

**CITY COUNCIL REGULAR MEETING  
DECEMBER 17, 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 December 17, 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 *Kristin Carpenter, Bret Bradford, Hayley Hoover, Dave Reggiani* and *James Burton*. Council members *Tom Bailer* and *Tim Joyce* were present via teleconference. Also present was Student Council Representative *Steven Swartzbart*, City Manager *Randy Robertson*, City Clerk *Susan Bourgeois* and Deputy City Clerk *Tina Hammer*.

**D. APPROVAL OF REGULAR AGENDA**

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

*Mayor Kacsh* moved to amend the agenda by adding *Sean McCallister* as a guest speaker and moving item 19 to after the executive session.

Vote on motion: 7 yeas, 0 nays. Hoover-yes; Bradford-yes; Burton-yes; Joyce-yes; Carpenter-yes; Bailer-yes; Reggiani-yes and Swartzbart-yes. Motion was approved.

**E. DISCLOSURES OF CONFLICTS OF INTEREST**

*Burton* said there is a possible conflict with him on item 24. He said that Trident Seafoods has submitted a proposal and he fishes for them. *Mayor Kacsh* said that although he sells his fish to Trident, he does not think *Burton* has a conflict. Council did not object. *Hoover* declared a possible conflict of interest on items 24 and 25 as she works for the Prince William Sound Science Center. *Mayor Kacsh* agreed and Council concurred. *Carpenter* said that although earlier in the year she declared she had a conflict of interest with item 24, the situation has changed and she no longer feels she has a conflict. *Joyce* pointed out that *Reggiani's* corporation also sells fish to Trident and needed to be considered for a conflict of interest. *Reggiani* stated as general manager of PWSAC, cost recovery fish is sold to every processor in the region. The executive committee of the board of directors makes the decision who PWSAC sells their fish to and he does not believe he has a conflict of interest. *Mayor Kacsh* agreed that he does not have a conflict of interest. *Carpenter* pointed out that three people on Council receive money from one of the potential bidders yet only one person was determined to have a conflict of interest. *Mayor Kacsh* felt *Hoover* has a conflict of interest as she is directly employed by PWSSC whereas many people do business with the processors in some way, therefore, it's not a direct impact. Council concurred.

*M/Bradford S/Reggiani* for a three minute recess. Hearing no objection the meeting was recessed to allow the City attorney *Holly Wells* to call in via teleconference.

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

1. Guest Speaker – *Sean McCallister* of Providence Health and Services Alaska. He was here to address concerns about the recent amendment to the Providence/Cordova management agreement. The selection and subsequent hiring of *Mr. Sundby* to serve as Cordova Community Medical Center's administrator was the result of a collaborative and joint decision making process between Providence, HSB and the City of Cordova leadership. Upon hiring of *Mr. Sundby* the attorneys from both parties agreed that amending the management agreement was necessary primarily from a legal standpoint since Providence no longer employed the administrator. He would like to report the medical center is doing well and is thriving under *Mr. Sundby's* leadership and Providence has a great deal of confidence in his ability to serve as the

administrator. Morale has increased, there has been many process improvement and increase stability in general especially around the financial aspect of the hospital and from a regulatory standpoint. There has been physician recruiting success and a doctor has recently signed a contract to reside and work in Cordova permanently. He asked for patience as it will take time to figure out the right kind of agreement moving forward. From a legal standpoint we can't have a management agreement but he would like the opportunity to sit down with the Providence attorney, the City attorney, City leadership and Providence leadership to talk through it. The existing agreement doesn't expire until March 1, 2015. Cordova is not receiving any less support at this point and Providence is committed to making sure health care is successful here. **Joyce** commented that with the amendment he would like to see Providence still have some manner of authority but didn't know if that was in the cards. He asked if the amendment can be written so Providence is still managing the hospital. **McCallister** thinks that is a question for legal counsel but is open for discussion. The reason for the amendment is because both parties are out of compliance. **Reggiani** asked if the amendment had been executed. **McCallister** was unsure of the status. **Reggiani** wanted the employment status of **Dr. Sundby** clarified. **McCallister** stated that **Sundby** is employed by CCMC as the interim administrator, an additional role he has taken on. Until the amendment is signed Providence is still actively managing CCMC. In the absence of an employed administrator Providence is unable to fulfill some of the terms and commitments within the existing management agreement.

## 2. Audience comments regarding agenda items

**Katrina Hoffman** of 301 South Second Street, commented on items 24 & 25. She stated that the Science Center is the highest bidder on both of the lots up for disposal along with being the highest scoring bidder using planning and zoning scoring matrix. She requested that Council reconsider the recommendation from Planning and Zoning and sell the impound lot to the Science Center. She stated the Science Center is a 25 year old marine dependent business with an annual budget of 5 million dollars which deserves some space in the community where they are not a renter.

**John Harvill** of 701 Railroad, spoke on agenda item 17. He stated that with some creative thinking the employment status of **Dr. Sundby** can be resolved. He believed the hospital should be managed by professionals and is concerned we could lose the administrator.

**Robert Beedle** of 609 Spruce Street, agreed with **Mr. Harvill's** comments regarding the hospital administrator.

**Mark Frohnappfel** of 828 Woodland Drive, supports **Dr. Sundby** as the hospital administrator. He stated that the community of Cordova wants an outside source such as Providence to run the hospital.

**Sandra King** of 511 Fourth Street, she felt Mobile Grid was vital to the community and hoped there was enough land to accommodate both Trident's needs and the **Schultz's**.

