

Regular City Council Meeting
December 18, 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 7:00 pm on December 18, 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 **Cathy Sherman, Kasey Kinsman, Wendy Ranney, Dave Zastrow, Kristin Smith,** and **Ken Jones**. Council member **Tom Bailer** was present via zoom videoconference. Also present were Comptroller **Sheryl Glasen** and City Clerk **Susan Bourgeois**. City Manager **Samantha Greenwood** was present via zoom videoconference.

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 – **Kinsman** declared a conflict on agenda item 7 because of his employment with Alaska Airlines. **Mayor Allison** agreed and asked if any Council members felt differently; none did.

F. Communications by and Petitions from Visitors

1. Guest speakers - none

2. Audience comments regarding agenda items

Dave Glasen of 609 Cedar St., commented on agenda item 19. He opined the Council should put the money in the permanent fund.

Steve Richards of 103 Bluff Trail spoke to agenda item 18. He said he did not believe the City was allowed to tax aviation operations at a state-run airport.

Mark Frohnepfel representing Shoreside Petroleum of 101 Copper River Hwy, spoke about Substitute Ordinance 1221, agenda item 18. He does not like the idea of Shoreside's inability to use the cap when selling fuel above \$5,000.

Leo Vargas representing Trident Seafoods at 301 Seafood Lane. He said Trident needs to look for ways to stay competitive and fuel costs for them may increase substantially based on how sales tax is applied.

John Baenen representing Wilson Construction at 1020 Chase Avenue. He spoke against the sales tax cap changes on fuel and gravel by the unit.

Mr. Santos representing OBI Seafoods of 303 Jim Poor Avenue. He spoke about the negative implications to his company of the change in application of the sales tax cap to fuel purchases.

Tyler Dillon representing Camtu's Wild Alaska Seafoods of 129 Harbor Loop Rd. He spoke about the negative implications to his company of the change in application of the sales tax cap to fuel purchases. He said it could force business out of town and also could force fishermen to switch processors to out of town one's with cheaper fuel.

Sheridan Joyce of Cordova Power Sports and lives at 1001 Pipe Street. Spoke against the change in cap application as far as building permits and the complication of reimbursement. People are trying to improve their property which will eventually increase property tax.

Don Scutt representing NorthStar Lumber of 701 First Street. He spoke against the change in building permits and the sales tax being paid upfront. He said he won't sell anymore building packages. Will very negatively impact his business.

Brad Sapp of 203 Highland Drive spoke about the sales tax cap implications on net purchases and improvements to his home.

3. Chairpersons and Representatives of Boards and Commissions - none

4. Student Council Report – there was a written report in the packet.

G. Approval of Consent Calendar

5. Minutes: **a.** Nov. 6, 2024, City Council Regular Meeting Minutes; **b.** Nov. 20, 2024, City Council Regular Meeting Minutes; **c.** Dec. 4, 2024, City Council Public Hearing Minutes:

6. Resolution 12-24-38 A resolution of the Council of the City of Cordova, Alaska, adopting an alternative allocation method for the FY25 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA 15: Prince William Sound

~~7. Resolution 12-24-40 A resolution of the Council of the City of Cordova, Alaska, supporting Alaska Airlines application to the United States department of Transportation to continue as the essential air service provider for Cordova and other Alaska communities~~

8. Resolution 12-24-41 A resolution of the Council of the City of Cordova, Alaska, supporting full funding (\$5,740,48) of the State of Alaska Municipal Harbor Facility grant program in the FY26 State Capital Budget

9. Resolution 12-24-42 A resolution of the Council of the City of Cordova, Alaska, supporting raising the maximum available Alaska Department of Transportation Harbor Facility grant to \$7,500,000 for eligible projects on an annual basis

10. Resolution 12-24-43 A resolution of the Council of the City of Cordova, Alaska, approving the license for a mobile restaurant for 'Pandemonium Paninis'

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

Item 7 was pulled from consent calendar and moved to item 13d.

H. Approval of Minutes – in consent calendar

I. Consideration of Bids/Proposals/Contracts - none

J. Reports of Officers

11. Mayor's Report – **Mayor Allison** said: 1) Board of Fish kept us all busy last week; he said it is important that Council stays involved in Board of Fish; Copper River will not begin before May 21; the hatchery proposal that we weighed in on did fail; 2) at Board of Fish he heard from some members of the Harbor Commission – they have been having difficulty getting quorums and they are missing 2 members with no applicants, he'll bring up at PA to shrink that down to 5 members.

