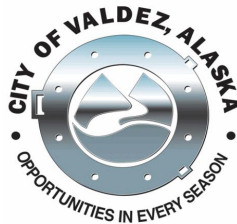


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, May 15, 2018

7:00 PM

Regular Meeting

Council Chambers

City Council

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

Mayor Ruthie Knight 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.

Outgoing Mayor Knight and Council Member Nate Smith provided brief remarks regarding their time in office.

III. SWEAR-IN MAYOR & CITY COUNCIL

Deputy City Clerk Allie Ferko swore-in Mayor Jeremy O'Neil, Council Member Ron Ruff, Council Member Dennis Fleming, and Council Member Christopher Moulton.

City Council took a brief recess for cake and punch in Council Chambers with the community members in attendance.

IV. ROLL CALL

Present: 7 - Mayor Jeremy O'Neil
Council Member Ron Ruff
Council Member Christopher Moulton
Council Member Lon Needles
Council Member Jim Shirrell
Council Member Dennis Fleming
Council Member Darren Reese

Also Present: 3 - City Manager Elke Doom
Deputy City Clerk Allie Ferko
City Attorney Jake Staser

V. ELECTION OF MAYOR PRO TEMPORE

MOTION: Council Member Moulton moved, seconded by Council Member Ruff to elect Council Member Fleming as Mayor Pro Tempore. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 7 - Mayor O'Neil, Council Member Ruff, Council Member Moulton,
Council Member Needles, Council Member Shirrell, Council Member
Fleming and Council Member Reese

VI. APPROVAL OF MINUTES**1. City Council Regular Meeting Minutes of May 2, 2018**

The City Council regular meeting minutes of May 2, 2018 were approved as presented.

VII. PUBLIC APPEARANCES**1. James Dunn & Lon Rake, Copper Valley Telecom - Fiber Optic Project**

Mr. James Dunn and Mr. Lon Rake from Copper Valley Telecom provided City Council a briefing on the company's fiber optic project for both Valdez residences and businesses. Mr. Rake stated the planned results of the project included 1GB service or more to local businesses and better bandwidth to the Valdez Mobile Home Park and Mineral Creek Loop area. With CVT Board of Directors approval, fiber optic service would be installed in Robe River Subdivision in 2019 and in Alpine Woods Subdivision in 2020.

2. Stratton Edward, Capitol Hill Consulting Group - Federal Lobbyist

Mr. Stratton Edward, from the City's federal lobbyist firm Capitol Hill Consulting Group, provided an overview of their recent work on behalf of the City in Washington, D.C. Topics covered during the overview included drilling in the Arctic National Wildlife Refuge, Secure Rural Schools Act, status of municipal bonds, Cadillac tax for employer health insurance plans (pushed to 2022), and federal funding opportunities for projects related to low water dikes and aging municipal sewer/water systems. Mr. Edward asked Council to communicate any topics they would like his firm to pursue and he would engage the appropriate federal agency.

VIII. PUBLIC BUSINESS FROM THE FLOOR

There was no public business from the floor.

IX. CONSENT AGENDA

- 1. Proclamation Mental Health Month**
- 2. Proclamation: Police Week**
- 3. Approval of Extension of Memorandum of Agreement with Fort Greely MWR to Operate the Valdez Glacier Campground**
- 4. Approval of Licensed Premises Diagram Change - Totem Inn License #1161**

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

VOTE ON THE MOTION:

Yays: 7 - Mayor O'Neil, Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

X. NEW BUSINESS

1. Approval of Capital Equipment Purchases by Providence Valdez Medical Center in the Amount of \$611,200

MOTION: Council Member Moulton moved, seconded by Council Member Reese to approve capital equipment purchases by Providence Valdez Medical Center in the amount of \$611,200. The motion carried by the following vote after the following discussion occurred.

Mayor O'Neil stated he had a conflict of interest due to his employment, recused himself from the discussion and vote and handed the gavel to Council Member Fleming. Mr. Staser explained he provided Council with a legal opinion memo regarding conflict of interest, in particular as it relates to Mayor O'Neil's role as the administrator of Providence Valdez Medical Center which is housed in a City owned facility under a City contract. Council and staff had a brief discussion regarding the applicability of conflict of interest.

Council Member Shirrell asked in which budget year this agenda item would appear. Mr. Brian Carlson, City Finance Director, explained the item would be an amendment to Providence's 2018 budget previously approved by City Council. He provided a brief overview regarding how the Providence budget works within the City's budget.

