

Regular City Council Meeting
October 5, 2022 @ 7:00 pm
Cordova Center Community Rooms A & B
Minutes

A. Call to order – Vice Mayor Tom Bailer called the Regular City Council Meeting to order at 7:00 pm on October 5, 2022, in the Cordova Center Community Rooms.

B. Invocation and pledge of allegiance – Vice Mayor Bailer led the audience in the Pledge of Allegiance.

C. Roll call - Present for roll call were **Vice Mayor Tom Bailer** and Council members **Cathy Sherman, Jeff Guard** and **Anne Schaefer**. Council members **Melina Meyer, Kristin Carpenter** and **Ken Jones** were present via teleconference. Mayor **David Allison** was absent. Also present were City Manager **Helen Howarth** and Deputy City Clerk **Tina Hammer**.

D. Approval of Regular Agenda – M/Guard S/Schaefer to approve the agenda.
With no objection, Vice Mayor Bailer declared the agenda approved as presented.

E. Disclosures of Conflicts of Interest and ex parte communications - none

F. Communications by and Petitions from Visitors

1. Guest speakers – none

2. Audience comments regarding agenda items:

Hein Kruithof of Lot 41 Sawmill Bay Rd, owner of Dutch Marine Industries, spoke in favor of item 5 – a ten-year lease with Dutch Marine Industries, LLC for a portion of Tract 1A, Ocean Dock Subdivision #2. He stated the reason for wanting the lease is his symbiotic relationship with the harbor department to block the majority of boats being hauled out. Having all his equipment in one location, gives him the ability to be readily available to accommodate the harbor department's needs. He's currently researching building options to expand services to the community. Once he has more information on whether the harbor will be purchasing a boat trailer, he will be submitting detailed shop plans, as the shop size will be affected by the use of the haul out versus using a boat trailer.

3. Chairpersons and Representatives of Boards and Commissions - none

4. Student Council Report – no report

G. Approval of Consent Calendar

~~5. Resolution 10-22-27 A resolution of the Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a ten (10) year lease with Dutch Marine Industries, LLC, for a portion of Tract 1A, Ocean Dock Subdivision #2~~

Council member **Carpenter** called out Resolution 10-22-27 to be approved outside the consent calendar.

Vice Mayor Bailer placed item 5 under L. Ordinances and Resolutions as item 15A.

6. Award of Contract to Insight Vision for Riezler Sewer Camera Inspection System per ITB PW 09-22 in the amount of \$80,221.39

7. Award of Contract to US Ecology Alaska LLC for Household Hazardous Waste Disposal per ITB PW 10-22 in the amount of \$34,800

8. Minutes of the September 21, 2022 City Council Public Hearing

9. Minutes of the September 21, 2022 Regular Council Meeting

10. Per Charter Section 2-8 and Cordova Municipal Code 3.12.022, recordation of excused absences of Council members **Cathy Sherman** and **Melina Meyer** from the September 21, 2022 Regular Meeting

Vote on the Consent Calendar: 7 yeas, 0 nays. Schaefer-yes; Sherman-yes; Jones-yes; Bailer-yes; Guard-yes; Meyer-yes; and Carpenter-yes. Consent Calendar was approved.

H. Approval of Minutes - in consent calendar

I. Consideration of Bids/Proposals/Contracts - in consent calendar

J. Reports of Officers

11. Mayor's Report – none

12. Manager's Report – City Manager **Helen Howarth** reported: 1) Finance – Next week, two people are coming to city hall, one is a trainer in Caselle, which is the software program for our financial accounting. The other is a retired CPA, former Bethel finance director, who is potentially interested in doing more work for the city; 2) We are using a new government software to prepare the 2023 budget which is making the process more streamlined, and it will publish a budget book at the end; 3) Contractors were in town to get an overview of the harbor RFP. The bond has been funded at just over \$5 million; she asked **Samantha Greenwood** to continue with the South Harbor update:

a. South Harbor Rebuild update – **Greenwood** reported there was a pre-proposal meeting. Four teams came to Cordova to do a tour of the harbor. Afterwards, she answered questions and had good discussions with the potential contractors. The RFP closes November 4th, proposals will be reviewed and scored individually with **Kim Neilson** and **Mark Keller**. She'd like a special meeting to approve the contract to keep moving forward. The environmental work is very close to being completed with the confirmed pile count. Requests are coming in from MARAD. **Howarth** commended **Greenwood** and **Schinella** on the excellent job they are doing. **Bailer** asked if we had to take the lowest bid. **Greenwood** said we are not required to take the lowest bid; we will be looking at the best proposal and technical skills. MARAD requires more emphasis on the technical skills than the price. **Samantha Greenwood, Tony Schinella, Colin Bronson, Mark Keller, and Kim Neilson** make up the team that will be evaluating the proposals.

13. City Clerk's Report – MARS conversion to digital property cards is almost completed. Appraisal Company of Alaska should be in Cordova the first of November to finalize conversion.

