

Regular City Council Meeting
February 5, 2025 @ 7:00pm
Cordova Center Community Rooms A & B
Minutes

A. Call to order – **Mayor David Allison** called the regular Council Meeting to order at 7:00 pm on February 5, 2025, in the Cordova Center Community Rooms.

B. Invocation, 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 **Kasey Kinsman**, **Wendy Ranney**, **Dave Zastrow**, and **Kristin Smith**. Council members **Tom Bailer**, **Cathy Sherman** and **Ken Jones** were present via zoom video conference. Also present were City Manager, **Sam 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 Communication – none

F. Communications by and Petitions from Visitors

1. Guest Speakers: a. **Blake Phillips** provided an update on the Cordova Permanent Fund, highlighting its total contributions of \$9.3 million, withdrawals of \$3 million, and a market value of \$6.8 million as of the end of the year. The return for the period was 8.5%. As new administration comes in there's a lot of policy uncertainty that will come into market that may impact the economy, like tariffs and immigration. Evan Rose, CEO of APCM (AK Permanent Capital Management) is reaching retirement. He mentioned the firm's succession planning, with the majority of Evan Rose's shares being acquired by Blue Umbrella and taking majority control of ownership of APCM. Also looking to come to Cordova to do a strategic planning later in the year. **Kinsman** asked what the ideal balance looked like. **Phillips** gave an example of a minimum investment in some private investors is in excess of \$1M on a \$10M portfolio, it is immediately at that allocation. **Bailer** thanked the speaker for the information and appreciated keeping them informed. **Sherman** agreed with the other council members and thought the presentation and reports were clear and understandable.

b. **Clay Koplín** presented an overview of Cordova Electric's renewable energy goals, trying to get off of diesel, including the development of Crater Lake and Humpback Creek hydroelectric sites. He mentioned that Cordova Electric has been awarded enough grants and low-interest loans to develop both projects, which could take them to 95% renewables. Humpback would eliminate all diesel usage in the summer, while Crater Lake is a seasonal storage to fill a reservoir and carry it over through winter. CEC is inquiring on if the City wants to consider this as a water solution going forward, so that they can apply for another State grant, with a concept paper due Feb. 27th Asking for City support to be involved in the application process but there are no financial obligations. Grant projects have to be done within 7 years and the process of planning, permitting and assessments for these projects would be 1 year. **Smith** asked to clarify the current funding for both projects. **Koplín** answered that while the grant and loans they have acquired for these two projects cover the costs, they come with debt. Securing the state grant funding would increase feasibility. **Bailer** does not see financial feasibility with this and does not want to put the city's name on another large project when we are trying to seek our own grants. **Kinsman** asked what the risks of the project were. **Zastrow** expressed his appreciation on what CEC has done to get us on hydro and asked what they did for the geological study in 2016. **Smith** asked about updating the cost analysis since it was ten years old. **Koplín** said the estimate for CEC cost is \$31M. **Ranney** brings up concerns regarding the new pump station the City already invested in near Orca and wondered if that would then become obsolete with another pump station at the storage facility or would they be used for two different purposes. Doesn't want it to turn into a water tug of war. **Koplín** finished with summarizing how these hydro systems are

upfront cost, but it is the one renewable that is mostly accessible to us and where the cost drops dramatically after the debt is paid off with low maintenance and high stability. CEC is only looking for support to maintain optionality for seeking this additional project Grant at this time.

2. Audience comments regarding agenda items

Chris Bolin commented on approval for disposal and method of disposal for 12,414.6 SF, Lot 10B, ASLS 73-35 (Plat 74-291).

3. Chairpersons and Representatives of Boards and Commissions – none reported

4. Student Council Report - none

G. Approval of Consent Calendar

5. Minutes: a. Jan. 15, 2025, City Council Public Hearing Minutes

6. Council action to waive protest of transfer of liquor license #911 for Laura's-package store

7. Per Charter section 2-8 and Cordova Municipal Code 3.12.022, recordation of excused absence of Council member Ken Jones from the January 15, 2025, Regular Meeting

Vote on the Consent Calendar: 7 yeas, 0 nays. Zastrow-yes; Smith-yes; Kinsman-yes; Ranney-yes; Bailer-yes; Jones-yes and Sherman-yes. Consent Calendar was approved

H. Approval of Minutes – in consent calendar

I. Consideration of Bids/Proposals/Contracts – none

J. Reports of Officers

7. Mayor's Report – Will be gone next week. *Mayor Allison* gave thanks and congratulations to all participants and planners of the Ice worm festival.

