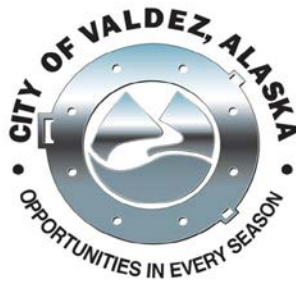


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Final

Wednesday, July 5, 2017

7:00 PM

Regular Meeting - Moved from 7/4 Due to Holiday

Council Chambers

City Council

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

Mayor Knight called the meeting to order at 7pm in City Council Chambers.

II. PLEDGE OF ALLEGIANCE

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

III. ROLL CALL

Present: 6 - Mayor Ruth E. Knight
Council Member Nate Smith
Council Member Christopher Moulton
Council Member Lon Needles
Council Member Jim Shirrell
Council Member Darren Reese

Excused: 1 - Council Member Dennis Fleming

Also Present: 5 - City Manager Elke Doom
City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
City Attorney Tony Guerriero
Assistant City Manager Todd Wegner

IV. APPROVAL OF MINUTES**1. Regular Meeting Minutes of June 6, 2017**

The regular meeting minutes of June 6, 2017 were approved as presented.

V. PUBLIC BUSINESS FROM THE FLOOR

Mr. James "Hotai" Williams, Valdez resident, expressed concerns that the City Council is not appropriately supporting the City Manager and other City employees. He hoped this would change in the future.

VI. UNFINISHED BUSINESS**1. Approval to Accept Offer of Sale of a 14.96 Acre Parcel of Land Described as Lot 2, Sleepy Hollow, Addition #5 (Gavora Property) in the Amount of 1 Million Dollars. Postponed from the Regular Meeting of June 20, 2017.**

MAIN MOTION ALREADY ON THE FLOOR.

Council Member Smith thanked staff for providing the map delineating how this property could be used for the new fire station, snow storage lot, and other property which could be subdivided put out for public sale.

Council Member Needles recommended the amount for the sale read "not to exceed" one million dollars. Council Member Smith asked if the previous negotiation efforts were successful in lowering the sale price below one million

dollars. Ms. Doom explained the appraised value was \$975,000, but several numbers were discussed. She stated it did not hurt to try to lower the sale amount under one million dollars.

Council Member Shirrell stated the decision to purchase the Gavora property needed to be contingent on the site selection for the fire station. If the station would more appropriately be built in a different location, then purchasing this property did not make sense.

Council Member Shirrell explained the City would be going through a revisioning process in the very near future. Purchasing large parcels of property such as the Gavora property needed to be aligned with that community vision.

Council Member Shirrell inquired if the decision to purchase property for more than the assessed value required a supermajority vote of the Council (six out of seven members). Mayor Knight explained, according to the City Clerk and Valdez Municipal Code, the supermajority vote is only required when real property is being sold or leased for more than fair market value. It would not apply in this case, as the City is purchasing not selling land. Council Member Shirrell stated this has not always been the practice in the past, but the Code is the law and must be followed.

Ms. Lisa Von Borgen, Community Development Director, explained there was a time when City administration advised City Council a supermajority vote was required to purchase land for more than fair market value. She explained, subsequently, it was determined Valdez Municipal Code did not speak to the purchase only the sale of property and the practice was changed.

Council Member Smith outlined the historical discussions and work sessions leading up to this point in the decision making process.

Council Member Moulton stated the map provided to Council does not meet the full acreage for the purchase. Mr. Day explained the remaining acreage is for road and other right-of-ways.

Council Member Moulton explained he would like to amend the motion to specifically give City staff direction to divide the property not being used for the fire station and snow storage for public sale. He stated he did not want the land not used for City purposes to just sit when it is the last big piece of commercial property in city center. He stated he also does not want it to be filled up by other City uses just because the City now owns it. Council Member Needles stated the entire property has been for sale for years.

Ms. Doom clarified the conditions for division and use could not be included in the actual purchase agreement with the Gavoras. Staff would need to come back and decide how to sell the property to the public, including division, infrastructure development, and other concerns.