**Osa Schultz** of 109 Council, addressed the disposal of the lot she currently leases from the city. **Schultz** read a letter to council giving them a synopsis of Mobile Grid from 1990 to present. She attached a client list and letters of support. She requested Council carefully consider the long term affect and advantages of supporting her proposal. Lot 2, Block 7 is vital to her business and she felt it would not survive if it was lost. **Schultz** was concerned that two members of Council sit on the Planning and Zoning Commission and requested the decision be addressed in a fair manner.

**Danny Carpenter** of 507 Fourth Street, spoke in support of Mobile Grid and gave an account of how they help this community. He hoped Council would consider Mobile Grid's proposal or makes something available to them to keep them in business.

## 3. Chairpersons and Representatives of Boards and Commissions - Harbor, HSB, Parks & Rec, P&Z, School Board

**Burton** stated Harbor commission in their last meeting discussed shipyard building going to a private company in town but still in the initial phase.

**Carpenter** said there was no HSB meeting but recognized the concern over the contract with Providence. She summarized the process used to hire **Dr. Sundby** as administrator. They are trying to find a contract that meets both Providence and CCMC's needs. HSB is planning on a workshop to address public concerns and

to get community input. **Dr. Sundby** stated he liked working for **McCallister** and Providence and he would like to continue to do so. **Reggiani** asked why HSB and the City Manager were involved in the administrator interviewing process. **Carpenter** stated that Providence wanted a collaborative relationship with the City and the management contract is with the City and Providence. **Reggiani** felt moving forward the roles should be clarified between HSB and Council. He does not want to get in the way of Providence's management of CCMC.

**Reggiani** said P&Z had a meeting regarding the land disposal proposals that are in front of Council tonight. They are working on Chapter 16 of the Code revisions.

**Bradford** said School Board met last week but he was unable to attend as he was in a budget meeting.

Cordova School Board president **Jewell**, stated there is an approved contract for the temporary interim superintendent who will now remain until June 30, 2015. The Alaska Association of School Boards is receiving applications until a January 30, 2015 for the superintendent opening. They will start reviewing applications in February and begin to interview toward the end of the month. **Jewell** also stated that she and **Altermott** will both be serving as liaisons between the School Board and City Council. **Mayor Kacsh** offered them a chair at the table and expressed the importance of a representative from the school board.

4. Student Council Representative **Steven Swartzbart** reported that the high school basketball team had home games with Homer this past weekend, and will be traveling to Valdez this Friday. **Jed Sapp** and **Cody Howard** both competed in the state wrestling competition. The senior class went to the elementary school to host a Christmas party for the Kindergarteners. All classes competed in a decorating event called Deck the Halls, which was won by the junior class. Christmas break begins next week.

#### **G. APPROVAL OF CONSENT CALENDAR**

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

5. Resolution 12-14-51 a resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter in to a two year agreement with John W. Bitney for consulting services in the amount of Fifty Thousand dollars (\$50,000) per year plus reasonable expenses

6. Resolution 12-14-52 a resolution of the City Council of the City of Cordova, Alaska, approving the site plan from Carbon Neutral Alternatives to construct a 1,352 sq. ft. Building for Harborside Pizza on Lot 8, Block 2, South Fill Development Park

7. Resolution 12-14-55 a resolution of the City Council of the City of Cordova, Alaska, designating capital improvement projects

8. **Mayor Kacsh** read the Proclamation of Appreciation for EJ Cheshier

Vote on Consent Calendar: 7 yeas, 0 nays. Carpenter-yes; Hoover-yes; Joyce-yes; Bailer-yes; Burton-yes; Reggiani-yes; Bradford-yes and Swartzbart-yes. Consent calendar was approved.

#### **H. APPROVAL OF MINUTES**

**M/Reggiani S/Burton** to approve the Minutes.

9. Regular Meeting Minutes 12-3-14

Vote on motion: 7 yeas, 0 nays. Joyce-yes; Bailer-yes; Burton-yes; Hoover-yes; Reggiani-yes; Bradford-yes; Carpenter-yes and Swartzbart-yes. Motion was approved.

#### **I. CONSIDERATION OF BIDS - none**

#### **J. REPORTS OF OFFICERS**

10. Mayor's Report – **Mayor Kacsh** said he had nothing to report. He talked with several individuals about Providence and Health Care in Cordova and has only heard positive feedback.

11. Manager's Report –**Robertson** reported that he's initiated the process with the State of Alaska to look at tideland acquisition.

- a. Cordova Center update report - **Rich Rogers** reported that contractors are leaving for a two-week holiday break. He summarized the weekly update which was in the council packet. This week concrete work was done and the building is connected to City water service. The architect was

here on Monday to work out details with the contractor directly. *Cathy Sherman* also reported that the capital campaign has now raised \$134,210. She pointed out that she included in Council's packet more details from the Cordova Center committee which will be meeting the next day at noon on the fee and rates schedule.

12. City Clerk's Report - *Bourgeois* did not have anything to report on.

#### **K. CORRESPONDENCE**

*Reggiani* thanked the staff for putting together the letters for *Governor Walker*. He also appreciated hearing comments from *Mrs. Kallander* regarding CCMC. He believed that it would be appropriate for a motion to rescind resolution 12-14-47 to allow the community more input, but he cannot make a motion as he was not a council member on the prevailing side. *Joyce* commented that to make a motion to rescind the resolution would be out of order. *Bailer* wondered if a motion to rescind could be made then rescheduled for a following meeting. *Mayor Kacsh* is unsure, and asked *Bourgeois'* opinion, who said she would need a recess to look into rescind.