Council Member Shirrell stated budgets should be relatively static and he believed this purchase should be included in the 2019 budget instead. Council Member Fleming asked why the purchase was appearing before Council in May instead of during the budget process. Ms. Lindsie King, Providence Finance Manager, explained there was a misunderstanding about submitting the Providence capital budget along with the operational budget instead of separately.

VOTE ON THE MOTION:

Yays: 6 - Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

Abstain: 1 - Mayor O'Neil

2. Approval of Contract Award to Harris Sand and Gravel, Inc. for the West Klutina Repave, Gutter and Sidewalk Replacement Project in the Amount of \$1,680,871

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve the contract with Harris Sand and Gravel, Inc. for the West Klutina, Repave, Gutter and Sidewalk Replacement Project in the amount of \$1,680,871. The motion carried by the following vote after the following discussion occurred.

Council Member Fleming asked why the scope and cost of the project had expanded. Mr. Nate Duval, City Capital Facilities Director, explained the original intent of the project included a road resurface and sidewalk replacement. As they progressed with project planning, additional issues with the road were identified including problems with the catch basins, curbing being out of grade, and inadequate lighting. To do the project correctly, completely, and for the best value to the City, these problem items needed to be addressed.

VOTE ON THE MOTION:

Yays: 7 - Mayor O'Neil, Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

3. Approval of Contract Award to Rain Proof Roofing for Seven Building Roof Replacements in the Amount of \$1,705,000

MOTION: Council Member Moulton moved, seconded by Council Member Ruff, to approve the contract with Rain Proof Roofing for seven building roof replacements in the amount of \$1,705,000. The motion carried by the following vote after the following discussion occurred.

Council held a brief discussion regarding the contractor and the price of the contract, as there was only one bid for the project. Mr. Duval explained the cost appears to be competitive and within the engineer's estimate for the project.

VOTE ON THE MOTION:

Yays: 7 - Mayor O'Neil, Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

4. Approval of Contract Award to Harris Sand and Gravel, Inc. for Hermon Hutchens Elementary School Exterior Upgrades - Phase 1 Project in the Amount of \$1,434,964

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve the contract with Harris Sand and Gravel, Inc. for Hermon Hutchens Elementary School Exterior Upgrades - Phase 1 project in the amount of \$1,434,964. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell asked for clarification on future phases of the project. Mr. Duval stated the use of the word “phrase” indicates a potential to continue additional roof and exterior upgrades at the direction of City Council and the school district. The school roof was not included in the other roof project, as it was identified after the other project was already in the design phase. The addition of the school roof would cause significant delays. Council had a brief discussion about the contractor and the bid selection process.

Council Member Needles asked if there is a penalty to the contractor if the project is not done prior to the start of the school year. Mr. Duval answered there are monetary penalties per day after the August 4th completion date outlined in the contract.

VOTE ON THE MOTION:

Yays: 7 - Mayor O'Neil, Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

5. Discussion Item: Kimley-Horn Contract

Mayor O'Neil outlined there has been a series of discussions regarding the future of the Kimley-Horn contract with the City. The contract was suspended at the time of the meeting.

Mr. Keith Pelan from Kimley-Horn reviewed a “recovery plan” memo submitted to the City with options for moving forward and asked for direction from the newly seated City Council.

Council Member Shirrell asked Ms. Doom for her recommendation regarding the options presented by Kimley-Horn. Ms. Doom stated it was ultimately up to the Council to make the decision to continue with the contract. She explained her areas of concern were identified and discussed in the recent Council work session and she appreciated the firm's good faith effort to resolve those issues. She recommended moving forward with Kimley-Horn specifically to update the City's comprehensive plan.

Council Member Reese asked about the project timeline based upon

recommended adjustments. Mr. Pelan provided an overview of suggested next steps regarding addressing the comprehensive plan portion of the project. He stated the original plan was to start the comprehensive plan process in earnest in September 2018 and take about a year to complete. He explained he would be happy to provide an updated, written timeline. Council Member Shirrell stated he wanted to make sure the comprehensive plan reflects the community, residents, and visitors now and not five, ten, or twenty years ago. Accurate and updated data would be important in ensuring that happens, even if it is in the form of validation of data from previous processes.

Council Member Moulton asked for clarification on the City Manager's comfort level with moving forward with the Kimley-Horn contract. Ms. Doom explained Kimley-Horn staff committed to resolving previously identified communication concerns, public engagement gaps, and other challenges. With that commitment, she expressed confidence the City could move forward with their services specifically related to the comprehensive plan process. Mayor O'Neil stated Kimley-Horn also dealt with a pretty extensive City staff turnover at both the city manager and director levels during the tenure of their contract thus far. Council held a brief discussion regarding their role in the management of the contract.