Council Member Shirrell asked if the City Council would see the actual purchase agreement prior to the purchase. Ms. Pierce clarified the written purchase agreement would come back before Council for approval. City Council discussed and agreed they would like to have a plan presented when the written purchase agreement comes back for approval. Council Member Smith recommended the extra property be put up for sale within one year of City purchase. Council Member Reese recommended two years if the City needed to put in a road or other infrastructure improvements.

Mayor Knight explained the City Capital Facilities Department is currently swamped with projects. If the City Council intends to add more projects to their workload, department staffing – either permanent or contract – needs to be addressed. She asked how much time and effort would be required from City departments to develop this land, including the fire department, new road, and utilities. Mr. Day stated it would depend on how fast the City Council wanted the work done. His department can only handle around 30 projects per year.

Council Member Shirrell expressed his concerns with spending money which did not need to be spent if other land could be utilized for this purpose. He supports building the new fire department, but it needs to be considered a health and safety priority. He also expressed concerns with the increasing price tag for this land when utilities and infrastructure costs are included.

Mayor Knight stated air quality testing has come back good for the past several cycles. Council Member Shirrell asked why a new fire department is being built if air quality is not a concern. Council Member Moulton explained the area of the station which has the problem is and has been sealed off to use.

Council Member Shirrell stated he did not understand why, if there were health and safety issues with the fire station, it could be delayed until 2019. Mayor Knight clarified the new building would need to be designed and constructed, which would take several years to complete. Many of the major projects around Valdez took much longer. She stated the design could not start until the land to be used is identified.

Mayor Knight explained the most positive thing about using the Gavora land for the fire station is that it will have direct access to the Richardson Highway for a faster response time outside city center. Council Member Smith stated there has been extensive discussion and exploration of other locations on property already owned by the City. Through those discussions, the Gavora property appears to be the most feasible and best location.

Mayor Knight asked if there would be training facilities included in the new fire station. Ms. Doom explained the training tower would be included.

Council Member Shirrell stated once the old fire station is removed, the space could be repurposed. He expressed concerns with inconsistencies related to need and the price tag associated with the land purchase.

Council Member Moulton stated the road through the Gavora property to the highway is an additional add-on, not necessarily a need.

MOTION TO AMEND: Council Member Moulton moved, seconded by Council Member Smith to amend the motion to read "approval to negotiate the purchase of a 14.96 acre parcel of land described as Lot 2, Sleepy Hollow, Addition #5 (Gavora property) in an amount not to exceed one million dollars subject to consideration of written purchase agreement by the Valdez City Council. The motion to amend carried by the following vote after the following discussion occurred.

VOTE ON THE AMENDMENT:

Yays: 4 - Mayor Knight, Council Member Smith, Council Member Needles, and Council Member Reese

Nays: 2 - Council Member Moulton and Council Member Shirrell

Absent: 1 - Council Member Fleming

Council Member Smith recommended holding a work session prior to the purchase agreement appearing on the Council agenda to discuss the plan and get everyone on the same page. Council Member Shirrell stated he does not see any value in that type of work session, as the Council is already past that point. Council Member Needles stated there may be a need for a work session to discuss infrastructure development, road placement, and other land development. He stated he supports the purchase of the parcel.

Mayor Knight stated she would still like to explore lowering the purchase price. She said she also received feedback from a few citizens who were excited to have an additional road into city center. Council Member Moulton stated there was discussion about the road being open to emergency vehicles only. Council Member Shirrell stated the road would be a convenience, but would deflect traffic away from the commercial area of town. This defeats bringing components of the commercial areas together and may end up hurting those businesses in other parts of city center.

The main motion, as amended carried by the following vote after the following discussion occurred.

