



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Meeting Agenda - Final-revised

City Council

Tuesday, December 6, 2016

7:00 PM

Council Chambers

Work Session (Legislative Priorities) & Regular Meeting

WORK SESSION AGENDA - 6:00 pm

1. [2017 Legislative Priorities Work Session](#)

Attachments: [2017Legislative Priorities Valdez Alaska.docx](#)

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. APPROVAL OF MINUTES

1. [Special Meeting Minutes of November 29, 2016](#)

Attachments: [112916 Special Meeting Minutes Draft](#)

V. PUBLIC APPEARANCES

1. [Heidi Strickland - Meritain Wellness Strategist for the City of Valdez](#)

Attachments: [City of Valdez Council 2016 Yearly Overview](#)
[Healthy Merits Flyer Incentives at a Glance City of Valdez 2017](#)

VI. PUBLIC BUSINESS FROM THE FLOOR

VII. CONSENT AGENDA

1. [Council Approval of Write-Offs of Various City Fees to Be Forwarded to Collections Agency](#)

Attachments: [Write Offs 2016-2.pdf](#)

2. [Approval to Go Into Executive Session Regarding: City Manager Evaluation](#)

VIII. NEW BUSINESS

1. [Discussion Item: Alaska Gasline Project](#)

IX. RESOLUTIONS

1. [#16-42 - Amending the 2016 Budget in the Capital Improvement Project Fund by Reducing the Amount of Grant and Loan Funds Received and Authorized for Expenditure from the Municipal Matching Grant Program and the Alaska Clean Water Fund for the Sewer Treatment Plant Outfall Project](#)

Attachments: [STP Outfall Grant and Loan Close-Out Resolution.docx](#)

2. [#16-43 - Amending the 2016 Budget by Accepting Book Basket Auction Proceeds in the Amount of \\$5,561 to the Valdez Consortium Library and Authorizing its Expenditure.](#)

Attachments: [16-43 Amend Budget Book Basket Auction.doc](#)

3. [#16-44 - Revising the Permanent Fund Investment Policy Statement to Eliminate the Treasury Inflation Protected Securities Asset Class, and to Adjust Remaining Fund Allocations Accordingly.](#)

Attachments: [Resolution - Permanent Fund Investment Policy Statement.docx](#)
[Permanent Fund IPS Revised December, 2016.pdf](#)

4. [#16-45 - Adopting the 2017 City of Valdez Budget and Appropriating Monies for that Budget](#)

Attachments: [Resolution - Adoption of 2017 Budget.docx](#)
[2017 Budget Memo.pdf](#)
[2017 Budget Summary of All Funds.pdf](#)

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

1. City Manager Report
2. City Clerk Report
3. City Attorney Report
4. City Mayor Report

1. [Mayor Report - December 6, 2016](#)

Attachments: [Mayor's Report – Dec 6,2016](#)

XI. COUNCIL BUSINESS FROM THE FLOOR

XII. EXECUTIVE SESSION

XIII. RETURN FROM EXECUTIVE SESSION

XIV. ADJOURNMENT

XV. APPENDIX

1. [Council Calendars - December 2016 & January 2017](#)

- Attachments:** [City Council Calendar - December 2016](#)
 [City Council Calendar - January 2017](#)



Agenda Statement

File #: 16-0269 **Version:** 1
Type: Work Session Item **Status:** Agenda Ready
File created: 11/28/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: 2017 Legislative Priorities Work Session
Sponsors:
Indexes:
Code sections:
Attachments: [2017Legislative Priorities Valdez Alaska.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:
2017 Legislative Priorities Work Session
SUBMITTED BY: Todd Wegner

FISCAL NOTES:
Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:
None. Work Session Only.

SUMMARY STATEMENT:
Please see the attached 2017 draft legislative priorities for Council consideration.



City of Valdez, Alaska 2017 State Legislative Priorities

KEY:

- ❖ = AML Adopted Resolutions
- ✓ = City of Valdez Priorities

State Legislation/Regulation/Programmatic Priorities:

- ❖ Legislative Adoption of Sustainable Budget Plan: The Alaska Municipal League supports a Legislative adoption of a sustainable budget plan that does not rely primarily on cuts, but on new sources of revenues. We feel that the leaders of our State must immediately adopt changes that stop the bleeding that we are currently experiencing. Despite the cuts experienced this last year by local governments, municipalities must continue to provide basic and essential services. The Alaska Municipal League stands behind their updated FY 2017 Sustainability Plan and encourages the Legislature to quickly take action. As more responsibilities are passed down to the “political subdivisions” of the state, municipalities must be given the tools to provide for themselves.
- ❖ Revenue Sharing (Community Assistance): The Alaska Municipal League realizes that the State is in a fiscal crisis. We have attempted to work with the Legislature through the decrease of Revenue Sharing by half. We cannot agree to the ending of Revenue Sharing. However, as our Revenue Sharing goes down and as the State continues to cost shift to municipalities, many local governments will find themselves in the position of closing their doors. The current \$30 million is a small part of the yearly state budget. With the recent loss of Timber Receipts and the potential loss of PILT, a sustainable and predictable allocation is necessary for municipal budget purposes. This money allows for the provision of basic local services and as a means to keep taxes down.
- ❖ PERS/TRS: The Alaska Municipal League recently fought back a proposal by the Alaska State Legislature that would have seen municipalities acquire a larger percentage of the PERS/TRS unfunded liability. The PERS/TRS system is the legal and moral responsibility of the State, as it is THEIR program. Municipalities simply pay an amount set by the State in order to be participants in the plan. We do not provide retirement benefits; we do not have a say in any of the fiduciary decisions.

AML and its member municipalities will hold fast to the previously agreed upon 22% of salary towards the pay down of the unfunded liability.

- ✓ Statewide Energy Policy: As progress continues on a large diameter LNG pipeline, the State must also concurrently develop a comprehensive strategy to maximize the distribution of that energy outside the pipeline corridor, and to dedicate appropriate revenues from the sale of that gas to support other energy projects serving all areas of Alaska.
- ✓ Alaska Marine Highway System: The City of Valdez supports the findings of the AMHS Governance Study Phase 1 Report overseen by Southeast Conference. The recommended governance model includes 1) creation of a public corporation to manage AMHS; 2) maintain State ownership of AMHS assets; and 3) interim enhancement as Line Agency of State Government. Given these findings, the Phase 1 Report recommends the following for a Phase 2 Strategic Operational & Business Plan Development: a) a thorough financial review of operations; b) an assessment of funding sources and cost saving measures; and c) an optimization of potential fleet standardization, ferry schedules and management processes. The City of Valdez is committed to finding a statewide solution for AMHS and has contributed \$10,000 to this effort.
- ✓ Alaska Tourism Marketing: The City of Valdez encourages a strong investment by the State of Alaska in a Statewide Tourism Marketing Program. Tourism marketing funding is down from \$18 million four years ago to just \$1.5 million in FY17. Valdez supports the efforts that the Alaska Travel Industry and the Alaska Tourism Marketing Board are taking to create a new sustainable marketing funding formula in the form of a Tourism Investment District.
- ❖ State Harbor Grants: The state has established a Harbor Facility Grant program (AS 29.60.800) to provide 50% of construction costs for local harbor maintenance and upgrade projects. Local governments must fund all design costs and half the construction cost. In an environment of shrinking capital dollars, this program should be fully funded by the state as it evaluates projects against standard criteria for prioritization and significantly leverages available state funding. The City's application this year is requesting \$5 million to the City's match of \$6.850 million. If funding the grant program is not possible, the City encourages the State to bond for port and harbor projects as a means to further strengthen these economic engines around Alaska.
- ✓ Community Jails: Maintain funding at the 2017 level. Continue working with the Department of Corrections to implement electronic monitoring for both post-conviction and pre-trial releases. Strive towards a local model of supervision and identify additional areas in which the community jail can better be utilized to maximize efficiency, diversify services provided, and partner with the State of Alaska to produce the most cost effective solution.

- ❖ Real Property Sales Disclosure: The Alaska Association of Assessing Officers (AAAO) overall goal is to promote the fair and equitable distribution of the property tax burden which funds local governments.
- ❖ Provisions for Enhanced Local Control in the Issuance of Alcohol Beverage Licenses and Permits within First Class and Home Rule Municipalities: Amendments to Title 4 of the Alaska State Statutes which would provide for maximum local self-government to include establishing a mechanism for first class and home rule municipalities to participate in determining the appropriate number and types of alcoholic beverage licenses and permits in their communities.
- ❖ Adopt the Following Fine Print Note to the 2017 National Electrical Code Article 555.3: “FPN: The 30mA requirement can be applied to all feeder circuits or all branch circuits in lieu of the main overcurrent protection device.”
- ❖ Support of Proposed Changes to Alaska Statutes Chapter 30.30 and 05.25 Improving the Management and Prevention of Derelict Vessels: The proposed changes will improve communication and coordination between Alaska’s harbors and state and federal agencies, directly leading to decreased costs associated with managing derelict vessels.
 - ✓ Maintaining Local Alaska Wildlife Trooper Position: Maintaining the Valdez post for an Alaska Wildlife Trooper (AWT) is vitally important to the regional fishing community of Valdez and Prince William Sound. Valdez is home to 41 permit holders and homeport to 91 vessels participating in various commercial fisheries. The local AWT provides:
 - Regulation enforcement and protection of wild and hatchery fishery resources in Valdez and Prince William Sound. Port Valdez and Valdez Arm are home to one of the largest purse seine salmon fisheries in Alaska. Up to 200 commercial vessels fish each summer in close proximity to the Solomon Gulch Hatchery, the Alyeska Marine Terminal and regulatory closed waters. The on-water presence of the Valdez AWT is essential to ensure an orderly fishery and maintain established boundaries for resource protection and marine traffic.
 - Regional enforcement of hunting regulations in Prince William Sound and the Copper Basin
 - Local Valdez fishery registration, administrative and education needs.

As it the position relates to interagency work with the Valdez Police Department (VPD) having the AWT stationed in Valdez is not a luxury – it is a necessity. The local AWT is responsible for enforcement of area fishing and hunting regulations. Without this on-water presence there would be no enforcement as the VPD lacks both the vessel and personnel to staff it.

The local AWT acts as a liaison and resource for the VPD to contact larger State resources when necessary. Without this position the closest law enforcement officer, other than VPD, is a State Trooper (AST) stationed in Glennallen – 120

miles away. Often this distance is further as AST jurisdiction out of Glennallen reaches as far away as Paxson, Palmer and Tok.

VPD Dispatch is contracted to dispatch calls to the local AWT. This means he is able to hear radio traffic and activity of the VPD. Correspondingly, VPD is tied into the AWT radio traffic as well. This provides a measure of local knowledge and security when he must individually contact people. The AWT is also routinely used as a force multiplier during more significant events. He is locally trained to help respond to Active Shooter and Domestic Violence situations.

- ✓ Alaska Department of Fish & Game Budget: The Legislature must recognize the need for a balanced approach to budget reductions that create minimal impacts on the core functions of fisheries resource management. Valdez and Prince William Sound fishermen rely on these functions to provide for maximum fishing opportunity and sustainable resource management. Key elements include:
 - Maintaining adequate staffing levels in Prince William Sound to provide for effective and dedicated fisheries management;
 - Full funding for in-season data collection through aerial surveys, stream assessments and other methods. This establishes accurate in-season reporting to provide the tools necessary to maximize fishing time and area for Valdez and PWS fishermen;
 - Ensure budget reductions do not reduce or eliminate economic opportunity for industry and resource users; and
 - Continued support for ongoing research projects.

