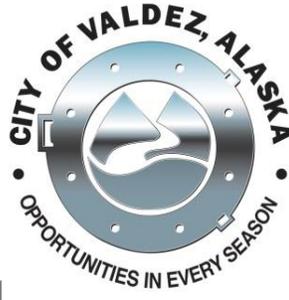


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, February 20, 2018

5:30 PM

Work Session (Valdez Senior Center) & Regular Meeting

Council Chambers

City Council

WORK SESSION AGENDA - 5:30 pm

Minutes not transcribed for work sessions. Audio available online and by request.

Work Session: Valdez Senior Center

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

Mayor Knight called the meeting to order at 7:04 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: 5 - Mayor Ruth E. Knight
Council Member Christopher Moulton
Council Member Lon Needles
Council Member Jim Shirrell
Council Member Darren Reese

Excused: 2 - Council Member Nate Smith
Council Member Dennis Fleming

Also Present: 4 - City Manager Elke Doom
City Clerk Sheri Pierce
Records Manager Shelley McMillen
City Attorney Jake Staser

IV. PUBLIC BUSINESS FROM THE FLOOR**V. CONSENT AGENDA**

1. **Approval to Purchase a 2018 Chevy 2500 Double Cab 4x4 Truck with a Reading Service Body, Including Accessories in the Amount of \$49,955.84**
2. **Approval to Purchase a 2018 Chevy 2500 Crew Cab 4x4 Truck with a Monroe Service Body Including Accessories in the Amount of \$44,905.58**
3. **Approval to Purchase a 2018 Chevy 2500 Crew Cab 4x4 Truck with a Monroe Service Body Including Accessories in the Amount of \$44,797.58**
4. **Approval of Liquor License Renewals: Fraternal Order of Eagles #1971, Mikes Palace #892 and Mountain Sky Hotel and Restaurant #5310.**
5. **Approval To Go Into Executive Session Regarding: (1.) City Manager Evaluation and (2.) Update from City Attorney Regarding Pending Litigation**
6. **Approval of 2018 Community Purpose Property Tax Exemption Program Applications**

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

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 2 - Council Member Fleming and Council Member Smith

VI. NEW BUSINESS

1. Appointment to the Economic Diversification Commission

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to appoint Laurine Regan, to serve a one year, seven month term on the Economic Diversification Commission. The motion carried by the following vote after the following discussion occurred.

Following a brief discussion about commission eligibility requirements in municipal code, Council Member Shirrell stated in the future he wanted to encourage applicants to select multiple industry sectors on their application. That way, if a well qualified applicant applied and a particular industry was already represented on the commission they would still be eligible for appointment.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 2 - Council Member Fleming and Council Member Smith

2. Approval of Contract Award to Wolverine Supply, Inc. for Valdez City School ADA Restroom Upgrades in the Amount of \$785,000

MOTION: Council Member Moulton moved, seconded by Council Member Needles, to approve contract with Wolverine Supply, Inc. in the amount of \$785,000 for Valdez City Schools ADA Restroom Upgrades. The motion carried by the following vote after the following discussion occurred.

Council Member Reese asked if the project was due for completion in October 2018. Mr. Nathan Duval, Capital Facilities Director, replied the completion date listed in the contract was August 6th, 2018. Council Member Shirrell asked if the Valdez High School Swimming pool renovation project was related to this upgrade.

Mr. Duval replied that it was not.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles,
Council Member Shirrell and Council Member Reese

Absent: 2 - Council Member Fleming and Council Member Smith

3. Approval of Contract Amendment #1 with McCool-Carlson-Green, Inc. for Valdez Schools ADA Restroom Renovations in the Amount of \$43,868.

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve Contract Amendment #1 with McCool-Carlson-Green, Inc. for Valdez Schools ADA Restroom Renovations in the amount of \$43,868. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles,
Council Member Shirrell and Council Member Reese

Absent: 2 - Council Member Fleming and Council Member Smith

4. Discussion Item: Information Technology Department Strategic Plan

Ms. Doom introduced Interim IT department director and consultant, Mr. John Lynch, to present on the IT Department Strategic Plan he developed. She also announced that Mr. Ben Barrio, the new City IT Director, would begin work on March 19th. Mr. Barrio called into the meeting to introduce himself and participate in the discussion.

