

**CITY COUNCIL REGULAR MEETING
MARCH 05, 2014 @ 7:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kacsh called the Council Regular Meeting to order at 7:30 pm on March 05, 2014, in the Library Meeting Room.

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 *Tim Joyce, David Allison, Bret Bradford, Dave Reggiani* and *James Burton*. Council Members *EJ Cheshier* and *Kristin Carpenter* were absent. Also present were City Manager *Randy Robertson*, City Clerk *Susan Bourgeois* and Student Council Representative *Sarah Hoepfner*.

D. APPROVAL OF REGULAR AGENDA

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

Vote on motion: 5 yeas, 0 nays, 2 absent (*Carpenter, Cheshier*). Motion passes.

E. DISCLOSURES OF CONFLICTS OF INTEREST

David Allison declared a conflict on agenda item 9 because he works for Eagle and he was involved in the proposal they put forward. *Mayor Kacsh* agreed.

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speaker - none

2. Audience comments regarding agenda items:

Paul Swartzbart said he was here to discuss Whitshed Road – Northern DoT has refused to lower the speed limit from 35 to 25 as in the Council Resolution of support that was passed in 2010. He wondered what more could be done. Maybe the Council or the Mayor could call Northern DoT to make something happen.

Rob Campbell introduced himself because he is the acting Director of the Science Center while *Katrina Hoffman* is on maternity leave and he would be available to answer questions during or after the executive session if Council had any.

3. Chairpersons and Representatives of Boards and Commissions

Harbor – Burton said Harbor Commission would be meeting next week.

HSB – Allison said there had been a certified letter to all HSB members and that is being dealt with. There isn't another meeting scheduled until the next quarterly meeting in April.

Planning and Zoning – Reggiani said they meet next week as well.

School Board – Bradford said *Allison* jumped in last time. *Allison* said he attended a meeting on February 20 and they accepted the superintendent's contract and a contract with AT&T for e-rate. Student Council in the elementary school started up this year and they are planning a community service project and the kids decided the proceeds would go to the Cordova Center. Stage of the Tides had a recent performance and those gate revenues were also donated to the Cordova Center.

4. Superintendent's Report – *Theresa Keel* was present to report on insurance and in-kind contributions because the City Manager stated he needed clarification and more direction from Council. She was asking Council to direct staff to give the district the money that was budgeted but not spent on insurance and that the district will use to fund a capital item. She said it is a line-item adjustment only on the part of the Finance Director. She said it could be used for computers that were already purchased by the district out of operating (i.e. cap) money. *Joyce* opined that if the exact amount of the insurance is now sent to the school, couldn't we all be getting in trouble with the State on that. *Keel* said the City regularly gives money over the cap to fund capital items. Last year \$40K was given over the cap towards technology. *Bradford* said that last year the student count was down and so we were over by \$40K in the amount we budgeted to the school so we

said just keep it for capital. **Reggiani** suggested a joint work session with the School Board so we can clarify the history on this request and get everyone on the same page. She said she had already done a specific capital request to Council a few months ago. **Allison** said he wouldn't be around for a work session but he would suggest the school asking for a specific amount of money because if they don't get that amount, this would be the casualty (i.e. explain what program/teaching position, etc. would be lost). She said that the \$66K that was insurance money was money they needed for operations but it was taken from them with the state's decision regarding in-kind. She is asking for that back. **Keel** said they will have to delve into their rainy-day fund to make this up for this year and then for future years it will be money that they will not count on for the future; they will lose a teacher. **Reggiani** said he would really like to talk to the School Board; he said **Theresa (Keel)** is doing a great job advocating. **Reggiani** went on to say we are taking a lot of time in the Superintendent's report and he hoped someone would support him in the suggestion of a joint work session. **Reggiani** suggested she bring capital requests for 2015 as well to the work session. **Joyce** said he will need more information on the cap/ the statutes regarding that and what we are responsible for, school buildings, etc.

