

**Mayor**

*Kristin Smith*

**Council Members**

*Debra Adams*

*Aaron Hansen*

*Kasey Kinsman*

*Michael Mickelson*

*Wendy Ranney*

*Cathy Sherman*

*David Zastrow*

**City Manager**

*Samantha*

*Greenwood*

**City Clerk**

*Susan Bourgeois*

**Deputy City Clerk**

*Colette Gilmour*

**Special City Council Meeting**  
**May 14, 2025 @ 6:15pm**  
**Cordova Center Community Rooms**  
**Agenda**

**A. Call to order**

**B. Roll call**

Mayor Kristin Smith, Council members Debra Adams, Aaron Hansen, Kasey Kinsman, Michael Mickelson, Wendy Ranney, Cathy Sherman, and David Zastrow

**C. Approval of agenda**..... (voice vote)

**D. Disclosures of Conflicts of Interest and Ex Parte Communications**

- conflicts as defined in 3.10.010 [https://library.municode.com/ak/cordova/codes/code\\_of\\_ordinances](https://library.municode.com/ak/cordova/codes/code_of_ordinances) should be declared, then Mayor rules on whether member should be recused, Council can overrule
- ex parte should be declared here, the content of the ex parte should be explained when the item comes before Council, ex parte does not recuse a member, it is required that ex parte is declared and explained

**E. Communications by and petitions from visitors**

1. Audience Comments regarding agenda items..... (3 minutes per speaker)

**F. New Business**

2. Ordinance 1231..... (voice vote)(page 1)

An ordinance of the Council of the City of Cordova, Alaska, authorizing the repayment of \$3,000,000 from the Harbor enterprise fund to the general reserve fund (permanent fund) and authorizing the transfer of \$3,000,000 from the general reserve fund (permanent fund) to the general fund to sustain cash flow for city operations

**G. Audience participation**

**H. Executive Session**

3. Council discussion with City Manager and CCMC CEO regarding CCMC finances and future, in executive session because it is a matter the immediate knowledge of which would clearly have an adverse effect upon the finances of the government

City Council is permitted to enter into an executive session if an explicit motion is made to do so calling out the subject to be discussed and if that subject falls into one of the 4 categories noted below. Therefore, even if specific agenda items are not listed under the Executive Session header on the agenda, any item on the agenda may trigger discussion on that item that is appropriate for or legally requires an executive session. In the event executive session is appropriate or required, Council may make a motion to enter executive session right during debate on that agenda item or could move to do so later in the meeting.

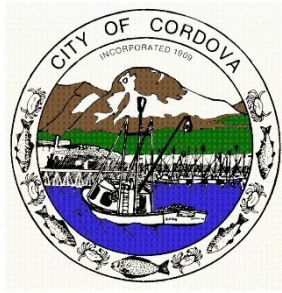
**I. Adjournment**

**Executive Sessions per Cordova Municipal Code 3.14.030**

- **subjects which may be considered are:** (1) matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government; (2) subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion; (3) matters which by law, municipal charter or code are required to be confidential; (4) matters involving consideration of governmental records that by law are not subject to public disclosure.
- **subjects may not be considered in the executive session except those mentioned in the motion calling for the executive session, unless they are auxiliary to the main question**
- **action may not be taken in an executive session except to give direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending labor negotiations**

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## AGENDA ITEM 2

**City Council Meeting Date: 5/14/25**

### CITY COUNCIL COMMUNICATION FORM

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**FROM:** Susan Bourgeois, City Clerk  
**DATE:** 05/08/25  
**ITEM:** Ordinance 1231  
**NEXT STEP:** Voice vote on approval of ordinance at first reading

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☒ ORDINANCE  
☐ MOTION

☐ RESOLUTION  
☐ INFORMATION

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**I. REQUEST OR ISSUE:** Approval of Ordinance 1231 on first reading.

**II. RECOMMENDED ACTION / NEXT STEP:** Move to approve Ordinance 1231.

**III. BACKGROUND INFORMATION:** On April 16, 2025, City Council met in a work session about rebuilding the City of Cordova General Fund. At the Regular Meeting on April 16, 2025, Council directed staff to bring a resolution to the next meeting memorializing the various events that occurred to accomplish the funding of the South Harbor Project and have contributed to the existing cashflow issue.

