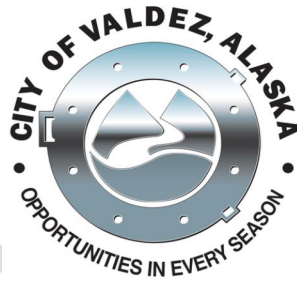


# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686



## Meeting Minutes - Draft

Tuesday, March 5, 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 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 Lon Needles  
Council Member Jim Shirrell  
Council Member Dennis Fleming  
Council Member Darren Reese

Excused: 1 - Council Member Christopher Moulton

Also Present: 4 - City Clerk Sheri Pierce  
Deputy City Clerk Allie Ferko  
Assistant City Manager Roxanne Murphy  
City Attorney Jake Staser

**IV. PUBLIC APPEARANCES****1. Lanette Oliver, Valdez Adventure Alliance - Valdez Ice Climbing Festival**

Ms. Oliver provided a detailed recount of the 2019 Valdez Ice Climbing Festival, including participation numbers and plans for future events.

**V. PUBLIC BUSINESS FROM THE FLOOR****Sean Arnold – Valdez City Schools Superintendent (VCS)**

Mr. Arnold addressed his letter to the Mayor and Council, written in response to Governor Dunleavy's FY Budget proposal. He explained the proposed budget cuts and how they would affect the Valdez school system.

Council Member Fleming asked if Mr. Arnold had reached out to the City when creating their budget. Mr. Arnold explained he had. He detailed how the Governor's budget would reduce the maximum amount the City could legally contribute to the local school system.

Council Member Shirrell asked when VCS had to complete their budget. Mr. Arnold stated the budget was due to the state by the end of June. Council Member Shirrell did not expect the state budget would be available by the beginning of July for VCS to revise their budget plan for the upcoming school year.

Mr. Arnold added legislative talk had outlined possible cuts at around 5-10%, less than proposed by the Governor. He shared his concern for future years due to the need to use VCS reserves to fill in the gaps, thus reducing the reserve.

Mayor O'Neil shared his gratitude for Council's enlightened view of supporting the local school system and his desire to see changes made to FY20.

Council Member Fleming asked what event was occurring locally over the weekend. Mr. Arnold explained basketball regionals would happen over the weekend.

## **VI. CONSENT AGENDA**

### **1. Approval To Go Into Executive Session Regarding: 1. Ongoing Litigation Strategy. 2. Continuation of City Manager Evaluation**

MOTION: Council Member Shirrell moved, seconded by Council Member Reese to approve the Consent Agenda.

VOTE ON THE MOTION:

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

Absent: 1 - Council Member Moulton

MOTION CARRIED.

## **VII. NEW BUSINESS**

### **1. Approval of Change Order with Wolverine Construction for District Office HVAC Project in the Amount of \$48,635.78**

MOTION: Council Member Ruff moved, seconded by Council Member Fleming, to approve change order with Wolverine Construction for District Office HVAC project in the amount of \$48,635.78.

Council Member Shirrell asked if the HVAC contractor was currently involved in the project. Mr. Duval confirmed subcontractor Value Mechanical was currently performing the work on the boiler system.

VOTE ON THE MOTION:

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

Absent: 1 - Council Member Moulton

MOTION CARRIED.

### **2. Discussion Item: Health Insurance Renewal Figures**

Finance Director Brian Carlson explained the purpose of the discussion item was in response to Council's request during the most recent budget sessions. He outlined the renewal summaries included in the agenda packet.

Council Member Shirrell verified the proposed numbers fell in line with those discussed in a prior budget session and identified the budget reduction. Mr. Carlson confirmed, stating he expected a \$360,000 savings relative to what had been budgeted.

Council Member Reese asked if the difference between the renewal and option

one was the birth control prescription. Mr. Carlson explained the requested expanded coverage was not built into the charted figure and there would be a marginal increased cost of approximately three to six thousand dollars. He stated if Council was agreeable to the concept, the adjustment could be done on a provisional basis and he could return with more exact numbers in a year.

Mayor O'Neil requested clarification on the process of adjusting for needs identified by the Employee Relation Team (ERT). Mr. Carlson explained the process was a work in progress. He and outlined the current flow of input and approval.