- ✓ Alaska Seafood Marketing Institute: The functions and programs of the Alaska Seafood Marketing Institute (ASMI) are vital to the promotion of Alaska's seafood resources and the development of new markets for local seafood producers. Any future budget reductions must fully consider the impacts to ASMI's ability to effectively promote the benefits and sustainability of Alaska's seafood products.

- ✓ Changes to Public Notification: Many areas of State law require printed format for public notification. Efficiencies can be gained by both the State and municipalities if governments throughout Alaska can move to online postings for items ranging from foreclosure listings to meeting notices.

- ✓ Expand Incentives for Community Development: State laws regarding taxation need to be revised to allow local jurisdictions the ability to develop their own tax-based incentive tools for community development and redevelopment. Across the country, states and local jurisdictions utilize tax-based incentives to achieve the goals of community and neighborhood plans. One example is the Multi-Unit Housing Tax Incentive laws in Washington state that give local jurisdictions the ability to encourage multiple-unit housing development and

redevelopment in targeted areas, and at no cost to state government. As implemented in Tacoma, WA, this incentive program stimulates housing development in their downtown and other targeted neighborhoods by providing property tax exemptions on qualifying multi-family housing construction, conversion, or rehabilitation improvements. The City of Valdez joins with the Municipality of Anchorage respectfully requesting state legislation that authorizes tax-based incentives for local jurisdictions similar to the example set in Washington and that of HB 374, which received a broad coalition of support from both public and private stakeholders and was introduced and passed by the Alaska House of Representatives during the 2016 State Legislative Session.

Other Ongoing Important Issues:

South Central Alaska Port Maximization – The Port of Anchorage is a critical port; however the staggering capital and maintenance costs of this port are excessive and non-sustainable. It also puts all our eggs in one basket in the event of a disaster and fails to spread jobs and economic impact to other areas of the state. The infrastructure exists in other South Central Alaska ports (like Seward and Valdez - especially for Interior Alaska) to diversify this traffic. A more strategic allocation of resources is needed to develop and sustain port networks. The State is encouraged to evaluate cost benefit ratios for investing in other South Central ports before allocating such huge sums of money to only Cook Inlet.

East Alaska (Richardson Highway) Transportation Corridor – The State is encouraged to recognize the strategic importance of improving and maintaining the infrastructure of the East Alaska Transportation Corridor (Richardson Highway). In the event of any emergency that resulted in the incapacity of the Parks Highway Corridor, alternate means for connecting the state must remain available. Developing and maintaining this capacity will require a long-term commitment to allocate resources appropriately. To this end, the City of Valdez supports the AML position calling for the dedication of funds for the Alaska Transportation Infrastructure Fund and within such a fund, an increased importance placed on the strategic investment of resources to include necessary maintenance and upgrades to the Richardson Highway.

Education Priorities:

The City of Valdez fully supports the following priorities outlined by Valdez City Schools.

- TRS/PERS;
- Extend Reserves beyond 10%;
- Intensive Services Funding portability;
- Predictable funding (keeping the School District whole); and
- Early Childhood Funding



Agenda Statement

File #: 16-0270 **Version:** 1
Type: Minutes **Status:** Agenda Ready
File created: 11/30/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: Special Meeting Minutes of November 29, 2016
Sponsors:
Indexes:
Code sections:
Attachments: [112916 Special Meeting Minutes Draft](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Special Meeting Minutes of November 29, 2016

SUBMITTED BY: Allie Ferko, CMC, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

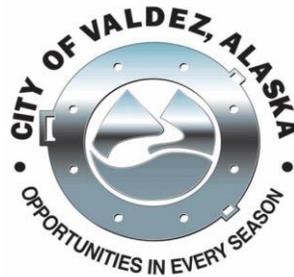
Receive and file.

SUMMARY STATEMENT:

Draft City Council special meeting minutes of November 29, 2016 are attached for Council review.

City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, November 29, 2016

6:00 PM

Special Meeting - City Manager Evaluation

Council Chambers

City Council

SPECIAL MEETING AGENDA - 6:00 PM**I. CALL TO ORDER**

Mayor Knight called the meeting to order at 6:00 p.m. in Valdez City Council Chambers.

II. ROLL CALL

Present: 6 - Mayor Ruth E. Knight
Council Member Nate Smith
Council Member Christopher Moulton
Council Member Lon Needles
Council Member Ryan Rydor McCune
Council Member Dennis Fleming

Absent: 1 - Council Member H. Lea Cockerham (Arrived 6:30 p.m.)

Also Present: 3 - City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
Mr. Bob Slavin, Slavin Management Consultants

Mr. Bob Slavin attended the meeting by teleconference. Mr. Slavin represents Slavin Management Consultants, the firm hired by the City to conduct the latest City Manager recruitment process. Part of Slavin's recruitment contract includes assisting the City Council with the City Manager's evaluation process during the first year of employment.

III. NEW BUSINESS**1. Approval to Go Into Executive Session Regarding City Manager Evaluation**

Attachments: [City Manager Evaluation Form Approved by City Council March 2015](#)
[Dennis Ragsdale Employment Agreement](#)

MOTION: Council Member Smith moved, seconded by Council Member McCune, to approve going into Executive Session regarding the City Manager's evaluation. The motion carried by the following vote after the following discussion occurred.

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member McCune and Council Member Fleming

Absent: 1 - Council Member Cockerham

Mayor Knight excused Ms. Pierce and Ms. Ferko prior to entering Executive Session.

IV. EXECUTIVE SESSION

City Council transitioned into Executive Session at 6:05 p.m.

V. RETURN FROM EXECUTIVE SESSION

City Council returned from Executive Session at 8:39 p.m.

VI. ADJOURNMENT

There being no further business, Mayor Knight adjourned the meeting at 8:40 p.m.

DRAFT



Agenda Statement

File #: 16-0276 **Version:** 1
Type: Public Appearances **Status:** Agenda Ready
File created: 12/2/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: Heidi Strickland - Meritain Wellness Strategist for the City of Valdez
Sponsors:
Indexes:
Code sections:
Attachments: [City of Valdez Council 2016 Yearly Overview](#)
[Healthy Merits Flyer Incentives at a Glance](#) [City of Valdez 2017](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Heidi Strickland - Meritain Wellness Strategist for the City of Valdez

SUBMITTED BY: Todd Wegner, Assistant City Manager

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

Healthy Merits is the City of Valdez employee wellness program managed by the City's health insurance company, Meritain. The 2016 program concluded in November. Ms. Heidi Strickland, a Meritain employee and the City's Wellness Strategist, will provide a brief overview of the program's success in 2016 and plans for the program moving into 2017.



Great Results start with a Great Plan!

City of Valdez

January-October 2016

Program Overview

- ◆ Biometric Screenings January 2016
- ◆ Health Assessment Completion February 2016
- ◆ Monthly Brown Bag Lunch n Learns
- ◆ Promotion of Healthier You Campaign
- ◆ Wellness Challenges:
 - ◆ 6 x 30, Eat the Rainbow, Wellness Bingo
- ◆ Point Program: Engaging in wellness activities throughout the year
 - ◆ 96 employees actively participated in 1 or more wellness activity
 - ◆ 37 employees achieved 100 points and were entered into the \$500 raffle
 - ◆ Top point achiever earned 375 points

What's to come in 2017

- ◆ Reward Center
 - ◆ Ability to track physical activity online via wearable device or manual tracker
 - ◆ Employees can see point total status, and options on how to earn points
- ◆ Spouse participation in biometric screenings
- ◆ Ability to receive points for achieving health outcomes
- ◆ Encouraging employees to participate in Valdez sponsored activities





Great Results start with a Great Plan!

Engagement and Participation Rates

Program	Eligible Participation	Actual Participation	Program Engagement %
Biometric Screenings	120	72	60 %
Health Assessment	120	68	57 %
Healthier You	120	35	29 %
Digital Coaching Modules	120	7	6 %
6 x 30 Challenge	120	6	5 %
Eat the Rainbow Challenge	120	22	18 %
Wellness Bingo Challenge	120	5	4 %
Brown Bag Lunches	120	60 Unique Employees	50 %
Annual Well Visits	80	28	35 %
Physical Activity >36x a quarter	120	44	37 %
Teladoc	80	47	59 %
Achieved 100 Points throughout the year	120	37	31 %
Actively Participating in wellness activities to receive wellness points	120	96	80 %

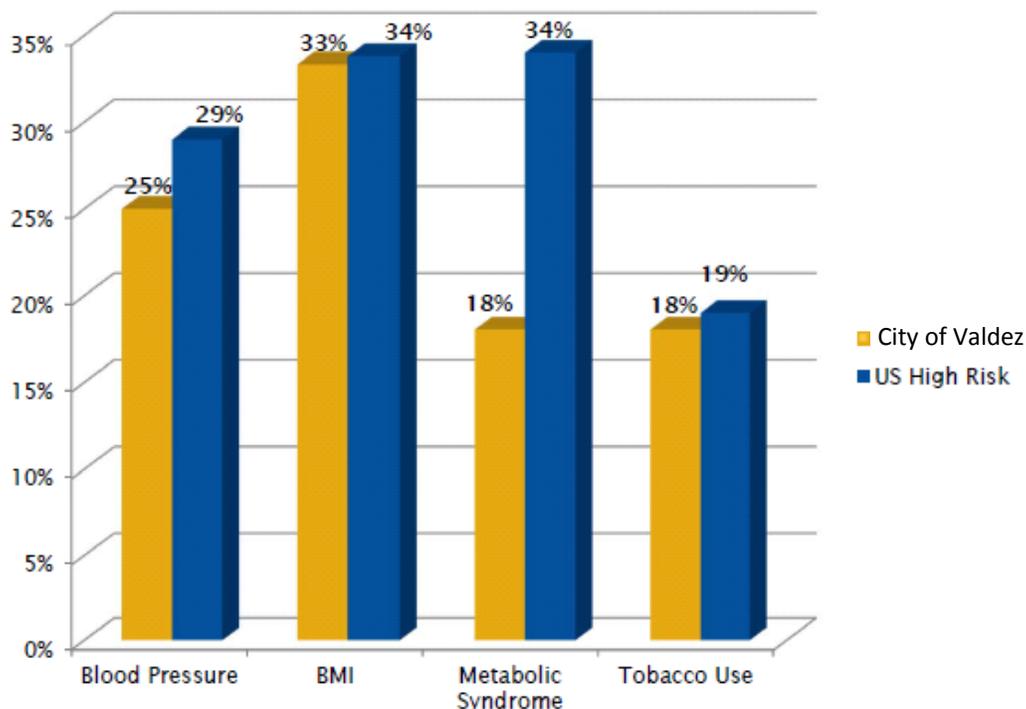




Great Results start with a Great Plan!

Biometric Screening Data

U.S. Benchmark



Biometric Screening Participation:	Average BMI:	Tobacco Use:	Newly Discovered Conditions:	Referred to a physician:	Company IH Score:
72 Employees	28 Women 32 Men	18.1%	37	58%	-2





Your 2017 Healthy MeritsSM Wellness Program

City of Valdez



Great results usually start with a great plan!

