

City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, December 3, 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

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

III. ROLL CALL

Present: 6 - Mayor Jeremy O'Neil
Council Member Christopher Moulton
Council Member Sharon Scheidt
Council Member Darren Reese
Council Member Dennis Fleming
Council Member Alan Sorum

Excused: 1 - Council Member Ron Ruff

Also Present: 6 - City Manager Mark Detter
Assistant City Manager Nathan Duval
Assistant City Manager Roxanne Murphy
City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
City Attorney Jake Staser

IV. PUBLIC BUSINESS FROM THE FLOOR

Ms. Patty Relay, Valdez Convention & Visitors Bureau Board President

Ms. Relay provided a brief update on VCVB activities, including hiring Sharon Anderson as the new VCVB executive director, the upcoming VCVB annual meeting, and the upcoming new VCVB website launch.

Ms. Relay also shared upcoming holiday themed activities at the Valdez Museum.

Ms. Olivia Foster, Representative from Providence Valdez Medical Center

Ms. Foster invited the Council and community to view the upcoming film *No Small Matter*, a documentary which highlights the importance of early childhood education. The film, to be shown at the Civic Center at 6:00 p.m. on December 9th, will be followed by a panel discussion of local leaders. Representatives from the federally funded Thread Program will also participate in the panel.

V. CONSENT AGENDA

1. **Approval of Liquor License Renewal - Stampmill Restaurant**
2. **Acceptance of Resignation from the Providence Valdez Medical Center Health Advisory Council (Kaitlin Pabo-Eulberg)**
3. **Approval To Go Into Executive Session Re: C-Plan 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 Moulton, Council Member Scheidt, Council Member Reese, Council Member Fleming and Council Member Sorum
Absent: 1 - Council Member Ruff

VI. NEW BUSINESS

1. **Approval to Purchase a Caterpillar 966M Loader and Snow Blade from NC Machinery, Including Chains and Radio, in the Amount of \$347,672.35**

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve purchase of a Caterpillar 966M Loader with snow blade from NC Machinery, plus chains and radio, in the amount of \$347,672.35. The motion carried by the following vote after the following discussion occurred.

Council Member Reese asked if the chains would be obtained through the state contract. Mr. Rob Comstock, city public works director, explained the chains were not included under the state contract. Due to the cost, procurement code requires obtaining quotes for the items. Mr. Comstock explained his staff try their best to obtain the best deals for quality equipment.

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Moulton, Council Member Scheidt, Council Member Reese, Council Member Fleming and Council Member Sorum
Absent: 1 - Council Member Ruff

2. **Approval of Providence Valdez Medical Center (PVMC) 2020 Budget**

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to the Providence Valdez Medical Center 2020 operating and capital budgets. The motion carried by the following vote after the following discussion occurred.

Mayor O'Neil recused himself from the discussion and vote on this item due to a conflict of interest, as he is employed as PVMC administrator.

Ms. Lindsie King, PVMC chief financial officer, explained the 2019 forecast is on track for a record-breaking year in terms of financial performance. Volume trends appear to be increasing overall with no particular driving area.

Mr. Jeremy O'Neil, PVMC administrator, stated there appears to be stability in most patient areas, with a steady increase regarding in-patient visits. He stated recent stabilization of medical service providers, due to efforts such as the city's physician recruitment/retention program, correlates to the hospital's positive financial performance.

Ms. King presented the Council with the proposed 2020 PVMC capital improvement list and related budget request. Council Member Scheidt asked for clarification on what the Council would be approving, as the original agenda item only detailed the operating budget. Mr. O'Neil clarified they were seeking approval on both the operating and capital budgets.

Council Member Reese inquired if the vehicles on the capital list would be new vehicles. Ms. King outlined the fleet vehicles might not be new. They would be used primarily to provide transportation for traveling PVMC staff.

Council Member Reese asked how the wheelchair van would be used and if it would be available for use by other organizations. Mr. O'Neil stated it would primarily be used as a replacement for the current inoperable van used by the hospital.

Council Member Moulton asked who performed the maintenance of PVMC vehicles. Mr. O'Neil stated, while the vehicles technically belong to the city, PVMC is responsible for insuring and performing maintenance on their fleet.

Mr. Detter asked if PVMC capital purchases would come before Council for approval. Mr. O'Neil explained if the capital items were approved by the Council now, they would go through the Providence procurement process. The purchases are not brought individually before Council for approval.

Council Member Moulton requested PVMC staff provide multi-year forecasting for lifecycle replacement of vehicles and major equipment, similar to what is provided for city equipment. Ms. King stated she would be happy to provide this information in the future.

