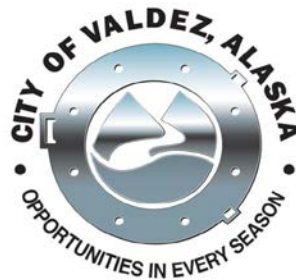


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes

Tuesday, January 3, 2017

6:00 PM

Work Session (Legislative Priorities) & Regular Meeting

Council Chambers

City Council

WORK SESSION AGENDA - 6:00 pm
2017 City of Valdez Statewide Legislative Priorities

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

Mayor Knight called the meeting to order at 7:06 p.m. in City Council Chambers.

II. PLEDGE OF ALLEGIANCE

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

III. ROLL CALL

Present: 4 - Mayor Ruth E. Knight
Council Member Nate Smith
Council Member Christopher Moulton
Council Member Lon Needles

Excused: 3 - Council Member H. Lea Cockerham
Council Member Ryan Rydor McCune
Council Member Dennis Fleming

Also Present: 4 - Assistant City Manager Todd Wegner
City Clerk Sheri Pierce
Records Manager Shelley McMillen
City Attorney Jake Staser

IV. PUBLIC APPEARANCES

1. Frank Koloski - Rodeo Alaska

Council Member Nate Smith introduced Frank Koloski, producer of Rodeo Alaska. Mr. Koloski proceeded to give a brief history of rodeo and his life. He stated on behalf of Rodeo Alaska, which includes his family, that he is proud to bring rodeo back to Valdez. Originally from Florida, he has been riding rodeo for about 10 years. He moved up to Alaska to start a new life, and began producing rodeos in 2010. With a background in sales and travel, he felt well equipped to begin his rodeo career.

Mr. Koloski stated the first rodeo in Alaska was in Palmer in 1929. He said a lot of people come up from the lower 48 states to work and brought their love of rodeo with them. He stated his team has very successful competitors and, as a whole, they have an invitation to Las Vegas for the PRCA Rodeo convention for five years running.

Mr. Koloski stated he promotes rodeo marketing programs as well as wellness for animals. His dream is to have the first PRCA Rodeo in Alaska and open a lot of opportunities for others to participate.

Mr. Koloski explained what he feels rodeo can contribute to Valdez. He said rodeo brings out local support for businesses and community members, along with statewide vendors. He said there are lots of opportunities to promote other businesses during rodeos. The animals and livestock are some of the best in the industry. Each May he travels to the lower 48 states to source his animals, specifically Boise, Idaho.

Mr. Koloski explained the concepts behind the Junior Rodeo, which he feels is a great way to involve younger audiences. The program started off small, but grew into a great success. The Junior Rodeo's motto is "less apps, more chaps". Fifteen junior competitors were sent to rodeos this year.

Mr. Koloski explained presentation is the key ingredient for a great rodeo. Rodeo can be utilized as a tool to pay tribute to military and also raise awareness for cancer and special needs children. The rodeo has raised around \$100,000 through these types of awareness campaigns, including the Tough Enough to Wear Pink rodeo sponsored by Wrangler. These activities as well as personal experience with cancer inspired Mr. Koloski to become a board member of Breast Cancer Focus Alaska.

Mayor Knight requested Mr. Darryl Verfaillie, City Parks, Recreation, and Cultural Services (PRCS) Director, be present to help answer some of her questions.

Council Member Smith asked Mr. Koloski how many rodeos he puts on a year. Mr. Koloski replied he produces six per year: two in Anchorage, two in Palmer, and one each in Eagle River, Tanana Valley, and Wasilla.

Council Member Lon Needles asked Mr. Koloski what he needed from City Council. Mr. Koloski responded his crew scouted out locations on previous trips to Valdez and settled upon the park strip for the rodeo. He said he would like to work together on finding soil to put in the new location on the park strip and cut back on costs for the event.

Mr. Verfaillie said his department is still waiting for prices, but they have found locals who can supply soil. He explained Ms. Marcie Robertson, City Parks Maintenance Supervisor, has the cost for soil included in her grounds budget. Council Member Needles asked Mr. Koloski if all he would be requesting from the City is land to hold the rodeo.

Mr. Koloski responded he needs to pay the entertainers as well as the arena build and the athletes. He stated his goal is to have those traveling for the event want to stay after the rodeo and enjoy the community of Valdez and visit again in the future. Mr. Koloski stated he has advertised across the country, specifically the northwest. He would also be interested in incorporating other community events to attract a larger audience.

Council Member Needles asked if Mr. Koloski if he had an amount of City funding needed. Mr. Koloski replied \$46,000 and he could provide a breakdown of how the funding would be allocated to insurance, staff, and other needs. Council Member Needles clarified that Mr. Koloski actually needed City funding, land, and equipment to hold the rodeo.

Council Member Needles asked how many spectators Mr. Koloski expected to

draw to the event in the scheduled three days of the rodeo. Mr. Koloski estimated 4,100 people, about the same as the population of Valdez. Council Member Needles expressed concerns with numbers of attendees and return on investment made by the City for the event.

Mr. Koloski replied that he does not feel the City would lose out on their investment. He explained it is a matter of what the City wants to give back to the community and this could also be the beginning of a regular event for the future. He defended the quality and talent of Rodeo Alaska, and guaranteed that the City money invested would be returned.