Resolution 11-22-31 committed \$3.9 million to close the gap on the South Harbor Rebuild Project. That led to the depletion of City reserve funds throughout 2023, 2024, and now into 2025. In early 2024 it became evident that reserves were too low to fund the project due to the lengthy process for submitting receipts and receiving reimbursement from MARAD. An initial \$3 million (Ordinance 1215 pulled that from the PF) was needed to begin the process and city continuously recycled the same \$3 million in order to get the project to near completion. The \$3 million is back in city coffers and it is earning interest in the easily accessible AMLIP account. The cashflow issue is not yet resolved and therefore, it is important to keep the \$3 million accessible while earning interest. Along with Ordinance 1215, Council approved the payback terms of the \$3 million via Resolution 02-24-09.

Resolution 05-25-12 was before Council at the Regular Meeting on May 7, 2025. It aimed to repeal the repayment terms and allow the city flexibility in order to continue city operations and services. The resolution directed staff to update council on cashflow and the ability to repay the \$3 million before the end of 2025.

Resolution 05-25-12 was referred to staff as Council opined a better and cleaner approach would be an

ordinance that paid the \$3 million back from where it was first transferred to (the Harbor Enterprise Fund).

Staff has prepare Ordinance 1231 that accomplishes what Council asked for. Ordinance 1231 authorizes repayment from the Harbor Enterprise Fund to the permanent fund, then it authorizes transfer of \$3 million from the permanent fund to the general fund to sustain city cashflow. The ordinance also directs staff to update council on cashflow and the ability to repay the \$3 million before the end of 2025.

**IV. SUMMARY AND ALTERNATIVES:** Council should approve this ordinance to repay the permanent fund, transfer \$3 million to the general fund for cashflow and offer a timeframe for revisiting.

**CITY OF CORDOVA, ALASKA  
ORDINANCE 1231**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE REPAYMENT OF \$3,000,000 FROM THE HARBOR ENTERPRISE  
FUND TO THE GENERAL RESERVE FUND (PERMANENT FUND) AND  
AUTHORIZING THE TRANSFER OF \$3,000,000 FROM THE GENERAL RESERVE  
FUND (PERMANENT FUND) TO THE GENERAL FUND TO SUSTAIN CASH FLOW  
FOR CITY OPERATIONS**

**WHEREAS**, as the South Harbor Project was ramping up, more than a year before inception, Resolution 11-22-31, was approved in November 2022, committing \$3,896,575 to close the gap between secured funds and the final contract price of the South Harbor Project; and

**WHEREAS**, Ordinance 1215 authorized the withdrawal and transfer of \$3 million from the Cordova Permanent Fund to the Harbor Enterprise Fund to sustain cashflow for the South Harbor Project; and

**WHEREAS**, Resolution 02-24-09, approved alongside Ordinance 1215, in February 2024, required repayment upon reimbursement from MARAD and imposed 5% interest annually on the \$3 million transfer; and

**WHEREAS**, the effect of Resolution 11-22-31 has been a decrease in cash reserves which now make implementation of the 5% interest imposed in Resolution 02-24-09 a hardship for the City; and

**WHEREAS**, the final RAISE grant reimbursement has been received by the City from MARAD and per the terms laid out in Resolution 02-24-09 Council authorizes the \$3 million be returned to the permanent fund; and

**WHEREAS**, the Council of the City of Cordova, Alaska, also now authorizes a transfer of \$3 million from the Permanent Fund to the General Fund to facilitate cashflow for City operations; and

**WHEREAS**, the following interfund transfer, pursuant to this Ordinance, is intended to provide a source of money to maintain an appropriate level of cash reserves in the General Fund to accommodate continued City operations.

<b>Fund #</b>	<b>Fund Title</b>	<b>Purpose</b>	<b>Amount</b>
101-390-49998	Transfer from Permanent Fund	City Operations Cash Flow	\$3,000,000

**NOW, THEREFORE BE IT ORDAINED** by the Council of the City of Cordova , Alaska:

**Section 1.** The interest imposed as a term of repayment adopted via Resolution 02-24-09 is repealed.

**Section 2.** The Council authorizes the transfer of \$3,000,000 from the General Reserve Fund (Permanent Fund) to the General Fund to sustain cashflow for city operations.

**Section 3.** The Cordova City Manager shall provide Council with an update regarding the City's ability to repay \$3,000,000 to the Permanent Fund and the impact of such repayment on the City and public services before the end of 2025.

This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska and published within ten (10) days after its passage.