VOTE ON THE MAIN MOTION AS AMENDED:

Yays: 4 - Mayor Knight, Council Member Smith, Council Member Needles, and Council Member Reese

Nays: 2 - Council Member Moulton and Council Member Shirrell

Absent: 1 - Council Member Fleming

2. Approval of Contract Award to Harris Sand & Gravel for the Lowe River Slope Improvements Project in the Amount of \$51,200. Postponed from the Regular Meeting on June 20, 2017.

MAIN MOTION ALREADY ON THE FLOOR.

Mayor Knight explained there was discussion at the last Mayor's Flood Mitigation Task Force meeting about postponing this item indefinitely. Then the item could be brought back later as part of a larger project effort.

Council Member Reese expressed support with postponing the item so changing conditions could be incorporated in the project. Council Member Smith stated there was discussion about the benefit to improving the entire groin instead of just a portion.

Mr. Guerriero clarified that when this item is brought back to City Council it would be as part of a new contract and did not bind the current bidder in any way.

MOTION TO POSTPONE INDEFINITELY: Council Member Smith moved, seconded by Council Member Needles to postpone indefinitely the approval of contract award to Harris Sand & Gravel for the Lowe River Slope Improvement Project in the amount of \$52,200. The motion to postpone indefinitely carried by the following vote after the following discussion occurred.

VOTE ON THE MOTION TO POSTPONE INDEFINITELY:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 1 - Council Member Fleming

VII. NEW BUSINESS

1. Appointment to Valdez Museum and Historical Archive Board of Directors

MOTION: Council Member Needles moved, seconded by Council Member Smith, to appoint Martha Barberio to the Valdez Museum and Historical Archive Board of Directors for a term of one year and six months, expiring January 2019. The motion carried by the following vote after the following discussion occurred.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 1 - Council Member Fleming

2. Approval of Renewal of License for Alaskan Greenery, Standard Marijuana Cultivation Facility

MOTION: Council Member Smith moved, seconded by Council Member Moulton to express no objection to renewal of license for Alaskan Greenery, Standard Marijuana Cultivation Facility. The motion carried by the following vote after the following discussion occurred.

Council Member Needles asked Chief of Police, Bart Hinkle, if there was any crime or trouble related to Alaskan Greenery. Chief Hinkle stated the police department has not responded to the property for reports of crime or complaints. The owners and staff of the business have either met or exceeded all requirements and maintain an open and transparent

Mayor Knight stated, while she does not agree with the commercial marijuana industry, the citizens of Valdez voted in favor during the election last year. She stated she will thus continue to represent the will of the people and congratulated Alaskan Greenery for their success.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 1 - Council Member Fleming

3. Approval of Request to Waive Landfill Fees for Totem Inn Demolition in the Amount of \$33,500

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve request to waive landfill fees for Totem Inn demolition in the amount of \$33,500. The motion carried by the following vote after the following discussion occurred.

Ms. Connie Ballow and Mr. Mike Williams, owners of Totem Inn, provided an overview of their plans for the property, including providing copies of the concept design to City Council. Following a recent fire on their property, it made more financial sense to demolish the damaged older building and build a new structure. Mr. Williams explained City Council has encouraged new businesses and buildings to come to town, but there are very few things the City can actually do to entice new businesses to come to town. However, the City Council could waive dump fees following a fire to build a new facility. Mr. Williams explained building a new hotel will help move the nightly rentals out of the Orca Building, allowing more long term rentals to assist with the community housing shortage.

Council Member Shirrell stated he appreciated Ms. Ballow and Mr. Williams appearing before Council with a plan instead of just asking for a fee waiver. He stated he would like to see a standardized, equitable policy or process to incentivize new or expanding businesses. Mr. Williams stated a standard process or basket of tools business owners could access in development of their businesses would be wonderful. He explained it took a lot of effort for him to get to this point.

Mayor Knight noted that the cost incurred by waiving dump fees would probably be made up with increased property taxes for the planned larger hotel building. She asked Mr. Williams and Ms. Ballow if they could provide City Council with data regarding costs for construction of the building.

