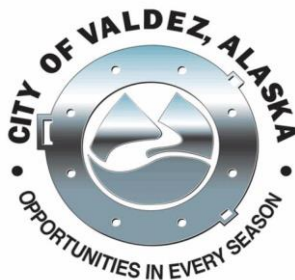


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, February 7, 2017

5:30 PM

Work Session (Financial Plan) & Regular Meeting
Council Chambers

City Council

WORK SESSION AGENDA - 5:30 pm

Work Session: City Financial Planning

REGULAR AGENDA - 7:00 PM**I. CALL TO ORDER**

Mayor Knight called the meeting to order at 7:04 p.m. in Valdez City Council Chambers.

II. PLEDGE OF ALLEGIANCE

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

III. ROLL CALL

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

Excused: 1 - Council Member Nate Smith

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

IV. PUBLIC APPEARANCES**1. Ms. Lee Hart - Levitation 49**

Ms. Lee Hart, Levitation 49 (L49), provided an update regarding the organization's recent activities. L49's "Respect" public awareness campaign launched February 1st and focuses on responsible recreational use of lands in Thompson Pass. The campaign also encourages respectful interaction between user groups in Thompson Pass to ensure all outdoor enthusiasts may recreate in the area well into the future. L49 plans to speak with user groups and those who transit Thompson Pass often to encourage respectful stewardship.

Ms. Hart thanked City Council for creating the Events Coordinator City staff position in 2017. She explained having one staff member to work through for event logistics has greatly improved coordination and communication between L49 and the City.

Ms. Hart provided an overview of upcoming L49 events. She explained L49 intend to have a large media presence, as well as professional athletes, in town for their upcoming fat tire bike event scheduled for March 1st - 5th. The organization's goal continues to involving telling a positive story about Valdez as an adventure destination for many different outdoor sports. Athletes will be participating from multiple locations around the United States and Canada.

Ms. Hart explained the Valdez Ice Fest event scheduled for February 17th - 20th is on projected target, with approximately 240 registered participants thus far. The cap for registrations will be 400 participants. Registrations for the women's ice clinics during the event is by donation only. So far, clinic registrations raised \$1,500 to be donated to Advocates of Victims of Violence. The donation idea involved a partnership between L49 and the women leading the clinic. Ms. Hart explained Rock & Ice magazine, as well as other media entities, will be onsite during the Ice Fest event.

Council Member Needles congratulated Ms. Hart on obtaining office space at Prince William Sound College for L49. He asked how many participants are anticipated for the fat tire bike event. Ms. Hart explained right now it is difficult to anticipate registrations, as she believes many participants are waiting until closer to the event to register based upon weather. Ms. Hart explained the event will run concurrently with Frosty Fever events and has added a family-friendly bike race in addition to the competitive races.

Ms. Hart explained L49 now retains a high quality adventure sports attorney to assist the organization through the process of liability insurance and other topics.

V. PUBLIC BUSINESS FROM THE FLOOR

Mayor Knight provided an opportunity for public comment from the floor on a non-agenda item. No member of the public chose to provide comments.

VI. CONSENT AGENDA

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

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

Absent: 1 - Council Member Smith

1. **Proclamation: Teen Dating Violence Awareness and Prevention Month**
2. **Approval of Contract Award to Capitol Hill Consulting Group for 2017 Federal Lobbyist Services in the Amount of \$36,750**
3. **Approval of 1-Year Contract Extension to Gulf Coast in the Amount of \$130,089 for Janitorial Services**
4. **Approval of 1-Year Contract Extension to X-DLX Investments in the Amount of \$138,070.25 for Janitorial Services**
5. **Approval of Liquor License Renewal Applications**
(Moved to New Business #11)
6. **Approval To Go Into Executive Session: Legal Briefing Regarding Ad Valorem Tax Revenues Limitations, Restrictions and Settlement Related Strategies**

Mayor Knight read the Teen Dating Violence Awareness and Prevention Month Proclamation and presented a copy to representatives of Advocates for Victims of Violence (AVV).

AVV representatives provided a short presentation on a recent teen dating violence awareness and prevention public service video they created in conjunction with local students and SEED Media.

VII. NEW BUSINESS

1. **Approval of Land Use of Tract B, USS 455 for a Police Impound Lot and Storage**

MOTION: Council Member McCune moved, seconded by Council Member Cockerham, to approve land use of Tract B, USS 455 for a police impound lot and storage. The motion carried by the following vote after the following discussion occurred.

