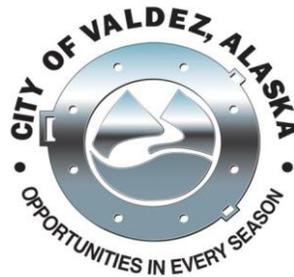


# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686



## Meeting Minutes - Draft

Tuesday, January 2, 2018

7:00 PM

Regular Meeting

Council Chambers

City Council

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

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

**II. PLEDGE OF ALLEGIANCE**

The 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 Jim Shirrell  
Council Member Dennis Fleming  
Council Member Darren Reese

Also Present: 3 - City Clerk/Acting City Manager Sheri Pierce  
Deputy City Clerk Allie Ferko  
City Attorney Tony Guerriero

**IV. PUBLIC APPEARANCES****1. Public Appearance: Mike Wells, Valdez Fisheries Development Association**

Mr. Mike Wells, Executive Director of the Valdez Fisheries Development Association (VFDA), presented an update on the Solomon Gulch Hatchery public education platform project. During the 2018 budget process, City Council granted special funding out of the 2018 Council Contingency account for the project contingent on Mr. Wells providing updates on progress of the project. Mr. Wells explained the finished education program would be a video tour composed of interactive elements on multiple platform stations near the Solomon Gulch Hatchery. Mr. Wells stated that the primary goal of the program is to teach the public about the economic and environmental importance of fisheries in Prince William Sound. Mr. Wells explained, as a 501 C3 classified organization, one of the purposes of the VFDA is education.

Mr. Wells expressed he hopes the kiosk platform program would entice tourism by providing an engaging and free visitor attraction designed to appeal to all age groups. Mr. Wells stated this program was unique as there are no other programs in the Valdez area designed to teach the public about fisheries. VFDA staff teamed up with local media production company Seed Media to create a video tour of the Hatchery. This video tour would be featured on each of the kiosks. Mr. Wells presented one of the four educational videos that would be featured. Following the video, Mr. Wells showed a PowerPoint presentation, revealing progress to date on the program. Mr. Wells explained VFDA is working on fine tuning the details of the kiosk stations, including size and orientation, as well as looking for ways to cut costs without taking quality away from visitor experience. Mr. Wells added there were additional videos in

production which would feature the fish culture process, including rearing techniques, and emphasize the continued economic benefits of the hatchery. Mr. Wells also offered the kiosks as a platform for city-related educational content such as bear awareness and tsunami informational campaigns.

Mayor Knight expressed concern about weatherproofing the kiosks, as they would be an outdoor resource. Mr. Wells explained the models selected were marketed for extreme weather, with a range of approximately 40 degrees below and 130-140 degrees above Fahrenheit, as well as being fully sealed, contained, and under warrantee.

Ms. Pierce asked Mr. Brian Carlson, City Finance Director, if this project was already included in the 2018 budget. Mr. Carlson explained the \$23,317.00 requested by the VFDA and supported by the City Council had been included as a line item expenditure in the 2018 Council Contingency Reserve. Ms. Pierce indicated to Mr. Wells that she would work with Mr. Carlson to release the funds to the VFDA.

## **2. Public Appearance: James “Hotai” Williams - Landfill Recycling**

Mr. James “Hotai” Williams, Valdez resident, expressed concern over restrictions on recycling and salvaging in Valdez. Mr. Williams asked City Council to consider creating a recycling and solid waste commission that utilizes recycler input and addresses the needs and concerns of local recyclers and salvagers. Mr. Williams explained in Washington State, all communities are mandated to have a solid waste committee, and he hopes to see the same in Valdez. Mr. Williams stated there are potential economic benefits to recycling materials that are currently being deposited into the City landfill. Mr. Williams also expressed safety concerns regarding interactions between City landfill staff and citizen salvagers.

Council Member Shirrell inquired who the safety officer is for the City of Valdez. Mr. Rob Comstock, Public Works Director, replied that the safety officer for the landfill is City Baler supervisor, Mr. Kenneth Christoffersen. Council Member Shirrell suggested Mr. Williams might elevate his concerns and make an official safety complaint with Mr. Christoffersen. Mr. Williams stated he had brought the issue to his attention previously. Council Member Shirrell confirmed the City Manager was taking care of this issue and stated the City was committed to a safe operation of its facilities for residents and employees. Mayor Knight added Ms. Pierce would research recycling and solid waste commissions in other communities and look into the possibility of creating a new commission in Valdez.

## **V. PUBLIC BUSINESS FROM THE FLOOR**

There was no public business from the floor.

