

**Regular City Council Meeting
December 16, 2015 @ 7:00 pm
Cordova Center Community Rooms A & B
Minutes**

A. Call to order

Mayor James Kacsh called the Council Regular Meeting to order at 7:00 pm on December 16, 2015 in the Cordova Center Community Rooms.

B. Invocation and pledge of allegiance

Mayor James Kacsh led the audience in the Pledge of Allegiance.

C. Roll call

Present for roll call were *Mayor James Kacsh* and Council members *Kristin Carpenter, Tom Bailer, Robert Beedle, Josh Hallquist, David Reggiani* and *James Burton*. Council member *Tim Joyce* was present via teleconference. Also present were City Manager *Randy Robertson* and Deputy Clerk *Tina Hammer*.

D. Approval of Regular Agenda

M/Burton S/Hallquist to approve the Regular Agenda.

Vote on the motion: 7 yeas, 0 nays. Beedle-yes; Hallquist-yes; Burton-yes; Joyce-yes; Carpenter-yes; Bailer-yes and Reggiani-yes. Motion approved.

E. Disclosures of Conflicts of Interest

Reggiani stated that he believes there is no conflict on number 6, but disclosed that he is a current member of MTAB. *Mayor Kacsh* agreed that he does not have a conflict.

F. Communications by and Petitions from Visitors

1. Guest Speaker - none

a. *Katie Davies* of Birch Horton Bittner & Cherot gave a presentation introducing the State of Alaska's newly adopted marijuana regulations. Additionally, she compiled a 250 page packet of information regarding those regulations to accompany her presentation. The Alaskan voters approved ballot measure 2 on November 4, 2014 and it became effective February 24, 2015, as Chapter 38 of Section 17 of the Alaska Statutes. A Marijuana Control Board (MCB) was created to enforce regulations which were finalized in November 2015. Individuals will be able to apply for licenses in February 2016 and the State will start issuing those licenses in May 2016. The statute provides for local government authority to regulate marijuana facility operations and locations within its boundaries. Communities can choose to opt-in or out by action of the city council or public initiative. Her recommendation is to form an advisory committee to work with city council to identify specific issues that may pertain to Cordova. *Davies* presented two draft ordinances which she suggests Council pass whether or not they decide to opt-in. The first designates Council as the regulatory authority on Marijuana in Cordova strictly for the ability to then collect revenue according to the statutes (50% of license fees go to the local regulatory authority). She said that the fees have not been set yet but the licenses are for any number of different things, growing, selling, testing, etc. The other draft ordinance deals with THC extraction and it prohibits certain manufacturing processes which are very dangerous. She said this is the beginning of the process - to plant the seed and Council could begin thinking about it.

2. Audience comments regarding agenda items – **none**.

3. Chairpersons and Representatives of Boards and Commissions

Beedle said that Harbor Commission had a meeting – *Michael Lukshin* from Juneau (AKDoT) gave a presentation on sources of funding for Harbor projects.

Carpenter said HSB will need to pick a regular meeting time, she might bring that up at pending agenda.

Parks and Rec Director *Susie Herschleb* reported that *P & R* had to cancel last meeting for lack of a quorum. They will meet again on December 29.

Bailer reported on the last school board meeting as he did attend. He informed them that Council intended to budget money for the Mt. Eccles windows to be fixed. They seemed very happy about that and he reported that not only did the girls' volleyball team win the state tournament, they also had the highest average GPA of the schools at the tournament.

Beedle reported on an RCAC event, "Science Night Live" that he attended, where some Cordovans presented – *Rob Campbell* (on plankton bloom in PWS) and *Scott Pegau* (on herring).

4. Student Council Representative Report – was not present

G. Approval of Consent Calendar

Mayor Kacsh declared the consent calendar before Council.