Mr. Lynch has been working on a review of the City IT department network and telecommunications and developed a 2018 operational strategy recommendation based on his assessment. His plan focuses on reducing security vulnerabilities and improving efficiency. He explained there are a number of aging network devices currently employed by the City which pose security risks. He explained patching on those devices had not been maintained. He said the overall network strategy was outdated, creating utilization inefficiencies for staff, and increasing cost for less bandwidth. He also identified departmental redundancy which also increases costs. Much of the hardware and software used by the City is no longer being supported by their respective hardware and software manufacturers. The City's

servers were close to reaching their lifespan and were not being patched consistently. He explained the City server room was also at maximum capacity and required emergency ventilation.

Mr. Lynch explained the City is currently using Microsoft Office 2007, an operating system no longer supported by Microsoft. He warned against phishing attempts as a potential vulnerability. He recommended standardizing desktop software and ensuring the City's operating system licenses are up to standard. He hoped to see the IT department focus on improving security, replacing aging devices, and implementing best practices for safety and security in 2018. He urged the City to lay a City owned fiber optic network to build independence and increase security and recommended constructing a new server center. He also said he hoped that Valdez would consider building strong IT personnel resources in the community, possibly partnering with Prince William Sound College to build a local IT workforce.

Council Member Needles expressed disappointment that the City was behind on IT services and asked the approximate cost of completing the recommended updates. Mr. Lynch said he was working with the City Manager and Copper Valley Telecommunications to develop a comprehensive estimate. Council Member Shirrell asked if Mr. Lynch's recommendations could be funded within the 2018 budget. Mr. Lynch replied there would likely be unique ways to manage the update costs. Council member Shirrell asked if staff training costs would be included in the IT budget. Mr. Lynch replied that phased staff training could reduce costs. Mayor Knight asked Finance Director, Mr. Brian Carlson to provide a 2018 IT budget update. Mr. Carlson stated the 2018 Technology Reserve Fund would cover some software, hardware, server changes, and other needed work. He added he felt there would be enough money in the reserve fund to carry the IT department through updates in 2018.

Mayor Knight stated maintenance costs after the updates would be much less significant than the upfront costs of bringing the IT system updates online. Mr. Lynch agreed, emphasizing proper maintenance would reduce costs. Mayor Knight asked if the personnel requirements for the department were adequately filled. Mr. Lynch said there was the potential for a position with the exclusive role of maintaining the network, which had been previously done by the IT Director. He stated, otherwise, the department was adequately staffed. Council Member Moulton requested a copy of the IT Strategic Plan.

5. Discussion Item: 2018 Legislative Priorities

Mayor Knight announced that from March 12-14th members of City Council and City administration would be in Juneau, Alaska for the Alaska Municipal League legislative session. She clarified the City's state legislative priority items had been previously voted on or determined through the Alaska Municipal League legislative priorities list. Council Member Shirrell said he supported the stated priorities and added he would like a formal agenda for the Juneau trip devised. Mayor Knight agreed and said she had been working with the City Manager and City Clerk to accomplish an agenda. Council Member Shirrell said he would like to see a collective communication strategy developed to ensure City representatives communicate with key advocacy contacts while in Juneau.

Mayor Knight stated it was important to bear in mind conflicts of interest while in Juneau, especially surrounding the recent C-Plan adjudication case to protect the Prince William Sound in the event of an oil spill. Mayor Knight said when the Regional Citizen's Advisory Council (RCAC) met with Mr. Larry Hartig, Department of Environmental Conservation Commissioner, and Governor Walker, Mr. Hartig requested to leave the meeting when the discussion turned to the recent C-Plan adjudication case due to conflict of interest. She cautioned against Council using the same strategy as the RCAC when approaching the Alaska Department of Environmental Conservation in Juneau. She said she hoped to meet with City Lobbyist Mr. Hutchinson before the session as well.

The City Council collectively agreed they would like to communicate with the Alaska Department of Transportation, meet the new Alaska State Senator, and express the Council's positions to the Alaska Department of Health and Social Services representative during the lobbying trip. Council Member Needles said he would like to see senior center advocacy. Council Member Moulton said he would like to discuss a Copper River Controlled Use Plan with the Department of Natural Resources during the sessions. Mayor Knight mentioned early education funding was a priority for the Valdez City School Board. Ms. Pierce stated Mr. Mike Wells, Director of the Valdez Fisheries Development Association, sent her the hatchery's list of priorities to incorporate into the session. She said she would follow up and create a draft of Council's priorities for the next meeting.

