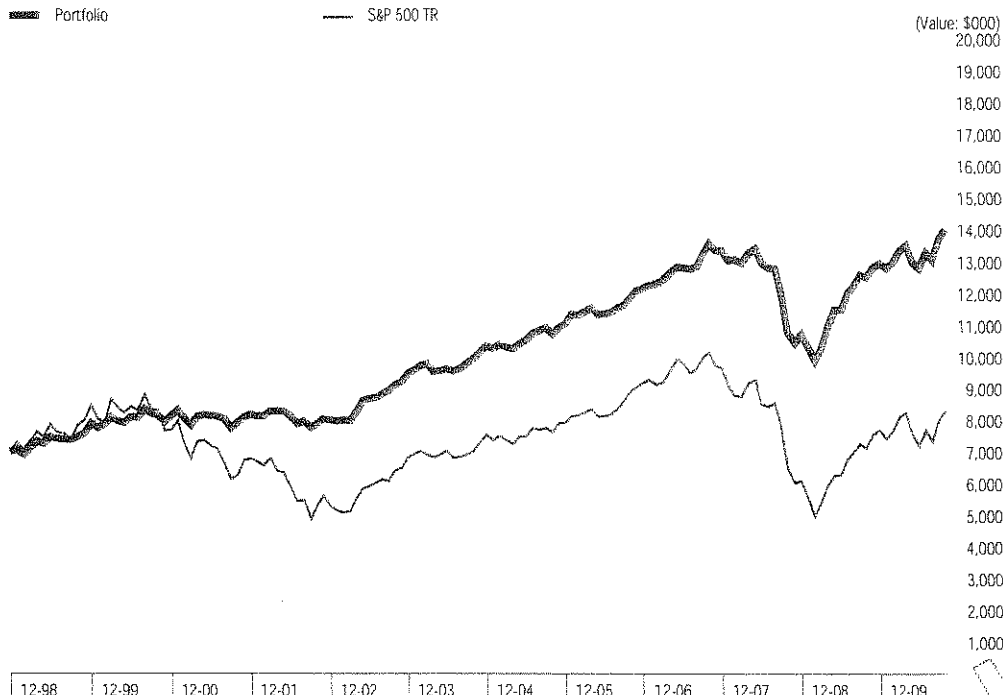


# Hypothetical Portfolio Illustration

12-31-1998 to 10-29-2010

## Portfolio Summary

 Portfolio

 S&P 500 TR


(Value: \$000)

## Planning Assumptions

Federal Income Tax Rate	0%
Capital Gain Tax Rate	0%
State Tax Rate	0%
Tax Paid	Out of Pocket
Rebalance	Qtr

## Performance

Net US Dollars Invested	\$7,000,000
Final Market Value	\$14,023,770
Average Annualized Return	6.05%
Cumulative Return	100.34%

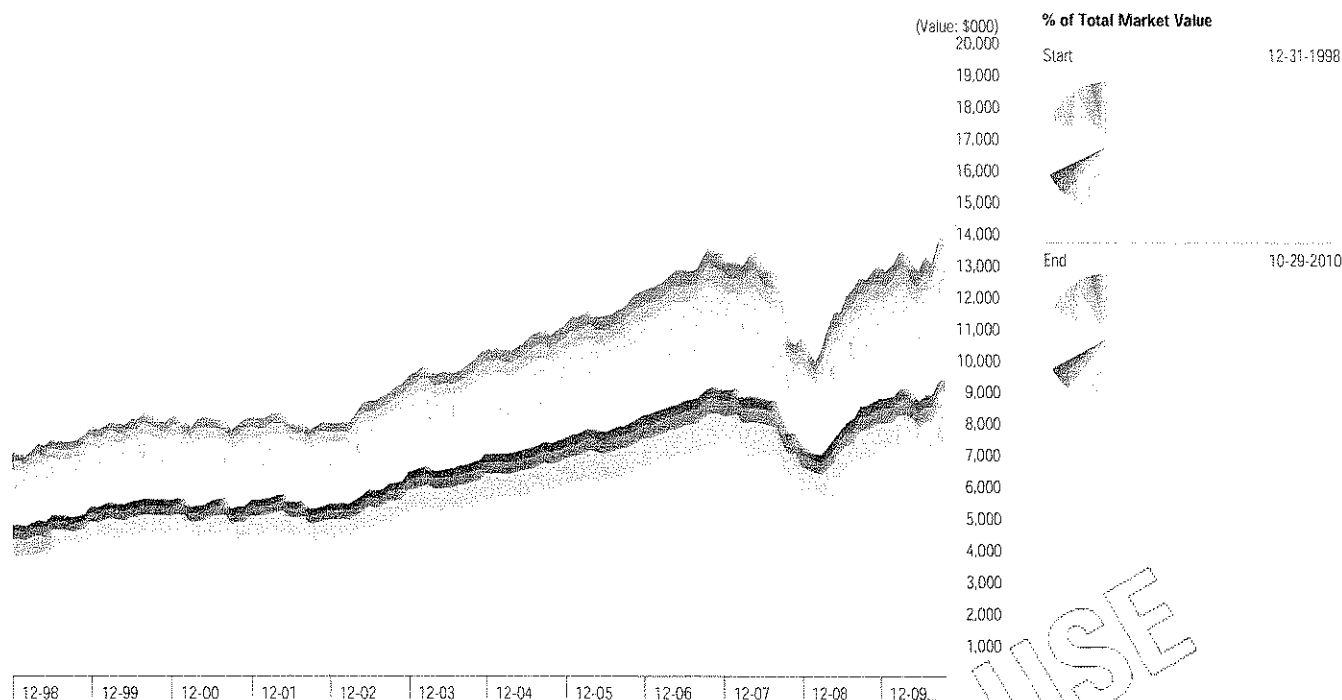
12-98 12-99 12-00 12-01 12-02 12-03 12-04 12-05 12-06 12-07 12-08 12-09

## Investment Detail

Period	Beginning Balance	New Investment	Distribution/Withdr	Total Reinvest	Charges & Fees	Taxes Due	Market Value	Total Return %
Totals	0.00	7,000,000	0	1,935,163	0	0	14,023,770	6.05
December 1998	0	7,000,000	0	0	0	0	7,000,003	0.00
January-December 1999	7,000,003	0	0	70,744	0	0	7,899,259	12.85
January-December 2000	7,899,259	0	0	77,113	0	0	8,149,490	3.17
January-December 2001	8,149,490	0	0	84,411	0	0	8,180,077	0.38
January-December 2002	8,180,077	0	0	107,005	0	0	8,010,077	-2.08
January-December 2003	8,010,077	0	0	74,380	0	0	9,482,077	18.38
January-December 2004	9,482,077	0	0	127,559	0	0	10,353,227	9.19
January-December 2005	10,353,227	0	0	253,296	0	0	11,049,332	6.72
January-December 2006	11,049,332	0	0	294,166	0	0	12,156,260	10.02
January-December 2007	12,156,260	0	0	487,553	0	0	13,353,099	9.85
January-December 2008	13,353,099	0	0	211,166	0	0	10,732,914	-19.62
January-December 2009	10,732,914	0	0	105,540	0	0	12,960,130	20.75
January-October 2010	12,960,130	0	0	42,228	0	0	14,023,770	8.21

**Hypothetical Portfolio Illustration Continued**

12-31-1998 to 10-29-2010

**Security Summary****Investment Assumptions**

Investment Name	Holding Period		Initial Investment	Subsequent Invest/Withdwl	Reinvest Distributions		Liqui-date	Re-balance	Charges and Fees				Market Value	
	Start	End	Amount	Amount	Freq	Income	Cap Gains		%	Front Load	Annual Fee%	Deferred Load Amount%	Period Months	End \$
AllianceBern Global Bond A	12-98	10-10	280,000	0	-	Y	Y	N	4.0	0.00%	0.00			552,023
Loomis Sayles Investment Grade B...	12-98	10-10	245,000	0	-	Y	Y	N	3.5	0.00%	0.00			486,507
🌐 PIMCO Total Return A	12-98	10-10	245,000	0	-	Y	Y	N	3.5	0.00%	0.00			485,360
🌐 Prudential Global Real Estate A	12-98	10-10	196,000	0	-	Y	Y	N	2.8	0.00%	0.00			398,343
UBS PACE International Em Mkts E...	12-98	10-10	196,000	0	-	Y	Y	N	2.8	0.00%	0.00			396,870
UBS PACE Large Company Growth Eq...	12-98	10-10	644,000	0	-	Y	Y	N	9.2	0.00%	0.00			1,334,048
🌐 UBS PACE Large Company Value Equi...	12-98	10-10	644,000	0	-	Y	Y	N	9.2	0.00%	0.00			1,306,645
🌐 UBS PACE Small/Medium Company Gr...	12-98	10-10	280,000	0	-	Y	Y	N	4.0	0.00%	0.00			575,357
🌐 UBS PACE Small/Medium Company Va...	12-98	10-10	280,000	0	-	Y	Y	N	4.0	0.00%	0.00			573,490

Index/Proxy Name	Holding Period		Initial Investment	Subsequent Invest/Withdwl		Reinvest Dividends		Liqui-date	Re-balance	Charges and Fees			Market Value
	Start	End	Amount	Amount	Freq	Income	Cap Gains		%	Front Load	Annual Fee%		End \$
BarCap Govt/Credit 1-5 Yr TR USD	12-98	10-10	2,730,000	0	-	Y	Y		39.0	0.00%	0.00		5,377,722
DJ Credit Suisse Hedge Fund USD	12-98	10-10	490,000	0	-	Y	Y		7.0	0.00%	0.00		979,412
MSCI AC World Ex USA NR USD	12-98	10-10	560,000	0	-	Y	Y		8.0	0.00%	0.00		1,135,632
S&P GSCI TR	12-98	10-10	210,000	0	-	Y	Y		3.0	0.00%	0.00		422,362



## Disclosure for Standardized™ and Tax Adjusted Returns

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus, an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit <http://advisor.morningstar.com/familyinfo.asp>

An investment in a money-market vehicle is not insured or guaranteed by the FDIC or any other government agency. The current yield quotation reflects the current earnings of the money market more closely than the total return quotation. Although money markets seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in them.

Standardized Returns assume reinvestment of dividends and capital gains. They depict performance without adjusting for the effects of taxation, but are adjusted to reflect sales charges and ongoing fund expenses. If adjusted for taxation, the performance quoted would be significantly reduced. For variable

annuities, additional expenses will be taken in account, including M&E risk charges, fund-level expenses such as management fees and operating fees, and contract-level administration fees, charges such as surrender, contract and sales charges.

After-tax returns are calculated using the highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or an IRA. After-tax returns exclude the effects of either the alternative minimum tax or phase-out of certain tax credits. Any taxes due are as of the time the distributions are made, and the taxable amount and tax character of each distribution are as specified by the fund on the dividend declaration date. Due to foreign tax credits or realized capital losses, after-tax returns may be greater than before-tax returns. After-tax returns for exchange-traded funds are based on net asset value.

### Annualized returns 09-30-2010

Standardized Returns (%)	7-day Yield	1Yr	5Yr	10Yr	Since Inception	Inception Date	Max Front Load %	Max Back Load %	Net Exp Ratio %	Gross Exp Ratio %
AllianceBern Global Bond A	--	7.60	6.76	7.89	8.55	03-27-1992	4.25	NA	0.90 <sub>1</sub>	1.00
Loomis Sayles Investment Grade Bond A	--	8.31	7.05	8.61	8.21	12-31-1996	4.50	NA	0.80	0.80
PIMCO Total Return A	--	6.30	7.04	7.02	6.97	01-13-1997	3.75	NA	-	0.91
Prudential Global Real Estate A	--	12.36	1.69	11.52	8.56	05-05-1998	5.50	NA	1.37	1.37
UBS PACE International Em Mkts Eq A	--	11.57	8.70	--	10.12	12-11-2000	5.50	NA	1.93	1.93
UBS PACE Large Company Growth Eq A	--	4.32	-0.35	--	-3.36	11-27-2000	5.50	NA	1.26 <sub>2</sub>	1.30
UBS PACE Large Company Value Equity A	--	2.26	-1.14	--	2.12	11-27-2000	5.50	NA	1.24	1.24
UBS PACE Small/Medium Company Gr Eq A	--	8.78	0.77	--	0.19	11-27-2000	5.50	NA	1.38 <sub>3</sub>	1.40
UBS PACE Small/Medium Company Val Eq A	--	5.43	-1.14	--	5.76	11-27-2000	5.50	NA	1.39	1.39
Standard & Poor's 500 TR	--	10.16	0.64	-0.43	--	--				
BarCap's Agg Bond Index	--	8.16	6.20	6.41	--	--				
MSCI EAFE Index Ndr_D	--	3.27	1.97	2.56	--	--				
3 Month T-Bill	--	0.12	2.50	2.43	--	--				

1. Contractual waiver; expires 01/29/2011.

2. Contractual waiver; expires 11/30/2010.

3. Contractual waiver; expires 11/30/2010.

### Returns after Taxes (%)

	On Distribution				On Distribution and Sales of Shares				
	1Yr	5Yr	10Yr	Since Inception	Inception Date	1Yr	5Yr	10Yr	Since Inception
AllianceBern Global Bond A	6.15	4.78	5.26	--	03-27-1992	4.91	4.57	5.12	--
Loomis Sayles Investment Grade Bond A	6.44	4.80	6.29	--	12-31-1996	5.31	4.66	6.04	--
PIMCO Total Return A	4.91	4.97	4.95	--	01-13-1997	4.09	4.79	4.79	--
Prudential Global Real Estate A	10.83	0.22	10.18	--	05-05-1998	7.89	0.86	9.56	--
UBS PACE International Em Mkts Eq A	11.04	6.01	--	--	12-11-2000	7.48	6.49	--	--
UBS PACE Large Company Growth Eq A	4.25	-0.46	--	--	11-27-2000	2.80	-0.30	--	--
UBS PACE Large Company Value Equity A	1.93	-2.49	--	--	11-27-2000	1.46	-1.29	--	--
UBS PACE Small/Medium Company Gr Eq A	8.78	-0.45	--	--	11-27-2000	5.71	0.41	--	--
UBS PACE Small/Medium Company Val Eq A	5.41	-2.44	--	--	11-27-2000	3.53	-1.20	--	--

**Non-Load Adjusted Returns****Total 13 holdings as of 10-31-2010**

	Type	Holdings Date	% of Assets	Holding Value \$	7-day Yield	1Yr Ret %	3Yr Ret %	5Yr Ret %	10Yr Ret %	Since Inception	Inception Date	Max Front Load %	Max Back Load %
BarCap Govt/Credit 1-5 Yr TR U	IDX	—	38.35	5,377,722	—	5.21	5.66	5.45	5.26	-7.64	—	NA	NA
UBS PACE Large Company Gr-PLAAX	MF	07-10	9.51	1,334,048	—	19.09	-5.64	2.18	-3.20	-2.24	11-00	5.50	NA
UBS PACE Large Company Va-PCPAX	MF	07-10	9.32	1,306,645	—	14.85	-8.17	1.19	2.59	3.04	11-00	5.50	NA
MSCI AC World Ex USA NR USD	IDX	09-2010	8.10	1,135,632	—	12.62	-8.05	5.74	5.02	5.24	—	NA	NA
DJ Credit Suisse Hedge Fund US	IDX	—	6.98	979,412	—	11.22	0.95	6.50	7.00	9.34	—	NA	NA
UBS PACE Small/Medium Com-PQUAX	MF	07-10	4.10	575,357	—	27.05	-5.30	3.47	-0.12	1.23	11-00	5.50	NA
UBS PACE Small/Medium Com-PEVAX	MF	07-10	4.09	573,489	—	23.08	-3.68	1.63	6.81	6.78	11-00	5.50	NA
AllianceBern Global Bond -ANAGX	MF	08-10	3.94	552,022	—	11.68	7.14	8.13	8.49	8.79	03-92	4.25	NA
Loomis Sayles Investment -LIGRX	MF	08-10	3.47	486,507	—	13.90	8.17	8.52	9.34	8.62	12-96	4.50	NA
PIMCO Total Return A-PTTAX	MF	06-10	3.46	485,359	—	10.94	10.33	8.28	7.47	7.30	01-97	3.75	NA
S&P GSCI TR	IDX	—	3.01	422,361	—	0.96	-15.20	-7.78	1.43	9.73	—	NA	NA
Prudential Global Real Es-PURAX	MF	09-10	2.84	398,342	—	26.12	-7.64	4.09	13.07	9.31	05-98	5.50	NA
UBS PACE International Em-PWEAX	MF	07-10	2.83	396,869	—	23.87	-5.80	12.17	10.61	11.02	12-00	5.50	NA

**Performance Disclosure**

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please visit <http://advisor.morningstar.com/familyinfo.asp>.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please visit <http://advisor.morningstar.com/familyinfo.asp>.

**See Disclosure Page for Standardized Returns.**

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# Hypothetical Report Disclosure Statement

## General

**This report has been prepared at your request and presents data compiled by Morningstar from sources it believes reliable. However, neither Morningstar nor UBS Financial Services Inc. have independently verified such information and do not guarantee the accuracy or completeness thereof. This report should not be used as the basis of an investment or liquidation decision. Please review the applicable prospectus for detailed information regarding the securities covered in this report.**

This Report is to be used as supplemental sales literature, and therefore must be preceded or accompanied by a current prospectus for all securities listed and a disclosure statement. Please read the prospectus carefully. In all cases, this disclosure statement should accompany the Report. Morningstar is not itself a FINRA-member firm. Portfolio information is based on the most recent information available to Morningstar.

## Hypothetical/Simulated Investment Returns

This is an illustration of a simulated investment and assumes the portfolio holding(s) were purchased on the first day of the period indicated. Sales and tax charges, including those required in the event of transfers between assets, are taken into account at the rates shown and may be higher or lower than what an investor would have actually paid had the investments been purchased then or now. The performance data represents past performance and is not indicative of future results. Principal value and investment returns will fluctuate, and an investor's shares/units when redeemed may be worth more or less than the original investment.

The underlying holdings of the portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. Investment in securities involve investment risks including possible loss of principal and fluctuation in value.

The investment returns do not reflect active trading and do not necessarily reflect the results that might have been achieved by active management of the account. The investment returns of other clients of the adviser may differ materially from the investment portrayed.

The information contained in this report is from the most recent information available to Morningstar as of the release date, and may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

## Pre-inception Returns

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the funds actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the reports Charges and Fees section.