Council Member Needles expressed concerns with selection of the land for use as a police impound and storage lot. He stated he believes there might be better options in another area of town. Valdez Chief of Police, Bart Hinkle explained the police department worked through the community development department to identify City owned land available for this purpose. He explained there are other lots closer to the police department, however those locations were not suitable due their proximity to

wells, snow removal challenges, and other concerns. For a variety of reasons, this location is the closest, best option.

Council Member Moulton asked for clarification on options for junk car storage. Ms. Lisa Von Barga, City Community and Economic Development Director, explained general junk car storage and disposal is a separate issue currently being addressed by the Planning and Zoning Commission. Chief Hinkle confirmed the land for police impound and storage is not intended to be used for general junk car storage.

Mr. Darren Reese, Valdez resident, stated City Council previously discussed purchasing 15 acres on the edge of town for multiple City needs. He recommended City Council table approval of this item until that land purchase is further explored.

Mr. James "Hotai" Williams, Valdez resident, stated former City Manager Dennis Ragsdale, approached him to ask if he would be interested in creating an impound and junk car lot. Mr. Williams explained the main challenge for an impound lot is security. People continually seek out recyclable materials from the landfill and junk car lot off Atigun Drive. He explained there was a recent fire due to someone cutting parts out of old junk cars. Mr. Williams explained he identified five to ten acres between his property and the Valdez Mobile Home Park which the City owns. He stated he believes this land is not suitable for residential building due to proximity to the landfill. He recommended clearing that area for an impound lot, followed by installation of security lights and cameras. He stated he did not think the proposed land is sufficiently large enough.

Chief Hinkle stated he was unaware of a conversation between Mr. Ragsdale and Mr. Williams, but explained the land Mr. Williams describes has been discussed by staff as an option for general junk car storage.

Chief Hinkle clarified the police impound lot is intended primarily for short term impounds. He provided the community development director with a memo outlining short term, long term, and evidence storage needs for the impound lot, to include secure storage space. Based upon the 1.2 acres of land available, the space allocated appears sufficient for police department needs. Chief Hinkle explained the impound lot is not intended to remove the option for a private land owner to develop a junk car storage lot in compliance with City code.

Council Member Needles recommended placing the police impound lot and junk car lot in the same area. Chief Hinkle explained there are additional considerations, such as environmental protection, required for a junk car storage lot and deferred to City staff subject matter experts for amplifying information. Ms. Von Barga added, Tract B USS 455 is not zoned appropriately for storage of junk cars.

Council Member Fleming asked if the area around the police impound lot included room for expansion. Ms. Von Barga explained the City owns the property in the general area.

Mayor Knight stated a significant need exists in town for junk car storage and disposal. She was approached by the Valdez High School shop teacher who stated several citizens have asked him for assistance in draining fluids from their junk vehicles.

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Cockerham, Council Member McCune and Council Member Fleming

Nays: 1 - Council Member Needles

Absent: 1 - Council Member Smith

2. Discussion Item: Proposed City Facilities & Related Land Acquisition

Ms. Lisa Von Bargaen explained this discussion item is follow-on to previous work sessions and agenda items related to City facilities and related land acquisition. She stated the City Council requested staff provide a concept for relocation of the fire station to the hospital property, retaining the Karen Stewart Memorial Garden, retaining the Shana Anderson Dog Park, and allowing the fire station to have a training tower. Other fire department training facility needs would be relocated to another area of town.

Mr. Jason Miles, City Capital Facilities Director, reviewed the proposed layout of the fire station facility provided in the City Council agenda packet. He then explained snow removal needs for the area necessitated, if possible, placing the snow storage area as close as possible to the adjacent church lot to the south. As proposed, the dog park would need to be reconfigured slightly. Mr. Miles explained he designated one acre each to the dog park and snow storage space. The community garden master plan would not be impacted by the City utilizing the land in this way. He stated north of the snow storage, community garden, and dog park is a substantial pad for the new fire station based upon a 16,000 square foot model. Vehicle bays would be placed on the north side, with the training tower behind the fire station. There would also be a connector to the hospital parking area. He explained there is more than adequate parking availability.

Mr. Miles explained one of the critical issues is the hospital master plan. A copy of the overlay for this plan was provided in Council's agenda packet and includes a proposed assisted living facility. A concession would be needed from the hospital to shift the location of a future assisted living facility.

Ms. Von Bargaen stated the City Council approved \$50,000 to complete a formalized concept plan for the fire station. Based upon the discussion at this meeting, she asked for Council direction regarding moving forward with that concept plan.