Ms. Pierce clarified the maker of the motion and second should agree the motion to be voted on includes approval of both the PVMC operating and capital budgets. The maker of the motion (Council Member Moulton) and second (Council Member Fleming) agreed with the clarification on the scope of the motion.

VOTE ON THE MOTION:

Yays: 5 - Council Member Moulton, Council Member Scheidt,
Council Member Reese, Council Member Fleming and Council
Member Sorum

Absent: 1 - Council Member Ruff

Abstain: 1 - Mayor O'Neil

VII. RESOLUTIONS

1. **#19-56 - Amending the 2019 City Budget by Accepting Book Basket Auction Proceeds in the Amount of \$4,362 to the Valdez Consortium Library and Authorizing Expenditure**

MOTION: Council Member Scheidt moved, seconded by Council Member Moulton, to approve Resolution #19-56. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Moulton, Council Member Scheidt, Council Member Reese, Council Member Fleming and Council Member Sorum

Absent: 1 - Council Member Ruff

2. **#19-57 - Amending the 2019 City Budget by Accepting Unbudgeted Port Department Revenues Totaling \$250,000 and Appropriating \$57,000 to Port Electricity Expense**

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to approve Resolution #19-57. The motion carried by the following vote after the following discussion occurred.

Mayor O'Neil asked how this year compared to the auction in previous years. Ms. Mollie Good, head librarian, stated the 2019 auction had a great turnout and fantastic baskets, raising approximately \$2,000 more than the previous year.

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Moulton, Council Member Scheidt, Council Member Reese, Council Member Fleming and Council Member Sorum

Absent: 1 - Council Member Ruff

3. **#19-58 - Amending the 2019 City Budget by Appropriating \$900,000 from Debt Service Fund for Principal Payment for the 2019 General Obligation Bond**

MOTION: Council Member Moulton moved, seconded by Council Member Sorum, to approve Resolution #19-58. The motion carried by the following vote after the following discussion occurred.

Council Member Reese clarified this resolution relates to the city-wide pavement repair project. Mr. Brian Carlson, city finance director, confirmed these funds will be the first principle payment against the pavement project bond. The bond will close later in December.

Council Member Reese asked why money was being moved in advance of the

bond closing. Mr. Carlson explained the bond closes on December 16th and the first payment would be made on December 30th. The payment amount is based on Mr. Carlson's revised estimate of the revenue limit, based upon anticipated municipal population numbers. He briefly discussed his calculation process for the repayment plan.

Mr. Carlson explained the bond would be paid in equal installments over six years. In the terms of the bond, the city is also able to pre-pay in any year and in any amount without penalty. The interest for the bond is now locked at 2.49%.

Mayor O'Neil asked for a description of the call ability characteristics of the bond and how that is advantageous for the city. Mr. Carlson stated, typically, a general obligation bond will have a no-call period, which means the municipality cannot pre-pay any portion of the scheduled principal. The no-call period is used as an enticement for buyers to provide stability to their investment and income stream.

Mr. Carlson explained the end of the settlement regarding TAPS valuation is approaching. Property valuations may then begin to fluctuate from year to year. Valuation fluctuations may impact the tax cap. Debt service is the only expenditure authorized to offset excess revenue under state statute. Therefore, the bond RFP was structured to provide the opportunity for the city to pre-pay any amount at any time. This eliminates concerns related to retention of revenues based upon the tax cap formula. Mr. Detter clarified the city would not be making any additional money due to the bond, nor would the city be investing any monies related to the bond. Bond funds would be used specifically for the pavement project.

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Moulton, Council Member Scheidt, Council Member Reese, Council Member Fleming and Council Member Sorum

Absent: 1 - Council Member Ruff

4. #19-59 - Accepting the 2019-2020 EMPG Grant in the Amount of \$25,000 from the Division of Homeland Security and Emergency Management and Approving its Expenditure

MOTION: Council Member Sorum moved, seconded by Council Member Fleming, to approve Resolution #19-59. The motion carried by the following vote after the following discussion occurred.

Mayor O'Neil asked if acceptance of these grant funds would impact creative solution making in order to staff the emergency manager position. Mr. Detter stated he would be able to work within grant parameters to staff the position.

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Moulton, Council Member Scheidt, Council Member Reese, Council Member Fleming and Council Member Sorum

Absent: 1 - Council Member Ruff

5. #19-60 - Adopting the 2020 Budget for the City of Valdez, and Appropriating Monies for that Budget

MOTION: Council Member Moulton moved, seconded by Council Member Fleming, to approve Resolution #19-60. The motion carried by the following vote after the following discussion occurred.