The Healthy Merits Wellness Program provides the services and tools you and your family can use for good health! Health concerns such as being overweight, not getting enough physical activity and using tobacco can all lead to poor health, not to mention chronic illness down the road. That's why it's important to take action now and Healthy Merits can help!

You can be healthier—and earn great incentives—in just two easy steps

Step 1

✦ Complete both of the following:

1. Online health assessment (*employee only*)
2. Biometric screening (*spouses are eligible to participate, but not required*)

If you complete both requirements by February 28, 2017, you'll be eligible for a chance to win a day of PTO (five winners will be chosen).

Step 2

If you earn at least 100 points by October 31, 2017, you'll be eligible for an end of the year incentive raffle.

Reward structure

- ✦ All activities must be completed and submitted to Healthy Merits by October 31, 2017.
- ✦ Prizes will be determined based on a tiered structure (see below).

Level	Points needed	Incentive	Number of winners
Level 1	100+	\$15 gift card	15
Level 2	150+	\$20 gift card	10
Level 3	200+	\$30 gift card	5
Level 4	250+	\$50 gift card	3
Overall top point achiever		\$500 gift card	1

Qualifying Activities	Description	Wellness Points You Can Earn	Maximum Wellness Points You Can Earn
Biometric screening	Participate in biometric screening	50	50
Achieve IH score	Achieve your Interactive Health score during your biometric screening. <i>Please note: if you did not participate in the 2016 screening, you will not be eligible to achieve the IH score in 2017</i>	10	10
Health assessment	Complete online health assessment at healthymerits.com	20	20
Exercise >16x a month	Complete a 30-minute physical workout or walk 128,000 steps per month—approximately equal to a 4-mile walk	10	100
Complete a preventive exam	See your doctor for a yearly physical, mammogram, colonoscopy, pap smear, or other preventive screening	10	30
Healthier You	Participate in and complete the Healthier You Campaign	20	20
Tobacco cessation	Participate in and complete a tobacco cessation program	20	20
Digital coaching program (4)	Complete a Digital Coaching Module. 100 Heartbeats must be completed	10	40
Wellness challenge (3)	Participate in and complete a wellness challenge	20	60
HealthFocus course (4)	Complete an 8-week telephonic coaching program (must have completed biometric screening for this option)	20	80
Wellness event	Complete a wellness event such as running a 5k, 10k or triathlon	10	10
Brown bag lunches (9)	Attend an on-site presentation about a health and wellness topic	10	90
Valdez program offerings	Participate in Valdez-sponsored programs such as ski4free and the Summer Run Series	10	40
Try a new physical activity	Try a new physical activity such as snowshoeing, skiing, ice climbing, etc. and share a brief experience about it	10	30
		Total points possible	600

All point activities must be submitted by October 31, 2017, to be eligible for the prize drawings. Still have questions? Simply call Healthy Merits at 1.877.348.4533 or email healthymerits@meritain.com.



Agenda Statement

File #: 16-0271 **Version:** 1

Type: Consent Item **Status:** Consent Agenda

File created: 11/27/2016 **In control:** City Council

On agenda: 12/6/2016 **Final action:**

Title: Council Approval of Write-Offs of Various City Fees to Be Forwarded to Collections Agency

Sponsors: City Council

Indexes:

Code sections:

Attachments: [Write Offs 2016-2.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:
Council Approval of Write-Offs of Various City Fees to Be Forwarded to Collections Agency

SUBMITTED BY: Brian Carlson, Finance Director

FISCAL NOTES:

Expenditure Required: [Click here to enter text.](#)
 Unencumbered Balance: [Click here to enter text.](#)
 Funding Source: [Click here to enter text.](#)

RECOMMENDATION:

Authorize write-off of identified delinquent fees exceeding \$500, and forwarding of same to collections agency, pursuant to City Code, 2.20.010 and 2.20.020.

SUMMARY STATEMENT:

The attached lists show various delinquencies for payment of fees. These lists exclude property taxes, which will be separately presented to Council at a future meeting. The Finance Director is authorized by City Code to write off delinquent accounts less than \$500. Council authorization is required for write-offs exceeding \$500.

City Code Excerpts:

2.20.010 The City Finance Director shall:

1. Diligently collect all money due the city and shall maintain records as necessary to pursue the collection of delinquent accounts and shall act under such laws or ordinances as now or hereafter exist delegating collection authority to the city’s fiscal agent. The city finance director shall pursue the

object of this subsection with impartiality and dispatch.

2.20.020 The Finance Director shall:

1. Have authority to write off, compromise, or correct, from time to time, such unpaid and outstanding accounts receivable, taxes, and delinquent checks, as may be in dispute, uncollectible, or uneconomical to pursue. When a single write-off, compromise, or correction involves an amount in excess of five hundred dollars, it shall require the approval of the city council. A single write-off larger than five hundred dollars shall not be arbitrarily divided to avoid council approval thereof. A listing of all accounts written off will be provided to the council along with the regular financial reports provided by administration.

Delinquent Accounts Less-Than \$500

Council Information Only

<u>ACCOUNT</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>YEAR</u>	<u>AMOUNT</u>
1236.03	George Lynch	Water/Sewer	2016	\$64.76
2064.09	Hjames Moore	Water/Sewer	2016	106.82
1367	Marty Brown	Baler	2016	288.55
1346	Shelly Stubblefield	Civic Center	2016	496.20
1081	Mike Dials	Baler	2016	22.00
663	Rogers Snow Removal	Baler	2016	31.89
			Sub-Total	1,010.22

Delinquent Accounts Greater-Than \$500**REQUIRES COUNCIL APPROVAL:**

<u>ACCOUNT</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>YEAR</u>	<u>AMOUNT</u>
13724	Ian Gyori	Small Boat Harbor	2016	2,643.65
13917	Kyle Pratt	Small Boat Harbor	2016	3,131.94
			Sub-Total	5,775.59
			TOTAL	\$ <u>6,785.81</u>



Agenda Statement

File #: 16-0272 **Version:** 1
Type: Consent Item **Status:** Consent Agenda
File created: 12/1/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: Approval to Go Into Executive Session Regarding: City Manager Evaluation
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Approval to Go Into Executive Session Regarding: City Manager Evaluation

SUBMITTED BY: Sheri Pierce, City Clerk

FISCAL NOTES:

Expenditure Required: NA
Unencumbered Balance: NA
Funding Source: NA

RECOMMENDATION:

Approve executive session.

SUMMARY STATEMENT:

Alaska Statutes Open Meeting Act allows for executive session for the purpose of conducting the city manager evaluation.



Agenda Statement

File #: 16-0273 **Version:** 1
Type: New Business **Status:** Agenda Ready
File created: 12/1/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: Discussion Item: Alaska Gasline Project
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Discussion Item: Alaska Gasline Project

SUBMITTED BY: Sheri Pierce, MMC, City Clerk

FISCAL NOTES:

Expenditure Required: NA
Unencumbered Balance: NA
Funding Source: NA

RECOMMENDATION:

No recommendation.

SUMMARY STATEMENT:

The City Attorney will provide a presentation and lead a discussion regarding the Alaska Gasline project route.



Agenda Statement

File #: RES 16-0042 **Version:** 1
Type: Resolution **Status:** Agenda Ready
File created: 10/6/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: #16-42 - Amending the 2016 Budget in the Capital Improvement Project Fund by Reducing the Amount of Grant and Loan Funds Received and Authorized for Expenditure from the Municipal Matching Grant Program and the Alaska Clean Water Fund for the Sewer Treatment Plant Outfall Project

Sponsors:

Indexes:

Code sections:

Attachments: [STP Outfall Grant and Loan Close-Out Resolution.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

#16-42 - Amending the 2016 Budget in the Capital Improvement Project Fund by Reducing the Amount of Grant and Loan Funds Received and Authorized for Expenditure from the Municipal Matching Grant Program and the Alaska Clean Water Fund for the Sewer Treatment Plant Outfall Project

SUBMITTED BY: Lisa Von Bargaen, CEDD Director

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

Approve Resolution #16-42 Amending the 2016 Budget in the Capital Improvement Project Fund by Reducing the Amount of Grant and Loan Funds Received and Authorized for Expenditure from the Municipal Matching Grant Program and the Alaska Clean Water Fund for the Sewer Treatment Plant Outfall Project.

SUMMARY STATEMENT:

In 2013 the City of Valdez was awarded a Municipal Matching Grant (MMG) and an Alaska Clean Water Fund (ACWF) Loan, both for the Sewer Treatment Plant Outfall project. The original project was estimated to cost \$2,935,432. The City first applied for the loan and was

awarded \$1,230,675 in loan funds toward the project. The City then applied and was awarded \$2,054,802 in grant funds. This represents 70% of the project budget - the maximum allowed under the grant program. The timing of the loan application was prior to the grant. Not knowing if the City would be awarded grant funds the total amount of loan and grant funds exceeded the original project construction estimate.

Harris Sand & Gravel was awarded the bid for construction, and was ultimately paid \$1,924,112.31. This amount is almost one million less than the original project estimate. In addition to the outfall construction new telemetry controls had to be purchased for the Sewer Treatment Plant. A portion of that purchase and installation related to the outfall project and so a percentage was authorized as eligible for grant/loan funding. In all \$598,340.43 in loan funds and \$1,510,869.95 in grant funds was expended totaling \$2,109,210.38.

This leaves \$543,932.95 in grant and \$632,334.57 in loan authorizations unexpended and therefore also not available for reimbursement. These funds were restricted for use on this project so unused funds may not be used toward another project. The grant and loan have both been officially closed out with the state. This resolution is a housekeeping function to reduce the authorized expenditure and the anticipated revenue associated with the grant and loan. The attached resolution addresses this and zeros out the balances in the CIP expenditure and revenue accounts associated with the grant and loan.

CITY OF VALDEZ, ALASKA

RESOLUTION #16-42

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA AMENDING THE 2016 BUDGET IN THE CAPITAL IMPROVEMENT FUND BY REDUCING THE AMOUNT OF GRANT AND LOAN FUNDS RECEIVED AND AUTHORIZED FOR EXPENDITURE FROM THE MUNICIPAL MATCHING GRANT PROGRAM AND THE ALASKA CLEAN WATER FUND FOR THE SEWER TREATMENT PLANT OUTFALL PROJECT

WHEREAS, in 2013 the City of Valdez received a grant award from the State of Alaska Department of Environmental Conservation Municipal Matching Grant Program in the amount of \$2,054,802 for the Wastewater Treatment Plant Outfall Project; and

WHEREAS, in 2013 the City of Valdez was awarded \$1,230,675 in loan funds from the Alaska Clean Water Fund for the Wastewater Treatment Plant Outfall Project; and

WHEREAS, project expenditures were well below the original estimate submitted on the applications for the grant and loan funds; and

WHEREAS, authorized, but unused (reimbursable) grant funds remain in the amount of \$543,932.95; and

WHEREAS, authorized, but unused (reimbursable) loan funds remain in the amount of \$632,334.57; and

WHEREAS, the grant and loan funds were only useable toward the Wastewater Treatment Plant Outfall Project; and

WHEREAS, the Wastewater Treatment Plant Outfall Project was completed in early 2016 and the last reimbursements of grant and loan funds were received mid-year 2016; and

WHEREAS, the grant and loan have both been closed out with the State of Alaska; and

WHEREAS, to clear these unused authorizations from the finance system it is necessary to pass a resolution reducing the authorized expenditures and revenues.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA that the City of Valdez amends the 2016 budget in the Capital Improvement Budget as follows:

SECTION 1: The authorized revenue of CIP Account 310-2517-33467 (WWTP Outfall ADEC Grant – Revenue) is reduced in the amount of \$534,932.95 leaving an account balance of \$0.00.