K. Correspondence

14. 9-19-22 DoT email regarding Draft Long-Range Transportation and Freight Plans available for public review and comment

15. 9-28-22 Public and Agency Notice for Aquatic Farmsite Lease Port Etches Farms, James Smith, ADL 233987

L. Ordinances and Resolutions

15a. Resolution 10-22-27 A resolution of the Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a ten (10) year lease with Dutch Marine Industries, LLC, for a portion of Tract 1A, Ocean Dock Subdivision #2

M/Carpenter S/Guard to approve Resolution 10-22-27 A resolution of the Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a ten (10) year lease with Dutch Marine Industries, LLC, for a portion of Tract 1A, Ocean Dock Subdivision #2

Carpenter said she is in support as it meets a business need in town. Her big concern is storm water run off and containment of potential pollutants at the site. She wants to make sure there are provisions to ensure that the tenant has containment mechanisms in place. She would like the City to monitor the storm water containment best practices of this business and for all the activity that goes on in the shipyard. Planner **Johnson** stated that the containment issue is covered in item 5A1 of the lease which requires the tenant to utilize and maintain a method of containment, approved by the city, to properly contain spills and prevent ground penetration. When they submit the building plan, they will be required to show how they will be containing hazardous materials. **Bailer** asked can or will the city monitor and do we have the authority to check the system. **Johnson** replied that in the lease we have inspection authority. **Bailer** remarked it should be a yearly inspection. **Johnson** answered that it's not specifically in the lease, but it

could be added as a policy item. He would have to figure out how it could be accomplished and would require an expert in that sort of thing. **Carpenter** wondered if **Johnson** has done some research on what the current best practices are in other shipyards around the country. **Manager Howarth** stated that there is a program that harbors, and shipyards are eligible to apply for that credits a harbor as a clean harbor. We will be going after that designation as it impacts all our boats and anything we do in our watershed. Best practices will be in play as it is mandated by the designation. **Guard** stated he's all in favor of making sure we deliver things properly and aboveboard. Seems like we are putting all the emphasis on one tenant. Every boat in the shipyard is a tenant and if we're doing a policy like this to control pollutants we need to sit down and set a plan. **Howarth** stated that everything discussed would fall under the clean harbor designation. **Jones** commented that moving this kind of activity into a building is going to help the environmental impact. Regarding the stormwater runoff, a building will keep the rain from hitting the boats which will reduce the stormwater runoff as it will go off the eaves. He understands the concern but feels it should be celebrated as a way to reduce the environmental impact. A lot of marine work is conducted on the haul out grid where people are pressure washing which runs into the harbor. Using the haul out and having buildings will help the environmental impact as an industry. **Jones** went on to state he is worried that by requiring expensive equipment this project might not be feasible. He believes the harbor staff could conduct an annual walk-through instead of bringing in professional inspectors. **Meyer** stated she's in agreement with this project and thinks it a good location for it. She has a concern about the city being a landlord over a physical building and questioned how the base rent was calculated; \$260 a month doesn't seem like very much of a base rent if you are talking about doing inspections and sees it as a potential liability for the city. **Johnson** replied that most of the land disposals are for selling the property outright. There are not many leases for renting space. These leases are structured by charging 10% of the assessed value which is how he calculated this lease amount to stay consistent with other leases. **Meyer** commented this ten-year lease is about \$30,000 for a prime piece of property and she does not feel comfortable approving a lease at this time for that amount without knowing more information. **Meyer** and **Jones** questioned if property tax would be collected. **Hammer** answered that property tax would be collected on the full value of the building and on the land as a possessory interest amount; the same way state leases are taxed. **Jones** would like the harbor department to get the revenue from this lease. **Meyer** made a motion to refer back to staff, but the motion was not seconded. **Howarth** believed how the lease funds are allocated is set in code but can get more information. **Sherman** stated this is a great business that we all know we need, and the environmental issues are being addressed. She is in favor of it going forward and letting staff deal with the housekeeping items raised. **Schaefer** said she is favor and okay with the lease as is. **Bailer** would like to see the applicant and City Manager address snow removal and financial ability to do the project. **Guard** stated the contract has performance standards which address all the issues brought up tonight and he is in favor of approving as is.

Vote on the motion: 6 yeas, 1 nay. Sherman-yes; Jones-yes; Guard-yes; Carpenter-yes; Bailer-yes; Meyer-no and Shaefer-yes. Motion was approved.

M. Unfinished Business – none

N. New & Miscellaneous Business

16. Pending Agenda, CIP List, Calendar, Elected & Appointed Officials lists

Howarth let council know at the next council meeting we will have the fiscal year 2021 audit presented by our auditors. **Jones** wanted to make sure there was a future work session for housing and did not realize it was already on the pending agenda, item C7.

O. Audience Participation - none

P. Council Comments

Meyer is in favor of Dutch Marine. She wanted a clear picture of how the lease was going to be carried out and wanted more information. Moving forward she hopes all the comments and concerns are

addressed. She's in full support of the industry and excited about expansions in north fill and shipyard for the fleet.

Carpenter thanked everyone for the discussion tonight.

Jones thanked everyone for coming out; it was great to see full participation.

Guard said thanks to staff for everything and thanks everybody that showed up.

Schaefer thanked staff for their great work.

Sherman stated she is excited about the Caselle training for city staff. Also, happy to hear about the clean harbor designation and the upcoming 2021 audit.

Vice Mayor Bailer thanked staff and **Tony, Sam & Kevin** for doing a good job. He feels it's council's job to ask questions even though they may know the answer, it's for the public's benefit. He supports new businesses and hopes they're successful.

Jones added during review of bids, he hopes the harbor commission can give their opinion before they come to council.

Q. Executive Session – none

R. Adjournment

M/Guard S/Sherman to adjourn the meeting.

Hearing no objection **Vice Mayor Bailer** adjourned the meeting at 7:52 pm.

Approved: October 19, 2022

Attest:



Susan Bourgeois, CMC, City Clerk