12. City Manager's Report **a.** Cordova Harbor Commission Resolution 10-24-04

Greenwood reported: 1) HC has recommended the sale of the Transporter – she will work with **Tony** to follow code on appropriate steps to take to accomplish that. Questions: **Jones** asked if we are required to go to auction on that or can we market it and try to get top dollar, it is in great shape. **Greenwood** said no auction requirement, we can put a minimum price on it and put it out for RFP – we can also refuse if we don't get the minimum.

13. City Clerk's Report **a.** notice of election – how to register; **b.** notice of board & commission vacancies; **c.** Harbor Commission data

Bourgeois reported: 1) she provided the Harbor Commission data because she knew the Mayor would be bringing it up – she'd like to know what Council wants to see – after some discussion Council asked for an ordinance at next meeting to change HC back to 5 and to get the HC input on that also.

K. Correspondence - none

L. Ordinances and Resolutions

13d. 7. Resolution 12-24-40 A resolution of the Council of the City of Cordova, Alaska, supporting Alaska Airlines application to the United States department of Transportation to continue as the essential air service provider for Cordova and other Alaska communities

Council member **Kinsman** went to sit in the audience for this item per his conflict of interest declared earlier.

M/Smith S/Jones to approve Resolution 12-24-40 A resolution of the Council of the City of Cordova, Alaska, supporting Alaska Airlines application to the United States department of Transportation to continue as the essential air service provider for Cordova and other Alaska communities.

Smith said she supports this; Alaska Airlines is an essential community partner. **Jones** said he would dread the day that this ever gets pulled.

Vote on the motion: 6 yeas, 0 nays, 1 coi (Kinsman). Motion was approved.

14. Substitute Ordinance 1224 An ordinance of the Council of the City of Cordova, Alaska authorizing the City Manager or their designee to enter into a Purchase and Sale Agreement with Paul and Linda Kelly, doing business as Bayside Storage, for property described as Lot 4A, North Fill Development Park Addition #2 – 2nd reading

M/Jones S/Zastrow to adopt Substitute Ordinance 1224 An ordinance of the Council of the City of Cordova, Alaska authorizing the City Manager or their designee to enter into a Purchase and Sale Agreement 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 supports this, looks forward to seeing it come to fruition. **Zastrow** and every other Council member said they support.

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

15. Resolution 12-24-39 A resolution of the Council of the City of Cordova, Alaska, designating capital improvement projects

M/Jones S/Smith to approve Resolution 12-24-39 A resolution of the Council of the City of Cordova, Alaska, designating capital improvement projects

M/Jones S/Bailer to add a 3-stage dock to the Harbor and Port part of the list.

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

M/Jones S/Smith to amend the resolution that is in the packet (approved in January 2024) to be the same as the list in the Manager's memo.

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

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

16. Resolution 12-24-35 A resolution of the Council of the City of Cordova, Alaska, placing a ballot proposition before the voters at the Regular Election on March 4, 2025, amending charter section 3-5 entitled "Department of finance: City treasurer, duties" to remove the residency requirement as in charter section 4-2 entitled "qualifications of officers and employees", for city treasurer.

M/Kinsman S/Zastrow to approve Resolution 12-24-35 a resolution of the Council of the City of Cordova, Alaska, placing a ballot proposition before the voters at the Regular Election on March 4, 2025, amending charter section 3-5 entitled "Department of finance: City treasurer, duties" to remove the residency requirement as in charter section 4-2 entitled "qualifications of officers and employees", for city treasurer.

Kinsman said he appreciates putting this in front of the voters to decide. **Zastrow** commented on the difficulty the administration has had trying to fill the finance director role, he agrees to put it before the voters to decide. **Sherman** and **Smith** said they support. **Jones** said he does not support this; he has already seen many high-paying jobs shifted out of town. **Bailer** said he supports the people's right to decide.

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

17. Resolution 12-24-44 A resolution of the Council of the City of Cordova, Alaska, placing a ballot proposition before the voters at the Regular Election on March 4, 2025, amending charter section 3-6 entitled "Same; Tax assessor, duties" to correct the error in the title, to remove requirements that place the tax assessor in a specific city department and to remove the residency requirement as in charter section 4-2 entitled "Qualifications of officers and employees", for tax assessor

M/Kinsman S/Sherman to approve Resolution 12-24-44 a resolution of the Council of the City of Cordova, Alaska, placing a ballot proposition before the voters at the Regular Election on March 4, 2025, amending charter section 3-6 entitled "Same; Tax assessor, duties" to correct the error in the title, to remove requirements that place the tax assessor in a specific city department and to remove the residency requirement as in charter section 4-2 entitled "Qualifications of officers and employees", for tax assessor

Kinsman said this is a housekeeping matter, should have been changed a while ago, while researching finance director this was noticed. **Sherman** echoed the housekeeping comment. **Smith, Ranney, Zastrow** said they support. **Jones** said he does not support; thinks we should be following this piece of charter.

