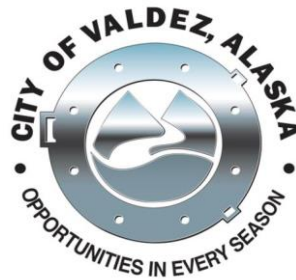


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, March 21, 2017

6:00 PM

Work Session (Code Enforcement) & Regular Meeting

Council Chambers

City Council

WORK SESSION AGENDA - 6:00 pm***Work Session: Code Enforcement Discussion*****REGULAR AGENDA - 7:00 PM****I. CALL TO ORDER**

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

II. PLEDGE OF ALLEGIANCE

The Valdez City Council led the Pledge of Allegiance to the American flag.

III. ROLL CALL

Present: 7 - Mayor Ruth E. Knight
Council Member Nate Smith
Council Member Christopher Moulton
Council Member Lon Needles
Council Member H. Lea Cockerham
Council Member Ryan Rydor McCune
Council Member Dennis Fleming

Also Present: 4 - City Manager Elke Doom
Deputy City Clerk Allie Ferko
City Attorney Tony Guerriero
Assistant City Manager Todd Wegner

IV. APPROVAL OF MINUTES**1. Regular Meeting Minutes of March 7, 2017**

The regular meeting minutes of March 7, 2017 were approved as presented.

V. PUBLIC APPEARANCES**1. Jeremy O'Neil, PVMC Administrator - Providence Valdez Medical Center Year End Operating Report**

Jeremy O'Neil, Providence Valdez Medical Center (PVMC) Administrator, began by thanking his team and reading his report. Mr. O'Neil stated that in 2016, Providence Health and Services joined with St. Joseph Health to form Providence St. Joseph Health. This new pairing serves seven state and employs over 100,000. Despite this increase in size, they are grounded by their mission and inspired by their heritage. PVMC and Providence Valdez Counseling Center (PVCC) continue to recognize stable economic performance. However, economic pressure on both the state and federal levels makes short term predicting challenging. Mr. O'Neil expressed certainty that despite the uncertain future,

together they can make it through. He went on to share some highlights from the year within PVMC and PVCC.

In a recent study conducted on each facility, PVMC Acute Care ranked number one in teamwork and safety; while long term care ranked number one for teamwork and number one for safety. During the LTC Medicaid Survey, PVMC received a nearly unprecedented distinction of having zero findings. Mr. O'Neil expressed thanks and gratitude to the medical staff, the caregivers, and the City of Valdez for their work in reaching these high standards.

Mr. O'Neil shared the 2016 National Patient Safety Goals. There are 14 goals measured and, typically, PVMC does very well. This year, they hit 13 of 14 measures. *Medicare.gov* ranked PVMC as a five star care center. Mr. O'Neil explained a program called "High Reliability" or a system where communication is robust, transparent and highly collaborative. It's a combination of safety, quality, and satisfaction. The entire staff was trained and continues to incorporate these values into their practice. In addition, Mr. O'Neil shared how the physicians are scoring in terms of documentation and reconciliation. The scores express stability and improvement.

Mr. O'Neil pointed out three areas of concern through feedback from the Community Health Needs Assessment: obesity, access to primary medical care, and substance abuse. To understand and solve limited access to primary care, PVMC has developed a seven tier plan. One of these tiers involves communicating with other medical centers to recruit and access other programs which assist communities determined as "shortage areas". Mr. O'Neil referenced a program called SHARP 3; a private-public assistance plan which could possibly be utilized in Valdez. Money for the program comes from the Alaska region, and with the help of the Providence Valdez Health Advisory Council, this could be a good solution and go a long way to the sustainability of physicians in Valdez. Mr. O'Neil stated that he had a check in his hand for \$50,000 from SHARP 3, as pass-through funding.

