

**Regular City Council Meeting
November 6, 2024 @ 7:00 pm
Cordova Center Community Rooms A & B
Minutes**

A. Call to order – **Mayor David Allison** called the Regular City Council Meeting to order at 7:04 pm on November 6, 2024, in the Cordova Center Community Rooms.

B. Invocation and pledge of allegiance – **Mayor Allison** led the audience in the Pledge of Allegiance.

C. Roll call – Present for roll call were **Mayor David Allison** and Council members **Wendy Ranney**, and **Dave Zastrow**. Council members **Tom Bailer**, **Cathy Sherman**, **Kasey Kinsman**, **Kristin Smith**, and **Ken Jones** were present via zoom videoconference. Also present were City Manager **Samantha Greenwood** and City Clerk **Susan Bourgeois**.

D. Approval of Regular Agenda

Hearing no objection to approval of the agenda, **Mayor Allison** declared it approved.

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

Andy Anderson of 528 First Street, Apt 4, spoke as a citizen not as a City employee. They have worked and coached in pools elsewhere in the country and want it made known that almost everywhere swim teams pay monthly membership fees as well as rental costs to swim. Pools are not meeting revenue goals and are expensive to keep up, so the fees and costs are required and still pools are closing.

3. Chairpersons and Representatives of Boards and Commissions

Dave Janka apologized for missing the last meeting when the highlights of the PWSRCAC September 2024 Board of Directors Meeting were included in Council's packet. He reported that there was an incident this morning when an escort tug was hit by lightening and lost all power – luckily there was a replacement deployed immediately and there was no issue. He commented also that 6 foreign flag vessels picked up oil in Valdez this summer and when some are saying that if we drill, drill, drill it will keep America strong, it is important to note that 2 of those foreign vessels brought the oil to China.

Alex Russin, Superintendent of Schools reported: 1) school is well underway and they are several weeks into second quarter now; things are going well academically, seeing good results on various assessments and benchmarks that we track; 2) activities are up and running thanks to the generous support of NVE; tip-off basketball tournament will be January 17-18 and Cordova is hosting basketball regionals here in the first part of March; 3) next school board meeting, next Wednesday, they will be presenting their audit – a new firm this year, initial review is a clean audit; unfortunately when budget talks begin for them they will be facing another significant deficit in the range of \$1.7M - \$2.0M. **Mayor Allison** asked how the student count looks – **Russin** reported they budgeted and expected to have 352.5 and it looks like the real number will come in at 352.

4. Student Council Report – vacant

G. Approval of Consent Calendar - none

H. Approval of Minutes – in consent calendar

I. Consideration of Bids/Proposals/Contracts - none

J. Reports of Officers

5. Mayor's Report – **Mayor Allison** said he'd be meeting with Senator Sullivan this weekend and he'd be sending thank you emails to **Stutes** and **Begich** or **Peltola** when that is finally resolved after all ballots are counted.

6. City Manager's Report – **Greenwood** reported: 1) the joint health board meeting went really well – everyone seems to have the same goal as far as the need for a critical access hospital in Cordova but how do we get there; they are going to meet at least quarterly to keep the talks going – next meeting will be in February – she will keep Council posted; 2) she and **Johnson** met with DoT engineers who are working on a temporary fix to the Forest Heights blowout on the highway – the long term fix is a big deal, for future consideration; 3) **Schinella** reported that the Harbor project is working through a small punch list, mostly electrical and the project electrician is in town dealing with these; 4) **Greenwood** thanked **Schinella**, **Chief Swenson**, Public Works Department, they all worked together to clean up the North Harbor parking lot, removed all derelict vehicles and it is looking great; they also have the impound lot significantly cleaned up, a few cars still there.

7. City Clerk's Report a. notice of upcoming board & commission vacancies.

K. Correspondence

8. 10-16-24 Public notice for 2025 Shore Fisheries Lease extensions

9. 10-29-24 DoT AMHS summer 2025 schedule public review period notice

L. Ordinances and Resolutions

10. Substitute Ordinance 1221 An ordinance of the Council of the City of Cordova, Alaska enacting Chapter 5.01 “disbursement and investment of city funds”; amending and renaming Chapter 5.04 “warrants” to “signature requirements” and clarifying the signature process on city fund disbursements; amending, renumbering, and renaming Chapter 5.44 “Cordova general reserve fund” to Chapter 5.02 “Cordova permanent fund (general reserve fund)”; repealing Chapter 5.40 “sales tax” and enacting Chapter 5.10 “sales tax” to adopt a registration process for sellers; update the sales tax return, implementation, enforcement, protest, and collection procedures; remove the sales tax exemptions for travel agencies, professional services commissions and fees, and recreational flights; to clarify the exemption for nonprofit entities and expressly exclude rentals from the exemption; and to require purchasers to file a refund application for the sales tax exemption on construction materials and services and limit the exemption to properties with at least one dwelling unit– 2nd reading