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

M. Unfinished Business - none

N. New & Miscellaneous Business

18. Council discussion of Substitute Ordinance 1221, adopted November 6, 2024

Mayor Allison asked for this to be put on the agenda. He was of the opinion that after analyzing the ordinance further he did not believe Council realized the action they had taken, especially concerning fuel and the cap (definition of single item and smallest quantity). After some discussion council directed staff to find out from the attorneys the best course of action to look at this again and we will schedule a work session and/or special meeting whatever is necessary. The will was to look at the ordinance in its entirety though at least one council member said a targeted list would be more efficient. Probably a work session in early January.

19. Council discussion of 2018/2020 Fisheries Disaster Funds received

M/Sherman S/Kinsman to put \$300,000 of the fisheries disaster money back into the permanent fund.

M/Sherman S/Kinsman to put the entire amount into the permanent fund.

Sherman said this is a gift and it should go into savings. **Kinsman** agreed and said this is very prudent; if there is a reason for us to pull it out in the future, there is a process for that. He sees it as an opportunity to take care of future generations to some extent. **Ranney** supports this – it is to the benefit of the whole community not just the fishermen. **Jones** agrees with putting it in savings – but he opined it should go in harbor reserve fund. He will support it if it reduces the amount the harbor owes to the permanent fund.

Bailer agreed to put it all in the permanent fund – we will get a good return in there. **Smith** opined that \$300k into permanent fund would be her preference. She's like to see the rest go into the AMLIP account where it is just more accessible for cash flow needs. **Zastrow** was in favor of all or most into the Permanent Fund, some into AMLIP would be ok with him too.

Vote on the amendment: 6 yeas, 1 nay (Smith). Motion was approved.

M/Jones to amend the motion so that the amount going into the permanent fund will reduce the amount the Harbor owes the permanent fund. There was not a second, this motion died for lack of a second.

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

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

Council canceled the meeting of January 1 because it fell on the New Year Holiday. The next day that they could all meet is the next regular meeting date which will be on January 15, 2025.

O. Audience Participation

Mark Frohnafel of 813 Woodland Drive opined that the issue with the sales tax code isn't just about fuel (though that will be the biggest industry affected) it was about the "single item" – the smallest unit. He opined the language now precludes any sale from being capped.

Steve Richards of 103 Bluff Trail said to clarify what he said earlier, if the state owned the airport and wanted to assess a landing fee, because it is federally funded, that money would have to go back to the airport improvement fund, it would have to pay for the airport. He used that as an example. As far as the city being able to tax recreational flights, he does not believe that is allowable. He has spoken to FAA attorneys, and they have advised him of this.

Brad Sapp 203 Highland Drive said he appreciates Council realizing the mix-up.

Chris Bolin of 607 Birch St. said he is speaking tonight as a citizen of Cordova, a taxpayer and as a dad – one of the most important things you do as a dad is show your children what you stand up for. He appreciates the work Council does but reminded them they work for the public and Facebook comments (Mr. Jones) about City employees bloated salaries and benefits aren't helpful for the public and for City employees. Council is involved in the CBA negotiations and approval – it should be kept at the Council table. The comments are detrimental to the morale of the city workers, all the employees of the City hear it and feel it. Comments like those can have repercussions – there have been council members recalled for things like that.

P. Council Comments

Bailer said the public didn't really understand the tax ordinance, nor did he, he wonders now why we even went down this road.

Ranney said she appreciates the work Council did tonight – to bring this back, she should have spoken up sooner.

Smith said that obviously there was a lot of confusion over this code, and she thinks we are doing the right thing by bringing it back.

Jones said he stands by his comments that fishermen experienced the disaster, town didn't. He also stands by his comments that the reason we have to raise taxes every year is because salaries and benefits go up each year. He said every time you get a conservative on here, they get recalled. He invites the recall; he'd love to see that burden get placed on staff.

Zastrow appreciates the public input and appreciates his fellow council members.

Kinsman thanked the people in the audience for participating. He gave a shoutout to Peterson's Welding because they came during the public hearing on this ordinance, they asked questions as it was happening.

Q. Executive Session - none

R. Adjournment

Hearing no objection **Mayor Allison** adjourned the meeting at 9:25 pm.

Approved: February 19, 2025

Attest:



Susan Bourgeois, CMC, City Clerk