5. Student Council Representative Report – **Sarah Hoepfner** said that last week was homecoming but the ferry ramp did not work in Valdez and they were unable to come for games. They still held the dance. Yesterday there was an assembly at school to have all the carts and the coronation of king and queen, etc. Last week was NosBowl (national ocean sciences) and the Cordova teams got 11th and 14th. Future problem solvers: **Robin Pegau** got first place in state for her scenarios story and she'll be going to Internationals. In the next few weeks we will get the rest of the results of how Cordovans did. AASG is coming up April 10-12. Regional basketball tournament is here this weekend, 7 teams from our conference will be here our boys' and girls' teams play tomorrow.

G. APPROVAL OF CONSENT CALENDAR

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

6. Resolution 03-14-13 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

7. Record excused absences for Council members Kristin Carpenter and Dave Reggiani from the February 19, 2014 Regular Meeting

Vote on Consent Calendar: 5 yeas, 0 nays, 2 absent (Carpenter, Cheshier). Bradford –yes; Reggiani-yes; Joyce-yes; Allison-yes and Burton-yes. Consent Calendar was approved.

H. APPROVAL OF MINUTES

M/Bradford S/Burton to approve the Minutes.

8. Regular Meeting Minutes 2-19-14

Vote on motion: 5 yeas, 0 nays, 2 absent (Carpenter, Cheshier). Motion passes.

I. CONSIDERATION OF BIDS

9. Council approval of contract with Eagle Contracting to perform the upgrades to the shell of the Solid Waste Baling Facility

M/Bradford S/Joyce to direct the City Manager to enter into a contract with Eagle Contracting Corporation of Cordova, Alaska to perform the upgrades to the shell of the solid waste baling facility for the sum of \$445,700.

Reggiani asked for an explanation of the negotiated change order. **Robertson** deferred to **Greenwood** who stated that they accepted Eagle's bid for \$465,000 and once accepted we can renegotiate the scope of work. **Reggiani** asked what the reduction in the scope of work entailed. **Robertson** said it had to do with the insulation; spray vs. panels. **Greenwood** said that the alcove on the baler building was redone 3 years ago and it was in good enough shape, didn't need residing on that portion of the building. Also, 25% of the purlins on the roof were in good enough shape and wouldn't need replacing. Eagle went over there to inspect it to ensure that they were ok with that and they are. **Reggiani** also asked for the time for performance; the answer was May 30, 2014; substantially complete by May 15. **Reggiani** also said he sees that there are liquidated

damages. **Greenwood** said, yes, they will be in the contract. **Reggiani** asked what the motion was; are we approving a contract or is the motion to accept the bid? Discussion ensued regarding Council's role; this was a motion to direct the Manager to enter into a contract, in the past, Council has not had the contract in front of them; just the list of bids, the RFP and the memo from the Manager. **Bradford** said he feels ok with this contract, i.e. letting this one without seeing the contract, but he doesn't feel that way with every contract. **Reggiani** said this is a significant contract, a half a million dollars; that is why he pauses. If it is not in Code that the contract needs to come before Council for review before we enter into them then he can accept that. **Reggiani** said maybe Council should come up with something at a later date, maybe something substantial, as far as dollar amount for example, over \$100K. **Mayor Kacsh** said, so you mean, look at maybe changing a piece of code? **Robertson** said he would solicit a white paper from the City Attorney regarding contracts and how code reads now.

Vote on motion: 4 yeas, 1 conflicted (Allison), 0 nays, 2 absent (Carpenter, Cheshier). Motion passes.

J. REPORTS OF OFFICERS

10. Mayor's Report – **Mayor Kacsh** said that at the last meeting he made some mistakes regarding the resolution we had that should have been a roll call vote and needed a majority of all council which means four yeas and it only received three yeas which means that in effect, it failed. It is back again with a new number and more information. **Mayor Kacsh** deferred his time to **John Bitney** in Juneau.

