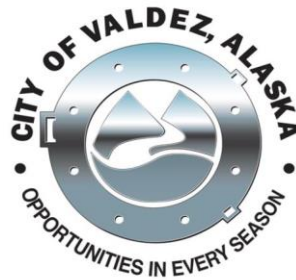


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, April 4, 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 Valdez City Council Chambers.

II. PLEDGE OF ALLEGIANCE

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

III. ROLL CALL

Present: 5 - Mayor Ruth E. Knight
Council Member Christopher Moulton
Council Member Lon Needles
Council Member H. Lea Cockerham
Council Member Ryan Rydor McCune

Absent: 2 - Council Member Nate Smith
Council Member Dennis Fleming

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**Mark Sullivan & Dustin Huebner, Tailgate Alaska**

Mayor Knight introduced Mark Sullivan and Dustin Huebner from Tailgate Alaska. Mark Sullivan explained this year was their 10th anniversary and they are very happy with the outcome of this year's event. Everyone was safe and went home a little bit smarter. Mr. Sullivan said there were hundreds of people who showed up despite the less than favorable weather conditions.

Mr. Sullivan stated the event have had over 3,500 participants from 25 countries, including Croatia, Russia, and Costa Rica. Over the 115 days of Tailgate Alaska event history there have been zero fatalities and only one incident that required emergency response. He explained they passed many inspections this year including those from DNR, the Forest Service, Alcohol Control, DOT, and more.

Mr. Sullivan stated the event complied with all state regulations. Mr. Sullivan presented information from a study done by the McDowell Group. He stated the average person from Tailgate Alaska spends \$723 in Valdez. Mr. Sullivan and Mr. Huebner stated they conducted their own study reviewing receipts from selected participants. The numbers calculated were synonymous with the McDowell Group study. With 3,500 participants at an average of \$723, that totals \$2,530,500 worth of economic impact to Valdez over 10 years.

Mr. Sullivan explained Council previously requested to know how the \$40,000 City event grant has been spent by Tailgate Alaska in 2017. Mr. Sullivan stated local

contractor Geoworks plowed their lot, Petro Management provided bathroom facilities, and Robe River Storage stored the event equipment. He added \$750 was donated to the Avalanche Center to keep the parking lots cleaned, Harris Sand and Gravel services totaled \$1,500, expenditures at Safeway totaled \$3,378. Purchases from Captain Joe's totaled \$1,550 and Prospector totaled \$800. Mr. Huebner displayed a large envelope of paper receipts which he stated would be provided to Council as proof of these expenses.

Mr. Sullivan added there are other outside expenses such as an off duty police officer who provided law enforcement. There were also costs for the state of Alaska DNR permit and marketing costs in other states such as Colorado and Minnesota. The Tailgate Alaska toy hauler trailer was wrapped with photography featuring Valdez. The trailer was taken around the US to several shows and promotional opportunities.

He stated Tailgate continues to spend money on travel, vehicle and liability insurance, and promotional goods such as posters and t-shirts. These promotional materials help spread the image and name of Valdez and hopefully bring people here to participate in adventure activities.

Mr. Sullivan stated earlier in the year he presented a 70-page document detailing marketing outcomes. Some of the highlights included the organization's presence at the world's largest sporting goods trade show, where 90,000 people attended. Mr. Huebner asked about the value of the footprint Tailgate utilized for their booth at this event. Mr. Sullivan replied at least a few hundred thousand Euros for both the booth and footprint. This year there was one 80 foot long wall which featured a panorama of strictly Valdez. Additionally, an online promotional video for Tailgate Alaska received over 100,000 plays. There were event related shows on Fuel TV and twelve magazine articles. There were 500,000 beer coasters produced marketing Valdez. 10 Barrel Brewing and Nectar Sunglasses were involved separate promotions as well. 10 Barrel Brewing builds a new brewery every three months and they attended Tailgate Alaska for the first time this year.

The Tailgate event was extended a few extra weeks this year. Unfortunately, the conditions experienced were not favorable. Volunteers set up the event in extreme winds and temperatures. This year's event began with a Saint Patrick's party with three bands. Mr. Sullivan reiterated that all Valdez residents are welcome to attend Tailgate for free. The event hosted a beer garden for two days. Mr. Sullivan showed aerial photos of the beer garden and concert hall, held in a 20x60 foot tent.