Mayor Knight stated the proposal to utilize hospital land for the new fire station and snow storage was provided to the hospital administrator. However, the hospital's health advisory council has not had the chance to review and provide comment. Mayor Knight asked Mr. Miles if comments were received from the hospital

administrator. Mr. Miles reiterated the points, Mr. Jeremy O'Neil, Providence Valdez Medical Center Administrator, provided at a previous Council meeting including impacts of training facility operations on the hospital. Mr. Miles recommended the Valdez Fire Chief and Mr. O'Neil hold future discussions regarding these types of operational concerns.

Council Member Fleming asked if there is access to the highway from the hospital property. Mr. Miles stated access does not currently exist, but the City could request placing an easement from the property to the highway from the state. Council Member Fleming asked how citizens would access the dog park. Mr. Miles explained parking for the dog park and community garden is shared with the fire station's overflow parking area.

Council Member Fleming asked for further details on the other fire station training facilities. Mr. Miles explained City staff are currently exploring options for other sites for these facilities. He stated it would be ideal to locate these training sites with the new fire station.

Captain Mike Weber from the Valdez Fire Department clarified a few concerns expressed with the new proposed fire station training facilities. The proposal currently includes a training tower placed adjacent to the station. Training in this tower would involve artificial, theatrical-type white smoke. Captain Weber explained this tower would not be used for what the fire service considers "live fire training" where large amounts of Class A wood material is burned. This type of training creates plumes of black smoke. A facility for this type of training would be located elsewhere in the City.

Council Member Fleming asked how much noise would be generated by training near the new fire station, as this is the primary concern for hospital administration. Captain Weber explained noise generation is relative depending on the type of training operations; some types involve no noise, others might involve running the fire trucks for several hours per month.

Mayor Knight asked if moving the training tower to the same location as the rest of the fire training facilities would be feasible or could be considered. Captain Weber explained Chief Tracy Raynor was out of town at the State Fire Chief Conference in Juneau. Captain Weber stated onsite training facilities are crucial for multiple reasons, including response time to the department's core service hour. 80-90% of all fire department (fire & EMS) calls come from the in-town area. In fire and emergency medical response, minutes are critical. If fire department staff are routinely out the road for training, this significantly impacts response time. Additionally, Station One (in-town) would need to be back filled during training evolutions to provide fire protection to the community which will drive up overtime costs.

Council Member Needles asked how many fires the fire department responds to annually. Captain Weber stated he did not have those statistics readily available at the meeting. He estimated 60-70% of all fire department calls are emergency medical services related.

Council Member Fleming reiterated the need for access from the hospital property to the highway if the new fire station was built in that location. Costs should be explored for creating this easement.

Council Member Needles thanked the City's public works department for their flexibility and creativity in snow storage this year. He expressed concern with what he felt was a short timeline to make decisions on this project. Council Member Moulton stated he believes staff provided exactly what Council asked for at previous meetings, outlined how all needs were met, and thanked them for their hard work.

Council Member Moulton explained several fire training scenario options, outlined the new fire chief's expectations for regular training for career staff and volunteers, and dispelled misconceptions regarding noise and smoke impacts on neighboring properties. He stated firefighting training is no noisier than a loader moving snow. Good advance communication between city administration, the fire chief, and hospital administration will likely resolve any and all concerns that may come up related to training. He stated the proposal, as presented, is exactly what he was looking to receive.

Council Member Cockerham stated he appreciated all the hard work that went into the proposal. He requested the plan be discussed with all stakeholders before presenting to City Council for action.

Council Member McCune stated staff might consider moving the vehicle bays to the south side to reduce noise heard in the hospital building.

Ms. Pierce asked if utilizing the hospital grounds for proposed city facilities would be sufficient or if additional land still needed to be purchased. Ms. Von Barga explained staff would still like to obtain additional property for snow storage. She explained the City public works department obtained a snow storage agreement with a property owner on Meals Avenue for this snow season to help alleviate storage shortages. Ms. Von Barga stated she has not received a reply from the Gavorahs regarding sale of only three acres of their property. Mayor Knight suggested continuing trying to lease land for snow storage instead of purchasing property for the next couple of years.

Council Member Fleming stated it only cost the City \$4,500 more this year. Mr. Rob Comstock, City Public Works Director, stated that number would likely double in a heavy snow year. The grocery store also needs a place to put their snow and land is getting tight for snow storage options in that area of time. He explained additional costs relate mainly to staff time to push the extra distance.