Council Member Chris Moulton asked what the stipulations are for the SHARP 3 funds and asked what contract the City would be signing for taking the money. Mr. O'Neil replied it is essentially meant to be "passed through" the City to the state. Council Member Moulton expressed concern about which agency awards the money to the candidates. Mayor Knight explained Providence collects money through charity. Valdez City Council and Providence then decide how to allocate the funds. The City Finance Department holds the money and then sends it back to the state until allocation is decided and candidates are determined.

Council Member Smith asked why we are giving the funds to the SHARP 3 program instead of administering it to ourselves. Mr. O'Neil explained the framework the program works under is tax free. If Valdez does this in house the fees involved would be greater than letting the SHARP 3 program handle it.

Mr. O'Neil proceeded to explain more highlights from the year. Average daily patients continue to drop, but this could be contributed to many factors. The average health of the community may be improving. The national average of patients is dropping as well. Providence Valdez Counseling Center has, however, increased 64% increase in visits. The numbers have grown from 1,100 to 1,900 patients.

Mr. O'Neil explained PVMC would like to expand in to the pain management program in the future. PVMC also has a goal to incorporate orthopedic procedures.

Mr. O'Neil explained there has been an increase in gross revenue as well as a high water mark in net revenue. Charity and bad debt went down by 40%, as more and more people are covered by Medicare. Mr. O'Neil proceeded to explain recent improvements and advancements: the new nurse call system, parking lot improvements, and a satellite office for Valdez City Schools; which provides quality counseling for all students. PVMC continues to be sustainable and provide jobs to the community. Mr. O'Neil then presented a check to Joan from Connections to Care (CTC), a new non-profit organization in Valdez. CTC is a volunteer hospice group that focuses on citizens who are in dire situations, with chronic illnesses, and in the end-of-life stage.

Mr. O'Neil concluded his presentation and opened the floor for questions.

Council Member Smith asked Mr. O'Neil where the City goes from here with efforts to improve our local population's health. He asked if Mr. O'Neil had any new ideas for preventative health efforts or programs. Mr. O'Neil stated historically hospitals wait for patients to come to them after they are deemed unhealthy. PVMC now has a panel of educated physicians who believe in "healthcare" as opposed to "sickcare", researching methods of prevention rather than solely treatment.

2. Lee Hart, Levitation 49 - Organization Activities Update

Ms. Lee Hart, Levitation 49 (L49), provided an update on the organization's recent activities. After a brief video showcasing the latest Ice and Bike Fests, Ms. Hart explained this year's events suffered from a few setbacks with weather and

permitting. She plans to emerge out of the low numbers presented this year, as L49 has new board members and they expect to deliver stronger results in the years to come.

Ms. Hart explained that even though Ice Fest was cancelled and the winds were high for Bike Fest, many athletes still showed up to enjoy all Valdez has to offer for outdoor adventure. These athletes were also brought in to the classroom at Prince William Sound College and interacted with students. L49 brought the Mountain Film to the elementary school and had great success with the children.

Ms. Hart stated that community support for L49's efforts has grown. She concluded with thanks to local restaurant the Fat Mermaid, the US Coast Guard, and the City of Valdez, namely the Public Works Department, for their assistance during L49's events.

3. Laurine Regan, VCVB Executive Director - Valdez Convention & Visitors Bureau New Mobile App

Ms. Laurine Regan, executive director of Valdez Convention & Visitors Bureau (VCVB), explained the organization launched a new mobile VCVB app on February 13th. This app is available on Android and Mac IOS. The app offers weather, trip planning, trail maps and descriptions, hospitality contacts, coupons and direct text messaging to the VCVB. Ms. Regan stated they also paid \$100,000 in marketing for the app, which has helped with visibility. They've seen app downloads in Japan, Siberia and even Chile. Council Member Smith commented he had downloaded the app, and it looks nice and works well. He asked if visitors needed internet service for the app to work, and Ms. Regan replied yes.

Ms. Regan explained the VCVB's main goal is to find ways to increase revenue, so as to not rely on the City of Valdez for as much funding. Efforts such as retail items like t-shirts labeled "created and design in Valdez, AK", as well as postcards showcasing local landmarks, are just a few examples.