Mr. Sullivan explained not everyone at Tailgate has access to snowmachines, so there are options for plane and helicopter access to explore other locations. Rescue and safety classes help even the least experienced people get out and learn.

Mr. Sullivan stated the one thing he enjoys most about Tailgate is the ownership some attendees choose to take in the event. Many create things to bring and share. One man built a bench and another man a cabin. Mr. Huebner explained most of these sporting events are spectator only. Tailgate, by contrast, is a participant based event. People plan for months and even years in advance to attend Tailgate and some use the event as their regular vacation.

Mr. Huebner reiterated they have spreadsheets pertaining to budget and receipts to give to City Council. Mayor Knight said she appreciates Mr. Sullivan and Mr.

Huebner following Council instruction.

Mayor Knight stated Tailgate's application for a DNR permit from the state has caused much controversy. She asked what had been decided regarding the permit. Mr. Sullivan replied DNR granted them a five year permit. Mr. Sullivan stated the event has a solid safety plan and have checked every box. Mr. Huebner stated they also have 10 years of a good, safe reputation. Mr. Sullivan explained event organizers take completion photos every year to demonstrate the event site is clean prior to their departure.

Council Member Needles remarked he had heard this year was the "best year for the drugs" at Tailgate. Mr. Sullivan replied this is a rumor and the off-duty police officer providing security reported no misuse or drug paraphernalia. Mr. Sullivan stated if people used drugs at the event, they did so outside of public view. He stated he has no control over individual drug use outside of public view. Mr. Huebner asked Council Member Needles if he is inferring Tailgate Alaska promotes drug use on Thompson Pass. Council Member Needles replied he is not inferring anything, and he merely repeating what he has been told. Mr. Sullivan stated he is not aware of drug misuse at the event. There are people who attend Tailgate for the party and also people who attend with children. He reiterated he cannot control what people do in their tent or RV.

Mayor Knight stated the City will support Tailgate's permit at the same scope as previous years. However, Council will not support expansion of the event. Mr. Huebner stated he takes full responsibility for not being as explanatory about the scope of the event in their DNR permit extension application. He apologized for creating unnecessary hysteria. He explained over the past year, the main complaint he has heard about Thompson pass is the lack of public facilities. Tailgate Alaska was simply attempting to establish additional facilities in the Pass when the state could not do so. Mr. Huebner stated social media and confusion caused by the permit extension application caused an important conversation about the future for Tailgate Alaska and Thompson Pass. He stated Tailgate cares about Thompson Pass and thanked Council.

V. PUBLIC BUSINESS FROM THE FLOOR

VI. CONSENT AGENDA

- 1. Proclamation: Child Abuse Prevention Month**
- 2. Proclamation: Sexual Assault Awareness Month**
- 3. Appointment to Providence Valdez Medical Center Health Advisory Council**

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

VOTE ON THE MOTION:

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

Absent: 2 - Council Member Smith and Council Member Fleming

Ms. Bowden thanked Council for acknowledging Child Abuse Prevention month. Mrs. Bowden stated awareness is the key to preventing child abuse in our community. Residents will see pinwheels around the community. These are used as a reminder of childhood innocence and Child Abuse Prevention month. Residents and business are welcomed to showcase a pinwheel to show support. The hope is every child can be raised in a healthy and nurturing environment. Ms. Bowden encouraged the community to wear blue in observance of child abuse awareness.

Ms. Bowden also announced the upcoming Walk a Mile in Her Shoes event and encouraged the community to participate. All proceeds from the event are used to assist to citizens in need.

VII. NEW BUSINESS

1. Appeal of Protest to the Renewal of Package Store License #4165 - Three Bears Alaska, Inc.

MOTION: Council Member Cockerham moved, seconded by Council Member McCune, to approve rescission of the protest by the City of Valdez of package store liquor license #4165 upon notification by the Alcohol and Marijuana Control Board of the intent of Three Bears Alaska to transfer or sell their license within a period of time not to exceed six months. The motion carried by the following vote after the following discussion occurred.

Mayor Knight introduced Mr. Steve Mierop of Three Bears Alaska. Mr. Mierop asked Council to suspend the protest filed with the Alaska Alcohol Control Board against the company's liquor license renewal application.