Ms. Pierce asked for Council direction regarding approaching the Gavorahs about purchasing or leasing their land for City use. Council indicated they would prefer staff continue these conversations to at least explore the option and associated costs.

3. Approval of Final Plat (SUBD #17-02) of Barney Meyring Parkstrip Subdivision. Applicant: City of Valdez

MOTION: Council Member McCune moved, seconded by Council Member Cockerham, to approve Final Plat (SUBD #17-02) of Barney Meyring Parkstrip Subdivision. The motion carried by the following vote.

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

Absent: 1 - Council Member Smith

4. Approval of Final Plat (SUBD# 17-03) of Tract E Public Utility Easement

MOTION: Council Member Moulton moved, seconded by Council Member Cockerham, to approve Final Plat (SUBD #17-03) of Tract E Public Utility Easement. The motion carried by the following vote after the following discussion occurred.

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

Absent: 1 - Council Member Smith

5. Approval of Written Request to the U.S. Army Corps of Engineers to Initiate a Preliminary Analysis of Eligibility of a Lowe River 10-Mile Area Project for a Continuing Authorities Program, Section 205, Small Flood Damage Reduction Project

MOTION: Council Member McCune moved, seconded by Council Member Moulton, to approve a written request to the U.S. Army Corps of Engineers to initiate a preliminary analysis of eligibility of a Lowe River 10-Mile Area Project for a Continuing Authorities Program, Section 205, Small Flood Damage Reduction Project. The motion carried by the following vote after the following discussion occurred.

Mayor Knight explained the last Flood Task Force meeting involved great discussion on the topic. Citizens from the subdivision, council members, and staff serve on the Task Force, and all were in agreeance for support of the analysis.

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

Absent: 1 - Council Member Smith

6. Approval to Enter Into a Feasibility Cost Sharing Agreement with the U.S. Army Corps of Engineers for a Section 22 Planning Assistance to States (PAS) Study

MOTION: Council Member Moulton moved, seconded by Council Member Cockerham, to approve authorization to enter into a Feasibility Cost Sharing Agreement with the U.S. Army Corps of Engineers for a Section 22 Planning Assistance to States (PAS) Study. The motion carried by the following vote after the following discussion occurred.

Ms. Pierce explained the studies will take several years to complete, but will in no way prevent the City from moving ahead regarding operations which need to occur in 2017. The Flood Task Force would like to schedule a work session with the full City Council to discuss flood mitigation planning and options for contracting with DOWL.

Ms. Von Bargaen added staff met the previous week to discuss the list of priority action items to be addressed for the Lowe River, Valdez Glacier Stream, and Mineral Creek. Those will be presented at the Flood Task Force for consideration at their next meeting and then brought forward at the joint work session with City Council.

Mr. Allen Crume, Alpine Woods resident and Flood Task Force member, explained there is cost involved in making agreements with the Army Corps of Engineers, but there are also benefits to the City in the process. He stated money is being spent for flood mitigation, which we then receive credit. Mayor Knight briefly explained the percentage matches for both the study and the project.

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

Absent: 1 - Council Member Smith

7. Approval of Change Order to Arcadis in the Amount of \$115,319.15 for Additional Services in 2016.

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to approve a change order to Arcadis in the amount of \$115,319.15 for additional services in 2016. The motion carried by the following vote after the following discussion occurred.

Council Member Fleming confirmed the costs associated with the change order remain within the project budget. Mayor Knight asked if increases captured in the change order relate mainly to the rock outcropping found during Phase One of the project.

Mr. Jason Miles, City Capital Facilities Director, explained rock analysis occurred in 2016. The larger cost items were captured in the change order document. He stated the project is still within the soft cost budget. He stated the second portion of the construction project is anticipated to go out to bid in late February or early March. Bid

selection will occur in April and he will be able to better anticipate costs to finish the remainder of the project, including project management needs.

Mayor Knight asked for clarification on the timing of the change order, as construction concluded in September 2016. Mr. Miles explained substantial completion of the project occurred in mid-November 2016. Between that point and now, City staff and Arcadis have been working to better understand how the project needs to move forward. He stated this change order will complete the payments necessary to cover 2016 Arcadis services. He will work with the City Manager to negotiate a small fee for 2017 up to the bid period. Once bids are received, the City will better understand project management needs for phase two of construction.