VI. PUBLIC BUSINESS FROM THE FLOOR

Mayor Knight provided an opportunity for public comment from the floor on a non-agenda item. No member of the public chose to provide comments.

VII. CONSENT AGENDA

1. **Appointment to Prince William Sound Regional Citizens' Advisory Council Board of Directors**
2. **Approval To Go Into Executive Session: Legal Briefing Regarding Memorandum of Understanding on Ad Valorem Assessment, Litigation and Negotiation Background, and Related Strategies**
3. **Approval of Renewal of Package Store Liquor License: Safeway Inc. DBA Oaken Keg #1833**
4. **Approval of Renewal of Club Liquor License: Valdez BPO Elks Lodge#2537**
5. **Proclamation: Earthquake Memorial Remembrance Day**

MOTION: Council Member Smith moved, seconded by Council Member McCune, to approve the Consent Agenda. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

VIII. NEW BUSINESS

1. **Approval of Contract with X-DLX Investments Inc. for Maintenance of Turf and Landscape in the Amount of \$127,561**

MOTION: Council Member Cockerham moved, seconded by Council Member McCune, to approve contract with X-DLX Investments Inc. for maintenance of turf and landscape in the amount of \$127,561. The motion carried by the following vote after the following discussion occurred.

Mayor Knight asked if the local bidder preference applied to this contract award. Mr. Darryl Verfaillie, City Parks and Recreation Director, stated X-DLX Investments, Inc. was the lowest bidder and the local bidder preference did not apply.

Mr. Guerriero explained this is a five year contract.

Council Member Fleming asked what the City plans to do with the amount of grass dumped over by the elementary school. He stated the fertilizer seems to be leeching off the pile of grass and the liquid coming out of the pile when it rains is

unusual. He asked if there is another site which could be used in the future. Mayor Knight suggested a compost alternative. She stated there are private individuals who have used the same site in the past.

Council Member Moulton asked if dumping grass in that location is allowed under City Code. Mayor Knight asked for this to be explored.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Nays: 1 - Council Member Moulton

2. Approval of Construction Contract with Kane, Inc. in the Amount of \$647,619 for the North Tank Reservoir Re-Coating Project

MOTION: Council Member Moulton moved, seconded by Council Member Smith, to approve construction contract with Kane, Inc. in the amount of \$647,619 for the North Tank Reservoir Re-Coating Project. The motion carried by the following vote after the following discussion occurred.

Council Member McCune stated he has concerns that the contractor will make a bigger mess of the tank by recoating. He explained he observed the tank in person and did not notice anything needing immediate attention. Mr. Jason Miles, City Capital Facilities Director explained that back in the 80's there was an expectation that the tank would be coated in low lead paint. However, it was discovered that the original paint may have contained lead. The original project budget did not include lead abatement. Therefore, the bids for this new recoat are significantly higher than expected.

Mr. Miles explained the lowest bidder did not provide a lead abatement background and the chosen contractor proved to have experience. Council Member McCune asked what exactly is wrong with the current paint. Mr. Miles responded the interior as well as the exterior paint contains lead.

Council Member Moulton stated, in the past, they have not had a proper holistic maintenance schedule for the life cycle of these types of structures. It is a current goal to keep track of deferred maintenance and the cycle of these replacement plans, instead of reactively fixing things when they are broken.

Mr. Miles stated that the price of fixing a tank versus replacing it is considerably

lower. Council Member Smith asked Mr. Miles specifically how much cheaper it is. Mr. Miles expressed he did not have exact numbers. Ms. Doom explained she had been in the process of pricing new water tanks at her previous place of employment and she found a range from \$1-\$1.7 million to replace and install.