8. City Manager's Report – Thanks all city employees who were engaged in the ice worm activities. The acting Fire Marshal is currently the Police Chief. We will have a shortage of EMTs this summer and are looking into a contract with an EMT emergency management company for temporary EMTs in emergencies. The city has received three Fire Marshal applications. Mentioned ongoing discussions with the health Service Board and Ilanka Board to secure grants for the hospital's expansion to a new building. Additionally, City reported on the library's progress to move forward with normal operations and the upcoming election, with several candidates declared for various positions. The possibility of a community forum for the candidates was also discussed and mention of the \$450k and \$1M we received from MARAD.

9. City Clerk's Report – Election sample ballots will be completed soon. Early voting starts Tuesday 11th. Council votes for youth submission of the election sticker design. "Moose in the Mountains" design won second place and "Eyak" design won first place. The council also debates the formation of a Fisheries Committee, *Jones* explained the history of previous committees and suggesting the importance of including commercial fishermen's voices. The council agrees to advertise for committee members and see what interest they receive.

10. Staff Reports – 4Q, 2024 Quarterlies:

a. Cordova Harbor & Port, Harbormaster *Tony Schinella - Zastrow* asked Harbormaster, *Tony Schinella*, about the 911 phone activation callouts. *Schinella* reported they have issues with their phones sometimes at night, dispatch calls them to go check it out

b. Parks & Recreation Department, Director *Samantha Hagerthy-Schneider*

c. Public Works Department, Director *Kevin Johnson*

K. Correspondence

12. 01-08-25 Email from Office of Subsistence Mgt re applicants sought for young leader Membership on Regional Advisory Councils

13. 01-08-25 Letter from Cindy Butherus, Friends of the Valdez Animal Shelter asking for match donation \$3,000 – Council concurred to put this ask on the agenda for action at next meeting

14. 01-10,13,15,16 Emails from Mayor Allison to School Board, and between Smith and Allison re public vs. personal positions

Ranney addressed **Mayor Allison** and asked what resolution occurred to correct his actions. **Mayor Allison** responded he sent an email correcting that the statements me made in the email in question was not from the official capacity of the Mayor.

15. 01-14-25 Email and article from K. Smith re Senator Murkowski and healthcare costs – **Smith** asked who should write the letter to address the healthcare issues to Murkowski.

16. 01-15-25 Letter from State of Alaska, FY26 Cordova Population determination for property tax revenue limitation

17. 01-23-25 Early notification for the Shoreside Petroleum, Inc. Cordova bulk fuel facility pollutant discharge elimination system permit

L. Ordinances and Resolutions

18. Ordinance 1226 An ordinance of the Council of the City of Cordova, Alaska, amending Cordova municipal code section 11.08.020 – Harbor Commission, to reduce the Harbor Commission from seven to five voting members – 2nd reading

M/Kinsman S/Zastrow to adopt Ordinance 1226 An ordinance of the Council of the City of Cordova, Alaska, amending Cordova municipal code section 11.08.020 – Harbor Commission, to reduce the Harbor Commission from seven to five voting members.

Kinsman supported going back to 5 members since the project that needed 7 members is done. **Zastrow** is in support, **Sherman** in support, **Kinsman** is in support, **Jones** is in support, **Ranney** is in support, **Smith** supports it.

Vote on the motion: Sherman-yes; Kinsman-yes; Jones-yes; Zastrow-yes; Smith-yes; Bailer-yes; Ranney-yes; 7 yeas, 0 nays. Motion was approved.