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

Absent: 1 - Council Member Smith

8. Approval of Change Order to Prosser Dagg Construction Company in the Amount of \$219,648.11 for 2016 City Streets Project

MOTION: Council Member Cockerham moved, seconded by Council Member McCune, to approve a change order to Prosser Dagg Construction Company in the amount of \$219,648.11 for the 2016 City Streets project. The motion carried by the following vote after the following discussion occurred.

Council Member Needles expressed concerns with the amount of the change order to Prosser Dagg Construction Company. Mr. Miles clarified the change order work is based upon the time and material clause in this contract. The clause allows the owner to direct additional work to be done when an agreement cannot be struck on the cost of the work. Except for one, all of the change order items fell under the city manager's approval authority. He explained the items were approved by either himself or his staff in the field. Many of the items were not included in the original scope of work as they were discovered mid-project. For example, the water valves work were discovered once the street was opened.

Mr. Miles noted that of all the change orders for this project equate to only eight percent of the total project cost, which is at the high end but still within industry standards. He explained at the time the work was directed, the City and contractor could not agree on a price. His team directed the work be done on a time and materials basis, per the original contract. Based upon project timelines, the work needed to be done without a delay to wait on the contractor's paperwork. Mr. Miles' staff kept their own paperwork and calculations regarding this additional work which was then compared against the invoices eventually submitted by the contractor. He stated he believes the project work went well and most could agree the end product is beneficial to the City. Mr. Miles stated, in the future, his department will provide updates to the City Council as this type of work is done in the field.

Council Member Needles asked for clarification on the timeline the contractor

submitted their invoices. Mr. Miles confirmed that the contractor did not submit invoice paperwork until sometimes several months after the work was completed. The bulk of the work was substantially complete in September 2016 and most invoicing was not received until December 2016. He explained utilizing the field approval process for added work on a time and materials basis saved the City almost \$50,000. He added the total cost of the original contract plus all change orders was still \$562,000 less than the next lowest bid on the project.

Ms. Pierce explained she and Mr. Miles discussed the change order process during this contract. The majority of the change orders were small amounts over the course of the project which could have been approved by the city manager. The change orders, however, were not completed and submitted for approval along the way due to the contractor failing to submit real-time invoicing. Ms. Pierce stated a penalty should be written into future contracts to hold the contractor accountable for providing paperwork and invoicing on time.

Council Member Fleming reiterated contracting process concerns raised by City Council during previous meetings and work sessions. He stated Mr. Miles and his staff are responsible for many, many projects. If additional staff, either internal or external, need to be hired to ensure nothing slips through the cracks. Mr. Miles stated he was fully aware of all change order issues and costs and provided direction to his staff during the project. The former city manager was also aware. DOWL also provided engineering and inspection services for the project. Mr. Miles stated he supported Ms. Pierce's suggestion of including penalty clauses in future contracts.

Based upon lessons learned, Council Member Cockerham asked for updates in the future in these types of situations. He stated he also supports inclusion of a penalty clause in future contracts. He suggested hiring additional project management help during the summer when the bulk of construction work occurs.

Council Member Fleming asked future contracts include a clause to notify the Council once a project reaches the 75% spend level. Ms. Pierce confirmed regular reporting should be done, most especially as it relates to the procurement procedures outlined in municipal code.

Mr. Allen Crume, Valdez resident, stated the city manager's approval limit is \$40,000 for contracts which he believes is a high amount. With that in mind, he stated Council needs to be kept properly apprised of change orders so they may properly budget. He stated he also supports the penalty clause in future contracts.

Mr. Jim Shirrell, Valdez resident, the city manager's approval limit of \$40,000 should be set cumulatively. He explained once the total cumulative amount of change orders exceeds \$40,000, they then should be sent to Council for approval to keep project spending under control. Mr. Shirrell outlined his concerns with contractors not providing invoicing as a project progresses. Council Member Moulton asked if there were mechanisms in place to prevent serial purchases. Ms. Pierce confirmed these mechanisms are in place.

Mr. Ron Rozak, private citizen, stated a fair amount of thought was put into the City's change management plan about a year ago. He recommended small change orders be dealt with on a monthly basis and then the city manager provide regular reporting to Council. He explained this appears to have worked well on other projects.

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

Absent: 1 - Council Member Smith

9. Approval of Professional Services Agreement with McCool Carlson Green in the Amount of \$92,231 for ADA Restroom Renovations at the Elementary and High School

MOTION: Council Member Cockerham moved, seconded by Council Member McCune, to approve a Professional Services Agreement with McCool Carlson Green in the amount of \$93,231 for ADA Restroom Renovations at the Elementary and High School. The motion carried by the following vote after the following discussion occurred.

