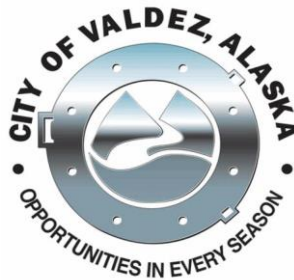


City of Valdez

*212 Chenega Ave.
Valdez, AK 99686*



Meeting Minutes - Draft

Tuesday, March 7, 2017

7:00 PM

Regular Meeting

Council Chambers

City Council

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

Mayor Knight called the meeting to order at 7:00 p.m. in the 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 Nate Smith
Council Member Christopher Moulton
Council Member Lon Needles
Council Member H. Lea Cockerham
Council Member Ryan Rydor McCune

Excused: 1 - Council Member Dennis Fleming

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

IV. APPROVAL OF MINUTES**1. Regular Meeting Minutes of February 21, 2017**

The City Council regular meeting minutes of February 21, 2017 were approved as presented.

V. PUBLIC APPEARANCES**1. Amanda Bauer, Prince William Sound Aquaculture Corporation Board of Directors**

Ms. Amanda Bauer, Valdez representative on the Prince William Sound Aquaculture Corporation (PWSAC) Board of Directors presented an overview of the organization's recent spring meeting in Anchorage.

Ms. Bauer explained the PWSAC is responsible for five salmon hatcheries – four in Prince William Sound and one in Gulkana. She stated the fish returns are anticipated to be healthy this summer. The process involved in those calculations need more than one bad year to change and the hope is that last year was an anomaly.

Cost recovery goals for this season were outlined to the amount of \$6.1 million in pinks and \$4.1 million in chums. They have a little different cost recovery scheme than Valdez Fisheries Development Association uses in Port Valdez with the seine fleet and pinks. PWSAC gillnetters and seiners are both responsible for certain percentages of cost recovery, based on fish and gear class. Thus, there is a bit of a balancing act they must

do to keep the process equitable.

The PWSAC board approved their FY2018 budget and capital projects. Most of the hatchery facilities were built in the early 1980's and have been undergoing large upgrades the last few years. One of the last big projects will be started this fall at the Wally Norenberg Hatchery, replacing the adult collection system, the raceways, holding pens, etc. This is a time specific project, as it must be completed before the adults start returning next summer. Construction cannot begin, however, until all the adults are collected this summer. Hopefully the project will begin by November 1st.

During their March 3rd meeting, the PWSAC heard briefly from Scott Kelly, the director of the Division of Commercial Fisheries at the state of Alaska Department of Fish and Game. Last year Ms. Bauer spoke about the Coghill Weir and its importance to keeping fisheries open. She explained the state of Alaska cut it from the budget and PWSAC paid for it last summer. It looks like there is a good chance the state will move funds around to pay for the weir this year, which is a positive thing for Prince William Sound. She stated it also seems like there is a good chance to do the same for in season otolith testing. This means the state itself will not have a fish for profit to run that program. Ms. Bauer explained there does not seem to be any other major budget changes from the state.

Back in 1993, PWSAC started a remote release of chum salmon in Port Chalmers, which is located on the northwest side of Montague Island. Essentially, the fish are developed at the Wally Norenberg hatchery, taken to Port Chalmers, imprinted there, and released. Ms. Bauer explained it was a great idea, but has never produced returns need to be sustainable. PWSAC is working with the state to phase out the remote release program, especially as it was more of a permitting process than anything.

Last fall, PWSAC hatchery staff attended harmful algae identification training. During this course, staff learned to identify plankton, which the salmon need to eat, when they are ready to take the fish from the hatcheries to saltwater in preparation for release. Ms. Bauer explained, with the changes being seen in the oceans, more and more of these harmful algae blooms are occurring and it is critical to detect them in a timely fashion. Phytoplankton is responsible for those blooms and it grows quickly. In places like Chile, it is killing off massive amounts of farmed salmon. Ms. Bauer stated training last fall was extremely beneficial and hopefully will never have to be used.

