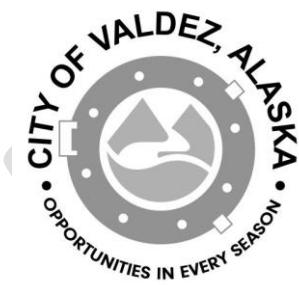


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - DRAFT

Tuesday, December 3, 2024

7:00 PM

Regular Meeting & 2025 Budget Public Hearing
Council Chambers

City Council

REGULAR AGENDA - 7:00 PM**I. CALL TO ORDER****II. PLEDGE OF ALLEGIANCE****III. ROLL CALL**

Present: 7 - Mayor Dennis Fleming
Mayor Pro Tem Austin Love
Council Member Alan Sorum
Council Member Sharon Scheidt
Council Member Jimmy Devens
Council Member Olivia Foster
Council Member Joseph Lally

Also Present: 9 - City Clerk Sheri Pierce
City Manager John Douglas
Deputy City Clerk Elise Sorum-Birk
Assistant City Manager Bart Hinkle
Assistant City Manager Nathan Duval
City Attorney Jake Staser
City Attorney Robin Brena
Administrative Assistant Katie Carr

IV. APPROVAL OF MINUTES**1. Approval of Minutes from the Regular Meeting of November 6, 2024**

Minutes were approved by consent.

V. PUBLIC HEARINGS**1. Public Hearing - 2025 City Budget****VI. PUBLIC BUSINESS FROM THE FLOOR**

Faith Revel, Valdez Museum & Historical Archives Interim Director, provided an update to Council on upcoming events at the museum.

VII. CONSENT AGENDA

- 1. Approval of Memorandum of Agreement with Providence Valdez Medical Center Re Physician Recruitment and Retention Program**
- 2. Proclamation: 42nd Annual Community Christmas Tree Lighting Ceremony**

MOTION: Council Member Devens moved, seconded by Council Member Lally, to approve all items on the consent agenda.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

VIII. UNFINISHED BUSINESS

1. #24-51 - Naming Rates and Fees for Use of Facilities in the Valdez Harbors and Repealing Resolution No. 23-75 Formerly Naming Such Rates and Fees. Postponed 11/18/24.

MOTION: Council Member Sorum moved, seconded by Council Member Lally, to approve Resolution 24-51.

Mayor Fleming expressed concern over raising fees while also requesting the state to recognize the impact of the low salmon run.

Council Member Sorum advocated bringing a separate resolution forward to address a fee waiver for fishing fleet. Council Members Devens and Foster concurred.

Council Member Love asked if the Ports & Harbor Commission had prepared a program to offer relief to the local salmon fishing fleet by waiving moorage fees. Sarah Von Bargen, Harbormaster, stated the commission had voted down the fee waiver proposal. Council directed staff to bring the program to Council as a resolution.

Council directed staff to continue with the 5% increase for 2025.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

IX. NEW BUSINESS

1. Appointments to the Planning & Zoning Commission, Applicants: Mathew Brunton, Christopher Moulton & Maureen Radotich

Council Members voted by ballot on which applicants would fill the two vacancies, the Clerk tallied the vote.

MOTION: Council Member Love moved, seconded by Council Member Scheidt, to appoint Christopher Moulton & Maureen Radotich to the Planning and Zoning Commission.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

2. Approval of Contract Amendment #3 with Day Engineering for Sewer Force Main Replacement Project in the Amount of \$300,000.00

MOTION: Council Member Foster moved, seconded by Council Member Lally, to approve Contract Amendment #3 with Day Engineering for Sewer Force Main Replacement project in the amount of \$300,000.00.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

3. Approval of the Childcare Start-Up Grant Program

MOTION: Council Member Devens moved, seconded by Council Member Lally, to approve the Childcare Start-Up Grant Program.

Martha Barberio, Economic Diversification Director, outlined the beginning of the discussion on how to offer technical assistance and training to those who would receive the Start-Up Grant.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

X. ORDINANCES**1. #24-14 - Amending Title 3, Chapter 3.12.040 of the Valdez Municipal Code by Establishing a Tax Exemption for Certified Volunteer Firefighters and Emergency Medical Services (EMS) Providers. Second Reading. Adoption.**

MOTION: Council Member Devens moved, seconded by Council Member Foster, to Approve Ordinance 24-14 in second reading for adoption.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

2. #24-16 - Enacting Chapter 3.30 of the Valdez Municipal Code Entitled Oil And Gas Exploration, Production, Pipeline Transportation, and Spill Prevention And Response Property Tax. Second Reading. Adoption.

Mayor Fleming recused himself from the discussion and passed the gavel to Mayor Pro Tem Love.

MOTION: Council Member Devens moved, seconded by Council Member Foster, to approve Ordinance 24-16 in second reading for adoption.

Council Member Devens requested that legal counsel review the purpose of the ordinance. City Attorney Jake Staser provided a brief background on oil and gas property taxation under AS 43.56, the history of litigation and the scope of proposed ordinance.