Council Member Fleming asked who on City staff would act as the point of contact for the Kimley-Horn contract moving forward. Ms. Doom explained the project manager thus far had been the City Economic Development Director.

Council held a brief discussion regarding how they preferred to update the scope of the Kimley-Horn project. Mayor O'Neil stated there is an identified need to form a group of operational project champions, composed of both City staff and members of the public to assist with community engagement. Ms. Ruthie Knight, Valdez resident, provided additional background information regarding development of the project scope which occurred during her tenure on City Council. She recommended moving forward with the comprehensive planning process. She asked if changes to the scope also involved changes to the cost of the project. Mr. Pelan outlined the different scope options Council could choose and the basics of how those different options would be defined in terms of cost changes.

Mayor O'Neil asked for a brief overview of the work the branding/marketing subcommittee worked on thus far. Ms. Martha Barberio, City Economic Development Director, provided background on the branding/marketing component of the project thus far. Mayor O'Neil expressed he would have liked to see a more diverse representation of the community on subcommittees for this type of work in the future. Ms. Barberio explained there were also several community member committees previously planned for each component of the overall project.

Council provided consensus to lift the suspension of the Kimley-Horn contract.

Council directed Ms. Doom and her staff to work with Kimley-Horn to draft a revised scope, budget, and timeline for the comprehensive plan project. The draft would be brought back to Council for review during a work session on May 24, 2018 and approval at a regular meeting.

XI. RESOLUTIONS

1. #18-18 - Establishing the 2018 Rate of Real Property Tax and Designating the Number of Mills for Each Dollar of Real Property to be Levied for Municipal and School Purposes.

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve Resolution #18-18 establishing the 2018 mill levy at a rate of twenty mills. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 7 - Mayor O'Neil, Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

2. #18-19 - Amending the 2018 Budget to Provide \$1,118,458 of Additional Maintenance Project Funding for West Klutina Improvements.

MOTION: Council Member Moulton moved, seconded by Council Member Ruff, to approve Resolution #18-19 providing additional funding for West Klutina Improvements. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 7 - Mayor O'Neil, Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Shirrell, Council Member Fleming and Council Member Reese

3. #18-20 - Establishing a Physician Retention and Recruitment Program

MOTION: Council Member Reese moved, seconded by Council Member Shirrell, to approve Resolution # 18-20 establishing the Physician Retention and Recruitment Program. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell stated the program was to support community health needs, not to subsidize a particular local business. The program would provide additional community physicians who did not necessarily need to be employed by the Valdez Medical Clinic or Providence Valdez Medical Center (PVMC).

Council Member Shirrell asked how the City, Clinic, and PVMC would need to work together under a memorandum of understanding to make the program work from a recruitment perspective for their employees. He expressed his concerns regarding physicians who work for the clinic having to sign a non-compete contract. This prevents them from opening up their own local practice or working elsewhere in the community. He stated this type of non-compete arrangement should be addressed in the City's program, as he feels it defeats the purpose of encouraging more physicians in the community as a whole. He stated the clinic can continue to include a non-compete clause if they do desire, but those physicians with it in their contract should be ineligible for the City's program.

Mr. Staser explained the example program contract provided in the Council agenda packet was merely an example and could be adjusted. He stated the incentive is paid directly to the physician, not the physician's employer. Member Shirrell expressed his desire to hold the clinic and hospital to a recruitment and retention incentive standard as well if the City would be offering incentives.

Council Member Moulton stated he does not want to force a private company to change their employment contract. He stated he would also like to create an end date for each contract with the physician. Mr. Staser explained each contract is renewed annually. Additionally, contracts cannot exceed a five-year term under municipal procurement code.

Mayor O'Neil stated the matter before Council is basic program design to provide City administration with boundaries for the program, which is currently \$300,000 annually for incentives for up to five physicians. Mr. Brian Carlson, City Finance Director, provided a brief overview of how the program would be funded in budget years 2018 and 2019.

Council Member Fleming asked who on City staff would be administering the contract once it was executed. Ms. Doom stated the City Finance Department would be responsible for tracking physician hours as outlined in the program and paying out incentive payments. Council Member Shirrell recommended the City require the physician's employer provide a letter certifying the physician's work hours as a means to simplify reporting requirements.

Dr. Sam Shirk, local Valdez physician, expressed his support of the creative concepts behind the City recruitment and retention program.

