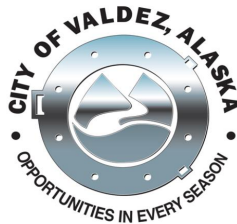


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes – Draft

Tuesday, October 2, 2018

7:00 PM

Regular Meeting

Council Chambers

City Council

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

Mayor O'Neil called the meeting to order at 7:00 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: 5 - Mayor Jeremy O'Neil
Council Member Ron Ruff
Council Member Lon Needles
Council Member Jim Shirrell
Council Member Darren Reese

Excused: 2 - Council Member Christopher Moulton
Council Member Dennis Fleming

Also Present: 4 - City Manager Elke Doom
City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
City Attorney Jack Wakeland

IV. APPROVAL OF MINUTES**1. Regular City Council Meeting Minutes of June 19, 2018**

The regular City Council meeting minutes of June 19, 2018 were approved as presented.

V. PUBLIC BUSINESS FROM THE FLOOR

No public comment given.

VI. CONSENT AGENDA**1. Appointments to Providence Valdez Medical Center Health Advisory Council****2. Proclamation: Domestic Violence Awareness Month 2018**

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

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles,
Council Member Shirrell and Council Member Reese

Excused: 2 - Council Member Moulton and Council Member Fleming

Ms. Rowena Palomar, Executive Director of Advocates for Victims of Violence,

provided brief comments regarding domestic violence statistics and recent related tragedies in Alaska. She spoke about the mission of Advocates for Victims of Violence and the services they provide to not only the Valdez community but also to surrounding areas.

Ms. Palomar invited the public to attend AVV's annual candlelight vigil for those affected by domestic violence on October 3rd and AVV's annual Women of Distinction event on October 20th.

Both Mayor O'Neil and Council Member Shirrell expressed their sincere appreciation for the wide scope of critical services AVV provides to the community and thanked AVV staff and volunteers for their efforts to support community members in crisis.

VII. NEW BUSINESS

1. Approval of Snow Removal Contract for Area I and Area III to Harris Sand and Gravel, Inc.

MOTION: Council Member Reese moved, seconded by Council Member Needles to approve snow removal contract for Area I and Area III to Harris Sand & Gravel, Inc. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles, Council Member Shirrell and Council Member Reese

Excused: 2 - Council Member Moulton and Council Member Fleming

2. Approval of Snow Removal Contract for Area II to P&R Enterprise, Inc.

MOTION: Council Member Reese moved, seconded by Council Member Needles to approve snow removal contract for Area II to P&R Enterprise, Inc. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell asked who owns P&R Enterprise. City Public Works Director Rob Comstock stated Ricky and Carey Wade are the principal owners of the business.

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles, Council Member Shirrell and Council Member Reese

Excused: 2 - Council Member Moulton and Council Member Fleming

3. Approval of Snow Removal Contract for Area IV to Dunning Enterprise

MOTION: Council Member Reese moved, seconded by Council Member Needles to approve snow removal contract for Area IV to Dunning Enterprise. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles, Council Member Shirrell and Council Member Reese

Excused: 2 - Council Member Moulton and Council Member Fleming

4. Approval of Snow Removal Contract for Area V to Nordic Village Supply

MOTION: Council Member Reese moved, seconded by Council Member Shirrell to approve snow removal contract for Area V to Nordic Village Supply. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell asked who owns Nordic Village Supply. Mr. Comstock stated Rick Wade is the principal owner of the business.

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles, Council Member Shirrell and Council Member Reese

Excused: 2 - Council Member Moulton and Council Member Fleming

5. Discussion Item: Fire Station RFQ Preview

Mayor O'Neil explained during the last Council discussion on this topic, they asked to have the RFQ brought to them for preview prior to publication. Mr. Nate Duval, City Capital Facilities Director, stated the RFQ was a draft and he could incorporate any changes recommended by Council.

Council Member Shirrell stated he liked the RFQ, particularly the well-developed scope of work. In addition to publishing the RFQ publically to all potential bidders, he would also like to see a bidder list included. The list would ensure selected companies directly receive a copy of the RFQ and be invited to bid, without giving any associated preferences in the bidding process.

Council Member Shirrell stated he would also like to include price comparison as one criteria for the bid process to make things more competitive. The contract would not be awarded based upon price. However, a price comparison also provides education about the market and a starting point for actual contract price negotiation. Mr. Duval explained, as part of consultant experience portion of the bid, he requested design contract values for the bidder's past projects. He explained it is difficult at this point in the process to ask for estimates because costs will depend on actual services rendered.