**When pre-inception data are presented in the report, the header at the top of the report will indicate this.**

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures between a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns

are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

Depending on your selection, the investment returns do not necessarily reflect the deduction of all investment advisory fees. Client investment returns may be reduced if additional fees are incurred.

Performance for closed-end and exchange-traded funds is calculated based on the fund's end of the day market prices as reported by the New York Stock Exchange. Separate account performance is based on the mean experience of an investor in the account.

Depending on your selection, this illustration may reflect the results of systematic investments and/or withdrawals. Systematic investment does not ensure a profit, nor does it protect the investor against a loss in a declining market. Also, systematic investing will not keep an investor from losing money if shares are sold when the market is down.

## Security Summary Graph

The investment summary graph plots the approximate market value of the security or portfolio over the investing horizon. It may also include the total investment assumed in the illustration and/or a benchmark. Total investment includes dollar inflows and outflows, including inflows representing noted taxes and annual fees paid out of pocket. If a benchmark index is included on a graph, it assumes a similar pattern of investment/withdrawal as for the security or portfolio. Taxes and transaction costs are not applied to the benchmark index. Note that direct investment in an index is not possible. Indexes are unmanaged portfolios representing different asset classes, with varying levels of associated risk. The benchmark index included in the graph may or may not represent an appropriate or accurate comparison with the security or portfolio illustrated.

These reports include the use of indices as performance benchmarks for informational purposes only. In the Comparison and Individual Hypothetical the benchmark is automatically assigned as follows. Open-End Mutual Funds and Exchange Traded Funds default to the index assigned by Morningstar as the "best fit". The "best fit" index is defined by Morningstar as the market index that shows the highest correlation with a fund over the most-recent 36 months, as measured by the highest R-squared. Closed-End Funds and Subaccounts default to the "secondary index" assigned by Morningstar. The "secondary index" is based on the Morningstar Category. For Equities, no benchmark is assigned.

## Custom Benchmarks

In the Portfolio Hypothetical and Portfolio Snapshot, users define the benchmark. The benchmark chosen may not be the index against which those securities measure their overall performance. As a result, you should not rely on the information presented in making an investment or liquidation decision.

Indices are included for illustration purposes only and not as a benchmark against which performance should be measured or compared. Depending upon the composition of your portfolio and your investment objectives, these indices may not be an appropriate measure for comparison purposes and as such, are represented for illustration only. Although most portfolios use indices as benchmarks, portfolios are not restricted to investing only in the securities in the index. As a result, your portfolio holdings and performance may significantly vary from the index. Indices are not available for direct investment and reflect an unmanaged universe of securities, which does not take into account advisory or transaction fees, all of which will reduce the overall return.

All comparisons, regardless of security type, relate to the historical performance of market indexes and not the performance of actual investments.

## Hypothetical Report Disclosure Statement (Continued)

The selection and use of benchmarks for comparison purposes is not a promise or guarantee that your account will meet or exceed the stated benchmark. Past performance is no guarantee of future results.

### Standardized Returns

For ETFs, the standardized returns reflect performance, both at market price and NAV price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing ETF expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

For money market mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses. Current 7-day yield more closely reflects the current earnings of the money market fund than the total return quotation.

For mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses. Following this disclosure statement, standardized returns for each portfolio holding are shown.

For VA subaccounts, standardized return is total return based on its inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses.

For VL subaccounts, standardized return is total return based on its inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses. For VLs, additional fees specific to a VL policy such as transfer fees and cost of insurance fees, which are based on specific characteristics on an individual, are not included. If VL fees were included in the return calculations, the performance would have been significantly lower. An investor should contact their financial advisor and ask for a personalized performance illustration, either hypothetical or historical, which reflects all applicable fees and charges including the cost of insurance. Please review the prospectus and SAI for more detailed information.

This report does not take into account any breakpoint or other discounts that you may be entitled to as a result of other fund shares of this fund or fund family that you or certain of family members already own, or intend to purchase. Please see the applicable prospectus for details.

### Investment Risk

**The investment risks for portfolio holdings described below are only a general summary of the most common investment risks associated with certain types of investments. Your portfolio's investment strategy may be subject to special investment risks and suitability considerations. The prospectus for the fund and variable annuity products contains important information regarding these suitability considerations, risks, charges and expenses that you should review carefully when considering an investment in these products.**

**Market Price Risk:** The market price of ETFs and closed-end funds traded on the secondary market is subject to the forces of supply and demand and thus independent of the CE/ETFs NAV. This can result in the market price trading at a premium or discount to the NAV, which will affect the investment value.

**Market Risk:** The market prices of closed-end funds and ETFs can fluctuate as the result of several factors, such as security-specific factors or general

investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact they may have on the market price.

**Non-Diversified Funds/Subaccounts:** Investing most of their assets in a small number of issuers involves additional risks, including share price fluctuations, because of the increased concentration of investments.

**Tax-Free Municipal Bond Funds/Subaccounts:** The income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

**High-Yield Bond Funds/Subaccounts:** Investing in lower-rated debt securities (commonly referred to as junk bonds) involves additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

**Sector Funds/Subaccounts:** Investing exclusively in one sector or industry involves additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

**Small Company Stock Funds/Subaccounts:** Investing in stocks of small companies involves additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

**Foreign Securities Funds/Subaccounts:** Investing in foreign securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards.

**Emerging Market Funds/Subaccounts:** Investing in foreign securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

**Mid Cap Funds/Subaccounts:** Investing in companies with smaller market capitalizations involves additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

### Definitions of Report Terms

**Annual Fee Paid:** Your advisor was able to specify whether annual fees, if any, should be assumed paid out of pocket or from selling shares of securities held in the illustration.

**Average Annualized Return:** Average annualized money-weighted return (internal rate of return). In illustrations with time periods less than one year, this figure is not annualized.

**Capital Gains (Individual Report):** Percentage of the total market value of the holding that is attributable to the reinvestment of capital gains distributions.

**Charges & Fees (Investment Detail):** The sum of fees charged to the investor during the period, including front- or deferred loads, VA charges, and annual fees.

**Cumulative Return:** The total money-weighted return of the investment over the entire time period of the illustration.

## Hypothetical Report Disclosure Statement (Continued)

**Distribution/Withdrawl:** The sum of distributions not reinvested, plus any cash withdrawals during the period.

**Income (Individual Report):** The percentage of the total market value of the holding that is attributable to the reinvestment of income or dividend distributions.

**Liquidate:** Indicates whether the advisor chose to liquidate the holding on the end date.

**Median (Comparison Report):** The total money-weighted return (internal rate of return) of the median security in the illustration for the calendar year indicated.

**Net Dollars Invested:** The total out-of-pocket expense for the investor. Includes new investment and annual fees and taxes due that are paid out of pocket.

**New investment:** Any new cash invested during the period.

**Principal (Individual Reports):** The percentage of the total market value of the holding that is attributable to new investment.

**Rebalance (Planning Assumptions):** Indicates whether rebalancing is used, and its frequency. "No" indicates no rebalancing. Options for rebalancing frequency are monthly, quarterly, semi-annually, and annually.

**Rebalance (Investment Assumptions):** Percentage of total asset allocation to be maintained in this holding through rebalancing.

**Securities Returns (Comparison Report):** The total money-weighted return (internal rate of return) for the holding in the calendar year indicated, taking into account cash flows, charges, and fees.

**Subsequent Invest/Withdrawl:** The amount, type, and frequency of subsequent investments or withdrawals from the holding. Withdrawals are represented by a negative number. Systematic investments and withdrawals may be made monthly, quarterly, semi-annually, or annually. If "Custom," a custom schedule of investments or withdrawals was used.

**Taxes Due:** The total amount of taxes due from the investor, determined by applying specified tax rates to distributions and sale of shares during each calendar year.

**Taxes Paid:** Your advisor was able to specify whether taxes, if any, should be assumed paid out of pocket or from selling shares of securities held in the illustration.

**Net Dollars Invested:** The total out-of-pocket expense for the investor. Includes new investment, annual fees paid to advisor, and taxes due. This figure is net of withdrawals, including liquidation.

**Total Reinvest:** The sum of distributions reinvested during the period.

**Total Return %:** The total money-weighted return (internal rate of return) on investments for the period.

## Benchmark Disclosure

### **USTREAS T-Bill Auction Ave 3 Mon**

Three-month T-bills are government-backed short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

Morningstar collects yields on the T-bill on a weekly basis from the Wall Street Journal.

### **BarCap US Agg Bond TR USD**

This index is composed of the BarCap Government/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The returns we publish for the index are total returns, which include reinvestment of dividends.

### **MSCI EAFE NR USD**

This Europe, Australasia, and Far East index is a market-capitalization-weighted index of 21 non-U.S., industrialized country indexes. Please note that although most asset allocation data produced by Morningstar for indexes are based on quantitative analysis of constituents, including the country of origin for each equity among the constituents, any asset allocation displayed for this index was qualitatively determined.

### **S&P 500 TR**

A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. TR (Total Return) indexes include daily reinvestment of dividends.

### **BarCap Govt/Credit 1-5 Yr TR USD**

Represents a combination of the Government and Corporate Bond indices for bonds with maturities between one and five years. The returns we publish for the index are total returns, which include reinvestment of dividends.

### **MSCI AC World Ex USA NR USD**

The MSCI AC World ex USA is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The index consists of 48 developed and emerging market country indices. The returns we publish for the index are total returns, which include reinvestment of dividends.

### **S&P GSCI TR**

A composite index of the commodity futures. It represents unleveraged, long-only investments in commodity futures that are broadly diversified.



## Copper River Watershed Project

Voices for a Wild Salmon Economy

November 30, 2010

Jim Kallander, Mayor  
Cordova City Council  
City of Cordova  
PO Box 1210  
Cordova, AK 99574

Dear Mayor Kallander and Council Members,

I'm writing to ask if I may take a few minutes at the December 15, 2010 Council meeting to update you on our Eyak Lake habitat restoration work? We've changed our focus a bit and want to keep you up to date.

Attached is a scope of work that explains how we will allocate the remaining funds in our NOAA grant. This narrative describes why the Mavis Island culvert project has been omitted from 2011 construction plans and introduces our plans to reduce sediment and hydrocarbon pollutants at the drainage culvert for Lake Avenue, west of Nirvana Park by installing an oil & grit separator.

I look forward to answering any questions you might have at the mid December Council meeting.

Thank you,

Kristin Carpenter



# Copper River Watershed Project

Voices for a Wild Salmon Economy

## **CREATING A PARTNERSHIP PLATFORM FOR LONG-TERM SALMON HABITAT PRODUCTIVITY: RESTORING CORDOVA'S "MILLION DOLLAR" EYAK LAKE**

### **CHANGE OF SCOPE**

The Copper River Watershed Project has requested a year extension from NOAA to use the remaining funds to complete the grant's objective to restore fish habitat within Eyak Lake. The request will omit the Mavis Island causeway project and include the installation of an oil & grit separator at Eyak Lake's most polluted stormwater outfall. This additional time will allow the Copper River Watershed Project appropriate time to permit, design, and execute this new construction project and provide 2,287 labor hours to our local economy in 2011.

### **MAVIS ISLAND CAUSEWAY**

The Mavis Island causeway project involved creating a 60 foot opening to restore natural circulation patterns in the central Eyak Lake area. After working with the City of Cordova and the State of Alaska to obtain support for the project by constructing three 19 foot culverts instead of a 60 foot bridge, the engineers reported that the geotechnical analysis of the causeway soils wouldn't support either design.

The engineers shared their concerns with the causeway's poor soils: (1) the soils appear to be sinking and would not offer a solid base to ensure structural integrity of the culverts; (2) there was little confidence in the construction (i.e. losing equipment by soils sloughing off when excavating the fill); (3) de-watering with an inflatable Port-a-Dam would not be possible with poor soils. De-watering would require driving piles, making the project prohibitively expensive.

The engineers proposed installing one thick-gauge, 8 foot round culvert without de-watering instead of three 19 foot culverts. Due to the uncertainty in construction and the lack of confidence in the 8 foot breach restoring circulation to the desired level, NOAA and the Copper River Watershed Project discussed alternative projects.

### **ALTERNATIVE CONSTRUCTION**

The City of Cordova's Nirvana Park, on the western end of Eyak Lake, borders a DOT-constructed culvert passage that discharges untreated stormwater run-off from the adjacent neighborhoods. Alaska Department of Fish & Game fisheries biologists identified the lakeshore near this site as rearing habitat for juvenile cutthroat, Dolly Varden and sockeye and coho salmon, and spawning habitat for sockeye salmon. A visible stream of murky water flows into the lake during heavy precipitation, impairing growth and survival of juvenile salmonids. Project partners decided upon installing an oil and grit separator to restore this area being polluted by sediment, hydrocarbons and other pollutants found in urban stormwater. This project has official support from the Alaska Department of Fish & Game, U.S. Fish & Wildlife Service, and the City of Cordova.

Through passive sampling, CRWP has identified polycyclic aromatic hydrocarbons discharging into Eyak Lake from the outfall culvert west of Nirvana Park (NOAA, Short et al., 2006). This culvert



discharges stormwater from the 59 acre sub-watershed called the Nirvana Park/ Vina Young watershed. Analysis of the samplers found that "PAH composition patterns were heavily petrogenic, indicating that uncombusted oil such as spills or urban runoff was the source. Concentrations of PAH were greatest during fall, presumably associated with stormwater runoff from fall precipitation" (NOAA, Short et al., 2006). The report noted that "the embryonic life stages of fish are especially sensitive to oil pollution through" PAH exposure, which "can impair the development of fish embryos following relatively brief exposures to concentrations in the low parts per billion. . . (Marty et al., 1997, Heintz et al. 1999, Carls et al. 1999)" (Short et al., 2006). Other research shows that the developing fish heart is vulnerable to polycyclic aromatic hydrocarbons (NOAA, Scholz, 2008). Pollution levels in Eyak Lake were found to be "near the threshold for toxicity to salmon embryos" (Short et al., 2006).

Through additional testing, we have also identified high loads of sediment discharging into Eyak Lake through the storm drain and from snow melt. Sediment from runoff affects fish in all life stages. Rearing habitat is compromised because aquatic insects cannot live in the silty water, reducing the food supply for juvenile salmon. The sediment from runoff clogs juvenile fish gills and can irritate fish scales, leading to infection and disease.

Jack Stevenson (ADOT&PF) estimated that approximately 400 cubic yards of sand are used on Lake Avenue alone during the winter months. DOT does add magnesium chloride to its sand. Stevenson estimated that 520 gallons of magnesium chloride are added each year. The other roads in the Nirvana Park/ Vina Young sub-watershed are maintained by the City of Cordova and contribute additional sanding. This sediment is allowed to pick up oils and other pollutants, contributing to stormwater runoff.

The Jacobs Engineering report CRWP commissioned in 2009 suggested an oil and grit separator to mitigate storm water pollutants being discharged into Eyak Lake. Jacobs Engineering also suggested we develop a comprehensive snow storage plan that can reduce sediment and debris loading via snow contamination.



*West of Nirvana Park, spring 2010. Notice each bank has snow storage sites contributing sediment into Eyak Lake. The furthest culvert pictured is the discharge culvert for Lake Avenue stormwater (note difference in water color). The closer two culverts discharge a local stream offering habitat to cutthroat trout, coho salmon, and historically pink salmon.*

Healthy rearing habitat leads to greater adult returns. Returning adult salmon bring marine derived nutrients to the lake system and increase the overall productivity of the lake. The lake's productivity is linked directly to our community's sustainability because salmon are the bedrock of our economy.

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## A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

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DATE: December 6, 2010  
TO: Mayor & City Council  
CC: File  
SUBJECT: Liquor License Renewal

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The Clerk's office has received notification that the following local establishment has applied for renewal of its liquor license with the State Alcoholic Beverage Control Board. Police Chief Baty was out of town but his administrative assistant has advised that there is no reason for the City of Cordova to file a protest against this request.

License: OK Restaurant License # 2433 Restaurant/Eating Place (Dae J Chung – owner)



## *Cordova Police Department*

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

December 6, 2010

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

Re: O.K. Restaurant, #2433

Dear Susan,

I have no reason to protest the renewal of the liquor license for the O.K. Restaurant (Liquor License #2433).

Sincerely,

A handwritten signature in cursive script that reads "Shannon Joekey".

Shannon Joekey for Robert M. Baty, Chief of Police



State of Alaska  
Department of Public Safety  
**Alcoholic Beverage Control Board**

Sean Parnell, Governor  
Joseph A. Masters, Commissioner

December 6, 2010

**Renewal Application Notice**

City of Cordova  
Attn: City Clerk  
VIA EMAIL: [cityclerk@cityofcordova.net](mailto:cityclerk@cityofcordova.net)

DBA	Lic Type	Lic #	Owner	Premise Address
O.K. Restaurant	Restaurant/Eating Place	2433	Dae J Chung	616 First Street

We have received a renewal application for the above listed licenses (see attached applications) 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. GIFFORD  
Director

*/s/ Christine C. Lambert*

Christine C. Lambert  
Records & Licensing Supervisor  
269-0359  
Christine.lambert@alaska.gov

**CITY OF CORDOVA, ALASKA**  
**PROCLAMATION OF APPRECIATION TO ANDREW CRAIG**

**I, Mayor Jim Kallander, do hereby issue this**  
**Proclamation of Appreciation to**  
**Andrew Craig**  
**for his valuable contribution**  
**to the City of Cordova.**

**WHEREAS, Andrew Craig was appointed to the Planning and Zoning Commission in April 2008; and**

**WHEREAS, he has spent many personal hours in regular meetings, special meetings and work sessions participating in discussions and helping make important decisions that affect the citizens, the business owners as well as the City of Cordova; and**

**WHEREAS, he has worked toward a better community for the citizens of Cordova by impartially weighing all sides of issues and listening attentively to the facts and history of items that appear before the Planning and Zoning Commission.**

**NOW, THEREFORE, BE IT RESOLVED that the Mayor, City Council members and citizens of Cordova do hereby express their sincere appreciation to Andrew Craig for his devotion of time and effort while serving as a member of the Planning and Zoning Commission for the City of Cordova, Alaska.**

**SIGNED THIS 15<sup>th</sup> DAY OF DECEMBER, 2010**

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**Jim Kallander, Mayor**

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## A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

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DATE: November 24, 2010  
TO: Mayor and City Council  
CC: File  
SUBJECT: Resolution 12-10-67

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The attached resolution updates the authorized signers for the City. This is being done to account for the new City Planner.