Ms. Bauer explained the PWSAC board was also given information on humpback whales. Ms. Ellen Chenoweth, a PhD student at University of Alaska Fairbanks, is completing her thesis on humpback whale predation at salmon hatchery release sites. To date, all of her team's work has been done in southeast Alaska focused on chum and coho salmon. Ms. Bauer spoke a little bit last fall regarding the whales in Port Valdez last spring. Apparently the same occurrence happens in southeast Alaska. One item discovered by Ms. Chenoweth is that of the twenty whales in and around the hatchery, only four were eating hatchery fish. Ms. Bauer explained calories matter in the wild – with chum salmon being good, coho salmon being better, and herring as the best source of calories for whales. When researchers look at whale consumption of salmon fry in a release site, they must factor in the cost of energy for the whale to travel into the port and catch the fry. This energy expenditure is often not worth the cost when compared to other food sources. If whales are in the port actively eating fry, this may be an early indicator of a larger food web problem.

Ms. Bauer explained the National Oceanic and Atmospheric Administration (NOAA) conducted the harmful algae training and, in conjunction with the Sea Grant Program,

partly funded the whale study. She explained NOAA is poised to take a cut in the federal budget. She stated the President also proposed completely eliminating the Sea Grant Program.

Ms. Bauer stated, after 28 years as the General Manager of PWSAC, David Reggiani will retire in June 2017. The hiring process for his replacement is expected to begin soon.

VI. PUBLIC BUSINESS FROM THE FLOOR

Mayor Knight stated she will attempt to be more assertive in managing the level of respect demonstrated during public business from the floor and City Council meetings in general. She explained she is a strong advocate of citizens' right to freedom of speech, but asked that comments in the future be made in a respectful manner. She stated the Governor proclaimed 2017 as the year of kindness in Alaska. She encouraged citizens, staff, and Council to share their honest opinions without including threats or defamation of character against others.

Mr. James "Hotai" Williams, Valdez resident, expressed concerns with the City's attorney performance. He stated he believed the City attorney is responsible for protecting citizens from City staff. He provided several examples of how he believes City employees have harmed Valdez citizens. Mr. Williams stated he believes former City attorney Bill Walker stepped in several times to assist citizens with City Community Development Department decisions. Mr. Williams stated he believes citizens should be treated with respect as human beings first and foremost. As an example, he suggested the Finance Department provide notice to citizens when their Energy Assistance Program credit is being garnished for unpaid debts. Mr. Williams explained he believes the City is finally now moving in the right direction and is encouraged with the arrival of the new city manager.

VII. NEW BUSINESS

1. Approve Purchase of 2,500 Cubic Yards of Class 3 Riprap Material from Harris Sand & Gravel in the Amount of \$136,000

MOTION: Council Member Smith moved, seconded by Council Member Cockerham, to approve the purchase of 2,500 cubic yards of Class 3 Riprap material from Harris Sand & Gravel in the amount of \$136,000 for use at both the Glacier Stream and 10-Mile areas. The motion carried by the following vote after the following discussion occurred.

Council Member Needles asked which City staff member is overseeing the riprap project. Mr. Scott Benda, City Capital Facilities Project Manager, explained he assisted the City's Public Works Department with putting the project out to bid. He stated they received three bids. Harris Sand & Gravel was the lowest bidder and bidding conditions were very favorable. Compared to historic riprap supply costs in the past, the cost per cubic yard is comparatively very low for 2017.

Council Member Needles asked if the riprap would be hauled and delivered. Mr. Benda explained the contractor will haul the material from the glacier quarry and deliver to the designated sites near Valdez Glacier Stream and in Alpine Woods. Mayor Knight asked if the other two bidders were local. Mr. Benda explained the project attracted out of town bidders in addition to Harris Sand & Gravel, one from Anchorage and the other from Palmer.

Mayor Knight stated a local contractor who did not bid on the project contacted her with concerns. She would like to have a meeting with the wide array of local contractors to discuss concerns with process and contracting.

Council Member Moulton asked if anyone operates a rock quarry in town aside from Harris Sand & Gravel. Mr. Benda explained those obtaining rock from the local quarries obtain a permit through the state of Alaska Department of Natural Resources (ADNR). Harris Sand & Gravel operates out of the quarry near Valdez Glacier Lake. Since Harris Sand & Gravel is actively working the quarry to produce riprap for the harbor project, another contractor would need to work with Harris and ADNR to also utilize that pit. Mr. Benda explained this particular project allowed contractors to also obtain rock from the 16-mile quarry on the other side of Keystone Canyon. Both of the other two contractors who bid on the project were considering utilizing that option.

Mr. Benda explained a contractor could not just take rock from piles created from Harris Sand & Gravel or the state of Alaska. They would need to bring down their own equipment and blast their own rock to make riprap. Council Member Moulton stated the concern, then, is not lack of access to rock quarries but the costs involved in mobilization and logistics.

Mr. Allen Crume, Valdez resident, expressed concerns with weighing the rock as part of the operational requirements of the contract. He stated there were issues with contractors in the past who did not deliver appropriate types or amounts of riprap. He recommended onsite inspectors be present to ensure the City received the correct material. Mayor Knight asked if onsite inspection would be part of the process and what the procedure would be if the incorrect material was delivered. Mr. Benda the final quantity would be measured by cubic yard instead of weight. Material would be surveyed and inspected in the field following delivery. Class three riprap is a range of rock, not just one standard size and shape, which allows the rock to better fit together. He explained many of the bidding conditions and specifications were based on lessons learned from the past. Mr. Crume explained he believes the best way to purchase rock is by the cubic yard and supported having onsite inspection.

Mr. James "Hotai" Williams, Valdez resident, expressed concerns with contractors hauling rock down Glacier Haul Road where he resides. He believes those contractors have damaged the road and not been held accountable to make repairs. Ms. Cindy Rymer, City Public Works Operations Manager, explained the contractor and City staff work together on the roads. She explained Harris Sand & Gravel repaired damage to the road during phase one of the harbor construction project.

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

Council Member McCune

Absent: 1 - Council Member Fleming

VIII. ORDINANCES

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

MOTION: Council Member Smith moved, seconded by Council Member McCune, 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.

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

Absent: 1 - Council Member Fleming

2. **#17-04 - Amending Title 17 of the Valdez Municipal Code Related to Breweries, Wineries and Distilleries. First Reading. Public Hearing.**

MOTION: Council Member Moulton moved, seconded by Council Member Cockerham, to approve Ordinance #17-04 amending Title 17 of the Valdez Municipal Cod related to Breweries, Wineries and Distilleries. First Reading. Public Hearing. The motion carried by the following vote after the following discussion occurred.

Council Member Moulton asked if City staff still planned to review and propose revisions to municipal code to both clarify process and remove unnecessary regulations. Ms. Pierce stated the City received an application for a brewery and discovered municipal zoning code did not allow that type of business within City limits. The City's zoning ordinances must be more specific than other portions of municipal code. She explained, however, recent revisions to Chapter 9 include references to state statute and other references to remove unnecessary regulation or detail.

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

Absent: 1 - Council Member Fleming

IX. RESOLUTIONS

1. **#17-07 Authorizing the City Clerk to Dispose of Certain City Records**

MOTION: Council Member Smith moved, seconded by Council Member Cockerham, to approve Resolution #17-07 authorizing the City Clerk to dispose of certain city records. The motion carried by the following vote after the following discussion occurred.

Mayor Knight asked for clarification on the schedule for destruction of City records. Ms. Pierce explained the City Clerk's Office utilizes the City's records retention schedule which is approved by City Council as well as the state of Alaska records retention schedule and federal regulations.

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

Absent: 1 - Council Member Fleming

2. #17-08 - Authorizing the Lease Renewal of the Museum and Museum Annex with the Valdez Museum & Historical Archive Association.

MOTION: Council Member Moulton moved, seconded by Council Member Smith, to approve Resolution # 17-08 authorizing the lease renewal of the Museum and Museum Annex with the Valdez Museum & Historical Archive Association. The motion carried by the following vote after the following discussion occurred.

Council Member Needles asked if the lease involves the yellow warehouse building near the Kelsey Municipal Dock. Ms. Lisa Von Barga, City Community Development Director, explained the lease covers the center portion of the yellow warehouse.

Council Member Needles asked if the term of the annex lease is appropriate given current discussions regarding relocation of Valdez museum facilities. Ms. Von Barga explained provisions were included in the lease allowing the City to terminate the agreement if needed.

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

Absent: 1 - Council Member Fleming

X. REPORTS

- 1. 2016 Year End Zoning & Subdivision Activity Report**
- 2. Shared Fisheries Business Tax Update**
- 3. Commercial Marijuana Facility Inspection Report - Herbal Outfitters – February 21, 2017**

Council Member Smith thanked the Valdez Police Department for the report and their inspection efforts. He also thanked the owners and management of Herbal Outfitters, for conducting themselves in a professional manner and operating as they stated they would.

4. 2016 4th Quarter Treasury Reports**5. Airport and City Hall Relocation and Remodeling Costs**

Mayor Knight asked if there would be additional reports regarding relocation efforts. Ms. Von Barga explained there would likely be additional costs associated with remodeling necessary for the Community Development Department expansion in City Hall. Council Member Moulton asked if there were estimates for the costs associated with this remodel or if a maximum cost would be established. He asked for this information before construction begins. Council Member Smith stated he would also like a percentage complete figure.

6. Levee Certification and LAMP (Levee Analysis and Mapping Approach) Report

Mayor Knight asked when the public meeting would be held in April. Ms. Von Barga stated she believes the meeting will be held on April 6th and it will be advertised.

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

Ms. Doom stated she appreciated the opportunity to travel to Juneau and participate in the City delegation's legislative meetings. She stated it was overall a very informative and educational experience and provided contacts to whom she could reach out to in the future.

She stated City staff recently resumed discussions with Kimley-Horn regarding the branding, marketing, and revitalization. She explained she understands the Council's goal is to make the City a year-round destination. Kimley-Horn, based in North Carolina, is very well known and respected globally.

Ms. Doom stated she met with Laurie Prax earlier in the day to discuss the Council agenda on KVAK radio and thanked Ms. Prax for the opportunity.

Ms. Doom explained she hoped by the next City Council meeting she would be able to meet with every City department to introduce herself and get to know both the staff and their operations. Once she has been able to meet City staff, she stated she intends to reach out and meet local business owners.

2. City Clerk Report

Ms. Pierce explained nominating petitions for City Council and School Board for the May 2, 2017 regular municipal election are available in the City Clerk's office.

For City Council, there are two vacancies to serve a two-year term and one vacancy to serve a three-year term. Differing City Council terms are based upon the phased implementation of new three-year terms for Council members which passed during the 2016 election.

For School Board, there are three vacancies to serve a three-year term and one vacancy to serve a two-year term. The two year vacancy is based upon a resignation due to a board member moving from Valdez.

Those interested in running for election must pick-up a petition in person. Petitions require 25 signatures from citizens registered to vote in Valdez. Filing deadline is March 16th at 5:00 p.m.

Absentee voting in person begins two weeks prior to election day.

Additional information regarding the election, including absentee voting options, is available on the City's election website: <http://www.ci.valdez.ak.us/elections>. Citizens may also contact the City Clerk's office with elections questions or concerns.

Ms. Pierce explained she distributed an email received by Mayor Knight from Christina Hendrickson. Ms. Hendrickson is with the organization "Summer is For Salmon". She requested a letter be sent from the Mayor to Senator Murkowski in support of moving the U.S. Navy's Northern Edge exercise from May to September. This would potentially lessen the impact to migrating salmon, birds, and other species in the Gulf of Alaska. The City Council passed a resolution in October 2016 opposing the location and timing of the exercise. Apparently Senator Murkowski told the Summer is For Salmon organization she would like to hear from municipalities on the topic. This is why Ms. Hendrickson reached out to Mayor Knight. Ms. Pierce explained the request was received today and asked for Council direction regarding how to proceed.