*M/Reggiani S/Burton* to recess for three minutes.

*Mayor Kacsh* called the meeting back to order to take up the question on a motion to rescind Resolution 12-14-47. *Mayor Kacsh* stated the amendment, approved by the resolution, has not yet been signed, with a motion and a second to rescind 12-14-47, they could discuss the resolution tonight. The motion would have to pass with a two-thirds majority. Another option for Council would be to direct staff to bring the resolution back at the next meeting. *Joyce's* preference is to bring the resolution back as he feels there are some parliamentary issues and that nothing should be signed until further discussion. *Mayor Kacsh* agreed with that recommendation for council; for the benefit of public notice. *Hoover* agreed with what was being said, but is not sure how to act on it. *Bourgeois* suggested that council direct the manager to not sign the amendment until the resolution comes before them at the next meeting, but Council could also opt to rescind it tonight. *Reggiani* agreed with *Bourgeois* on a two-thirds majority vote. *Bourgeois* also stated that anyone could make the motion to rescind. *Bourgeois* asked City Attorney *Holly Wells* via teleconference if she agreed that rescinding a motion from a previous meeting is allowed without being publicly noticed. *Holly* agreed that a motion to rescind is valid. Council could also make a motion to withdraw authority to approve the amendment.

*M/Bradford S/Reggiani* to rescind Resolution 12-14-47.

*Bradford* said there are some contract issues that need to be dealt with and then the amendment should be brought back. *Reggiani* felt there was additional information that was needed and that Providence also needs time to review it. He does not think the amendment is right for execution right now. It would be valuable to get community input to gain a better understanding of what both parties want. *Hoover* agreed that there needs to be more discussion from the community to gain a more thorough understanding. *Joyce* indicated that after listening to *McCallister* tonight it would be appropriate to rescind the action taken. They need more information to make a more informed decision. *Burton* said that he's thankful for the direction things are moving and would like to echo the comments that have already been made.

Vote on rescinding Resolution 12-14-47: 7 yeas, 0 nays. Carpenter-yes; Bradford-yes; Joyce-yes; Hoover-yes; Burton-yes; Reggiani-yes and Bailer-yes. The motion passed and the resolution was rescinded.

13. Letter to Governor Walker 12-05-14

14. Letter to Representative Stutes 12-05-14

15. Letter to US DoT in re Alaska Airlines EAS 12-04-14

16. Letter from Rasmuson in re grant award 11-20-14

17. Email from Patti Kallander in re Providence Contract 12-10-14

18. Letter from Schultz re Lot 2 Block 7 North Fill Development Park

#### **L. ORDINANCES AND RESOLUTIONS**

Item 19 had been placed after the executive session during approval of the agenda.

~~19. Resolution 12-14-50 a resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to use \$1,300,000 from the UBS line of credit account to fund the completion of Phase 2 of the Cordova Center~~

20. Resolution 12-14-53 a resolution of the City Council of the City of Cordova, Alaska, adopting service fees, rates and charges for the 2015 calendar budget

*M/Bradford S/Burton* to approve Resolution 12-14-53 a resolution of the City Council of the City of Cordova, Alaska, adopting service fees, rates and charges for the 2015 calendar budget.

*Bradford* questioned *Rogers* about the asphalt and chip-seal fee increase from \$10/s.f. to \$60/s.f. *Rogers* stated he is unsure why the packet says \$60 as the permit still states \$10/s.f. *Joyce* asked which figure is used and *Rogers* responded the \$10 amount. *Joyce* asked if it needs to be changed to \$60 or some other amount, and *Rogers* replied somewhere less than \$60. *Joyce* thought they should decide on a number and *Robertson* suggested \$15.

*M/Joyce S/Burton* to amend both numbers of service fees for patching chip-seal roads and patching asphalt roads from \$60/s.f. to \$15/s.f.

*Bradford* wanted to insure that \$15 would cover the costs to patch. *Rogers* said the price was set at \$10 and there was discussion on moving that price up. He is satisfied with the \$15 amount.

Vote on motion to amend: 7 yeas, 0 nays. Hoover-yes; Carpenter-yes; Burton-yes; Bradford-yes; Bailer-yes; Reggiani-yes and Joyce-yes. Motion was approved.

Vote on main motion: 7 yeas, 0 nays. Bradford-yes; Reggiani-yes; Hoover-yes; Carpenter-yes; Joyce-yes; Bailer-yes and Burton-yes. Motion was approved.

21. Resolution 12-14-54 a resolution of the City Council of the City of Cordova, Alaska, adopting an operating and capital budget for fiscal year 2015 and appropriating the amount of \$15,239,320 as summarized pursuant to the following table

*M/Reggiani S/Burton* to approve Resolution 12-14-54 a resolution of the City Council of the City of Cordova, Alaska, adopting an operating and capital budget for fiscal year 2015 and appropriating the amount of \$15,239,320.