Council Member Shirrell asked if the City as an employer had the legal right to say no to basic contraceptive coverage, as he believed they could not. Mr. Staser stated he would need to research the topic to provide an accurate answer. Mayor O'Neil and Mr. Carlson identified the health broker as the responsible party for identifying anything inconsistent with legal precedent. Mr. Staser agreed to bring follow up research to Council. Council Member Reese shared his desire to include contraceptive coverage in the health care plan. Mr. Staser added after a quick survey of case law, he believed Council Member Shirrell was correct in saying contraceptive coverage was required if preventative care was offered.

Mayor O'Neil asked if male enhancement aids were currently covered under current health insurance. Mr. Carlson he would have to return with a more informed answer. Mayor O'Neil stated it was unnecessary as he believed it was covered. Council expressed support of the addition of basic contraceptive coverage to the health plan.

### **3. Discussion Item: Fire Station Bond Parameters**

Mr. Carlson explained due to the current state budget discussions, staff was requesting direction from Council for drafting of ballot measure language, which would be presented to Council via Resolution on March 19<sup>th</sup>. He asked if Council's desire was to aim for the May 7<sup>th</sup> election, if bonding was desired for the entire project or a portion of the project, and how to approach a contingency plan if the measure fails. He explained the possible impact of the state budget on the measure.

Council Member Reese asked what the cost of a midsummer special election would be. Mr. Carlson explained it would need to be a special election held prior to the end of September to satisfy the financial objectives.

Council Member Shirrell asked what the over-cap amount would be for property taxes. Mr. Carlson said his best estimate would be about \$400,000 in calendar year 2019. Council Member Shirrell questioned the need for a bond. Mr. Carlson explained the reason for bonding for this particular project.

Council Member Reese asked what the timeline for construction would be for the project. Mr. Duval outlined the expected timeline, stating ideally ground would be broken late August with vertical structure construction beginning in April.

Council Member Shirrell asked what the bonding agent's perception was on the proposed state budget's effect on the cost of the project. Mr. Carlson stated it had not been quantified yet, but mitigation and insurance strategies were available. Council Member Shirrell shared his desire to move forward with the

bond question on the ballot for the May election.

Ms. Pierce explained state regulations on bringing the bond back to the voters if the initial resolution fails at the polls.

Mayor O'Neil agreed the state budget could deter voters from approving the bond, but the need to move forward with the project was apparent.

Council consensus was to move forward with including the bond measure on the May 7<sup>th</sup> ballot.

Council Member Reese encouraged bonding the full cost of the project, including renovation of the old fire station. Council Member Shirrell agreed. Mr. Duval explained the intended two phases of the project, with the bulk of the effort being placed behind the construction of the new facility and the second phase being City Hall reprogramming. He explained Council's desire on how to move forward with the old fire station was unclear at this point and he would need further direction prior to providing an estimated renovation cost.

Council Member Shirrell conveyed concern over not being able to provide a more exact number to the public in regards to the entire project, including the cost of renovating the old fire station. Mayor O'Neil reminded Council a discussion on what to do with the space being vacated had not yet occurred. Ms. Pierce stated the deadline for altering the final bond amount on the ballot was March 19<sup>th</sup>.

Council Member Fleming expressed his desire to not include plans for the old building in the bond being put forward on the ballot.

Council Member Shirrell reiterated his desire for the cost of the full project be included on the ballot.

Council Member Reese asked for the estimated cost of asbestos removal in the old fire station. Mr. Duval explained he would need to return to Council with that number. He explained scope driven projects versus price driven projects. He suggested Council consider opting for the second option if they wanted to include the project cost in bond measure.

Council Member Shirrell encouraged Council to come up with a plan and provide direction to Mr. Duval in a timeframe congruent with including the cost on the ballot measure.

Council Member Needles suggested Mr. Duval return to Council with multiple options for consideration.

Mr. Carlson verified Council's instruction was to bond for full cost of the new fire station and public information output on the project as written in the draft included in the agenda packet. Council confirmed.

Mr. Carlson outlined his plan to create a second ballot measure for future use during a special election in the instance the bond measure does not pass during the May 7<sup>th</sup> election. He explained the purpose would be for the sake of capturing revenue and funding other pending projects. Council conveyed consensus to move forward as indicated.