19. Ordinance 1227 An ordinance of the Council of the City of Cordova, Alaska, amending Cordova municipal code section 5.10.080 “Maximum tax per transaction-the tax cap” to apply the tax cap to single invoices rather than single items or single transactions of service except as otherwise provided in the Cordova municipal code for service contracts, rentals, and bundled transactions - 1st reading

M/Jones S/Kinsman to approve Ordinance 1227 an ordinance of the Council of the City of Cordova, Alaska, amending Cordova municipal code section 5.10.080 “Maximum tax per transaction-the tax cap” to apply the tax cap to single invoices rather than single items or single transactions of service except as otherwise provided in the Cordova municipal code for service contracts, rentals, and bundled transactions **Jones** is in favor of bringing this to discussion and supports it as it is what they asked staff to bring Council.

Kinsman asked what the impact might be going to per invoice with the tax cap. **Greenwood** answered for the City may cut the budget by \$20,000. **Smith** has no questions. **Bailer** is in support. **Ranney** is in support as it seems like it will lesson the burden on Cordova residents. **Zastrow** appreciated the new clarity this version gives. **Sherman** is in favor. **Kinsman** asked if the new lanuage is in line with the remote sellers. City Attorney **Holly Wells** answers that the language in this ordinance is constistant with what the remote sellers commision need. **Wells** asked for an amendment to go back through chapter 5.10 to confirm all references to single item tax cap or single transaction tax cap is changed to a reference of just tax cap.

M/Kinsman S/Ranney to amend the ordinance as suggested by the City Attorney

With no objections. Motion to amend was approved.

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

20. Ordinance 1228, An ordinance of the Council of the City of Cordova, Alaska, amending CMC 5.10.100 “Product based exemptions”, CMC 5.10.210 “Exemption application and exemption authorization card”, CMC 5.10.230 “Refunds”, and repealing CMC 5.10.240 “Construction materials and services exemption and refund” to replace the reimbursement application process that applies to eligible construction materials and services and adopt an exemption card application process for such materials and services and amending CMC 5.10.100 to remove income reporting requirements for nonprofit organizations regarding sales by nonprofit organizations, which are not exempt from sales tax - 1st reading

M/Smith S/Zastrow to approve Ordinance 1228, An ordinance of the Council of the City of Cordova, Alaska, amending CMC 5.10.100 “Product based exemptions”, CMC 5.10.210 “Exemption application and exemption authorization card”, CMC 5.10.230 “Refunds”, and repealing CMC 5.10.240 “Construction

materials and services exemption and refund” to replace the reimbursement application process that applies to eligible construction materials and services and adopt an exemption card application process for such materials and services and amending CMC 5.10.100 to remove income reporting requirements for nonprofit organizations regarding sales by nonprofit organizations, which are not exempt from sales tax.

Smith stated this is in response to the public comments they have received to make it easier and more affordable to do large scale construction projects. **Zastrow** said it will be more efficient than having the public come in and use a lot of staff time after the fact to get their tax refunded. **Bailer** supports on first reading. **Kinsman** supports it from what he’s heard from the public on it. **Sherman, Ranney** and **Jones** all said they would support.

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

M. Unfinished Business – none

N. New & Miscellaneous Business

21. Council action on disposal and method of disposal for 12,414.6 SF, Lot 10B, ASLS 73-35 (Plat 74-291) **M/Ranney S/Zastrow** to move to recommend that City Council enter into a five-year lease of Tract 10B of ASLS 73-35 “74-291” approximately 12,414.6 square feet in size as outlined in Cordova Municipal Code 5.22.060 B by negotiating an agreement with Bob Ladd, Jackie Ladd, Chris Bolin, and Angela Jeppson to lease the property.

Ranney feels it is a very seasonal usage lot and looks forward to seeing something being done with it, **Zastrow** agrees with **Ranney** and that it was passed up through commissions that it is the right thing to do, **Kinsman** supports since it was marked as available for a number of years **Bailer** supports it despite having some issues with some of their reasoning, **Smith** is in support with a condition that the lease clearly states the environmental limitations of the lot, **Sherman** is in favor of it since it will come back to them after negotiations. **Jones** asked for more details of what the lot would be used for and does not support direct negotiations without knowing what recreational use would mean, **Bailer** agreed and said he’d support referring to staff to get more details on the plan of usage.

