

**CITY COUNCIL REGULAR MEETING
JULY 16, 2014 @ 7:00 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kacsh called the Council Regular Meeting to order at 7:00 pm on July 16, 2014, in the Library Meeting Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor 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*, *Tim Joyce*, *Tom Bailer*, *Dave Reggiani* and *James Burton*. Council members *EJ Cheshier* and *Bret Bradford* were absent. Also present were City Manager *Randy Robertson* and City Clerk *Susan Bourgeois*.

D. APPROVAL OF REGULAR AGENDA

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

M/Joyce S/Carpenter to amend the agenda by moving item 17 to item 10a so that the community members that were present would be able to see the action taken on item 11.

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

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

E. DISCLOSURES OF CONFLICTS OF INTEREST

Bailer said there is a possible conflict with him on agenda item 12a. He said if the Council opts to put it out for proposals, it might be something he puts in a proposal on. *Mayor Kacsh* agreed and asked him to recuse himself from that agenda item.

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speaker - none
2. Audience comments regarding agenda items - none
3. Chairpersons and Representatives of Boards and Commissions - no reports were given

G. APPROVAL OF CONSENT CALENDAR

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

4. Record excused absences for Cheshier and Burton from the July 2, 2014 Regular Meeting

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

H. APPROVAL OF MINUTES

M/Joyce S/Burton to approve the Minutes.

Joyce offered an edit due to a typo for the Clerk on page 3 of the June 4 minutes.

5. Regular Meeting Minutes 06-04-14
6. Public Hearing Minutes 07-02-14
7. Regular Meeting Minutes 07-02-14

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

I. CONSIDERATION OF BIDS

J. REPORTS OF OFFICERS

8. Mayor's Report – *Mayor Kacsh* said it is wonderful to see so many people excited about the Cordova Center and moving the project along.

9. Manager's Report – *Robertson* said there had been a "Roberts Rules" class given by *Ms. Wells* a few weeks back which was very well attended and he has heard interest in other future such trainings for Boards and

Commissions, etc. Yesterday there was a "leadership" class and he invited several other organizations to that. **Mattson** has said that they (sate DoT) will be beginning work on lighting at the intersection by the High School. They are making some good progress at CCMC, he has suggested they come and report here, to Council, so that you are kept up on goings on more than quarterly. He handed out a draft quarterly City newsletter – **Ms. Cloward** has been the action officer on this – he offered it to Council to give any input they might have.

- a. **Brandon Dahl**, refuse transfer site report. A brief presentation was offered that presented some pros and cons for keeping the transfer site at its present location or relocating it elsewhere or doing away with it altogether.
- b. MOU with Cordova Electric Cooperative in re Crater Lake
- c. **Rich Rogers/Malvin Fajardo**, City water supply update – **Rogers** said he had a 2 minute update; said the flow rate has been good the past couple of days, comparable to last year at this time, 3300 gallons per minute, about 4.8 or 5 million gallons per day. Right now we are running zero Eyak Lake pumps as of 9 am yesterday morning. From July 2 – 15 we did operate one or two pumps per day. This is the first July ever except for an emergency situation 20+ years ago when Ocean Beauty broke a big line that a pump has had to run from the Lake; never has a pump run in June, July or August. It is customary in April but never in June, July or August. A gradually increase in usage, economies of usage in the plants and a gradual decrease in snow and rain is causing this. If our three creeks dry up, then we will get filtered lake water which comes through 3 pumps at 300 gallons per minute per pump which is 1200 gallons per minute total. With current flow rate at 3300 to 3600 per minute if we drop down to 1200, there will be a noticeable effect for everyone. Trident North has a 30 – 40 thousand gallon salt water storage tank that they are using for processing – which is really helpful and Ocean Beauty is down almost 40% this year vs. last year at the same time. Murchison tank is 15 years old and we have done nothing as far as expansion since then. He also mentioned the MOU with CEC regarding exploring a water source at Crater Lake. **Joyce** said that the MOU was in tonight's packet for information but he'd like to see it back for Council action to approve at an upcoming meeting.

Robertson asked if there were any questions and **Bailer** asked for a Whitshed Road update. **Robertson** said in speaking with **Robbie Mattson** of DoT, they are supposed to let the contract at the last of this month and he foresees it being done this calendar year...this building year.

Council member **Cheshier** arrived via teleconference at 7:39 pm.

10. City Clerk's Report - **Bourgeois** said she had a written report in the packet and had nothing additional for Council, but could answer questions.

Q. EXECUTIVE SESSION

M/Reggiani S/Joyce to take a five minute recess. With no objection the meeting was recessed at 7:48 pm and reconvened at 7:52 pm.

10a. (17.) Cordova Center - attorney updates

M/Joyce S/Burton to go into an executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the government specifically Cordova Center.