1<sup>st</sup> reading and Public Hearing: May 14, 2025

2<sup>nd</sup> reading and Public Hearing:

**PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_ 2025**

\_\_\_\_\_  
Kristin Smith, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, City Clerk

Previously City instruments referenced in the memo and/or in Ordinance 1231:

Resolution 11-22-31, approved 11/30/22

Ordinance 1215, adopted 2/21/24

Resolution 02-24-09, approved 2/21/24

Resolution 05-25-12, referred to staff on 5/7/25, being replaced with ordinance 1231

**CITY OF CORDOVA, ALASKA  
RESOLUTION 11-22-31**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA  
COMMITTING \$3,896,575 FOR THE SOUTH HARBOR REBUILD PROJECT**

**WHEREAS**, the South Harbor Rebuild has been the number one priority for Cordova for over a decade; and

**WHEREAS**, Cordovans supported the project with a voter-approved ½% local raw-fish tax; and

**WHEREAS**, the conceptual design for the South Harbor Rebuild was completed in 2020 for grant application purposes and came in at a cost of \$32M; and

**WHEREAS**, City secured \$35.7M towards the projects as follows: a \$20M Federal Department of Transportation RAISE grant, a State of Alaska Tier 1 Grant of \$5M and voter-approved bond for the \$5M match, \$3M in unrestricted funds from the State of Alaska, a \$2M Clean Water Loan, and \$700K in Pink Salmon Fisheries Disaster money; and

**WHEREAS**, Harbor has committed to expend \$1,000,000 on contracts for design, engineering and environmental documents required to complete necessary pre-development work; and

**WHEREAS**, COVID-related price inflation has resulted in a dramatic increase in the project cost; and

**WHEREAS**, City of Cordova issued a Request for Proposals for which two responses were received; and

**WHEREAS**, neither proposal completes the project as presented in the RFP with the funding available; and

**WHEREAS**, certain critical elements of the project are directly tied to the MARAD/RAISE grant (\$20M) and State Tier 1 Grant (\$5M) and matching Harbor Bond (\$5M), and any changes to the project puts those funds in jeopardy; and

**WHEREAS**, City must sign a contract and commit to funding that contract to keep the project on schedule for construction in fall 2023 or risk loss of some funding; and

**WHEREAS**, after proposals were reviewed and scored, City determined the submission of Turnagain Marine Construction to be the best value proposal and issued a notice of intent to award; and

**WHEREAS**, City has negotiated a reduced scope of work with Turnagain Marine Construction at a price of \$39,596,575 which will complete the project *with* required critical elements that ensure compliance with grant agreements; and

**WHEREAS**, the negotiated reduced scope of work exceeds the available funds by \$3,896,575; and

**WHEREAS**, City has identified \$4M in unrestricted general funds that are not needed within the next 12 months for City operation and those funds, if pledged to the project, would give staff time to pursue other funding; and

**WHEREAS**, those funds are currently invested in an interest-bearing account and would not be tapped until the funds were needed; and

**WHEREAS**, if additional funds are not raised, City would be contractually liable to provide those funds to the project; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Council of the City of Cordova, Alaska, commits \$3,896,575 to the South Harbor Rebuild Project.

**PASSED AND APPROVED THIS 30<sup>th</sup> DAY OF NOVEMBER 2022**



  
David Allison, Mayor

ATTEST:   
Susan Bourgeois, CMC, City Clerk

CITY OF CORDOVA, ALASKA  
ORDINANCE 1215

AN ORDINANCE OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE TRANSFER OF \$3,000,000 FROM THE GENERAL RESERVE FUND  
(PERMANENT FUND) TO THE HARBOR ENTERPRISE FUND TO SUSTAIN CASH FLOW  
FOR THE REMAINDER OF THE SOUTH HARBOR PROJECT

WHEREAS, the Council of the City of Cordova, Alaska, will allow a transfer of \$3,000,000 to facilitate cashflow during the 2021 RAISE grant reimbursement process funding the South Harbor Reconstruction Project; and

WHEREAS, the following interfund transfer, pursuant to this Ordinance, is intended to provide a source of money to pay South Harbor Project expenses; and

Fund #	Fund Title	Purpose	Amount
505-390-49998	Transfer from Permanent Fund	Harbor Project Cash Flow	\$3,000,000

WHEREAS, the RAISE grant agreement was executed on January 19, 2024 and reimbursement is currently in process; and

WHEREAS, delays in the grant agreement execution have depleted the project's budget and additional funds are needed to keep the project on schedule; and

WHEREAS, the City anticipates the entirety of these borrowed funds will be reimbursed as the RAISE process continues through the life of the project; and

WHEREAS, while the exact amount of funds needed to continue with the project shall not exceed \$3 million, the amount borrowed may be less; and

NOW, THEREFORE BE IT ORDAINED that the Council of the City of Cordova, Alaska, hereby authorizes the transfer of \$3,000,000 from the General Reserve Fund (Permanent Fund) to the Harbor Enterprise Fund for expenses associated with construction costs of the South Harbor Project pending RAISE grant reimbursements.