Mayor Knight asked about the timing for the demolition of the building. Ms. Ballow stated the end of July. Mr. Williams stated Harris Sand & Gravel would be the civil and demolition contractors. Ms. Ballow stated the hotel construction is anticipated to be complete in February 2018.

Council Member Needles asked if three stories for the hotel would be within building code. Mr. Williams stated there is a 30-foot height limit and if a variance was needed, they would apply.

Council Member Smith thanked Mr. Williams and Ms. Ballow for figuring out a way the City Council could assist a business. Council Member Shirrell asked if there would be a restaurant in the hotel. Mr. Williams stated there would be a food and a component. Mayor Knight stated the Totem Inn Restaurant has been sorely missed by the community.

Mayor Knight asked if the demolition materials would stress the landfill. Mr. Rob Comstock, Public Works Director, stated the landfill could hold the materials and the landfill fees for disposal are standard.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton,

Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 1 - Council Member Fleming

4. Approval of Renewal of Retail Marijuana Establishment License - Herbal Outfitters, LLC, License #10173

MOTION: Council Member Smith moved, seconded by Council Member Needles, to express no objection to renewal of retail marijuana establishment license for Herbal Outfitters, LLC. The motion carried by the following vote after the following discussion occurred.

Council Member Needles asked Chief of Police, Bart Hinkle, if there had been any issues with the retail commercial marijuana establishment. Chief Hinkle explained there are always challenges with businesses dealing with customers. Operationally, the business has done everything they are required to do. The police have responded to questions about age and identification. Chief Hinkle stated he feels comfortable with the business and their openness and transparency during interactions with the police department.

Council Member Smith stated he appreciated the business holding up their commitment to the community. He stated he was glad to know that some of the fears expressed during the initial licensing period had so far been unfounded.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 1 - Council Member Fleming

5. Approval of Professional Services Agreement with Kimley - Horn and Associates, Inc. for Community Engagement, Development of Comprehensive Plan, and Marketing and Branding Program in the Amount of \$950,000

MOTION: Council Member Smith moved, seconded by Council Member Shirrell, to approve a professional services agreement with Kimley-Horn and Associates, Inc. for community engagement, development of comprehensive plan, and marketing and branding program in the amount of \$950,000. The motion carried by the following vote after the following discussion occurred.

Mayor Knight stated the City Council held a great work session with Kimley-Horn to discuss the purpose and scope of the project.

Council Member Shirrell encouraged community members to become actively involved in the Kimley-Horn process. In order to make the project work and appropriately reflect the needs and desires of the community, citizens must be involved. Mayor Knight explained this project will be a lot more involved and engaging than the previous comprehensive plan.

Council Member Moulton stated what began as a marketing and advertising plan is now too much money for data that already exists or undertakings which could be accomplished in house.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles,
Council Member Shirrell and Council Member Reese

Nays: 1 - Council Member Moulton

Absent: 1 - Council Member Fleming

6. Approval of Contract Award to Harris Sand & Gravel, Inc. for the Valdez Container Terminal North Laydown Yard Improvements Project in the Amount of \$99,550.00

MOTION: Council Member Smith moved, seconded by Council Member Needles, to approve a construction contract to Harris Sand & Gravel, Inc. in the amount of \$99,550.00 for the Valdez Container Terminal North Laydown Yard Improvements Project. The motion carried by the following vote after the following discussion occurred.

Mayor Knight asked Mr. Jeremy Talbott, City Ports & Harbor Director, to explain the background and need for this project. Mr. Talbott stated this project is a direct result of the SilverBay Seafoods plant expansion and needing additional space to store containers at the VCT. He explained it is a great place for the City to be growing this space to accommodate growing business. Council Member Smith stated the cost for the project is also below the engineer's estimate.