Vote on the motion. Jones-no; Kinsman-yes; Ranney-yes; Sherman-yes; Bailer-no; Smith-yes; and Zastrow-yes. Motion was approved 5-2.

22. Council action on disposal and method of disposal for Lot 1, Block 7A, Tidewater Development Park (Breakwater Fill Lot)

M/Smith S/Zastrow to move to recommend disposal of the requested Lot 1, Block 7A Tidewater Development Park approximately 40,259 Sq. Ft. as outlined in Cordova Municipal Code 5.22.060 (B) by requesting sealed proposals to lease or purchase the property.

Smith stated this lot isn’t being used to its best use and would like to see proposals. **Zastrow** mentions it’s been out for proposals a couple of times and supports seeing proposals again. **Jones** is not comfortable with either proposals in the letters of interest or the intentions of follow through with the interested leases for this lot. He is not sure he wants to let the lot go without seeking further grants for a floating fuel dock. **Bailer** states this is an interesting lot and does not know the needs of canneries. Mentions the history of proposals for this lot in the past and is not in favor of these proposals without more information on the advantages and disadvantages of this related to what a cannery needs. Feels this lot is worth twice what is being offered.

Sherman is not in favor of either proposal for this lot and it can have better uses. **Ranney** feels it is dangerous to put this kind of building on this property, the cost is too low and is not in favor of either these proposals

Voted on the motion: Ranney-no; Bailer-no; Kinsman-yes; Jones-no; Sherman-no; Smith-yes; and Zastrow-yes. Motion fails 3-4.

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

Mayor Allison requested to put the CEC request on the next agenda as an item for action for a draft letter.

Ranney would like to begin a conversation regarding restructuring emergency equipment quality and allocation for Fire and EMS, paid and volunteer. **Bailer** suggests having the City Manager handle those conversations internally and bring updates or any issues to Council, at that time she can ask for help if she

feels it is needed. **Kinsman** points out the fire volunteers are led by Council while staff is led by City Manager. **Greenwood** asked to continue working out a restructure between her and the acting Fire Chief and then report back after they make headway. Council agreed. Work session proposed for Feb 19th meeting at 5:30pm, for strategic planning and bonding for city streets, and a list of priorities. **Mayor Allison** requests to add friends of Valdez animal shelter request as an action item to next meeting's agenda. **Jones** requests an action item for council to direct staff to apply for the 2025 PIDP project for north harbor. **Smith** requests to discuss the library next meeting.

O. Audience Participation

Julie Reynolds Read a letter form herself and another community member regarding the Library staff.

Stephen Phillips Addressed points made by Councilor Ranney regarding Fire and EMS maintenance schedules.

Kevin Johnson introduced new City Planner, Amanda Coward.

Chris Bolin provided background information on the 12,414.6 SF, Lot 10B, ASLS 73-35 (Plat 74-291).

P. Council Comments

Zastrow mentioned that he has reservations on the city involvement with the CEC projects. He is very happy with what they did today with the two ordinances.

Sherman said she appreciated the guest speakers' presentations and also thanked the Clerks for the sticker idea and hopes to see it continue. Mentioned prior personnel board, Title 4, coming back.

Bailer said the community needs to step up more for volunteers around and in library, felt that Council just voted for a public beach front to be private beach.

Kinsman thanks to candidates that stepped up for local government elections. In regard to the changes being made in Ord 1227 and 1228 he reminds the public they can comment on their support. Lastly mentioned wanting public input on the proposal for the RFP fill lot.

Ranney said she appreciates the information the staff brings, apologies to the public if she misses some things, she is concerned were the city stands with things, pushes people to ask the paper and Chamber of Commerce to hold a forum for people running in elections.

Jones thanked everyone for their participation.

Smith thanked the candidates running in the election

Q. Executive Session – none

R. Adjournment

Hearing no objection **Mayor Allison** adjourned the meeting at 9:50 pm.

Approved: April 02, 2025

Attest: 
Colette Gilmour, Deputy City Clerk