5. Resolution 12-15-50 A resolution of the City Council of the City of Cordova, Alaska adopting an alternative allocation method for the FY16 shared fisheries business tax program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA 15: Prince William Sound

6. Resolution 12-15-53 A resolution of the City Council of the City of Cordova, Alaska, authorizing creation of an AMHS advisory committee in order to advise city council on AMHS issues

7. Resolution 12-15-54 A resolution of the City Council of the City of Cordova, Alaska, approving the final plat of 'Ladd SLUP lot'

8. Resolution 12-15-55 A resolution of the City Council of the City of Cordova, Alaska, supporting the conservation of fish and wildlife habitat in the Copper River watershed and the protection of livelihoods that are dependent upon that habitat

Vote on the consent calendar: 7 yeas, 0 nays. Carpenter-yes; Beedle-yes; Joyce-yes; Bailer-yes; Burton-yes; Reggiani-yes and Hallquist-yes. Consent Calendar was approved.

H. Approval of Minutes

M/Burton S/Bailer to approve the minutes.

9. 11-04-15 Regular Meeting Minutes

10. 11-18-15 Public Hearing Minutes

11. 11-18-15 Regular Meeting Minutes

12. 12-02-15 Regular Meeting Minutes

Vote on the motion: 7 yeas, 0 nays. Joyce-yes; Bailer-yes; Burton-yes; Beedle-yes; Reggiani-yes; Hallquist-yes and Carpenter-yes. Motion approved.

I. Consideration of Bids - none

J. Reports of Officers

13. Mayor's Report – *Mayor Kacsh* said he has handed out a letter from DNR and he'd like the Fisheries Advisory Committee to get together and look at this and report back to Council.

John Bitney was present to address Council. He said that just tonight he saw an update that Congress had passed the budget and *Senator Murkowski* was able to get a one year extension on the J1 Visa Program. DoT has been taking comments on the Marine Highway and there have been 3 key things regarding that. 1) the department actually came to Cordova to hear public input; 2) DoT contracting with McDowell Group to do an economic analysis of what the ferry system means to the state's economy – we were successful in getting Cordova to be one of the three communities that they will focus that study on – i.e. we want to show Anchorage the value of these ferry-connected communities; 3) work with the administration and the next step is work with the legislature and *Senator Micciche* (Chair of Senate Finance) was invited to Cordova to listen to the community – he will be here January 6, in the morning – details to be worked out still. *Bitney* said he would definitely try to be here too for that.

Bitney also reported that the Governor yesterday released his full package of bills that go with the budget. There is one that changes the structure of the Permanent Fund (to allow some to be used for government expenses), and bills that: create an income tax, allow for increases to fisheries taxes, alcohol tax, tobacco tax, fuel taxes, cruise ship head taxes and decreases in credits for oil taxes. Session will begin January 19 – there are some opportunities, not all doom and gloom. At the same time *Bitney* said it has become a more, "protect what we have" attitude; i.e. our ferries, our jails, PERS contribution rates, etc. The Governor did propose a \$250 million bond package targeting harbors.

14. Manager's Report – *Robertson* said that the transformer for the CT scanner was damaged en-route to Cordova which should cause a delay, unknown as of yet how long. *Robertson* also commented that the first Holiday Bazaar at the Cordova Center was last weekend and he had *Susie Herschleb* present a few slides and details of the event. 37 merchandise and food vendors total – past years it has been between 30 – 32, 73 kids had pictures with Santa, 200 shop-Cordova bags were given away by the Chamber of Commerce, 400 recyclable bags were given away by the Eyak Preservation Council – there were definitely plenty of people here. *Herschleb* said the word of the event was flow – they analyzed flow of people, flow of vendors unpacking goods, flow of traffic outside during the event, etc. She feels as though many improvements can be made for the future – maybe food vendors outside and open earlier, maybe City Christmas tree out here and carolers to accompany, overall great team work by those who work at the Cordova Center,

and Bidarki staff. **Herschleb** thanked her staff: **Heather Brannon, Jeremy Donohue, Charles Melovidov, Kelsey Appleton** and **Jim Fritsch** – quite an event to pull off, was a great time though.

Joyce asked the City Manager about a recent article in the newspaper discussing the breakwater fill lot sale and the financial ramifications to the City. He'd like to know if the manager had some accurate numbers on this. **Robertson** said he hasn't spent an undue amount of staff time on this because the author of the letter has not made it clear as to what she meant in her editorial. **Joyce** asked if **Robertson** knew how much money the Salty Steer had invested in the project as of this time. The Manager said he knew of a great deal of attorney time they had invested but not a dollar figure. **Bailer** commented that he also read the editorial which insinuated that the City would be in financial trouble if they sold the lot but he was unaware of what that meant. **Beedle** asked about the article and said if it is public, he would like to know who wrote it. **Bailer** and **Robertson** both said it was in the Cordova Times – it was written by **MaryAnn Bishop**.