Council Member Moulton stated he had no doubt the community would have fun, and that he had been in a rodeo before when he was young. He stated he didn't support funding the rodeo during the budget process, as there were other things in Valdez which should be considered higher priority. There were also several deserving organizations which were denied funding during the budget process. He provided the example of Connecting Ties, a Valdez based non-profit which provides services to special needs residents,

Council Member Moulton explained there should be more creative ways to fund the rodeo without the City. Mr. Koloski replied that his initial request during budgeting was a "worst case scenario" number of \$50,000. Council Member Moulton asked which organization will keep rodeo ticket sales. Mr. Koloski replied the City of Valdez keeps ticket sales. Council Member Moulton asked how the rodeo makes money if the ticket sales are returned to the community. He stated it seemed like the rodeo could retain more of the ticket sales if they asked less from the community

Mr. Koloski replied he did not include production costs in his funding request from the City. Other rodeo productions involve much more on the production side of the house, including intensive breeding processes, which increase costs.

Mr. Verfaillie stated other departments will be providing in-kind services for the rodeo, including the Public Works Department. Those departments understand the obligation and are helping willingly. Mr. Verfaillie stated he has not obligated any other departments to assist besides Parks and Rec.

Mayor Knight stated although she grew up in Arizona, where the world's oldest rodeo began, she was one who voted against providing City funding for the rodeo. She explained Alaskan rodeo events are different from those in other states, but have gotten better each year.

Mayor Knight stated she would like Mr. Verfaillie to provide a rodeo cost breakdown to Council, which has not been provided. She reiterated that Rodeo Alaska is insured. The rodeo production company brings everything needed for the rodeo except for the soil. She stated the City's crews will have to get the grounds ready and have three inches of topsoil prepared.

Mayor Knight asked where the livestock for the rodeo will be kept. Mr. Koloski replied in pens on the grounds. He stated they traditionally have a free night before the big event when people can come see the animals and get the word out about the rodeo.

Mayor Knight asked about the backup plan in the event of heavy rain before and

during the rodeo. Mr. Koloski replied he has been rained out once before and had to cancel. He explained, however, that other than sink holes, it takes a lot to stop the rodeo.

Mayor Knight asked if there is a jackpot for the riders. Mr. Koloski replied there will be a jackpot for barrel racing and team roping.

Mayor Knight asked if the contestants pay an entry fee. Mr. Koloski stated they do pay an entry fee which is retained by Rodeo Alaska. He said he hopes the Valdez rodeo becomes an annual event, similar to Fairbanks and Palmer.

Mr. Verfaillie asked for clarification on funds from sponsorship and if it came from the chutes. Mr. Koloski replied yes. Mr. Verfaillie stated City Parks & Recreation does not have to do or spend funds advertising the rodeo, as advertising is handled by Rodeo Alaska.

Mayor Knight asked if other municipalities end up paying about the same for Rodeo Alaska. Mr. Koloski replied Valdez seems to be in line with Fairbanks. Mr. Verfaillie stated there had been recent discussions regarding the possibility of combining the rodeo with other local events, such as the carnival. He explained the City made \$8,000 profit on seven rides during the carnival event.

Mayor Knight asked for feedback from Council regarding the rodeo. Council Member Moulton clarified Council could not make any decisions as Mr. Koloski was presenting under Public Appearances.

Council Member Smith asked, if the City plants grass in the park strip after this year's rodeo, where would next year's rodeo be located? He also asked if the cost associated with next year's rodeo would actually be included in the City budget. He was confused as to whether or not it was approved in the budget. Mayor Knight and Council Member Moulton stated there was a line item in the budget for Rodeo Alaska for one pilot year. Following that pilot year, results and costs would be reviewed. Ms. Pierce explained staff are required to follow procurement code. Depending on the cost associated with this event, Mr. Verfaillie would have to request city manager or Council approval for the actual expenditure.

Mayor Knight said the rodeo is right in conjunction with Gold Rush Days. Mr. Koloski stated the rodeo is an opportunity to bring something different to the community. Council Member Smith asked Mr. Verfaillie if any other event coincided with the rodeo. Mr. Verfaillie replied he gave Mr. Koloski several options for dates and those selected worked best.

Council Member Needles stated he has no doubt Mr. Koloski puts on a great rodeo. He explained, however, he does not believe Valdez has the interest and amount of people needed to make the rodeo worthwhile for taxpayers. He stated he does not support the rodeo and he feels it will cause the City to lose money. He explained he attended other rodeos held by different production companies in more populated areas of Alaska, including Palmer, and they were not well attended. Mr. Koloski stated that since 2010, there has not been a rodeo in Palmer with less than 2,000 to 3,000 attendees. Council Member Needles stated the rodeo in Valdez will not have that many attendees.

Mr. Koloski stated he understands funds provided to the rodeo from the City are taxpayer dollars. However, this is a community driven event which everyone can

enjoy. The pilot year sets a foundation where the rodeo can grow and become self-sustaining. Many volunteers and locals are involved and the rodeo tradition is not new to Valdez. Mr. Koloski would love to bring it back as a regularly occurring event. He stated Valdez residents Jeff and Laura Saxe can testify to the amount of people who visited their campground during past rodeos in the 1990s.

Mr. Verfaillie stated during budget time he never guaranteed the City would receive one hundred percent of their \$50,000 investment back from the event. That is why he asked for the maximum amount of funding in case the rodeo did not make a dime. In addition to ticket purchases, over 130 people needed to travel to town to participate. Those participants would bring their friends and families to town as well and spend money in the community.

Council Member Smith reiterated Mr. Koloski has a budget plan for the City provided funding broken down into categories. He stated there is quite a bit of in-kind services which must be provided for the rodeo. These services need to be included in the report to Council about the event.

Council Member Moulton stated the City approached Rodeo Alaska about holding the rodeo this year. Mr. Koloski did not solicit the event. Council Member Moulton stated if events or items such as the \$20,000 for the rodeo were going to be added to a departmental budget, he would like to see the same amount of funding cut from other departmental or events programs so their budget is balanced.

2. Dave Dengel, Chairman, Alaska Gasline Port Authority

Mayor Knight introduced Mr. Dave Dengel, Chairman of Alaska Gasline Port Authority (AGPA), and Mr. Dengel introduced Larry Weaver, AGPA Vice Chairman. Mr. Dengel thanked Council for reappointing him to the board. He stated he's been a member since 1999. He apologized for being out of town for the last meeting.

Mr. Dengel explained the City funded AGPA \$8,000 of which \$1,000 will be used for communication, teleconferences, and postage; \$1,000 will be used for legal counsel; approximately \$3,500 will be used for their annual audit, and about \$2,500 will be used for miscellaneous expenditures including hosting companies from Japan and increasing awareness of all that Valdez has to offer.

Mr. Dengel explained, as of December 23rd, AGPA holds an approximate \$11,000 fund balance. He stated he knows Council has questions about what types of funding is being provided by the other member municipalities. Mr. Dengel explained only the City of Valdez contributed funding to AGPA.

Mr. Dengel explained AGPA is still viable at this time, as long as the state of Alaska is pursuing a gas line through the Alaska Gasline Development Corporation. The missions of the two organizations may be similar. He believes AGPA's mission is more specific, however, focusing on building or causing to be built a gas line from Alaska's north slope, to tidewater at Valdez.

Mr. Dengel stated he once heard "the person who writes the check is going to dictate where the terminus will be." People are looking to get gas in marketable quantities and the Nikiski Port cannot handle the larger tankers which Valdez can support. He explained it is not economical to transport LNG on smaller tankers.

Mr. Dengel stated AGPA should be involved in the comment process to the Federal Energy Regulatory Commission (FERC). In addition to comments submitted on behalf of the City of Valdez, AGPA comments will assist in ensuring Valdez is represented properly and the facts are correct. He believes the proposed costs of the LNG project seem to be inflated.

Mr. Dengel pledged AGPA will do a better job reporting to the City Council in the future.

Council Member Moulton expressed concerns with liability related to AGPA, as the City of Valdez is the only community contributing financially. Mr. Weaver explained AGPA may not be receiving monetary contributions from other communities, but staff and representatives from those communities are advocating for AGPA concerns. Those personnel are lobbying their legislators and contributing interest and time. Council Member Moulton asked if it would make more sense to have a standalone Valdez organization. He explained the Council is not regularly kept apprised of AGPA activities, with the only regular interaction being requests for funding.

Council Member Moulton stated over the past three years he doesn't recall Council meeting with AGPA. He expressed concerns with AGPA's regular meetings entering executive session rather quickly. Mr. Dengel stated AGPA sends meeting notices to the City Clerks in Valdez and Fairbanks. Meetings are also posted in their attorney's office in Anchorage.

Council Member Moulton expressed concerns with being billed \$44,000 for City attorney fees for AGPA related concerns without receiving updates or reports. Mr. Weaver speculated the charges may be due to property taxation, but he is unaware of the charges. Mr. Dengel reiterated AGPA is another set of eyes.

Mr. Dengel stated AGPA has not been meeting regularly over the past several months, however, they have been reviewing comments sent to FERC regarding gas line concerns. The current route being proposed misses Fairbanks by 80 miles. AGPA proposes a route which runs through Fairbanks, across the Richardson Highway and then parallels the pipeline footprint south to Valdez. He explained regardless of where the pipeline goes, the state of Alaska will benefit.

Council Member Moulton referenced funding given from Japanese companies such as Mitsubishi that had contingencies towards the pipeline being built. Mr. Dengel stated he believes this arrangement may have expired. Mr. Dengel and Mr. Weaver replied they will get answers pertaining to liabilities. Mr. Dengel stated most of the folks who are in the know reside in Juneau.

Mr. Weaver reiterated they have discussed regularly reporting to Valdez City Council, and Council will see more of AGPA. They are required to provide an annual report to municipalities.

Council Member Smith stated he appreciates what the members of the AGPA board do to support the Valdez option. Council Member Moulton reiterated that if Valdez is the last municipality standing as an AGPA member, then the City will most certainly have some debt liability to pay and he would like to get more information.

V. PUBLIC BUSINESS FROM THE FLOOR**Doug Davies, President of Board of Directors at the Valdez Senior Center**

Mr. Davies explained the public is welcome to stop by and visit the Senior Center. Lunches at the Center are also open to the public Monday through Friday and are the “best kept secret in Valdez”.