Mayor O'Neil expressed his appreciation to city staff for their hard work during the 2020 city budget process and in preparation of the final budget document.

Council Member Fleming asked to schedule a Council work session to provide an overview of the final budget numbers for 2019. Mr. Carlson stated he hoped such a work session could include cleaning-up reserve funds and coincide with the capital projects budget process.

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Moulton, Council Member Scheidt, Council Member Reese, Council Member Fleming and Council Member Sorum

Absent: 1 - Council Member Ruff

6. #19-61 - Amending the 2019 City Budget by Recognizing \$15,000,000 of General Obligation Bond Proceeds Revenue, and Appropriating Same to Capital Project Fund for Phase I of Citywide Pavement and Infrastructure Improvements Project

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve Resolution #19-61. The motion carried by the following vote after the following discussion occurred.

Mayor O'Neil asked if there was a timeframe required to expend the funds on the project. Mr. Carlson stated there is not a specific timeline.

Council Member Reese asked for the timeframe during which bond funds were anticipated to be spent on project work. Mr. Nate Duval, city capital facilities director, stated project construction work done in 2019 was paid for with cash. Bond funding would pay for the engineering and design work done thus far (approximately \$2 million) plus a significant portion of the work to be done in 2020. Based on current estimates, supplemental cash funding would likely be needed in addition to bond funds to complete Phase I work in 2020.

Council Member Scheidt asked when Phase II and beyond would be discussed. Mr. Duval explained he planned to include a five-year layout of Phase II thru Phase VII during the capital projects budget process.

Mayor O'Neil stressed the importance of public education and information related to both the bond process and pavement project.

Ms. Pierce explained the state of Alaska would be providing the city an updated official population number based upon 2020 census data collection. She encouraged residents to participate in the 2020 census, as official municipal

population numbers drive many different programs and state funding calculations. Council Member Moulton asked if the population survey data collected in conjunction with the city energy assistance program could be used to challenge the state's population numbers for Valdez. Mr. Carlson explained the purpose of the form was to provide an independent population data sample which could be used in a challenge.

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Moulton, Council Member Scheidt, Council Member Reese, Council Member Fleming and Council Member Sorum

Absent: 1 - Council Member Ruff

VIII. REPORTS

1. Report: Lowe River Levee Certification and LOMR Update

Council Member Sorum asked if there was rough estimate of completion. Ms. Kate Huber, city interim planning department director, stated she did not have a good completion date estimate at this time. However, she would be meeting with the engineers who prepared the city's submission and the team reviewing the additional data from FEMA later in the week and could obtain an update.

Council Member Moulton asked if the multiple requests for more information should be concerning. Ms. Huber stated it is not unusual for FEMA to request additional data. However, she was surprised to receive a second, unrelated request for additional data.

Mr. Detter stated the city Flood Mitigation Task Force would be meeting on December 18th at noon.

2. Report: Update Regarding Abatement of 137 Gulkana Street

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

1. City Manager Report

Mr. Detter provided a verbal report on his recent and upcoming activities, including the committee working on the pay study review, selection of a firm for design services for the Lowe River project, and review of the draft city emergency operations plan. He explained the city would provide about a week extension for comprehensive plan project bid submissions to allow time to adequately answer contractor questions.

2. City Clerk Report

Ms. Pierce provided an overview of the city energy assistance program and reminded the community to apply for the 2020 program before the December 31st deadline. She reviewed upcoming boards and commissions vacancies, as well as upcoming council work sessions. She stated she would like to bring back the city boards and commissions appreciation dinner in 2020. She invited the Council

to the annual city employee holiday party, hosted this year by the Valdez Police Department.

3. City Attorney Report

Mr. Staser provided updates on projects and cases his firm is working on behalf of the City, including municipal code updates, the Meals Hill project, and C-Plan adjudication.

4. City Mayor Report

Mayor O'Neil thanked the city Parks & Recreation Department, Valdez Museum, Valdez Fire Department, and Santa Clause for the great community Christmas tree lighting ceremony. He encourage residents to also attend the upcoming Community Christmas Program.

X. COUNCIL BUSINESS FROM THE FLOOR

Council Member Reese encouraged the community to participate in the holiday giving tree at the post office.

Council Member Sorum stated the city should stay engaged in the comments process for both the ADEC review of Alaska response standard regulations and the Hilcorp acquisition of BP's property in Alaska.

XI. EXECUTIVE SESSION

City Council transitioned into executive session at 8:07 p.m.

XII. RETURN FROM EXECUTIVE SESSION

City Council transitioned out of executive session at 8:19 p.m.

XIII. ADJOURNMENT

There being no further business, Mayor O'Neil adjourned the meeting at 8:20 p.m.