M/Zastrow S/Smith to adopt Substitute Ordinance 1221 An ordinance of the Council of the City of Cordova, Alaska enacting Chapter 5.01 “disbursement and investment of city funds”; amending and renaming Chapter 5.04 “warrants” to “signature requirements” and clarifying the signature process on city fund disbursements; amending, renumbering, and renaming Chapter 5.44 “Cordova general reserve fund” to Chapter 5.02 “Cordova permanent fund (general reserve fund)”; repealing Chapter 5.40 “sales tax” and enacting Chapter 5.10 “sales tax” to adopt a registration process for sellers; update the sales tax return, implementation, enforcement, protest, and collection procedures; remove the sales tax exemptions for travel agencies, professional services commissions and fees, and recreational flights; to clarify the exemption for nonprofit entities and expressly exclude rentals from the exemption; and to require purchasers to file a refund application for the sales tax exemption on construction materials and services and limit the exemption to properties with at least one dwelling unit

Zastrow said staff has a plan to provide good messaging to the public about this, which will be useful.

M/Zastrow S/Ranney to amend the ordinance in two ways, 1) by adding the following definition: “Single item” means an item sold in a single sale consisting of integrated and interdependent component parts affixed or fitted to one another in such a manner as to produce a functional whole. Services shall only be considered part of the functional whole if the services are necessary to create the functional whole and the services are not sold by the seller as a separate service. When a single type of good is sold by volume, the lowest unit of measurement available for sale by the seller shall be used to determine the amount of the good that constitutes a single item unless otherwise provided in this definition or this chapter. For example, if the smallest volume of gravel available from a seller is a cubic yard of gravel, each cubic yard

of gravel constitutes a single item. Each gallon of fuel constitutes a single item. And 2) by amending Section 5.10.080 "Maximum tax per transaction-the tax cap" by deleting the stricken through language and adding the bold and underlined as follows:

5.10.080 Maximum tax per transaction-the tax cap.

A. Maximum Tax on a Single Item or Single Transaction of a Service. Except as otherwise provided in this section, only the first \$5,000.00 of the sales price of a single item or single transaction for a service shall be subject to sales tax. This maximum tax per single transaction ~~may be referred to as the "tax cap" or, when applied to~~ **for** a service **may be referred to as**, "the single service tax cap" or when applied to an item, "the single item tax cap."

Council mentioned that these amendments were suggested by the City Attorney and City Staff.

Vote on the motion to amend: 6 yeas, 1 nay (Jones). Motion was approved.

Smith said we have seen this 3 times now, we spent time in work sessions working on this, she is in support. **Ranney, Bailer, Sherman,** and **Kinsman** agreed and said they would support. **Kinsman** added that he wanted to re-emphasize getting clear and good information out to the public. **Jones** said he is not in support.

Vote on the main motion: 6 yeas, 1 nay. Smith-yes; Sherman-yes; Bailer-yes; Ranney-yes; Zastrow-yes; Kinsman-yes; and Jones-no. Motion was approved.

11. Ordinance 1223 An ordinance of the Council of the City of Cordova, Alaska establishing economic development property tax exemptions related to commercial and residential development in the city and setting forth criteria for such exemptions in a standardized application form – 1st reading

M/Jones S/Zastrow to adopt Ordinance 1223 an ordinance of the Council of the City of Cordova, Alaska establishing economic development property tax exemptions related to commercial and residential development in the city and setting forth criteria for such exemptions in a standardized application form

Jones appreciated the hard work by attorneys and staff, this is exactly what he has been hoping we would pass, hopes it will spur new development in town. **Zastrow** said the criteria look pretty clear and the application form easy to follow. **Kinsman** appreciates all the work including Council's input on this. City Attorney **Jes Spuhler** was on the zoom and available to answer questions. She had one section in the application about the single family residential exemption, she had left 2 options in for Council to consider – based on the discussion at the work sessions, so she suggested Council amend the application choosing on eof the options. **Bailer** said he doesn't support this at all – he does not believe any exemption should be given on single family residential homes. **Sherman** said she is in support of this and prefers we make the single family residential exemption match with the senior exemption, the \$150,000 off the assessed value.

M/Jones S/Sherman to amend page 45 of the packet, page 3 of the EDE application by choosing the first description of the single-family residential exemption as follows: The Single-Family Residential Exemption is an eight-year exemption from the property taxes owed on the first one hundred fifty thousand dollars of the assessed value of improvements for the construction of single-family homes to include standalone homes and townhomes. If granted, the exemption goes into effect upon substantial completion of the development for which the exemption is sought.

Vote on the motion to amend: 6 yeas, 1 nay (Bailer). Motion was approved.

Vote on the main motion as amended: 6 yeas, 1 nay (Bailer). Motion was approved.