*Reggiani* said he noticed a few adjustments in the budget after the last workshop and would like *Robertson* or *Stavig* to address them. He referred to the Bidarki entrance fee moving up from \$50,000 to \$60,000 and the sale of property and equipment was moved up from \$5,000 to \$10,000. *Stavig* responded that these are more realistic numbers. *Reggiani* continued on with miscellaneous revenue being increased by about \$54,000. *Stavig* responded that a substantial part of that revenue is an insurance rebate from our insurance provider. Which is just one of the many miscellaneous things that are expected to come back and drop into the general revenue fund. *Reggiani* pointed out salary and wages dropped \$25,000 under facilities maintenance from the last budget workshop, he assumes that's part of what was moved over or shared with the Cordova Center. He referred to a discrepancy in the inter-fund transfers in, a transfer of \$50,000 from the general fund reserve, he doesn't see a transfer out of the general fund. He asked if that was the \$50,000 for the feasibility study for Crater Lake. *Stavig* said Council directed that money to come from surplus we would have from the 2014 year. *Burton* recalled that at the final budget work session the \$50,000 that would roll in to the reserves this year and using it as a lump sum match with CEC next year. *Reggiani* asked if there was any consideration of using the water enterprise fund. *Mayor Kacsh* did not believe that it was discussed at that time. In his opinion there should be a transfer out from general fund reserves with Councils understanding it's because we put the money in. *Reggiani* agreed not to roll 2014 money into 2015 money. He also pointed out that putting in a transfer out would result in a non-balanced budget that could not be passed. *Mayor Kacsh* suggested to change the transfer from general fund reserves listed at \$250,000 to \$200,000, and the extra \$50,000 would be moved to a transfer out. *Reggiani* asked if we can recognize the \$50,000 as revenue.

*M/Reggiani S/Burton* to amend the amount anticipated for the fisheries business tax from \$1.2 million to \$1.25 million on the budget worksheet and recognize the \$50,000 transferring to capitol project fund #401.

Vote on motion to amend: 7 yeas, 0 nays. Joyce-yes; Burton-yes; Hoover-yes; Reggiani-yes; Carpenter-yes; Bradford-yes and Bailer-yes. Motion was approved.

*Reggiani* expressed his concern for the assumption about the forest receipts, and wants to make sure there's commitment behind the numbers we're providing. He suggested having a plan to react if the forest receipts don't come through. *Mayor Kacsh* pointed out that it is not currently in the federal budget, and said that the options include leaving the estimated number or dropping it down to zero. *Robertson* said in discussions with Superintendent *Rich Carlson* we both know we should be prepared with an alternative. He also brought up a goal and vision planning session that would take place once the verdict had been received on whether or not the forest receipt money comes through. *Mayor Kacsh* felt that if council approves the budget, they're making a commitment to the school to provide that money regardless of whether or not they receive forest receipts. *Bailer* said he supports the budget but commented that he and others had interest in phasing out some positions at the City. *Reggiani* asked *Robertson* if there were any new positions in this budget, and *Robertson* replied that there are not. *Reggiani* asked for clarification if there will be new staff when the Cordova Center opens, and *Robertson* confirmed that there will not. *Bailer* said that he was referring to a report that suggested two new positions and a half time position for the library once the Cordova Center was open, but is pleased to hear that those will not be coming through.

Vote on main motion: 7 yeas, 0 nays. Hoover-yes; Joyce-yes; Bradford-yes; Burton-yes; Carpenter-yes; Bailer-yes and Reggiani-yes. Motion was approved.

## **M. UNFINISHED BUSINESS**

### **22. Winters' land issue request**

*M/Carpenter S/Burton* to direct the City Manager to dispose of a portion of Lot 13 Block 5 and a portion of Tract A, Odiak Park Subdivision by direct negotiation with Anne and Ron Winters in order to meet all the required setbacks of the Medium Residential Zoning District.

*Carpenter* proposed that instead of selling the piece of land designated by the rectangular box on the drawing, that the line is drawn closer to the garage so they get only the setback they need. *Reggiani* asked *Carpenter* if she proposes there be five feet around the garage instead of a foot. *Carpenter* responded that it needs to be five feet on one side and fifteen on the other. *Sam Greenwood* pointed out that it is filled material to the corner of the garage. If that's not included in the sale, they're using property that isn't theirs because it's filled. *Carpenter* said that the original reason Council agreed to only sell them a foot was council was setting a precedent. She wants to sell only the minimum land needed to make the lot conform regardless of the fill and awkward lot lines. *Bradford* said he agrees with P&Z's recommendation for the fact that it simplifies future transactions with the area and he'd rather see the whole sliver sold. *Bailer* complimented current planning staff for doing an excellent job. They sent informational letters to all the contractors and builders regarding permitting so problems like this will not happen in the future. This garage was built several years ago so he is not concerned about the precedent. *Robertson* commented that recently two comparable cases came up and he appreciates the debate as it serves as a model for the comparable cases. *Joyce* requested clarification of *Bailer's* recommendation, but is not in favor of selling a large chunk of property that would enhance the value of the already existing property. He thinks that whatever we sell it for should be double the assessed value. *Reggiani* said he agrees with *Carpenter* in trying to benefit both parties but hopes that this does not happen again, and is in favor of selling them the minimal amount. He does not support encroaching any farther into the public lands. *Burton* expressed his concern with the similar cases *Robertson* mentioned and setting a precedent. He wanted the property to be sellable and would like to see whatever it is going to take to meet the setback requirements, so the property can be sold and the owners can move on. *Bradford* said he's okay with selling the minimum. He asked if P&Z would consider re-wording some of their policies or code to address selling price in a similar situation if it arises in the future. *Greenwood* stated that in current code land disposal needs to be priced at fair