Vote on motion: 6 yeas, 0 nays, 2 absent (Burton). Motion passes.

Council entered the executive session at 7:53 pm and reconvened the regular meeting at 9:09 pm. **Cheshier** was present for parts of the executive session via teleconference, then he was absent toward the end and for the rest of the meeting due to a poor cell phone connection.

K. CORRESPONDENCE

L. ORDINANCES AND RESOLUTIONS

11. Substitute Resolution 07-14-27

A resolution of the City Council of the City of Cordova, Alaska, adopting a Cordova Center phase II project budget as summarized pursuant to the following table

M/Joyce S/Carpenter to approve Substitute Resolution 07-14-27

A resolution of the City Council of the City of Cordova, Alaska, adopting a Cordova Center phase II project budget as summarized pursuant to the following table, which is on page 20 of the packet.

Joyce said it would be prudent to adopt this budget knowing that there will be opportunity to amend this budget at a future date if things change. *Reggiani* said he is in favor of this budget, he said it serves several purposes. He said for clarification it would be easier for the readers of this and the fundraisers if they were aware of the secured and anticipated nature of the revenues so far.

M/Reggiani S/Burton to amend the resolution by adding the word “*secured*” to the left of the first two revenue sources for phase 2 (i.e. EVOS Trustee Council and DCCED) and the word “*anticipated*” to the left of the next two revenue sources (i.e. Capital Campaign and City of Cordova).

Reggiani said should additional grants come from the state and/or the EVOSTC, then we will be aware of what’s there and what’s anticipated.

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

Bailer asked about whether there is money included in this budget to pay for a project manager. The response was, yes there is.

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

M. UNFINISHED BUSINESS

12. Council member designation to Boards and Commissions

a. Harbor Commission (may be 2 motions)

M/Joyce S/Reggiani to designate Council member *Burton* to serve on the Harbor Commission for a term of three years commencing immediately and ending November 2015 and to extend all Harbor Commission terms of office from January of the year until the end of November of the same year or as follows:

Beedle change to end date of November 30, 2017

LoForte change to end date of November 30, 2016

Wiese change to end date of November 30, 2017

Jones change to end date of November 30, 2016

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

b. Parks and Recreation Commission

M/Reggiani S/Joyce to direct the City Clerk to advertise three vacancies on the **Parks and Recreation Commission** for terms to commence immediately, one ending November 2014 and two ending November 2015.

Mayor Kacsh asked Council to assist in getting the word out and helping to fill these vacancies.

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

c. Planning and Zoning Commission

M/Joyce S/Carpenter to designate Council member *Bailer* to serve on the Planning and Zoning Commission for a term to commence immediately and end November 2017.

It was determined that *Bailer* had already been appointed to a P&Z seat before he was on Council so he could continue in that seat until the end of that term which was November 2016. *Mayor Kacsh* said that presently what Council can do is either appoint a different Council member to a three year term on P&Z or direct the Clerk to advertise a vacancy. *Reggiani* disagreed and opined that there was no vacancy. City Clerk *Bourgeois* said that it was *Reggiani’s* seat that was the vacancy as he had been appointed to a one year term previous to the adoption of this new ordinance. *Reggiani’s* opinion was that he had been appointed to a three year term. *Joyce* agreed that the old ordinance was vague on whether or not previous Council representative appointments had been for one year terms or three year terms which is part of why we clarified it in the adoption of this new ordinance. *Joyce* said that with adoption of the ordinance those terms went to three year terms. *Bourgeois* respectfully disagreed and said ordinances do not work retroactively that way. The motion putting *Mr.*

Reggiani on P&Z was specifically putting him on to serve one year so she continued to believe that his term had expired and that now there was a vacancy on P&Z.

Motion withdrawn with agreement by the second. Council moved on believing that there was no action required at this time.

N. NEW & MISCELLANEOUS BUSINESS

12a. Council disposal of City Lot – Council Member **Bailer** stepped away from the Council table due to his declared conflict of interest.

M/Reggiani S/Joyce to direct the City Manager to dispose of Lot 4A, Block 5, North Fill Development Park Addition No. 2 by requesting sealed proposals to lease or purchase the property.

Reggiani said this has been reviewed by P&Z commission and staff has recommended relocating the impound lot. **Burton** said there was a lengthy discussion at a Council meeting not long ago that revolved around not disposing any lots until we had the performance deed of trust issue worked out. **Joyce** said he agreed with **Burton** but he feels like we can go ahead and sell and then part of the negotiation with the City Manager would be to ensure a good performance deed of trust, etc. **Reggiani** agreed with **Joyce**, this step just starts the process, we are not selling it yet. We are just soliciting proposals; maybe one will be selected maybe none will be selected. **Mayor Kacsh** asked if we have another impound lot selected. **Robertson** said that if they put it up for sale, wind up selling it, staff will find another place. **Burton** reiterated that we don't have a lot of land available and lately we seem quick to get rid of lots. **Joyce** said he is in favor of putting it out there to see what proposals come in, knowing that we can say no.