Ms. Doom stated the new Assistant City Manager, Mr. Phil Miller, would also be attending the Juneau session and said she would communicate with Mr. Jeremy Talbot, Ports and Harbor Director, and Ms. Martha Barberio, Economic Development Director, to determine if they were also able to attend.

VII. ORDINANCES**1. #18-02 - Amending Title 1 Chapter 1.08 of the Valdez Municipal Code Titled General Penalty - Continuing Violations. First Reading. Public Hearing.**

MOTION: Council Member Moulton moved, seconded by Council Member Shirrell, to Approve Ordinance # 18-02, amending Title 1 Chapter 1.08 of the Valdez Municipal Code titled General Penalty - Continuing Violations. First reading. Public hearing. The motion carried by the following vote after the following discussion occurred.

Council Member Reese asked how the fee amounts had been determined for the ordinance. Ms. Pierce replied the fees were the same as those which had been previously adopted in the Animal Ordinance #18-01. City Attorney, Mr. Staser, added he, the Police Chief, and Ms. Pierce had discussed what they felt to be a fair fee schedule, bearing in mind the previous fee cap.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 2- Council Member Fleming and Council Member Smith

VIII. RESOLUTIONS**1. #18-06 - Authorizing the Purchase of a 120 Acre Tract of USS 697 and USS 698 from the University of Alaska in the Amount of \$186,000**

MOTION: Council Member Moulton moved, seconded by Council Member Shirrell, to Approve Resolution # 18-06, authorizing purchase of 120 Acres of UAA owned land located along Mineral Creek Road, identified as USS 697 and USS 698 in the amount of \$186,000. The motion carried by the following vote after the following discussion occurred.

Council Member Reese asked Ms. Marcie Robertson, Interim Parks and Recreation Director, if she knew of the University of Alaska threatening to not renew their land use permit with the City. Ms. Robertson replied the permit was extended to 2020 and had been renewed in late 2017. Council Member Moulton asked if there were any zoning stipulations for the parcel. Ms. Pierce replied the majority of the plot was wetlands. Mr. Paul Nylund, Interim Community Development Director, replied there were no use stipulations; however, half of the property was designated wetlands or flood plain. He explained that only part of

the parcel was developable for trail systems and there were currently no other development plans for the lot.

Council Member Shirrell asked if there was an opportunity for residential expansion on the lot. Mr. Nylund replied part of the land was buildable, but it was located a significant distance from the existing infrastructure and also in an avalanche risk zone. Ms. Robertson explained the majority of the lot was marshland, and unless it was filled it was mostly undevelopable. Council Member Shirrell asked if the City had full access to the property. Ms. Robertson replied there was limited accessibility in summer because bringing equipment and vehicles to the lot was restricted by the carrying capacity of the bridge. Council Member Shirrell said he would like to ensure the City could make full use of the property.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 2 - Council Member Fleming and Council Member Smith

2. #18-07 - Amending the 2018 City Budget by Transferring \$50,000 from General Fund Balance to Reserve Funds and Appropriating \$50,000 to the SHARP III Tuition Reimbursement Program

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve Resolution # 18-07, amending the 2018 City Budget by transferring \$50,000 from General Fund Balance to Reserve Funds, and appropriating same to the SHARP III tuition reimbursement program. The motion carried by the following vote after the following discussion occurred.

Council Member Reese asked when the SHARP III program was scheduled to begin. Mayor Knight explained the State of Alaska had not taken any action to move forward on the program. Mr. Jeremy O'Neil, Providence Medical Center Director, explained the program was delayed due to state legislation. He said he was in contact with the SHARP administrator from Juneau and would have more information going forward. The SHARP III funds were in trust with the City. This resolution was to move those dollars out of the General Fund.

Mayor Knight asked if the SHARP III program included tuition reimbursement for all healthcare professionals, not just primary care physicians. Mr. O'Neil replied that it did. Council Member Reese asked what the cost of maintaining the funds was to the City. Mr. Carlson replied the effort to maintain the fund was negligible,

only requiring he communicate with the SHARP administrator to determine the status of the program.