Dr. Robert Sewell, representative of the state of Alaska SHARPS Program, also expressed his support of the program.

Ms. Ruthie Knight, PVMC Health Advisory Council representative, explained for

many years the community health needs assessment outlined a critical need for more primary care physicians in Valdez. The recruitment and retention program would allow Valdez to compete with other localities for physician talent.

Ms. Magdalena McCay, Valdez resident, stated she agrees with the need for additional physicians in town. She asked several questions about the program, including how the incentive amount was determined and how it would be implemented. She explained many Valdez residents either have no insurance or could be financially devastated following a major medical event. She stated there should be a long term commitment on behalf of the physicians, instead of just an annual arrangement. She urged City Council not to support the resolution until the details of the program could be worked out.

Ms. Kathy Todd, local Valdez physician and partner in the Valdez Medical Clinic, provided background on how physicians have practiced medicine in the Valdez area in the past. She explained the City of Cordova actually had to directly employ physicians in order to retain or recruit enough doctors to meet the health needs of their community. For many physicians, incentives to help repay their school loans factor heavily into their choices for employment. One time incentives tend to attract short term commitments. Multi-year incentives tend to attract longer term commitments and lead to greater buy-in to the community.

Mr. Nate Duval, Valdez resident, expressed his appreciation for the medical care in the Valdez community. Mr. Duval stated he hoped the value placed on recruitment and retention of physicians would also be place on the recruitment and retention of City employees. He explained City Council had a lengthy debate regarding half a percentage point for employee COLA, and the amount represented by the physician program is much larger.

Council provided consensus they wanted to provide revisions to the final version of the contract before it is fully executed for the first physician interested in the program. Council scheduled a work session to discuss the terms of the standardized program contract and the memorandums of understanding with PVMC and Valdez Medical Clinic.

VOTE ON THE MOTION:

Yays: 4 - Mayor O'Neil, Council Member Needles, Council Member Shirrell, and Council Member Reese

Nays: 3 - Council Member Ruff, Council Member Moulton, and Council Member Fleming

XII. REPORTS

1. **Report: Update Regarding Kimley Horn Marketing and Branding Initiative**
2. **Training for Mayor and City Council Members - G-0402 Incident Command System Overview for Executives and Senior Officers**

Council asked Ms. Barberio to work with them prior to scheduling these types of courses in the future, as the majority was unable to attend on this date.

3. **Valdez New Harbor Change Order Report**
4. **Monthly Treasury Report - January, 2018**

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

1. **City Manager Report**

Ms. Doom provided an overview of recent City staffing efforts and coordination with Copper Valley Telecom regarding installation of fiber networks to City facilities.

2. **City Clerk Report**

Ms. Ferko outlined the parameters for the 2018 All America City Scholarship program. She outlined current and upcoming vacancies on City boards and commissions.

The following Council Members volunteered to serve as City Council representatives on the following boards and committees:

- City Audit Committee: Council Members Moulton, Needles, and Fleming
- City Permanent Fund Investment Committee: Mayor O'Neil, Council Members Moulton and Shirrell
- Valdez Visitors & Convention Bureau: Council Member Reese

3. **City Attorney Report**

Mr. Staser outlined projects and provided updates on cases his firm is working on behalf of the City, including tax cap litigation, escaped property, AKLNG project, the Cummings litigation, C-Plan adjudication, and municipal code updates.

4. **City Mayor Report**

Mayor O'Neil thanked Ms. Doom and Ms. Ferko for preparing him for his new role as mayor and thanked the Council for their patience. He also thanked Mr. Smith and Ms. Knight for their service. He welcomed the newly elected and reelected members of Council and said he was looking forward to working with

everyone. He stated he hoped to also be socially connected to the citizens of Valdez since community engagement and input is important.

Mayor O'Neil announced he would be at the ribbon cutting for the Totem Inn. He explained he saw an old photo in the lobby of City Hall showing Valdez as bustling, thriving community in the past and believed it would again be a bustling, thriving community in the future.

XIV. COUNCIL BUSINESS FROM THE FLOOR

Multiple members thanked Ms. Knight and Mr. Smith for their service on the City Council.

Council Member Needles expressed his appreciation for the work of the Providence Counseling Center in addressing mental healthcare in the community. The Center is quickly outgrowing its facility. He requested the Council begin looking at how the hospital facility and campus might grow or be adjusted to accommodate the medical needs of the community.

XV. ADJOURNMENT

There being no further business, Mayor O'Neil adjourned the meeting at 10:10 p.m.