

**CITY COUNCIL REGULAR MEETING
OCTOBER 02, 2013 @ 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 October 2, 2013, 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 *Kristin Carpenter, Tim Joyce, David Allison, Bret Bradford, EJ Cheshier, Dave Reggiani* and *James Burton*. Also present were Student Council member *Sarah Hoepfner*, City Manager *Randy Robertson* and City Clerk *Susan Bourgeois*.

D. APPROVAL OF REGULAR AGENDA

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

Allison mentioned that at the HSB meeting they discussed budget and Council tonight would therefore, not need item 18

Vote on motion: 7 yeas, 0 nays. Motion passes.

E. DISCLOSURES OF CONFLICTS OF INTEREST - none

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

Harbor Commission – Burton reported that the Travel Lift was repaired and is working and the commission has a meeting tomorrow night.

HSB – Allison said HSB had just met and they were presented a budget that Council would see at a future meeting. It was a good budget. The Board also learned about some grant-writing that is ongoing for the CT scanner project. The board credentialed three providers, one of which is a new female nurse practitioner.

Parks and Rec – Carpenter said they met last week and last night they discussed the master plan which discusses all the parks and facilities of the parks and rec department. This is helpful to *Susie (Herschleb)* for budget and then she can share with the planning department for the comprehensive plan.

Planning and Zoning – Reggiani said they are meeting next week.

School Board – Bradford said School Board meets on October 9.

3. a. Student Council Representative's report: *Hoepfner* reported that the Student Council had a program of work two weeks ago where they worked on a schedule of what to do all year. This week was a spirit week for cross country as *Sarah Hamberger* is going to State. A big fundraiser they are planning is to take over the carnival that PTA used to do. There's a wrestling tournament in two weeks and there hasn't been one in Cordova in more than five years. The basketball coaches are being picked in the next few days. *Bradford* asked what's going on with the CTC donated sign out front. *Hoepfner* did not know the answer. *Allison* said he knew that CTC had turned over the controls to the school district.

G. APPROVAL OF CONSENT CALENDAR

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

4. Resolution 10-13-55

A resolution of the City Council of the City of Cordova Alaska declaring that the City of Cordova is officially a purple heart city

5. Cordova Volunteer Fire Department confirmation of election of an officer

6. Record unexcused absence of Council member **Bradford** from the Sept 18, 2013 regular mtg.

Vote on Consent Calendar: 7 yeas, 0 nays. Carpenter-yes; Cheshier-yes; Joyce-yes; Allison-yes; Burton-yes; Reggiani-yes and Bradford-yes. Consent Calendar was approved.

H. APPROVAL OF MINUTES

M/Reggiani S/Burton to approve the Minutes.

7. Regular Meeting Minutes 09-18-13

Vote on motion: 7 yeas, 0 nays. Motion passes.

I. CONSIDERATION OF BIDS - none

J. REPORTS OF OFFICERS

8. Mayor's Report - **Mayor Kacsh** said he has nothing new to report he is waiting for an answer back from the Governor's chief scheduler to see when he can go to Juneau to meet with the Governor. **Representative Austerman** will be in Cordova on November 4.

9. Manager's Report - **Robertson** reported on these items: 1) we received the 2013 Homeland Security Grant in the amount of \$98K; 2) he wanted to recognize **Josh Hallquist** for solving a long-existing problem with the water issue behind the hospital; 3) Oct 26-27 NVE is sponsoring a seminar on how to reduce home heating and electric costs at the Masonic Lodge; 4) he handed Council the book *Who Moved My Cheese* and he asked them to read it or search out the movie on You-tube, he said staff has been doing some professional reading and this is something we all just read and discussed; 5) he reported that he has heard from **Katrina Hoffman** at the PWSSC that she has received his letter; 6) he mentioned that **Holly Wells** was at the table, City Attorney and that he had invited her and she would spend some time with them in executive session later tonight; 7) he had taken the Providence CEO up to Bidarki when he was in town - we invited him to be a more aggressive partner in fitness and he had indicated maybe; **Joel Azure** of NVE was looking to purchase a blood pressure monitoring machine for Bidarki. He asked **Cathy Sherman** to speak at this time. She passed out notebooks filled with all the pertinent Cordova Center materials that they had been asking for - this is all being handed to the Committee on Friday as well. She asked Council to keep these books as things would be added to them and these would be manuals to guide them through to the end. **Robertson** said he and **Jon Stavig** had the opportunity to talk in depth to Financial Advisor, **Buck Adams** earlier today and he was here tonight to brief Council on City investments.