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

Absent: 1 - Council Member Smith

10. Approval of Change Order to DOWL in the Amount of \$74,356.96 for Construction Administration and Inspection Services on the 2016 City Streets Project

MOTION: Council Member Cockerham moved, seconded by Council Member Moulton, to approve a change order for DOWL in the amount of \$74,356.96 for Construction Administration and Inspection Services on the 2016 City Streets Project. The motion carried by the following vote after the following discussion occurred.

Council Member Needles stated he would have preferred City staff hire a local engineer to oversee these types of projects. He explained this would have allowed the funds to remain in town instead of hiring a firm from another location.

Mr. Miles explained DOWL provided contracted engineering and inspection services. Two City project managers oversaw the City streets and hospital repaving project. One of the two project managers spent the majority of her time during construction coordinating the effort and keeping effected businesses apprised of road closures, traffic changes, and anticipated impacts. Mr. Miles explained the largest portion of the change order relates to a forty day schedule over run due to weather and additional required work. He explained this project falls at an approximate 5% construction management fee in comparison to total project cost. Industry standard is approximately 4.8%. Mr. Miles stated the process moving forward is to provide more timely updates to City Council. Council Member Moulton stated hiring another full time

engineer would have cost more than that amount.

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

Absent: 1 - Council Member Smith

11. Approval Liquor License Renewal Applications: Fu Kung Restaurant, Glacier Sound Inn, Three Bears, Totem Inn (Board Room) – Moved from Consent Agenda

MOTION: Council Member Moulton moved, seconded by Council Member McCune, to approve liquor license renewal applications for Fu Kung Restaurant, Glacier Sound Inn, Three Bears, Totem Inn (Board Room). The motion carried by the following vote after the following discussion occurred.

Council Member Moulton asked for clarification on liquor licenses which are not used to their full potential. He explained the Three Bears license is only used for several weeks per year to fulfill their obligation to the state of Alaska.

Ms. Pierce explained Three Bears held a liquor license when they were opened in Valdez. The company still operates a business in Valdez. When they closed their local store, they retained their liquor license. They use their license for a certain period of time required by the state to keep it active. Ms. Pierce stated she would be more than happy to contact the state or the license holder for amplifying details. Council Member Moulton stated the license could be sold to another entity.

Council Member McCune asked for a full list of active Valdez-based liquor licenses. Ms. Pierce stated she would request a list from the state, as well as the details regarding the total number of licenses authorized in Valdez city limits.

Council Member Moulton stated if there is a limit to the number of licenses within city limits, perhaps the City could provide encouragement to either use the license or sell it to someone who would like to open a business.

Ms. Pierce asked Chief Bart Hinkle, Valdez Chief of Police, if he had any objections with renewal of The Boardroom's license as there were noise complaints the previous year. Chief Hinkle explained the bar, which stays open into the early hours of the morning, is located adjacent to a RV park and there will likely always be some noise complaints. The Boardroom's owners did attempt to mitigate outside noise from the bar by keeping the door closed and other actions. Chief Hinkle stated the police department keeps documentation regarding noise complaints and follow-up actions. Council Member Moulton stated he would prefer for noise complaints to be handled first between property owners and the police department, instead of immediately being

elevated to the state liquor licensing board.

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

Absent: 1 - Council Member Smith

VIII. ORDINANCES

1. **#17-03 - Amending Title 9 of the Valdez Municipal Code Titled Public Peace and Welfare. Second Reading. Adoption.**

MOTION: Council Member McCune moved, seconded by Council Member Fleming, to approve Ordinance #17-03 amending Chapter 9 of the Valdez Municipal Code titled Public Peace and Welfare. First Reading. Public Hearing. The motion carried by the following vote after the following discussion occurred.

Mayor Knight explained this ordinance appeared before City Council at the last regular meeting. However, since there were substantial changes to the language of the ordinance, it is appearing again for first reading, public hearing.

Ms. Pierce explained the concerns raised during the public hearing at the previous meeting by both City Council and the public have been addressed.

Mr. Jake Staser, City attorney, reviewed the amendments made since the last reading of the ordinance. He explained there was public comment regarding concerns with perceived intermingling of civil and criminal penalties. After extensive research, Mr. Staser is confident the included intent elements clarify penalties are criminal and offenses are well within the City's jurisdiction to prohibit. He explained several sections in Chapter 9.16 were simplified to assist with understanding.