Mr. Rob Comstock, Director of Public Works, stated his department had a company video the inside of the tank and found enough areas of rust beginning to form to justify this fix. Inspections are done at intervals and the condition of the tanks is monitored. Mr. Comstock reiterated this is a big job with a tight timeframe. Council Member Moulton asked if this work will pose interruptions to the water system in town. Mr. Comstock replied it could possibly effect water pressure, but there would not be any scheduled water service interruptions. He explained they will be doing a trial run to test potential effects on water service. Mr. Comstock explained the process will begin in May.

VOTE ON THE MOTION:

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

3. Approval of Renewal of Employee Health Care Plan and Insurance Broker Contract for Twelve Months Beginning April 1, 2017

MOTION: Council Member McCune moved, seconded by Council Member Cockerham, to approve the status-quo annual plan renewal and broker contract for twelve months beginning April 1, 2017. The following discussion occurred.

Mr. Brian Carlson, Director of Finance, introduced the City of Valdez insurance broker, Mr. Craig Kestran, who joined the meeting via teleconference. Mr. Kestran explained Alaska USA is now partnered with One Digital, as of June 2015. Mayor Knight wanted clarification on the partnership. Mayor Knight explained she thought Alaska USA is not only a broker but an insurance agent, according to the wording in the agreement. Mr. Kestran explained this term is interchangeable, and "agent" means one who works for an insurance company. Mayor Knight expressed concerns with commission based compensation for these agents, and how that may affect the quality of work for the City of Valdez. Mr. Kestran stated that there are no commissions, and if there were to be commissions it would be disclosed up front.

Mr. Kestran explained if there is any wording in the contract the City Council did not agree with, it could be changed. Mayor Knight responded the contract had already

been vetted. Mr. Carlson stated he is responsible for finalizing the contract and suggested a need to postpone the item until the following council meeting. Mayor Knight asked if a postponement would be possible as the plan is to begin April 1, 2017. Mr. Kestran said the contract can be worked out, as long as the plan is in place by April 1, 2017. Council Member Moulton reiterated the importance of communicating with the Employee Relations Team and City of Valdez employees before solidifying any plans.

MOTION TO POSTPONE: Council Member Moulton moved, seconded by Council Member Smith, to postpone approval of the status-quo annual plan renewal and broker contract for twelve months beginning April 1, 2017 until the special meeting of March 28, 2017. The motion to postpone carried by the following vote.

VOTE ON THE MOTION TO POSTPONE:

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

4. Approval of Memorandum of Understanding Between the State of Alaska Department of Revenue and the City of Valdez

MOTION TO TABLE: Council Member Moulton moved, seconded by Council Member Cockerham, to table approval of the memorandum of understanding between the State of Alaska Department of Revenue and the City of Valdez. The motion to table carried by the following vote after the following discussion occurred.

Council Members Smith and Fleming declared a potential conflict of interest and request to abstain from the discussion and vote on this item as they are both employed by Alyeska Pipeline Service Company.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles, Council Member Cockerham, and Council Member McCune.

Abstain: 2 - Council Member Smith and Council Member Fleming

5. Approval of Construction Contract with Harris Sand & Gravel for the Small Boat Harbor Dredging Project in the Amount of \$534,500

MOTION: Council Member Cockerham moved, seconded by Council Member Fleming, to approve a construction contract in the amount of \$534,000 to Harris Sand & Gravel for the Small Boat Harbor Dredging Project. The motion carried by the following vote after the following discussion occurred.

Council Member Fleming stated there will be additional costs coming in for the Peter Pan section of the dredging plan. Mayor Knight added this was well explained during the latest Ports & Harbor Commission meeting. The commission recommended that this phase of the project should be completed and the rest addressed in the future.

Deputy Clerk Allie Ferko explained that a public outreach measure is necessary for the project if harbor operations will be impacted. She explained she has been in contact with Ports and Harbor Director, Jeremy Talbott.

VOTE ON THE MOTION:

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

IX. ORDINANCES

1. #17-03 - Amending Title 9 of the Valdez Municipal Code Titled Public Peace and Welfare. Second Reading. Adoption.