Council Member Shirrell asked if City Council would have the ability to decide how to allocate the funds if SHARP III was created. Mr. O'Neil explained SHARP III was designed as a private-public incentive program to provide student debt relief to physicians practicing in rural communities. Council Member Shirrell asked again if City Council would decide how the Providence funds were spent. Mr. O'Neil stated he did not know.

Council Member Shirrell asked where the 2018 Providence Regional donation was allocated. Mayor Knight replied it was distributed to local community organizations working to improve the health of Valdez. Council Member Shirrell voiced his disapproval that the 2017 Providence Regional donation of \$50,000 was allocated towards a program intended to provide debt relief to physicians working for a private enterprise. He said he would much rather see the funds distributed to local non-profits. Mayor Knight pointed out she had personally witnessed a number of primary care providers leave Valdez in search of work place opportunities that provided debt relief. Mayor Knight said the SHARP III program would make Valdez a more competitive location for physicians.

Council Member Shirrell said he supported the resolution if City Council was able to decide how to distribute the funds. Council Member Moulton clarified the funds were not City money, but were bestowed from the Providence Regional Board. Mr. O'Neil explained the 2018 Valdez Community Health Needs Assessment identified primary care provider choice as the number one health priority in Valdez. He stated Valdez would not be able to attract a diversity of doctors if they could not offer a competitive compensation package. He said he hoped any qualified provider could receive debt relief through the program. Council Member Shirrell reiterated his belief that the money was intended to recruit and promote a private enterprise.

Council Member Moulton asked what would happen if the funds were not voted upon. Mr. Carlson said the money would be held in the City's General Fund. Council Member Shirrell asked if the money would have to go through the budget process should the SHARP III program be created. Council Member Reese asked if it was possible to return the funds to Providence. Mr. O'Neil replied Providence was not interested in having the funds returned and wanted to see them allocated to SHARP III. Council Member Reese asked if the funds could be reallocated and remain local. Mr. O'Neil said he could certainly find something to spend \$50,000 on. Mayor Knight reminded Council this vote was simply on whether or not to

keep the money in the Sharp III fund or move it to the City General Fund.

Council Member Shirrell moved to postpone the decision to the next Council meeting to give Providence time to determine how to use the fund locally. The motion to post pone failed.

MOTION TO AMEND: Council Member Shirrell moved, seconded by Council Member Needles to postpone approval of Resolution # 18-07 until the next regular City Council Meeting.

VOTE ON THE MOTION TO AMEND (MOTION FAILS)

Yays: 3 - Council Member Needles, Council Member Shirrell and Council Member Reese

Nays: 2 - Mayor Knight and Council Member Moulton

Absent: 2- Council Member Fleming and Council Member Smith

VOTE ON THE MAIN MOTION (MOTION FAILS):

Yays: 3 - Mayor Knight, Council Member Moulton and Council Member Reese

Nays: 2 - Council Member Needles and Council Member Shirrell

Absent: 2- Council Member Fleming and Council Member Smith

IX. REPORTS

1. Report: Update Northstar's Branding Initiative

Mayor Knight said the Northstar project website had not been updated recently and asked if the company planned on doing so in the near future. Ms. Barberio said she would reach out to them to ensure it was updated.

2. 2017 Valdez Parks, Recreation and Cultural Services Year End Report

Mayor Knight invited the listening public to view the many programs and services offered by Parks and Recreation on the City website. Council Member Needles thanked Ms. Robertson for her leadership of the Parks, Recreation, and Cultural Services Department.

3. Alaskan Greenery Commercial Marijuana Inspection Report/Herbal Outfitters Commercial Marijuana Inspection Report/DKW Farms LLC Commercial Marijuana Inspection Report

Council Member Moulton remarked he was pleased to see the business utilizing good communication and maintaining compliance. Council Member Shirrell said all the local commercial marijuana license holders had passed inspections with flying colors. Chief of Police Bart Hinkle seconded Council Member Shirrell's sentiment.

