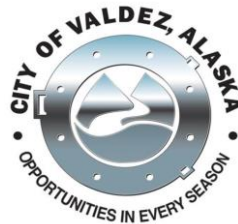


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Wednesday, January 2, 2019

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

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 Christopher Moulton
Council Member Lon Needles
Council Member Darren Reese

Excused: 2 - Council Member Jim Shirrell
Council Member Dennis Fleming

Also Present: 5 - City Manager Elke Doom
City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
Assistant City Manager Roxanne Murphy
City Attorney Jake Staser

IV. APPROVAL OF MINUTES

1. **City Council Regular Meeting Minutes of December 18, 2018**
2. **City Council Regular Meeting Minutes of November 7, 2018**
3. **City Council Regular Meeting Minutes of October 16, 2018**

The City Council regular meeting minutes of December 18, 2018, November 7, 2018, and October 16, 2018 were approved as presented.

V. PUBLIC BUSINESS FROM THE FLOOR

There was no public business from the floor.

VI. UNFINISHED BUSINESS

1. **Approval of Settlement with Alyeska Pipeline Company Regarding C-Plan Administrative Appeal (Postponed from December 18, 2018 Regular City Council Meeting)**

MAIN MOTION ALREADY ON THE FLOOR.

Mr. Staser requested City Council postpone this item to the next regular City Council meeting to allow his firm to finalize settlement terms with Alyeska Pipeline Company.

MOTION TO POSTPONE: Council Member Reese moved, seconded by Council Member Moulton, to postpone approval of settlement with Alyeska Pipeline Company regarding C-Plan administrative appeal to the next regular City Council meeting of January 15, 2019. The motion to postpone carried by the following vote.

VOTE ON THE MOTION TO POSTPONE:

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

Absent: 2 - Council Member Shirrell and Council Member Fleming

VII. NEW BUSINESS

1. **Approval of Contract with Wolverine Supply, Inc. for School Administration Building HVAC and Boiler Upgrades in the Amount of \$361,000**

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve a contract with Wolverine Supply, Inc. for School Administration Building HVAC and Boiler upgrades in the amount of \$361,000.00. The motion carried by the following vote after the following discussion occurred.

Council Member Reese asked if this contract scope related to the flood which occurred in the school administration building the previous year. Mr. Nate Duval, City Capital Facilities Director, explained the project is resultant from the flood. The district office had two boilers and an antiquated control system. The flood itself damaged one of the boilers beyond repair. The other boiler was already inoperable. The extent of the project is to bring the heating system back to full operation. A portion of the project – approximately \$50,000 - may be reimbursed by insurance. However the exact amount of insurance reimbursement for the entire heating system replacement is still being negotiated.

VOTE ON THE MOTION:

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

Absent: 2 - Council Member Shirrell and Council Member Fleming

2. **Approval of Purchase Contract with Stageline for Mobile Events Stage in the Amount of \$175,000**

MOTION: Council Member Needles moved, seconded by Council Member Reese, to approve contract with Stageline, for Events Stage in the amount of \$175,000. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Absent: 2 - Council Member Shirrell and Council Member Fleming

3. Approval of Contract Amendment #10 with Arcadis, Inc, Project Management Services for the New Harbor Contract No. 1176 in the Amount of \$170,901.34

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve contract amendment #10 with Arcadis, Inc, Project Management Services for the New Harbor contract No. 1176 in the amount of \$170,901.34. The motion carried by the following vote after the following discussion occurred.

Council Members Reese and Needles expressed they would prefer to have a representative of Arcadis present for future new boat harbor agenda items.

Council Member Moulton stated he was glad to see the cost estimate for the project remains on track.

VOTE ON THE MOTION:

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

Absent: 2 - Council Member Shirrell and Council Member Fleming

4. Authorization to Proceed with a Proposed Change to the Prescription Drug Benefit Provider

MOTION: Council Member Moulton moved, seconded by Council Member Reese to approve authorization to proceed with a proposed change to the employee prescription drug benefit provider. The motion carried by the following vote after the following discussion occurred.

Council Member Moulton asked if the Employee Relations Team (ERT) was advised of the proposal and if they had been given the opportunity to provide feedback or support prior to the item being brought before Council. Mr. Tim James, City Human Resources Director, explained he met with the ERT the previous week. He stated he received a series of questions from the ERT about the change and provided a list of answers back to the team. The change appeared to be a good option. There were several prescriptions which would not be included on the new formulary, but exceptions could be made for those on a case-by-case basis so medications would continue to be made available to employees if medically necessary. He explained there would be no impacts to employee co-pays or out of pocket expenses at this time. Pharmacy coverage with the new provider is extensive, including the Valdez pharmacy and many pharmacies in Anchorage.

Council Member Moulton stated the timeframe given for ERT review appeared to be rather short. He stated he would have preferred they be given more time to review the proposed change and ask questions prior to the item being presented to City Council.

Ms. Kate Huber, ERT Chairperson, stated the materials related to the change were provided by the insurance broker to the ERT for review in advance of their meeting the previous week. There were no objections from the ERT based on the materials presented. She explained the actual contract with the new pharmacy

was still being negotiated, so the ERT could not yet comment on specifics of that agreement. During their discussion, however, multiple department ERT representatives reiterated the need for the five medications, used by current employees but not covered under the new pharmacy formulary, be negotiated into the new contract.

Council Member Reese asked if the school district had a representative attend ERT meetings when health benefits were being discussed. Ms. Huber stated the school district has a health insurance committee which includes City ERT representation, but this topic was not discussed at their last meeting. Council Member Reese asked if the school district had been contacted about the change. Mr. James explained Ms. Amber Cockerham, Valdez City Schools Finance Director, was present during the health insurance broker's presentation. All of the questions posed by the City and school district appear to have been answered satisfactorily. Mr. Brian Carlson, City Finance Director, stated because the change only impacts a subcontractor to the plan and not the actual plan language, it is compliant with the school district's multi-year collective bargaining agreement.