## **VI. NEW BUSINESS**

### **1. Approval of 1-year Contract Extension to X-DLX Investments, Inc. in the Amount of \$139,765.25 for Janitorial Services**

MOTION: Council Member Smith moved, seconded by Council Member Reese, to approve the 1-year Contract Extension to X-DLX Investments, Inc in the amount of \$139,765.25 for Janitorial Services. The motion carried by the following vote after the following discussion occurred.

Council Member Smith asked how the dollar amount for the X-DLX contract had been determined. Mr. Nathan Duval, Capital Facilities Director, replied the dollar figure had gone through several change orders due changes in facilities being serviced under the contract. Mr. Duval explained that from the 2016 to 2017 contract years there was a 3% increase in the contract. Mr. Duval stated in the 2018 budget, there had been no increase in the contract. The amount of \$139,765.25 was based off the 2017 budget, with additional scope due to new developments to the facilities being serviced.

Council Member Reese asked who oversees the contract. Mr. Duval responded the contract administrator was Building Maintenance Admin, Ms. Laurie Brown. Council Member Reese asked how performance on the contract was going to date. Mr. Duval stated X-DLX was in acceptable status. Mr. Duval added the contract included a provision stating negative performance observations were to result in a \$200 decrease in pay out for X-DLX, per violation. Mr. Duval explained, to date, the company had not received a violation of this kind. Mr. Duval stated that while the City will put the janitorial contracts out to bid next year, he feels it is a fair contract which is working for both parties.

Council Member Reese asked what the dollar amount on the three percent increase from 2016 to 2017 had been. Ms. Pierce stated it had been an approximate increase of \$8,000. Mr. Duval added the three percent increase was intended to cover the labor of servicing the new offices added at the Airport facility as well as servicing the Harbor restrooms a month earlier than in 2016.

Council Member Reese asked what the basis is for accountability on the contract and who was responsible for checking the company's work. Mr. Duval replied all complaints were forwarded through Ms. Brown, Building Maintenance Admin, for action. For efficiency purposes, she is the sole contact for the contract. Mr. Duval explained in the case of a contract violation, Ms. Brown presents the company with an option to either face the \$200 financial penalty or correct the issue. Council Member Reese asked if there was room in this contract to reduce costs. Mr. Duval stated the City currently provides all products used by janitorial services. Alternate products or purchasing strategies are a potential area of savings the Capital Facilities Department has been researching for the future.

**VOTE ON THE MOTION:**

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

**2. Approval of 1-year Contract Extension to Gulf Coast, Inc. in the Amount of \$130,089 for Janitorial Services**

MOTION: Council Member Reese moved, seconded by Council Member Smith, to approve the 1-year Contract Extension to Gulf Coast, Inc. in the amount of \$130,089 for Janitorial Services. The motion carried by the following vote after the following discussion occurred.

Ms. Pierce explained this contract amount changed from \$122,100 in 2016 to \$130,089 in 2017, which would remain the same for 2018. Mr. Duval explained this three percent increase accounted for the addition of the Baler break room to the contractor's responsibility.

Council Member Reese asked who oversees this contract. Mr. Duval replied the Ms.

Brown, Building Maintenance Admin oversees this contract in addition to the X-DLX contract. Mr. Duval explained when the City's janitorial work went to bid; the Capital Facilities Department included each City building as a line item. The choice of using multiple contractors was made to both save money and have additional selection of personnel to service areas such as the Police Department which require employees to pass background checks. Mr. Duval stated using both companies allowed for both these needs to be met.

Council Member Reese asked how Golf Coast, Inc. had performed to date. Mr. Duval replied the company was in acceptable status. Council Member Shirrell asked if Golf Coast, Inc. and X-DLX represent the City's entire janitorial services. Mr. Duval stated the two companies cover all City janitorial services. Mr. Duval explained he and Mr. Dean Day, former Capital Facilities Director, previously investigated other options for janitorial services and were unable to find a better price for value than the combination of these two contracts.

**VOTE ON THE MOTION:**

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

**3. Approval of a Professional Services Agreement with RSA Engineering Inc. for VCT Electrical Repairs in the Amount of \$81,515.00**

MOTION: Council Member Smith moved, seconded by Council Member Shirrell, to approve the Professional Services Agreement with RSA Engineering Inc. for VCT Electrical Repairs in the amount of \$81,515.00. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell stated after reading through the agenda item documents, he interprets there will be additional costs for this project. He asked what those costs will be and how much additional funding will be necessary to complete the project. Mr. Duval responded the cost of the design phase will be \$81,515. Once design is complete, cost of actual repairs, construction, and project implementation will be an additional expense. He explained, depending on how the City proceeds with construction, any additional design expenses may be approximately 10%-15% of the initial design cost. Mr. Duval stated the basic scope of work for the overall project includes four subareas – reefer receptacles, general power distribution, lighting, and back-up generation - which could be completed all at once or in phases over several years.