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

1. City Manager Report

Ms. Doom said she met with Northstar, Kimley-Horne, Mr. Talbot, Ms. Laurine Regan, and Ms. Barberio to discuss creative branding options. She explained they were working on styles, colors, and logos for the City and the final options would come before Council for review. Ms. Doom said she also met with the 103 Weapons of Mass Destruction Civil Support Team and Chief Hinkle as part of the Arctic Eagle Response Drill. The Civil Support Team offered their services should Valdez ever need them. Ms. Barberio and Ms. Doom also met with a construction company interested in developing senior housing in Valdez. She said the team was continuing to review potential sites for the project.

Ms. Doom announced that a Chainsaw Carving Competition would be held during Gold Rush Days in August this year, featuring a number of talented artists. She said once the competition was complete, the finished carvings would belong to the City. Ms. Doom also remarked the recent Valdez Ice Climbing Festival and the Valentine's Day College Fundraiser dinner had both been a success.

2. City Clerk Report

Ms. Pierce said she had been in touch with Major Candis Olmstead, Director of Public Affairs at Joint Base Elmendorf-Richardson to share public information resources and coordinate messaging for the upcoming Arctic Eagle exercise in Valdez.

Ms. Pierce reminded Council of the upcoming Procurement work session on February 22nd. She said there would be a written draft of the updates to procurement code prepared for review soon. She hoped to have the procurement ordinance ready for first reading at the next regular Council agenda. She explained she was also working on the abatement, nuisance, and appeals sections of municipal code. As drafts were complete, they would be forwarded to

Council for review. Council Member Moulton asked if the materials from the Code Revision Task force would be considered. Ms. Pierce asked Council Member Moulton to send the material to her so it could be included in the revision process, as input from the Task Force had not been forwarded to her from the previous Community Development Director.

Ms. Pierce announced there were openings for the Mayor, City Council and School Board seats in the upcoming May 1st municipal election and encouraged the listening public to obtain nominating petitions from the City Clerk's Office if they were interested in running for office.

3. City Attorney Report

Mr. Staser stated he submitted a final letter of City legal services memorandum and was open to suggestions and questions from Council. He said he would present the majority of his report in Executive Session.

4. City Mayor Report

Mayor Knight summarized her written report. She said the adjudicatory law judge had made a motion to approve the City's hearing request regarding the C-Plan. Mr. Staser added the City would know if the judge agrees with the request on February 23rd.

Mayor Knight said Anchorage Daily News (ADN) had contacted her about the Federal Energy Regulatory Commission (FERC) matter and thanked the City Attorney for working with her to communicate with them. She said she forwarded the Northstar Borough and North Pole commentary on the issue to ADN.

Mr. Staser said he was encouraged to see FERC hold the Alaska Department of Environmental Conservation accountable. Mayor Knight suggested that the Council representatives on the Alaska Gasline Port Authority should coordinate a meeting to discuss the updates.

Mayor Knight announced the Valdez City School Board would be meeting on February 22nd to discuss their selection for Superintendent.

XI. COUNCIL BUSINESS FROM THE FLOOR

Council Member Moulton stated the airport public restroom was much improved. He added while he was excited to see interest in constructing more senior housing options, he did not want to see affordable housing for young professionals become de-prioritized.

Council Member Needles said he would like regular reports from the various boards the City

Council oversees and have them phased into the regular Council agendas. He added because City Council manages the contract with Providence Valdez Medical Center, he would like to go over the contract with Council members and the City Attorney to fully understand its scope. Mayor Knight asked if there were other entities that fall under the same category, such as the Museum and Senior Center. She suggested that those contracts be visited during that time as well. Council Member Needles replied that he would like to see those contracts reviewed. Ms. Pierce clarified the only contract that Council manages for the Valdez Senior Center was the lease agreement. Council Member Needles reiterated he would like to better understand the agreements and management responsibilities of City Council.

Council Member Shirrell remarked the Valentine's Day Prince William Sound College fundraising dinner had been a success. He hoped the College would consider making it a regular event. He added he would like to see discussion of the State of Alaska Sharp III program and Providence funds put on the agenda for the next Council meeting.

XII. EXECUTIVE SESSION

City Council transitioned into Executive Session at 9:13 p.m.

XIII. RETURN FROM EXECUTIVE SESSION

City Council returned from Executive Session at 10:10 p.m.

XIV. ADJOURNMENT

There being no further business, Mayor Knight adjourned the meeting at 10:10 p.m.