SECTION 2: The authorized expenditure of CIP Account 310-2517-49567 (WWTP Outfall ADEC Grant – Expenditure) is reduced in the amount of \$543,932.95 leaving an account balance of \$0.00.

SECTION 3: The authorized revenue of CIP Account 310-2517-39367 (WWTP ACWF Loan – Revenue) is reduced in the amount of \$632,334.57 leaving an account balance of \$0.00.

SECTION 4: The authorized expenditure of CIP Account 310-2517-49500 (WWTP ACWF Loan – Expenditure) is reduced in the amount of \$632,334.57 leaving an account balance of \$0.00.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA this 6th Day of December, 2016.

CITY OF VALDEZ, ALASKA

Ruth E. Knight, Mayor

ATTEST:

Sheri L. Pierce, MMC, Municipal Clerk



Agenda Statement

File #: RES 16-0043 **Version:** 1
Type: Resolution **Status:** Agenda Ready
File created: 11/23/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: #16-43 - Amending the 2016 Budget by Accepting Book Basket Auction Proceeds in the Amount of \$5,561 to the Valdez Consortium Library and Authorizing its Expenditure.
Sponsors:
Indexes:
Code sections:
Attachments: [16-43 Amend Budget Book Basket Auction.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

#16-43 - Amending the 2016 Budget by Accepting Book Basket Auction Proceeds in the Amount of \$5,561 to the Valdez Consortium Library and Authorizing its Expenditure.

SUBMITTED BY: Mollie Good, Head Librarian

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

Approve Resolution No. 16-43 amending the 2016 budget by accepting Book Basket Auction proceeds in the amount of \$5,561 to the Valdez Consortium Library and authorizing its expenditure.

SUMMARY STATEMENT:

The 17th Annual Book Basket Auction was held on November 5, 2016 at the Valdez Consortium Library. The Valdez Consortium Library Board sponsored event raised \$11,561. This was \$5,561 more than the estimated amount of \$6,000 in the 2016 Budget.

Requesting the 2016 Budget be amended to accept the additional \$5,561 in revenue (001-0000-34766) and increase the appropriation in Operating Supplies (001-6100-46120) by the same amount. The proceeds will be used for the purchase of new library materials.

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 16-43

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AMENDING THE 2016 CITY BUDGET IN THE GENERAL FUND BY ACCEPTING \$5,561 OF ADDITIONAL REVENUE FROM THE VALDEZ CONSORTIUM LIBRARY BOOK BASKET AUCTION AND AUTHORIZING ITS EXPENDITURE FOR LIBRARY OPERATING SUPPLIES

WHEREAS, the Valdez Consortium Library Board and staff recently sponsored the seventeenth annual Book Basket Auction; and

WHEREAS, this year the Book Basket Auction raised \$5,561; and

WHEREAS, only \$6,000 was budgeted as revenue in the 2016 Budget; and

WHEREAS, the donated funds are to be used to enhance the collection of the Valdez Consortium Library;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that

Section 1: The City of Valdez amends the 2016 Budget in the General Fund (001-0000-34776) by accepting additional Book Basket Auction proceeds in the amount of \$5,561.

Section 2: The City of Valdez amends the 2016 Budget in the General Fund by increasing the appropriation for Operating Supplies (001-6100-46120) in the Library Department in the amount of \$5,561 for the purchase of library materials.

Section 3: This resolution takes effect immediately upon passage and approval.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 6th day of December, 2016.

CITY OF VALDEZ, ALASKA

Ruth E. Knight, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk



Agenda Statement

File #: RES 16-0044 **Version:** 1
Type: Resolution **Status:** Agenda Ready
File created: 11/28/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: #16-44 - Revising the Permanent Fund Investment Policy Statement to Eliminate the Treasury Inflation Protected Securities Asset Class, and to Adjust Remaining Fund Allocations Accordingly.
Sponsors: City Council
Indexes:
Code sections:
Attachments: [Resolution - Permanent Fund Investment Policy Statement.pdf](#)
[Permanent Fund IPS Revised December, 2016.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

#16-44 - Revising the Permanent Fund Investment Policy Statement to Eliminate the Treasury Inflation Protected Securities Asset Class, and to Adjust Remaining Fund Allocations Accordingly.

SUBMITTED BY: Brian Carlson, Finance Director

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

Approve the Resolution pursuant to Permanent Fund Investment Committee recommendation.

SUMMARY STATEMENT:

During its June quarterly meeting, the Permanent Fund Investment Committee agreed to eliminate Treasury Inflation Protected Securities (TIPS) from among the Permanent Fund approved asset categories.

As the name suggests, TIPS are an inflation hedge; their price increases with inflation, and they therefore offer protection to a portfolio that holds assets that will drop in price with increased inflation.

Though the Permanent Fund has inflation-sensitive assets, the Committee reasons that the individual fund managers already employ inflation hedges within their respective portfolios, and therefore a

separate TIPS allocation within the Permanent Fund is redundant.

The attached Investment Policy Statement is a red-lined version that eliminates TIPS, and adjusts the overall allocation targets and limits among the remaining asset classes.

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 16-44

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, REVISING THE PERMANENT FUND INVESTMENT POLICY STATEMENT TO ELIMINATE THE TREASURY INFLATION PROTECTED SECURITIES ASSET CLASS, AND TO ADJUST REMAINING FUND ALLOCATIONS ACCORDINGLY

WHEREAS, Resolution 96-17 establishes an ongoing annual review by the Valdez City Council of Permanent Fund investment policies and guidelines; and

WHEREAS, in order to revise the Permanent Fund Investment Policy Statement it is necessary to rescind the most recent such Resolution, number 15-30; and

WHEREAS, the Permanent Fund Investment Committee seeks Council authorization to revise the target asset allocations within the Permanent Fund Investment Policy Statement so as to best meet the long-term investment objectives for the Permanent Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA that Resolution 15-30 is rescinded, and the Permanent Fund Investment Policy Statement, appended as Attachment A, is adopted.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 6th day of December, 2016.

CITY OF VALDEZ, ALASKA

Ruth E. Knight, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk

ATTACHMENT A

INVESTMENT POLICY STATEMENT

For

**City of Valdez
Permanent Fund**

| Approved ~~TBD, 2016~~ July 6, 2015

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EXECUTIVE SUMMARY

Assets:	\$1782 million (as of 6+2/30+164)
Planning Time Horizon:	Long Term (Greater than 10 years)
Risk Tolerance:	Moderate, due to objective to moderately grow purchasing power of the Fund and generate earnings for annual distribution
Income Needs:	Distribute 1.5% of the Fund's value each year to the General Fund

Asset Allocation:

	Lower Limit	Strategic Allocation	Upper Limit
Domestic Equity	25 4%	29%	33 4%
International Equity	18%	21%	24%
Fixed Income	34 0%	40 35%	46 0%
Treasury Inflation Protected Securities (TIPS)	3 %	5 %	7 %
Real Estate	7%	10%	13%
Cash Equivalents	0%	0%	10%

- *The Strategic Allocation denotes acceptable ranges for asset classes except those asset classes where restrictions are placed on contributions and/or redemptions to a specific dollar amount as a specific time.*

Performance Evaluation Benchmark: The Fund is expected to produce a total return exceeding that of an index based upon the strategic asset allocation of the Fund and various broad asset classes. Specifically, the policy index will be a weighted index comprised of:

<u>Allocation</u>	<u>Benchmark</u>
29%	Russell 3000
21%	MSCI ACWI ex-US IMI
40 35%	BC Aggregate
5 %	BC-US-TIPS
10%	NCREIF ODCE

Total Return Objective: The long-term (greater than 10 years) total return objective of the Fund's investable assets net of investment management fees and prior to distributions is a ~~4.5~~% real return (CPI + ~~4.5~~%).

PURPOSE OF THE INVESTMENT POLICY STATEMENT

The purpose of this Investment Policy Statement (IPS) is to assist the City Administration in effectively investing the assets of the City of Valdez Permanent Fund (the “Fund”) and in monitoring investment results and by communicating the investment objectives to the investment consultant, and external investment managers. The IPS is required by the Valdez Municipal Code Chapter 3.04.051 Section B.1. The Fund’s investment program is defined in the various sections of the IPS by:

- Stating in a written document the objectives and guidelines for the investment of Fund assets, including explicit consideration of liquidity needs and risk tolerance.
- Setting forth an investment structure for managing Fund assets. This structure includes various asset classes, asset allocation and acceptable ranges that, in total, are expected to produce an intended level of overall diversification and total investment return over the long-term.
- Providing guidelines for each investment portfolio that controls the level of overall risk and liquidity assumed in that portfolio, so that all Fund assets are managed in accordance with stated objectives.
- Establishing formal criteria to select and monitor the performance results achieved by the Fund managers on a regular basis.
- Encouraging effective communications between the City Administration, the City Council, the Investment Committee, the investment consultant, and the Fund’s managers.
- Complying with all applicable fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state and federal entities that may impact Fund assets.

FUND GUIDELINES

This section describes the guidelines for the overall management of the Fund, specifically the time horizon, liquidity constraints, risk tolerance, and income distribution needs. All of these factors are incorporated in the asset allocation, which is described in this section.

Investment Objectives

The investment objective of the Fund is to moderately grow the purchasing power of the Fund over time and generate earnings for annual distribution by utilizing a balanced investment approach. The Fund should be managed in a manner that is consistent with prudent levels of risk and diversification, and governed by the prudent investor rule.

Time Horizon

The Fund has a very long time horizon (greater than 10 years). After the annual 1.5% distribution, the Fund's assets are held perpetually in trust for the benefit of the present and future generations of Valdez residents. Thus, the assets are to be invested with a long-term time horizon. The assumptions underlying the asset allocation analysis are based on a ten-year projection of financial markets. While the future of the Fund extends beyond the next ten years, the relevant planning horizon is consistent with the use of the assumptions. The assumptions utilized are consistent with the long run returns, risks and statistical interrelationships observed among major asset categories.

Liquidity Analysis

Distributions from the Fund will be based on a percentage of market value of 1.5% per year as applied to the last day of the accounting year. Annual distributions will be appropriated on the first business day of the City's fiscal year. The Fund will be rebalanced as necessary to fund such distributions in excess of available dividend and interest income.

Risk Tolerances

The overall risk tolerance of the Fund is heavily influenced by its objective: to moderately grow the purchasing power of the Fund and generate earnings for an annual distribution linked to a percentage of market value. Based on modern portfolio theory, the Fund must have a meaningful equity commitment to moderately grow and protect the Fund from inflation as well as generate earnings for distribution. Such an equity commitment will entail a moderate level of risk, as measured by the volatility of investment returns. The Fund has a long-term investment horizon, which allows the Fund to absorb considerable short-term volatility.