Council Member Lally requested clarification on the timing and intent of the enacting the ordinance at this time. City Attorneys Jake Staser and Robin Brenna spoke to recent developments in escaped property litigation and the desire to have the ordinance in place prior to the upcoming 2025 tax year.

MOTION: Council Member Lally moved, seconded by Council Member Scheidt, to postpone Ordinance 24-16 to the next regular meeting.

Council Member Lally expressed his belief that it would be advantageous for Council to await the final decision of the courts on escaped property litigation before enacting a local tax ordinance.

MOTION TO POSTPONE: Council Member Lally moved, seconded by Council Member Scheidt to postpone Ordinance 24-16 to the next regular meeting.

The City Attorneys spoke about the history of oil and gas property tax litigation, the desire for the local ordinance to work as a backstop to state tax law and the implications of the recent supreme court decision on the topic.

Council Member Scheidt shared concern over the timing of the ordinance and noted a work session would have been helpful prior to the ordinance coming to the floor. Scheidt asked for clarification as to how the tax would be levied which City Attorney Staser provided.

Council Member Scheidt expressed concern that enacting this ordinance might lead to further litigation.

Council Member Love inquired about the appeals process under the new ordinance.

Council Member Sorum reminded Council of the motion on the floor.

Council Member Devens noted concerns about the impact of postponing the measure.

Council Member Lally expressed a desire to continue through the litigation process and abide by court rulings rather than enacting an ordinance.

VOTE ON THE MOTION TO POSTPONE

Yays: 1 - Lally

Nays: 5 - Love, Sorum, Scheidt, Devens and Foster

Abstained: 1 - Fleming

MOTION FAILED.

Council Member Devens stated it would be a strategic approach to have the ordinance of a failsafe.

Council Member Foster stated the ordinance was a solid way forward and the Supreme Court has supported the methodology.

Council Member Scheidt reiterated concerns with future litigation.

Mayor Pro Tem Love asked for clarification on the scope property taxable under the new ordinance which City Attorney Brena provided.

Joe Prax, Valdez resident, spoke against the ordinance and in opposition to targeted taxation. He spoke to the impact of previous taxes on terminal operations.

VOTE ON THE MAIN MOTION

Yays: 4 - Love, Sorum, Devens and Foster

Nays: 2 - Scheidt and Lally

Abstained: 1 - Fleming

MOTION CARRIED.

Mayor Pro Tem Love passed the gavel back to Mayor Fleming.

Mayor Fleming called a 5-minute recess.

3. #24-17 - Amending Section 3.12.040 of the Valdez Municipal Code Establishing a Tax Exemption for Economic Development Property. First Reading. Public Hearing.

MOTION: Council Member Devens moved, seconded by Council Member Scheidt, to approve Ordinance 24-17 in first reading for public hearing.

Joe Prax, Valdez resident, spoke in opposition to the ordinance and described the effects of development, taxes, and incentives on the local economy.

MOTION TO AMEND: Council Member Devens moved, seconded by Council Member Scheidt, to amend Subsection 3.12.040(C) as follows:

- In (C)(3) strike "one or more" and insert " one to three"
- Insert new (C) (4) to read: "The construction of four to nineteen residential units in the new townsite neighborhood place type may qualify for an exemption under this section for a period of five years."
- Insert new (C) (4) to read: "The construction of twenty or more residential units in the new townsite neighborhood place type may qualify for an exemption under this section for a period of ten years."

Council Member Devens noted there were increased opportunities upcoming for density development and it would be a show of good faith to offer them the same incentive as offered in the development of the town center place type.

Joe Prax spoke in opposition to the amendment.

VOTE ON THE AMENDMENT

Yays: 4 - Sorum, Scheidt, Devens and Lally

Nays: 3 - Fleming, Love and Foster

MOTION CARRIED.

Council Member Foster expressed concerns about hampering local building due to overregulation and the impact of a large tax bill on a property owner after the exemption timeframe ended.

Council Member Love noted that he saw the program as a way to offset the high cost of building in Valdez.

Mayor Fleming shared concerns about the housing development side of the program.

VOTE ON THE MAIN MOTION AS AMENDED

Yays: 3 - Sorum, Devens and Lally

Nays: 4 - Fleming, Love, Scheidt and Foster

MOTION FAILED.

XI. RESOLUTIONS

1. #24-53 - Establishing the 2025 Tax Calendar

MOTION: Council Member Foster moved, seconded by Council Member Scheidt, to approve Resolution 24-53.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally

MOTION CARRIED.

2. #24-54- Establishing a Residential Surcharge for Residential Vessels in the Valdez Harbors and Repealing Resolution #23-18 Formerly Naming Such Fees

MOTION: Council Member Sorum moved, seconded by Council Member Love, to approve Resolution 24-54.

Council Member Devens requested clarification on the effect of the surcharge on those paying property taxes compared to those who only own a vessel as their primary residence.