This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska and published within ten (10) days after its passage.

1<sup>st</sup> reading and Public Hearing: February 7, 2024  
2<sup>nd</sup> reading and Public Hearing: February 21, 2024

PASSED AND APPROVED THIS 21<sup>st</sup> DAY OF FEBRUARY 2024.



ATTEST:

  
David Allison, Mayor  
  
Susan Bourgeois, CMC, City Clerk

CITY OF CORDOVA, ALASKA  
RESOLUTION 02-24-09

A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA, APPROVING  
REPAYMENT TERMS OF \$3,000,000 BORROWED FROM PERMANENT FUND TO  
SUSTAIN CASH FLOW FOR THE REMAINDER OF THE SOUTH HARBOR PROJECT

WHEREAS, Ordinance 1215 will authorize the transfer of \$3,000,000 from the permanent fund to Key Bank AMLIP Fund; and

WHEREAS, the \$3,000,000 will sustain cash flow for the remainder of the South Harbor Rebuild Project; and

WHEREAS, while the exact amount of funds needed to support cash flow for the project shall not exceed \$3,000,000, the amount borrowed may be less; and

WHEREAS the terms of repayment shall be 5% interest calculated annually and;

WHEREAS, interest payments will begin the month following the withdrawal from the permanent fund; and

WHEREAS, interest will be calculated and paid to the permanent fund by the Harbor Enterprise Fund based on the outstanding balance on the last day of each month; and

WHEREAS, the permanent fund loan and interest shall be paid over a period not to exceed 24 months; and

WHEREAS, upon the final reimbursement from MARAD, the \$3,000,000 with interest will be returned to the permanent fund; and



WHEREAS, there shall be no early payoff penalties.

NOW, THEREFORE BE IT RESOLVED THAT, the Council of the City of Cordova, Alaska, hereby approves repayment terms of the \$3,000,000 borrowed from the permanent fund to sustain cash flow for the remainder of the South Harbor Project.

PASSED AND APPROVED THIS 21<sup>st</sup> DAY OF FEBRUARY 2024.



ATTEST:

  
David Allison, Mayor  
  
Susan Bourgeois, CMC, City Clerk

**CITY OF CORDOVA, ALASKA  
RESOLUTION 05-25-12**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA REPEALING  
TERMS OF REPAYMENT ADOPTED BY RESOLUTION 02-24-09 AND DEFERRING  
REPAYMENT OF \$3,000,000 BORROWED FROM THE PERMANENT FUND AND ANY  
INTEREST ON THAT REPAYMENT**

**WHEREAS**, Ordinance 1215 authorized the withdrawal and transfer of \$3,000,000 from the Cordova Permanent Fund to sustain cashflow for the South Harbor Project; and

**WHEREAS**, at the time Ordinance 1215 was passed, the City anticipated repaying \$3,000,000 plus interest to the Permanent Fund once the City received reimbursement from MARAD for construction on the South Harbor Project; and

**WHEREAS**, Resolution 11-22-31, approved in November 2022, committed \$3,896,575 to close the gap between secured funds and the final contract price of the South Harbor Project; and

**WHEREAS**, Resolution 02-24-09, approved in February 2024, required repayment upon reimbursement from MARAD and imposed 5% interest annually on the City; and

**WHEREAS**, the effect of Resolution 11-22-31 has been a decrease in cash reserves which would make implementation of Resolution 02-24-09 a hardship for the overall cashflow of the City; and

**WHEREAS**, it is in the City's best interest and the interest of the public to defer repayment until the City has a sufficient increase in revenue to allow repayment of the \$3,000,000 without jeopardizing City operations, services or capital improvements.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Cordova, Alaska:

**Section 1.** The terms of repayment adopted via Resolution 02-24-09 are repealed.

**Section 2.** Repayment and interest are deferred until the City has a sufficient increase in revenue to allow repayment of the \$3,000,000 without jeopardizing operations, services or capital improvements.

**Section 3.** The Cordova City Manager shall provide Council with an update regarding the City's ability to repay \$3,000,000 to the Permanent Fund and 5% interest on those funds and the impact of such repayment on the City and public services before the end of 2025.

**Section 4. Effective Date.** This resolution shall take effect upon passage and approval.

**PASSED AND APPROVED THIS 7<sup>th</sup> DAY OF MAY 2025**

\_\_\_\_\_  
Kristin Smith, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk