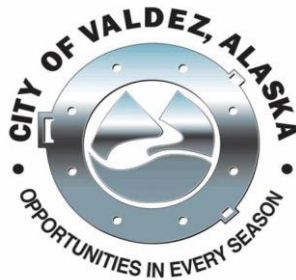


City of Valdez

*212 Chenega Ave.
Valdez, AK 99686*



Meeting Minutes - Draft

Tuesday, July 5, 2016

7:00 PM

Council Chambers

City Council

WORK SESSION AGENDA - 6:00 pm

Work Session with Levitation 49

Attachments: [L49 Work Session Agenda Outline](#)

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

Mayor Pro Tempore Nate Smith called the meeting to order at 7:09 p.m. in Valdez City Council Chambers

II. PLEDGE OF ALLEGIANCE

Valdez City Council led in the Pledge of Allegiance to the American Flag.

III. ROLL CALL

Present: 6 - Council Member Nate Smith
Council Member Christopher Moulton
Council Member Lon Needles
Council Member H. Lea Cockerham
Council Member Ryan Rydor McCune
Council Member Dennis Fleming

Excused: 1 - Mayor Ruth E. Knight

Also Present: 5 - City Manager Dennis Ragsdale
City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
City Attorney Tony Guerriero
Assistant City Manager Todd Wegner

IV. PUBLIC APPEARANCES

1. Faith Revell, Valdez Museum & Historical Archive

Ms. Faith Revell, Valdez Museum and Historical Archive, described the new Old Town Virtual Walking Tour program to City Council. She described the background of the program and thanked multiple local residents and agencies who contributed to its development. She then took the Council through the virtual tour online. She also presented the QR code and paper code which could be used with the tour.

V. PUBLIC BUSINESS FROM THE FLOOR

Ray Gross - Tailgate Alaska

Mr. Ray Gross, a local representative from Tailgate Alaska, provided an update on the organization's efforts for the 2017 event. He explained the organizers of Tailgate continue to work tirelessly to market winter sports tourism in Valdez throughout the Lower 48 and abroad. The organization promotes Valdez as a premiere destination for winter sports enthusiasts. Over the past nine years, the event has grown into a sustainable model for winter tourism events in Thompson Pass and Valdez. Tailgate's organizers are now looking for additional ways to give back and support the Valdez community.

Since spring 2016, Tailgate representatives have been in contact with local businesses, residents, and the City's Economic Diversification Commission to begin talks regarding how the event can have greater impacts on the community. By utilizing both international and local participants and supporters, the 2017 event will set the precedent for stewardship of the Thompson Pass area. Negative occurrences, such as the trash accumulation at Worthington Glacier, will be a thing of the past. Tailgate reached out to the local business community to create a multi-year alliance that seeks to maximize the economic impact of winter event visitors. New levels of market engagement will serve to strengthen the local hospitality industry. Tailgate also distributed a copy of a study done on the economic impacts of the event to local businesses, as well as the McDowell Group, who validated the results.

Tailgate plans to work in conjunction with the City's new marketing firm, lending knowledge of and connections to the international winter sports industry. Entering the event's tenth year, Tailgate wishes to give its gratitude to the citizens of Valdez. Local hospitality has been a foundation for the event's success and Tailgate wishes to now give back more than it has received.

Carl Hedman & Christy Franklin - Sponsors of Local Commercial Marijuana Prohibition Petition

Mr. Carl Hedman and Ms. Christy Franklin reported their petition, seeking to place the question of prohibiting commercial marijuana in Valdez on a ballot to the voters, was certified by the Valdez City Clerk. Mr. Hedman reported 268 signatures were certified as valid. He stated over 8% of registered voters in Valdez signed the petition in six weeks. Mr. Hedman explained, he personally collected approximately 93 signatures and several people who signed the petition were actually in favor of allowing commercial marijuana facilities, but supported the idea of placing the question on a ballot. He stated the group's efforts did not involve any direct marketing.

Mr. Hedman requested City Council hold a special election before the May 2017 regular election to put the commercial marijuana prohibition question to Valdez voters.

He stated the City Council is responsible for enacting the will of the people and he believes the will of the people in Valdez is to prohibit commercial marijuana facilities. Based upon the number of petition signatures collected, he believes the issue should not wait until May of next year.

Mayor Pro Tempore Smith asked Mr. Hedman to reiterate the language of his proposition. Mr. Hedman explained the proposition puts a question before the Valdez voters asking if they are in favor of prohibiting all types of commercial marijuana facilities within City limits. In accordance with state statute, the prohibition area would also extend 10 miles past City limits.

Mayor Pro Tempore Smith asked the City Clerk to outline the parameters for calling a special election. Ms. Pierce explained the City Council had the option to call a special election in this case. She explained, however, it would be extraordinarily difficult to hold an election at the same time as a state/federal election. In 2016, the primary election will be held in August; the general election will be held in November. Based on those timelines and time required to prepare and order ballots for a municipal election, the earliest a special election could be called would be December 2016 or January 2017. Ms. Pierce explained special elections cost approximately \$12,000 or more due to increased costs for advertising.

Mayor Pro Tempore Smith asked Mr. Hedman if December 2016 or January 2017 would be the most opportune time to hold a special election, as many voters travel out of Valdez during the winter months. Council Member Cockerham stated the petition process is democracy in action and applauded Mr. Hedman and Ms. Franklin's efforts. He concurred with Mayor Pro Tempore Smith's statements on timing of the special election and voters would be more likely to be present in the spring. He stated he would support a special election regardless of the timing. Mr. Hedman stated he has no choice in the timing of the election, but there are multiple establishments working towards opening. These business owners are putting a great deal of time and money into their businesses and infrastructure. He stated the cost of a special election is inconsequential, as the City spends far more money on other issues, surveys, and projects. Holding the special election is up to the City Council's discretion.