Sarah Von Bargen, Harbormaster, stated those who currently paid property taxes because they owned property but still chose to use their vessel as their primary residence were exempt from the residential surcharge. She outlined the process her team followed to bring the surcharge increase forward, including input from liveaboards, and the reasoning behind the shift from 90 days to 60 days.

Mayor Fleming asked why this change was coming forward after the increase to the harbor rates and how residential vessels were identified. Harbormaster Von Bargen explained the liveaboards were very up front about their resident status and the city services they used.

Council Member Sorum noted the fees were a nod to those living in the community and using city services without paying property taxes.

VOTE ON THE MOTION

Yays: 5 - Love, Sorum, Scheidt, Foster and Lally

Nays: 2 - Fleming and Devens

MOTION CARRIED.

2. #24-55 - Authorizing a Lease with the Valdez Community Garden for a .69 Acre Portion of Lot 1 Medical Park Subdivision Senior Addition

MOTION: Mayor Pro Tem Love moved, seconded by Council Member Devens, to approve Resolution 24-55.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally

MOTION CARRIED.

3. #24-56 - Amending the 2024 Budget by Accepting the 2024 State Homeland Security Program Grant Funds from the State of Alaska Department of Military and Veterans Affairs in the Amount of \$128,000 for the Emergency Services Radio Repeater Upgrades Project

MOTION: Council Member Foster moved, seconded by Council Member Love, to approve Resolution 24-56.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

5. #24-57 - Amending the 2024 Budget by Accepting 2018 and 2020 Copper River and Prince William Sound Salmon Disaster Relief from the Pacific States Marine Fisheries Commission Fishery Disaster Program in the Amount of \$62,223

MOTION: Council Member Lally moved, seconded by Council Member Devens, to approve Resolution 24-57.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

6. #24-58 - Amending the 2024 City Budget by Transferring \$24,000 from Budget Variance Reserve, and Re-Allocating Prior Appropriations

MOTION: Council Member Foster moved, seconded by Council Member Lally, to approve Resolution 24-58.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

7. #24-59 - Amending the 2024 City Budget by Accepting \$4,275.00 in Unbudgeted Revenues and Transferring the Same to the Police Scholarship Reserve Fund

MOTION: Council Member Devens moved, seconded by Council Member Lally, to approve Resolution 24-59.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

8. #24-60 - Amending the 2024 City Budget by Accepting \$2,526.20 in Unbudgeted Revenues and Transferring \$2,720.00 to the Animal Medical Reserve Fund

MOTION: Council Member Foster moved, seconded by Council Member Lally, to approve Resolution 24-60.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally

MOTION CARRIED.

9. #24-61 - Amending the 2024 City Budget by Accepting \$11,996 in Book Basket Auction Proceeds and other Unbudgeted Library Donations and Transferring Same to Book Basket Auction and Donation Reserve Account.

MOTION: Council Member Devens moved, seconded by Council Member Foster, to approve Resolution 24-61.

Council members and staff congratulated the Library on a successful event noting the increase in money raised from the auction compared to prior years.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

10. #24-62 - Accepting Public Library Assistance Grant Funds in the Amount of \$7,000 for the Valdez Consortium Library

MOTION: Council Member Devens moved, seconded by Mayor Pro Tem Love, to approve Resolution 24-62.

VOTE ON THE MOTION

Yays: 7 - Fleming, Love, Sorum, Scheidt, Devens, Foster and Lally
MOTION CARRIED.

XII. REPORTS

- 1. Monthly Treasury Report: October 2024**
- 2. Quarterly Financial Summary Reports: September 30, 2024**

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

1. City Manager Report

City Manager Douglas provided an update on Coffee with the City Manager at the Valdez Senior Center. He noted Kim Hutchison would be coming on December 17th. The State Legislative Priorities and Federal Legislative Priorities would be on the agenda in February.

2. City Clerk Report

Deputy City Clerk Sorum-Birk reviewed the upcoming Council Calendar.

3. City Attorney Report

City Attorney Staser reviewed cases his firm was working on behalf of the City, including escaped property, the C-Plan renewal, the TAPS settlement, Alaska Trappers Association, and redistricting.

4. City Mayor Report

Mayor Fleming complimented Civic Center operations and shared his positive experiences of the past weekend, including the Christmas Bazaar and movie theater.

XIV. COUNCIL BUSINESS FROM THE FLOOR

Council Member Devens shared his enthusiasm for the upcoming Alaska Municipal League conference. He requested Council's permission to submit Valdez for the All-American City Award, noting the community had won the prestigious award twice prior. Council consented.

Council Member Foster reminded everyone to buckle up and drive safely.

Council Member Lally gave a shout out to VCVB on their reception.

Council Member Scheidt requested Council consider having a work session on the CSO program.

Council Member Love expressed displeasure at the actions of another member of the body during a previous meeting.

XV. ADJOURNMENT

XVI. APPENDIX

1. December 2024 Council Calendar