Council Member Reese asked for clarification on how the snow storage lot boundaries are noted as part of the project RFQ. Mr. Duval explained in the legal descriptions of the property, the snow lots are referenced. He said he could include a specific note about the locations of the snow lot in the RFQ documents.

Council Member Shirrell asked for City Council support to include a bidders list and a price proposal as part of the RFQ. Council Members Needles and Reese expressed support to include the two items. Mayor O'Neil stated he was uncomfortable providing support without understanding more about the legal requirements for this type of procurement. Mr. Wakeland stated he would prefer to do research on the legal requirements of inclusion of those two items under current municipal procurement code and state law prior to making a recommendation.

Mr. Duval stated he has no problem with reaching out to specific consultants about the RFQ. He is not concerned about interest in the project as he has already begun receiving inquiries from design firms. He explained he is aware of the significant firms who specialize in fire station design, specifically those who have recently designed stations in Alaska. He stated he was concerned, however, with stating in a formal bidders list that the City was reaching out to certain named companies and specifically inviting them to bid. In the private sector, there is a little more latitude for these types of things. However, in the public sector, municipalities are required to be transparent, fair, and equitable to all.

Mr. Duval stated he would feel more comfortable having Mr. Wakeland research the legal ramifications of including price comparison in the RFQ. He explained in the state of Alaska, if state grant monies are used for a project, price comparisons could not be used as part of design consultant selection. So if grant money becomes available, the project would be disqualified from that option.

Mayor O'Neil stated City Council appears to support inclusion of both a bidders list and a price comparison in the RFQ documents as long as it complies with legal requirements and will not adversely effect the project. He asked Mr. Wakeland to provide a legal review and opinion on both points to City staff prior to publication of the RFQ. Council Member Shirrell stated he would support whatever is determined following the legal review. Mr. Duval asked if City Council would support inclusion of a round price proposal based upon anticipated work, but not included in the weighted criteria used for purposes of bid selection.

VIII. RESOLUTIONS

1. #18-31- Authorizing Lease Amendment No. 3 for a Lease with Peter Pan Seafoods, Inc. for a 39,376 Square Foot Portion of USS 495 Tidelands

MOTION: Council Member Shirrell moved, seconded by Council Member Reese, to approve Resolution #18-31 authorizing lease amendment No. 3 for a lease with Peter Pan Seafoods, Inc. for a 39,376 square foot portion of USS 495 Tidelands. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell asked for clarification on the process by which appraisals are conducted to establish value for purposes of City leases. He stated in this amendment's original lease, there is no provision for the process for appraisals. He believed this conflicted with Valdez Municipal Code. He asked if the inclusion of the appraisal process in the amendment was an effort to bring the lease into compliance with Code. Ms. Doom explained the City Community Development Department is attempting to bring several different leases for City land into compliance with Code as they are renewed or extended.

Council Member Shirrell asked for the average cost for these types of appraisals of City land. City Planning Technician Nicole LeRoy explained appraisals run anywhere from \$1,500 to \$2,000 depending on the size and complexity of the parcel. Mayor O'Neil stated Valdez Municipal Code requires the lessee pay the cost of appraisal and asked for clarification on why this requirement was not included in the original lease. Ms. LeRoy explained she could not speculate why former staff members did not include the appraisal cost requirement in the lease language. She reiterated the City Community Development Department is attempting to bring multiple leases for City land into compliance with Code as they are renewed or extended.

Mayor O'Neil asked what is considered superior if there is a conflict - Valdez Municipal Code or lease language. Mr. Wakeland clarified Code takes precedence. Council Member Shirrell expressed concerns with the reaction long term lessees may have if they are now going to be charged appraisal costs.

Council Member Needles expressed concerns with the formula used to determine the amount charged for rental payments. Currently the formula is ten percent of the fair market value. For purposes of City leases, fair market value is the same as appraised value. He stated he did not think the formula was appropriate, especially with the amount of revenue businesses make using leased City land. Ms. LeRoy clarified the appraiser is hired by the City not the lessee. Mayor O'Neil stated the conversation regarding the formula would be a more appropriate topic during discussions revolving around City budget and economic development.

Council Member Shirrell asked if the City Council could vote to override Valdez Municipal Code. Mr. Wakeland stated Council could not authorize actions in violation of Code.

Ms. Doom expressed her appreciation for the hard work of the City Community Development Department for all of their hard work to ensure City leases are in compliance with Valdez Municipal Code moving forward.