MOTION: Council Member Cockerham moved, seconded by Council Member Smith, to approve Ordinance #17-03 amending Chapter 9 of the Valdez Municipal Code titled Public Peace and Welfare. Second Reading. Adoption. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

2. #17-04 - Amending Title 17 of the Valdez Municipal Code Related to Breweries, Wineries and Distilleries. Second Reading. Adoption.

MOTION: Council Member Smith moved, seconded by Council Member McCune, to approve Ordinance #17-04 amending Title 17 of the Valdez Municipal Code related to Breweries, Wineries and Distilleries. Second Reading. Adoption. The motion carried by the following vote after the following discussion occurred.

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

X. RESOLUTIONS

1. #17-09 - Amending the 2017 City Budget by Transferring \$250,000 from the Major Maintenance Reserve Water-New Well Project to the Capital Facilities Fund North Tank Reservoir Re-Coating Project

MOTION: Council Member Smith moved, seconded by Council Member Moulton, to approve Resolution # 17-09 amending the 2017 City budget by transferring \$250,000 from the Major Maintenance Reserve Water - New Well project to the Capital Facilities Fund North Tank Reservoir Re-Coating project. The motion carried by the following vote after the following discussion occurred.

Capital Facilities Director Jason Miles explained, based on studying collected data and water tests, the water system in Valdez is robust. The new well will be a backup well for Well #4 on Meals Hill.

Mr. Comstock added that water use is not the only topic which needs to be discussed related to local wells. Twenty years ago there was a recommendation to install a backup well as is standard industry practice. The City's wells are performing well at the moment and there is plenty of water supply. However, another well gives the community security of having a backup in place for the current well which is thirty years old. From a Public Works standpoint, this is a necessity.

Mayor Knight expressed concerns with funding sources for a potential backup well. Mr. Miles replied if the project moves forward, design will begin this year, with construction occurring next year. There will be time to determine project funding into the budget.

VOTE ON THE MOTION:

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

2. #17-10 - Authorizing the Subordination and Consent with Crowley Petroleum Distribution Inc. for the Lease of a 7,430 Square Foot Portion of USS 495

MOTION: Council Member Cockerham moved, seconded by Council Member Smith, to approve Resolution #17-10 authorizing the subordination and consent with Crowley Petroleum Distribution Inc. for the lease of a 7,430 Square Foot Portion of USS 495. The following discussion occurred.

Ms. Lisa VonBargen, City Community Development Director, stated that this lease had been looked over by the City Attorney. Mr. Guerriero found a jurisdictional reference mistake within the lease after the agenda packet was already published. The clause in the agreement involved changing that state from New York law to Alaska law. Ms. Allie Ferko recommended postponing the item until this could be resolved.

MOTION TO POSTPONE: Council Member Moulton moved, seconded by Council Member Smith, to postpone approval of Resolution #17-10 authorizing the subordination and consent with Crowley Petroleum Distribution Inc. for the lease of a 7,430 square foot portion of USS 495 until the special meeting of March 28, 2017. The motion to postpone carried by the following vote.

VOTE ON THE MOTION TO POSTPONE:

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

XI. REPORTS**1. Commercial Marijuana Facility Inspection Report - Alaskan Greenery - March 1, 2017**

Mr. Michael Liljedahl, owner of Alaskan Greenery, explained they are expanding and renovating half of their shop. He stated he is committed to maintaining compliance with all City and state regulations during the process. Council Member Smith thanked Mr. Liljedahl for adhering to his commitments to the state and community.

2. Protest Liquor License Renewal Report - Three Bears Alaska, Inc, Package Store License

Ms. Ferko noted she had received a phone call from Vice President/Chief Financial Officer Steve Mierop. Mr. Mierop stated he is interested in being heard before City Council during the next meeting on April 4th to defend his liquor license renewal application.