a. Buck Adams, UBS Financial, City Investments

Adams said we are in a federal government shutdown, which isn't unique, but what could be worse is the threat of raising the debt ceiling. Markets, both stocks & bonds don't like uncertainty and we are in a state of uncertainty. Uncertainty causes institutions and individual investors to step to the side, "well, the market's going to go down so I better get out" and then boom - self-fulfilling prophecy, it goes down. Before UBS took over, City of Cordova had all money in AMLIP - which is currently getting 0.01 % - or \$100 per \$1,000,000 invested - which is really zero. **Adams** said he is thankful and grateful to **Mr. Stavig** for his knowledge and experience in banking. It has been helpful that he can anticipate need over a longer time frame so they don't have to act so quickly to become liquid when there is a need. He also said we are in a rising rate market which often sees bond prices falling - not good. The City of Cordova's investments this year saw 1.93% which on \$12M is about a \$220K return. Since 2010 we have earned approximately \$1.8M which is pretty good because we have to hold a lot of fixed income (per the investment statement) and we have to maintain a lot of liquidity especially with the cash draws we have experienced. Sage - our bond manager is down 1% and the 20 year US Treasury Bond is down more than 10.8% year to date. **Adams** said he and **Stavig** and **Robertson** spoke this afternoon about how the

City can be more tactical – where we can put our money so that we can be more responsive to changes in the market conditions. All the general public sees are the S&P and the Dow going up and up and up and wondering why we aren't getting those returns. It is because those are risky portfolios to be in; i.e. all S&P. What amount of risk do you put on the table to get that kind of return? How do you mitigate risk? You diversify, which is what we have done with our portfolio. We are also going to try to be more responsive to changing conditions, to be more tactical.

10. City Clerk's Report - *Bourgeois* said that there are vacancies on boards and commissions and she asked Council to help spread the word that she is advertising for letters of interest; parks and rec, p&z and library board.

K. CORRESPONDENCE

11. NVE request for Sobriety Celebration donation 09-08-13

12. Toni Godes letter resigning from Parks & Rec 09-10-13

13. Dan Reum letter to Mayor resigning from Parks & Rec 09-23-13

M/Joyce S/Reggiani to donate \$300 to the NVE sobriety celebration.

M/Bradford S/Cheshier to amend the motion to donate \$500 instead.

Vote on motion to amend: 7 yeas, 0 nays. Motion passes.

Vote on main motion: 7 yeas, 0 nays. Motion passes.

L. ORDINANCES AND RESOLUTIONS

M. UNFINISHED BUSINESS

N. NEW & MISCELLANEOUS BUSINESS

14. Finance Department Revenue Projections for 2014

Stavig wanted to discuss a few things. He is guesstimating that sales tax will come in at about \$3.2M and we had budgeted \$3.7M. We have yet to receive 2013 Fish Tax and therefore, we cannot yet guess at a good number to budget for 2014. We had budgeted \$1.3M for 2013 Fish Tax. *Stavig* said for 2014, unless someone has some earth shattering sales tax information, we will probably have to ratchet that back so it is more realistically portrayed in the budget. Timber receipts are an important revenue source as well and Congress has reauthorized for one more year – has yet to be signed by President.

Joyce asked if we are short \$500K at year end, will expenses come in below anticipated too or will we have to dip into savings to make up the shortfall? *Stavig* said it looks ok now but we will have to watch expenses through the end of the year. *Mayor Kacsh* had more of a question for Council, wondered what they thought about fish tax for 2014? *Reggiani* and *Burton* said it should be considerably more than whatever we see for 2013.

15. Pending Agenda and Calendar

Cheshier said he would like a discussion of our legislative strategy for next session. *Bradford* said – to include *John Bitney*.

Bourgeois mentioned that there are budget work sessions coming up at 5:30 pm on October 16 and October 30.

O. AUDIENCE PARTICIPATION - none

P. COUNCIL COMMENTS

16. Council Comments

Burton thanked staff for all the information received tonight.

Carpenter said thanks for the Cordova Center binders of information.

Joyce also said he appreciated the staff and all their efforts.

Q. EXECUTIVE SESSION

17. Cordova Center finances – attorney update

M/Bradford S/Burton to enter 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 finances.

Vote on motion: 7 yeas, 0 nays. Motion passes.

Council took a five minute recess at 08:35 pm; Council entered executive session at 08:41 pm and went back into regular session at 10:10 pm.

M/Joyce S/Bradford to direct the City Manager to proceed as was discussed in the executive session regarding the Cordova Center.

Vote on motion: 7 yeas, 0 nays. Motion passes.

18. CCMC finances

R. ADJOURNMENT

M/Burton S/Allison to adjourn the regular meeting at 10:11 pm

Hearing no objection, the meeting was adjourned.

Approved: October 16, 2013

Attest: 

Susan Bourgeois, City Clerk