Council Member Fleming asked for clarification on the purpose of the project, inquiring if changing the design of the electrical work at Valdez Container Terminal (VCT) would electrical conditions at the site safer for workers. Mr. Duval replied the project would increase safety significantly. Mayor Knight clarified the amount of \$81,515 covers the design portion of the project only, with construction estimated to begin after the peak salmon fishing season in 2018 depending on phasing of the project. Work beyond design for the project would come back to City Council for approval with associated costs.

Council Member Fleming stated he was under the impression the City had just replaced the lighting at the VCT in 2011. Mr. Duval replied the City did replace high mast lighting, masts, and fixtures. He explained the fixtures themselves are at the end of their lifespan and the City would be updating the fixtures to LED lighting. Council Member Fleming asked if there was an estimate of how much the City would save on power usage after the fixture update. Mr. Duval stated the savings estimate is 50

percent of the City's current usage.

Council Member Reese asked if this project will meet future needs as demand from the fishing industry for reefer shipping grows. Mr. Jeremy Talbott, Ports and Harbor Director, stated there is potential to bring reefers from Cordova to Valdez to ship west. Council Member Reese asked how many reefer plug-in banks are currently installed at the VCT. Mr. Talbott stated 180. He explained he is asking for an additional 180, all of which can be split. There are currently not enough to meet demand. Mr. Duval explained by adding twice as many plugs, there will four times as many receptacles since they can be split. Mr. Talbott stated this will meet the VCT future needs unless another fish processor opens up in Valdez.

VOTE ON THE MOTION:

Yays: 7 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

## VII. ORDINANCES

### 1. Ordinance #17-09 - Amending the Zoning Map to Effect a Change to Parcels A, B, and C, ATS 564 from Unclassified and Public Zoning Districts to the Light Industrial Zoning District. Second Reading. Adoption.

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to approve Ordinance #17-09, amending the Zoning Map to effect a change to Parcels A, B, and C, ATS 564 from Unclassified and Public Zoning Districts to the Light Industrial Zoning District. 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 Shirrell, Council Member Fleming and Council Member Reese

## VIII. REPORTS

### 1. Change Order #1 to Wolverine Supply, Inc. for the Abatement of Lead Contaminated Flooring and Tile Base in the Bathrooms in the Amount of \$26,961.14

Council Member Shirrell requested clarification on the potential of additional costs on this project. He asked if an increase in price would be contingent on how the project waste was managed and if not, what the determinant of potential increased cost would be. Mr. Duval responded additional cost would be incurred if the waste must be disposed outside of Valdez. However, based on the results of recent testing, the Capital Facilities Department determined the City landfill facility could be used, making this concern a non-issue.

Mr. Duval noted, however, there remained the possibility for approximately four more change orders on this project in the near future. Mr. Duval attributed the need for those change orders to the dynamic nature of a remodeling. As the contractor opened up the walls during the project, many issues were discovered which could not have been anticipated in advance. Mr. Duval stated as the project continues, he will have a better understanding of what work and funding will be needed to move forward.

Council Member Fleming asked what can be done to prevent increased cost and frequency of change orders in the future. He expressed concern that when the City pays contractors to provide drawings of their work, including redlines; they should be catching these types of issues in advance. Mr. Duval replied addressing this issue was largely a matter of thoroughly reviewing the project as-builts. Contractors do not have restrictions on how they run pipe or wiring, as long as the facility is operational and fits design. He explained, in most construction projects, contingencies are normally included because unknowns often are discovered and must be addressed.

Council Member Fleming asked if the City receives drawings which include detailed locations of wiring and piping. Mr. Duval stated detailed drawings are not normally submitted. Instead, the City receives a more generalized plan which includes locations of certain features in the wall. Council Member Fleming asked if the City could request more detailed information if desired. Mr. Duval replied the City could request these detailed drawings, but the contract, plans and specs are the most effective way to legally protect the City. Discovering issues is part of the normal nature of a remodel. Mr. Duval stated he feels the City must focus on strong contract language to protect the City from these issues in the future.