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles, Council Member Shirrell and Council Member Reese

Excused: 2 - Council Member Moulton and Council Member Fleming

2. #18-32 - Authorizing Lease Amendment No. 3 for a Lease with Silver Bay Seafoods, LLC for Parcel 4, a 23,797.5 Square Foot Portion of USS 495 Tidelands

MOTION: Council Member Shirrell moved, seconded by Council Member Ruff, to approve Resolution #18-32 authorizing lease amendment No. 3 for a lease with Silver Bay Seafoods, LLC for Parcel 4, a 23,797.5 square foot portion of USS 495 Tidelands. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles, Council Member Shirrell and Council Member Reese

Excused: 2 - Council Member Moulton and Council Member Fleming

3. #18-33 - Supporting the Alaska Salmon Hatchery Program

MOTION: Council Member Ruff moved, seconded by Council Member Shirrell to approve Resolution #18-33 supporting the Alaska Salmon Hatchery Program. The motion carried by the following vote after the following discussion occurred.

Mr. Mike Wells, Executive Director of the Valdez Fisheries Development Association, explained the resolution before Council covers a much broader scope than one passed by Council earlier in the year. The resolution passed in July 2018 specifically responded to an emergency petition filed to block an increase in egg-take numbers at the Solomon Gulch Hatchery. The emergency petition was denied by the state of Alaska, in large part due to overwhelming support for the hatchery and its programs. The hatchery successfully increased the 2018 egg-take to 20 million pink salmon.

Mr. Wells stated the state of Alaska Board of Fisheries will meet on October 15th in a work session, which includes a public forum for discussion of the Alaska hatchery programs as a whole. They are also taking requests for agenda hearing placeholders, called agenda change requests (ACRs). There are two ACRs of particular concern to the VFDA. One involves a group groups opposing incubating, raising, and releasing the salmon hatched from this summer's egg-take. This would effecting kill nineteen million pink salmon. A second ACR requests a 75% reduction of future egg-takes by hatcheries across the state. Mr. Wells outlined how this reduction would effect the VFDA and salmon fisheries around the state. He stated both of these ACRs are extreme requests.

Mr. Wells stated the VFDA feels strongly that communities which benefit from hatchery programs weigh-in and provide support for hatchery programs across Alaska. Several communities including Cordova have passed similar resolutions.

Council Member Reese asked why the opposition groups were requesting the reduction in hatchery fish. Mr. Wells explained these groups feel hatchery fish impact other fisheries. He stated their claims do not appear based in science. Council Member Shirrell asked who the groups were who filled the ACRs. Mr. Wells explained the Kenai River Sportsman's Association filed the first ACR. They are the same group who filed the emergency petition in July requesting a reduction in egg-take numbers. The second ACR was put forth by a private citizen from Fairbanks who does not support hatchery programs around the state.

Council Member Shirrell stated the City Council has provided resolutions in support of agencies like VFDA, the Regional Citizens Advisory Council, and others. He asked if these fisheries related issues were moving towards a need for legal action. Council Member Shirrell also asked if the City's state lobbyist would be useful in accomplishing support for the hatchery programs around the state. Mr. Wells stated, at this time, the VFDA is only asking for formal support in writing from the City Council and community.

Council Member Reese asked what would happen if the board approved the ACRs for the agenda. Mr. Wells stated the ACRs would appear as part of a public meeting to determine whether or not they would be scheduled. He is hopeful the process will result in discussion of the science around hatcheries to

help alleviate some of the concerns being expressed. Council Member Reese asked if Alaska Fisheries Board Members were appointed. Mr. Wells said they are public positions, appointed then confirmed by the state legislature.

Mayor O'Neil stated the fisheries provide tremendous economic impact to the Valdez community and should continue to be supported by the City Council.

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles,
Council Member Shirrell and Council Member Reese

Excused: 2 - Council Member Moulton and Council Member Fleming

IX. REPORTS

1. **Change Order Report: Harris Sand and Gravel, Inc. for Hermon Hutchens Elementary Exterior Upgrades in the Amount of \$15,985**
2. **Change Order Report: Pacific Pile and Marine, LP for Phase 2 New Harbor Development Upland Facilities and Inner Harbor Facilities in the Amount of \$31,900.77**

Council Member Shirrell expressed appreciation for the formatting of the change order report.

Council Member Reese asked if the new harbor project was still within budget. City Capital Facilities Department Director Nate Duval stated, relative to the construction contract, the project was on track. Council Member Shirrell asked Mr. Duval to notify City Council when he becomes aware the project, under its existing scope, is anticipated to exceed the budget.