Mr. Davies explained the Valdez Senior Center is *not* a nursing home or a long term extended care facility. It is an apartment complex oriented towards serving the needs of senior citizens in Valdez. They operate under the same guidelines as any other apartment complex in Alaska. The Center cannot require resident to check in daily with staff, nor can they send staff to check on residents unless specifically request by that resident. This would be a violation of privacy.

Mr. Davies explained if a resident develops needs which require care or welfare checks, the Center’s registered nurse care coordinator will gladly assist the individual and the family in meeting that need. However, legally, it is the responsibility of the resident and their family to arrange for assistance. Sometimes help can be provided by Center staff, but this is strictly based on Medicaid regulations, caregiver skill level, hours, and nature of assistance.

Mr. Davies stated anyone with questions or concerns can call the Senior Center and talk to Executive Director Debbie Platt. Mr. Davies stated residents are also welcome to call him directly.

Nick Weicht, Levitation 49

Mr. Weicht provided an update from the nonprofit organization. Mr. Weicht stated the Valdez area trails master plan is still open to the public for comment. The organization would appreciate public input related to changes or improvements in the local trails system. Citizens may provide input this through the website, email at levitation49@gmail.com or by directly contacting Mr. Weicht at (907) 351-6878.

Mr. Weicht stated Valdez Ice Fest is coming up quickly. There are food trucks lined up to come out to Keystone Canyon for climbers. A big sponsor has \$20,000 worth of demo gear and representatives from all over the country coming. Mr. Weicht referenced two athletes who will be attending to present a photo clinic. There will also be a film fest and a great band playing after hours. These types of special interest clinics encourage more than just climbers to come to Valdez. Broken Tooth Brewery in Anchorage will also be contributing to the event. Mr. Weicht stated he will absent for the next Council meeting attending the Ice Fest in Ouray, Colorado. Council Member Needles thanked Mr. Weicht for consistently updating Council.

VI. CONSENT AGENDA

- 1. Approval of Contract Award to Trust Consultants for 2017 State Lobbyist Services in the Amount of \$50,000**
- 2. Approval of Contract Award to KVAK Radio for 2017 Broadcasting Services**
- 3. Approval of Amendment to City Clerk Contract Incorporating Appointment as Interim City Manager**

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

VOTE ON THE MOTION:

Yays: 4 - Mayor Knight, Council Member Smith, Council Member Moulton and Council Member Needles

Excused: 3 - Council Member Cockerham, Council Member McCune, and Council Member Fleming

VII. NEW BUSINESS

- 1. Approval of 2017 City of Valdez Statewide Legislative Priorities**

MOTION: Council Member Smith moved, seconded by Council Member Moulton, to approve 2017 City of Valdez Statewide Legislative Priorities. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 4 - Mayor Knight, Council Member Smith, Council Member Moulton and Council Member Needles

Excused: 3 - Council Member Cockerham, Council Member McCune, and Council Member Fleming

- 2. Approval of Contract with UAA Small Business Development Center for Business Workshop Training**

MOTION: Council Member Needles moved, seconded by Council Member Moulton, to approve contract with UAA Small Business Development Center (SBDC) for Business Workshop Training. The motion failed by the following vote after the following discussion occurred.

Council Member Smith stated the Council discussed these training opportunities previously. He stated he would like to evaluate how the training is received by the community and how many participate prior to making these classes an annual occurrence.

Ms. Lisa VonBargen, City Community Development Director, stated selection of

these classes result directly from positive feedback received by staff and commission following from a workshop put on by the UAA Small Business Development Center in fall 2016.

Ms. VonBargen explained, after going through several options to develop small businesses, staff decided the UAA SBDC would be a great opportunity for budding entrepreneurs and new business owners to receive education locally. She stated the hope is to provide classes at no cost. If there is cost for classes, attendance may drop.

Mayor Knight thanked Ms. VonBargen and stated she liked the idea of small business development classes. Offering classes embodies the grassroots goals of economic diversification and development. She stated she is glad to see Russ Talvi as the orchestrator of the program. Ms. VonBargen said there will be a variety of people traveling to Valdez to teach, depending on their specialty.

Council Member Moulton asked if the UAA SBDC has done work in similar size towns in the past. Ms. VonBargen replied yes. She explained they have actually taught two or three days of initial business training before in Valdez and they've been in Valdez before. They did two or three days of initial business training. The student count for these classes was 10-24 people. Potential business owners get training and also have the chance to make connections.

VOTE ON THE MOTION (MOTION FAILED):

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

Nays: 1 - Council Member Needles

Excused: 3 - Council Member Cockerham, Council Member McCune, and Council Member Fleming

3. Approval of a Professional Services Agreement to Day Engineering in the Amount of \$65,000 for the North (Mineral Creek) Water Tank Reservoir Re-painting

MOTION: Council Member Smith moved, seconded by Council Member Moulton, to approve the professional services agreement with Day Engineering in the amount of \$65,000 for the North (Mineral Creek) Water Tank Reservoir Re-painting. The motion carried by the following vote after the following discussion occurred.

Mayor Knight stated this item was budgeted at approximately \$500,000. Council Member Smith explained this is just the management/engineering portion of the contract. Mr. Jason Miles, City Capital Facilities Director stated the professional services agreement is for design services only. Once design is complete, actual project will be put out to bid. He explained Day Engineering will likely administer the contract side of the project as well.