Council Member Moulton stated he would prefer to see the ballot question during the May regular election. Valdez voters expect the May election and the turnout would be more representative of the voting public. He stated, both the pro and con sides of the issue would then be given ample time to share their perspectives and gain support amongst community members. Mayor Pro Tempore Smith explained voter turnout is more likely to be larger during a regularly scheduled election. Council Member Moulton stated business owners are moving forward with business plans for commercial marijuana facilities in Valdez. He explained this could be considered risky based upon timing and the pending ballot question, but it was the choice of the business owner. He stated no one is forcing those business owners to enter the commercial marijuana industry and the risk should not be a surprise.

Doug Davies - Valdez Resident

Mr. Davies stated he opposes commercial marijuana facilities in Valdez, however he considers the owners of both businesses his friends. He encouraged Council to move rapidly as possible with holding a special election based upon the investment facility operators are making in town to open their businesses. He stated he believes if the special election happens in the next month or so, prohibition would be put in place.

Mayor Pro Tempore stated investment in a commercial marijuana facility in Valdez is currently a risk based on the pending ballot initiative. He stated, however, those same business owners are aware of the risk as the opposition has been very vocal about bringing a vote to the people. Council Member Moulton stated business owners can wait until after the May election to open their facilities, but they are making the choice and assuming the risk.

VI. NEW BUSINESS

1. Approval of Standard Marijuana Cultivation Facility License - Alaskan Greenery

Attachments: [10043 - Local Government Notice.pdf](#)
[10043 MJ-00 Application Certifications.pdf](#)
[10043 MJ-01 Operating Plan.pdf](#)
[10043 MJ-02 Premises Diagram.pdf](#)
[10043 MJ-04 Cultivator Supplemental.pdf](#)
[10043 Affidavit of Publication.pdf](#)

MOTION: Council Member Moulton moved, seconded by Council Member McCune, to express no Council objection to issuance of Standard Marijuana Cultivation Facility License for Alaskan Greenery. The motion carried by the following vote after the following discussion occurred.

Mayor Pro Tempore Smith requested Chief of Police Bart Hinkle explain the process for the police department's inspection of the cultivation facility. Chief Hinkle stated he conducted a walk-through of the facility to ensure security system and other requirements were in place. He found the facility to be in compliance with state of Alaska security regulations. He reviewed the facility's security plan with the facility owner and found no cause for concern. Chief Hinkle stated he found no deficiencies that would cause the facility to be ineligible for a standard marijuana cultivation facility license.

Mayor Pro Tempore Smith stated this is the first marijuana facility license to come before City Council for approval and wanted to ensure the facility owner and operators have a good working relationship with the police department. He asked for further clarification on changes to state requirements regarding waste disposal at such a facility. Chief Hinkle stated the applicant did bring up that subject and the City's public works department is aware of the change to requirements. Chief explained there will

be clarification from the state Marijuana Control Office needed in coming months as additional applications are submitted around the state. He explained the City Council is the local regulatory body and cannot rely on the state to help in all cases.

Chief Hinkle explained he and the City Clerk discussed the previous week that the applicant in this case had to change a couple of things on his initial application to the state based upon state level changes to the process. Chief questioned if the applicant could change his business model in the future, and, if so, what notifications were required to be made to the City. He explained in this case, the applicant and City staff have had a good working relationship and there are no current concerns.

Mayor Pro Tempore Smith asked where revisions or regulation changes would be sent at the City level. Ms. Pierce explained those revisions would be submitted through the City Clerk's office. She stated she requested to have a conversation directly with Ms. Cynthia Franklin from the state Marijuana Control Office to gain clarification on the regulation change notification process. Ms. Pierce explained that the City's legal firm, in particular attorney Jake Staser, regularly monitors regulations, policies, and procedures related to commercial marijuana and keeps City staff informed.

Council Member Moulton asked if there were complaints or protests from the applicant's immediate neighbors regarding the facility or application for a cultivation license. Ms. Lisa Von Barga, City Community & Economic Development Director, stated one adjacent property owner came into her office to express concern and ask questions. However, that property owner did not file a formal complaint or objection, merely sought clarification on zoning changes and impact to property values.

Mayor Pro Tempore Smith addressed the applicant and requested he conduct himself appropriately and professionally in the operation of his business. He asked the applicant to work with Chief Hinkle and City staff to address concerns.

Yays: 5 - Council Member Smith, Council Member Moulton, Council Member Needles, Council Member McCune and Council Member Fleming

Nays: 1 - Council Member Cockerham

Absent: 1 - Mayor Knight

2. Approval of Renewal of the City's Property and Casualty Insurance Program for the 2016-2017 Insurance Year Effective July 1, 2016 in the Amount of \$536,354

Attachments: [Premium Summary.pdf](#)
[2016-17 Proposal.pdf](#)

MOTION: Council Member McCune moved, seconded by Council Member Fleming, to renew the City's property and casualty insurance program for the 2016-2017 insurance year effective July 1, 2016 in the amount of \$536,354. The motion carried by the following vote after the following discussion occurred.

Mr. Brian Carlson, City Finance Director, and Mr. David Hale, the City's contracted insurance agent, provided City Council with a brief overview of the renewal conditions for the City's property and casualty insurance. Mr. Carlson stated he has been pleased with service provided by Hale and Associates, especially with continuity and institutional memory as a long time provider for the City. Mr. Carlson explained the renewal item listed in the agenda statement was a typographical error. Insurance coverage is renewed every year, however, insurance brokerage is renewed every two to five years. Coverage is the only item being renewed for 2016.

Mr. Carlson explained, overall, the City is looking at a 3.9% annual increase for coverage that renews on July 1st. Based on the renewal schedule, only six months of the increase will effect the 2016 adopted City budget. He outlined the cost driver breakdown provided in the Council agenda packet. Cost drivers vary, but are basically split into the value of what is being covered and loss history.

Council Member Moulton asked how the new harbor would effect the City's insurance policy in the future. Mr. Carlson explained the impact to the city will be a minimal increase to cover an additional customer base, additional revenues, and a larger area where accidents might happen. The City chooses to self-insure its property assets, meaning there are cash reserves to cover losses. Mr. Carlson explained this ends up being a very economical way to carry insurance. Mr. Hale added any increase in exposure with the new harbor would be based primarily on increases in revenue. Premium rates are based upon an increase in harbor revenue. Council Member Moulton asked if the increase could be projected since the size and operation of the new harbor is known. Both Mr. Carlson and Mr. Hale stated the numbers would be easy to calculate moving into future budget years.

Council Member Fleming asked if the 3.9% increase covered six months or a full year. Mr. Hale replied the increase is annual. Council Member Fleming asked if the new ambulance and fire truck were the big drivers in the increase. Mr. Hale confirmed this as true and explained overall rates were down or flat. Most of the increase was due to increasing values of payroll or equipment. Mr. Hale explained they are seeing the same situation across the industry and the standard market cannot compete with a self-insured structure. Mr. Hale explained, while the quotes listed are through July 1st, both carriers understand the renewal must be approved by the City Council. The carriers extend the coverage through the City Council meeting date. If something was to happen where the renewal was not approved, the extension would be cancelled and the City would pay a small premium to cover those couple of days.

Council Member Moulton asked for an explanation of the item titled "public employee crime". Mr. Hale explained the coverage protects the City from embezzlement by an employee. Certain people are exempt from the coverage, such as the City Manager and City Clerk, as they are required to have their own bond.

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

Absent: 1 - Mayor Knight

3. Approval of Amendment to Professional Services Contract with Alaska Department of Corrections for Funding of Community Jail Program for FY-2017 (July 1, 2016 - June 30, 2017).

Attachments: [Amendment Three.pdf](#)

MOTION: Council Member Cockerham moved, seconded by Council Member McCune, to approve amendment three to the existing Professional Services Contract with Alaska Department of Corrections for funding of Community Jail Program for FY 2017. The motion carried by the following vote after the following discussion occurred.

Council Member Moulton stated the amendment is for \$354,749 increase to the contract. Chief Bart Hinkle, Valdez Police Department, explained the amendment is fulfilling the last year of the contract. The amount is the same as was funded for 2016.

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

Absent: 1 - Mayor Knight

VII. ORDINANCES

1. #16-09 Amending the Zoning Map to Effect a Change to Lot 2, Blueberry Acres from Public to Multi-Family Residential. Second Reading. Adoption.

Attachments: [16-09 Williams rezone.docx](#)

[16-09 Williams II.docx](#)

[Rezone App 16-02 Williams.pdf](#)

[Williams Plot Map Blueberry Acres.pdf](#)

MOTION: Council Member Moulton moved, seconded by Council Member Fleming to approve Ordinance #16-09 amending the Zoning Map to effect a change to Lot 2, Blueberry Acres from Public to Multi-Family Residential. Second Reading. Adoption. The following discussion occurred.

Council Member Needles requested to postpone the item to give City Council additional time to review materials provided at the last regular meeting. He explained he and Mayor Knight requested information from the City's legal firm. A response to

their questions was provided during the last meeting. He explained he was not necessarily in opposition of the Ordinance, he merely wanted additional time for the Council to review the legal materials provided. He also stated he would prefer to have the full Council present to discuss and vote on the Ordinance.

Mayor Pro Tempore Smith asked the Council Members if they would be present for the next meeting. All members stated they would be present with the exception of Council Member McCune.

Council Member Moulton asked if the information outlined in the legal memo is public information. Ms. Pierce stated it is public and could be discussed. Council Member Moulton asked if there could be Council discussion on the memo, as the request to postpone seemed very cryptic in nature. Council Member Needles explained the legal memo provided options for conditions and restrictions which could be placed on the land under consideration for a rezone. He stated the land is a beautiful piece of property and he would like it developed appropriately.

Mayor Pro Tempore Smith stated Council previously discussed the desire to review a development plan as part of the rezone. Council Member Needles stated the development plan appeared to be vague and Council should not be in a hurry to approve the rezone without adequate time to read provided materials. He stated two weeks would not impact the development project. Council Member Moulton stated the property belongs to a private landowner and he would like to see City zoning code adjusted in the future.

Mayor Pro Tempore Smith read an excerpt from the legal memo, stating "the City may attach specific conditions regarding the use of the parcel to address concerns about the impact of rezoning the parcel from the community and adjoining properties". He asked if Council Member Needles had specific conditions in mind so the rest of the Council could be prepared for the next meeting. Council Member Needles stated he would prefer the rest of Council read the legal memo and discuss possible conditions at the next meeting.

Mr. Mike Williams, property owner, explained Council Member Needles stated he did not trust him at the last Council meeting. He explained he felt the postponement was because Council Member Needles did not like him personally and was not based upon sound zoning practices. Council Member Needles stated he disagreed with Mr. Williams assumption and merely wanted to know what the development plans are for the property. Mr. Williams stated his intent is to develop the land. However, he might develop the land in the future and sell it, which is within his rights as a landowner. He asked if Council Member Needles prefer he remain the land owner until the end and reiterated that he felt the push for postponement was personal in nature.

Mayor Pro Tempore Smith stated there are many variables in a rezone. If a landowner wanted to be an entrepreneur, develop their property and then sell it, this is well within their rights.

MOTION TO POSTPONE: Council Member Needles moved, seconded by Council Member McCune, to postpone Ordinance #16-09 amending the Zoning Map to effect a change to Lot 2, Blueberry Acres from Public to Multi-Family Residential (Second Reading. Adoption.) to the next regular City Council meeting on July 19, 2016. The motion to postpone carried by the following vote.

Yays: 4 - Council Member Smith, Council Member Needles, Council Member McCune and Council Member Fleming

Nays: 2 - Council Member Moulton and Council Member Cockerham

Excused: 1 - Mayor Knight

VIII. RESOLUTIONS

1. **#16-25 Amending The 2016 City Budget By Accepting Forfeited Firearm Auction Proceeds In The Amount Of \$10,919.90 To The Valdez Police Department And Authorizing Its Expenditure**

Attachments: [Professional Services Agreement - Gun Auction](#)
[Denali Auction Company 2016](#)

MOTION: Council Member Cockerham moved, seconded by Council Member McCune, to approve Resolution #16-25 amending the 2016 City Budget by accepting forfeited firearm auction proceeds in the amount of \$10,919.90 to the Valdez Police Department, specifically the Investigations Account, and authorizing its expenditure. The motion carried by the following vote after the following discussion occurred.

Council Member Fleming asked why the funds were not being deposited into the General Fund. Chief Hinkle explained the firearms ended up in the evidence room as a result of felony investigations by the Police Department, specifically drug offenses in which the offenders had firearms. In order to engage in those type of investigations, an account is designated to pay for surveillance, confidential informants, and other expenses. Chief Hinkle stated he is asking for the funds to first be put into the General Fund, then moved into the Investigations Fund.

Council Member Fleming asked how much funding is usually placed in the investigations fund at the start of the budget year. Chief Hinkle stated approximately \$5,000 is available for investigations but must be requested on a case-by-case basis. He explained nothing has been spent out of that fund this year.

Council Member Moulton asked what other options are available for firearms disposal in addition to sending them to auction. Chief Hinkle stated weapons can be destroyed by many different methods. All weapons that have been dangerously modified, have their serial numbers removed, are rusted or damaged, or are in other ways illegal are

destroyed. Ms. Pierce stated there is also state statute language that regulates firearm disposal after seizure. Chief Hinkle stated, in some cases, the judge will even allow a non-felon defendant to buy the firearm back. Chief Hinkle explained he does not anticipate another gun auction of this magnitude in the near future.

Mr. Carl Hedman, Valdez resident, stated he is surprised the Police Department only receives \$5,000 in the Investigations Fund and challenged City Council to increase the allocation.

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

Absent: 1 - Mayor Knight

2. #16-26 Accepting Reimbursable Grant Funding For The Valdez Police Department ICAC [Internet Crimes Against Children] Task Force From The Municipality Of Anchorage In The Amount Of \$5,151.24

Attachments: [ICAC 2016](#)

[ICAC Reimbursable purchases FY15](#)

MOTION: Council Member McCune moved, seconded by Council Member Cockerham, to approve Resolution #16-26 accepting reimbursable funds of \$5,151.24 from the Internet Crimes Against Children FY15 Grant to the Valdez Police Department Operating Supplies account. The motion carried by the following vote after the following discussion occurred.

Council Member Fleming asked Chief Hinkle to explain the Internet Crimes Against Children (ICAC) Task Force Grant. Chief Hinkle stated the grant funding was not included in the City budget because the grant was not approved until November of last year. ICAC requires the Valdez Police Department have a trained officer who is responsible for investigating these types of crimes. There are approximately 62 ICAC units nationwide, with at least one in each state. The ICAC division in Anchorage is the main unit in Alaska and they control most of the funding and training for officers in the state. Chief Hinkle explained, with the internet crime and victims can occur anywhere in the world. ICAC allows cross jurisdictional coordination between law enforcement agencies and specialty task forces to investigate internet crimes.

Council Member Fleming stated he noticed most of what is being requested with the grant funding is computers and electronic hardware. He stated if the Police Department needs any additional funding for ICAC equipment, he encouraged Chief Hinkle to request that money from City Council.

Chief Hinkle explained Officer Andrew Pritchett of the Valdez Police Department was actually nominated by the U.S. Secret Service to attend specialty ICAC training. Part of the training included approximately \$250,000 worth of investigatory gear provided to the Police Department. However, along with gear comes annual updates and maintenance at an additional cost paid by the City.

Council Member Cockerham thanked Chief Hinkle for his department's work in the ICAC field. He stated he had an opportunity to tour the internet crimes investigations lab and while it is limited, he encouraged other Council Members to visit. Mayor Pro Tempore Smith stated crimes against children are unfathomable and City Council is willing to help with anything the Police Department needs to investigate and prosecute those crimes.

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

Absent: 1 - Mayor Knight

3. # 16-27 Re-Authorizing the Negotiated Land Sale of Lot 2, ASLS 0098 to Brad and Maureen Kimberlin.

Attachments: [Kimberlin Land Sale Agenda Statement 6-1-2015.pdf](#)
[Resolution 15-21.pdf](#)

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to approve Resolution #16-27 reauthorizing the negotiated land sale of Lot 2, ASLS 0098 to Brad and Maureen Kimberlin. The motion carried by the following vote after the following discussion occurred.

Mayor Pro Tempore Smith stated he believed this item had already been approved, but the time limit had passed to conduct the negotiated land sale and needed to be resubmitted to Council.

Ms. Von Barga explained, City Council approved the sale of the parcel in 2015 to Brad and Maureen Kimberlin. There were a host of conditions associated with the land sale, including the requirement to obtain an Army Corps of Engineers 404 Wetlands Permit to do work on the land. A portion of the property they are purchasing includes wetlands. A conditional use permit is also required because of zoning district. The permitting process and land appraisal has taken more time than anticipated. She stated Valdez City Code requires that a land sale be effectuated within one year of the date of approval. Both the City and the Kimberlins have been moving forward on the sale in good faith, but that time frame expired at the end of June 2016.

Mayor Pro Tempore Smith asked if the development of the land would still be for an uplands marine services facility. Ms. Von Barga confirmed the Kimberlins intend to build a boat/marine repair facility.

Council Member Fleming asked how the land sale met the condition of approval of the Council. He asked since the property is 5.8 acres why did the City opt not to go out for bid sale of the land. Ms. Von Barga stated the Council at the time chose to do a negotiated land sale after the Kimberlins came forward with an approved development plan. Council Member Fleming stated there are multiple people on a waiting list

interested in purchasing property from the City as it becomes available. He stated he is very against any deal where the Council decides to do a negotiated land sale when the sale should be public and available to everyone. He stated, however, he is not in favor of changing decisions of past Council when action has already been taken. In the future he would like to see City land go out for public bids. If a developer wants the land, they will bid appropriately.

Council Member Moulton asked if the ten person waiting list is for this particular piece of property. Mr. Ragsdale stated he has asked the City Community Development Department to prepare a map of all the City land currently vacant for Council review. The Council can also determine if there should be amendments to the current land sale policies. Council Member Moulton stated he remembers no one else was interested in this particular parcel at the time, which is why the Council chose to go the negotiated land sale route. He stated if anyone else had been interested they have not stepped forward in over a year. He added the Council wants to promote development, but sometimes does not make decisions that support that perspective. The parcel is a fairly specialized piece of land. The Kimberlins also own the adjacent property. Council Member Fleming asked if the Kimberlins were the only developers interested in purchasing the property, it would not hurt to put the parcel out for bid. Council Member Moulton stated the land sale bid process is lengthy and can hurt smaller developers when only one party is even interested in the land. Council Member Fleming said the smaller lots that share boundary lines and are not really developable are fair pieces of land to sell through a negotiated land sale to adjacent property owners. A larger parcel of land, such as the parcel in question, should be put out for bids.

Mayor Pro Tempore Smith stated if the City does not put land out for sale, then developers will come to the City with proposals. If that happens, the City should consider putting the land out to public bid. When a developer submits a bid, the bid becomes public record. He stated another developer might think they are able to complete a project in a better manner and that is when problems develop. He stated he would prefer to be proactive regarding land sales and development through identification of available community needs, identification of property available for sale, and utilization of public auctions. Council Member Cockerham asked if the appraisal value dramatically raised or lowered within the past year. Ms. Von Barga stated the appraisal was received one week ago.

Mr. Ragsdale explained many times a piece of property is well suited for one developer and not another bidder due to size, type of land, and other factors. Often times in this case, when the property is then put out to bid, the City would end up taking less for the property and a negotiated land sale is appropriate. Council Member Cockerham stated the Kimberlins presented a positive business proposal for this land, which fit a need.

Ms. Pierce reminded Council that a negotiated land sale requires a super majority vote.

Council Member Needles asked if the Mineral Creek Loop Road would need to be

changed in the future due to the development on this parcel. Ms. Von Bargaen explained Mineral Creek Loop Road is a state road, with a right-of-way extending beyond the road surface. She stated the sale was presented to the Ports and Harbor Commission for review due to its proximity to Port Valdez and the Valdez Container Terminal. The Commission expressed no concerns with the sale.

Council Member Moulton asked if there was a waiting period if the sale did not receive support from Council. Ms. Von Bargaen stated there is nothing in Valdez City Code that prevents the developer from submitting a second land request.

Mr. Dwayne Dunning, Valdez resident, asked if the turn radius of the trucks arriving and departing from the Valdez Container Terminal were taken into consideration for this land sale. He explained the Terminal originally had its own designated road platted crossing Mineral Creek Loop Road to the highway. The Loop Road has never been upgraded for the heavy truck traffic off the Terminal, which is being used currently. Ms. Von Bargaen explained the Ports and Harbor Commission discussed on April 28, 2015. The truck turning radius was not enough of a concern to stop the land sale. Council Member McCune stated, based upon the map and photographs, there is quite a bit of right-of-way in that area. Mr. Dunning explained driving and turning a truck on Loop Road is very tight which is not reflected well on the maps.

Mr. Mike Williams, Valdez resident, expressed his concerns with the Council delaying developers from moving forward with projects. He stated the Kimberlin property is another great example. Developers cannot invest until they are certain the City will sell the land or even support the project. He explained he would like to see the Council give citizens the chance to develop land to fill community needs. It is a major investment, but not extremely profitable in Valdez to develop land in comparison to other parts of the state and country. He stated the Council should have the vision and leadership to make things happen and support developers in building Valdez.

Council Member Smith stated many Councils in the past have been very pro-development, which is exemplified by the new boat harbor project, Silver Bay's new plant, and other projects. He stated, however, Council is somewhat cautious because of public scrutiny on those same projects. There is quite a bit of movement within City administration, which includes Council involvement, to ensure things are moving forward appropriately and projects fit into an overall vision for the community. He wanted to make sure the public knows the current Council is pro-development, it just takes time to do it right. Mr. Williams explained if the City sold a piece of property and then needed it back, there is a process. Many times the first development on a parcel is not always the last - the land will find its best use. He recommended the City provide land for sale if it is available.

Mr. Rick Wade, Valdez resident, stated he appreciated the efforts and changes of the last couple of Councils to move development forward. He explained he agreed the process is slightly broken for land sales and should be reviewed and revised. He encouraged the Council to work with the City Manager to give everyone in the community a fair chance to know what land is available for sale and then compete for

purchase.

Council Member Smith said there are many time and workload constraints placed upon City staff by the Council and community. There are many new initiatives and projects, in addition to normal operations, handled by staff. He stated these should be taken into consideration when adding additional tasking in the future. He explained Council expects a well-developed plan and good work products from staff and sometimes things can take a little longer.

Mr. Doug Davies, Valdez resident, stated he has advocated for a marine repair and marine trades education facility for many years. There was a study done in the late 1980's regarding that type of facility in both Valdez and Seward. The results of the study were almost identical in both communities, but Seward was much more proactive and developed infrastructure. This year, Seward has started building a large-scale marine repair facility. Mr. Davies stated Valdez should be doing something similar, especially with the same study results. He said this occurred in the past, but is a good example of Valdez not being proactive in developing needed facilities.

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

Absent: 1 - Mayor Knight

IX. REPORTS

1. Baseline Socio-Economic Study Executive Summary 2016 Update

Attachments: [Executive Summary - Valdez Socioeconomic Baseline Indicators Study December 2015.pdf](#)
[June 20 2016 Valdez Memo and 1-page Socioeconomic Indicator Update.pdf](#)

Mayor Pro Tempore Smith asked if any of the information has changed as part of recent surveys and studies conducted, such as the Aleutian Village survey. He stated he did not think the study was worthwhile until he viewed the statistics and information collected. The data seems very useful as anyone can use it to make business or other decisions.

Ms. Lisa Von Bargaen, City Community and Economic Development Director, explained there were not large changes. The per capita income statistics increased slightly. Data is based upon 2015 numbers, not 2016, as information is collected from the previous year. Expectedly, throughput from the oil pipeline decreased. Ms. Von Bargaen explained as the City moves forward with initiatives in the community, we need to be able to track what is working and what is not. Keeping statistical socio-economic data up-to-date will assist in that effort.

Mayor Pro Tempore Smith asked if a contract is in place with Sheinberg and

Associates for data updates. Ms. Von Barga explained there is not an annual contract in place, but the City did put funding in the Economic Diversification budget to update a much more robust study. The City Manager would like to include that update as part of the community revisioning process scheduled in the next couple of months. Whether the study update stays as a separate contract with Sheinberg and Associates or gets rolled into the revisioning process remains to be seen.

Mayor Pro Tempore Smith stated there are trends nationwide related to school system enrollment numbers. The statistical data presented, however, shows Valdez population numbers remaining consistent at around 4,000 people. He stated it appears that for every family moving out of Valdez, one is moving in. Ms. Von Barga stated school district enrollment numbers actually increased, with 648 children in 2015. Over the last three years, the senior citizen population has increased by 25%. This is a good indicator of a specific growing population whose needs must be taken into account with future community initiatives.

Council Member Cockerham thanked staff for the report.

2. World Extreme Skiing & Snowboarding Championships Report

Attachments: [WESSC Deliverables Letter April 2 016.pdf](#)

Council Member McCune recused himself from the Council conversation on this agenda item and moved into the audience to answer questions as he serves on the World Extreme Skiing and Snowboarding Championships (WESSC) Board of Directors.

Council Member Fleming asked why the event might be postponed until 2018 and if the City funding allocated for the event would just transfer to the next budget year. Ms. Von Barga stated the funding has been issued to the organization. If the event does not occur in 2017, WESSC intends to refund the money to the City. She stated the money would not roll over from year to year. However, the money could be deposited back into a reserve fund and held in escrow. The Council could then allocate the same amount of money for the following budget year.

Mr. Ryan McCune, WESSC Board of Directors, stated the organization does not intend to spend any funding on the event until they have received at least 75% of sponsorship dollars. Mayor Pro Tempore Smith stated there seems to have been many verbal sponsorship commitments to the event. However until something is solidified in writing, WESSC will be in a holding pattern. Council Member Moulton asked if WESSC knew why other sponsors were being hesitant. Mr. McCune stated he cannot go into further details about sponsorships due to disclosure rules. He explained the board is waiting for approximately \$600,000 to \$800,000 in sponsorship funds. Mayor Pro Tempore Smith stated the City Council delayed making a decision about sponsoring the event. He speculated the host city taking time to provide funding may have caused hesitation from industry sponsors. He stated the event will actually bring people and their business to town and is a better investment than a strictly

marketing project.

