

City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, March 1, 2022

7:00 PM

Regular Meeting

Council Chambers

City Council

REGULAR AGENDA - 7:00 PM**I. CALL TO ORDER**

Mayor Pro Tempore Sorum called the meeting to order at 7:00 p.m. in Valdez City Council Chambers.

II. PLEDGE OF ALLEGIANCE

City Council led in the Pledge of Allegiance to the American flag.

III. ROLL CALL

Present: 5 - Mayor Pro Tem Alan Sorum
Council Member Dennis Fleming
Council Member Susan Love
Council Member Jimmy Devens
Council Member Todd Wegner

Excused: 2 - Mayor Sharon Scheidt
Council Member Dawson Moore

Also Present: 5 - City Manager Mark Detter
Assistant City Manager Nathan Duval
City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
City Attorney Jake Staser (*by teleconference*)

IV. APPROVAL OF MINUTES**1. City Council Regular Meeting Minutes of February 22, 2022**

The City Council regular meeting minutes of February 22, 2022 were approved as presented.

2. City Council Regular Meeting Minutes of February 1, 2022

The City Council regular meeting minutes of February 1, 2022 were approved as presented.

3. City Council Regular Meeting Minutes of January 18, 2022

The City Council regular meeting minutes of January 18, 2022 were approved as presented.

4. City Council Regular Meeting Minutes of January 4, 2022

The City Council regular meeting minutes of January 4, 2022 were approved as presented.

V. PUBLIC BUSINESS FROM THE FLOOR

No members of the public appeared to provide testimony from the floor.

VI. CONSENT AGENDA

1. **Acceptance of Resignation Letter from Economic Diversification Commissioner Katharine Adams**
2. **Approval of Liquor License Renewals: 1) Stampmill LLC. 2) Wheelhouse 3) Magpies**
3. **Approval To Go Into Executive Session Re: 1) Redistricting Litigation 2) VMT Secondary Containment Liner Inspection Adjudicatory Hearing**

MOTION: Council Member Devens moved, seconded by Council Member Fleming, to approve the Consent Agenda.

VOTE ON THE MOTION:

Yays: 5 - Mayor Pro Tem Sorum, Council Member Fleming, Council Member Love, Council Member Devens and Council Member Wegner

Excused: 2 - Mayor Scheidt and Council Member Moore

MOTION CARRIED.

VII. NEW BUSINESS

1. **Discussion Item: Robe Lake Habitat Restoration Project**

Mr. Mike Wells, Valdez Fisheries Development Association executive director, outlined the program, including support and involvement from the Corps of Engineers and the Tatitlek Corporation. He stated the feasibility study was ready to move forward.

VIII. RESOLUTIONS

1. **#22-10 - Adopting Revisions to the Permanent Fund Investment Policy Statement and Rescinding Resolution #21-03**

MOTION: Council Member Love moved, seconded by Council Member Fleming, to approve Resolution #22-10.

VOTE ON THE MOTION:

Yays: 5 - Mayor Pro Tem Sorum, Council Member Fleming, Council Member Love, Council Member Devens and Council Member Wegner

Excused: 2 - Mayor Scheidt and Council Member Moore

MOTION CARRIED.

2. #22-11 - Providing for the Submission to the Qualified Voters of the City of Valdez, Alaska, the Question of Incurring General Obligation Bond Indebtedness in an Amount Not To Exceed \$35,000,000 for Replacement of Certain Water and Sewer Infrastructure, Including the Sewer Force Main, at the Regular Election to be Held in the City on May 3, 2022

MAIN MOTION: Council Member Devens moved, seconded by Council Member Fleming, to approve Resolution #22-11.

Mr. Duval stated, in his opinion, bonded debt was the most effective payment method for the project. He explained it hinged on City staff to make sure everyone in town is aware of the necessity for bonding and why it ought to be done this way. He continued, saying if the bond was voted down, funding would become Council's choice. He stated the scope of the project was relatively fixed so there was no flexibility in the cost of the project. He explained an information campaign was to make sure everyone understood why going to bond was important.

Council Member Fleming asked if the wording in the resolution reflected the wording intended to go on the ballot. Ms. Pierce confirmed. Council Member Fleming asked if it was possible to change the wording from "replacement of certain water and sewer infrastructure, including the sewer force main" to something which identified the replacement of the sewer force main as the main reason and priority. Ms. Pierce stated a proposition summary statement would also be issued and available to voters to explain the purpose of the proposition. Mr. Brian Carlson, City finance director, stated he did not see any issues from a finance perspective with making the requested amendment to the proposition language.

MOTION TO AMEND: Council Member Fleming moved, seconded by Council Member Devens to amend Resolution # 22-11 by striking Proposition No 1 language in Section 1 and replacing it with the following Proposition 1 language: "Shall the City of Valdez, Alaska issue general obligation bonds in an amount not to exceed \$35,000,000 for replacement of the sewer force main and certain water and sewer infrastructure, all as provided in Resolution No. 22-11".

VOTE ON THE MOTION TO AMEND:

Yays: 5 - Mayor Pro Tem Sorum, Council Member Fleming, Council Member Love, Council Member Devens and Council Member Wegner

Excused: 2 - Mayor Scheidt and Council Member Moore

MOTION CARRIED.