3. H.R. Employee Report**4. February 2017 Building Permit and Inspection Reports****5. DOWL Flood Mitigation Contract Update Report**

Council Member Needles asked if the project is on time, Ms. VonBargen replied the design is on time. Her contact at DOWL is ahead of schedule in getting this report submitted by March 30th. Ms. VonBargen anticipated the City will be permitted by the end of April. She announced she now has a departmental team member in charge of the project, Ms. AnnMarie Lain, Planning Technician and Certified Floodplain Manager. Ms. VonBargen explained Ms. Lain is currently out of the office, but on top of the project.

Mr. Allen Crume, Flood Mitigation Task Force member, stated they have been working on the project since June 2016. He expressed concern about additional delay in moving forward on the project, as well as key staff being out of the office. Mr. Crume recommended staff keep a better eye on timing of staff vacation so that someone is always available on a daily basis. Council Member Smith suggested the City should begin thinking about a contract during the permitting process, as mid-April seems to be an opportune time of year. Ms. VonBargen stated her department is doing everything in their power to expedite the process of the design

so it can go out to bid.

6. FEMA Flood Risk Open House Report

Mayor Knight stated there is a FEMA flood insurance public meeting on April 6th at the Civic Center. More information will be available online. Ms. VonBargen added those who have parcels may be affected by floods have also been notified directly.

7. Report on Chickens Proposed in Residential Zoning Districts

8. Community Revenue Sharing (Community Assistance) Report

9. Airport and City Hall Remodeling and Relocation Costs

Council Member McCune asked about the status of office space for new employees funded in the annual budget. Mr. Miles explained the two offices out at the airport needed a fair amount of work. Council Member Needles asked for clarification why the City already spent \$100,000 on the project and offices are still not ready. He asked why this was not done at the same time there were contractors in the airport working on other projects.

Mr. Miles responded, at that time, the priority was to get the entire Finance Department moved to the airport facility and the IT Department moved to the second floor of City Hall. He stated he would provide an update on the project at the next Council meeting. Ms. VonBargen explained there was also a delay in posting for some of the new hires until the new City Manager arrived, so prioritization may be related to remodeling needs. Council Member Fleming mentioned a door should be placed upstairs in the airport facility on the far end of the Finance Department as part of the project. Council Member Needles asked for a report on project spending at the next Council meeting.

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

1. City Manager Report

Mayor Knight asked Ms. Doom how many candidates applied for the City Economic Development Director position. Ms. Doom replied she was out of office the previous week and would follow up with additional information regarding number of applicants. As of the previous Friday, there were five applicants.

Council Member McCune asked for an update on the Kimley-Horn project. Ms.

Doom explained she spoke with the firm and expects a draft proposal soon. At this point in the process, Ms. Doom explained she feels it is most appropriate for Kimley-Horn to reach out to her with a proposal instead of continuing to try and contact them. Ms. Doom expressed some concern regarding a remark from Kimley-Horn regarding available City funding. She explained the firm seemed eager to retain our business, but was disappointed with their lack of contact with staff.

2. City Clerk Report

Ms. Ferko explained there are several City board vacancies and outlined available opportunities.

Ms. Ferko explained property tax assessments have been mailed out. Any citizen desiring to appeal their assessment must do so through the City Clerk at City Hall no later than 5:00 p.m. March 31st.

Ms. Ferko asked for three volunteers from City Council to serve on the All American City Scholarship selection committee. Two students receive a \$2,500 scholarship each year, which is rewarded during high school graduation.

Ms. Ferko said the Municipal Election will be Tuesday, May 2nd. Voters must be registered 30 days prior to the election. If citizens need assistance changing their information or registering to vote, they are welcome to contact the City Clerk's Office. Ms. Ferko outlined the vacancies for City Council and School Board up for election.

3. City Attorney Report

Mr. Guerriero provided an update on several City legal matters being handled by his firm, including an update on the attorney fees related to the relief action on SARB jurisdiction, Alaska LNG permitting and FERC comments related to the Valdez option, and the Cummings litigation case.

4. City Mayor Report

Mayor Knight briefly reviewed her written report included in the packet.