**4. Discussion Item: Schematic Design and Site & Masterplan Drawings for the Upgrade to the Existing Yellow Warehouse Building**

Mr. Duval reviewed concepts included in the agenda packet, and associated cost estimates.

Council Member Reese suggested postponing and reevaluating the project in a year. Council Member Shirrell expressed his concern over killing the project by postponing it. Council Member Ruff agreed in light of state budget issues, he would be willing to consider postponing the project. Council Member Fleming encouraged moving forward with the project, with alterations made to the proposed decoration on the front. Mayor O'Neil explained the project had been a long time coming and shared his support of moving forward with upgrading the building.

Mr. Duval stated he would return to Council with a proposal for a vote.

Ms. Patty Relay, Valdez Museum & Historical Archive Director, asked if Council would be selecting an option to move forward with. Mayor O'Neil explained Council had directed staff move forward the first option labeled "Chop, Chop, & Paint".

## **VIII. RESOLUTIONS**

**1. #19-10 - Authorizing a Lease with IN Properties, LLC for a 3,720 square foot Portion of Lot 2, Block 2, Mineral Creek Subdivision (Barney Meyring Park Strip) Adjacent to Lot 12, Block 15, Mineral Creek Subdivision**

MOTION: Council Member Shirrell moved, seconded by Council Member Fleming, to approve Resolution # 19-10.

Council Member Ruff asked if the Parks & Recreation Department's concern over where the parking lot would flow to had been addressed. Planning Director Rochelle Rollenhagen confirmed concerns had been addressed and adjustments were included in the resolution.

Council Member Shirrell asked if the contract included a way to prevent people from parking on the grass. Ms. Rollenhagen confirmed conditions were included in the resolution. She explained her staff would work with Parks & Rec and Public Works to ensure compliance. Council Member Reese asked what enforcement measures were available. Ms. Rollenhagen explained the lease could be pulled.

Council Member Fleming asked when the building was built and if it was built to code. Ms. Rollenhagen explained how parking had been lost and how the resolution rectified the issue.

Council Member Reese requested clarification on how things like gravel in the snow due to snow removal would be managed. Public Works Director Rob Comstock explained the majority would go into the cul-de-sac although the gravel in the snow could be an issue.

Council Member Needles asked if IN Properties was available for questions. Ms. Rollenhagen explained they were not in attendance, but were aware the resolution was on the agenda.

**VOTE ON THE MOTION:**

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

Absent: 1 - Council Member Moulton

**MOTION CARRIED.**

**IX. REPORTS**

1. **Report: January 2019 Legal Billing Summary - Brena, Bell, & Clarkson**

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

1. **City Manager Report**

2. **City Clerk Report**

Ms. Pierce stated petitions were available in the City Clerk's Office to run for the office of City Council and School Board. She explained there were two seats open on Council and three seats on the School Board. She outlined the requirements for running for office. She invited those interested to reach out to her with any questions.

Ms. Pierce reviewed the process for the All-American City Scholarship program, and invited those interested to reach out to Ms. Ferko with questions.

Ms. Pierce informed Council of upcoming travel and explained Ms. Ferko would be filling in during her absence. She reviewed the upcoming Council schedule.

3. **City Attorney Report**

Mr. Staser provided updates on projects and cases his firm is working on behalf of the City, including escaped property and the Meals Hill purchase.

4. **City Mayor Report**

Mayor O'Neil encouraged the community to be involved with the state budget session and outlined available resources. He shared his enthusiasm for the upcoming basketball tournament and encouraged the community to show up and support the Valdez teams.

**XI. COUNCIL BUSINESS FROM THE FLOOR**

Council Member Shirrell reiterated his desire for staff and Council to address the desired use of the old fire station.

Council Member Ruff encouraged the community to support the local basketball team during the regional championships. He requested work sessions be scheduled to discuss plans for City Hall and the old fire station. Ms. Pierce agreed to schedule a work session.

**XII. EXECUTIVE SESSION**

City Council transitioned into executive session at 9:00 p.m.

**XIII. RETURN FROM EXECUTIVE SESSION**

City Council transitioned out of executive session at 10:30 p.m.

**XIV. ADJOURNMENT**

There being no further business, Mayor O'Neil adjourned the meeting at 10:30 p.m.

DRAFT