Asset Allocation

The Fund's risk and liquidity exposures are, in large part, a function of asset class mix. Based on the return and risk characteristics of various asset classes, the following asset classes were deemed appropriate for the Fund:

- Domestic Equity
- International Equity
- Fixed Income
- ~~TIPS~~
- Real Estate
- Cash Equivalents

Based on the Fund's time horizon, risk tolerances, performance expectations and asset class preferences, an efficient or optimal portfolio was identified. The strategic asset allocation of the Fund is as follows:

Strategic Asset Allocation *

	Lower Limit	Strategic Allocation	Upper Limit
Domestic Equity	25 4%	29%	33 4%
International Equity	18%	21%	24%
Fixed Income	34 0%	40 35%	46 0%
Treasury Inflation Protected Securities	3 %	5 %	7 %
Real Estate	7%	10%	13%
Cash Equivalents	0%	0%	1 0%

**The Strategic Allocation denotes acceptable ranges for asset classes except those asset classes where restrictions are placed on contributions and/or redemptions to a specific dollar amount at a specific time.*

The Domestic Equity allocation shall have the following target weights:

- 70% Large Cap
- 20% Mid Cap
- 10% Small Cap

The International Equity allocation shall have the following target weights:

- 80% Large/Mid Cap
- 20% Small Cap

The Fixed Income allocation shall have the following target weights:

- 70% Core
- 30% Global

Rebalancing of Strategic Allocation

The Strategic Allocation, shown in the middle column, is the target. Some variability around the target is expected and acceptable. Extreme deviation from the target is undesirable, as it alters the risk and return expectations for the Fund. Therefore, upper and lower limits are established for each asset class.

When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the strategic asset allocation. If cash flows are insufficient to bring the Fund within the strategic allocation ranges, transactions may be affected within a 12 month period to bring the allocation back within the permissible asset class ranges.

Rebalancing will be addressed at quarterly Investment Committee meetings. In the interim, any asset classes with allocations outside the policy ranges will warrant a special Investment Committee meeting to address the issue.

INVESTMENT MANAGER GUIDELINES

The following guidelines apply to Fund assets managed in a separate account. Any mutual funds or other interests in collective and commingled funds utilized should be reviewed to determine that their governing instruments are substantially consistent with the following guidelines.

General

- All guidelines are applicable at the time of purchase. The sale of a security is not automatically required due to a subsequent change in circumstance.
- The following transactions are not authorized:
 - Short sales or margin transactions
 - The use of leverage, except for real estate
- Each portfolio will be diversified with regard to specific issuer, industry, and economic sector, in order to reduce risk.
- Securities may be sold at a loss, if such an action is deemed to be consistent with the overall portfolio investment objectives.

Fixed Income

Core:

- Eligible investments include the following:
 - Debt instruments issued by the U.S. government, its agencies and instrumentalities
 - Debt instruments that have been issued by domestic entities, including credit, mortgage-backed and asset-backed securities
 - Dollar denominated debt issued by non-domestic entities in the U.S.
- Derivative instruments, such as futures, options, and swaps, in which the underlying security is a permissible security are permitted, provided that the use of such instruments do not introduce risks to the portfolio that are not otherwise permitted in this IPS and do not impart leverage to the portfolio.
- All securities must be rated “Baa3/BBB-/BBB-” or above.
 - When determining credit quality, the middle rating of Moody’s, Standard and Poor’s, and Fitch is used after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower (“more conservative”) rating is used. When a rating from only one agency is available, that rating is used to determine credit quality.
 - In the event a security is downgraded below the specified minimum rating, the manager shall give written notice to the City Administration within 30 days of the downgrading; the manager shall have six months from the date of the downgrade to sell the security at the best possible price to minimize any loss to the Fund.
- The weighted average credit quality of the portfolio must be rated “Aa3/AA-/AA-” or higher.
- No security shall exceed 5% of the market value of the portfolio, with the exception of U.S. government and agency securities.
- The duration of the portfolio shall be within plus or minus 20% of the duration of the Barclays Capital Aggregate Index.

Global:

- No purchase shall be made which would cause the holding of any one issuer, excluding government issuers, to exceed five percent (5%) of the portfolio valued at market;
- At the time of purchase, no holding should exceed five percent (5%) of the issue outstanding;
- Global managers may hold any mix of fixed income securities and cash equivalents. However, portfolio duration shall be within plus or minus 40% of the duration of the Barclays Capital Global Aggregate Bond Index;
- The weighted average credit quality of the portfolio will not fall below “A2/A/A” or equivalent; when determining credit quality, the middle rating of Moody’s, Standard and Poor’s, and Fitch is used after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower (“more conservative”) rating is used. When a rating from only one agency is available, that rating is used to determine credit quality;
- No more than twenty percent (20%) of the portfolio may be invested in unhedged non-dollar denominated currencies. Both long and short currency exposures are permissible. The total currency exposure will be determined by adding the net positions within currencies, and the resulting value will contribute to the portfolio’s currency exposure on an absolute basis;
- No more than twenty percent (20%) of the portfolio may be invested in securities rated below investment grade;
- No more than twenty percent (20%) of the portfolio may be invested in emerging markets.
- Global managers may use futures, and options on eligible securities, provided that such instruments do not introduce risks to the manager’s portfolio that are not otherwise permitted in this Investment Policy and do not leverage the portfolio;
- Global managers may use swaps, forwards, options on forwards, and options on swaps, provided that such instruments do not introduce risks to the manager’s portfolio that are not otherwise permitted in this Investment Policy and do not leverage the portfolio;
- Global managers may invest in private placements, providing these investments do not exceed ten percent (10%) of the portfolio. Investments in Rule 144a securities and 4(2) commercial paper are excluded from this limitation.

TIPS

- ~~Eligible investments include the following:~~
 - ~~Debt instruments issued by the U.S. government, its agencies and instrumentalities~~
- ~~Derivative instruments, such as futures, options, and swaps, in which the underlying security is a permissible security are permitted, provided that the use of such instruments do not introduce risks to the portfolio that are not otherwise permitted in this IPS and do not impart leverage to the portfolio.~~
- ~~All securities must be rated BBB or Baa3 or above by Standard & Poor’s Rating Service and Moody’s, respectively.~~
 - ~~In the event a security is downgraded below the specified minimum rating by either rating agency, the manager shall give written notice to the City Administration within 30 days of the downgrading; the manager shall have six months from the date of the downgrade to sell the security at the best possible price to minimize any loss to the Fund.~~

- ~~• The weighted average credit quality of the portfolio must be rated AA or Aa3 or higher by Standard & Poor's Rating Service or Moody's, respectively.~~
- ~~• The duration of the portfolio shall be within plus or minus 20% of the duration of the Barclays Capital U.S. TIPS Index.~~

Domestic Equity

- Eligible investments include the following:
 - Common stock and preferred stock traded on a U.S. stock exchange or on U.S. over-the-counter markets and denominated in U.S. dollars
 - Securities that take the form of American Depositary Receipts (ADRs)
 - Securities of investment company shares, such as open-end and closed-end funds
 - Securities of unit investments trusts, such as exchange traded funds, are only permitted for the purpose of overlaying cash to generate equity exposure
- Foreign equity investments, including foreign stock listed on U.S. exchanges and ADRs, are limited to 15% of the total portfolio.
- Investment in any one company shall not exceed the greater of 5% or 1.5 times the stock's weighting in an appropriate market index. If a security is not included in the appropriate index, the limit is 5% of the market value of the portfolio.
- Investments in any one sector shall not exceed the greater of 30% or 1.5 times the sector's weighting in an appropriate market index.
- Managers shall not hold more than 5% of the portfolio in cash and cash equivalents.
- Equity futures may be employed solely for the purpose of overlaying cash to generate equity exposure; the use of other derivative instruments is prohibited without prior approval by the City Administration and Investment Committee.

International Equity

- Eligible investments include the following:
 - Foreign equity securities, defined as common stock and preferred stock issued by any company that is organized or headquartered in a foreign country, or whose primary business (75% or more) is conducted outside the U.S.
 - Securities that take the form of American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), European Depositary Receipts (EDRs), or similar instruments representing securities of foreign securities
 - Securities of investment company shares, such as open-end and closed-end funds
 - Securities of unit investments trusts, such as exchange traded funds, are only permitted for the purpose of overlaying cash to generate equity exposure
- Investments in companies located in emerging markets shall not exceed 35% of the portfolio's market value.
- The manager may enter into foreign exchange contracts on currency provided that use of such contracts is limited to hedging currency exposure existing within the manager's portfolio.
- Investment in any one company shall not exceed the greater of 5% or 1.5 times the stock's weighting in an appropriate market index. If a security is not included in the appropriate index, the limit is 5% of the market value of the portfolio.

- Investments in any one sector shall not exceed the greater of 30% or 1.5 times the sector's weighting in an appropriate market index.
- Managers shall not hold more than 5% of the portfolio in cash and cash equivalents.
- Equity futures may be employed solely for the purpose of overlaying cash to generate equity exposure; the use of other derivative instruments is prohibited without prior approval by the City Administration and Investment Committee.

Real Estate

- Eligible investments include the following:
 - Real estate investments in a diversified portfolio of institutional quality, income producing properties held in a collective investment vehicle.
- The portfolio shall provide diversification both in terms of property type and geographic location.
- Leverage shall be limited to 40% of the portfolio's gross asset value.

Cash Equivalents

- Eligible investments include the following:
 - Cash and cash equivalents, which may include any security that has an effective duration under one year and/or a weighted average life under one year
 - Repurchase Agreements secured by obligations insured or guaranteed by the United States or agencies or instrumentalities of the United States.
 - Commercial paper bearing the highest rating of a nationally recognized rating agency.
 - Certificates of deposit issued by United States domestic banks which are members of the Federal Deposit Insurance Corporation for which a generally recognized secondary market exists or which are secured fully at all times as to the payment of principal and interest.
 - Money market and short-term investment funds consistent with SEC Rule 2a-7 under the Investment Company Act of 1940.
 - Deposits with mutual savings banks in Alaska which are fully secured at all times as to the payment of principal and interest.

SELECTION OF EXTERNAL INVESTMENT MANAGERS

To achieve the investment objectives of the Fund, external investment managers will be employed to invest the assets. Both separate accounts and collective investment vehicles, such as mutual funds and commingled trusts, may be considered. External managers must meet the following minimum criteria:

- Be a bank, insurance company, independent investment counselor, or investment adviser as defined by the Investment Advisers Act of 1940.
- Clearly articulate the investment strategy that will be followed, provide historical performance associated with the strategy, and document that the strategy is consistent with the IPS guidelines.
- Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, Form ADV, and support personnel.
- Selected firms shall have no outstanding legal judgments or past judgments, which may reflect negatively upon the firm's ability to perform.
- Demonstrate highly ethical business principles and strictly manage potential conflicts of interest.
- Offer a competitive fee structure.
- Fund assets should comprise no more than 10% of total firm assets under management.
- Acknowledge fiduciary duty in managing Fund assets.