Mr. Mierop explained, under Alaska ACB regulations, a liquor license can operate one of three ways. The first is minimal operation where an establishment is open for eight hours a day for 30 days within the year of the license. Mr. Mierop stated Three Bears operates currently operates under minimal operations. Three Bears opens for a short period of time at the end of the year through the beginning of the next year in conjunction with Wilson Brothers to keep the liquor license active. Mr. Mierop stated Three Bears has been looking at moving back to Valdez full time several times, however it has not made economical sense.

Mr. Mierop stated the second way a liquor license can operated under ACB regulations is seasonal operations. Seasonal is considered six months or longer.

Mr. Mierop explained Three Bears has been approached by several people interested in purchasing their liquor license. However, no action has been taken to actually explore that option until recently. Mr. Mierop stated the company has been in contact with Valdez resident Mr. Ryan Sontag. Mr. Sontag intends to purchase Three Bears' liquor license.

Mr. Mierop stated when the Alcohol Control Board took over regulation of commercial marijuana; they did not increase staff numbers in their office. Thus, the licensing process is now taking a longer time and standards are being enforced differently. He explained Three Bears is encouraging Mr. Sontag to get started with

this process as quickly as possible. He is uncertain of Mr. Sontag's operational plans and timeline. Regardless, Mr. Mierop needs to retain the license in order to transfer it to Mr. Sontag. Mr. Mierop stated he intends to help Mr. Sontag with his ACB paperwork but the ball is in his court to move through the process. He reiterated he does not intend to sell the license to another entity and hopes Mr. Sontag will be ready within 90 days.

Council Member Cockerham stated the intent of the Council is to have an active business in town using the license, not someone holding a license which is not being used.

VOTE ON THE MOTION:

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

Absent: 2 - Council Member Smith and Council Member Fleming

VIII. RESOLUTIONS

1. #17-11 - Appointing the Judges and Clerks for the Regular Municipal Election To Be Held May 2, 2017, and Setting the Hourly Rate of Compensation

MOTION: Council Member McCune moved, seconded by Council Member Moulton, to approve Resolution # 17-11 appointing the judges and clerks for the regular municipal election to be held May 2, 2017, and setting the hourly rate of compensation. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Absent: 2 - Council Member Smith and Council Member Fleming

2. #17-12- Amending the 2016 City Budget by Accepting \$70,000 in Partnership Revenues from Providence Health and Services, and Increasing Hospital Department Appropriations in an Equal Amount

MOTION: Council Member Cockerham moved, seconded by Council Member McCune, to approve Resolution # 17-12 amending the 2017 City Budget by accepting \$70,000 in partnership grant revenues from Providence Health and Services, and increasing hospital department appropriations in an equal amount. The motion carried by the following vote after the following discussion occurred.

Council Member Needles asked if the resolution locks in to an annual agreement as he would prefer that no be the case. Mr. Brian Carlson, City Finance Director, stated he does not believe accepting the funds implies an annual agreement. Mr. Carlson stated the point of this method of funding is due to the recipient organizations being fully formed. Once those organizations are formed, the funds originating from Providence will be awarded.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles,

Council Member Cockerham and Council Member McCune
Absent: 2 - Council Member Smith and Council Member Fleming

IX. REPORTS

1. Report: City Clerk Certification of Eligible Candidates for May 2, 2017 Valdez Regular Municipal Election

Ms. Pierce stated Mr. Ron Ruff informed the City Clerk's office he does not intend to run for office. She explained, however, once the deadline has been reached and ballots printed, a candidate cannot officially withdraw from an election. This mirrors the state statute. Thus, Mr. Ruff's name will appear on the ballot. If he chooses not to campaign, that is his choice. If he is elected, he will need to officially decline the seat on City Council.

2. Report: February 2017 Legal Billing Summary

3. Airport/City Hall Relocation & Remodel Report

Council Member Cockerham stated he appreciated the cost breakdown. He asked for an update on the asbestos situation. Mr. Todd Wegner, Assistant City Manager stated the City was able to piggy back with Providence's mold remediation assessment. Alaska Abatement should be done tomorrow. Their work may not exceed a cost of \$12,000. As soon as this assessment is finished, then City Building Maintenance can begin their work on finishing the offices.

Council Member Needles asked Mr. Wegner if they have had a chance to look at the apartment at the airport. Mr. Wegner explained that space has not been inspected, but is on the list. Mr. Jeremy Talbott, City Ports and Harbor Director, explained the room is an attic, with no windows or living quarters. Mayor Knight stated the space cannot be rented as an apartment. Mr. Talbott added the space does not currently have suitable egress, which would have to be addressed by the City Community Development and Fire Departments.