John Bitney mentioned that **Representative Berta Gardner** asked him to solicit a letter of support for an Exxon reopener petitioned through the US Department of Justice. This is not time-sensitive. This resolution in Juneau probably won't be scheduled this session in Juneau. He also wanted to alert Council to a discussion about the unfunded liability of the state's pension fund in Juneau right now. In 2008 the employer's contribution rate for PERS was capped at 22.5% (*this amount was later determined to be 22% not 22.5%; let the minutes reflect the 22.5% that was in fact stated, however, the correct percentage is 22%*). The Governor proposed an infusion of \$3 Billion into the pension fund to help pay down the liability. House finance has so far not included that \$3 Billion in their budget proposal but they are working on other ways to address the unfunded liability issue such as a bill that would raise the employer contribution max to 24%. **Bitney** said he feels comfortable saying that the City of Cordova would not be happy with the contribution rate increase; he estimated that a 1% bump would be about \$25K per year for Cordova. He wanted to hear that Council was ok with him voicing some objections to the possibility of raising the contribution rate. Council did concur with that. The City of Anchorage is behind this because they want to sell their utilities and they don't want to be on the hook for the termination studies and remnant liability for all those employees becoming non-PERS. This rate increase legislation is combined with an out for the termination studies, like what we did recently for the hospital administrator position going over to Providence.

11. Manager's Report – **Robertson** reported that: 1) Council's guidance had been to get a PE for the Public Works Director job. We have done so; **Richard Rogers** should be here the first week of April. 2) He asked **Joanie Behrends** to give an Alaska Shield update. Dates, Friday, Saturday March 28 & 29. She thanked the USFS for "playing" with us and giving their building for our use. **Behrends** thanked **Theresa Keel** and **Randy Robertson** for going above and beyond during this preparation. She also mentioned a commemorative night remembering the 1964 earthquake and tsunami in Chenega. She handed out personalized invitations to Council members for that event on Tuesday March 18 at 7pm at the Reluctant. 3) **Robertson** said he thought **Susan Harding** would be in attendance tonight as she wanted to pass on the leadership changes that he occurred at the College. **Dr. Ng** is no longer with them, there is an interim in place and regardless of what you hear, PWSCC will offer the same services locally.

a. Police Chief, **George Wintle**, letter in re Citizens' Advisory Committee. **Wintle** mentioned that he had formed a Citizens' Advisory Committee and they would be meeting in the future so that they could assist him in bringing the people's voices to the Department, along the lines of advice and suggestions.

12. City Clerk's Report – **Bourgeois** said that the Election went well; she thanked the Election Board for their professionalism. The preliminary results are as follows: Seat B – Henrichs – 105, Joyce – 295; Seat C –

Bailer – 318; School Board – Allison – 174, Glasen – 231; Prop 1 – Yes – 232, No – 187. She mentioned that absentees (as many as 48) will be counted by the Election Board on Tuesday March 12 at 9 am. There will be a Council Special Meeting Thursday March 13 to certify the Election.

K. CORRESPONDENCE

13. Email from Karen Swartzbart in re Whitshed speed limit 02-18-14

Council wondered what more they could do about DoT's lack of interest in adjusting the speed limit. **Reggiani** mentioned the possibility of fixed speed limit signs that have a device that tells drivers what speed they are going; like the one the City has now but not on a trailer, instead fixed in place. Maybe we could ask DoT to put such devices out. **Allison** thought that maybe the chief could assist by encouraging enforcement of the present speed limit.

14. Chenega IRA Council request for donation 02-28-14

Council concurred to donate \$200 which has been the customary Council donation these past few years.

L. ORDINANCES AND RESOLUTIONS

15. Resolution 03-14-14 a resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the FY14 budget and authorizing the transfer of prior appropriations in the amount of \$50,000 for the purchase of chip seal oil

M/Reggiani S/Burton to approve Resolution 03-14-14 a resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the FY14 budget and authorizing the transfer of prior appropriations in the amount of \$50,000 for the purchase of chip seal oil.

Reggiani thanked **Robertson** for looking back at the budget and finding this \$50K. **Reggiani** wasn't certain what account we were transferring it into and he wondered if there wasn't a better spot. He suggested an amendment.

M/Reggiani S/Burton to amend the resolution by changing the account code in the fourth whereas to #101-603-55025.