Mr. Miles explained the City Public Works Department found rust inside one of the tanks during a regular inspection. Thus, both the inside and outside of the water tank needs to be repainted. Mr. Rob Comstock, City Public Works Director added this project is not merely a cosmetic fix. He explained a company put an ROV in the tank and completed an inspection several years ago. The ROV inspection

showed a considerable amount of rust forming inside of the tank. An entry needs to be cut in the tank and the interior sandblasted. Because rust grows quickly, time is of the essence.

Council Member Smith asked the cost to purchase and install a new tank. Mr. Comstock replied he did not have an estimate for a new tank. Council Member Moulton asked about the life expectancy of this type of tank and painting project. Mr. Comstock explained the current project will be a long term fix. The inside of the tank has not been painted in 20 years or more. He stated Day Engineering will oversee coatings and inspect thickness.

VOTE ON THE MOTION:

Yays: 4 - Mayor Knight, Council Member Smith, Council Member Moulton and Council Member Needles

Excused: 3 - Council Member Cockerham, Council Member McCune, and Council Member Fleming

4. Approval of a Three-Year Contract Extension with North Pacific Fuel for Heating Fuel Delivery

MOTION: Council Member Smith moved, seconded by Council Member Moulton, to approve a three-year contract extension with North Pacific Fuel for heating fuel delivery. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 4 - Mayor Knight, Council Member Smith, Council Member Moulton and Council Member Needles

Excused: 3 - Council Member Cockerham, Council Member McCune, and Council Member Fleming

5. Discussion Item: Proposed New City Facilities & Related Land Acquisition

Mayor Knight explained this topic is a discussion item only and there will be a full Council work session to follow.

Ms. VonBargen stated Council has been discussing construction of new City facilities, including a new fire station, a large storage building, additional snow storage, and an impound lot for the police department. One of the areas being considered is a 14.88 acre lot that borders the Richardson Highway. City Council previously authorized City administration to begin negotiation with the owners of that property. Ms. VonBargen spoke with the current landowners who provided a purchase price for the entire lot, as well as a partial lot. She stated this is a starting place for discussion.

Mayor Knight stated she thought it was interesting how the price per acre changed between the whole lot and the partial lot. Ms. VonBargen stated it may be more economical to purchase the whole lot depending on City needs. Council Member

Smith mentioned the situation seems to have changed over time. Ms. VonBargen stated the landowners would prefer to sell the entire parcel at once. She asked for Council direction as to whether the land should be left available for purchase by the private sector, or if the Council desired to purchase the land and perhaps make improvements and subdivide it.

Council Member Moulton stated it appears there are not to purchase this land. He explained City owned land already exists which could be repurposed to meet City facility needs. Ms. VonBargen explained staff identified land closer to Loop Road, however Council asked to identify a parcel closer to town center.

Council Member Needles explained he would rather see land for new City facilities located in town. Council Member Moulton stated moving City facilities effects property value. He explained if the City is looking at buying available parcels for development, the land currently owned by the City need to be used first. He stated an impound lot may not be the best use of the identified land. He also mentioned a storage facility on Hanagita which needs to be renovated and used more efficiently.

Council Member Smith stated the primary driver behind the current discussion is identification of the right area for a new fire station or snow lot. Council Member Moulton stated the City already owns land which has been taken off the tax rolls. This land should be considered first.

Ms. VonBargen stated the report included in the agenda packet was written with the idea of maximizing current City property use. Mayor Knight stated she hoped Council Member McCune would be present so they could discuss the feasibility of relocation of the Karen Stewart Memorial Garden. She stated she would prefer using a footprint which does not repurpose snow lots. Council Member Needles snow storage lots are and should be considered a priority for the community.

Mayor Knight asked Mr. Rob Comstock, City Public Works Director about current snow lot issues. Mr. Comstock stated if the current snow lots are used, the only remaining place to store snow is on Meals Avenue near the dog park. That snow push is long and time consuming. Council Member Moulton asked if the property identified would cut the distance needed to push snow. Mr. Comstock stated the new property would cut distance by about a third. He stated the City is limited on the area where snow can be blown at the end of Meals Ave. There would be no blowers involved with the new property. The park strip on Alatna is one location where snow has also been pushed. The new property would shorten this push and add more space.

Mayor Knight explained if Council decides not to purchase the 1.5 acres, 5.3 acres will still be needed for snow lots and proposed facilities. Ms. VonBargen stated there is another lot which has been appraised just up the street on Meals Ave. That land has a smaller footprint, but would involve a much a greater price per square

foot.

City Manager Dennis Ragsdale asked Mr. Comstock provide additional information regarding staffing requirements, equipment, and time costs for snow removal for the upcoming work session. Mr. Comstock stated the town is lucky to have the park strips throughout town; otherwise his department would spend most of their budget on snow removal. Mr. Comstock stated the snow removal equipment and team is limited, but the community has high expectations of snow removal service and streets maintenance. A new snow lot would help his team provide better service to the community and move snow off the streets as quickly as possible.

City Clerk Sheri Pierce stated staff need Council direction to prepare for the work session. Ms. VonBargen explained a draft storage plan, complete with GIS maps, was in progress. However, with staff turnover that project stalled. Mr. Ragsdale explained if portions of the proposed 14 acres would be privately developed, snow removal and storage for those parcels would need to be addressed.