12. Ordinance 1224 An ordinance of the Council of the City of Cordova, Alaska authorizing the City Manager to enter into a Lease with Option to Purchase with Paul and Linda Kelly, doing business as Bayside Storage, for property described as Lot 4A, North Fill Development Park Addition #2 – 1st reading

M/Jones S/Smith to adopt Ordinance 1224 an ordinance of the Council of the City of Cordova, Alaska authorizing the City Manager to enter into a Lease with Option to Purchase with Paul and Linda Kelly, doing business as Bayside Storage, for property described as Lot 4A, North Fill Development Park Addition #2

Jones said he is supportive of this development. **Ranney** and **Zastrow** said they were in support. **Bailer** supports the sale but does not like the way we are doing it, he'd prefer we sell this outright.

M/Bailer S/Ranney to amend the ordinance by making this an outright sale, changing it from the lease option to purchase.

Acting City Planner **Johnson** asked for more specifics – are we still going to have a performance on this and not turn over the land until substantial completion? **Bailer** had no concerns that he wouldn't perform. **Sherman** also questioned why we went this way; she thought Mr. **Kelly** wanted to buy it outright. **Johnson** explained he was following procedures used for all City land disposals. **Bailer** said we have a project we are going to use that money for, that makes this somewhat of an unusual circumstance. **Smith** understands the reason we are considering doing it this way but wondered if there was another means of safeguarding to ensure development. **Johnson** and **Greenwood** went on to explain performance deeds of trust have been used in the past but there would be a financial out, liquidated damages, which by law cannot be of an excessive amount. **Kinsman** thanked **Bailer** and also thanked **Johnson** for following city precedent, he'd be in favor of some kind of performance. **Jones** was in favor of selling it outright. **Ranney** spoke in favor.

Vote on the motion to amend: 7 yeas, 0 nays. Motion was approved.

Jones said he supports it – doesn't know if the buyer will pay this amount or not, he thinks it's too high. **Smith** said we are selling it for the price that was on the RFP and the buyer responded to the RFP at this price, she thinks it is fair market value, she supports the sale. **Zastrow, Kinsman, Sherman, Bailer, Ranney**, all said they would support.

Vote on the main motion as amended: 7 yeas, 0 nays. Motion was approved.

Staff said this would be a significant change and a substitute ordinance would come before them as a first reading.

13. Resolution 11-24-34 A resolution of the Council of the City of Cordova, Alaska, in support of Alaska's salmon hatchery program and in opposition to proposal 78 which will be before the Alaska Board of Fisheries at the December 10-16, 2024, meeting

M/Jones S/Ranney to approve Resolution 11-24-34 A resolution of the Council of the City of Cordova, Alaska, in support of Alaska's salmon hatchery program and in opposition to proposal 78 which will be before the Alaska Board of Fisheries at the December 10-16, 2024, meeting

Jones said he supports this and it would be catastrophic to our hatcheries program if this was approved. **Ranney** supports this resolution – hatcheries are important to our fisheries. All other Council members concurred.

Vote on the motion: 7 yeas, 0 nays. Motion was approved.

M. Unfinished Business - none

N. New & Miscellaneous Business

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

Next budget work session will be Nov 13 – 6pm. **Kinsman** asked to add "Enterprise Funds accounting procedures" to the Pending Agenda.

O. Audience Participation

Cathy Renfeldt representing the Chamber of Commerce at 404 First Street provided Council with a run down of all the chamber's events and activities as a means of helping Council understand the investment they are making into the Chamber and how it pays dividends.

P. Council Comments

Kinsman appreciated the diligent effort of staff involved in cleaning up the North Harbor parking lot of all those derelict vehicles.

Sherman offered kudos for that clean-up of the North Harbor as well.

Bailer echoed those comments and thanked staff for the budget work.

Jones said he is excited about the property tax incentives – hopes it will spur new construction in town, and appreciated staff's budget work, also he appreciates the Chamber of Commerce

Smith thanked everyone who brought suggestions to the table concerning the budget, we are making progress

Ranney thanked **Cathy Renfeldt** for her enthusiasm, she appreciates the work the chamber does even if it seems otherwise based on discussions while working through the City budget. She appreciated **Kevin's** work and help tonight.

Zastrow echoed the comments before him – especially the thanks to staff when Council asks for information, it is immediately researched and brought back to answer questions, greatly appreciated.

Q. Executive Session

15. Recommendations from City Manager regarding CEC land disposal negotiations, a subject which is a matter the immediate knowledge of which would clearly have an adverse effect upon the finances of the government

M/Zastrow S/Ranney to go into an executive session for recommendations from City Manager regarding CEC land disposal negotiations, a subject which is a matter the immediate knowledge of which would clearly have an adverse effect upon the finances of the government


Vote on the motion: 7 yeas, 0 nays. Motion was approved.

The meeting was recessed at 8:32 pm to clear the room. Council entered the executive session at 8:37 pm and invited the Manager, the Clerk and Public Works Director/Acting City Planner **Kevin Johnson** to discuss the land disposal. Council came out of the executive session and the open session was reconvened at 8:47pm. **Mayor Allison** said no decisions were made in the executive session; direction was given to the City Manager for negotiations.

R. Adjournment

Hearing no objection **Mayor Allison** adjourned the meeting at 8:47 pm.

Approved: December 18, 2024

Attest: 
Susan Bourgeois, CMC, City Clerk