Recommended Motion: Move to approve the consent calendar

Required Action: Majority roll call vote on the consent calendar

DRAFT

**CITY OF CORDOVA, ALASKA  
RESOLUTION 12-10-67**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA,  
ALASKA, AUTHORIZING MARK LYNCH, CITY MANAGER; CATHY  
SHERMAN, ACTING CITY MANAGER; SUSAN BOURGEOIS, CITY CLERK;  
JAMES KALLANDER, MAYOR; DAVID REGGIANI, VICE-MAYOR; AND  
SAMANTHA GREENWOOD, CITY PLANNER, TO SIGN CHECKS,  
VOUCHERS, NOTES AND OTHER DOCUMENTS AUTHORIZED BY THE  
CITY COUNCIL.**

WHEREAS, it is necessary to authorize *Mark Lynch*, City Manager; *Cathy Sherman*, Acting City Manager; *Susan Bourgeois*, City Clerk; *James Kallander*, Mayor; *David Reggiani*, Vice-Mayor; and *Samantha Greenwood*, City Planner, to sign checks, vouchers, notes and other documents as authorized by the City Council and the Municipal Charter.

NOW, THEREFORE, BE IT RESOLVED that Mark Lynch, City Manager; *Cathy Sherman*, Acting City Manager; *Susan Bourgeois*, City Clerk; *James Kallander*, Mayor; *David Reggiani*, Vice-Mayor; and *Samantha Greenwood*, City Planner, are hereby authorized to sign checks, vouchers, notes and other documents as authorized by the City Council and Municipal Charter; and

FURTHER BE IT RESOLVED, that all prior resolutions authorizing city officers to sign checks, vouchers, notes and other documents are hereby repealed.

**PASSED AND APPROVED THIS 15<sup>th</sup> DAY OF DECEMBER, 2010.**

\_\_\_\_\_  
James Kallander, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, City Clerk



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## A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

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DATE: December 03, 2010

TO: Mayor and City Council

CC: File

SUBJECT: Resolution 12-10-68

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The attached resolution involves adopting an alternative allocation method for the FY11 shared fisheries business tax program and certifying that this method fairly represents the distribution of significant effects on fisheries business activity in the Prince William Sound Management area (Cordova, Valdez, and Whittier).

The following provides some background information. The funding available for the program this year is equal to half of the state fisheries business tax revenues collected outside of municipal boundaries during calendar year 2009. The available funding is allocated among the 19 Fisheries Management Areas (FMAs) based on pounds of fish and shellfish processed in the whole state during the 2009 calendar year and then allocated based on Fisheries Business Tax Return information for the same year.

In the standard allocation method, the annual allocation to be shared within the fisheries management area (FMA) is divided equally among the participating municipalities in that FMA, and the other half is divided and distributed to those communities based on their individual fisheries impacts. This method is for reporting the impacts the fishing industry has on the community, or rather the costs on the community infrastructure and services; for example, increased demands on fresh water systems, adding additional staff such as harbor master and police to provide extra coverage for the influx of transient residents for the fishing season, damages to the docks from fishing vessels....etc. These impacts would have to be carefully recorded as the City would be required to provide proof of the impacts. Also, once a municipality goes through the tedious process of reporting the impacts, there are no guarantees that the state will accept them. This method is felt to be more costly when considering staff time to compile the information. Also, to switch from the alternative method to the standard method creates bad feelings in the FMA because if one community changes to the standard method, the other communities are forced to change as well.

In the alternative allocation method, the annual allocation to be shared within the FMA can be split in a number of different ways. Currently, the Prince William Sound FMA does an equal 3-way split. Other FMA's incorporate different methods and combinations of methods to measure the significant effects of fisheries business activity within their municipalities. The alternative method is negotiated among the communities within the FMA. All communities within an FMA must agree before the state will accept the distribution method.

Currently, the alternative allocation method of Prince William Sound FMA is on file at DCC&ED. We have used this method since 2000. Valdez collects the resolutions as they are passed and submits them to the state.

The FY11 program allocation for the PWS FMA is estimated to be \$100,126.01. Cordova's share will be approximately \$33,375.37. This program distribution is based on pounds of fish processed within our FMA but outside of municipal boundaries.

Recommended Motion: Move to approve Resolution 12-10-68.

Staff Recommendation: Majority voice vote.

**CITY OF CORDOVA, ALASKA  
RESOLUTION 12-10-68**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA  
ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY11  
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 MANAGEMENT AREA**

**WHEREAS**, AS 29.60.450 requires that for a municipality to participate in the FY11 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development (DCCED) that the municipality suffered significant effects during calendar year 2009 from fisheries business activities; and,

**WHEREAS**, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by DCCED; and,

**WHEREAS**, 3 AAC 134.070 provides for the use, at the discretion of DCCED, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of relative significant effect of fisheries business activity on the respective municipalities in the area; and,

**WHEREAS**, The Cordova City Council proposes to use an alternative allocation method for allocation of FY11 funding available within the Prince William Sound Management Area in agreement with all other municipalities in this area participating in the FY11 Shared Fisheries Business Tax Program;

**NOW, THEREFORE, BE IT RESOLVED**, that The Cordova City Council by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2009 of fisheries business activity in the Prince William Sound Management Area.

**ALTERNATIVE ALLOCATION METHOD:** All eligible communities in the Prince William Sound Fisheries Management Area (Cordova, Valdez, and Whittier) will receive an equal share of the funds available.

**PASSED AND APPROVED THIS 15<sup>TH</sup> DAY OF DECEMBER, 2010**

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James Kallander, Mayor

ATTEST:

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Susan Bourgeois, City Clerk

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## A MEMO FROM SUSAN BOURGEOIS, DEP CITY CLERK

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DATE: December 7, 2010

TO: Mayor and City Council

CC: File

SUBJECT: Resolution 12-10-69

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Appraisal Company of Alaska has asked us to renew a one year contract for City Appraising Services. The \$15,000 is a reasonable amount as they are in the process of a full review for 2011. A normal annual update (i.e. ownership changes, building permits, new construction) cost the City \$12,000 in 2009. The Assessor fees for 2010 were \$15,000. Therefore, a complete reevaluation for 2011 at the cost of \$15,000 is reasonable and even seems inexpensive for the City. Appraisal Company has been the City Assessor since 1988. They are in a unique situation now in that the Company retains an employee who lives in Cordova and can much less-expensively maintain Cordova's account for Appraisal Company of Alaska.

Recommended motion: Move to approve Resolution 12-10-69

Staff recommendation: Majority Voice Vote

**CITY OF CORDOVA, ALASKA  
RESOLUTION 12-10-69**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
TO AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH  
APPRAISAL COMPANY OF ALASKA FOR TAX YEAR 2011 ASSESSMENT SERVICES  
IN THE AMOUNT OF FIFTEEN THOUSAND DOLLARS (\$15,000).**

**WHEREAS**, the City of Cordova is required by the Cordova Municipal Code to perform annual property assessment; and

**WHEREAS**, the City Clerk has identified Appraisal Company of Alaska as the company most compatible with the needs of the City.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Cordova, Alaska, hereby authorizes the City Manager to enter into an agreement, attached as Exhibit "A", with Appraisal Company of Alaska for tax year 2011 assessment services in the amount of Fifteen Thousand dollars (\$15,000).

**PASSED AND APPROVED THIS 15<sup>th</sup> DAY OF DECEMBER, 2010**

\_\_\_\_\_  
James Kallander, Mayor

**ATTEST:**

\_\_\_\_\_  
Susan Bourgeois, City Clerk

**Exhibit "A"**

**CITY OF CORDOVA, ALASKA  
TAX YEAR 2011  
AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is between the CITY OF CORDOVA, ALASKA, and APPRAISAL COMPANY OF ALASKA ("Contractor"), effective on the \_\_\_\_ day of \_\_\_\_\_, 2010.

THIS AGREEMENT is for professional tax assessment services for the City of Cordova. Contractor's primary contact person under this agreement is Michael C. Renfro. Contractor's primary contact person may not be changed without the written consent of the City.

**ARTICLE 1. SUMMARY OF SERVICES**

1.1 The scope of work to be performed hereunder is more completely described in Appendix A which is incorporated herein by reference.

**ARTICLE 2. COMPENSATION**

2.1 Compensation shall be paid in accordance with the Basis of Compensation Schedule attached hereto as Appendix B and incorporated herein by reference.

**ARTICLE 3. PERIOD OF PERFORMANCE**

3.1 The Contractor agrees to commence work under this agreement only as authorized by and in accordance with written or oral notice to proceed and to complete the work in accordance with Scope of Work (Appendix A) and such time schedules as directed by the City of Cordova.

3.2 The period of performance under this agreement shall be tax assessment work for the City of Cordova for the 2011tax year and shall end upon completion of the board of Equalization hearings and appeals in year 2011.

3.3 This contract may be carried over with the written agreement of both parties.

3.4 Termination: Either party may terminate this Agreement for substantial failure of the other party to perform its obligations hereunder only after having first provided written notice of the alleged failure to perform to the non-performing party and given the non-performing party, fifteen (15) days within which to either remedy said non-performance or if the non-performance cannot be cured within fifteen (15) days, commence and proceed with diligence to cure the non-performance. In the event of such termination, the Assessor will be paid for all services rendered to the date of termination, less any damages incurred by the City as a result of the Assessor's non-performance.

ARTICLE 4. SUBCONTRACTORS

4.1 The Contractor shall perform all services required under this agreement except as may be performed by its subcontractors. Subcontractors can only be used with the express prior written permission of the City of Cordova, which retains the right to approve or reject subcontractors and the use thereof. All subcontractors shall be required to comply with insurance requirements identified in Article 5 below.

ARTICLE 5. INSURANCE

5.1 The following minimum limits of insurance coverage are required:

<u>Type insurance</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
Workmen's Compensation (for states In which employees are engaged) (Statutory)	(Statutory)	
Employer's General Liability	\$500,000	\$1,000,000
Comprehensive General Liability	\$2,000,000	\$4,000,000
Comprehensive Automobile Liability	\$500,000	\$1,000,000

ARTICLE 6. APPENDICES

6.1 The following appendices are attached to this agreement and incorporated herein:

- Appendix A Scope of Work
- Appendix B Basis of Compensation

IN WITNESS WHEREOF, the parties have executed this Agreement on the \_\_\_\_ day of \_\_\_\_\_, 2010.

CONTRACTOR:

APPRAISAL COMPANY OF ALASKA

CITY OF CORDOVA, ALASKA



By: \_\_\_\_\_  
Michael C. Renfro  
Partner

By: \_\_\_\_\_  
Mark Lynch  
City Manager

## APPENDIX A

### SCOPE OF WORK

The Contractor shall:

1. Establish the full and true value of all taxable real property located within the City of Cordova to be assessed In the name of the person by whom it is owned on the first day of January, for the tax year of the contract.
2. Provide current assessments with new photographs and valuations for all new buildings constructed and assess all changes on existing properties.
3. Create and/or update in full detail a property card for each parcel showing size, dimensions, construction materials, and other pertinent data as well as a minimum of one exterior photograph.
4. Provide updates to the assessment roll to the City Clerk's office no later than February 1<sup>st</sup>.
5. Represent the City of Cordova at Board of Equalization hearings.
6. Conduct a sales ratio analysis (ratio between assessed values and sales prices) to ensure that current appraisals are within 90% to 110% of market value.
7. Keep the City Administration informed of sales ratio analyses or other information which may cause the assessor to make changes to local assessments that would raise or lower assessments greater than 5% in any one year.
8. Be accessible to City of Cordova staff throughout the term of the contract for consultation.
9. After completion of the Board of Equalization hearings, assist the City Clerk in certifying the final assessment roll.
10. Title information and/or legal opinions, if required, will be furnished by the City of Cordova.
11. The assessor is to be allowed to remove the property record cards from the City for a period not to exceed 60 days for computations and any additional time to be at the discretion of the City.
12. Complete a full revaluation to the most current valuation manuel.



**APPENDIX B****BASIS OF COMPENSATION**Compensation and Terms of Payment

2011 revaluation	\$15,000
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Contract assessor to also represent the City of Cordova at the annual Board of Equalization (BOE). The assessor's fee for representation at the BOE is included in the contract amount.

Recommended method of compensation as follows:

- 20% at Beginning of Project
- 30% at 50% Completion
- 40% at Project Completion
- 10% at BOE and Appeals Completion

100% Total Fee



# **CITY OF CORDOVA**

*Office of City Manager*

City of Cordova  
602 Railroad Ave.  
P.O. Box 1210  
Cordova, Alaska 99574  
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Email: [citymanager@cityofcordova.net](mailto:citymanager@cityofcordova.net)  
Web: [www.cityofcordova.net](http://www.cityofcordova.net)

December 8, 2010

Memo to City Council  
Re: Consultant for Lobbying

The attached resolution and contract with John W. Bitney will allow him to serve as the City's lobbyist. At the December 1, 2010 Council meeting Mr. Bitney was nominated by Mayor Kallander and the nomination was concurred upon by Council.

Thank you,

Mark Lynch  
City Manager

DRAFT

**CITY OF CORDOVA, ALASKA  
RESOLUTION 12-10-70**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
TO AUTHORIZE THE CITY MANAGER TO ENTER INTO A TWO YEAR  
AGREEMENT WITH JOHN W. BITNEY FOR CONSULTING SERVICES IN THE  
AMOUNT OF FORTY THOUSAND DOLLARS (\$40,000) PER YEAR PLUS  
REASONABLE EXPENSES.**

**WHEREAS**, the City of Cordova is in need of a Consultant to lobby on behalf of the City before the State Legislature and others; and

**WHEREAS**, the Mayor has recommended, and Council has concurred, that John W. Bitney is the best candidate for this position.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Cordova, Alaska, hereby authorizes the City Manager to enter into a two (2) year agreement, attached as Exhibit "A", with John W. Bitney in the amount of Forty Thousand dollars (\$40,000) per year plus reasonable expenses.

**PASSED AND APPROVED THIS 15<sup>th</sup> DAY OF DECEMBER, 2010**

\_\_\_\_\_  
James Kallander, Mayor

**ATTEST:**

\_\_\_\_\_  
Susan Bourgeois, City Clerk

## EXHIBIT "A"

### AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF CORDOVA AND JOHN W. BITNEY

The parties to this Agreement are the CITY OF CORDOVA, P.O. BOX 1210, CORDOVA, AK 99574, herein referred to as "City," and JOHN W. BITNEY, P.O. Box 240741, Douglas, AK 99824, herein referred to as "Consultant."

I. Scope of Work. The Consultant is retained to represent the City before various public and private entities, including, but not limited to, the Alaska State Legislature and the United States Legislature, at the specific direction of the City. The Consultant shall advocate the priorities of the City as established by Cordova City Council, Mayor, and City Manager.

II. Term of Agreement. This Agreement shall be in effect from January 1, 2011 until December 31, 2012, unless amended in writing in accordance with the terms of this Agreement.

III. Communication. The Consultant shall communicate regularly, especially during the Legislative session, with the Mayor and City Manager, or their designees. The Consultant shall advocate the priorities established by the City as directed by the Mayor or City Manager, or their designees. Further, the Consultant shall meet with the City at mutually agreed times to present reports, discuss strategy and develop plans.

IV. Exclusivity. The Consultant agrees not to represent any other municipal or borough client during the term of this agreement without consent of the City. If the Consultant chooses to take an additional municipal or borough client the Consultant shall notify the City Manager and Mayor at least 90 days prior to accepting the new client. The City may choose to allow the Consultant to add the new client. If the Consultant chooses to accept a municipal or borough client without approval from the City, the City may choose to withdraw from this agreement without penalty, and payments to the Consultant shall be prorated to the date of withdrawal.

V. Compensation. The City shall pay Consultant the sum of Thirty Thousand Dollars (\$40,000.00) each year for two years. A payment of Ten Thousand Dollars (\$10,000.00) each shall be made quarterly on January 1, April 1, July 1, and October 1, 2011, and on January 1, April 1, July 1, and October 1, 2012.

VI. Reimbursable Expenses. The City shall reimburse Consultant for reasonable expenses incurred in conjunction with fulfilling Consultant's obligations under this Agreement. Payments for expenses shall be made within 30 days of receipt of consultant's invoice.

VII. Amendment to Agreement. This Agreement may be amended or modified in writing. Any amendment or modification must be signed by the City and the Consultant to be valid.

VIII. Entire Agreement. This document represents the entire agreement between the parties.

CITY OF CORDOVA

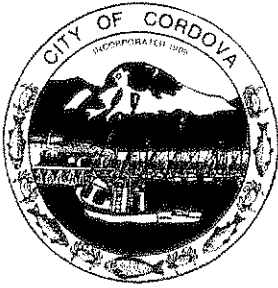
CONSULTANT

By: \_\_\_\_\_  
Mark Lynch (City Manager)

By: \_\_\_\_\_  
John W. Bitney (Consultant)

Date: \_\_\_\_\_

Date: \_\_\_\_\_



# CITY OF CORDOVA

*Office of City Manager*

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Web: [www.cityofcordova.net](http://www.cityofcordova.net)

December 8, 2010

Memo to City Council  
Re: Asset Allocation

Buck Adams of UBS Financial Services was at the December 1, 2010 City Council meeting and discussed asset allocation concerning the City's General Reserve (Permanent) Fund. The attached resolution sets out the asset allocation amounts agreed to at that meeting. The +/- 5% concerns how much each allocation category can fluctuate before the investment portfolio is rebalanced. For example, if Equities are at 40% and rise to 47% over time, the portfolio would be rebalanced to bring the Equities portion back below 45%.

Thank you,

Mark Lynch  
City Manager

**CITY OF CORDOVA, ALASKA  
RESOLUTION 12-10-71**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
DESIGNATING ASSET ALLOCATION FOR INVESTMENT OF THE CITY'S  
GENERAL RESERVE (PERMANENT) FUND.**

**WHEREAS**, the City of Cordova has a City General Reserve Fund, also known as the City Permanent Fund, established under CMC 5.44.010; and

**WHEREAS**, CMC 5.44.040 sets forth the manner in which the General Reserve Fund will be managed, including the adoption of an investment policy; and

**WHEREAS**, on August 16, 2010 Resolution 08-10-50 was passed establishing an Investment Policy for the City of Cordova General Reserve Fund; and

**WHEREAS**, Section 6 of the Investment Policy establishes Authorized Investments for the General Reserve Fund, subject to an approved asset allocation policy.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Cordova, Alaska, hereby designates the following asset allocation amounts +/- 5%, to serve as the FY2011 asset allocation policy for investment the of City's General Reserve Fund.

50% Fixed Income  
40% Equities  
10% Alternative Investments

**PASSED AND APPROVED THIS 15<sup>th</sup> DAY OF DECEMBER, 2010**

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James Kallander, Mayor

**ATTEST:**

---

Susan Bourgeois, City Clerk

**COUNCIL WORK SESSION  
OCTOBER 13, 2010 @ 6:00 PM  
LITTLE CHAPEL MEETING ROOM  
MINUTES**

**A. CALL TO ORDER**

*Kitty Farnham* called the Council work session to order at 6:00 pm on October 13, 2010 in the Little Chapel Meeting Room. *Corrine Ericson* led the audience in an Invocation.

**B. ROLL CALL**

*Mayor James Kallander* called the City Council meeting to order. Present were *Mayor James Kallander*, Council members *David Allison*, *Bret Bradford*, and *David Reggiani*. Council members *Keith van den Broek*, *James Kacsh*, *EJ Cheshier* and *Robert Beedle* were absent. Also present were City Manager *Mark Lynch* and City Clerk *Susan Bourgeois*.

Native Village of Eyak Tribal Council was called to order by its President *Robert Henrichs*. Present was President *Robert Henrichs*. Council Members *Jack Hopkins*, *Mark King*, and *Patience Faulkner* arrived later. *Herb Jensen* was absent.

Health Services Board was called to order by its President *David Allison*. Present were President *David Allison*, Board Members *Sandra Aspen*, and *Glenn Ujioka*. Absent were Board Members *Kristin Carpenter*, *EJ Cheshier*, *Kerin Kramer*, and *John Renner*.

Ilanka Community Wellness Advisory Council was called to order by its Chairman *Noel Pallas*. Present were Chairman *Noel Pallas*, Council Members *Faye Allen*, *Bob Dotson*, *Corrine Erickson*, *Dan McDaniel*, and *Charter Tsingi*. *Patience Faulkner*, *Mark Hoover*, and *Bootslyn Udani-Roemhildt* arrived later. *Cindy Bradford* was absent.

**C. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Audience Comments regarding agenda items

**D. WORK SESSION TOPIC**

2. Joint Work Session with City Council, Health Services Board, Native Village of Eyak Tribal Council, and Ilanka Community Wellness Advisory Council – facilitated by *Kitty Farnham* of Catalyst Consulting – working on the strategic planning for health care in Cordova

*Kitty Farnham* thanked the other consultants that have been working on this project with her. *Mike Bell* of Michael R. Bell & Company, PLLC as the financial analyst and *Jean Craciun* of the Craciun Research Group whose research for this project is in the packet.

**Farnham** started the meeting by explaining that this is a work session and as such, no decisions or actions will be taken tonight. A review of the projects' results to date will be presented followed by discussions and dialogue on planned next steps.

**Farnham** thanked the task force for its hard work. This task force is not a decision making board but a research board which will present its research to the governing boards and councils that are represented here today for the ultimate decision.

## **TASK FORCE PRESENTATION OF RESEARCH**

**Keren Kelley** presented the Strategic Assessment Project', Projects Milestones, and Draft Report/Results to date. The Vision Statement was presented "A financially sustainable and stable health care system that provides quality care for the health & wellness of all Cordovans." She shared that the SWOT and SOAR analysis's were surveys taken by our current health care provider asking what they felt are the strengths and weaknesses of our health care system.

**Mark Lynch** presented the considerations for operators. These covered bringing in a separate entity to run the operation, rent out the current building, or straight out own the operation. Several options for interested parties are being looked into.

**Angela Arnold** presented the difference between the options the interested parties are considering. Cordova has not chosen, as of yet, which direction for operating the facility will be. Priority is that this is not going to be a system set into place that can be just "fail and bail". She presented the initial criteria to evaluate strategies that the task force is taking into consideration.

**Mike Bell** presented the financial analysis of the current operation. He stated Cordova is one of several communities in Alaska struggling in the department of Health Care. He stated that this is an issue that needs to, not only be addressed at the community level, but also the State level. Financially there are many big decisions to be made if this community is going to continue to fund the operation. **Farnham** stated that this was just a high-level report there will be an in-depth financial meeting in the future.

**Sandra Aspen** stated that so far the forums have been mostly reviewing results and addressing misinformation. The common theme throughout all the meetings and on the street is "Change".

**Noel Pallas** shared and compared what other similar communities within Alaska are doing with their health care system. He stated that in every community the task force looked into the comment is the same that this will not happen overnight but in the end, the issues will be resolved and addressed.

**Farnham** led the meeting into a different direction. Stating that this part of the meeting will be open discussion on three different options; A, B, and C. These will be considered one at a time and discussed. This is not a time for action or decisions but a chance for the task force and each of the Councils and Boards to hear what everyone else is thinking.

## **COUNCIL'S DISCUSSION OF OPTIONS**

Discussion was opened for 20 min to discuss "**option A**" which is considering the improvement within the existing health structure. Governance within the existing structure should be addressed. There is a concern that if there is no change the financial strain will still rest on the City. Collaboration between



the two entities is an important improvement. Coordinating the ER coverage with the clinic's employees as well as the hospital would be beneficial.

Discussion was opened for 20 min to discuss "**option B**" which is considering the restructuring of the existing health services entities. There are two avenues with this option one would be consolidation of the entities the other would be to implement a new designations/ billing structure for CCMC. Collaboration under Tribal designations would bring in more funding and would give the community access for specialists on a regular basis. The medical center would then be able to see all patients without limitations. Medical equipment and maintenance would be available at no charge. Availability of specialized training and specialized personnel for the community would be more consistent. By 2012 Electronic Medical Records (EMR's) system could be implemented. To collaborate would keep the entities on the same system where as if they were on separate systems they could develop an interface between the systems but this could be a very high cost. This would keep the billing simple and keep the revenue in the community instead of going to Anchorage for specialized training. There would be two large incomes from the Tribal medical health care funds and Medicare funds from the state. The Tribal clinic would not impact insurances at all as it wouldn't be viewed as a special clinic so co-pays and such will be the same and in fact easier if the new EMR was implemented. Question was posed that if the Tribal clinic is federally funded mostly the City would still need to fund the remainder and how would that fit into the City Council's realm of governance if it is owned and operated by NVE. Deciding how the City can still participate in the health center when it is operated under the Tribal governance will need to be addressed. Full financial disclosure would help keep some fluidity between parties.

Discussion was opened for 20 min to discuss "**option C**" which is considering bringing in a third party to operate the facilities. This could bring everything under the same umbrella or keep them as separate entities. To go with this option the City would have to pay a management fee and subsidy. This does take the control and choices away from the community but keeps the politics down. Depending on the third party, it may open up more opportunities for specialized medical care. Would the third party still be responsible for long-term care? There could be multiple third parties involved in the new system but that may inhibit fluidity of information and use of facilities. Cordova is a very political community and this system does not give them the option of being involved other than by contract. There could be a local advisory board to keep the community involved. Currently the system in place is having a hard time keeping each entity staffed, which may be a result of high turnover, and this option may improve that issue. Referral benefits and connections would be more readily available if the third party is Anchorage based. Cordova does want to keep as much in town as possible.

**Farnham** did an exercise to determine which options the Council members were considering so the task force can get a feeling for which direction to take. "**Option B**" got more than half the votes but the other two options also had some votes. Discussion centered on what it is going to take to make a decision. Restructuring the way an advisory board would function. A financial analysis will help determine the feasibility for each option. Council would like to have more detail on how it will influence the current employees as far as retirement, pensions, PERS, insurance and such goes. Both current health services entities have the same struggles so how are we going to fix those issues. A system to keep the politics out of the everyday functionality of the facilities is very important. Contracts and commitments would be important to keep all parties involved and invested in the new system. A big concern with the third party option is that there is a possibility that those employees currently employed would lose their jobs.

*Farnham* transitioned to a conclusion/recap of the meeting. This will take support from the community and the current entities for change to happen successfully. It can happen. This can be successful. It will take time and commitment to see this to completion. The big thing is to continue to listen and ask questions.

#### E. AUDIENCE PARTICIPATION

*Dan Logan*, Mile 2, offered thanks to those who have put so much time into this change. He stated that there will be some challenges to implementing any one of these options but he can see any one of them being successful in this community. Communication between the community and the Councils, the staff and management, and the Councils and the management will be critical to its success. Attention to detail has made this strategic planning work and if we can get a governing board that has that same attention to detail will help any action we take be successful.

*Mark Frohnappfel*, 828 Woodland Drive, thanks everyone for coming out tonight. He has seen both Kodiak and Sitka when those hospitals made their Health Care transitions and in neither situation did any of the employees lose their jobs. There was some timidity with the change but in the end, it proved to be successful. He does like the idea of having the doctors be provided by someone else giving the clinic the opportunity to provide providers. He does see an issue with an advisory board being made up of community volunteers running a profit-based business by committee.

*Jennifer Gibbins* wants to thank all the entities who have been involved with this strategic planning. She stated that the process the task force has chosen to use has been great and would like to see this process adopted throughout the community. She feels the education and politics of what is really happening with health care in Cordova is critical. She has been writing in the newspaper some soft comments on the process hoping to encourage the community to get involved with the process. She hopes that those involved keep the personal ownership of health care because it gives a great example to the rest of the community.

*Sam Ronnegard* posed the question of "Why the community can't keep doctors in Cordova?" He felt there has to be a reason they won't stay and once we figure that out things will be better.

#### F. COUNCIL COMMENTS

*Bob Henrichs*, he has seen large sums of money pass by Cordova because the Tribe did not own their own facility. He quoted Chuck Knox, Coach of the Seahawks, "What you do speaks largely of what you say" He thinks it is appropriate for this situation because we can put in a lot of work here and if we don't take positive action it will not get fixed. He is ready to see change.

*Sandra Aspen* thinks it is everyone present's responsibility to leave this meeting and spread facts not opinions to keep the gossip and miscommunication from getting out of control. She reiterated that today was discussion and there were no decisions made tonight.

*Glenn Ujioka*, considering the entire community is being involved with this new system, he pointed out that the tribe does not have a specific location but is integrated throughout the community. They live here, work here, and spend their money here. Because of their tribal designation, they have in the past

and continue to receive funds for medical care. It has never been the tribe's wish to make those services exclusive to the tribe as long as the caring for the community was not detrimental to the tribal members. The Tribal Council has this in mind and is 100% interested in making health care work for the community. They will continue to put in the time, as the City Council has, to make the best health care available to all cordovans.

**Patience Andersen-Faulkner** provided some information of how the NVE has in the past assisted in the medical providing to the community. With the present ILANKA medical center, they have been able to do even more for the community. She would like to see better fluidity between the two medical centers.

**Bret Bradford** stated he is very glad to see the way this process has been going. It was a good thing for the Councils to come together to work on creating better health care.

**Bob Henrichs**, wanted to point out that as a tribe they are not required to pay property tax but have chosen to do so in order to be a positive part of the community. He felt this could show how much NVE is interested in the community as a whole.

**Mark King**, stated that the reason the NVE started their own clinic was because of some of the care the elders were receiving and an inconsistency in medication availability. When the ILANKA medical center started so many were helped and felt at ease receiving medical care. He, himself, was undecided when it came to deciding to start collaborating with the Cordova Medical Clinic and is to this day still receiving some concerns towards that past decision. There are so many concerns now because of those decisions of what the future Health Care in Cordova may look like.

#### CLOSING COMMENTS

**Bob Henrichs** stated that NVE started their own medical center as a result of not being satisfied with the health care they were receiving. He does not want to see that happen again so he is glad the Councils can come together to make these decision for the best of the community as a whole.

**Mayor Jim Kallander** thanked everyone for coming out to this work session. There has been a lot of work accomplished and thinks people have been very understanding. Having the view of the community and the Tribe has been a good first step. He looks forward to the newspaper article to see if it will get a response from the community. The City Council works for the community whether Native or non-native and he thinks it is very important to have good reporting and answer questions from the community.

#### F. ADJOURNMENT

Hearing no objections, **Mayor Jim Kallander** adjourned the work session at 9:15 pm.

Approved:

Attest: \_\_\_\_\_  
Robyn Kincaid, Deputy City Clerk

CITY COUNCIL PUBLIC HEARING  
NOVEMBER 8, 2010 @ 6:00 PM  
LIBRARY MEETING ROOM  
MINUTES

A. CALL TO ORDER

*Mayor James Kallander* called the Council public hearing to order at 6:00 pm on November 8, 2010 in the Library Meeting Room.

B. ROLL CALL

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

C. PUBLIC HEARING

1. Ordinance 1076

An ordinance of the City Council of the city of Cordova, Alaska, approving a lease agreement between Copper Valley Wireless, Inc., and the City of Cordova for land and easement.

*Mayor Kallander* opened the meeting up for public comment.

*Dave Dengel*, CEO of Copper Valley Wireless and Copper Valley Telephone Inc, working with Ski club and the City of Cordova. They have negotiated a price between the Ski Club and the City of Cordova, everyone is happy and there is a tower up on Tripod hill already. This will be the final step to get the microwave tower project underway. Update on the project is that the tower will be up by December 1<sup>st</sup>, it will burn for 2-3 weeks, and then go commercial by the 1<sup>st</sup> of the year. They will wholesale it to everyone they are not retailing. This will enable faster speeds and better data capabilities to the surrounding areas. They already have a tower in Boswell Bay, when the project is complete there will be cell service in Boswell Bay as well as out further into the ocean.

D. ADJOURNMENT

*M/Reggiani S/Bradford* to adjourn the public hearing.

Vote to adjourn: 5 yeas, 0 nays, 2 absent (Allison and Cheshier). Motion carried.

*Mayor Kallander* adjourned the public hearing at 6:10 pm.

Approved:

Attest: \_\_\_\_\_  
Robyn Kincaid, Deputy City Clerk

CITY COUNCIL SPECIAL MEETING  
NOVEMBER 8, 2010 @ 6:15 PM  
LIBRARY MEETING ROOM  
MINUTES

**A. CALL TO ORDER**

*Mayor James Kallander* called the Council Special Meeting to order at 6:15 pm on November 8, 2010 in the Library Meeting Room.

**B. ROLL CALL**

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

**C. APPROVAL OF AGENDA**

*M/Reggiani S/Kacsh* to approve the regular agenda.

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

**D. DISCLOSURES OF CONFLICTS OF INTEREST**

*Beedle* is on the CTC board and *Bradford* works for a competing company and so being both had conflicts of interests they will refrain from action on Ordinance 1076. *Allison* is not in attendance as a result of his conflict of interest.

**E. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Audience comments regarding agenda items. – None.

**F. NEW BUSINESS**

2. Ordinance 1076

An ordinance of the City Council of the City of Cordova, Alaska, approving a lease agreement between Copper Valley Wireless, Inc., and the City of Cordova for land and easement – 2<sup>nd</sup> reading

*M/Reggiani S/van den Broek* to approve Ordinance 1076.

Vote on motion: 4 yeas, 0 nays, 1 absent (Allison), 2 Conflicts of Interests (Bradford and Beedle). Kacsh – yes; Cheshier – yes; Reggiani – yes; van den Broek – yes. Motion carried.

**G. AUDIENCE PARTICIPATION**

*Dave Dengel*, CEO of Cordova Wireless and Cordova Telephone Inc., thanked Council for their support of Ordinance 1076.

**H. COUNCIL COMMENTS – none.**

**I. EXECUTIVE SESSION**

**3. Discussion of City Manager Contract**

*M/Bradford S/Kacsh* to enter into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government.

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

Entered executive session at 6:25 pm

*Cheshier* left the meeting due to illness.

*Allison* joined the meeting via teleconference during the executive session.

Back in regular session 6:54 pm

*M/Kacsh S/Bradford* to amend City Managers Contract as discussed in executive session.

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

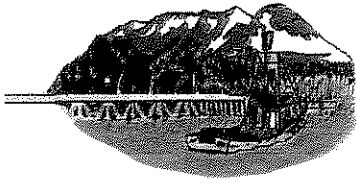
**I. ADJOURNMENT**

*M/Reggiani S/Kacsh* to adjourn the special meeting.

Hearing no objections meeting was adjourned at 6:57 pm.

Approved:

Attest: \_\_\_\_\_  
Robyn Kincaid, Deputy City Clerk



# **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](mailto:citymanager@cityofcordova.net)

Web: [www.cityofcordova.net](http://www.cityofcordova.net)

December 8, 2010 Manager's Report (for 12/15/10 Council meeting)

11/27, Office housekeeping, filing, etc. Work on tasks from Joint Councils meeting.

11/29, Work on Capital Projects items. Sign checks, go through bills, etc.

11/30, Post impoundment hearing for Sound Developer.

12/01, Mt. Eccles progress meeting. Meet with CH2MHILL engineers to discuss Capital projects. Budget Public Hearing & Council meeting.

12/02, Meet with Tom Cohenour. Various phone calls, e-mails, etc.

12/03, Teleconference with Coast Guard concerning Sound Developer. Noon Council meeting to discuss Capital projects. Teleconference with DEC.

12/04, Work on office housekeeping, filing, etc.

12/06, Staff meeting. Work on tasks from Joint Councils meeting.

12/07, Work on Council packet material. Resolutions, RFI, Lobbyist contract, etc. Sign checks, timecards, etc.

12/08, Homeland Security Emergency Management training. Work on Council packet materials.

## CITY CLERK'S REPORT TO COUNCIL

*December 15, 2010 Regular Council Meeting*

**Date of Report:** December 8, 2010

**Council Matters:** post-12/01/10 regular meeting clean-up, printing, signing, scanning, advertising, distributing and posting on City website, minutes, ordinances, resolutions etc.; pre-12/3/10 Special Meeting prep; pre-12/8/10 work session prep; pre-12/15/10 work session prep; pre-12/15/10 meeting prep, compiling, writing, editing, minutes, resolutions, ordinances, other agenda items from different departments, attorneys, manager and/or Mayor and Council; confer with Mayor/Manager/Council members concerning preparation of 12/15/10 meeting agenda then posting agenda and packet to City website

**Property Tax Matters/Deputy Clerk:** **Erika** and **Robyn** handled everyday responses to property tax requests from banks, mortgage companies, citizens, other departments; **Erika** updated ownerships changes to property tax accounts; **Erika** and **Robyn** assisted banks and tax research companies in determining 2010 amounts owing for property owners in Cordova; **Erika** worked on daily imports to the Capital Software system accounting for the now-delinquent property tax payments that have been coming in through the Finance Department; **Erika** has steadily been updating the tax roll for the 2011 year as the assessors have made updates and changes; **Robyn** worked on minutes; **Erika** spoke with State Petroleum Property Assessor in re State's supplemental assessment of TAPS and accurately billed Alyeska for the payment that is now due the City for 2006

**Records Requests:** daily phone calls and/or drop-ins with Clerk's department questions, property tax questions and procedural matters; **Robyn** handled a recent request concerning a bid procedure

**Invoices:** coded, approved & submitted regular department bills for payment to accounts payable; signed City payroll and accounts payable checks

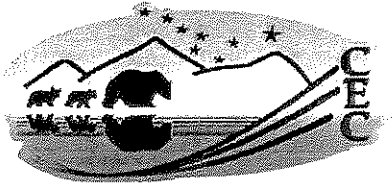
**Attorney Contact:** email correspondence with Holly in re State's supplemental assessment of TAPS; wording of agenda items;

**CCTF:** attended CCTF meeting on December 7; helped with teleconference and recording equipment for Cordova Center construction meetings

**General Office:** attended staff meeting on December 6; worked with Planner and Manager on agenda items; worked with staff on advertising board and commission vacancies; worked with Police Department on liquor license renewal; placed supplies order; reconciled finances for Council and Clerk budgets; updated 'elected officials' lists and distributed to Department Heads and put on City website; transferred ownership of City vehicles sold in surplus sale; worked with Mayor on letters; wrote letters to board commission applicants; swore in two new board/commission members

**Other:** advertised Lobbyist RFP, answered emails, phone calls, requests for info on RFP, compiled Lobbyist applications for Mayor





**CORDOVA  
ELECTRIC  
COOPERATIVE, INC**

P.O. Box 20, 705 Second Street, Cordova, Alaska 99574-0020 \* (907) 424-5555 \* Fax (907) 424-5527

November 3, 2010

Paul C. Rusanowski, Ph.D.  
Senior Vice President  
Alaska Intrastate Gas Company  
645 G Street, Suite 732  
Anchorage, AK 99501

RE: Cordova Gas Infrastructure

Dear Paul:

Thank you for your July 16<sup>th</sup>, 2010 request to start defining parameters and goals that would mutually benefit Alaska Intrastate Gas Company (AIGCO), and Cordova Electric Cooperative (CEC).

For your information, CEC is a member owned electric power production and distribution utility in Cordova. We provide all of the commercial electric energy in Cordova, and deliver energy only in Cordova. Our current power production is 60% Run-of-river hydroelectric and 40% internal combustion engine (diesel fueled). That ratio will change at the end of this year to approximately 80% hydro and 20% diesel with completion of the Humpback Creek Project rehabilitation currently in progress.

CEC produces an average of 25,000,000 kWh annually and our current fuel efficiency is approximately 13.5 kWh/gallon of diesel, or 13.5 kWh per 135,000 Btu, or 10,000 Btu per kWh. That fuel cost is passed directly through to our membership (consumers) as a cost of power adjustment. So, in round figures, CEC consumes approximately 800,000 gallons of diesel fuel annually to produce electricity and heat the power production plants. We recently invested in infrastructure to improve diesel efficiency and it will be in service by year end. CEC Fuel consumption will be reduced to as little as 400,000 gallons annually as of 2011. The cost of diesel fuel has ranged from approximately \$1.00/gallon to \$5.00/gallon over the past 5 years.

It is the top of priority of Cordova Electric Cooperative to stabilize and/or reduce electrical rates by minimizing and eventually eliminating fuel costs. To the goal of minimizing costs, there may be an interim opportunity to partner with AIGCO as a purchaser of gas products as a fuel alternative to diesel. There may be a longer term opportunity for CEC to serve as a local distributor of gas products.

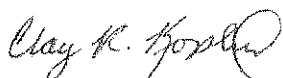
It often takes decades to recover the cost of energy infrastructure, and CEC's planning horizon for the installation of new power production or fuel alternatives is currently on the order of years. For planning purposes, CEC needs detailed information on the reliability of the supply chain to assure timely delivery and cost stability. CEC would also need a copy of AIGCO's business plan detailing the custody of your product from wellhead to meter, and the lines of responsibility and cost along that supply line. It is important to CEC that we have a high level of confidence that fuel can be delivered to meet the critical need of providing electric energy in our isolated community, and that the cost of the fuel will be tied to market benchmarks that are fair and reasonable. These requests reflect the information CEC currently receives from diesel fuel vendors.

I have observed presentations by AIGCO to the Cordova City Council, and have several concerns with your business model as I understand it. An AIGCO fuel cost estimate I heard in a City Council meeting in March of 2009 was \$19.80/MBtu as a commercial rate. CEC's price for diesel fuel at that time was \$14.69/MBtu or nearly 25% less. Given the cost of converting diesel fueled internal combustion engines, fuel piping, and fuel storage (estimated at over \$1,000,000 per our engine manufacturer), your gas fuel costs will have to be substantially less than diesel fuel costs to overcome the capital cost of conversion.

The cost of installing underground gas distribution lines in Cordova is compounded by the fact that 99% of existing utilities are all underground. The existing telephone, cable, and power lines are buried at various depths and in nearly every right-of-way in the community. In general, their depth of bury is shallower than proposed gas lines (per code) would be buried which means that existing utility lines would have to be exposed by hand or other labor-intensive means to avoid costly damage and interruption of service for these utilities. In addition, many rights of way are very crowded by existing utilities or bounded by asphalt, concrete, or native rock. Weather is a cost driver in that frequent rain and snow storms result in a "start and stop" construction environment rather than one continuous construction effort for new infrastructure. This lends itself to small construction jobs, but not to a one-time build out of an entire infrastructure such as a natural gas distribution system. In addition, many utility paths must cross anadromous streams, and habitat evaluations and/or permits are required. These all drive cost. My professional opinion, based upon nearly 20 years of underground electric utility design and construction experience is that installation of gas lines throughout Cordova would exceed \$20,000,000 in cost and result in many nuisance outages and repairs to the other utilities during the process. It is likely that outlying areas would not fit into this budget, stranding "end of line" customers who would still be forced to use fuel oil or other alternatives to a proposed gas installation.

Despite the challenges, CEC may be interested in gas infrastructure in Cordova, either as a consumer, a distributor, or both. However, we need more details to understand the nature of your business objectives, and how a partnership or sales agreement would benefit the members of Cordova Electric Cooperative.

Sincerely,



Clay Koplin, CEO

# Cordova Arts & Pageants

December 8, 2010

Dear Mayor Kallander and the members of Cordova City Council,

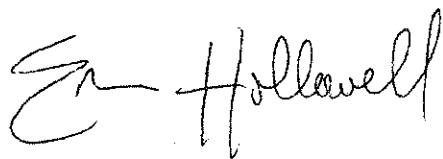
Thank you very much for passing resolution 12-10-64. It affirms your commitment to the arts as a valuable part of our community. We appreciate your support and look forward to working in tandem for the good of Cordova.

The arts can be a vital contributor to Cordova's economic development, as well as an important asset in recruiting and retaining highly-qualified applicants for jobs in our community. We would be honored to be part of any planning for community development and cultural assets.

The most basic philosophical idea behind Cordova Arts and Pageants, indeed any arts agency no matter its size, is respect for the inherent worth, voice, and creativity of every individual, as well as the linking of this creativity to the American democratic ideal

Thank you again for recognizing the vital role the arts play in our economy and lives, and encouraging all Cordovans to strengthen their support for it.

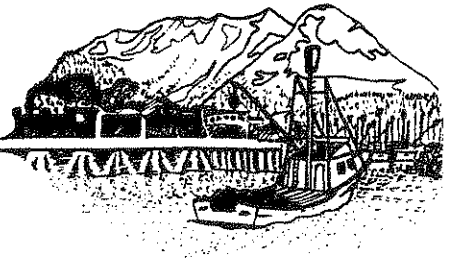
Sincerely,

A handwritten signature in cursive script, reading "Erin Hollowell". The signature is fluid and elegant, with the first name "Erin" written in a more compact, stylized manner and the last name "Hollowell" written in a more extended, flowing script.

President of Cordova Arts and Pageants

# CITY OF CORDOVA

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December 8, 2010

Denise Branshaw  
PO Box 571  
Cordova, AK 99574

Dear Denise:

The City of Cordova thanks you for your concern as a citizen regarding the Alaska Marine Highway System and the scheduling of the ferries in Prince William Sound. We received your letter, forwarded it to Council and placed it in the December 1, 2010 Council Packet for other community members to see.

Respectfully,

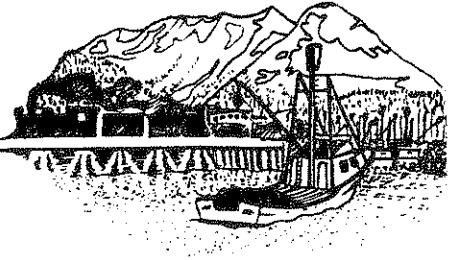
A handwritten signature in black ink, appearing to read 'Jim Kallander'.

Jim Kallander, Mayor  
City of Cordova

JK:sb

# CITY OF CORDOVA

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To:  
Teresa Benson  
District Ranger/RAC Coordinator  
PO 280  
Cordova Ranger District  
Cordova, Alaska 99574

December 2, 2010

## Letter of Support: Moose Winter Range Enhancement

On behalf of the City of Cordova, I am writing to support the RAC proposal submitted by the Native Village of Eyak for Moose Winter Range Enhancement on the Copper River Delta. This project would generate additional high quality winter moose habitat on the Delta, allowing for maintaining a robust and healthy moose population. Moose are an important food source for the residents of Cordova. Annually, the moose hunt generates interest from practically every household within the city (900 applicants). Not only does this hunt provide food for the subsistence hunter and his family, but in many circumstances this meat is shared with other families and relations.

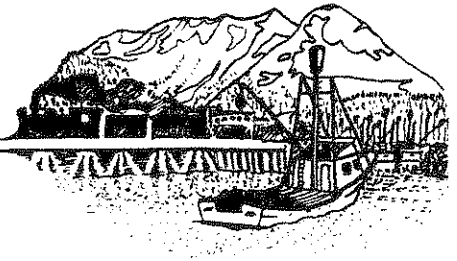
As you may know, many of the residents still living in this town participated in bringing the initial moose calves to the Copper River Delta to start the herd we have today. Cordovans are highly motivated to see this herd maintained at optimum levels into the future as it provides not only meat on the table, but a tourist attraction along the local road system. Additionally, this project would provide jobs during the slow winter months further helping support our local community. Thank you for your consideration of this local input.

Sincerely,

Jim Kallander  
Mayor  
City of Cordova

# CITY OF CORDOVA

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To:  
Teresa Benson  
District Ranger/RAC Coordinator  
PO 280  
Cordova Ranger District  
Cordova, Alaska 99574

December 2, 2010

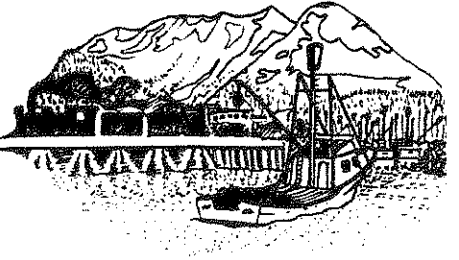
**Letter of Support: Artificial Nest Islands for Dusky Canada Geese**

This letter is in support of the RAC proposal submitted by Ducks Unlimited entitled "Artificial Nest Islands for Dusky Canada Geese". This project would provide safe nesting habitat for dusky Canada geese on the Copper River Delta as well as Cordova jobs. Cordova has a long history of waterfowl hunting on the Copper River Delta providing both food for the table and a healthy outdoor family activity. The nest island program is a successful program that increases the nest success of dusky Canada geese. We support this program and conservation efforts to increase the populations of the bird not only for the future of the species, but also to maintain the local and visiting waterfowl hunting and recreational opportunities which contributes to the local economy.

Sincerely,

Jim Kallander  
Mayor  
City of Cordova

# CITY OF CORDOVA



To:  
Teresa Benson  
District Ranger/RAC Coordinator  
PO 280  
Cordova Ranger District  
Cordova, Alaska 99574

Dec 2, 2010

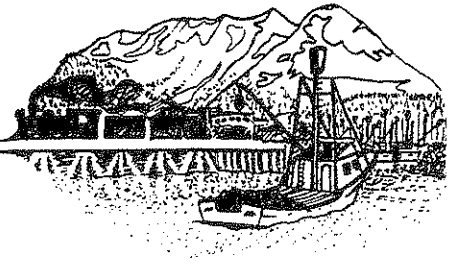
Letter of Support: Preventing Copper River Delta Invasive Plant Infestations with Rapid Response in Cordova

This letter is to express the support of the City of Cordova for the RAC project proposal entitled "Preventing Copper River Delta Invasive Plant Infestations with Rapid Response in Cordova". Cordova promotes itself as an area full of wild salmon and recreation opportunities. Invasive plants in and around Cordova threaten habitats for migratory birds and spawning salmon. Our town relies on healthy ecosystems for its commercial salmon fishery as well as natural resource based tourism. Commercial fishing is also a key component of the Cordova economy, with recreational fishing and other outdoor activities being a key draw the tourist industry. Preventing the spread and new infestations of invasive plants in Cordova preserves those natural resources that we depend on for our livelihood. Additionally, this project provides income by the way of jobs within the municipality of Cordova, further helping support our local community. Thank you for your consideration of this local support.

Sincerely,

Jim Kallander  
Mayor  
City of Cordova

# CITY OF CORDOVA



December 9, 2010

Ms. Cora Campbell  
Acting Commissioner  
Alaska Department of Fish and Game  
PO Box 115526  
Juneau, AK 99811-5526

Dear Cora:

On behalf of the City of Cordova, I would like to congratulate you on your new position in the Parnell Administration. We are very excited to have someone come aboard who has your hands-on experience with commercial fisheries, and who understands the lifestyle, economics and complex politics surrounding our industry.

As you know, the Prince William Sound region had an excellent salmon season, thanks, in part, to the successful hatchery operation run by PWSAC and to our excellent local processors. Cordova understands, more than some, the importance of the economic engine the commercial fisheries provide in our region and beyond.

We look forward to working closely with you and the Department as we move forward into a new era of cooperation. I would like to invite you to visit Cordova this spring as the community begins to gear up for another season. We would also like to fly you out to one of the hatcheries in Prince William Sound so you can see first hand how this sustainable industry is run.

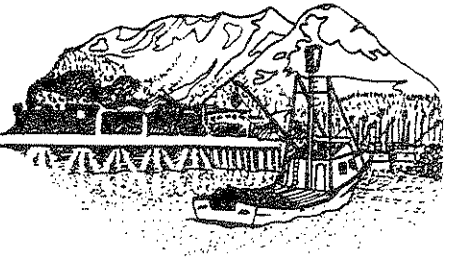
Again, congratulations and good luck as you begin your new career. Please don't hesitate to contact me at any time if I can be of assistance. I hope to see you in Cordova in the near future.

Jim Kallander  
Mayor, City of Cordova

cc: Governor Parnell  
Randy Ruaro, Office of the Governor  
Rep. Bill Thomas



# CITY OF CORDOVA



December 9, 2010

Honorable Sean Parnell  
Governor of Alaska  
PO Box 110001  
Juneau, AK 99811-0001

Dear Governor Parnell:

On behalf of the community of Cordova, I would like to congratulate you on your election and your official swearing in ceremony in Juneau.

I would also like to thank you for your recent selection of Cora Campbell as acting Commissioner of the Alaska Department of Fish and Game. I've met with Cora in the past and have found her to be intelligent, thoughtful and knowledgeable on resource issues. I wholeheartedly agree with your statements that she is competent and experienced. I'm also in agreement with you on the issue of her trustworthiness. I feel that Cora will usher in an era of much-needed openness and cooperation that has been lacking for some time in this Department.

It is my hope that you will be able to visit Cordova in the near future. I'm not certain how familiar you are with our City, but we a hardworking fishing community surrounded by some of the most beautiful scenery in Alaska. I would love to have the opportunity to show you and your family what we have to offer in Prince William Sound. Maybe catching a Copper River salmon could be a part of that visit!

Please don't hesitate to contact me at any time if I can assist you, and I will plan to meet with you when I am next in Juneau. Have a wonderful holiday and all the best to you and your family in the year to come.

Best regards,

A handwritten signature in black ink, appearing to read 'Jim Kallander'. The signature is stylized with a large initial 'J' and a long horizontal stroke.

Jim Kallander  
Mayor, City of Cordova

# Planning Department

## Memorandum

To: City Council  
From: Samantha Greenwood, City Planner  
Date: 11/15/2010  
RE: **Planning Commission Recommendation**

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At the Planning Commission meeting on November 9, 2010 the following motion was made

M/Srb S/Padawer made a motion to adopt the Wind Energy Ordinance 1075 as revised

Motion passed 4-0

### **Background**

The Wind energy code was discussed at 3 Planning and Zoning meetings from 5/11/2010 through 7/13/2010. The ordinance was review by local experts and the city lawyer comments were incorporated. The proposed code was approved at the 11/9/2010 Planning and Zoning meeting.

### **MOTION**

I **move** to adopt Ordinance 1077 an ordinance of the City of Cordova enacting chapter 18.46 of the Cordova Municipal Code to establish standards for the siting, construction, and operation of wind energy systems (wind turbines).

CITY OF CORDOVA, ALASKA  
ORDINANCE 1077

AN ORDINANCE OF THE CITY OF CORDOVA ENACTING CHAPTER 18.46 OF THE  
CORDOVA MUNICIPAL CODE TO ESTABLISH STANDARDS FOR THE SITING,  
CONSTRUCTION, AND OPERATION OF WIND ENERGY SYSTEMS (WIND  
TURBINES).

WHEREAS, the use of wind energy systems is not addressed in the Cordova Municipal Code; and,

WHEREAS, the City recognizes that wind energy can be an alternative, clean source of energy; and

WHEREAS, the City desires to permit wind energy systems in the City that are primarily used to provide energy to the property on which the system is located; and,

WHEREAS, the intent of this ordinance is to establish a process for locating and constructing wind energy systems, along with standards for the construction and operation of such systems, where the systems are accessory uses to principal uses on the parcel.

