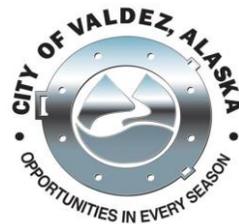


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, December 18, 2018

6:00 PM

Work Session (Review of 2019 Budget Process)
& Regular Meeting

Council Chambers

City Council

WORK SESSION AGENDA - 6:00 pm
Review of 2019 Budget Process

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

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

III. ROLL CALL

Present: 6 - Mayor Pro Tempore Dennis Fleming
Council Member Ron Ruff
Council Member Christopher Moulton
Council Member Lon Needles
Council Member Jim Shirrell
Council Member Darren Reese

Excused: 1 - Mayor Jeremy O'Neil

Also Present: 4 - City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
Assistant City Manager Roxanne Murphy
City Attorney Jake Staser

IV. APPROVAL OF MINUTES

1. Regular City Council Meeting Minutes of December 4, 2018

The regular meeting minutes of December 4, 2018 were approved as presented.

V. PUBLIC BUSINESS FROM THE FLOOR

There was no public business from the floor.

VI. CONSENT AGENDA

- 1. Acceptance of Resignation from the Valdez Museum & Historical Archive Board of Directors (Jeremy Young)**
- 2. Appointment to Economic Diversification Commission (Two-year, Nine-month Term)**
- 3. Appointment to Economic Diversification Commission (Nine-month Term)**

- 4. **Approval To Go Into Executive Session Regarding:**
 - 1. **Proposed Settlement of C-Plan Administrative Appeal**
 - 2. **Proposed Settlement of Verfaillie Arbitration**
 - 3. **F/V Boulder Bay Demand Letter and Settlement Offer**

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: 6 - Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese
- Excused: 1 - Mayor O'Neil

VII. NEW BUSINESS

- 1. **Approval of Physician Recruitment and Retention Agreement with Dr. Corina Hopkins-Vacca**

MOTION: Council Member Shirrell moved, seconded by Council Member Needles to approve Physician Recruitment and Retention Agreement with Dr. Corina Hopkins-Vacca. The motion carried by the following vote after the following discussion occurred.

Dr. Hopkins-Vacca introduced herself and outlined her professional background.

Ms. Pierce stated she had two additional physicians interested in the City Physician Recruitment and Retention Program. Both physicians were in the process of signing contracts with the Valdez Medical Clinic.

Dr. John Cullen, physician and owner of the Valdez Medical Clinic, thanked the Council for the City's recruitment and retention program. The Valdez Medical Clinic and Providence Valdez Medical Center are also contributing recruitment and retention funding for physicians in addition to the City program.

VOTE ON THE MOTION:

- Yays: 6 - Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese
- Excused: 1 - Mayor O'Neil

2. ~~Approval of Settlement Agreement Related to Darryl Verfaillie Arbitration (Item Administratively Moved to After Executive Session)~~
3. ~~Approval of Settlement with Alyeska Pipeline Company Regarding C-Plan Administrative Appeal (Item Administratively Moved to After Executive Session)~~

VIII. ORDINANCES

1. **#18-06 - Amending Chapter 15.30, Section 15.30.030 Relating to Adoption of Flood Insurance Study (FIS) and Flood Maps. First Reading. Public Hearing.**

MOTION: Council Member Shirrell moved, seconded by Council Member Moulton, to approve Ordinance #18-06, amending VMC Chapter 15.30 to adopt the 2019 FEMA flood insurance rate maps. First Reading. Public Hearing. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell asked for clarification on the effects of the Alpine Woods Subdivision area being left out of the 2019 FEMA flood mapping process. Ms. Kate Huber, City Certified Floodplain Manager, explained the City is in the FEMA certification process for the levies and improvements made for flood mitigation in that area. At the time multiple years ago, a decision was made to exclude the 10-mile area from the flood mapping process to allow time to work through the certification process. Notifications were sent to all property owners in the area and a public meeting was held to provide information and resources about the exclusion and mapping process.

Ms. Huber explained once the certification is in place, the City can pursue a Letter of Map Revision from FEMA which will update mapping in that area. She stated all information for certification has been submitted by the City to FEMA. Ms. Huber stated building development requirements and permitting is based upon the floodplain maps. The newer maps change the base flood elevation for certain areas. She stated all residents have access to flood insurance, even if they live in the area excluded from the 2019 mapping process.

VOTE ON THE MOTION:

Yays: 6 - Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

Excused: 1 - Mayor O'Neil

IX. RESOLUTIONS

1. **#18-45 - Authorizing Lease Amendment No. 7 with Valdez Ocean Dock, Inc. dba Big State Logistics for Lot 3, Alaska Tideland Survey 564.**

MOTION: Council Member Moulton moved, seconded by Council Member Needles, to approve Resolution #18-45 authorizing lease amendment No. 7 with Valdez Ocean Dock, Inc. dba Big State Logistics for Lot 3, Alaska Tideland

Survey 564. The motion carried by the following vote after the following discussion occurred.

VOTE ON THE MOTION:

Yays: 6 - Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

Excused: 1 - Mayor O'Neil

2. #18-46 - Adopting Terminal Tariff No. 100-19 and Terminal Rules & Regulations for the Port of Valdez and Repealing Resolution No.18-03

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve Resolution # 18-46, adopting Terminal Tariff No. 100-19 and Terminal Rules & Regulations for the Port of Valdez and repealing Resolution No. 18-03. The motion carried by the following vote after the following discussion occurred.