Mayor Knight briefly referenced developing City property on the hospital campus for the fire station. She asked where fire training is currently being conducted which would be supported in the new fire station. Valdez Fire Chief Tracy Raynor explained certain training evolutions are not happening now because appropriate facilities are not available. He explained his department currently uses a small training area out near the baler facility. However, having a training facility incorporated in the new fire station will allow training to be conducted locally instead of sending staff and volunteers out of state.

Mayor Knight stated she wanted to talk about whether or not this plan is compatible with what's happening at the hospital. Smoke billowing from a tower may interfere with operations at the facility. Mayor Knight asked if staff had discussed the concepts with hospital administration. Chief Raynor stated he is unaware if this discussion has taken place. Mr. Miles stated additional property can be acquired to accommodate training. He explained he spoke with Mr. Jeremy O'Neil, Providence Valdez Medical Center Administrator. Mr. O'Neil did express concerns about the impact to the hospital facility related to potential noise and smoke related to a fire station sharing the same campus. Mr. Miles explained the discussions about the concept would need to include PVMC administration.

Mayor Knight asked staff to explore options for an additional state owned parcel of land adjacent to the DOT facility. She wondered if the City could do a land swap for potential fire department training grounds. Council Member Needles stated there needs to be further discussion about whether Council wants to place fire training grounds in the middle of town center. Council Member Moulton said a lot of this discussion may require compromise. Mayor Knight requested more detailed information be provided for the work session on January 17th.

Mayor Knight asked about the potential of a combined public safety building where police and fire are housed together. Council Member Moulton explained he was under the impression that the combined public safety building idea was thrown out because of the high costs of moving a jail and dispatch center. Valdez Police Chief Bart Hinkle stated moving the jail and dispatch would be costly. Chief Hinkle explained it has been convenient for the fire and police departments to be collocated, but this is not a requirement.

Council Member Moulton asked how many cars are impounded in a year. Chief Hinkle replied the answer to that question is complicated, as they have not had an impound lot in the past few years. Cars have been towed, but no facility exists to store those vehicles. Chief Hinkle stated he could provide potential numbers at a later date. Council Member Moulton asked if the impound lot will require staffing. Chief Hinkle stated the concept has yet to be discussed, but there may be an option to utilize snow removal contractors to fill this function.

Council Member Smith stated he is pleased multiple concepts are being considered and supports the idea of expanding using property already owned by the City. Ms. VonBargen stated she has requested information from City department heads regarding storage needs which will help determine square footage needs.

Ms. Pierce asked if Council was interested in the concept of reconstruction or remodeling existing City buildings. Council Member Smith stated he believes Council has moved past that idea towards development of a new facility. Council Member Moulton added remodeling and repurposing the existing fire station after the new fire department is built has been discussed.

Council Member asked how the negotiations work for the price of the land. Unless someone else is interested in the land, there has to be a possibility of to negotiate the purchase price negotiation. Ms. VonBargen explained the owners are aware of the concepts being discussed by the City and have been provided with preliminary map layouts. The owners stated they would be comfortable with a one million dollar sale price. The owners stated they would also to sell the land as one parcel instead of subdividing it. Ms. VonBargen stated she has not moved further in negotiations until she received further guidance from Council.

Mr. Joe Prax, local business owner, stated Valdez is fortunate to even be able to consider purchasing land for snow storage. He understands Valdez snow removal is second to none; however there could be better usage for these lots to support the economy. He referenced Girdwood, AK and how they would not dream of using empty lots for snow. Mr. Prax expressed concerns with increased City spending with decreasing revenues and asked Council to consider long term planning for the future. He hopes, looking down the road, he can afford to continue to live in Valdez. He stated decisions now will effect the future of the community. He also expressed concerns with why things like the land purchase and building of

a new fire station are not being voted upon by the community. Council Member Smith stated is still discussing particulars related to the land purchase, new fire station, and other concepts. Mr. Prax replied it seems like decisions are being made without thinking long term.

Chief Hinkle stated he received additional information regarding impound numbers. In the last year there 45 vehicles towed due to impeding snow removal.

Mayor Knight asked if the staff felt they had enough information to bring to the work session on January 17th. Mayor Knight asked the fire department staff to bring information about needs if they had to stay in their current building. Council Member Moulton requested clarity on costs and funding numbers. Mr. Miles stated he would bring additional information and numbers to the work session. Mayor Knight pointed out Council and staff needed to consider the potential need to bond for these types of projects.

The concept of utilizing land in Old Town Valdez for the new fire station or training grounds was briefly discussed.

IX. ORDINANCES

1. #17-01 Amending Chapter 5.20 Section 5.20.060 of the Valdez Municipal Code Relating to Facilities Required for Massage Establishments. First Reading Public Hearing.

MOTION: Council Member Moulton moved, seconded by Council Member Smith, to approve Ordinance # 17-01, amending Chapter 5.20, Section 5.20.060 of the Valdez Municipal Code Relating to Facilities Required for Massage Establishments. First Reading, Public Hearing. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 4 - Mayor Knight, Council Member Smith, Council Member Moulton and Council Member Needles

Excused: 3 - Council Member Cockerham, Council Member McCune, and Council Member Fleming

2. #17-02 - Amending Chapter 1.08 Section 1.08.010 of the Valdez Municipal Code Titled General Penalty - Continuing Violations. First Reading Public Hearing.

