

City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, September 18, 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

City Council led in the Pledge of Allegiance to the American flag.

III. ROLL CALL

Present: 6 - Mayor Jeremy O'Neil
Council Member Ron Ruff
Council Member Christopher Moulton
Council Member Lon Needles
Council Member Dennis Fleming
Council Member Darren Reese

Excused: 1 - Council Member Jim Shirrell

Also Present: 3 - Deputy City Clerk Allie Ferko
Records Manager Shelley McMillen
City Attorney Jake Staser

IV. PUBLIC BUSINESS FROM THE FLOOR

Lee Hart, Executive Director of the Valdez Adventure Alliance

Ms. Hart presented a report on the Confluence program. She screened a short film about Valdez, explained the story behind the film was about trails they were trying to provide for future generations, and stated the film had been entered into multiple film competitions.

Ms. Hart shared the Valdez Adventure Alliance's vision, describing future parks, trails, activities, facilities, and attractions they wanted to develop, and the tourism, businesses, and events they wanted to attract. She hoped to collaborate with City Parks & Recreation and different entities around Valdez to achieve this vision. Ms. Hart expressed belief Valdez could become a year-round adventure town with year-round employment which would attract tourists and young families.

V. CONSENT AGENDA

1. **Acceptance of Resignation by Member of Valdez Museum & Historical Archive Board of Directors**
2. **Approval of License Renewal: #11234 DKW Farms, Standard Marijuana Cultivation Facility**
3. **Approval To Go Into Executive Session Regarding Pending Litigation**

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

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Ruff, Council Member Moulton, Council Member Needles, Council Member Fleming and Council Member Reese

Absent: 1 - Council Member Shirrell

VI. NEW BUSINESS

1. Approval to Purchase 2018 Riprap Supply from Harris Sand and Gravel, Inc. in the Amount of \$224,000

MOTION: Council Member Moulton moved, seconded by Council Member Ruff, to approve the purchase of 2018 Riprap Supply in the amount of \$224,000. The motion carried by the following vote after the following discussion occurred.

Mr. Rob Comstock, Public Works Director, discussed where the riprap supply would be stored. Council Member Reese asked how it would be distributed in each location. Mr. Comstock answered it would restock the half-depleted piles they already had in each location. Council Member Reese asked if Public Works used a similar amount over the last two years. Mr. Comstock confirmed this was correct.

Council Member Reese questioned the advantage of stocking it now instead of purchasing it as needed. Mr. Comstock explained storing it close to where it might be used would allow for quick response to emergent situations when it was necessary. Council Member Reese asked if the lead time to make it had an impact on the decision to buy it now. Mr. Comstock explained buying it now would guarantee a supply was on hand and did not have to be made at the last minute.

VOTE ON THE MOTION:

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

Nays: 1 - Council Member Needles

Absent: 1 - Council Member Shirrell

2. Approval of the 2017 Financial Audit

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to approve the 2017 Financial Audit. The motion carried by the following vote after the following discussion occurred.

Council Member Moulton asked Mr. Brian Carlson, Finance Director, to offer a briefing on the audit findings. Mr. Carlson stated two of the findings are related to bookkeeping errors. He discussed procedural shortcomings and training opportunities identified. He explained staff would write policies and procedures to

rectify these issues. Mr. Carlson also explained an audit finding on a one-time event involving the defeasance escrow for the middle school bond. The City overpaid and then Bank of New York Mellon refunded the overpayment.

Mr. Carlson explained how auditors look at transactions for compliance issues. He discussed travel and training anomalies which were resolved. The rest of the audit reconciled to the financial planning and records reporting his department provides to Council. He reported there was some procedure cleaning up to do by the accounting team, but the City was otherwise in a good position.

Mr. Sam Thompson, a representative from BDO, the City's contracted audit firm, gave a high-level summary report of the audit process. He stated the City's financial statements were free of material misstatements, which is the highest level of assurance auditors are able to professionally render. He provided an overview of the City's financial standing and assets, noted the deficiencies the audit found, and echoed the City was in a good financial position.

Council praised the Finance Department for their hard work leading up to and during the audit process.

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Ruff, Council Member Moulton,
Council Member Needles, Council Member Fleming and Council
Member Reese

Absent: 1 - Council Member Shirrell

3. Approval to Purchase Stancil Logging Recorder System (911) Upgrade from Wes Tek Marketing in the Amount of \$125,266.50

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to approve purchase of Stancil Upgrade (911 Recording) submitted by Wes Tek Marketing in the amount of \$125,266.50. The motion carried by the following vote after the following discussion occurred.

Council Member Reese asked when the upgraded system would be in place. Mr. Matthew Osburn, City Information Technology Director, estimated it would be fully operational in early November. Mayor O'Neil asked if there was currently a working recording device in Police/Fire Dispatch. Mr. Osburn confirmed Police/Fire Dispatch is currently operating with a working recording device.

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Ruff, Council Member Moulton,
Council Member Needles, Council Member Fleming and Council
Member Reese

Absent: 1 - Council Member Shirrell

4. Appointment of Members to Comprehensive Plan Advisory Committee

MOTION: Council Member Moulton moved, seconded by Council Member Ruff, to appoint the following citizens to the Comprehensive Plan Advisory Committee (CPAC): Mike Wells, Donna Schantz, Angela Alfaro, Dahlia O'Neil, John Engles, Jesse Passin, James Dunn, Jeremy Robida, Rod Morrison, Jessica McCay, Mary Jo Evans, Kathy Nielson, Susan Love, Rhonda Wade, Colleen Stephens, Lee Hart, Keith Thomas, and Grant Uren. The motion carried by the following vote after the following discussion occurred.

Mayor O'Neil stated he was reassured by the interest generated at the public meeting held by Kimley-Horn. Council Member Fleming asked for clarification on how many members Council would be appointing. Mr. David Barquist from Kimley-Horn stated, from their perspective, 18 members was a manageable committee size.

Council Member Moulton stated he preferred to all members. Council Member Reese was concerned about how long meetings would run with so many members providing input. He explained he felt the committee should be limited to three or four members of the public alongside the seven members of the City Economic Diversification Commission. Council Member Needles stated he preferred only five or six members. Council Member Ruff was in favor of bringing all members on board, emphasizing a large group would bring diverse perspectives and offset potential absences at meetings. Council Member Fleming supported appointing all applicants and inquired if Kimley-Horn would manage the meetings. Mr. Barquist said they would facilitate the running of the CPAC meetings.

Council Member Moulton asked if everyone on the Economic Diversification Commission was willing to participate. Ms. Ferko explained the City's Economic Development Director, Ms. Martha Barberio, stated she spoke to everyone on the Commission and let them know they would be appointed.

Council provided consensus to move forward with appointing all applicants to the committee.

Mayor O'Neil recused himself from the vote as his spouse was an applicant for appointment.

VOTE ON THE MOTION:

Yays: 4 - Council Member Ruff, Council Member Moulton, Council Member Reese and Council Member Fleming

Nays: 1 - Council Member Needles

Absent: 1 - Council Member Shirrell

Abstain: 1 - Mayor O'Neil

5. Discussion Item: West Klutina Project Update

Mr. Nate Duval, Capital Facilities Director, provided an update on the West Klutina project. He said the street was open, lines were painted, and the sidewalk was paved. However, the street lights were not installed and were scheduled to ship mid-October. They were working on a plan to ensure the crosswalks at the

elementary school were lighted. He stated the City had two light towers and Harris Sand and Gravel would also assist with provision of light towers. Mayor O'Neil suggested supplying the children with flashlights or reflective vests. Mr. Duval replied the budget within the project could potentially facilitate this option and they could explore the associated costs with the city manager. There was not clear Council consensus to move forward with purchase of flashlights or reflective vests for the school children.

Council Member Fleming suggested crosswalk guards at night. Mr. Duval said the school had crosswalk guards in the mornings. Crosswalk guards were not necessary in the evening, as the school let out while there was still daylight. He said if the daylight decreased before the light poles arrived, they would set up the light towers to provide added safety for those walking along the street after dark.

Mr. Duval provided an update on upcoming change orders for the project for work already completed. He asked for Council feedback on an additional change order for removal of the excess material stored in the snow lot on the corner of West Klutina and Hazelet Avenue. Unit price for material removal while the contractor was onsite was fair and likely lower than what could be negotiated later.

Council Member Fleming asked why removal of the material was not included in the contract bid schedule. Mr. Duval explained there was a discrepancy between the bid items and the plans, necessitating negotiation with the contractor for the work. He explained there was also confusion about how much material had already been moved from the property. Mr. Fleming inquired about price. Mr. Duval estimated it would be between \$40,000 and \$60,000. Council Member Reese asked how much material had to be moved. Mr. Duval stated they were going to shave the land down to a reasonably flat surface.

Council Member Reese said he would like to see material stored there in case building the firehouse produced more material which would need to be moved. He explained removing the material all at once could keep down costs. Mr. Duval stated some of the material would be used to help the Parks, Recreation & Cultural Services Department build a planned disc golf course and archery range behind the Gold Fields Softball Complex.

Mayor O'Neil asked if Mr. Duval needed Council's approval for alternate items like flashlights for the school children. Mr. Duval stated if Council directed the city manager to purchase flashlights and reflective vests for the elementary school children, he could do so within the project budget. Council Member Reese questioned if alternate options would be in lieu of the light towers. Mr. Duval answered no, the light towers would be placed to provide added safety for all citizens walking along the street during hours of darkness.

VII. RESOLUTIONS

1. #18-29 - Assignment of Leasehold Interest from the Estate of Betty J. Wells to Crowley Fuels, LLC for an 8,400 Square Foot Portion of USS 495 Tidelands

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to approve Resolution #18-29 consenting to assignment of leasehold interest from the estate of Betty J. Wells to Crowley Fuels LLC for an 8,400

square foot portion of USS 495 Tidelands. The motion carried by the following vote after the following discussion occurred.

Council Member Needles expressed concern over the expense and questioned the number of necessary fuel docks in the boat harbor area. He explained the dock was installed many years ago and is no longer needed with the new harbor opening in the near future. Council Member Fleming asked for the location of the dock. Mr. Jeremy Talbott, Ports and Harbor Director, answered this was the south dock by the fish processing plants. Mayor O'Neil asked if the Ports and Harbor Commission had seen the plans or had a similar vision for the future of the fuel dock facilities. Mr. Talbott stated the fuel dock is busy during peak periods. He explained both the Ports & Harbors Commission and Planning & Zoning Commission reviewed the lease and recommended it be brought forward to City Council.

Council Member Reese expressed concern over the length of the lease. Ms. Nicole LeRoy, City Planning Technician, explained the term is five years, with extension options written into the lease. Mayor O'Neil clarified the lease was a negotiated transaction between parties. He asked if both the estate of Betty J. Wells and Crowley Fuels, LLC were satisfied with the reassignment and lease. Ms. LeRoy stated yes, explaining Crowley has been subleasing from the estate since 1999. Ms. Ferko clarified the process to reassign the lease and exercise the first five year renewal option.

Council Member Reese stated having both fuel docks in the current boat harbor open causes traffic conflicts between large fishing tenders and small boats. He expressed concern with renewing the lease. He stated he would prefer a one year renewal instead to determine the vision and future for the harbor area. Council had a brief discussion regarding the future Waterfront Master Plan. Council Member Moulton stated he was not aware of any plans which would conflict with the fuel dock in the next couple of years. Mayor O'Neil stated he would like to defer to the educated recommendation of the Ports & Harbors Commission.

Ms. Sarah VonBargen, harbormaster, stated the uplands area adjacent to the tidelands is owned by the estate of Betty J. Wells. The estate will be selling the land to Crowley. She explained the City does not have discretion over how the privately owned uplands is used.

Council Member Ruff asked when the fuel dock in the new harbor would be built. Mr. Talbott explained the fuel dock is not part of the new harbor project, as it was planned to be built privately. The fuel dock project would be brought to Council separately for approval.

VOTE ON THE MOTION:

Yays: 4 - Mayor O'Neil, Council Member Ruff, Council Member Moulton,
and Council Member Fleming

Nays: 2 - Council Member Needles and Council Member Reese

Absent: 1 - Council Member Shirrell

2. #18-30 - Authorizing Lease Amendment No. 2 for a Lease with Crowley Fuels, LLC for an 8,400 Square Foot Portion of USS 495 Tidelands

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to approve Resolution #18-30 authorizing lease amendment No. 2 for a lease with Crowley Fuels, LLC for an 8,400 square foot portion of USS 495 Tidelands. The motion carried by the following vote after the following discussion occurred.

Council Member Needles asked how much revenue the City collected from this lease annually. Ms. LeRoy stated revenue was \$1,010, based off ten percent of the appraised 2016 value of the property. She explained land is appraised every five years. Council Member Needles expressed his concern with committing the property to the purpose of fuel dock without any vision for the harbor area. Council Member Moulton stated he would be interested in learning more about other uses for the tidelands area.

Mr. Stu Hirsch, Ports & Harbors Commissioner, stated removing the south fuel dock without an alternate fuel dock location in place does not make any sense. There is a large amount of fuel sold from the south dock, specifically from fishing tenders.