3. April, 2016 Treasury Report

Attachments: [APRIL 2016 TREASURY.pdf](#)

4. Valdez New Boat Harbor Construction Progress Reports

Attachments: [VNBH1 Construction Progress Report 33.pdf](#)

[VNBH1 Construction Progress Report 34.pdf](#)

[VNBH1 Construction Progress Report 35.pdf](#)

[VNBH1 Construction Progress Report 36-reduced file.pdf](#)

[VNBH1 March-May 2016 Report-web.pdf](#)

Mr. Jason Miles, City Capital Facilities Director, explained utilities work continues in the new harbor. Western Marine continues to do dredging work seven days per week in the new basin. They are also installing the new breakwater. The utilities work is pretty intensive and includes water lines, sewer lines, and electrical. The sidewalk along South Harbor Drive is complete. Mr. Miles stated he has received very few complaints and thanked the City Public Works Department for their hard work in keeping the road clean.

Mr. Miles explained the high mast light foundations are installed and being backfilled. Mayor Pro Tempore Smith asked if the Ramp One Abutment is the actual walk-down ramp. Mr. Miles stated there are three gangways going out to the future floats and outlined the major elements of each harbor report provided in the Council packet. He pointed out the design packages for the uplands facility and in-water floats will be completed at the end of summer or beginning of fall. The in-water and floats work depends on Western Marine's dredging and breakwater work. Western Marine has through next year to complete their work, however dredging so far is well ahead of schedule. Dredging the deeper areas of the basin may be more challenging.

Mr. Miles stated the budget is tracking, but close to the cap set by City Council. He stated he is optimistic the project will come in under the cap, but they are anticipating utilizing quite a bit out of the project's contingency account. Approximate spending is projected at \$6.8 million out of \$7.2 million in contingency. Mayor Pro Tempore Smith stated the contingency account is being used for work that was not anticipated prior to project start. Mr. Miles explained his team has been working on ways to minimize costs for things such as using a ripper instead of blasting for rock removal.

Mayor Pro Tempore Smith asked if information about rock would be in place by the end of the year so cost estimates could be worked into the 2017 budget. Mr. Miles confirmed this as correct and recommended a possible City Council work session in the fall to discuss project status and options. Mayor Pro Tempore Smith stated at the last harbor work session, a list of items was presented which could be cut or delayed

from the project for cost savings.

Mayor Pro Tempore Smith asked for a schedule of harbor construction activities for the next several months. Mr. Miles explained the same type of construction work described in the Council packet would continue. As design packages for the uplands and floats are completed, bid packages would also be released. Dredging in the existing harbor for maintenance and to accommodate deeper draft fishing vessels will also need to be done in the next year. Mr. Miles explained he anticipates putting that project out to bid by the end of the summer to take advantage of dredging operators already in town.

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

1. City Manager Report

Mr. Ragsdale thanked the Council for supporting the Fourth of July Festival and City staff for doing outstanding work prior to and during the event. He stated those that attended the event had a wonderful time with positive feedback received.

Mr. Ragsdale stated staff conducted the presubmittal meeting for the Community Revisioning Project. He received positive feedback from those consultants in attendance. Consultant qualification packages are due to the City by July 14th. Ranking criteria have been established; however a committee needs to be formed to do the actual ranking of short listed candidates by July 19th. Mr. Ragsdale recommended that the committee should consist of one staff member, three community members, and three Council members. He will serve as committee ex-officio. Community members selected should be knowledgeable about how the City operates, have a community-wide focus instead of a special interest, and history of community involvement in Valdez. Once the final consultant is selected, a larger project steering committee will be formed that likely will include a larger cross section of community representation.

Mayor Pro Tempore Smith explained he wanted to ensure a solid list of deliverables are in place for the Community Revisioning Project. Mr. Ragsdale stated, at this point in the process, the consultants are pitching why they are the most qualified firm to work on the project. The selection committee will order the firms based upon qualifications. Once the firm is selected, the scope of the project will be solidified and communicated, to include a list of deliverables. Mayor Pro Tempore Smith, Council Member McCune, and Council Member Cockerham volunteered to serve on the selection committee. Mayor Pro Tempore Smith stated Mr. Jim Shirrell asked if he could serve as a community representative on the selection committee. Council should submit recommendations for the two other citizens to serve as community representatives to the City Clerk. Citizens could also submit their names to the City Clerk for consideration. The City Clerk would then provide the list of citizens to Council for a final decision. Mr. Ragsdale stated presentations by the consultants on the finalist list are scheduled for August 11th and 12th.

Mr. Ragsdale stated Mayor Knight recently declared a local disaster due to flooding on the Lowe River. The amount spent on disaster mitigation efforts are required to be reported back to Council. He explained work on flood mitigation involved an up to \$80,000 task order. The final cost of mitigation is \$67,752.75. He stated Mayor Pro Tempore Smith declared a second local disaster because there needed to be additional work completed in anticipation of flooding from forecasted heavy rains. The City has another task order out for up to \$180,000 to finish flood mitigation work on the Lowe River. Mr. Ragsdale commended the efforts of the City Public Works and Capital Facilities Department in working with the flood mitigation contractor.

Council Member Moulton asked if the Army Corps of Engineers had been contacted for flood assistance as discussed at a previous Council meeting. Mr. Ragsdale stated he would look into the possibility of utilizing the Corps as a resource.

Mr. Ragsdale requested an Executive Session with Council to provide his six-month performance feedback evaluation during their next regular meeting. Mayor Pro Tempore Smith stated the previously approved City Manager evaluation form should be used as a template for the six-month performance discussion. Mr. Ragsdale stated if any Council Members would be absent from the Executive Session, he would be more than willing to sit down with them one-on-one to discuss his performance as City Manager thus far.

Mr. Ragsdale provided a reminder about the Council work session on July 11th to discuss City facilities and space needs. He stated he would also like to recommend scheduling a joint work session with the Council and Ports & Harbors Commission. Mayor Pro Tempore Smith supported the idea of a joint work session prior to decisions being made about the uplands facilities.