Vote on motion: 5 yeas, 0 nays, 2 absent (Carpenter, Cheshier). Motion passes.

Bradford wondered if the new Public Works Director was aware of chip-sealing, the infrared machine, etc. **Robertson** said in discussions with him he agreed that it's all about funding. We would all prefer asphalt and it's all about money. Chip-seal is simply more affordable. **Bradford** considered amending this to be less specific and just say road maintenance.

M/Bradford to amend the resolution by replacing the "for purchase of chip seal oil" to "for road repair". For lack of a second this motion failed.

Vote on main motion: 5 yeas, 0 nays, 2 absent (Carpenter, Cheshier). Bradford –yes; Joyce-yes; Burton-yes; Reggiani – yes and Allison-yes. Motion passes.

16. Resolution 03-14-15 a resolution of the City Council of the City of Cordova, Alaska amending the FY14 budget to recognize the receipt of \$300,645.39 from the Department of Homeland Security to reimburse the City for expenses incurred during the 2012 snow event and to appropriate \$120,000 of those funds to fund the acquisition of a piece of asphalt patching equipment, a double drum roller and one tank of chip seal oil to fulfill the city's road maintenance program for 2014

M/Joyce S/Burton to approve Resolution 03-14-15 a resolution of the City Council of the City of Cordova, Alaska amending the FY14 budget to recognize the receipt of \$300,645.39 from the Department of Homeland Security to reimburse the City for expenses incurred during the 2012 snow event and to appropriate \$120,000 of those funds to fund the acquisition of a piece of asphalt patching equipment, a double drum roller and one tank of chip seal oil to fulfill the city's road maintenance program for 2014

Joyce said he is concerned when things like this come before Council outside of the normal budget process. **Reggiani** shares the same concern; it's always favorable to have everything outlined at budget time. **Bill Howard** has done a great job outlining the need. **Reggiani's** concern is that \$900K was spent out of general fund reserve for snowpocalypse and we are receiving reimbursement from the state of only a portion of that – he finds it difficult not to put that full amount right back where it came from to prepare us for the next

emergency that could occur. **Reggiani** proposed that Council pause here, take a look at revenue again; see what we want to do with the \$300K. He wonders how time-sensitive this is, whether we can schedule a budget work session about this. **Bill Howard** wanted to clarify that staff was absolutely ready to bring this forward to Council during budget discussions but at the time the direction was that we would be bonding for paving and there was no need to ready ourselves to chip seal. **Burton** said he is ok with taking some of this money out of the \$300K to fund this necessary chip seal maintenance of the roads. **Mayor Kacsh** said that why not fund this because we know there is need and then, if we want to look at our budget again before setting the mill rate to reassess other priorities, we could do that. After lengthy discussion, Council concurred to pare this resolution down by opting for two barrels of oil instead, thus a \$25K savings. **Reggiani** and **Joyce** said there were some other language issues that the resolution had. A recess was suggested to reword the resolution and have the amendment prepared.

M/Reggiani S/Bradford to take a five minute recess. With no objection the meeting was recessed at 9:29pm and then reconvened at 9:31pm.

M/Joyce S/Reggiani to amend the resolution as follows: in the title, replace "...\$120,000 of those funds..." with "...up to \$95,000..."; remove the entire third whereas; in the last whereas, replace "...\$120,000..." with "...up to \$95,000..."; and in the now, therefore, be it resolved, replace "...\$120,000 of those funds..." with "...up to \$95,000..." and delete "...and one tank of Chip Seal Oil..."

Vote on motion to amend: 5 yeas, 0 nays, 2 absent (Carpenter, Cheshier). Motion passes.

Vote on main motion: 4 yeas, 1 nay, 2 absent (Carpenter, Cheshier). Bradford –yes; Reggiani – yes; Allison-no; Joyce–yes and Burton–yes. Motion passes.

M. UNFINISHED BUSINESS - none

N. NEW & MISCELLANEOUS BUSINESS

17. BDO arrangement letter to staff regarding Financial Audit for 2013

This was not an action item just informational.