market value but that can be changed. **Burton** asked **Greenwood** if there was a reason for using 15 feet to the back of the back line. **Greenwood** responded it was to square off the lot and because the area already has fill and is being used. **Mayor Kacsh** asked for clarification on council's recommendation to not sell the filled area but just the area around the building. He felt if the filled area is sold it will increase their lot size thus the property tax will increase, as opposed to having them just use the filled area. **Reggiani** asked for clarification from **Greenwood** on where the setbacks will be in respect to the garage, and **Greenwood** showed him on the chart. **Reggiani** also asked her to address the variance, and **Greenwood** responded that P&Z denied it because it did not meet the four criteria that must always be met to pass a variance as there's no physical circumstance that makes this lot different from any other lot. **Joyce** says that he doesn't have issue with squaring off the lot corner in the middle of the backside of the garage in order to make it work reasonably, although it would mean giving up some square footage. However, he does not believe that providing them that land all the way down the property is appropriate. **Bradford** clarified the recommendation was to sell just what it takes to meet the setbacks, whatever shape, and **Greenwood** confirmed. **Bailer** clarified his point that since **Greenwood** has become Planner, staff has done a good job at notifying builders and contractors, and this structure was built years ago when no one really paid attention, he would support that motion that would head towards making a correction.

Vote on motion: 7 yeas, 0 nays. Hoover-yes; Bradford-yes; Carpenter-yes; Bailer-yes; Joyce-yes; Burton-yes and Reggiani-yes. Motion was approved.

### 23. Cordova Center Windows remediation decision

**Mayor Kacsh** referred to the staff recommendation on the remediation of the Cordova Center Windows.

**M/Reggiani S/Bradford** to accept staff's recommendation of 100% window replacement.

**Robertson** commended **Rich Rogers** and **Weston Bennett** for their job well done on this, and said that they wanted to lay out the pros and cons on the issue and then receive guidance from the council.

**Joyce** asked for clarification on whether this will use up all of the Dawson's contingency without changing their guaranteed maximum price. **Rogers** responded that that was correct.

Vote on motion: 7 yeas, 0 nays. Burton-yes; Joyce-yes; Hoover-yes; Bradford-yes; Carpenter-yes; Reggiani-yes and Bailer-yes. Motion was approved.

## N. NEW & MISCELLANEOUS BUSINESS

### 24. Land Sale decision Lot 2 Block 7 North Fill Development Park

**M/Carpenter S/Bradford** to award the disposal for Lot 2, Block 7, North Fill Development Park to Mobile Grid Trailers for the bid price of \$67,500.

**Carpenter** said she understands that this is a struggle for the City as we are losing buildable land, but when thinking of diversity and small businesses in town, she wanted to support Mobile Grid Trailers as they provide a function to the City in terms of building and repairing trailers as well as being used as a towing service. She acknowledged that Trident is a large employer but when factoring in the multiple considerations on this issue, she came out on the side of social engineering to help people who own small businesses. **Bailer** believed that this lot works well for Trident Seafoods as it meets its size and its need. He also pointed out that directly across the street is a lot too small to meet the needs of Trident, but could meet the needs of a company such as Mobile Grid Trailers. He also said if the lot in question is awarded to Trident, it does not preclude Mobile Grid Trailers from other options, therefore, he supports Trident Seafoods on this property. **Mayor Kacsh** pointed out that Trident Seafoods is not part of the motion being discussed. **Joyce** said that he's looking to see if there is any lot that is closer to Trident's current location that could be coming up for sale that would be more suitable for Trident. He agreed with **Carpenter** that Trident is a business that's important to Cordova, but he's unsure if they need that much space. **Mayor Kacsh** said that Mobile Grid is the current user of that land. **Bailer** restated that both businesses could be accommodated if this lot were awarded to Trident Seafoods and the smaller lot directly across to Mobile Grid. **Burton** commented that he attended the P&Z meeting to gain more information on the disposal. He agreed with **Bailer** for multiple reasons. With two lots up for disposal it's hard to talk about one without

talking about the other. He pointed out that there was not a recommendation from P&Z on the other lot. Keeping in mind the City's budget issues with not receiving expected fish tax, the amount of revenue that comes in from fish processors needs to be considered as they have proposed a two million dollar building. **Bradford** said that Trident already owns a lot of land. The City has been forthright in disposing land to Trident when they needed it and has helped them to become a strong business in Cordova. The small business on that lot has been an exceptional tenant there for many years and he is leaning towards the small business owner. He questioned if there was still a moratorium on land disposals until the performance deed of trust issue was squared away with the attorney. **Burton** had the same question and is unsure where they are in that situation. He's looked at the lot in question and that it appears to be mostly used for storage and doesn't see how a different lot would not suit the needs of the business just as well. He also pointed out that the increase in bunk space for Trident allows them to increase daily production by 25%, which also benefits the people that fish for Trident and would have a trickle-down effect for the community. He wanted to be able to accommodate both businesses. **Reggiani** said he supports all sized businesses in Cordova and is also looking for a win-win in this situation. He would side against the motion to award this lot to Mobile Grid due to the potential revenue given Trident's proposal. **Bradford** pointed out that changes like this can have immediate consequences on small businesses, especially as they have been operating on this land for many years. He asked again whether there is any knowledge as to whether or not the moratorium has been lifted. **Bourgeois** read minutes from a meeting in July. In the meeting, the notion that at the point of disposing the property is reached, the City Manager would negotiate to ensure a good performance deed of trust. **Bradford** said that it sounds like in July they discussed not selling as there were performance deed issues, and those have still not been cleaned up yet. **Reggiani** disagreed, saying that they are currently in negotiations with other parties for land disposal, and those performance deeds are being worked on now. **Carpenter** asked **Robertson** if that's the case, and he responded by saying that to his knowledge there are no more performance deeds arising at this point in time, however, there are old ones. He said that council guidance was clear that they are not going to do performance deeds in the future. **Reggiani** said he's speaking specifically to the current negotiations with the Science Center, and he believes they are working out some of those issues. **Bradford** disagreed, he believed they are yet to work anything out, and there is no way to guarantee performance on a lot that we've sold as of yet. **Carpenter** said unless there's another draft from an attorney, they haven't seen anything different. **Bradford** said as discussed in their previous conversation at the July meeting, we have no teeth in our sales agreements when it comes to performance and believes the moratorium is still in place. **Joyce** said that **Bradford** is correct in that we are yet to receive anything from the attorneys regarding performance deeds being non-functional. However, council did decide they would rent property with a timeline for which construction had to occur, otherwise the renter would be discontinued. This is what is being discussed with the Science Center. The attorney said the only way to guarantee development is not to lose control of the property but to rent it until the renter has provided everything the Council requires of them, constructed on it and met the City's expectations before we would sell. **Bradford** agreed with **Joyce**. **Reggiani's** impression of those discussions is that was the way we are going to work the performance deed. A lease up until the performance then sell. He said there has been significant movement in attorney work that has basically outlined how the City can ensure performance on a sale. **Joyce** pointed out that the land sale policy doesn't allow Council to make a guarantee to Mobile Grid to get the other lot up for disposal if Council sells this one to Trident. **Bailer** said that company should lease the lot and then begin the purchasing process. He pointed out he's trying to do what's best for the community, not just one operator, and he stands by his decision. **Robertson** interjected the guidance is we do no more performance deeds of trust as they existed and the leasing methodology is preferred. **Joyce** stated he doesn't see how **Bailer's** suggestion of leasing would help Mobile Grid as the lot could be sold out from underneath them. **Bailer** wanted to point out that there is another lot available and everyone in the community has the option for that. There were 4 or 5 people who applied for that lot that did not fit the criteria and that there are options. **Carpenter** pointed out that they did sell a lot to **Dan**