Mr. Carlson explained he does not have a formal document for the ERT or Council to review at this point in the broker recommended process. The agreement would be imbedded in the overall health insurance plan renewal which appears before Council for approval in March. He stated there was previous direction from Council to bring anything which impacts the employee health insurance plan participants to them for review prior to the formal annual renewal. For transparency purposes, Mr. Carlson wanted to make sure Council was onboard with the change to the pharmacy provider. The plan bottom-line will be helped by capturing additional medication rebates, additional drug alternatives, and negotiating better medication pricing based on the City and Schools' profile. Anything that is identified as a negative to plan participants can be mitigated so no employees are faced with drastic shifts to their coverage.

Council Member Moulton asked Mr. Carlson's level of confidence that the change will work out favorably for the City. Mr. Carlson stated his confidence level is high the change will capture cost savings for the City and school district without negative impact on employees. Mr. James clarified the medication rebates come back to the cooperative, not directly to the City. The rebates are pooled and divided amongst cooperative members.

Council provided direction to staff to provide annual health insurance renewal documents for review as far in advance as possible. Mr. Carlson explained he understood the direction. Part of the delay in the past was based on timelines for capturing the best rates and cost-savings for the City.

VOTE ON THE MOTION:

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

Absent: 2 - Council Member Shirrell and Council Member Fleming

VIII. ORDINANCES

1. **#18-06 - Amending Chapter 15.30, Section 15.30.030 Relating to Adoption of Flood Insurance Study (FIS) and Flood Maps. Second Reading. Adoption.**

MOTION: Council Member Moulton moved, seconded by Council Member Ruff, to approve Ordinance #18-06, amending VMC Chapter 15.30 to adopt the 2019 FEMA flood insurance rate maps. Second Reading. Adoption. The motion carried by the following vote after the following discussion occurred.

Council Member Reese asked for clarification on the exclusion of the Alpine Woods and Nordic subdivisions from this ordinance. Ms. Kate Huber, City Floodplain Manager, explained those two subdivisions were excluded from this study while awaiting FEMA levee certification on the Lowe River. The areas would be reevaluated with a letter of map revision following FEMA's levee certification. She explained all certification documents were submitted by the City to FEMA in September 2018.

VOTE ON THE MOTION:

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

Absent: 2 - Council Member Shirrell and Council Member Fleming

IX. RESOLUTIONS

1. **#19-01 - Authorizing a Lease with the Valdez Emergency Assistance and Food Bank for a Portion of Tract D, USS 447**

MAIN MOTION: Council Member Reese moved, seconded by Council Member Needles to approve Resolution #19-01 authorizing a lease with the Valdez Emergency Assistance and Food Bank for a portion of Tract D, USS 447.

Ms. Rochelle Rollenhagen, City Community Development Director, explained because the rental rate for this property would be less than fair market value, Resolution #19-01 requires an affirmative vote of no less than six council members under Valdez Municipal Code. She requested the item be postponed until the next regular meeting as only five council members were present.

MOTION TO POSTPONE: Council Member Moulton moved, seconded by Council Member Reese to postpone approval of Resolution #19-01 until the next regular City Council meeting of January 15, 2019. The motion to postpone carried by the following vote.

VOTE ON THE MOTION TO POSTPONE:

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

Absent: 2 - Council Member Shirrell and Council Member Fleming

2. #19-02 - Amending the 2018 City Budget by Transferring \$25,000 from Budget Variance Reserve to Technology Reserve to Cover Actual 2018 Expenses in Excess of Initial Estimates and Unencumbered Budgeted Funds

MOTION: Council Member Moulton moved, seconded by Council Member Ruff, to approve Resolution #19-02, amending the 2018 City Budget by transferring \$25,000 from Budget Variance Reserve to Technology Reserve to cover actual 2018 expenses in excess of initial estimates and unencumbered budgeted funds. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Absent: 2 - Council Member Shirrell and Council Member Fleming

X. REPORTS

1. Change Order Report: Change Order #3 with Rain Proof Roofing, Inc. for the Seven Building Roof Replacements Contract

Council Member Moulton asked for an update on the performance of the roofing contractor. Mr. Nate Duval explained the project had been challenging with new roofs leaking, schedule delays, and other issues.

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

1. City Manager Report

Ms. Doom stated her team looked forward in the new year to implementing Council's directives as they work to maintain, enhance, improve, and grow the City.

2. City Clerk Report

Ms. Pierce provided reminders on upcoming Council work sessions, Juneau legislative travel, and events.

3. City Attorney Report

Mr. Staser outlined projects and provided updates on cases his firm is working on behalf of the City, including the Cummings litigation, C-Plan adjudication, the Boulder Bay vessel incident, the Barton litigation, and proposed Borough formation. He outlined how legal representation works when liability insurance companies are involved in litigation.

Mr. Staser stated he would like to schedule a work session with the City Council in the near future to review and discuss Borough formation laws.

4. City Mayor Report

Mayor O'Neil expressed his appreciation for the community programs held in Valdez over the holiday season, including the Community Christmas program and the City employee holiday party. He highlighted several employees recognized for long-term service to the City.

XII. COUNCIL BUSINESS FROM THE FLOOR

City Council wished the community a happy new year and provided updates on their personal travel schedules.

XIII. ADJOURNMENT

There being no further business, Mayor O'Neil adjourned the meeting at 7:46 p.m.

DRAFT