Vote on motion: 3 yeas (1 yea was Carpenter abstaining which gets recorded as a yes vote), 1 nay (Burton), 1 conflict of interest (Bailer), 2 absent (Bradford, Cheshier). Motion passes.

13. Draft ordinance regarding raw fish tax – discussion

Joyce said what is nice about this is that 65-70% of the fishing fleet does not live here year round. However, they use the roads, the library, the swimming pool, etc. and they are extracting a resource from here and not leaving enough money behind. This is a way to tap into some non-local people that utilize services for some revenue. **Joyce** said we could use this tool and offset property taxes with this. **Mayor Kacsh** mentioned the downsides – Cordova is not the only place to process fish. Might we drive business to other towns? **Burton** said CDFU sent Council an email and initial response is negative from the fishermen. **City Attorney Holly Wells** commented that Cordova is in a unique situation being a home rule City – we would not have to take this to a vote of the people. **Bailer** would like to know what the numbers would be. What kind of offset to property taxes might we be able to accomplish. After some discussion, Council opted to send this idea to the Fisheries Advisory Committee to get some feedback from fishermen and those in the fish industry. **Carpenter** mentioned that at the Committee level it would be nice to have like a 411 fact sheet on other communities and what they have in place for a fish tax (i.e. rates and revenues over the past 5-8 years or so). **Burton** said if this is an offset of property tax for locals, then that needs to be made clear, because if not it's just another tax on fishermen, that will be tough. **Bourgeois** was directed to get with **Torie Baker** the Fisheries Advisory Committee Chair to give her some of this information and ask her to convene the committee for a recommendation to Council.

14. City Code on sales tax exemptions – discussion

The discussion revolved around changing the single purchase exemption cap from \$2500 to a higher dollar amount.

15. Pending Agenda and Calendar

Council concurred that the Fisheries Advisory Committee should be tasked with looking at a raw fish tax, getting industry opinions/recommendations, etc.

MOU with CEC will come before Council on August 6.

Council hoped an agreement with the Alaska Community Foundation would come before them by the September 3 meeting.

Council hoped for an ordinance change regarding property disposal, i.e. the differences between a lease renewal and initiating a lease 5.40.303 (C).

O. AUDIENCE PARTICIPATION

Sylvia Lange said she thinks it's terrific that Council is looking at different revenue sources. She thinks we don't manage this fishery resource well as far as revenue to the City. She believes in business and treating people fairly and taxes must be fair. She said 12% room tax and Council thinks they are taxing tourists but they are not, they are taxing the hotel owner because she cannot raise rates to justify being higher than Valdez, etc. She said the tourism industry in Cordova doesn't really exist; at the most 25% of her revenue comes from tourists. Tax code here, she said is super lopsided. She said the raw fish tax won't come from the fishermen it will come from the processors, she said it won't go down the chain it will go up the chain and it's just a cost of doing business. As far as tax exemptions, she sees the abuse and it's an honor system that is being taken advantage of – the City is losing. She suggests all sales taxes paid up front and then come in for reimbursement with receipts at end of the year. She said she has never been audited.

P. COUNCIL COMMENTS

16. Council Comments

Carpenter mentioned the Copper River Wild Salmon festival this weekend, salmon runs, live music, etc. Hope everyone comes out to celebrate. She wanted to explain why she abstained on the land disposal vote: she didn't want to disrespect the P&Z commission, they thought about it and that's what we ask them to do, but also she didn't want people to waste their time proposing if we weren't certain about selling it at all. She also said that the City Manager mentioned training opportunities and she just wanted to put a plug in for doing those in the winter next time, if possible, as that's when maybe more could attend.

Bailer said he didn't discuss or vote on the impound lot but he would have voted no to ensure we keep an impound lot. Also, he will be really happy when we get a full-time project manager on this thing.

Burton he said he has a few ideas regarding the raw fish tax; he thanked those who stuck around while they were in the first executive session.

M/Joyce S/Bailer to recess the meeting before the executive session. With no objection the meeting was recessed from 10:18 pm until 10:25 pm.

Q. EXECUTIVE SESSION

M/Joyce S/Bailer to go into an executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the government, specifically, Cordova Center attorney updates and attorney update regarding PWSSC disposal negotiation.

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

Council entered the executive session at 10:26 pm and reconvened the regular meeting at 11:09 pm.

16. Cordova Center – Attorney updates

17. Attorney update regarding PWSSC disposal negotiation

R. ADJOURNMENT

M/Bailer S/Burton to adjourn. Hearing no objections the meeting was adjourned at 11:09 pm.

Approved: August 06, 2014

Attest:


Susan Bourgeois, CMC, City Clerk