Ms. Pierce explained she needed to do an administrative correction to the ordinance. These changes would not require an additional first reading. Section II of the ordinance should read "this ordinance shall take effect following adoption by the City Council". Reference to the regular municipal election on May 2nd should be removed, as the effective date of the ordinance has nothing to do with the election.

MOTION: Council Member Smith moved, seconded by Council Member Moulton,

to approve Ordinance #17-02, amending Chapter 1.08 Section 1.08.010 of the Valdez Municipal Code title General Penalty - Continuing Violations. First Reading. Public Hearing. The motion carried by the following vote after the following discussion occurred.

Mayor Knight explained this ordinance assists with code revisions required under state of Alaska SB91. Mr. Staser stated this ordinance is the first step in that direction. The current maximum fine for offenses is \$300 which is low compared to other municipalities across the state. \$500 is a more appropriate maximum fine. The current code also requires a mandatory court appearance for most municipal code violation offenses, which is not always appropriate and does not allow for a simple fine payment. Ms. Pierce explained this is one of several ordinances which will come before the Council where fees must be adjusted.

Council Member Smith referenced wording in the ordinance and asked whose option it is to appear in court or pay the fine. Mr. Staser replied it is currently at the defendant's discretion. Valdez Police Chief Hinkle, Ms. Pierce and Mr. Staser felt certain violations did not warrant court appearance such as "animal running at large" or proper vehicle registration. These offenses are not particularly offensive, but do violate code and result in a fine. Ms. Pierce stated the defendant may choose to appear and court to state their case, if so desired. Mr. Staser stated this same process is followed by most other states. Ms. Pierce explained the ordinance also allows a graduated fine schedule, which increases with repetition of offenses.

VOTE ON THE MOTION:

Yays: 4 - Mayor Knight, Council Member Smith, Council Member Moulton and Council Member Needles

Excused: 3 - Council Member Cockerham, Council Member McCune, and Council Member Fleming

X. RESOLUTIONS

1. **#17-01 - Authorizing a 2017 Equal Lump-Sum Payment to All Regular Full-Time, Regular Part-Time, and Regular Seasonal Employees, as Defined in the City's Personnel Regulations, and Excluding Such Payment from Alaska Public Entity Retirement System (PERS) Eligibility.**

MOTION: Council Member Smith moved, seconded by Council Member Needles to approve Resolution # 17-01, authorizing a 2017 equal lump-sum payment to all regular full-time employees, regular part-time employees, and regular seasonal employees, as defined in the City's Personnel Regulations, and excluding such payment from Alaska Public Entity Retirement System(PERS) eligibility.

MOTION TO POSTPONE: Council Member Smith moved, seconded by Council Member Moulton to postpone approval of Resolution #17-01 until the next regular City Council meeting on January 17, 2017. The motion to postpone carried by the following vote after the following discussion occurred.

Mayor Knight thanked Mr. Brian Carlson, City Finance Director, for his hard work on in exploring the option and requirements for the lump sum payment. She asked if Mr. Carlson checked with PERS and the state statute regarding process for this

type of payment. Mr. Carlson stated he had direction from the state in the writing and it is clear on process.

Council briefly discussed the previous conversation from a budget work session regarding an employee cost of living percentage adjustment (COLA) versus a one-time stipend. Council Member Moulton reiterated his previous point from the work session that there is no evidence of cost of living inflation in Valdez over the past year.

Council Member Moulton explained COLA traditionally exponentially raises the employee salary base across the board. Council Member Smith suggested making a motion to postpone the item until all Council members are present to discuss and vote.

Mayor Knight asked Mr. Carlson if a postponement would effect the process. Mr. Carlson stating postponing the item would not be a problem. If the item is subsequently approved, it will be considered a supplemental payroll and makes no difference procedurally for the City Finance Department.

VOTE ON THE MOTION:

Yays: 4 - Mayor Knight, Council Member Smith, Council Member Moulton and Council Member Needles

Excused: 3 - Council Member Cockerham, Council Member McCune, and Council Member Fleming

XI. REPORTS

- 1. Statewide Comprehensive Economic Development Strategy Project**
- 2. Valdez Visitor Study Report**

Ms. VonBargen stated there will be a Council work session with McDowell regarding the results of this study in the near future.

Mr. Joe Prax, local business owner, stated he is highly suspicious of McDowell Group's results. He explained the report states 82,000 people visit Valdez during the summer, which translates into approximately 3,200 visitors every day throughout the summer season. He stated he cannot believe those numbers are correct and recommended not using the information in the report to make decisions. He stated, when numbers appear significantly inflated, they need to be questioned. Mayor Knight thanked Mr. Prax and encouraged him to come to more meetings.

- 3. Finance Department Airport Relocation Costs**

Council Member Smith asked for an update regarding the relocation project. Mr. Todd Wegner, Assistant City Manager, stated there are two offices still in progress. Information technology work and wiring is finished, however furniture still needs to be ordered.

- 4. Valdez New Boat Harbor Construction Progress Reports**

Mr. Miles stated he has concerns with the budget for the project. He explained the project soft cost line item is \$4.9 million, which is fast approaching. He stated the line item may require different management strategies and has invited Arcadis to come to Valdez to discuss further.