18. Request for a letter of support in re Exxon reopener 02-18-14

M/Joyce S/Bradford that the City Council provide a letter of support for an Exxon Reopener. He said we should defer to our lobbyist **John Bitney** on the appropriate timing of the letter.

Bitney said a letter should be written to the Governor, the Attorney General and the US Department of Justice. **Bitney** said the best time for such a letter would be after the session, therefore, late in April. **Robertson** said he and **Bitney** could get together and write this letter and put it before Council on a future agenda.

M/Bradford S/Joyce to refer this to staff.

Vote on motion: 5 yeas, 0 nays, 2 absent (Carpenter, Cheshier). Motion passes.

19. Pending Agenda and Calendar

Special Meeting to certify the Election at noon on **March 13**. Council joint work session with the School Board 7pm and then followed by a Council budget work session on Wednesday **March 26**.

Bradford asked for an agenda item concerning the code requirements for notification of elections. **Reggiani** suggested we should discuss the different pieces of code that refer to contracts.

O. AUDIENCE PARTICIPATION

Tom Bailer thanked **David Allison** for these last six years on Council. I didn't always agree with you; usually did and you always came prepared and I hope to be able to fill your shoes in that regard. I hope you stay engaged.

P. COUNCIL COMMENTS

20. Council Comments

Burton said he is glad we will work on the school insurance thing; congratulated **Tim** and **Tom** and he will reiterate that he appreciated the information given by **Bill Howard**.

Allison said some general comments – he hopes that they all heard the superintendent say that that was their rainy day fund and it will not affect their budget. He thinks the School Board needs to get more engaged than

they are – I hope you guys can engage them. As far as the asphalt machine – he is not against maintaining streets but everyone he's talked to is not in favor of that machine. He voted no because of the myriad of things still out there, out of budget cycle, money allocated from where, maybe coming up with money in the budget. He appreciates this Council for keeping property taxes low for people; this town is an expensive place to live and we are trying to help people stay. He went on to say he's enjoyed his last six years, he said it's a volunteer effort, you often don't make friends with some decisions, he appreciates all of them for doing it as well. He appreciates **Bailer** putting his name in and dedicating three years to this; he said the saving grace of Council service is that sometimes it's the cheapest entertainment in town. He said we all don't always agree with each other but we always walk out of here friends and residents of Cordova – much appreciated.

Reggiani praised **Allison** for his work over the years. He hopes to see him back on another board or back on Council.

Bradford offered similar sentiments; appreciated working alongside **Allison** these past four years.

Joyce also thanked **Allison** and appreciated his not being afraid to say his peace over the years and liked that he brought a lot of good information before Council. Thanked the others who ran; encourages other community members to also become involved.

Mayor Kacsh expressed many similar sentiments as Council in saying goodbye to **David Allison**.

M/Bradford S/Joyce to take a five minute recess. Hearing no objection, the meeting was recessed at 10:02 pm and then reconvened at 10:05 pm.

Q. EXECUTIVE SESSION

21. Attorney legal advice regarding Cordova Center finances

22. Update on negotiations regarding land sale to PWSSC

23. Update on NVE Performance Deed of Trust

M/Joyce S/Bradford to enter an executive session to receive attorney legal advice regarding the Cordova Center, to get updates on negotiations for land sale with PWSSC and on NVE's performance deed of trust, all matters the immediate knowledge of which would clearly have an adverse effect on the finances of the government.

Vote on motion: 5 yeas, 0 nays, 2 absent (Carpenter, Cheshier). Motion passes.

Council entered executive session at 10:05 pm and was back in regular session at 10:51 pm.

M/Joyce S/Bradford to direct the City Manager to follow Council's direction as was expressed in the executive session.

Vote on motion: 5 yeas, 0 nays, 2 absent (Carpenter, Cheshier). Motion passes.

R. ADJOURNMENT

M/Bradford S/Burton to adjourn. Hearing no objections the meeting was adjourned at 10:52 pm.

Approved: March 19, 2014

Attest:


Susan Bourgeois, CMC, City Clerk