15. City Clerk's Report – there was no report.

K. Correspondence

16. 11-30-15 PWSEDD letter to AMHS

17. 11-30-15 O'Brien letter in re parking on First Street

18. 12-01-15 Cordova legislators' joint letter to Governor and ADFG Commissioner concerning Tanner Crab in PWS **Hallquist** said regarding the **O'Brien** letter, he wondered if there had been any proposals received yet on the Library/Museum building. **Robertson** said there has been one submitted as of this time. **Hallquist** opined that the bazaar was telling and maybe we should think about parking. **Joyce** said that the playground that used to be behind the Library is now parking and that has taken the place of the parking lost with the building of the Cordova Center.

Beedle thanked the legislators for the letter to the Governor regarding Tanner Crab.

L. Ordinances and Resolutions

19. Resolution 12-15-51 A resolution of the City Council of the City of Cordova, Alaska, adopting service fees, rates and charges for the 2016 calendar budget

M/Burton S/Bailer to approve Resolution 12-15-51 A resolution of the City Council of the City of Cordova, Alaska, adopting service fees, rates and charges for the 2016 calendar budget.

Joyce said this has been discussed over several meetings – not too many changes over the past year.

Vote on the motion: 7 yeas, 0 nays. Carpenter-yes; Hallquist-yes; Joyce-yes; Beedle-yes; Burton-yes; Reggiani-yes and Bailer-yes. Motion approved.

20. Resolution 12-15-52 A resolution of the City Council of the City of Cordova, Alaska, adopting an operating and capital budget for fiscal year 2016 and appropriating the amount of \$16,752,750

M/Burton S/Carpenter to approve Resolution 12-15-52 A resolution of the City Council of the City of Cordova, Alaska, adopting an operating and capital budget for fiscal year 2016 and appropriating the amount of \$16,912,159

Burton said there has been time spent on this, staff presentations lots of hashing out, etc. It's that time of year again.

Reggiani asked **Robertson** to go through his memo a bit in explanation of the budget; and what may have been edited since Council last saw this so they can have a clear understanding of what's being funded and what's not being funded.

Robertson stated that from the initial budget presented, Council directed lowering the anticipated revenue for Fish Tax and Sales Tax; a little was taken away from the Chamber contribution; the marketing budget was plussed-up and then Council added a little more to that; ski hill will receive the pass-thru leases directly and then **Mr. Swartzbart** is invited for a work session in January or February to further discuss that; fee schedule – about the only change is increase to electrical charges at Odiak camper park; \$20K for moving dispatch was rolled right into police budget, we found it in there to keep it off of the capital list; there is \$17K in there for Chester Pools – half of the cost of the filtration upgrade from last year (we had said we'd do it that way) therefore, it's in there for the visibility of it; the baler upgrade project is being done in house as well with the use of the current reserve as well as the depreciation amount that is budgeted for this year. As far as capital, **Robertson** came away with: finish Cordova Center, fix pool roof and Mt. Eccles windows.

Reggiani asked about whether the capital items were included in the resolution before them right now. The answer is no, it will come at a later time. **Reggiani** thought the \$95K could be funded from the general fund reserve (he opined it was small enough for that), the \$1.4M for the line of credit, he would think about funding that through the permanent fund and then identify ways that user fees, etc. (i.e. use of the Cordova Center) could be ear-marked as ways to pay back the permanent fund. **Mayor Kacsh** said that could come before council in January or early February as an ordinance and it would require 7 yeases to pass that ordinance. **Reggiani** agreed but said that the \$95K coming from the general fund reserve could be done tonight – i.e. should be included in tonight's resolution.

M/Reggiani S/Burton for a 10 minute recess for **Jon Stavig** to figure out the \$95K change to the budget resolution.
Hearing no objection the meeting stood at recess at 8:15 pm.

The regular meeting was reconvened at 8:28 pm.