3. **August 2018 Legal Billing Summary Report**

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

1. **City Manager Report**

Ms. Doom thanked Mr. Tim James, City human resources director, for serving in her place during her absence at the last City Council meeting.

She explained most of her time is currently being spent working through the budget process prior to City Council budget work sessions.

2. **City Clerk Report**

Ms. Pierce handed out a flier for an upcoming Forest Service open house in Valdez. The topic of the event is land use management for Forest Service lands.

She explained the Alaska Department of Corrections (DOC) commissioner would be in Valdez on Thursday, October 4th. Part of the current jail contract between the City and DOC includes options for the City to agree to participate in several

electronic monitoring programs reimbursed by the DOC. The City already participates in the pre-trial electronic monitoring program. The commissioner and Mayor O'Neil will be signing the formal agreement to also participate in the post-sentencing electronic monitoring program. Council Member Shirrell expressed concerns with the additional cost to the City for participating in the new program and asked for program cost data from the police department. He stated he wanted to ensure the costs to run the program did not exceed the amount reimbursed by the DOC. Ms. Pierce stated she would coordinate with Bart Hinkle, Valdez chief of police, to provide a program costs report by email to Council. Mayor O'Neil stated the new program would use a modern tactic to monitor those who would otherwise be housed in the jail. There is a certain amount of cost and risk associated with housing someone in jail, so a cost versus benefit analysis would be valuable as the program progresses.

Ms. Pierce worked with City Council to schedule an October 11th town hall meeting regarding the future of the yellow warehouse located on the Kelsey Dock uplands. Mayor O'Neil stated he would be absent. City Council instructed Ms. Pierce to extend invitations to the town hall meeting to the Parks & Recreation Commission, Planning & Zoning Commission, City Beautification Committee, and the Economic Diversification Commission. Mayor O'Neil explained the scope of the town hall meeting would be to gather public and stakeholder input into options for the future of the yellow warehouse and adjacent property. He cautioned against using the forum to start over from the beginning and requested the town hall meeting be used instead as a dialogue about the options presented to City Council.

Council Member Shirrell recommended the town hall meeting be facilitated to produce the best possible outcome or product based upon participant input. Ms. Doom stated she would facilitate the meeting. Mayor O'Neil explained he would like to encourage forward traction so some type of decision is made regarding the future of that portion of land in the near future. He added Council decisions should be made with public input and opinion in mind.

Mayor O'Neil asked Mr. Duvall if he believed a work session or town hall meeting would be productive and add value to the process. Mr. Duval stated he could certainly present for review the ideas proposed up until this point based on discussions during previous City Council meetings. He stated, however, he would have no new information or deliverables to provide as part of a work session discussion. The presentation by ECI during the last City Council meeting is the most recent design product available. Mr. Duval explained he has also received a contract amendment proposal from ECI which includes processes by which they could solicit and obtain public and stakeholder input as part of the project scope.

Ms. Doom explained she believed there were several options discussed in the past for use of the space currently occupied by the yellow warehouse. This included removing portions of the yellow warehouse, updating the exterior of the building only, relocating the museum annex collection to remove the building completely, and doing nothing. She stated, based on options discussed by Council, several options were designed by ECI/HYER and presented for review. The options were rejected by City Council during that presentation. She stated her understanding, based on the last discussion by City Council, is that they wished to involve the public, stakeholders, and the commissions in the discussion.

3. City Attorney Report

Mr. Wakeland provided a briefing of the status of several open cases his firm is working on behalf of the City, to include the Cummings litigation, C-Plan litigation, and the Barton case.

Council Member Reese asked for the status of the changes City Council requested to the format of Brena, Bell, and Clarkson's legal billing summaries. Mr. Wakeland stated he would follow-up on the question with Mr. Jake Staser.

4. City Mayor Report

Mayor O'Neil reviewed upcoming events in Valdez, including AVV's candlelight vigil, AVV's Women of Distinction event, and the Valdez Museum Roadhouse. He stated September 27th was National First Responders Day and thanked all local first responders serving in the Valdez community. He asked for members of the community to be cautious during walk-to-school day.

XI. COUNCIL BUSINESS FROM THE FLOOR

Council Member Shirrell thanked staff for including new information in the City Council calendar.

Council Member Reese asked citizens to be careful with the start of winter weather,

Council Member Needles asked for an update from the chief of the Valdez Fire Department at the next Council meeting. He explained the update should address concerns raised by a fire department representative regarding diesel fumes and the safety of families of firefighters.

XII. ADJOURNMENT

There being no further business, Mayor O'Neil adjourned the meeting at 8:43 p.m.