Council Member Love asked for additional information on the public outreach and information campaign for the proposition. Mr. Detter stated staff would clearly outline the facts for the community without advocating for the project going to bond. Ms. Pierce said the staff could also provide the summary statement to Council for review once it was completed.

VOTE ON THE MAIN MOTION AS AMENDED:

Yays: 5 - Mayor Pro Tem Sorum, Council Member Fleming, Council Member Love, Council Member Devens and Council Member Wegner

Excused: 2 - Mayor Scheidt and Council Member Moore

MAIN MOTION CARRIED.

3. #22-12 - Authorizing the Conveyance of the Valdez Grain Terminal for Use in Mariculture Related Development

MOTION: Council Member Fleming moved, seconded by Council Member Devens, to approve Resolution #22-12.

Ports & Harbor Director Jeremy Talbott introduced Mr. Tommy Sheridan, City consultant for mariculture, and Mr. Justin Stenberg, director of the University of Fairbanks Alaska Blue Economy Center (ABEC).

Mr. Sheridan provided a high-level overview of his involvement in mariculture on behalf of the City of Valdez.

Mr. Stenberg outlined his background with mariculture in the state of Alaska. He stated he was looking forward to doing everything he could to get Valdez up and running as a significant mariculture hub for the state.

Council Member Devens asked, with the adjusted valuation of the grain terminals, if it would more or less guarantee the goal of the recommended 20% match for the grant. Mr. Sheridan stated the valuation discussion previously had offered up the use of this asset in a partial way to allow, for example, the exploration of the use of one silo in the process. He stated the appraisal of the silos came back significantly greater than anticipated, as did the cost of constructing the terminal. He stated with further revisions, the valuation did not fully capture the value of just one of the silos, for example.

Council Member Devens asked if the considerations for equivalent replacement were something forecasted or based on current market rates. Mr. Talbott stated he requested the engineers give a ballpark estimate using current market rates to meet the deadline for the resolution.

Council Member Fleming asked if the City spent funds on engineering now, was there was a chance the silos may eventually hold something. Mr. Talbott stated he was not asking Council for any funding at this time.

Mr. Sheridan explained the feedback they had received from the EDA was the resolution was not worded in a way to meet the requirements for the EDA in-kind matching for the grant. Despite this, the resolution overall represented the City's enthusiasm and support for mariculture development to the benefit of partners throughout the state. There was potential for some negotiation with the EDA to more fully explore if and how the silo resource could be included in the matching process. He noted for clarification the resolution did not contractually obligate the silos to the grant program and vice versa. However, it would go a long way toward establishing Valdez as a meaningful and positive contributor to the process.

VOTE ON THE MOTION:

Yays: 5 - Mayor Pro Tem Sorum, Council Member Fleming, Council Member Love, Council Member Devens and Council Member Wegner

Excused: 2 - Mayor Scheidt and Council Member Moore

MOTION CARRIED.

IX. REPORTS

1. **Report: Update on the BLM Draft East Alaska Resource Management Plan Amendment and Environmental Assessment (Thompson Pass Planning Process)**

2. **Quarterly Financial Summary Reports: December 31, 2021**

3. **Verbal Presentation: Finance Department**

Mr. Carlson provided an in-depth view of the Finance Department operations report included in the agenda packet.

Council Member Fleming requested staff provide information during the next budget process breaking down the total number of City staff to including full-time, part-time, and temporary/seasonal employees.

4. **Energy Assistance; Program and History**

X. CITY MANAGER / CITY CLERK / CITY ATTORNEY / MAYOR REPORTS

1. **City Manager Report**

Mr. Detter updated Council on the status of a potential land purchase contract for twenty lots in the Old Town area.

2. **City Clerk Report**

Ms. Pierce suggested Council consider reviewing Council Policies & Procedures regarding the requirements for remote meeting attendance. With the support of Council, Council Members Fleming and Devens agreed to assist in reviewing the applicable section with Ms. Pierce for suggested edits.

3. **City Attorney Report**

Mr. Staser provided updates on cases his firm is working on behalf of the City, including Pacific Pile & Marine.

4. **City Mayor Report**

Mayor Pro Tempore Sorum shared his gratitude for the local snow removal crews.

XI. COUNCIL BUSINESS FROM THE FLOOR

Council Member Devens shared his enthusiasm for mariculture in Valdez.

Council Member Love stated he would be absent for the March 15th regular meeting. She thanked Ms. Allie Ferko for her service to the City of Valdez. She expressed it had been a pleasure to work with Ms. Ferko. Council Member Love appreciated her excellent communication skills, professionalism, and the organization she brought to every commission, board, and council meeting she attended.

Council Member Wegner encouraged staff to more robustly promote the Council's mission statement.

Council Member Fleming stated he would be out of town March 29th through May 3rd.

XII. EXECUTIVE SESSION

City Council transitioned into executive session at 8:50 p.m.

XIII. RETURN FROM EXECUTIVE SESSION

City Council transitioned out of executive session at 9:25 p.m.

Based upon discussion in executive session, City Council directed the City Attorney to move forward with seeking intervenor status in the VMT secondary containment liner inspection adjudicatory hearing. The City Attorney advised City Council that seeking intervenor status did not obligate the City to enter into litigation.

XIV. ADJOURNMENT

There being no further business, Mayor Pro Tempore Sorum adjourned the meeting at 9:28 p.m.