DUTIES AND RESPONSIBILITIES

Fund Managers

The duties and responsibilities of each investment manager retained for the Fund include the following:

- Manage Fund assets under its care, custody and/or control in accordance with the IPS objectives and guidelines set forth herein.
- Exercise investment discretion with the IPS objectives and guidelines set forth herein.
- Provide monthly reports of the assets, holdings and transactions, and the total return achieved. Provide quarterly reports with additional detail on the investment strategy and outlook, and performance attribution for the prior quarter. For separate account Fund managers, monthly reports must state whether the portfolio is in compliance with the guidelines, and note the steps being taken to correct any failures to comply.
- Promptly inform the City Administration in writing regarding all significant and/or material matters and changes within the investment management firm pertaining to the investment of Fund assets, including, but not limited to:
 - Investment strategy
 - Portfolio structure
 - Ownership
 - Organizational structure
 - Financial condition
 - Professional staff
 - Recommendations for guideline changes
 - All material, legal, SEC, and other regulatory agency proceedings affecting the firm
 - Significant account losses
 - Significant growth of new business
- Promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the Fund set forth herein. Each manager shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto.
- Utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like investment programs with like aims in accordance and compliance with all applicable laws, rules and regulations from local, state, federal and international political entities as it pertains to fiduciary duties and responsibilities.
- Adopt a brokerage policy that ensures that all transactions effected for the Fund are subject to the best price and execution possible.
- Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire IPS set forth herein, and as modified in the future.
- Provide on an annual basis a disclosure concerning whether the firm makes use of soft dollars. If the firm does use soft dollars, the report shall disclose how the soft dollar benefits are utilized.

City Administration

Under the direction of the City Council and in consultation with the Investment Committee, the City Administration shall:

- Invest the assets of the Fund in accordance with this IPS and Section 6.7(c) of the City Charter.
- Coordinate investment manager, investment consultant and Investment Committee meetings, activities and presentations.
- Administer investment consultant, investment manager and custodian contracts.
- Annually review governing instruments of any mutual funds or other interests in collective and commingled funds to determine that such instruments are substantially consistent with the IPS guidelines set forth herein.

Custodian

The Custodian shall:

- Provide safekeeping and custody of securities purchased by investment managers on behalf of the Fund.
- Provide for timely settlement of securities transactions.
- Maintain short-term investment vehicles for investment of cash not invested by investment managers.
- Check all manager accounts daily to make sure all available cash is invested.
- Collect interest, dividend and principal payments on a timely basis.
- Process corporate actions.
- Price all securities on a daily basis.
- Provide monthly, quarterly and annual reports.

Investment Consultant

The Investment Consultant will provide general consulting services as required by the City in connection with the investment of Fund assets. As directed, the Consultant shall:

- Annually review the IPS to assure it is consistent with the Fund's goals and objectives.
- Annually review the Fund's asset allocation, including updated risk and return projections in order to assess the ability of the Fund to meet its goals and objectives.
- Assist with the selection of investment managers and custodian.
- Conduct a quarterly performance report of the Fund and its investment managers.
- Evaluate and monitor the Fund's investment managers on an on-going basis.
- Provide general advice, guidance, and research as required to the Investment Committee.

Investment Committee

Under the direction of the City Council and in consultation with the City Administration, the Investment Committee shall:

- Provide guidance to the City Administration regarding the investment of the assets of the Fund in accordance with this IPS and Section 6.7(c) of the City Charter.
- Provide guidance on investment consultant, investment manager and custodian contracts.
- Provide insight and recommendations to the City Council on investment matters.

PERFORMANCE MONITORING

Monitoring of Total Fund

The Fund is expected to produce a total return exceeding that of an index based upon the strategic asset allocation of the Fund and various broad asset classes. Specifically, the policy index will be a weighted index comprised of:

<u>Allocation</u>	<u>Benchmark</u>
29%	Russell 3000
21%	MSCI ACWI ex-US IMI
40.35%	BC Aggregate
5%	BC TIPS
10%	NCREIF ODCE

The long-term (greater than 10 years) total return objective of the Fund's investable assets net of investment management fees and prior to distributions is a ~~4.5%~~ real return (CPI + ~~4.5%~~).

Monitoring of Fund Managers

Quarterly performance will be evaluated to test progress toward the attainment of long-term investment objectives. The following will be reviewed on a quarterly basis:

- Manager's adherence to the guidelines and the duties and responsibilities of investment managers, as prescribed above;
- Material changes in the manager's organization, investment philosophy and/or personnel; and
- Comparisons of the manager's results to appropriate indices and peer groups, specifically:

<i>Asset Category</i>	<i>Index</i>	<i>Peer Group Universe</i>
Large Cap	S&P 500	Large Cap Core
Mid Cap	S&P 400	Mid Cap Broad
Small Cap	Russell 2000	Small Cap Broad
Large/Mid Cap Int'l	MSCI ACWI ex-US	Non-US Equity
Small Cap Int'l	MSCI ACWI ex-US SC	Int'l SC
Core Fixed Income	BC Aggregate	Core Bond
Global Fixed Income	BC Global Agg Hedged	Global Fixed Income
TIPS	BC TIPS	TIPS
Real Estate	NCREIF ODCE	Open End Real Estate

Long-term performance standards should measure an investment manager's performance from inception and on a rolling 10-year return basis in relation to an appropriate market index. If an investment manager fails to generate a return premium in excess of the agreed-upon index, then, upon completion of appropriate due diligence or such other steps as the Committee determines, the Committee may decide to place on Watch List or recommend to City Council to terminate the contract with the investment manager.

Short-term performance standards should measure an investment manager's performance on a rolling 3-year return basis (or since inception if less than 3 years) in relation to an appropriate peer group. Each investment manager is to be measured against the median return of a previously agreed-upon peer group of investment managers with similar investment styles.

Notwithstanding any other provision of this IPS, the City Council, on the recommendation of the Investment Committee, retains the right to terminate the contract with, and the services provided to the City of Valdez by an investment manager at any time. The City Council will make the decision to retain or terminate an investment manager based on the Committee's reasoned judgment and its confidence in the investment manager's ability to perform in the future.

Watch List

A number of factors may contribute to a manager's over- or under-performance at any given time: market dynamics, investment skill, and/or pure chance. Given this uncertainty, it is unwise to mandate termination purely for lagging performance at any specific point. A Watch List will be utilized to identify managers whose performance and/or organization changes are cause for concern.

At the discretion of the Investment Committee, a manager may be included on the Watch List based on both qualitative and quantitative criteria detailed above. Once a manager is placed on a Watch List, the manager will be notified and performance will be closely monitored and scrutinized. An update on the manager as well as recommendation from the Investment Consultant to terminate or retain the manager must be made to the Investment Committee at each subsequent meeting after inclusion on the Watch List. Organizational issues that have been resolved in a satisfactory manner and improved performance relative to an index and/or peer group will be used as an indicator to remove a given manager from the Watch List.

Review of Investment Objectives and IPS

The Investment Committee will review annually the achievement of the Fund's investment objectives and monitor performance on a quarterly basis, based on the evaluation criteria set forth in this IPS. The annual review will focus on the continuing feasibility of achieving the investment objectives and the continued appropriateness of the IPS. It is not expected that the IPS will change frequently; in particular, short-term changes in the financial markets generally should not require an adjustment in the IPS.

The IPS will be reviewed annually by the Investment Committee. However, specific policy issues may be visited whenever the Investment Committee deems it necessary. Specific occurrences which might suggest to the Committee an earlier review are:

- Changes in the distribution policy.
- The availability of acceptable new asset classes, or the improvement of data on previously known but inadequately understood asset classes to the point where the asset class might reasonably be considered.
- The availability of new technology, the application of which the Investment Committee believes will improve the IPS.
- The passage of relevant new legislation or regulations.



Agenda Statement

File #: RES 16-0045 **Version:** 1
Type: Resolution **Status:** Agenda Ready
File created: 11/28/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: #16-45 - Adopting the 2017 City of Valdez Budget and Appropriating Monies for that Budget
Sponsors: City Council
Indexes:
Code sections:
Attachments: [Resolution - Adoption of 2017 Budget.pdf](#)
[2017 Budget Memo.pdf](#)
[2017 Budget Summary of All Funds.pdf](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

#16-45 - Adopting the 2017 City of Valdez Budget and Appropriating Monies for that Budget

SUBMITTED BY: Brian Carlson, Finance Director

FISCAL NOTES:

Expenditure Required: NA
Unencumbered Balance: NA
Funding Source: NA

RECOMMENDATION:

Adopt Resolution No. 16-45.

SUMMARY STATEMENT:

The attached resolution reflects the aggregate of all proposed appropriations for 2017. Appropriations from unassigned fund balance totaling \$19.9m are proposed for the CIP and Major Maintenance reserve funds, which reflects a two-year project schedule. **Attachment A** summarizes the entire budget by fund.

The City Manager's Budget Memo is also included, and will be incorporated into the final published document, along with the goals, work plans, and other historic data for each department.

Staff will distribute separate materials providing additional clarification about the proposed personnel COLA and the CIP/Major Maintenance schedule. These items are already included in the budgeted figures, however, staff wishes to ensure that the underlying details are fully detailed to Council prior

to its vote.

Council will have the ability to forward amendments to the budget as presented. Any such revisions will be tracked by Finance Staff, and will be recapitulated prior to a final adoption vote.

CITY OF VALDEZ, ALASKA

RESOLUTION #16-45

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, ADOPTING THE 2017 BUDGET FOR THE CITY OF VALDEZ, ALASKA AND APPROPRIATING MONIES FOR THAT BUDGET

WHEREAS, the City Manager has prepared a proposed 2017 budget for the City of Valdez, Alaska, according to Section 6.2 of the City Charter; and

WHEREAS, the City Council has reviewed the budget as presented and made various revisions thereto; and

WHEREAS, a notice of public hearing was published and held as required by Section 6.3 of the City Charter: and

WHEREAS, the City Council has determined that the 2017 budget shall be finalized as the official financial plan for the City for 2017.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, THAT:

Section 1. The 2017 budget as prepared by the City Manager, revised by the City Council, presented for Public Hearing, and summarized in Attachment A, is hereby adopted as the 2017 spending plan for the City of Valdez.

Section 2. \$73,637,695 in new authorizations are hereby appropriated as set forth in the 2017 budget document for the respective departments and Funds for the 2017 fiscal year, with \$53,734,314 in new revenues recognized to fund the 2017 budget appropriation.

Section 3. Appropriations of unassigned fund balances totaling \$19,903,381 are recognized to fund the 2017 budget appropriation.

Section 4. Inter-fund transfers of \$35,766,537 are recognized between Funds as indicated in the 2017 budget document.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 6th day of December, 2016.

CITY OF VALDEZ, ALASKA

Ruth E. Knight, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk



Date: November 22, 2016
Memorandum To: Citizens of Valdez
From: Dennis Ragsdale, City Manager
Re: **2017 Budget; Public Hearing**

Budget Process:

The 2017 City Manager-recommended Budget was presented to Council on October 19th, during the first of nine workshops. This recommended budget was the product of a three-week review of each department's budget requests.

The 2017 Draft Budget submitted for the November 22nd Public Hearing incorporates all revisions requested by Council during the budget workshops. The draft budget shows each department's spending plan and history, along with summaries of each fund. It omits department narratives, work plans and mission statements; these items will be incorporated into the final published document following adoption.