Council Member Reese asked if these bathrooms were originally built when the airport was built. Mr. Duval stated they are original construction, built in the early to mid-1980's. Based on the date of original construction, major remediation of things like asbestos and lead were not anticipated this project. However, when testing was done for lead in the bathroom tiles, for example, trace amounts were found and remediation became necessary.

## **IX. CITY MANAGER / CITY CLERK / CITY ATTORNEY / MAYOR REPORTS**

### **1. City Manager Report**

Ms. Pierce was Acting City Manager on the date of this Council meeting and elected to combine the City Manager's Report and the City Clerk's Report.

### **2. City Clerk Report**

Ms. Pierce explained Ms. Elke Doom, City Manager, was expected to be back in Valdez the following evening. Ms. Pierce stated there were no major issues during her time as Acting City Manager. Ms. Pierce added she was impressed with the City snow removal crew's performance during the recent snow storms.

Ms. Pierce announced Ms. Allie Ferko, Deputy City Clerk, would begin telecommuting at the end of the week before starting maternity leave. Ms. Ferko would be delegating certain duties to other Clerks Office staff in her absence and working part time as needed during maternity leave.

Ms. Pierce stated there would be two new ordinances on the next City Council agenda, an animal control ordinance and a purchasing ordinance. Ms. Pierce also reminded Council of the dates of upcoming January work sessions.

Council Member Shirrell expressed interest in maximizing productivity at Council work sessions and requested feedback from other Council members on how to accomplish this goal. Mayor Knight responded she feels having more information well in advance of work sessions is the most effective way to have more productive meetings. Ms. Pierce agreed to work with the City Manager and City staff to provide more comprehensive agenda content prior to work sessions.

### 3. City Attorney Report

Mr. Guerriero stated his firm is finalizing a memorandum for the Alaska Department of Revenue (DOR) regarding the applicability of the primary use taxability standard on escaped property. Mr. Guerriero explained after the DOR has an opportunity to review and respond to the City's position, his firm will meet with the DOR to determine common ground. Mr. Guerriero stated the results of this meeting are intended to inform his firm's recommendation to City Council on the matter. Mayor Knight asked Mr. Guerriero to provide timing for this process to City Council as soon as possible.

Mr. Guerriero stated his firm is also working to complete a final version of a comprehensive request for a formal opinion from the Alaska state tax assessor on a supplemental assessment tax cap issue. Mr. Guerriero said the goal is to resolve the tax cap issue for future years.

Finally, Mr. Guerriero stated his firm is working collaboratively with aligned parties to address the request for an adjudication hearing regarding recent changes to the C-Plan to ensure the Duck Flats and Solomon Gulch Hatchery are adequately protected in the event of an oil spill. Mr. Guerriero stated the goal is to engineer a change to a decision that was not made in the best interest of the City or other stakeholders. Most recently, the Alaska Department of Environmental Conservation (ADEC) Commissioner granted a stay on the changes to the C-Plan. Reversion to the previous protection requirements is in place until an outcome to the hearing request is determined.

Council Member Moulton asked the Mr. Guerriero how the expenses for this case will be tracked. Mr. Guerriero replied the cost for the case will be billed monthly. Mayor Knight added there is a real possibility of overturning the decision without a hearing. This would be the most cost effective and efficient option, but it is too early to determine if that will be the case. Mayor Knight stated Ms. Donna Schantz, Executive Director of the Prince William Sound Regional Citizens Advisory Council, invited her to participate in an upcoming teleconference with Governor Bill Walker on the topic. She explained there may be other avenues to effect the needed change at ADEC without lengthy legal action.

Ms. Pierce stated she asked Brena, Bell, and Clarkson for a worst case estimate for legal fees if the issue needed to go to hearing. Ms. Pierce explained this case has multiple entities involved and the City should not be required to pay all legal costs involved. She stated she would provide the legal fees estimate to City Council. Council Member Shirrell stated he requests the City Council be briefed in Executive Session prior to acceptance of any legal strategy or proposed legal action related to the ADEC adjudication hearing or changes to the C-Plan. Several Council Members and the Mayor concurred with this request.

### 4. City Mayor Report

Mayor Knight briefly reviewed her submitted written report. She stated she was pleased to announce the holidays had been a quiet two weeks. She expressed appreciation for the snow over the Christmas holiday.

## X. COUNCIL BUSINESS FROM THE FLOOR

Several Council Members expressed they hoped the Valdez community had a Merry Christmas and Happy New Year. Council Member Fleming wished the girls and boys

basketball teams good luck on their upcoming games.

**XI. ADJOURNMENT**

There being no further business, Mayor Knight adjourned the meeting at 8:20 p.m.

DRAFT