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

1. City Manager Report

City Manager Elke Doom stated she has been sent a report on the Phase II Harbor Bid from Mr. Jason Miles, City Capital Facilities Director. The bid has been moved to April 14th as anticipated. Mr. Miles is developing the costs to build two different options for a road to connect the hospital grounds to Richardson highway. Ms. Doom explained they are looking at real costs, not just estimates.

Ms. Doom stated she met with Mr. John Hickman from Silver Bay Seafoods to discuss his lease and tour the processing center. Ms. Doom stated she talked with him for quite awhile about the fishing industry in Valdez.

Ms. Doom stated she met representatives from BDO, the City's contracted audit firm. They are moving forward with their annual audit. She stated conversations are ongoing with Kimley Horn and she recently received an emailed project proposal from the firm. They have offered to return to Valdez to discuss project

ideas. She expressed some concerns with the project proposal, as associated costs appear to be a little high.

Ms. Doom outlined flood mitigation action items discussed in the McDowell project report. They are currently working on the Valdez Glacier Stream downstream design and Valdez Glacier Stream gravel extraction. The extraction permit was issued March 24th. It needs a 30-day public notice process and a 30-day public appeal process. The Glacier stream extraction plan was submitted on April 3rd. As soon as permits are issued work will begin immediately. The next Flood Mitigation meeting will be held on April 10th.

2. City Clerk Report

Ms. Pierce read the candidate list of those running for City Council and School Board in the upcoming May election. She explained there will be one proposition on the ballot. Sample ballots are posted in the newspaper, on the City website, and at City Hall. Absentee voting for the municipal election begins April 17th and runs for two weeks.

3. City Attorney Report

Mr. Guerriero explained Mr. Jake Staser has been working with Ms. Pierce to prepare changes to Chapter 3.20 of Municipal Code.

4. City Mayor Report

Mayor Knight stated the Alaska Marine Highway Public Partnership Initiative had their first monthly teleconference with their steering committee. The City is one of the highest donors for this effort. Mayor Knight stated the committee has people from almost all coastal communities, and the partnership's initiative will hopefully be moving forward quickly.

Mayor Knight explained she is a member of the Prince William Sound Economic Development District along with Valdez resident Mr. Dave Dengel. There has been much turmoil with the organization and the PWS EDD is looking for a new executive director. Concerns have also been expressed about continuation of state and federal funding for the organization as required reports have not been submitted appropriately. She stated by the end of July hopefully the team can get the district back on track.

XI. COUNCIL BUSINESS FROM THE FLOOR

Council Member Needles asked how many people are signed up for the first small business development class. Mayor Knight stated maybe they would probably have more people signed up if it were held at a later time in the day. She stated she planned on attending the opening reception for the classes. Council Member Needles expressed concerns with how the classes were being advertised by the Small Business Development Center. Council Member Moulton explained if the classes did not work for the community, the City could cancel the partnership with the UAA Small Business Development Center at any time. Mayor Knight provided details about the Introduction to QuickBooks class, as well as the UAA Alaska Small Business Development kickoff event.

Council Member McCune asked for updates on the street lights on Egan Street. Mayor

Knight explained the Capital Facilities Department will be replacing those lights damaged by recent high winds. The lights were rated for high wind speeds, but did not perform.

Council Member McCune asked for an update on Aleutian Village. Ms. Doom stated she met with Mr. Ryan Anderson from the Alaska Department of Transportation and they are going to do a master plan on their own. If the City waits for DOT, it could be another year before they finish a master plan. Council Member Cockerham asked if staff could develop a plan to get information to residents in Aleutian. Ms. Doom replied there will be quarterly meetings where information is relayed and questions will be answered.

Council Member McCune asked about the City Economic Development Director meet and greet event. Ms. Doom explained candidates will be given a tour of the City, followed by a meet and greet event. Interviews will follow the next day.

Council Member Moulton outlined a recent subcommittee meeting regarding municipal code revisions. He also outlined a recent City audit committee meeting. Part of this year's audit will be to look closely at City travel policies, travel expenditures, and whether travel from the previous year complied with policy.

XII. ADJOURNMENT

There being no further business, Mayor Knight adjourned the meeting at 7:32 p.m.