Jon Stavig walked Council through the edits that would be necessary in the resolution in order to accomplish the \$95K transfer from general fund reserve that they asked for in the budget document. Eight of the figure sin all needed to be changed – significantly, in the resolution header the figure being appropriated changed from \$16,912,159 to \$17,007,159.

M/Reggiani S/Bailer to amend Resolution 12-15-52 as stated by **Jon Stavig** with the several edits to the figures, notably the amount being appropriated changed to \$17,007,159.

Reggiani thought this was the easiest way to be transparent about where these projects will be funded from, rather than adjusting our assumptions on sales tax or fish tax to make up the difference.

Vote on the amendment: 7 yeas, 0 nays. Hallquist-yes; Reggiani-yes; Bailer-yes; Beedle-yes; Carpenter-yes; Joyce-yes and Burton-yes. Motion to amend was approved.

Bailer asked again about the landscaping for the Cordova Center, he wanted to ensure that it was not coming from Streets budgeted money. **Robertson** said he recalls that it was decided that it can be handled in house. **Bailer** wondered why it wasn't included in the \$1.4M. **Robertson** said we have the skillset and if it is a good summer weather-wise this can be accomplished without asking for more funds. **Bailer** also said he hopes the electricity budgeted number is good, but he believes we might be overly optimistic with that amount. **Robertson** said our initial impression is that it's a really tight building a few points away from gold standard – and there are only 2 gold rated buildings in the state, however, **Bailer** may be right, we are still in the commission stage of this building. Most important and economical for the city will be to have these other buildings offline – i.e. Library/Museum. Those are bleeding us dry.

Vote on the main motion as amended: 7 yeas, 0 nays. Beedle-yes; Carpenter-yes; Burton-yes; Hallquist-yes; Bailer-yes; Reggiani-yes and Joyce-yes. Main motion was approved.

M. Unfinished Business

N. New & Miscellaneous Business

21. Pending Agenda, Calendar, Elected & Appointed Officials list

Mayor Kacsh said for the next meeting he'd like to see the two pot ordinances. He also mentioned that soon, **January** or **February** it would be good to see an ordinance moving the money from the permanent fund to cover the \$1.4 million to complete the Cordova Center (i.e. the line of credit).

January 6, 2016 from 10am – noon **Senator Micciche** will be in Cordova conducting a public meeting to hear AMHS concerns – in Council chambers.

January 11, 2016 noon meeting with **Ron Vigus** of QHR.

O. Audience Participation

David Allison 203 Whiskey Ridge – thanked Council for their volunteer time they put in – he extends that appreciation to their families for the sacrifice they make too. He thanked the staff for hard work on the budget. **Randy, Jon** and all the staff present – he said it is nice to see all the staff in the audience in attendance because it hasn't always been that way. He also expressed public appreciation to **Stephen Sundby** for his work as interim administrator at CCMC. He also expressed a Merry Christmas and Happy New Year to everyone.

P. Council Comments

13. Council Comments

Joyce echoed **Allison** with Holiday wishes. He also said that as far as the Resolution passed in the consent calendar concerning the coal mining in Bering River, he believes that Council should use more due diligence instead of just forwarding on things presented to us.

Burton thanked staff for all the work that went into the budget.

Bailer said that if anyone has the opportunity to drive by the Coast Guard Housing, they are tearing off and replacing the siding and putting it on the way they should have the first time. He said it's a good example of outside architects and engineers not understanding how to build in Cordova – they may have followed the plans but the plans weren't good for Cordova.

Reggiani thanked **Randy, Jon** and staff for the great work on the budget this year; really sharp and tight and impressive to do so right in the middle of a big move. He also said Merry Christmas to everybody.

Beedle echoed the holiday greetings.

Carpenter echoed *Reggiani's* budget comments. Congrats to *Tim* as he is about to become a grandfather – great news. *Robertson* advised that the state has approved the Tsunami siren \$36,000 grant so he thanked Council for that action. *Mayor Kacsh* echoed the budget comments – said the process was one of the best he's ever been through.

Q. Executive Session - none

R. Adjournment

M/Bailer S/Burton to adjourn.

Hearing no objections the meeting was adjourned at 8:53 pm.

Approved: January 06, 2016

Attest: 

Susan Bourgeois, CMC, City Clerk