Mayor Knight stated if the Council had no objection, she will briefly reiterate the points made in the 2016 resolution in her response letter. She explained she also received a letter from the U.S. Navy last fall which stated the Northern Edge exercise will not harm migrating fish and other species. She stated it is reasonable for the exercise to proceed, just at a more appropriate time.

Ms. Pierce stated Mr. Brian Carlson, City Finance Director, asked if the annual City Permanent Fund meeting with the fund managers could be moved from June to August. City Council expressed no objection. Council Member Smith asked for the reason for the move. Council Member Cockerham explained it is useful for newly elected Council members to serve in office for several months prior to being asked to understand the depth of information needed to properly serve on the committee.

Ms. Pierce stated the City Audit Committee meeting will be held on March 13th at noon in City Council Chambers.

Ms. Pierce stated the Finance Department mailed out 2017 property tax assessment statements. Anyone wishing to appeal their assessment may pick up the required forms between 8:30 a.m. and 5:00 p.m. at the front desk of City Hall. Deadline to file appeals is March 31st at 5:00 p.m.

3. City Attorney Report

Mr. Guerriero reported the motion to dismiss several causes of action in the Cummings court case against the City has been granted. There remains some injunctive relief and causes of action on the previous motion which remain to be

addressed in the near future.

Mr. Guerriero stated his firm is tracking legislative bills being proposed in Juneau during this session. If they discover any items which may be of particular interest to the City, they will bring them to the attention of the City Manager and City Clerk.

Council Member Moulton asked for clarification regarding the gas line expert consultant line item in the January 2017 legal billing summary. He asked if this cost related to recent Federal Energy Regulation Commission work. Mr. Guerriero stated he believes that cost is related to the Washington D.C. consultant, but will need to review the itemized invoice to confirm. Mayor Knight asked Mr. Guerriero to send the information to Ms. Pierce for distribution to Council.

4. City Mayor Report

Mayor Knight outlined information provided in her written report included in the City Council agenda packet. She thanked City staff for their work during the City delegation's recent trip to Juneau.

XII. COUNCIL BUSINESS FROM THE FLOOR

Council Member Needles explained he was a member of the City's delegation to Juneau. During the trip, the group met with Mr. Ed Fogels, Alaska Department of Natural Resources Deputy Commissioner. He explained during that meeting they discovered there were major permitting issues with ADNRC and Levitation 49. Council Member Needles explained there also appeared to be resistance to Levitation 49's permit request from certain City staff. However, those permitting issues are now resolved and the state recognizes Levitation 49 fills a crucial role vacated by the state.

Council Member Needles thanked the City Public Works Department for their hard work in supporting Levitation 49's Fat Tire Bike Festival.

Council Member McCune asked if the recent wind event made further impact or damage to the street lights on Egan Street. Mr. Jason Miles, City Capital Facilities Director, explained his department is waiting to receive a report from the street light manufacturer who is still exploring failures from a previous wind event. Mr. Miles stated he has not received reports of recent wind damage.

Council Member Cockerham thanked everyone in the community for supporting the middle school volleyball tournament over the weekend. The high school basketball teams will also travel to Delta the following weekend to compete in the regional tournament.

Council Member Cockerham asked Mr. Miles to provide an update on the new harbor project at an upcoming meeting. Mr. Miles stated the next phase of the harbor project is out to bid this week. On Friday March 10th, all of the project documents will be uploaded

to the City website. Pre-bid meeting is scheduled for March 22nd. Bid opening is scheduled for April 7th. Once bids are received, they will be analyzed for lowest responsive bidder. Then the project team will determine how best to manage the construction project moving forward. Mr. Miles explained he will attempt to remain within the project budget estimated prior to his arrival at the City.

XIII. ADJOURNMENT

There being no further business, Mayor Knight adjourned the meeting at 8:01 p.m.