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

Section 1: Cordova Municipal Code Chapter 18.46, Wind Energy Systems, is enacted to read as follows:

Chapter 18.46  
Wind Energy Systems

Sections:

- 18.46.010 Definitions.
- 18.46.020 Zoning requirements.
- 18.46.030 Design and construction requirements.
- 18.46.040 Nuisances and removal.

18.46.010 Definitions. As used in this chapter:

“Guyed Tower” means a tower that is supported, in whole or in part, by wires and ground anchors.

“Hub height” means the vertical distance between the grade and the center of the wind turbine hub.

“Lattice Tower” means a tower that is self-supporting and that consists of multiple legs and cross bracing of structural metal.

“Monopole” means a tower that is self-supporting and that consists of a single vertical shaft usually constructed of wood, metal, or concrete.

“Roof” means the uppermost surface of any part of a building.

“Total height” means the vertical distance from the grade to the highest point on a wind energy system structure, including any moving part at the highest point in the course of its movement.

“Vertical access wind turbine” means a wind energy system in which the main rotor shaft is arranged vertically.

“Wind energy system” means a wind turbine and its supporting wind energy system tower.

“Wind turbine” means a blade or other type of rotating mechanism that converts wind energy into electric energy.

18.46.020 Zoning requirements. (a) In the LDR, MDR, HDR, URB and CB zoning districts, vertical access wind turbines, or wind energy systems mounted on a roof or monopole, are permitted as follows:

(1) One wind energy system with a hub height not exceeding eighty feet (80') is permitted as an accessory use on a lot that has a minimum area of twenty thousand (20,000) square feet.

(2) Except as provided in D of this section, one or more wind energy systems of any height may be permitted on any lot as a conditional use.

(b) In the in the POS, PLI, WID, WHD, WCP and C zoning districts, vertical access wind turbines, or wind energy systems mounted on a roof, monopole, guyed tower or lattice tower, are permitted as follows:

(1) No more than two wind energy systems with a hub height not exceeding one hundred fifty feet (150') are permitted as an accessory use on a lot that has a minimum area of twenty thousand (20,000) square feet.

(2) Except as provided in D of this section, one or more wind energy systems of any height may be permitted on any lot as a conditional use.

(c) In the I zoning district, wind energy systems with a hub height not exceeding three hundred feet (300') are permitted as an accessory use on a lot that has a minimum area of twenty thousand (20,000) square feet. Except as provided in D of this section, one or more wind energy systems of any height may be permitted on any lot as a conditional use.

(d) The maximum total height of a wind energy system in an aircraft-approach zone and within eight thousand feet (8,000') of the main runway shall not exceed the maximum height that is determined on the basis of obstruction criteria shown on the current FAA-approved Cordova Airport Master Plan drawings which are on file at Cordova City Hall.

(e) No part of a wind energy system, including guy wires and other anchors, may be located within an area that is described in the minimum yard requirements for the applicable zoning district. No part of any wind energy system may be located in an access or utility easement.

18.46.030 Design and construction requirements. (a) A wind energy system shall conform to the applicable code requirements that are adopted by reference in Section 16.05.010 and amended in Title 16 of this Code, and to the requirements in this section.

(b) The foundation for a ground-supported wind energy system shall be designed for the installation site by a professional engineer registered in Alaska, and the building permit application for the wind energy system shall include plans for the foundation stamped by the engineer. The building permit application for a roof-mounted wind energy system shall include a certification by

a professional engineer registered in Alaska that the roof structure will support the wind energy system.

(c) The building permit application a wind energy system shall include documentation that the wind energy system meets the requirements of this chapter, or an approved conditional use permit authorizing any deviations from those requirements. In addition to review under Title 16 of this Code, the building permit application shall be reviewed by the Planning Department for compliance with the requirements of this chapter and any approved conditional use permit. Before a permit is issued it must be signed by the Planning Department.

(d) Each wind turbine that is a component of a wind energy system must be approved by the Small Wind Certification Program recognized by the American Wind Energy Association (AWEA) or another accredited organization such as the Small Wind Certification Council, National Wind Technology Certification Center, or the U.S. Department of Energy, National Renewable Energy Laboratory, or must be certified by a professional mechanical engineer registered in Alaska as a system that meets or exceeds industry safety standards for wind energy systems.

(e) No wind energy system may be installed until the owner of the lot where the wind energy system will be installed submits to the Planning Department the written approval from the Cordova Electric Cooperative of the wind energy system as an interconnected customer-owned generator, or certifies in writing that the wind energy system will not be interconnected with Cordova Electric Cooperative transmission or distribution system.

(f) No wind energy system may be installed in a manner that allows less than fifteen feet (15') of vertical distance from the grade to any moving wind turbine component at the lowest point in the course of its movement.

(g) All exposed surfaces of a wind energy system shall be a non-reflective, neutral, unobtrusive color approved by the City Planner, and shall be maintained throughout the life of the wind energy system in accordance with Small Wind Certification Program recognized by the American Wind Energy Association (AWEA) or another accredited organization such as the Small Wind Certification Council, National Wind Technology Certification Center, or the U.S. Department of Energy, National Renewable Energy Laboratory, or must be certified by a professional mechanical engineer registered in Alaska as a system that meets or exceeds industry performance standards for wind energy systems. The Turbines shall be maintained as per the manufacturer's requirements.

(h) No sign, flag or pennant may be attached to a wind energy system, except to identify the manufacturer or the installer of the wind energy system, or to warn of danger.

(i) No wind energy system may be artificially illuminated except as required by law or a state or federal agency.

(j) A wind energy system that is not roof-mounted shall be designed and constructed so no part that is less than fifteen feet (15') above the grade can be climbed, or completely enclosed by a fence that is not less than six feet (6') high.

(k) All electric transmission wires connected to a wind energy system must be underground, or within the building on which the wind energy system is mounted, except near substations or points of interconnection to the electric grid.

(l) A wind energy system shall be designed, installed and operated so that the noise generated by the wind energy system does not exceed fifty decibels (50 dB), measured five feet

(5') above the grade at the property line closest to the wind energy system, except during short-term events such as utility outages and severe wind storms.

18.46.040 Nuisances and removal. (a) A wind energy system shall be erected and maintained plumb, level, and true and shall be repaired, painted, and maintained in accordance with this chapter, any manufacturer's recommendations and instructions, and with industry standards for wind energy systems.

(b) A demolition permit is required to remove a wind energy system. The permit shall require the removal of the entire wind energy system, including foundations to below natural grade, collection, connection, and transmission equipment, at the owner's sole expense.

(c) The City Planner or designee may order the repair or removal of a wind energy system that is not maintained in accordance with this section. A wind energy system that is not maintained in accordance with this section, or is not operated for a period of one hundred eighty (180) consecutive days, is a public nuisance subject to abatement under Chapter 8.16 of this Code.

Section 2: This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska and published in the Cordova Times, a newspaper of general circulation, within ten (10) days of its passage.

1<sup>st</sup> reading: December 1, 2010

2<sup>nd</sup> reading and public hearing:

**PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2010**

\_\_\_\_\_  
James Kallander, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, City Clerk



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](mailto:citymanager@cityofcordova.net)

Web: [www.cityofcordova.net](http://www.cityofcordova.net)

# **CITY OF CORDOVA**

## *Office of City Manager*

December 8, 2010

Memo to City Council

Re: Bond for Cordova Schools Correspondence Program building

At a recent budget meeting Council discussed a new building for the Schools that would be used for their Correspondence Program. To start the process of bonding, and to bring it to the voters for approval, a resolution is necessary. The resolution is attached.

Thank you,

Mark Lynch  
City Manager

**CITY OF CORDOVA, ALASKA  
RESOLUTION 12-10-72**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$500,000 TO FINANCE THE PLANNING, DESIGN, AND CONSTRUCTION OF A BUILDING TO BE USED AS CORDOVA SCHOOLS CORRESPONDANCE PROGRAM, AND TO SUBMIT THE QUESTION OF THE ISSUANCE OF SUCH BONDS TO THE QUALIFIED VOTERS OF THE CITY AT THE MARCH 1, 2011 REGULAR CITY ELECTION; AND DECLARING THE INTENT OF THE CITY OF CORDOVA TO REIMBURSE ORIGINAL EXPENDITURES FOR COSTS OF THE PLANNING, DESIGN, AND CONSTRUCTION OF CORDOVA SCHOOLS CORRESPONDANCE PROGRAM BUILDING.**

**WHEREAS**, the City of Cordova, Alaska (the "City") is a home rule city and under Section 11 of Article X of the Alaska Constitution may exercise all legislative power not prohibited by law or the charter of the City; and

**WHEREAS**, Section 6-1 of the Cordova City Charter authorizes the City to issue general obligation bonds or other such evidences of indebtedness, but only when authorized by the council for capital improvements and ratified by a majority of the qualified voters of the City; and

**WHEREAS**, the City views the capital project authorized herein as necessary and beneficial to the community; and

**WHEREAS**, §1.150-2 of the Income Tax Regulations requires that the City timely declare its intent to reimburse original expenditures for costs of capital improvements with proceeds of tax exempt bonds, Build America Bonds, or Recovery Zone Economic Development Bonds, so that the reimbursement will qualify as an expenditure of proceeds of the bonds.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, HEREBY RESOLVES** that:

Section 1. It is hereby determined to be for a public purpose and in the public interest of the City to incur general obligation bonded indebtedness in an amount not to exceed Five Hundred Thousand Dollars (\$500,000) for the purpose of paying the cost of planning, design, and construction of a Cordova Schools Correspondence Program building.

Section 2. The City is authorized to borrow the sum of Five Hundred Thousand Dollars (\$500,000) to finance the capital project described in Section 1, and the borrowing shall be evidenced by the issuance of general obligation bonds of the City. The full faith and credit of the City are pledged for payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the City shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.



Section 3. The City shall submit the following proposition to the qualified voters of the City at the March 1, 2011 regular City election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

**Proposition No. 1  
General Obligation Bonds for  
School and Related Capital Improvements**

Shall the City of Cordova incur debt and issue general obligation bonds in the principal amount of not to exceed Five Hundred Thousand Dollars (\$500,000) for the purpose of paying the cost of planning, design, and construction of a Cordova Schools Correspondence Program building?

The bonds shall be secured by a pledge of the full faith and credit of the City.  
(Resolution xx-10-xx)

Section 4. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate next to a square provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. 1:     ☐     Yes  
                                     ☐     No

Section 5. The City of Cordova hereby declares its intent to reimburse original expenditures for costs of the capital improvements described in Section 1 from proceeds of tax exempt bonds, Build America Bonds, or Recovery Zone Economic Development Bonds, in the maximum aggregate principal amount of \$500,000.

Section 6. Sections 1 and 2 of this resolution shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the March 1, 2011 regular City election. The remaining sections of this resolution shall become effective upon passage and approval.

**PASSED AND APPROVED THIS 15<sup>th</sup> DAY OF DECEMBER 2010.**

\_\_\_\_\_  
James Kallander, Mayor

**ATTEST:**

\_\_\_\_\_  
Susan Bourgeois, City Clerk



## CORDOVA SCHOOL DISTRICT

PO Box 140 \* 100 Fisherman Avenue  
Cordova, Alaska 99574-0140  
(907) 424-3265 \* FAX (907) 424-3271

Cordova Jr/Sr High School  
(907) 424-3266  
FAX (907) 424-5215

Mt. Eccles Elementary  
(907) 424-3236  
FAX (907) 424-3117

**TO: Cordova City Council**  
**RE: Replacement costs for District Modular**  
**DATE: November 19, 2010**  
**FROM: Jim**

Per the council's request I have researched the replacement costs of the District Office Modular.

The current size of the District Office Modular is 2000 sq ft. I have attached a detailed projection for "Renewal and Replacement" that EED utilizes when monitoring the facilities across the state. It projects costs associated with replacement as compared to the expected lifespan of the building. Overall replacement costs of the district office (per EED) are projected to be \$1,030,533. Please refer to attached schedule.

Stick built construction of a similar sized building is projected to cost \$200 per sq ft as a minimum. With state support of 60% reimbursement this places the costs as follows on a \$500,000 building:

2,000 square foot building @ \$250 per square foot

\$500,000 x 60% = \$300,000.....State's support

\$500,000 x 40% = \$200,000.....City support

A "shell" modular runs at approximately \$100 per sq ft (shipping/set up costs additional). It does not include the necessary customizing required for classroom readiness. This type of pricing reflects a literal temporary setting...not anticipated for long-term usage. That said, there are used modulares available that may reflect a variation of costs. A "shell" modular will take considerable time modifying it to meet our needs (walls/lighting/student areas/bathrooms). Anything over 1,000 sq ft needs to be sprinkled (fire suppression). Materials alone are projected to run approximately \$55 per sq ft of construction for a modular.

In order to qualify for Debt Reimbursement the project expenses must exceed \$200,000. If the modular unit is intended to be permanent, EED (by statute) must give prior approval.

Will the city ask for additional bonding support? If so, I need to begin immediate conversations with EED regarding the necessary paperwork that will support our request for our application.

Timing for replacement...I'd like to see this building available for students August 1, 2011.

# Renewal and Replacement Schedule - Cordova District Administration Building

65

CIP FY 2011		Building System Appraisal (List taken from Appendix A of EED Preventive Maintenance Handbook)			Current Dollar Value of Systems/Components that require Renewal or Replacement during Year (in thousands of dollars)						Deferred Project	Attach Survey if included in CIP	Total Costs by System (in dollars)
Facility or Building		System	Year Installed	Remaining Life Span	Year work req'd	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6		
Name and/or Number	EED #	Site Improvements											
Dist. #	12000001	Foundation/Substruct.	1975	14	2025	2011	2012	2013	2014	2015	2016		\$ 105,630
393.33 per sq. ft.	Cordova	Superstructure	1975	14	2025								\$ 140,462
Gross Square Footage	2,620	Exterior Wall System	1975	-11	2000	94						X	\$ 93,727
		Exterior Windows	2010	30	2041								\$ 24,784
		Exterior Doors	1975	-16	1995	5						X	\$ 4,943
		Roof Systems	2009	19	2030								\$ 47,817
		Interior Partitions	1975	14	2025								\$ 54,258
		Interior Doors	1975	-6	2005	17						X	\$ 16,816
		Interior Floor Finishes	2002	6	2017						56		\$ 56,164
		Interior Wall Finishes	1975	-11	2000	21						X	\$ 21,371
		Interior Ceiling Finishes	1975	-11	2000	36						X	\$ 35,895
		Specialties	1975	4	2015				27				\$ 27,444
		Conveying Systems											
		Plumbing piping	1975	-6	2005	36						X	\$ 36,069
		Plumbing Fixtures	1975	-6	2005	18						X	\$ 17,674
		Fire Protect./Suppres.											
		HVAC Distribution	1975	4	2015				52				\$ 52,042
		HVAC Equipment	1975	-6	2005	118						X	\$ 117,790
		HVAC Controls	1975	-16	1995	22						X	\$ 22,156
		Electrical Serv./Gen.	1975	4	2015				21				\$ 20,971
		Electrical Distribution	1975	14	2025								\$ 25,197
		Electrical Lighting	1975	-11	2000	58						X	\$ 57,607
		Special Electrical	1975	-21	1990	25						X	\$ 25,300
		Equip and Furnishings											
		Totals				449	-	-	100	-	56	\$ 605,969	Six Year Total

C:\Documents and Settings\wreedy.BIZMNGRM\My Documents\Maintenance\COPY of Renew-ReplaceSchedule FY11.xlsRenew-Replace Schedule

***Planning Department***

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Memorandum

To: City Council  
From: Samantha Greenwood, City Planner  
Date: 12/07/10  
Re: Brian Wildrick DBA Harborside Pizza

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**Attachments**

Letter from the Brian Wildrick requesting to purchase Lot 8 Block 2  
Development Plans

**PART I. GENERAL INFORMATION**

File No.: 02-473-144-1

Requested: Exercise Option to purchase  
Request from lessee that lease payments be applied toward purchase price

Applicant: Brian Wildrick  
PO Box 1606  
Cordova, AK 99574

Zoning: Water Front Commercial

**PART II. History**

7/27/2007 Brian Wildrick's proposal for lease with option to purchase was chosen from two applications. It was approved and recommend to Council by Planning and Zoning.

8/23/2007 Council passed Resolution 08-07-32 to approve lease with option to purchase

8/29/2007 Original lease with option to purchase was signed

12/05/2007 Brian Wildrick sent letter requesting to exercise his option to purchase the property that he was currently leasing

1/9/2008 Brian's request to purchase was heard at City Council. A motion was made for the City Manager to negotiate a sale of the Lot 8, Block 2 to Brian. A motion to amend the motion to include "and to get a letter of pre-approval from a conventional lending institution prior to sale" was brought forth and passed 7-0.

2/20/2008 City Council Meeting - Jim Goossens, City Planner stated that Brian was no longer trying to buy the property; he could not get pre approved financing as required by the City Council at the 1/9/2008 meeting. He would like to request an amendment to his lease so that he could put a mobile pizza kitchen up instead of building. He asked that the lease with option to purchase be for 5 years, this would allow him to get through the start up phase to improve his chances for financing. The concept was approved by Council and sent to Planning and Zoning.

3/17/2008 second lease with option to purchase was signed with amendment for mobile kitchen

8/27/2009 amended lease was renewed this expires on 8/29/2011, another renewal option for 2 years on 8/30/2011 is written in the lease

11/12/10 Brian Wildrick wrote a letter requesting to exercise his option to purchase the property he is leasing. In order to purchase he must meet the option to purchase requirements in section 20. He has yet to comply with (1), he has presently met (2) letter dated November 12, 2010, the resolution required under (3) could be approved by Council if it is determined that ii, iii, and iv have been/will be met (i has already been met). Provision (4) is where staff needs direction from Council.

#### **20. OPTION TO PURCHASE**

Provided that no default exists or is continuing under this Lease, at any time during the Lease term, Lessee shall have the right to purchase the Premises for its fair market value (as of the date of Lessee's exercise of its option to purchase) determined in accordance with CMC 5.22.050B (or such successor provision then in effect), subject to the following: (1) Lessee must have substantially implemented the "First Development Plan" attached hereto as Exhibit A (2) Lessee must give the City written notice of its intent to exercise the option no later than ninety (90) days prior to the date Lessee intends to exercise the option; (3) prior to the date Lessee is to exercise the option, the Council by resolution must have found that (i) no breach or default has occurred or is continuing under the Lease; (ii) a commercial or industrial facility has been established and is being operated or maintained on the Premises under the Lease; (iii) the sale of the property will substantially increase the likelihood that the facility will continue or expand its operations; and (iv) the continuation or expansion will confer a net economic benefit upon the City or the citizens of Cordova which would not be obtained without the sale; and (4) prior to the date Lessee is to exercise the option, the parties shall have mutually agreed upon the remaining terms of the purchase and sale, which agreement shall be set forth in a written purchase and sale agreement executed by the parties at or prior to the closing of the purchase. Upon the closing of Lessee's purchase of the property, this Lease shall terminate. All costs and fees (including attorneys' fees) associated with the negotiation, drafting, preparation and enforcement of the purchase and sale agreement and related documents, the closing of the transaction, and the termination of the leasehold interest in the property, including but not limited to environmental assessments, appraisal fees, escrow fees, recording fees, and title insurance shall be paid by Lessee.

### **III. ACTION**

Staff is asking for guidance on how to proceed with the request to purchase property. If Council chooses to go ahead with the sale staff needs a decision regarding the terms of the purchase and sale.

November 12, 2010

Dear Cordova City Council Members:

I would like to express my interest in purchasing the property located at Lot 8 Block 2 of the South Fill Development Park, where I operate my business, Harborside Pizza. I currently have a Lease with option to purchase agreement with the City, entered into on August 23, 2007 (Resolution 08-07-32).

Under our current lease/purchase agreement, we may exercise our option to purchase the property if four conditions are met (item 20 in the Lease). I feel that we have met or can meet these four conditions, and ask that the City please commence a process of developing a purchase and sale agreement with Harborside Pizza for Lot 8 Block 2 in the South Fill.

Additionally, in the process of appraisal and establishment of a purchase price, I ask the City to accept lease payments that I have paid for this property as payments toward the purchase price. I ask for this action in light of the three Purchase & Sale Agreements for property in the South Fill that have been recently been approved by the Council. These property owners have not had to pay rent as I have since 2007 when the City denied my request for a purchase agreement. Lack of a purchase agreement has also prevented my eligibility for bank financing to assist in the construction of a commercial building on the property.

Acceptance of my lease payments and a Purchase & Sale agreement will allow me to quickly acquire Lot 8 Block 2 and will put me into good standing with a local bank to secure a construction loan. This will allow us to build a commercial restaurant building, and move toward completion of our original site Development Plan. It will also provide Cordova with steady property and sales tax revenue, and secure the significant investments that I have made in architect drawings, equipment and a foundation for Harborside Pizza.

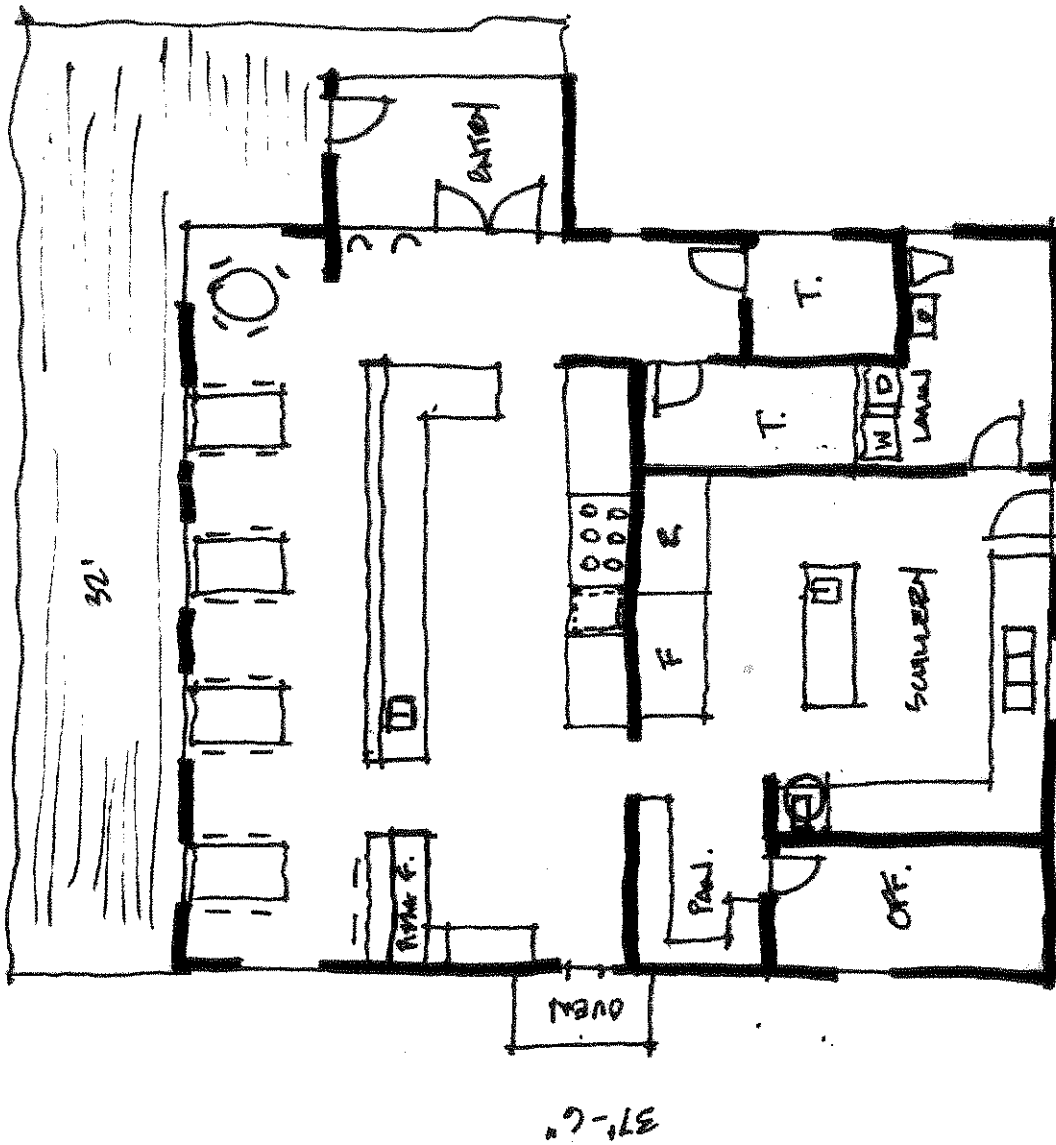
My partner Lindsay and I remain committed to operating Harborside Pizza sustainably and with maximum community benefit. We have experienced overwhelming support from our customers which has allowed our business to grow. We are proud to be able to give back by supporting community events, student groups and educational programs through contributions and fundraising support. We are excited to take our business to the next level and be part of this community long-term.

Please contact me with any questions, and I thank you for your consideration of this matter.

Respectfully yours,

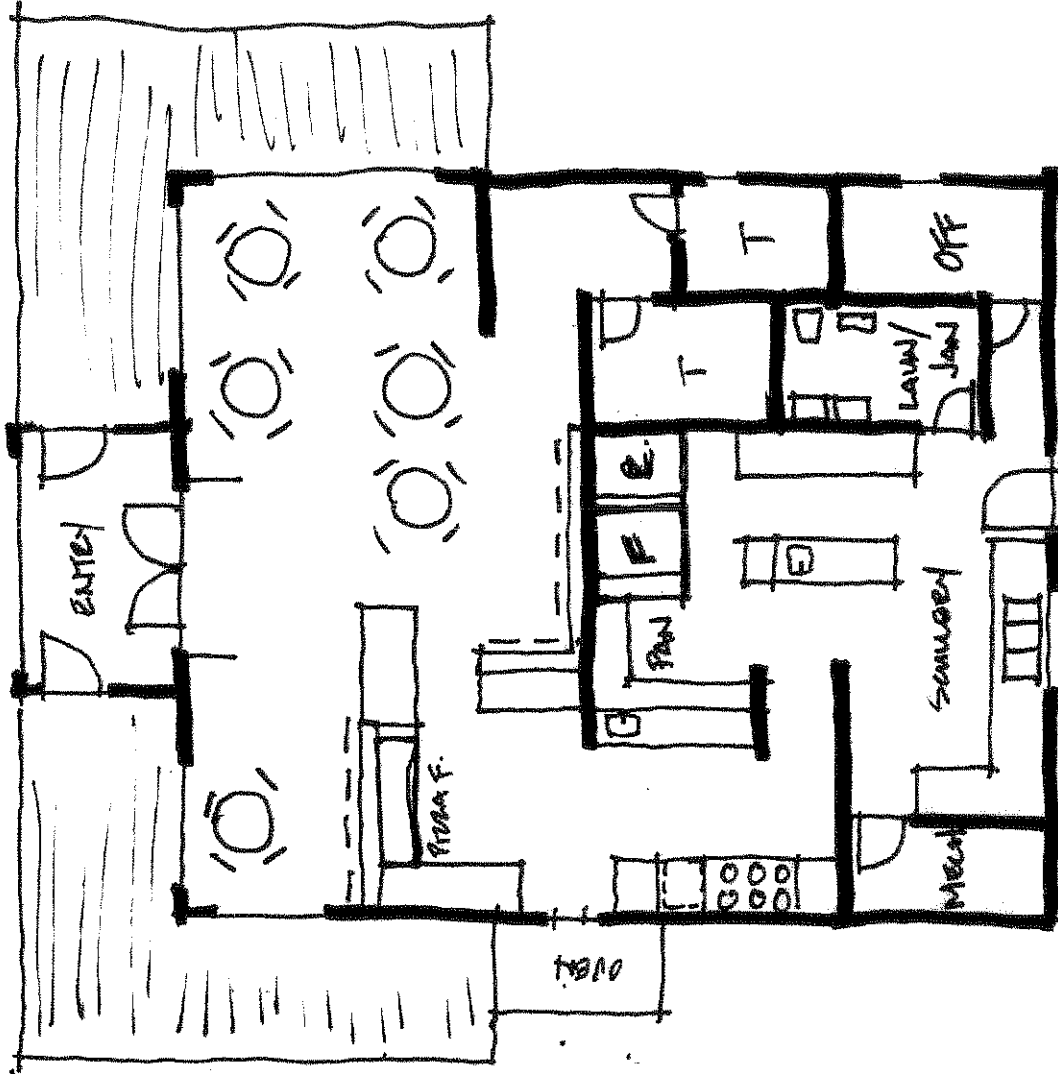
A handwritten signature in dark ink, appearing to read "B. Wildrick", written over a horizontal line.

Brian Wildrick, Owner  
Harborside Pizza  
P.O. Box 1606  
Cordova, AK 99574



Harewood Pizza  
 Option A  
 1/8" = 1'-0"  
 7/16/07

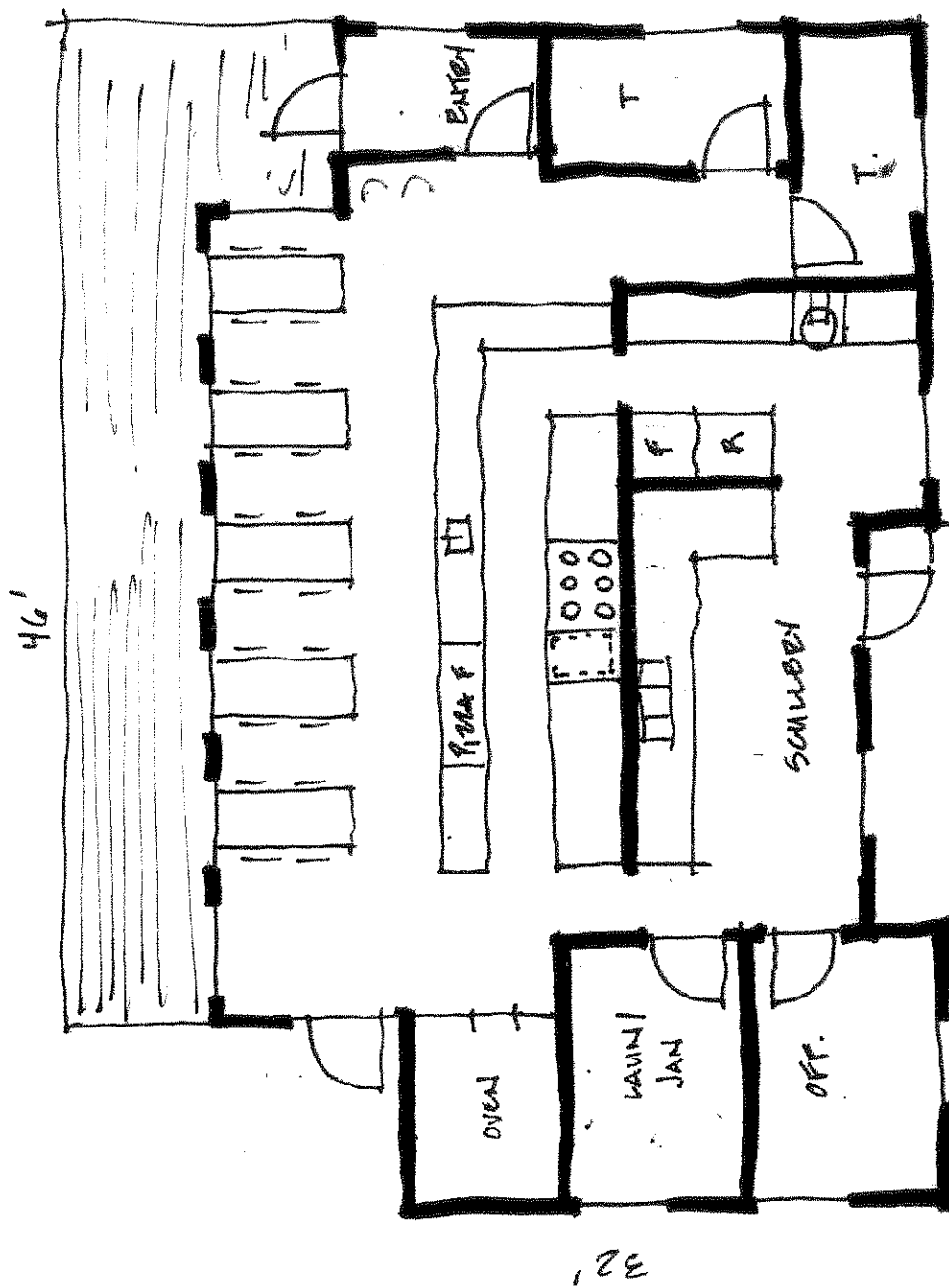
32'



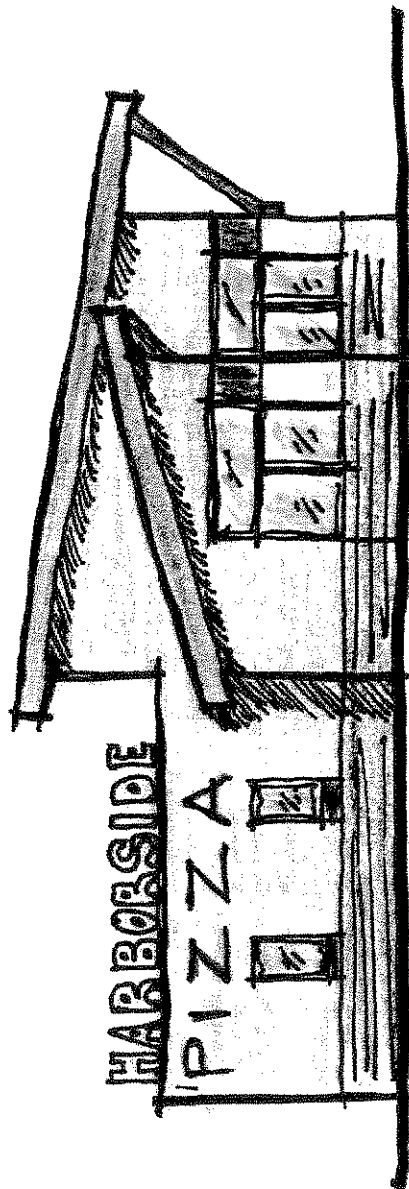
37'-6"

Hand-drawn Pizza  
Option B  
1/8" = 1'-0"  
7/16/07

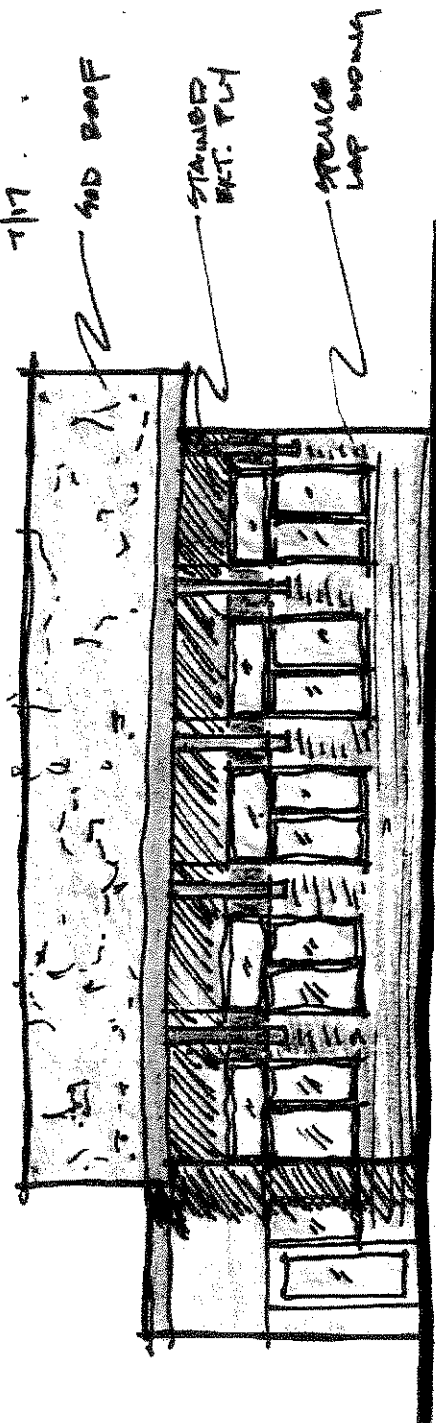




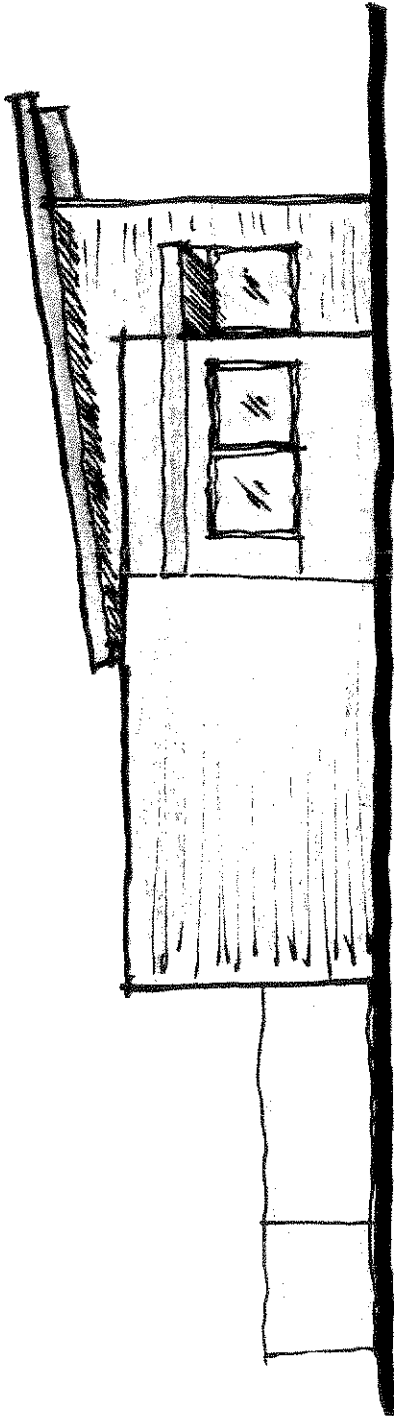
HARBORSIDE PIZZA  
 OPTION C  
 4" = 1'-0"  
 7/17/07