Mr. Staser stated the section regarding possession and carrying of firearms currently codified in municipal code was actually contrary to state law. This section was changed to comply with state law. The City is limited by state statute by what it can prohibit related to firearms. Mr. Staser explained there was discussion regarding prohibiting firearms in restricted areas of City buildings. Restricted areas are defined in state statute and include areas in municipal buildings or properties beyond which the general public does not have access. There must be a metal detector or some other type of screening process before the public can enter. Mayor Knight asked if the City would need to install a metal detector in order to prohibit firearms in these types of spaces. Mr. Staser stated the administrative services area of City Hall, which is behind an access controlled door, would be considered a restricted area. Ms. Pierce explained she was concerned with not explicitly prohibiting firearms in places like the library. She stated, however, based upon the way the state law is written, unless the City places a metal detector or restricted entry in the library or other buildings, it remains legal to carry a firearm in those locations.

Mr. Staser reviewed the section related to selling or providing tobacco to minors. He explained the previous version of the ordinance appeared vague and he recommended incorporating the language from the state statute as presented. The updated language includes a section on intent and highlights someone must be negligent when providing tobacco to a minor.

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

Absent: 1 - Council Member Smith

IX. RESOLUTIONS

1. **#17-03 - Adopting an Alternate Allocation Method for the FY17 Shared Fisheries Business Tax Program and Certifying That This Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in FMA 15: Prince William Sound**

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to approve Resolution #17-03 adopting an alternate allocation method for the FY17 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA 15: Prince William Sound. The motion carried by the following vote after the following discussion occurred.

Council Member Fleming asked if the alternative allocation method is the same as used in previous years. Ms. Lisa Von Bargen, City Community and Economic Development Director, explained the language is the requirement the state of Alaska requires. There are two different methodologies by which a municipality can apply for shared fisheries business tax monies. The "normal" method requires going through an exhaustive process to prove the economic impacts of fisheries on the community. The "alternative" method involves the communities determining together the allocation percentage amounts and submitting it to the state. Over the past several years, Cordova, Whittier, and Valdez pass the same resolution authorizing an equal share of the fisheries tax monies.

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

Absent: 1 - Council Member Smith

X. REPORTS

1. **Building Permit & Inspection Reports - December 2016**
2. **2017 Energy Assistance Summary**

3. Update on Wind Damage to City Street Lights

Council Member Fleming commented the investigation efforts regarding wind damage to the lights was very professionally done and thanked staff for their work. Mr. Miles explained his staff are doing excellent work on resolving the issue. Mayor Knight stated she received inquiries on the timeline to repair the lights. Mr. Miles explained staff are awaiting confirmation on a timeline. Council Member McCune asked what type of material is used to fabricate the light fixtures. Mr. Miles stated the issue is that the lights, connection pieces, and other portions of the fixtures must meet specific wind ratings.

4. Treasury Reports: August and September, 2016**5. Relocation and Remodeling Costs: Airport, City Hall**

Council Member Needles asked why the expenses related to relocation efforts appeared to be more than anticipated. Mr. Miles explained his previous estimates were given based upon on-the-spot figures. He stated he desires to answer City Council's questions when posed during a meeting, but often times they require additional research to provide solid numbers.

Council Member Fleming asked if there would be a door installed on the second floor to separate public use areas from city office areas. Mr. Miles explained adding installation of a door to the future airport restroom upgrade project could be easily accomplished. Council Member Fleming asked if there would be additional costs that those presented in the report. Mr. Wegner explained updates to the spaces previously occupied by the IT department still need to be made. Council Member Fleming thanked staff for tracking relocation costs.

6. 2016 Parks, Recreation & Cultural Services Annual Report

The Mayor and several council members thanked the Parks, Recreation, and Cultural Services Department for putting together such a comprehensive report covering the plethora of events and activities offered by the City. Council Member Cockerham asked if the report is provided to the state of Alaska.

Mayor Knight asked how use of the Valdez Civic Center is advertised and how the City could attract additional conventions in the future. Mr. Darryl Verfaillie, City Parks, Recreation, and Cultural Services Director, explained the Civic Center Director is a member of the National Convention Association. He stated they also advertise the Civic Center through the Valdez Convention and Visitors Bureau (VCVB). Booked conventions typically reflect those originating in Valdez, such as the oil spill exercise events, or those brought to Valdez by staff, such as the ARPA, Alaska Library, or Harbormasters Conference. He explained it is also a balancing act, as many organizations want to hold conferences at the same time of year.