2. City Clerk Report

Ms. Pierce explained she will send out a reminder about the July 11th work session. Mr. Ragsdale stated he will attempt to provide Council with work session materials, if possible.

Ms. Pierce stated she provided Council with an email received from Mr. John Hozey of the Governor's Office. The email requested Alaskan assemblies and city councils consider passing a resolution in support of the Governor's budget. She requested direction from Council if they would like to move forward with a resolution. Mayor Pro Tempore Smith stated it is difficult for Council to be given materials right before a Council meeting and then be expected to make a well educated decision on the matter. He requested materials be provided in advance in the future. Ms. Pierce apologized, stating the email was received just prior to the holiday weekend. Council Member McCune asked if a resolution passed at the next meeting would be timely, with the legislative session schedule. Mayor Pro Tempore Smith asked if Council could send the City Clerk an email for consensus purposes once they had time to review Mr. Hozey's request. Ms. Pierce stated she will collect Council emails and if the

consensus is yes, she will bring a resolution forward on the next agenda. Mayor Pro Tempore Smith asked Ms. Pierce to bring the resolution forward at the next meeting and then Council could just vote against or in favor.

3. City Attorney Report

Mr. Guerriero stated he did not have anything to report to Council.

4. City Mayor Report

In Mayor Knight's absence, Mayor Pro Tempore Smith stated he would hold his comments to Council Business from the Floor.

XI. COUNCIL BUSINESS FROM THE FLOOR

Council Member Moulton stated he heard nothing but positive comments about the Fourth of July celebration and thanked all those who worked hard to make it happen.

Council Member McCune explained he attended the Community Revisioning luncheon with the RFQ applications the previous week. He expressed his appreciation for the creative brainstorming session during the event and believes many of the applicants are well qualified for the project.

Council Member Needles asked for an update on the Aleutian Village trailer court situation. Ms. Von Barga stated the City received the water and electrical reports. Upon the return of Mayor Knight, a Task Force meeting will be held to discuss the results of the reports and determine the City's next step in the process. She explained she is still waiting to hear back from the state of Alaska regarding land sale options.

Council Member Fleming stated that, while he heard nothing but positive comments about the Fourth of July celebration, he received many complaints about fireworks use in City limits. Most complaints referred to fireworks being set off late at night or outside the allowable hours under City Code. He also expressed concerns about the amount of fireworks garbage not disposed of properly around town. Allowing fireworks within City limits is new and he asked citizens to be mindful and respectful when using fireworks. Mayor Pro Tempore Smith stated this is not the first case where people have not been responsible for cleaning up after themselves. There are many places that do not allow similar freedoms as Valdez. He asked citizens to follow the rules and clean up after themselves so the community does not lose privileges such as riding ATVs on the street and personal use fireworks.

Mayor Pro Tempore Smith stated he also attend the Community Revisioning luncheon. He stated he was apprehensive walking into the luncheon, but was impressed by the consultant presentations and answers during the question and answer session.

He reiterated when time allows he would like the Council to move forward with a gravel extraction plan for area rivers to mitigate flooding year after year. He stated he understands the staff time involved in bringing this item forward, but wants to put something in place before next summer.

Mayor Pro Tempore Smith stated he received a call from James "Hotai" Williams. Hotai thanked him for hiring him to do balloons at the Fourth of July celebration, stating he provided over 800 balloons to the children in attendance.

Mayor Pro Tempore Smith stated when things go wrong, Council and the community hear about them. When things go right, they are seldom discussed. He pointed out many concerned citizens approached the Council about daycare availability in Valdez when Puffin Learning Center was closing. Council put staff resources into looking at solutions. However, private business people stepped in and resolved the issue. There are many wonderful things going on in Valdez. He thanked City staff and the community for all their efforts and patience. He stated the road and sidewalk by the new harbor look wonderful. He encouraged everyone to use the new sidewalks.

He also thanked Levitation 49 for identifying needs well in advance so they can allocate resources. Ms. Lee Hart from Levitation 49 stated there are multiple grant applications due dates coming up in the near future that require support letters or backing by the City. She asked how she should proceed with those applications. Mr. Ragsdale explained last minute requests that require staff time or Council approval do not always work out well because of work load, meeting schedules, or other operational commitments. The farther in advance Levitation 49 could work with City staff, the better. He asked Levitation 49 to work through his office regarding grant requests. Ms. Hart stated their scope is broad with many long range plans. She explained her organization is always about economic diversification and stimulating the Valdez economy. She does not believe the organization should be considered a special interest, because they can assist in a large variety of ways. Outdoor recreation is merely the vehicle they use to bring people and economic stimulation to Valdez. She expressed interest in being involved in the Community Revisioning and rebranding efforts moving forward into the future. Mr. Ragsdale asked Council if they would prefer Ms. Hart to be a part of the RFQ selection process or to wait and be part of the project steering committee. Council Member Moulton stated anyone in the community could be labeled as a special interest because Valdez is a small town. Mayor Pro Tempore Smith stated selection for the three community members for RFQ committee should follow the process previously outlined.

XII. ADJOURNMENT

There being no further business, Mayor Pro Tempore Smith adjourned the meeting at 9:51 p.m.

XIII. APPENDIX

1. City Boards & Commissions Minutes

Attachments: [05022016 P&H Commission Meeting Minutes](#)
[PZ approved minutes 06082016](#)

2. Council Calendars

Attachments: [City Council Calendar July 2016](#)
[City Council Calendar August 2016](#)