HARBORSIDE PIZZA  
SIDE ELEVATION  
7/17



HARBORSIDE PIZZA  
FRONT ELEVATION  
7/17



HARBORSIDE PIZZA  
SIDE ELEVATION - C  
7/18



HARBORSIDE PIZZA  
FRONT ELEVATION - C  
7/18

***Planning Department***

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Memorandum

To: City Council  
From: Samantha Greenwood, City Planner  
Date: 12/07/10  
Re: James and Dea Dundas Property

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Attachments:

Letter from the Dundas' requesting subdivision and performance deed of trust revision  
Drawing with phase development plan illustrated from purchase agreement  
Written Description of Dundas' phase development from purchase agreement  
Survey showing Tract A-2 and A-1 subdivided

**PART I. GENERAL INFORMATION**

File No.: 02-085-400  
Request: Subdivision of property and Performance deed of trust revision  
Applicant: James and Dea Dundas  
P.O. Box 133  
Cordova, AK 99574  
Zoning: Business

Request from the Dundas':

1. Subdivide their lot. The portion that they wish to subdivide is approximately 100 feet or less of highway frontage and will run to the back of the property. The prospective buyer would like to build a warehouse for fishing gear and other items.
2. The Dundas' would like for the building that the prospective buyer is planning to build to meet the requirement of the Dundas' performance deed of trust for a commercial building.

## **PART II. History**

A letter was received May 8<sup>th</sup> 2006 from Dundas excavation expressing interest in purchasing 4.24 +/- acres located in a Portion of U.S. Survey No. 3370 at the corner of Copper River Highway and Lefevre Street.

7/28/2006 a conditional use was applied for

8/3/2006 there was a public hearing and on

8/8/2006 the permit was granted prior to the land purchase.

9/20/2006 a proposal went to council to approve the lease/purchase to the Dundas. It was approved.

1/23/2007 a request for appraisal of the property was submitted.

3/21/2007 a memo with the draft ordinance, the draft sales agreement and a map of the area was submitted to council. City council asked the purchase agreement be finalized, and that the Dundas' develop a phasing plan for their proposal that shows what and where the development will occur.

4/5/2007 a purchase agreement and ordinance which had the amendments requested by the city council at the 3/21/2007 meeting were presented. Further discussion between council and Dundas added these additional requirements a commercial building and that the development of the site occurs in 7 years instead of 6.

4/18/2007 the purchase agreement and ordinance was updated from 4/5/2007 meeting. It passed and was approved by city council.

5/8/2007 the Purchase agreement was signed by the city and the Dundas'.

11/10/2008 an application was filled out by the Dundas' to subdivide the property purchased in 2007.

12/16/2008 the Planning and Zoning Commission reviewed the preliminary plat for the subdivision application. The request was to divide their property so that Tract A-2 which was not a part of the development plan in the purchase agreement could transfer to the neighbor. The remaining property would remain the Dundas'.

On 2/10/2009 the planning and zoning reviewed the preliminary plat and this motion was made (Anderson) Seconded (Craig) and approved unanimously

"I move that the Planning Commission approve the preliminary plat of the proposed subdivision and recommend to Council that Parcel A-2 be removed from the Performance Deed of Trust recorded on September 24, 2007 to allow this subdivision. "

On 3/18/2010 the council reviewed the preliminary plat showing the subdivision and the recommendation to remove parcel A-2 from the Performance Deed of Trust. It was approved. Resolution 03-09-21

On May 20, 2009 the final plat for the subdivision was reviewed by city council and was approved.  
Resolution 05-09-41.

### **III. ACTION**

Staff is asking for guidance on how to proceed with the Dundas' request.

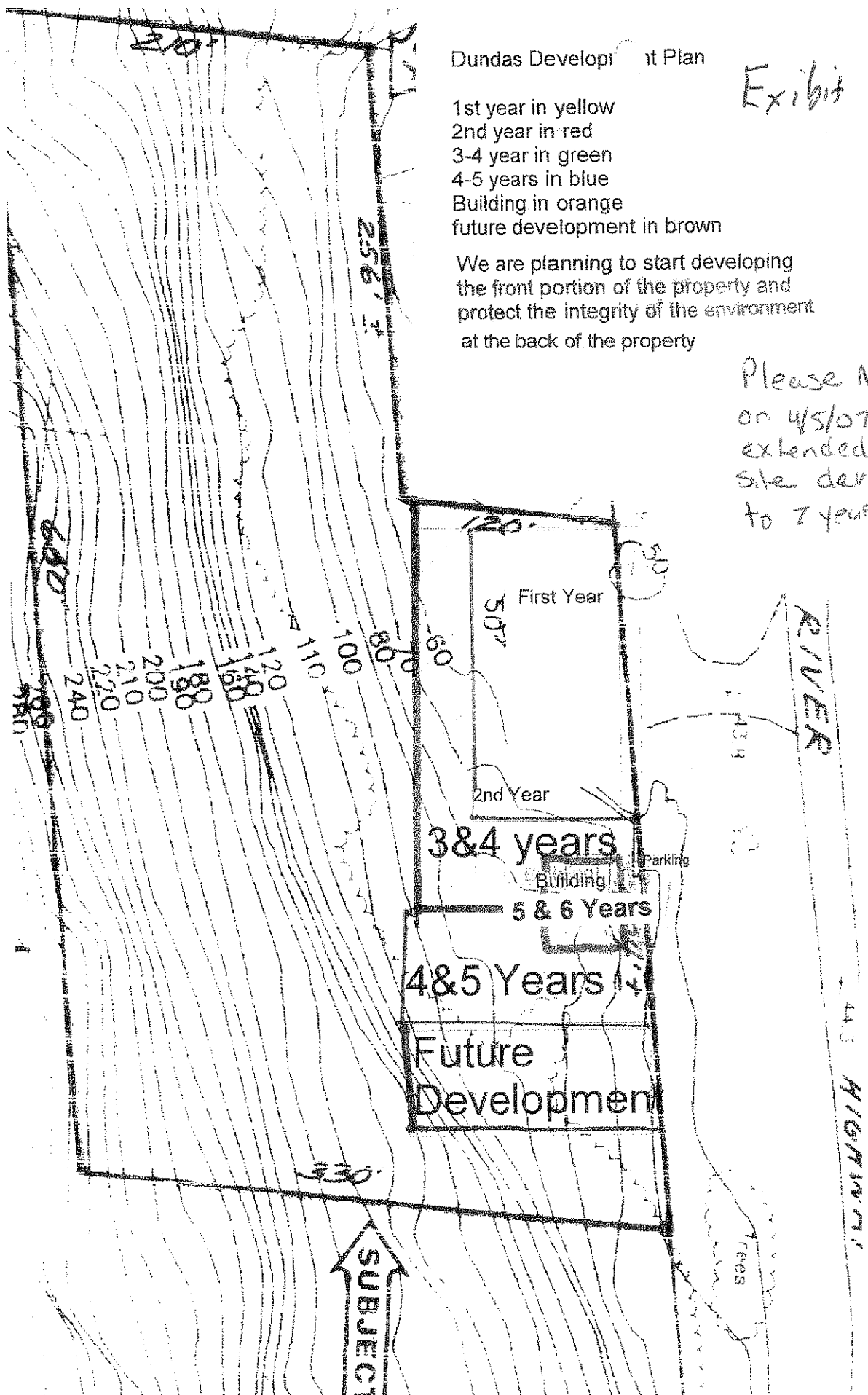
I james dundas would like to see if my land next to eagle contracting on copper river highway can be subdivided. I would like also if possible to have my criteria for the land be removed if the new owner of the subdivided land builds a building on the land in a short time, Like with in two years. that way we still get a building but in a shorter time frame. the material on the land has cost me a lot to try to clean up and its hard to afford to give material away to still be making progress with land. big jobs in town giving material away I have not been able to get ride of much rock to clear any more land. This would help me and still please the criteria of city, and have a taxable structure in shorter time frame.

Dea & James Dundas  
PO Box 133  
Cordova, Alaska 99574  
(907)424-5901  
[dundas@ak.net](mailto:dundas@ak.net)  
[bearcountrylodge.net](http://bearcountrylodge.net)

Exhibit B

We are planning to start developing the front portion of the property and protect the integrity of the environment at the back of the property

Please Note  
on 4/5/07 council  
extended the  
site development  
to 7 years.





## EXHIBIT B

### PHASING/DEVELOPMENT PLAN FOR DUNDAS PROPERTY

#### 1. First year

- 1.1. Complete the survey for the property
- 1.2. Begin removal of soil and materials for resale
- 1.3. Clean up back berm and work to develop more useable room on the front east portion of the property. We will move sand to the location to have it available for resale.
- 1.4. We are planning to provide a sight buffer that will be visually pleasing from the road. We plan to protect the integrity of the back portion of the property. View attached map
- 1.5. Upgrade and develop the existing driveway to regulate vehicular traffic in the area
- 1.6. Identify and develop usable flat land that can be utilized for the staging and storage of trucks and equipment related to our excavation and landscaping business.

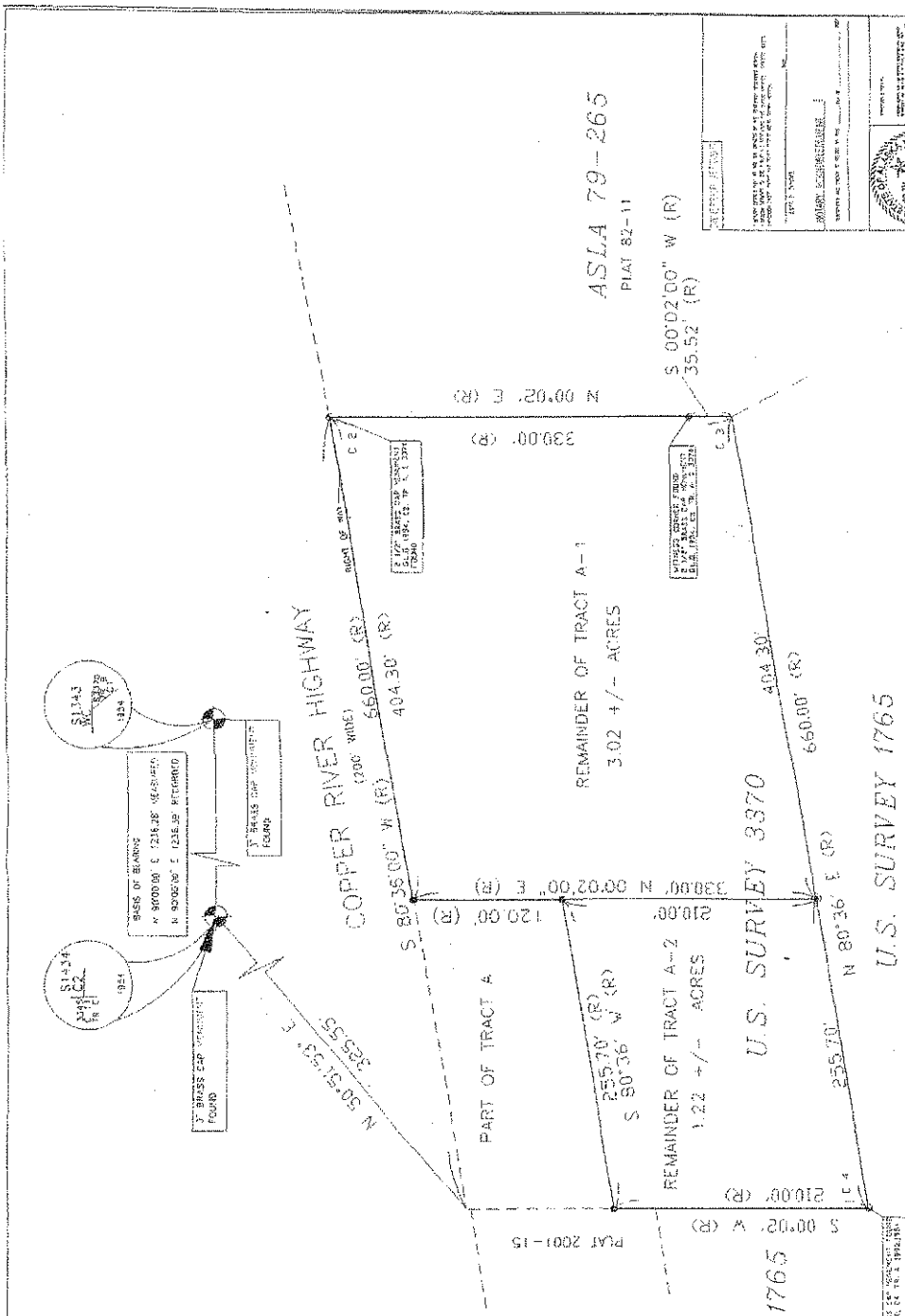
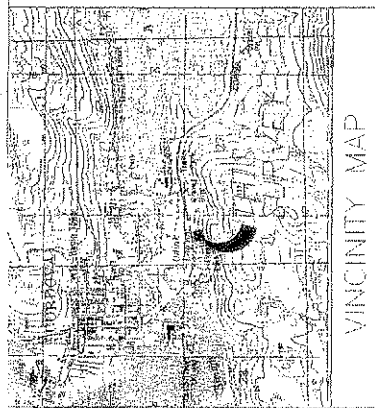
#### 2. Second Year

- 2.1. Continue activities identified in 1.2-1.6.
- 2.2. Continue excavation and develop more toward the east and expand a little in the back

#### 3. Third and Forth Years we plan to keep developing east and square the back of the property with the adjacent properties grade.

#### 4. Forth and Fifth Years We are expecting it will take four to five years to remove enough soil and materials to have adequate amount of flat land to build a building.

#### 5. Fifth and Sixth Years Our plan is to build a 40'x45' structure to work out of, however, the size of the structure may change and the location of the building will be determined by the lay of the land. At a minimum, the building shall be 600 square feet. We are planning in the future to develop more toward the east but leave a significant amount of trees to protect us from the wind. This development is a part of our long range plan dealing with active commercial and/or industrial activities related to expanding our current excavation and landscaping business.



**ASLA 79-265**  
**PLAT 82-11**

DATE: 10/1/82  
 BY: [Signature]  
 FOR: [Signature]

STEELE'S SURVEYING, INC.  
 1000 N. 10TH ST.  
 SPOKANE, IDAHO 83402

- REFERENCES:**
- 1. PLAT 2000-10
  - 2. PLAT 5081-15
  - 3. PLAT 82-11
  - 4. U.S. SURVEY 3370



- LEGEND**
- 1" - 1" = 100'
  - 2" - 2" = 100'
  - 3" - 3" = 100'

**NOTES:**

1. BEARINGS AND DISTANCES ARE AS SHOWN ON THIS PLAT.
2. MONUMENTS SHOWN WERE NOT RECOVERED BY SURVEY.
3. SUBJECT TO ALL CHANGING DISTANCES, SURVEYING, REVISIONS AND RECORDS OF THE SURVEY.

## **PENDING AGENDA**

### **Committees:**

Cordova Center Committee: Tim Joyce, Sylvia Lange, VACANCY, Darrel Olsen, Larue Barnes, VACANCY, Valerie Covell, David Roemhildt, Dan Logan, Nancy Bird, and Cathy Sherman

Fisheries Advisory Committee: David Reggiani, PWSAC; Ken Roemhildt, Seafood Sales; Jim Holley, AML; Torie Baker, Marine Advisory Program Coordinator; VACANCY; and Brian Marston, ADF&G

Cordova Trails Committee: Elizabeth Senear, Phil Hess, Jim Kallander, Toni Godes, and David Zastrow

# December 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 7:00 pub hng 7:30 reg mtg	2	3	4
5	6	7	8 FEMA training for Council 6-10 pm	9	10	11
12	13	14	15 6:45 work session 7:15 pub hng 7:30 reg mtg	16	17	18
19	20	21	22 Clerk on vacation until January 13	23	24 City Hall Offices Closed - Christmas Holiday	25
26	27	28	29	30	31 City Hall Offices Closed - New Year's Holiday	

# January 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 Clerk on vacation until January 13	4	5 7:30 reg mtg	6	7	8
9	10	11	12	13	14	15
16	17 City Hall Offices Closed - Martin Lu- ther King Jr. Holiday	18	19 7:15 pub hng (maybe) 7:30 reg mtg	20	21	22
23	24	25	26	27	28	29
30	31					

# February 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2 7:15 pub hng (maybe) 7:30 reg mtg	3	4 Ice Worm Weekend	5 Ice Worm Weekend
6 Ice Worm Weekend	7	8	9	10	11	12
13	14	15	16 7:15 pub hng (maybe) 7:30 reg mtg	17	18	19
20	21 City Hall Offices Closed - President's Day Holiday	22	23	24	25	26
27	28					