Council Member Fleming asked for clarification on the amount of advertising paid to

VCVB for Civic Center advertising. Mr. Verfaillie explained advertising funds have been reduced in recent years based upon return on investment.

Mayor Knight asked about results for the Qaniq Challenge. Mr. Verfaillie explained his is awaiting participant survey results before bringing a result to City Council.

7. 3rd Quarter 2016 Financial Statements

8. Aleutian Village Progress Report 2-1-2017

Mayor Knight asked Ms. Von Bargaen to provide a verbal update regarding Aleutian Village.

Ms. Von Bargaen reviewed the contents of the written report. She explained the director of the Alaska Department of Transportation (ADOT) declined to provide the City with any additional land other than what was previously outlined. Ms. Von Bargaen explained the preliminary plat of the land is now complete and has been submitted to an appraiser. Staff anticipate the appraisal will be complete in the next two to three weeks. She has asked for the appraisal to cover both the value of the land and infrastructure.

Council Member Fleming asked if there has been progression on the environmental study. Ms. Von Bargaen stated she needs to follow up with the contractor to determine when the final environmental study report will be provided to the City. The initial field evaluation was completed last fall. However, the contractor needed to do additional historical research on the property to determine previous uses and requirements for core sampling.

Ms. Von Bargaen stated once all evaluation steps are complete, ADOT will require City Council to pass a resolution authorizing the land sale.

Council Member Cockerham asked when the electrical shut off markers would be in place. Ms. Von Bargaen explained the marker flags are in her office. The electrician did shut off labeling will be ready to do installation next week.

Council Member Fleming asked for an update cost breakdown for work done in preparation for the land sale. Ms. Von Bargaen stated she would provide an updated cost estimate in her report for the next regular meeting.

XI. CITY MANAGER / CITY CLERK / CITY ATTORNEY / MAYOR REPORTS**1. City Manager Report**

Mayor Knight welcomed new City Manager, Elke Doom.

Ms. Doom stated she is happy to be in Valdez. She thanked City staff and City Council for such a warm welcome.

2. City Clerk Report

Ms. Pierce stated the current snow load on the Valdez High School roof is 40 pounds per square foot, approximately 50 percent of the maximum. Based upon the City Buildings Roof Snow Removal Plan, the City hired temporary snow shovelers to begin snow clearing efforts.

She explained the Providence Valdez Hospital Administrator submitted a draft memorandum of agreement regarding hospital maintenance. She will work with Ms. Doom and staff to review the document prior to submitting to Council.

Ms. Pierce thanked the City Council for allowing her the honor to serve as Interim City Manager over the past 30 days.

She explained there are currently two vacancies on the Valdez Museum Board and Historical Archive Association. She outlined the process and deadline to apply for the open board positions.

Ms. Pierce also explained the process and deadline for applying for the 2017 All-American City Scholarship. Two \$2,500 scholarships are awarded each year to graduating seniors of Valdez High School.

She explained Ms. Ferko, the City's Public Information Officer, is currently assisting the Valdez School District with creation of the district public information and social media plans.

3. City Attorney Report

Mr. Guerriero deferred to Mr. Brena's presentation in Executive Session.

4. City Mayor Report

Mayor Knight thanked City staff for their hard work putting together information and agenda packets for the Beautification and Flood Task Force meetings.

She stated she attended the Annual Valdez Firefighter Awards Banquet and congratulated Mr. Chris Moulton on receiving the Firefighter of the Year award.

XII. COUNCIL BUSINESS FROM THE FLOOR

All Council Members present thanked Ms. Pierce for her hard work serving as interim City Manager and welcomed Ms. Doom.

Council Member Fleming reminded everyone of the dates for the annual Elks Basketball Tournament. Council Member Cockerham provided further details on the weekend tournament.

Council Member Needles stated he appreciates that Mr. Ben Ellis no longer serves as State Parks Director. He also emphasized the need to hire the City's new Economic Development Director as soon as possible. He outlined why it made strong financial sense to fill this position quickly.

Council Member Moulton outlined his upcoming travel schedule. He stated he volunteered the previous weekend at Salmonberry Ski Hill. He encouraged community members to volunteer so the ski hill can remain open and outlined several options to obtain additional information. He explained there are also several paid part-time positions available.

XIII. EXECUTIVE SESSION

City Council transitioned into Executive Session at 9:52 p.m.

XIV. RETURN FROM EXECUTIVE SESSION

City Council returned from Executive Session at 10:59 p.m.

XV. ADJOURNMENT

There being no further business, Mayor Knight adjourned the meeting at 11:00 p.m.