Revenue Assumptions:

TAPS and Property Taxes: The majority of general fund revenues (80%) are driven by the TAPS legal settlement executed in March of 2016. Since 2006, 90% of the City's General Fund revenues have been comprised of property taxes, and 90% of this figure represents taxes on the TAPS. These proportions continue in 2017, and will extend through 2020, pursuant to the settlement reached in 2016. TAPS tax revenues reflect an \$8.5 billion total TAPS value, and the 2017 budget assumes a continued twenty-mill levy.

Administration anticipates continued excess revenues in 2017, as defined in State statutes (see AS 29.45.080). Statutes stipulate that excess revenues be either applied to debt service or remitted back to the State of Alaska. The City has sufficient outstanding debt to comply with this statute, and will therefore retain these excess revenues in 2017.

Permanent Fund Appropriation: Pursuant to City Charter (see *Section 6.7a*), an appropriation of 1.5% of the Permanent Fund value is budgeted in 2017. This figure, estimated at \$2.6 million is shown as a transfer to the General Fund.

Debt-Service Reimbursement: Administration anticipates ongoing debt-service reimbursement from the State of Alaska for its 2004 and 2012 School bonds, and its 2004 Harbor bonds. The reimbursement program does not apply to the 2015 Harbor bonds. Assuming continued annual appropriation at the State level, this program will provide a revenue stream to the Debt Service fund through 2034.

Intergovernmental Revenues: The 2017 Budget reflects status quo or diminished Federal and State financial assistance for existing programs. The City will continue to supplement local tax dollars whenever possible by seeking outside funding sources for operational and capital needs. The City will evaluate any associated new commitments as they would relate to grant administration, long term operations, and/or maintenance/replacement costs.

Operations and Special Revenue Funds: The 2017 Budget reflects status-quo assumptions for the City's "business-type" activities, i.e. utilities, ports and harbor. These services and facilities are subsidized by General Fund revenues, and Administration does not currently propose changes to fee structures or cost-recovery goals.

Annual Revenue Carry-Forward: Each year following the financial audit, the net variance between final budgeted and audited revenues, or "carry-forward", is calculated and made available for appropriation via revision to the current year's budget. The 2017 budget reflects continued efforts to reduce the carry-forward via accurate revenue forecasting and expenditure controls. In keeping with established practice, carry-forward figures are not included in the draft budget, but will instead be made mid-year following the final audit.

Expense Summary:

The 2017 Budget includes \$36 million in General Fund expenditures, and reflects the following Council priorities, as articulated to the City Manager during 2016:

- **Housing & Land Use:** Including Aleutian Village Trailer Park, residential housing shortage, and acquisition and disposition of City land
- **Flood Mitigation:** Including permitting, monitoring, and material-extraction in the Lowe River, Glacier Stream, and Mineral Creek
- **Personnel Facilities:** Including solutions to insufficient space to accommodate all authorized FTE positions at the current City Hall complex
- **Fire Station:** Including remediation of existing facilities and/or relocation planning
- **Economic Development and Diversification:** Including expanded winter economy and tourism, and continued exploration of the Liquid Natural Gas project
- **Deferred Maintenance** of Buildings and Infrastructure
- **New Boat Harbor** Project and Planning
- **Beautification, Abatement and Code Enforcement**
- **Museum Facilities and Planning**
- **ADA Compliance for All Public Facilities**

Capital Projects and Major Maintenance: The five-year TAPS settlement executed in 2016 has protected the City's existing reserves from any future TAPS-related legal claim. With this development, the City is now free to deploy these resources to productive use, and so the 2017 Budget contains funding of an ambitious two-year Capital Project and Major Maintenance initiative. The two-year CIP and Maintenance plan totals over \$21 million, which will be appropriated directly from General Fund balance, rather than from 2017 revenues. The Capital Project and Maintenance plan will be further developed into a five-year schedule early in 2017, and will be incorporated into the 2017 budget via budget revision, and updated annually thereafter.

Personnel: General Fund expenditures are budgeted at \$36.6 million, which reflects both the addition of six new positions, and the elimination of four previously authorized positions, for a net Full-Time Equivalent (FTE) increase of 1.7. The augmented staffing plan will enable the City to not only maintain but increase service levels in accordance with Council priorities.

In addition to the Staffing change, Council has directed staff to budget a one-time payment to all FTE staff reflecting a \$2,000 disbursement per FTE. This nominal payment is to be distributed evenly among all FTE staff.

Conclusion:

The submitted budget represents a balance between funding Council's top priorities and the pursuit of budgetary sustainability. Staff estimates that an operating deficit may be reached as early as 2024, using status-quo staffing assumptions and historic rates of inflation. However, the 2017 budget process has enhanced the understanding of both staff and Council of the need to pro-actively bend the cost-curve with each subsequent budget. With intelligent planning, creativity, and resourcefulness, staff is confident that the City will continue to meet its service, maintenance, and capital project goals while ensuring that the "crossed-lines" are pushed ever further into the future.

Changes in Fund Balance Summary

2016 Summary Fund	2016 Beginning Fund Balance	2016 Estimated Revenues	2016 Estimated Transfers In	2016 Available Fund Balance	2016 Estimated Expenses	2016 Budgeted Transfer Out	2016 Ending Fund Balance	2016 Ending Surplus/Deficit
General Fund	62,144,358	84,613,509	2,606,458	149,364,325	42,419,557	26,325,466	80,619,302	18,474,944
Harbor Fund	1,802,199	1,667,365	-	3,469,564	1,131,206	507,656	1,830,702	28,503
Debt Service Fund	1,764,735	1,943,000	15,564,099	19,271,834	4,394,250	2,700,000	12,177,584	10,412,849
CF Fund	58,984,730	2,598,114	2,815,696	64,398,540	16,621,909	-	47,776,631	(11,208,099)
Permanent Fund	172,755,674	4,314,488	-	177,070,162	250,600	2,606,458	174,213,104	1,457,430
Reserve Fund	12,654,512	1,220,348	10,159,938	24,034,798	4,867,484	-	19,167,314	6,512,802
Port Fund	1,237,483	438,604	124,331	1,800,418	713,710	-	1,086,708	(150,775)
Utility Fund	1,689,889	583,476	792,878	3,066,243	1,274,028	-	1,792,215	102,326
Airport Fund	670,237	153,523	169,720	993,480	273,637	-	719,843	49,606
MKG Clinic Fund	286,485	147,794	-	434,279	94,044	-	340,235	53,750
VHIA Fund	-	-	3,106,458	3,106,458	-	-	3,106,458	3,106,458
Total Governmental Funds	313,990,302	97,680,221	35,339,578	447,010,101	72,040,425	32,139,580	342,830,096	28,839,794

2017 Summary Fund	2017 Beginning Fund Balance	2017 Budgeted Revenues	2017 Budgeted Transfers In	2017 Available Fund Balance	2017 Budgeted Expenses	2017 Budgeted Transfer Out	2017 Ending Fund Balance	2017 Ending Surplus/Deficit
General Fund	80,619,302	45,405,749	2,600,000	128,625,051	36,600,743	32,293,487	59,730,821	(20,888,482)
Harbor Fund	1,830,702	1,578,908	-	3,409,610	1,205,858	373,050	1,830,702	-
Debt Service Fund	12,177,584	1,828,860	2,260,000	16,266,444	4,124,164	-	12,142,280	(35,304)
CF Fund	47,776,631	100,000	16,421,469	64,298,100	16,421,469	-	47,876,631	100,000
Permanent Fund	174,213,104	2,900,750	-	177,113,854	300,750	2,600,000	174,213,104	-
Reserve Fund	19,167,314	507,303	13,371,646	33,046,262	12,498,596	-	20,547,667	1,380,353
Port Fund	1,086,708	573,990	132,619	1,793,316	706,609	-	1,086,708	-
Utility Fund	1,792,215	567,800	782,811	3,142,826	1,350,611	-	1,792,215	-
Airport Fund	719,843	126,853	197,993	1,044,688	324,846	-	719,843	-
MKG Clinic Fund	340,235	144,101	-	484,336	104,050	-	380,286	40,051
VHIA Fund	3,106,458	-	-	3,106,458	-	500,000	2,606,458	(500,000)
Total Governmental Funds	342,830,096	53,734,314	35,766,537	432,330,947	73,637,695	35,766,538	322,926,714	(19,903,382)

Attachment A: 2017 Budget Summary

City of Valdez

All Funds Budget Summary

2017 All Funds Summary	2016 Original Budget	2016 Amended	2016 Estimated	2017 Proposed	Variance From		%
					2016 Estimate	Variance	
2017 General Fund Budget Summary							
Total General Fund Revenues	52,553,607	83,990,250	84,613,509	45,405,749	(39,207,760)	-46.3%	
Total Transfers to the General Fund	2,606,458	2,606,458	2,606,458	2,600,000	(6,458)	-0.2%	
Total GF Expenditures	36,772,577	44,739,715	42,419,557	36,600,743	(5,818,814)	-13.7%	
Total GF Fund Transfers out	18,387,488	26,325,466	26,325,466	32,293,487	5,968,021	22.7%	
Net GF Fund Activity	-	15,531,527	18,474,944	(20,888,482)			
2017 Utility Fund Budget Summary							
Total Utility Fund Revenues	569,100	577,100	583,476	567,800	(15,676)	-2.7%	
Total GF transfer to the Utility Fund	792,878	792,878	792,878	782,811	(10,067)	-1.3%	
Total Sewer Expenditures	599,719	610,057	576,211	593,094	16,883	2.9%	
Total Water Expenditures	762,258	762,259	697,817	757,518	59,701	8.6%	
Net Utility Fund Activity	-	(2,338)	102,326	-			
2017 Port Fund Budget Summary							
Total Port Fund Revenues	658,980	658,980	438,604	573,990	135,386	30.9%	
Total GF transfer to the Port Fund	124,331	124,331	124,331	132,619	8,288	6.7%	
Total Port Expenditures	783,311	783,311	713,710	706,609	(7,101)	-1.0%	
Net Port Fund Activity	-	-	(150,775)	-			
2017 Airport Fund Budget Summary							
Total Airport Fund Revenues	158,869	158,869	153,523	126,853	(26,670)	-17.4%	
Total GF transfer to the Airport Fund	169,720	169,720	169,720	197,993	28,273	16.7%	
Total Airport Expenditures	328,588	328,588	273,637	324,846	51,209	18.7%	
Net Airport Fund Activity	-	-	49,606	-			
2017 Harbor Fund Budget Summary							
Total Harbor Fund Revenues	1,704,599	1,704,599	1,667,365	1,578,908	(88,457)	-5.3%	
Transfer from GF	-	-	-	-	-	-	
Total Harbor transfer to Reserve Fund	507,656	507,656	507,656	373,050	(134,606)	-26.5%	
Total Harbor Expenditures	1,196,943	1,196,944	1,131,206	1,205,858	74,652	6.6%	
Net Harbor Fund Activity	-	-	28,503	-			
2017 Reserve Fund Summary							
Total GF transfer to MM & ME	2,680,337	3,003,666	3,003,666	7,208,950	4,205,284	140.0%	
Total GF transfer to Technology Reserve	461,080	461,080	461,080	479,980	18,900	4.1%	
Total GF transfer to Council Contingency	165,000	165,000	165,000	-	(165,000)	-100.0%	
Total GF transfer to Leave Liability	245,000	245,000	245,000	289,000	44,000	18.0%	
Total GF transfer to PF Reserve	-	-	-	-	-	-	
Total GF Transfer to Sewer & Lift Station Repairs	-	-	-	38,818	38,818		
Total GF transfer to Dike Repairs	-	-	-	-	-	-	
Total GF transfer to Landfill Closure	275,399	275,399	275,399	275,399	-	0.0%	
Total Harbor Transfer to Harbor Maint & Replacement	507,656	507,656	507,656	373,050	(134,606)	-26.5%	
Total VHIA Transfer In	-	-	-	500,000	500,000		
Total CIP Transfer In	-	1,000,000	1,000,000	-	(1,000,000)	-100.0%	
Total Debt Service Transfer in	-	2,700,000	2,700,000	-	(2,700,000)	-100.0%	
Total GF Transfer to Budgetary Stabilization Account	500,000	500,000	500,000	-	(500,000)	-100.0%	
Total GF Transfer to ROW Road Repairs	-	-	-	100,000	100,000		
Total GF Transfer to COV Properties Concrete/Asphalt Repairs	-	-	-	42,485	42,485		
Total GF Transfer for Energy Assistance	-	-	-	215,000	215,000		
Total GF Transfer to Harbor Maint & Replacement	-	-	-	1,209,817	1,209,817		
Total GF Transfer to Master Planning	-	-	-	904,134	904,134		
Total GF Transfer to Land Reserve	-	-	-	1,650,000	1,650,000		
Total GF Transfer for Beautification	-	-	-	46,751	46,751		
Total GF Transfer to Race	-	-	-	38,263	38,263		
Total GF Transfer To Emergency Prep	176,927	176,927	176,927	-	(176,927)	-100.0%	
Total GF to Project Planning Reserve	1,125,210	1,125,210	1,125,210	-	(1,125,210)	-100.0%	
Other Reserve Fund Revenues	899,250	899,250	1,220,348	507,303	(713,045)	-58.4%	
Other Transfers in	-	3,700,000	3,700,000	-	(3,700,000)	-100.0%	
Previously Appropriated Funds	3,810,000	3,810,000	3,810,000	2,911,878	(898,122)	-23.6%	
Total Reserve Holding Accounts	2,573,265	2,573,265	2,573,265	1,858,266	(714,999)	-27.8%	
Total Reserve Fund Expenditures *	4,867,484	4,867,484	4,867,484	10,640,330	5,772,846	118.6%	
Net Reserve Activity	(404,890)	6,191,704	6,512,802	1,380,353			