VOTE ON THE MOTION:

Yays: 4 - Mayor O'Neil, Council Member Ruff, Council Member Moulton,
and Council Member Fleming

Nays: 2 - Council Member Needles and Council Member Reese

Absent: 1 - Council Member Shirrell

VIII. REPORTS

- 1. Commercial Marijuana Inspection Report - DKW Farms LLC**
- 2. August 2018 New Boat Harbor Report**

Mr. Ron Rozak, Construction Manager for the New Harbor, provided updates on the progress of the project. He said the mayor and several council members were given tours of the project site. He offered the same opportunity to the remaining council members. He explained minor landscaping, paving and striping, and concrete sidewalks in the plaza area were finished. On the west basin, all the dredging and blasting was done and one-third of the piling and floats were installed. On the east basin, three-fourths of the dredging was completed and projected to be finished by the end of September. Mr. Rozak explained the next steps for the project and provided an update on plans and timelines for upcoming work.

Council Member Reese stated he toured the project site and was impressed the area was starting to look like a harbor. He expressed his appreciation for the team working on the project.

- 3. Professional Services Agreement Report: DOWL, LLC for Lowe River Gravel Extraction - Permitting, in the Amount of \$49,995**

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

Mr. Tim James, Human Resources Director and acting City Manager in Ms. Doom's absence, explained she would be back in the office September 20th. He introduced the new Parks, Recreation, and Cultural Services director, Mr. Nicolas Farline. The new Assistant City Manager Roxanne Murphy and Chris Watson, the new Network Administrator, would arrive October 1st.

2. City Clerk Report

Ms. Ferko reported the City was fast-tracked to have a new email server and staff email addresses due to the cyberattack. She provided the new format for email addresses.

She provided an update on several vacancies on boards and commissions for the City. The Providence Valdez Medical Center Health Advisory Council had three vacancies, each to serve a three-year term. The City Parks and Recreation Commission had two vacancies, each to serve a three-year term. The Valdez Museum and Historical Archive Board of Directors had one vacancy due to resignation, with a term of one year and three months. She said people could obtain more information on the City's website, the City's Facebook page, or by contacting the city clerk's office.

She provided a reminder the annual flu shot clinic was coming up, to be held October 6th, 10:00 a.m. to 1:00 p.m. The clinic allows the public to receive free flu shots while also providing an opportunity for local agencies to practice scenarios for giving mass inoculations during an epidemic.

3. City Attorney Report

Mr. Staser indicated to Council he would provide updates on cases his firm was working on behalf of the City in executive session.

4. City Mayor Report

Mayor O'Neil reported on a work session with the fire department to discuss a community work group to start planning and designing the new fire station. He also thanked everyone that attended the Kimley-Horn comprehensive plan event. He stated that the recent Swan Wellness Symposium aired a movie encouraging everyone to reach out to those disproportionately effected by not having social connection. He noted the Confluence event was attended by a broad spectrum of outdoor recreational leaders from across the state and that they had a productive meeting.

X. COUNCIL BUSINESS FROM THE FLOOR

Council Member Moulton hoped to see people attend the flu shot clinic. Ms. Ferko added they were looking for volunteers for the clinic, both licensed medical practitioners and those who wanted to help with other tasks. She provided contact information for potential volunteers. Council Member Moulton stated he attended the Confluence event hosted by Valdez Adventure Alliance and it was an interesting experience. He noted several federal employees were in attendance from the Bureau of Economic Analysis,

who would be generated the nation's first national statistics regarding the outdoor recreation industry. He said Copper Valley Telecom was also present at Confluence, informing people about the infrastructure being put in place to allow businesses and remote employees to easily work in Valdez.

Council Member Reese encouraged anyone who missed the meeting on the comprehensive planning process to review the audio recording on the City website. He suggested people get involved and stay informed.

Council Member Ruff said he attended the Wellness Symposium and was inspired by the level of dedication on the part of those who put it together.

Council Member Needles encouraged people to get out and watch the Valdez High School football team games. He congratulated the girl's high school volleyball team for winning first place in a recent tournament, beating a 4A school.

Mayor O'Neil recognized the Fire Department, Police Department, and Coast Guard for their respectful reflections and memorials for the 9/11 attack. He thanked first responders and members of the military for their service.

XI. EXECUTIVE SESSION

City Council transitioned into Executive Session at 8:45 p.m.

XII. RETURN FROM EXECUTIVE SESSION

City Council transitioned out of Executive Session at 9:44 p.m.

XIII. ADJOURNMENT

There being no further business, Mayor O'Neil adjourned the meeting at 9:45 p.m.