*Nichols* that was much bigger which Trident didn't bid on and wonders why. *Leo Vargas* said they didn't bid because they still had lots with the existing bunk houses but now they are ready to increase their capacity. *Mayor Kacsh* said Council was moving off topic and reminded them of the motion.

*M/Reggiani S/Bradford* to postpone item 24 until after item 25.

Vote on motion: 5 yeas, 1 nays. Joyce-yes; Bradford-yes; Bailer-yes; Carpenter-no; Burton-yes and Reggiani-yes. Hoover has a COI. Motion was approved.

25. Land sale decision Lot 4A Block 5 NFDPA Addn # 2

*M/Bradford S/Reggiani* to reject the proposals for Lot 4A, Block 5, North Fill Development Park Addition No. 2.

*Joyce* pointed out that this is a nonconforming lot, and asked *Greenwood* how these are dealt with. *Greenwood* responded they need to meet the required setbacks, no variances. *Reggiani* asked staff, by Council rejecting these proposals what the status for disposal would be. *Greenwood* answered that the lot is still available so someone could submit a letter of interest, upon which the process would start all over. She also stated the only other lots the City owns are in that area of the North Fill boat ramp. *Joyce* asked if the lots are sold or are they available to lease. *Greenwood* responded that they can be leased or purchased. *Bradford* asked *Robertson* what the plan for impounding is if they end up selling this lot. *Robertson* said they have a plan to move some things out to the landfill and a short term plan to store some at City Hall. *Joyce* asked who tows and *Robertson* responded that Public Works does. *Burton* wanted to make everyone happy but it's impossible to do in this situation. *Bradford* reminded everyone if they reject these proposals it will still remain an impound lot. He's against selling because it a nonconforming lot.

Vote on motion: 6 yeas, 0 nays. Burton-yes; Joyce-yes; Bradford-yes; Carpenter-yes; Reggiani-yes and Bailer-yes. Hoover has a COI. Motion was approved.

Council moved back to item 24. Land Sale decision Lot 2 Block 7 North Fill Development Park with the motion to award the disposal for Lot 2, Block 7, North Fill Development Park to Mobile Grid Trailers for the bid price of \$67,500. Motion on table to dispose to Mobile Grid.

Vote on motion: 2 yeas, 4 nays. Burton-no; Joyce-no; Bradford-yes; Carpenter-yes; Reggiani-no and Bailer-no. Hoover has a COI. Motion failed.

*M/Reggiani S/Bailer* to award disposal of Lot 2 Block 7 North Fill Development Park to Trident Seafoods. *Bailer* added that he does not understand the City's pricing of this lot. They had a bidder that proposed a price higher. He was wondering how the value is set. *Joyce* asked if this is going to be a lease with an option to buy. *Robertson* answered that this begins the negotiation process with Trident to dispose of the property. *Reggiani* called the question without objection.

Vote on motion: 4 yeas, 2 nays. Burton-yes; Joyce-yes; Bradford-no; Carpenter-no; Reggiani-yes and Bailer-yes. Hoover has a COI. Motion was approved.