Attachment A: 2017 Budget Summary

City of Valdez

All Funds Budget Summary

2017 All Funds Summary	2016 Original Budget	2016 Amended	2016 Estimated	2017 Proposed	Variance From		
					2016 Estimate	% Variance	
2017 MKG Clinic Fund Budget Summary							
Total MKG Clinic Fund Revenues	142,195	142,195	147,794	144,101	(3,693)	-2.5%	
Transfer from GF	-	-	-	-	-	-	
Total MKG Clinic Expenditures	121,684	121,684	94,044	104,050	10,006	10.6%	
Net MKG Clinic Fund Activity	20,511	20,511	53,750	40,051			
2017 Permanent Fund Budget Summary							
Total Permanent Fund Revenues	2,857,508	2,857,508	4,314,488	2,900,750	(1,413,738)	-32.8%	
Transfer from GF	-	-	-	-	-	-	
Total Permanent Expenditures	251,050	251,050	250,600	300,750	50,150	20.0%	
Total PF Transfer out	2,606,458	2,606,458	2,606,458	2,600,000	(6,458)	-0.2%	
Net Permanent Fund Activity	-	-	1,457,430	-			
2017 Debt Service Fund Budget Summary							
Total Debt Service Fund Revenues	1,861,000	1,861,000	1,943,000	1,828,860	(114,140)	-5.9%	
Total GF transfer to Debt Service Fund	5,749,453	15,564,099	15,564,099	2,260,000	(13,304,099)	-85.5%	
Total Debt Service Expenditures	9,112,900	9,112,900	4,394,250	4,124,164	(270,086)	-6.1%	
Total Transfers Out	-	2,700,000	2,700,000	-	(2,700,000)	-100.0%	
Net Debt Service Fund Activity	(1,502,447)	5,612,199	10,412,849	(35,304)			
2017 VHIA Fund Budget Summary							
Total VHIA Fund Revenues	-	-	-	-	-	-	
Total GF transfer to VHIA Fund	3,106,458	3,106,458	3,106,458	-	(3,106,458)	-100.0%	
Total VHIA Fund Expenditures	3,106,458	3,106,458	-	-	-	-	
Total Transfers Out	-	-	-	500,000	500,000		
Net Debt Service Fund Activity	-	-	3,106,458	(500,000)			
2017 Capital Facility Fund Budget Summary							
GF transfer to the CF Fund	2,815,696	2,815,696	2,815,696	16,421,469	13,605,773	483.2%	
Reserve Transfer to CF Fund	-	-	-	-	-	-	
CF Fund Interest and Other Revenue	1,750,000	4,146,851	2,598,114	100,000	(2,498,114)	-96.2%	
Total CF Transfer to Reserve Fund out	-	-	-	-	-	-	
Community Investment Expenditures	4,365,696	4,365,696	16,621,909	16,421,469	(200,440)	-1.2%	
Net Comm Investment Fund Non- Project Activity	200,000	2,596,851	(11,208,099)	100,000			
Grand Total Budgeted Revenues	63,155,108	96,996,602	97,680,221	53,734,314	(43,945,907)	-45.0%	
Appropriations from Assigned Fund Balance	-	-	-	-	-	-	
Grand Total Budget Transfers In	21,501,603	35,339,578	35,339,578	35,766,537	426,959	1.2%	
Grand Total Budget Expenditures	64,841,933	72,819,411	74,613,690	73,637,695	(975,995)	-1.3%	
Grand Total Budget Transfers Out	21,501,602	32,139,580	32,139,580	35,766,538	3,626,958	11.3%	

Total Reserve Fund Expenditures * - excludes estimated prior year appropriations



Agenda Statement

File #: 16-0274 **Version:** 1
Type: New Business **Status:** Agenda Ready
File created: 12/1/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: Mayor Report - December 6, 2016
Sponsors:
Indexes:
Code sections:
Attachments: [Mayor's Report – Dec 6, 2016](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Mayor Report - December 6, 2016

SUBMITTED BY: Allie Ferko, CMC, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

Mayor's written report respectfully submitted for Council review.

Mayor's Report – December 6, 2016

Since our last Council meeting on November 22:

- The Annual Christmas Tree Lighting Ceremony was Sunday, November 27th with a little snow, beautiful lights, some yummy treats, lots of great singing, an invocation and a proclamation, and then Santa arrived. Thanks to P&R and the VHS Choir for this great event.
- I have had many calls and community members stopping me to say how much they love the Egan St. decoration and the ice-cycles on the lights. What a serendipitous addition to the new streetlights.
- The standing meeting with the City Manager on Thanksgiving Friday was cancelled. I hope everyone enjoyed the Thanksgiving holiday break as much as I did. We had a short meeting on Tuesday the 29th at 11:30. The City Manager evaluation process, and continued city space needs were discussed. The need for all city employees to work as a team with the manager was also discussed.
- The Beautification Task Force met at noon on the 29th. This meeting covered Egan Street holiday decorations and banners. Closing out the old and approving the 2017 matching grant program, discussion of the coming Valdez Public Art/Landmark Walking tour were also discussed. This was a very good meeting with hardworking volunteers and staff.
- We had an Executive Session on November 29 and on December 1 when we met for the first two of three meetings on the City Manager's evaluation.
- I was invited to and attended the FEMA meeting with the staff regarding the coastal and riverine mapping project that is now moving toward the public education and comment period. This was a very informative meeting and all of their work is to be made public ASAP on the City website.
- Representative Rauscher met with our VCS Superintendent, Mr. Nygaard, on Thursday, December 1 and I was invited to attend and listen, which I did. We can hope he will have an open ear and an open mind this coming legislative session.
- Thank you to our Public Works employees and DOT for keeping our roads passable with the arrival of our beautiful snow. It is finally looking like Valdez in the winter 😊

Respectfully submitted,



Ruthie Knight, Mayor City of Valdez



Agenda Statement

File #: 16-0275 **Version:** 1
Type: Appendix Item **Status:** Agenda Ready
File created: 11/30/2016 **In control:** City Council
On agenda: 12/6/2016 **Final action:**
Title: Council Calendars - December 2016 & January 2017
Sponsors:
Indexes:
Code sections:
Attachments: [City Council Calendar - December 2016](#)
[City Council Calendar - January 2017](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Council Calendars - December 2016 & January 2017

SUBMITTED BY: Allie Ferko, CMC, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

City Council calendars for December 2016 and January 2017 are attached for Council reference.

December 2016 City Council Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 6:30pm Special Council Meeting (CM Eval)	2	3
4	5 7pm - Ports & Harbor Commission Meeting 7:30pm ATIA/VCVB Presentation (@ Civic Center)	6 6pm - Council Work Session Legislative Priorities 7pm - Regular Council Meeting	7 6pm - Joint Work Session - Council & ED Commission (Year Round Mountain Recreation Site) 7pm - Economic Diversification Commission Meeting	8 Noon - COV COMDEV Business Luncheon (@ PWSC)	9	10
11	12 6:30pm - School Board Meeting	13 5:30pm - Library Board Meeting (@ Library) 6:30pm - Prov. Health Advisory Council Meeting (@ Hospital) 7pm - Parks & Recreation Commission Meeting	14 7pm - Planning & Zoning Commission Meeting	15 6:30pm - Museum Board Meeting (@ Museum)	16	17 Employee Holiday Party - 5:30pm (@ Civic Center)
18	19 7pm - Ports & Harbor Commission Meeting	20 6pm - Council Work Session Housing Project Feasibility (Tentative) 7pm - Regular Council Meeting	21 7pm - Economic Diversification Commission Meeting	22	23 ½ Day Holiday	24
25	26 Holiday 6:30pm - School Board Meeting	27	28 7pm - Planning & Zoning Commission Meeting	29	30	31

Note #1: This calendar is subject to change. Contact the City Clerk's office for updates as needed.

Updated 12/01/16

January 2017

City Council Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 Holiday 7pm - Ports & Harbor Commission Meeting	3 5:30pm Council Work Session Land Development (Tentative) 7pm - Regular Council Meeting	4 7pm - Economic Diversification Commission Meeting	5	6	7
8	9 6:30pm - School Board Meeting	10 5:30pm - Library Board Meeting (@ Library) 6:30pm - Prov. Health Advisory Council Meeting (@ Hospital) 7pm - Parks & Recreation Commission Meeting	11 7pm - Planning & Zoning Commission Meeting	12	13	14
15 Deadline for Tax Exemption Applications	16 Holiday 7pm - Ports & Harbor Commission Meeting	17 7pm - Regular Council Meeting	18 7pm - Economic Diversification Commission Meeting	19	20	21
22	23 6:30pm - School Board Meeting	24 7pm - Planning & Zoning Commission Meeting	25	26	27	28
29	30 Noon - Beautification Task Force Meeting	31				

Note #1: This calendar is subject to change. Contact the City Clerk's office for updates as needed.

Updated 12/01/16