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

1. City Manager Report

Mr. Ragsdale stated he does not have a report. He stated Valdez has potential for growth and he wishes great success to City Council. While he may be departing City employment, he hopes to remain in the community as a volunteer.

2. City Clerk Report

Ms. Pierce stated Mr. Tim James, City Human Resources Director, would like to hold a work session with City Council to discuss proposed amendments to the personnel regulations.

Mr. James stated with the recent changes to state statute, it is now necessary to address employee drug and alcohol regulations for non-CDL holders. Mr. James explained it would be better to have a work session to discuss regulations than try to cover over eleven pages of regulations during a regular meeting.

Mr. James explained one of the directives within the Baker-Tilly human resources report was to separate an employee handbook from HR policy and procedures. Ms. Pierce stated Mr. James has established a format to make this separation happen and will present the concept during the work session. Mr. James stated he is also looking into a reasonably priced HR employee survey.

Ms. Pierce reminded the public of the January 15th deadline to file for senior citizen, disabled veteran, community purpose, and fire system tax exemptions.

Ms. Pierce stated the new Valdez city manager, Elke Doom, will begin work on February 6th. Housing and a temporary vehicle are in place for Elke's arrival.

3. City Attorney Report

Mr. Staser stated territory judgment action awaits final judgment. The protective order for TAPS litigation post settlement and proposed gas cap regulations process is status quo.

Mr. Staser stated he hoped Council had a chance to review draft comments to FERC. He thanked Council Member Smith for providing feedback. Council Member Smith stated the comment document to FERC was well done. Mr. Staser explained there is a deadline for other signatory stakeholders outside Valdez to submit comments so that the document may get out in a timely manner. Mr. Staser outlined the current status of the FERC comment process. He explained FERC is beginning to pay special attention to comments being brought to them regarding concerns with the Cook Inlet option. There has also been no formal movement to establish land ownership or infrastructure development in Nikiski for the Cook Inlet option.

4. City Mayor Report

Mayor Knight thanked the City for New Year Eve fireworks.

Mayor Knight stated she participated in a telephonic board meeting with the Prince William Sound Economic Development District. She also met with AGPA to discuss comments to FERC. She explained the AGPA board of directors thanked City Council for supporting them with \$8,000. The AGPA board of directors discussed the whether the North Star Borough would be contributing money to the organization. However, the concept is highly political.

Mayor Knight stated there was an NPR segment about mobile home parks. She shared a link to the podcast in written report and suggested those working on the Aleutian Village project listen to it.

Mayor Knight reported she was a little concerned about the slow movement of the waterfront master plan. Council Member Smith stated he understood the high cost of the project led to a delay in bringing a proposal to Council. Mayor Knight explained she and her husband put together a sample waterfront master plan which would cost less money. She stated she submitted the sample to the new City Manager as a volunteer effort to save the City money.

Mayor Knight thanked city employees for city street snow removal and wished everyone a happy new year.

XIII. COUNCIL BUSINESS FROM THE FLOOR

Council Member Smith stated he felt Council is getting discombobulated, and making quick snap judgments without taking time to make a plan. Most items cannot be fully accomplished in one hour. There will be a lot of work sessions in 2017. As a team hopefully they can bring things to the light and get some work done.

Council Member Needles asked for an update on Aleutian Village. Ms. VonBargen stated she is waiting for a response from the state on a footprint outline that they are willing to let us survey. Council Member Needles asked which footprint she is talking about, and she replied it is the outline of the park with the small addition to it. She has asked the state to confirm that a specific trapezoidal shape of the park is ok, and is waiting for an answer. Council Member Needles clarified that it is 27 acres the City is asking for.

Ms. VonBargen said the park lease area is a strange shape, and that she requested the full square shape of property as to include the area of land that is void at this point. FAA said to DOT they would like them to acquire this piece of land. She is still awaiting a response.

Council Member Needles addressed Mr. Lamar Cotton's contract as the Economic Diversification Commission staff advisor, stating we have paid him \$125,000. He stated in his contract it says he should provide reports, and he has not seen any. Ms. VonBargen stated that Mr. Cotton is currently preparing a yearend report on what he has done this year. When he presents his bill, he breaks down his work hour by hour as an explanation which she can bring to the next meeting.

Council Member Needles asked who is not doing their job. Ms. VonBargen replied she does not feel professional disclosing that information but it will be coming up soon.

Council Member Moulton stated there was a fire call to Aleutian Village recently, and they could not find the electrical power panel. The map did not match the space. Ms. VonBargen stated she spoke with Mike Weber from the Valdez Fire Department and the labeling is fine, it was an issue of finding the old panels. They plan to label with bright labels that will sit above the snow. Ms. VonBargen assured Council Member Moulton that this has been brought to her attention and is being taken care of.

Council Member Moulton stated he has brought local fire hydrants to the Mr. Comstock's attention, and the process of digging them out of the snow. Mr. Comstock stated there is no policy for these hydrants. Council Member Moulton stated there needs to be a plan in case of a hydrant not being found in a large fire. The shift of department heads seems to cause issues such as these to fall by the wayside.

Council Member Moulton asked for a financial work session to discuss long term financial planning and policy. He expressed the real need for planning based not on just the City's current financial state following the TAPS settlement, but also the City's financial state in coming years.

XIV. ADJOURNMENT

There being no further business, Mayor Knight adjourned the meeting at 10:21 p.m.