26. Pending Agenda, Calendar, Elected & Appointed Officials lists

*Mayor Kacsh* said that early in January there will be a public workshop about the Providence contract for CCMC management with the City. *Bradford* said he's not sure they need a public workshop. *Carpenter* recommended they do the workshop for an hour and then the Regular Meeting for an hour. *Mayor Kacsh* suggested a Council Work Session prior to the workshop. *Carpenter* would like to first give the Providence and City attorneys a chance to meet, she's not sure when that can happen. *Robertson* said he will work on as soon as possible but with the holidays he's not sure when. *Carpenter* asked if Council still feels like they need to hear from the community. *Burton* agreed with *Bradford* and felt he understands the community's view. *Hoover* said she felt like people wanted to weigh in. *Joyce* said we need to wait until the attorneys discuss before having a workshop. *Reggiani* and *Carpenter* agreed. *Carpenter* said that there will also be a regular HSB meeting on January 7, 2015. *Mayor Kacsh* brought up that *Reggiani's* seat on P&Z expired March of 2014. *Bourgeois* explained code previously was a one year term and *Reggiani* was appointed to a one year term. When code changed to a three year term he was not reappointed. *Joyce* said that it should be discussed whether they need Council members sitting on these boards when there's others who want to be

on them. **Bailer** agreed with **Joyce**. **Mayor Kacsh** asked Council if **Reggiani** still holds his seat or if they would like to advertise it. **Bradford** said that he's fine with it if **Reggiani** wants to keep his seat. **Joyce** pointed out that people are more likely to put in for a seat when they know it's vacant. He would like to see the seat advertised to the public as vacant, and if no one applies he would then like to reappoint. **Reggiani** said that he doesn't believe that having Council members in these seats is necessarily a good idea. Now that he is on the Marine Transportation Advisory Board, he asked Council if they would accept his resignation from P&Z effective immediately tonight, he would offer it. **Joyce** said that if **Reggiani's** willing to finish the term until March. **Bourgeois** pointed out that normal for P&Z is November. **Bailer** said that his term is up in November and he thinks that change should be made when the term comes up. **Bradford** said that he'd like **Reggiani** to fill that seat until they receive applicants, and **Reggiani** said he'd be happy to do that. **Hoover** agreed with **Bradford**. **Mayor Kacsh** asked if Council is okay with having **Reggiani** sit in the seat until filled. There was no opposition.

## O. AUDIENCE PARTICIPATION

**Mark Fronhappfel** of 828 Woodland Drive, said he would like to thank **Dr. Sundby** for what he is doing at the hospital and he see a lot of staff here supporting him tonight. Remember we have a contract with Providence until 2016. His recommendation would be to not do anything that might jeopardize that.

**Robert Beedle** of 609 Spruce Street, said that he saw a lot of bonding in the packet, and wants to insure that we can afford it as we have a lot already in bond payments. **Beedle** pointed out that it looked like we want to bond for the City Center, which we've already put millions into. He would like to look at putting money into getting a winter economy going, such as another fishery and hoped for discussion in the future on developing this economy in Cordova. He also would like to bring up leasing land to the harbor to be developed. **Beedle** expressed his appreciation of Council representatives on the boards. It serves to bridge information from the Commission meetings to Council meetings.

**Osa Shultz** of 109 Council, expressed her disappointment on their decision on item 24, and clarified that they did not submit a proposal on the other property, as it is too small for the equipment they currently own. She also requested to consider if she were to put in a proposal for the other piece of property and that she would be able to work directly with the City.

## P. COUNCIL COMMENTS

### 27. Council Comments

**Burton-** He thanked staff and **Jon (Stavig)** for all the work put in to the budget and **Cathy Sherman** for Cordova Center update. He wishes there was more land to make everyone happy, his decisions are not taken lightly.

**Hoover-** She was glad to be included at the hospital party and expressed her disappointment in the land sale decision for item 24.

**Reggiani-** He thanked staff for putting together a good packet.

**Bradford-** He's glad to see the window replacement decision on the agenda. He also congratulated Harborside Pizza on securing a contract and wished everyone a Merry Christmas.

**Carpenter-** She agreed with **Hoover** in her disappointment for the voting on item 24.

**Mayor Kacsh** added that the intersection between Second Street and the Copper River Highway is dangerous, as the street lights are set to reflect off the snow. He would like Council to talk to CEC about street lights. **Robertson** said he's spoken with **Robbie Mattson** of DOT, who is addressing the issue but encouraged Cordova citizens to contact his boss **Mr. Dunning** in Valdez and let him know it's not working. **Mayor Kacsh** said those are DOT street lights and asked Council to move for a Resolution to ask DOT to look at the issue. **Bradford** said he's not opposed to a Resolution but believes that letters from staff would be as effective. **Reggiani** supported **Mayor Kacsh**.

## Q. EXECUTIVE SESSION

### 28. Providence Contract / HSB options / attorney information

*M/Bradford S/Reggiani* to go into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect upon the finance of the City, specifically Cordova Center finances.

Vote on motion: 7 yeas, 0 nays. Joyce-yes; Bailer-yes; Burton-yes; Hoover-yes; Reggiani-yes; Bradford-yes and Carpenter-yes. Motion was approved.

*Mayor Kacsh* called for a recess at 10:28. Hearing no objection the meeting was recessed. Council entered the executive session at 10:30 pm. The regular session was reconvened at 10:59 pm.

The time was 11:00 pm. Per City Code, business items not considered by 11:00 pm may be taken up at a reconvened meeting or added to the next regular or special meeting agenda.

*M/Bradford S/Hoover* to recess until 5:30 the following night. Hearing no objections the meeting was recessed.

The Council meeting was reconvened at 5:30 pm on December 18, 2014 in the Library Meeting Room. A roll call was taken to establish a quorum.

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

29. Cordova Center finances – legal update

*M/Bradford S/Reggiani* to go into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect upon the finance of the city, specifically Cordova Center finances.

Vote on motion: 7 yeas, 0 nays. Joyce-yes; Bailer-yes; Burton-yes; Hoover-yes; Reggiani-yes; Bradford-yes and Carpenter-yes. Motion was approved.