VOTE ON THE MOTION:

Yays: 6 - Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

Excused: 1 - Mayor O'Neil

3. #18-47 - Amending the 2018 City Budget by Closing the Concluded Emergency Watershed Protection Program Grant, Eliminating the Unused Grant Award in the Amount of \$320,540.25,, and Repurposing Unused Matching Fund Appropriations of \$192,580.75 to Capital Projects Fund.

MOTION: Council Member Moulton moved, seconded by Council Member Ruff, to approve Resolution #18-47 amending the 2018 City budget by closing the concluded emergency watershed protection program grant eliminating the unused grant award in the amount of \$320,540.25 and repurposing unused matching fund appropriations of \$192,580.75 to Capital Projects Fund. The motion carried by the following vote after the following discussion occurred.

Ms. Rochelle Rollenhagen, City Community Development Director, explained the project came in under budget and the unexpended grant funding was not needed.

Council Member Reese asked why the funds were being repurposed into the Capital Projects Fund instead of another location. Mr. Brian Carlson, City Finance Director, explained the money will reside in that reserve fund because it was originally slated for a capital improvement project. It will stay in the unspecified project reserve until it is appropriated for a different project by formal Council resolution.

Council asked several questions regarding Mr. Carlson's vision of the capital improvement project budget process in the future.

VOTE ON THE MOTION:

Yays: 6 - Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

Excused: 1 - Mayor O'Neil

4. #18-48 - Amending the 2018 Budget by Accepting the U.S. Department Of Homeland Security Port Security Grant Program Award in the Amount of \$326,250 and Authorizing the Expenditure for the Replacement and Installation of Security Cameras at Port Facilities

MOTION: Council Member Moulton moved, seconded by Council Member Ruff, to approve Resolution #18-48 amending the 2018 Budget by accepting the U.S. Department of Homeland Security Port Security Grant Program award in the amount of \$326,250 and authorizing the expenditure for the replacement and installation of security cameras at Port facilities. The motion carried by the following vote after the following discussion occurred.

VOTE ON THE MOTION:

Yays: 6 - Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

Excused: 1 - Mayor O'Neil

X. REPORTS

1. **Financial Statements - Third Quarter 2018**
2. **November 2018 New Boat Harbor Report**

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

1. City Manager Report

Ms. Roxanne Murphy, Assistant City Manager, explained she is acting City Manager while Ms. Doom is out of town for the holidays.

2. City Clerk Report

Ms. Pierce worked with Council to schedule an upcoming work session for the new Fire Station Project Concept on January 17, 2019 at 6:00 p.m.

Ms. Pierce briefly reviewed the process for the City Clerk annual evaluation.

3. City Attorney Report

Mr. Staser outlined projects and provided updates on cases his firm is working on behalf of the City, including the Verfaillie settlement, proposed borough formation, municipal code updates, the Cummings litigation, C-plan adjudication, and the Barton litigation.

Council Member Shirrell asked how the City's legal firm and the City's insurance provider collaborate regarding liability cases. Mr. Staser stated after discussions with the insurance company, there is an agreement that City legal will represent the City. Legal expenses are then paid by the insurance company under the liability claim.

4. City Mayor Report

XII. COUNCIL BUSINESS FROM THE FLOOR

Council Member Shirrell asked if Council wanted to schedule a work session with the Valdez Museum to discuss a new museum facility. Mr. Staser explained he revised the MOU between the City and Museum and returned it to Ms. Patty Relay, Museum Executive Director, earlier in the day. He explained the MOU would assist the Museum staff in exploring grant options, but does not commit the City to provision of any type of funding for a new museum project. Council did not express consensus for scheduling a work session on the topic in the near future.

Council Member Shirrell asked for the next step following the Council work session regarding local government's role in community childcare. Ms. Murphy explained she has taken responsibility, in coordination with the City Manager and Ms. Martha Barberio, City Economic Development Director, to explore needs and program options related to childcare.

XIII. EXECUTIVE SESSION

City Council transitioned into Executive Session at 7:48 p.m.

XIV. RETURN FROM EXECUTIVE SESSION

City Council returned from Executive Session at 8:28 p.m.

1. Approval of Settlement Agreement Related to Darryl Verfaillie Arbitration (Item Administratively Moved from New Business to After Executive Session)

MOTION: Council Member Moulton moved, seconded by Council Member Ruff to approve settlement agreement related to Darryl Verfaillie arbitration. The motion carried by the following vote after the following discussion occurred.

VOTE ON THE MOTION:

Yays: 6 - Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

Excused: 1 - Mayor O'Neil

2. Approval of Settlement with Alyeska Pipeline Company Regarding C-Plan Administrative Appeal (Item Administratively Moved from New Business to After Executive Session)

MAIN MOTION: Council Member Moulton moved, seconded by Council Member Reese to approve settlement with Alyeska Pipeline Company regarding

C-Plan administrative appeal.

MOTION TO POSTPONE: Council Member Moulton moved, seconded by Council Member Ruff to postpone approval of settlement with Alyeska Pipeline Company regarding C-Plan administrative appeal to the next regular City Council meeting of January 2, 2019

Mayor Pro Tempore Fleming stated he had a conflict of interest due to his employment and recused himself from the discussion and vote and handed the gavel to Council Member Ruff.

VOTE ON THE MOTION TO POSTPONE:

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

Abstain: 1 - Council Member Fleming

Excused: 1 - Mayor O'Neil

XV. ADJOURNMENT

There being no further business, Mayor Pro Tempore Fleming adjourned the meeting at 8:30 p.m.

DRAFT