XIII. COUNCIL BUSINESS FROM THE FLOOR

Council Member Fleming stated he would be traveling and out of town for the boys and

girls state basketball tournament. He also mentioned several drills and exercises he would be involved in for work.

Council Member Lon Needles asked if City staff had received any news from the state of Alaska pertaining to Aleutian Village. Ms. Doom asked Ms. Von Bargaen to provide an update. Ms. VonBargaen explained a meeting was held with a representative from Alaska Department of Transportation and the topic of land acquisition was included in that discussion. DOT is aware of the request and it has been communicated up their chain of command.

Council Member McCune asked if there were any advancement in revisions to the employee drug policy. Ms. Doom replied that Mr. Tim James, City Human Resources Director, was out for the week. She did not have updates to provide.

Council Member McCune asked if any inspections are being conducted on the Egan Street lights considering recent high winds. Mr. Miles explained electricians will be replacing components of the lights damaged by the winds. These items are under warranty and should have been able to withstand Valdez winds.

Council Member Moulton requested a work session pertaining to the fire station facility proposal. He explained he was receiving conflicting reports of what was happening regarding building a standalone fire station or a combined public facility. There were also different ideas being floated around regarding what would be done with the current fire station at City Hall, once vacated. Council Member Moulton stated he felt the project should already be the design stage and City staff needed to have clear direction. Moving forward in the future, he suggested the Council provide clear direction to staff or actually vote on major projects before they move into design phase. This is especially true for projects not included in the traditional budget process to clear up confusion as ideas are being explored.

Mr. Miles clarified he requested both the police and fire chief's input on the project to develop cost estimates and gain perspective on location and other concerns. Mr. Miles said he attempted to think outside the box to resolve other unrelated issues while at the same time meeting the need for a new fire station facility. He presented those concepts in a package to the City Manager.

Mr. Miles explains he believes if the City develops a public safety facility and combines fire and police functions into a new building, this will open up much needed space in the current City Hall building. Mr. Miles stated his calculations estimate a new fire station at \$516/square foot would cost approximately nine million dollars plus the costs of installing a new road. A combined public safety facility would cost approximately fifteen million dollars.

The City Hall areas vacated by the fire and police stations could then be used for storage needed by multiple departments and possibly the Valdez Museum. He stated building a larger facility might solve quite a few problems and be more economical for the future.

Council Member Moulton expressed concern with making the new fire station part of a larger project. He stated this draws away from the initial need for an alternate location due to health hazards. Mayor Knight stated she also felt a need for a work session. She explained she understood the new facility would be just a fire station, not a combined public safety facility. Council Member Smith expressed thanks to Mr. Miles for thinking outside the box and putting research in to an idea that may be more economical in the future.

XIV. EXECUTIVE SESSION

City Council transitioned into Executive Session at 10:07 p.m.

XV. RETURN FROM EXECUTIVE SESSION

City Council transitioned out of Executive Session at 11:30 p.m.

XVI. UNFINISHED BUSINESS

1. Approval of Memorandum of Understanding Between the State of Alaska Department of Revenue and the City of Valdez

MOTION TO TAKE FROM THE TABLE: Council Member Moulton moved, seconded by Council Member Cockerham, to take approval of the memorandum of understanding between the State of Alaska Department of Revenue and the City of Valdez from the table. The motion to take the item from the table carried by the following vote after the following discussion occurred.

VOTE TO TAKE FROM THE TABLE:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles, Council Member Cockerham, and Council Member McCune

Abstain: 2 - Council Member Smith and Council Member Fleming

MOTION TO APPROVE: Council Member Cockerham moved, seconded by Council Member McCune, to approve the memorandum of understanding between the State of Alaska Department of Revenue and the City of Valdez. The motion to approve carried by the following vote after the following discussion occurred.

VOTE ON THE MAIN MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member
Needles, Council Member Cockerham, and Council Member McCune

Abstain: 2 - Council Member Smith and Council Member Fleming

XVII. ADJOURNMENT

There being no further business, Mayor Knight adjourned the meeting at 11:32 p.m.

DRAFT