With no objection, Council entered the executive session at 5:32 pm. The regular session was reconvened at 6:05 pm.

19. Resolution 12-14-50 a resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to use \$1,300,000 from the UBS line of credit account to fund the completion of Phase 2 of the Cordova Center.

*M/Carpenter S/Bradford* to approve Resolution 12-14-50 a resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to use \$1,300,000 from the UBS line of credit account to fund the completion of Phase 2 of the Cordova Center.

*M/Carpenter S/Bradford* to refer resolution 12-14-50 back to staff.

*Joyce* commented that Council needs to provide some guidance to staff before referring. *Mayor Kacsh* agreed and asked Council for guidance for staff. *Joyce* stated the line of credit is not an option, as it has just been used. He would like included in the Resolution in the “repay the line of credit” other funding sources including bonds, permanent fund and general fund reserves. *Reggiani* is not sure the refer motion achieves much as they’ve already given the contractor a notice to proceed for stage four. *Robertson* said they have not given authorization to proceed with stage four. *Mayor Kacsh* stated the notice to proceed is pending authorization of the 1.3 million dollar line of credit. *Reggiani* asked if the \$10 million was appropriated. It was confirmed that it had been appropriated, but the notice to proceed had not been signed. *Reggiani* doesn’t think we’re ready to jump into the general fund reserve or the permanent fund, but down the road they might have the line of credit available as an option. *Joyce* felt that unless there is a notice to proceed Dawson will start to demob after their holiday break. Unless there is a method that ensure *Robertson* to sign the notice to proceed, they need to act on this. *Cathy Sherman* said that they do need to get the notice to proceed to Dawson for stage four so they can sign the contracts with their sub’s which will keep us moving smoothly. Appropriating the money gives them the go ahead to keep working, and possibly be more efficient if they can do some of stage four as soon as they get back. *Bradford* asked if the \$1.3 million is part of the \$9.9 million that was appropriated. *Sherman* stated it is a part of that \$9.9 million, so it has been appropriated but they’ve been coming to the Council for each stage and this is the final number for stage

four. **Robertson** said the funds were authorized for appropriation, but there are no funds that exist today. He's uncomfortable signing without Council direction. He would be happy to sign the notice to proceed with Council's authorization if they are comfortable in doing so keeping in mind the line of credit is not in play anymore. **Reggiani** asked if we have a drop-dead date and **Robertson** responded that he's asked for that, and is hearing about the middle of January, but would like an answer sooner. **Reggiani** would like to know an absolute drop dead date and a cost estimate for demobing and mobing, as to make a rational decision on the value of savings. He points out that by January we might have the reimbursement back from the state which would free up the line of credit. **Bradford** said by the time the funds for the phase 4 come due in the spring or summer, he fully anticipates the line of credit will be paid back. **Robertson** said they did look at segmenting it and while it is not preferred it is doable. **Reggiani** reminded **Bradford** that they don't know if there's a funding mechanism that would pay off the credit line. He said the bond proposal in March could be a funding source, but they don't know that yet. **Robertson** notified the Council that EVOS money should come back into play on the 20<sup>th</sup> or 21<sup>st</sup> of January. **Joyce** said that if they're going to finish the building, they're going to have to pay for it one way or another. It doesn't exactly matter what the funding source is. He supports directing **Robertson** to sign the notice to proceed. **Reggiani** said it's not that simple in his mind, and that they've already heard from **Robertson** that he would be uncomfortable signing without the funds being identified. He said that he would support the motion to refer it back to staff. **Robertson** said it been hard to get a firm date and without the notice there have already been missed opportunities. He senses mid-January is the drop dead date but would like to see action sooner than later. **Joyce** felt they're already out in front of the voters, as they just spent 2.3 million dollars, and one way or another they need to come up with that money. The longer they wait the more inefficiencies they create in the building. **Bradford** said he agrees with **Joyce**. He said they need to keep moving, as he doesn't want it to be more expensive than it has to be. He supports directing the City Manager to sign the notice to proceed. **Robertson** said that he feels confident that they can proceed but wanted Council to have this conversation. **Carpenter** clarified that they're going to use the line of credit now, wait for reimbursement from the State which could be four weeks out, then turn around and use that line of credit again. It hasn't been identified where the repayment of the \$1.3 million will come from. She discussed the total amount of the bond may include the settlement plus the line of credit amount. Council will authorize **Robertson** sign the motion to proceed with the understanding that funds will either come from the bond issue or some really heavy fund raising or some combination of other resources. **Mayor Kaesh** agreed with **Carpenter's** synopsis and stated that they're going to finish the building. They have until mid-January if they need to amend the bond amount. **Carpenter** said that they could adopt this resolution to refer it back to staff and then direct the City Manager to sign to proceed with stage four.

Vote on motion to refer back to staff: 7 yeas, 0 nays. Burton-yes; Joyce-yes; Hoover-yes; Bradford-yes; Carpenter-yes; Reggiani-yes and Bailer-yes. Motion was approved.

M/Carpenter S/Bradford to direct the City Manager to sign the notice to proceed for stage four.

Vote on motion: 5 yeas, 2 nays. Burton-yes; Joyce-yes; Hoover-yes; Bradford-yes; Carpenter-yes; Reggiani-no and Bailer-no. Motion was approved.

## R. ADJOURNMENT

**M/Reggiani S/Bradford** to adjourn. Hearing no objections the meeting was adjourned at 6:40 pm.

Approved: January 21, 2015

Attest: Tina Hammer  
Tina Hammer, Deputy City Clerk

