

**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.

Fund #	Fund Title	Purpose	Amount
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 The interest imposed as a term of repayment adopted via Resolution 02-24-09 is repealed.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.

1st reading and Public Hearing: May 14, 2025

2nd reading and Public Hearing: May 21, 2025

PASSED AND APPROVED THIS 21st DAY OF MAY 2025





Kristin Smith, Mayor

ATTEST:



Susan Bourgeois, CMC, City Clerk