Council Member Needles asked if refrigeration or electrical needs are included in this project. Mr. Talbott stated there were no needs related to this project, but his department would be bringing unrelated items back to City Council related to electrical needs in other parts of the City.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton,
Council Member Needles, Council Member Shirrell and Council
Member Reese

Absent: 1 - Council Member Fleming

7. Approval of Standard Marijuana Cultivation Facility License - DKW Farms, LLC, License #11234

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to express no objection to the issuance of a standard marijuana cultivation license for DKW Farms, LLC. The motion carried by the following vote after the following discussion occurred.

Council Member Smith asked if anything has changed since the agenda packet was published. Chief Hinkle explained what appeared in the packet is the most recent information available to the police department.

Mr. Dwayne Dunning, owner of DKW Farms, LLC., explained there is a final inspection which must be done prior to issuance of his license. The ventilation system is complete and operational. The tank which was noted to have obstructed surveillance camera view has now been moved.

Chief Hinkle stated the items listed in his report in the agenda packet are not

necessarily items of concern. He is merely documenting Mr. Dunning's progress in development of his building and business. Mr. Dunning is starting with a brand new building, which is different from other commercial marijuana facilities in Valdez.

Ms. Pierce explained the City Council has 60 days to respond to the state of Alaska Marijuana Control Board with concerns, otherwise the opportunity to protest is lost. Ms. Pierce stated Mr. Dunning's license would not be issued until the state completed a final inspection. She recommended the Chief of Police accompany the state on that inspection. Ms. Pierce explained she expressed concerns to the state that they put the local regulatory body in a tough position since the protest date potentially occurs prior to the business actually being complete. She stated these licenses are annual and will come back to the City Council. The police department could also issue a citation if there were any compliance issues.

Council Member Shirrell clarified that the conversation on process and compliance is a generic conversation, not specifically related to concerns with Mr. Dunning's business.

Mayor Knight asked Mr. Dunning if the long-term abatement concerns on his adjacent property would be addressed in the near future. Mr. Dunning stated they have been removing cars weekly, sometimes one or two at a time. The property related to the DKW Farms business does not have abatement issues. Council Member Smith asked where the cars were being taken. Mr. Dunning stated the cars are being taken to Anchorage.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 1 - Council Member Fleming

VIII. ORDINANCES

1. **#17-05 - Amending Chapter 3.20 Enhanced 911 Services. First Reading. Public Hearing. (Reconsideration Requested by Mayor Knight and Council Member Smith)**

MOTION: Council Member Smith moved, seconded by Council Member Needles, to approve Ordinance #17-05 - Amending Chapter 3.20 Enhanced 911 Services. First Reading. Public Hearing.

Council Member Shirrell asked for clarification if the Code change applies to both land lines and cell phones. Mayor Knight stated the 911 surcharge would apply to both types of phones as written in this Ordinance.

Council Member Shirrell stated the City Council is looking to reduce cost of living for citizens in Valdez. Increasing these types of fees is counter to those efforts. He explained he supports full funding of emergency services and the 911 system. However, that funding should be allocated from a different method.

Mayor Knight stated this surcharge is very common and applying it to both types of telephones is the most equitable method to spread the cost to all users. She read several portions of the Ordinance language to clarify. Mayor Knight stated she does not believe the surcharge will cause undue hardship to telephone users as it

will be less than a cup of coffee or energy drink. The surcharge also spreads the burden and includes those who do not pay property taxes, which currently fund the 911 system.

Council Member Reese stated he completely supports full funding of emergency services, but asked if the surcharge would be collected in one account to be used to fund 911 systems. Ms. Pierce explained the funds collected from the surcharge must be used to fund 911 related projects and operations under state statute. City Finance Director Brian Carlson explains there is a revenue line item in the budget; however funds are currently incorporated in the general fund because the amount is so small and there is no danger of spending the funds elsewhere. He explained, however, with the incorporation of cell phones into the revenue item, the surcharge amounts collected are unknown. Mr. Carlson recommend, if the Ordinance passes, to completely segregate the surcharge revenue as outlined in state statute.

Council Member Reese asked for clarification on the sources which currently fund the 911 system. Mr. Carlson explained it is a combination of funds. Personnel costs come from the public safety operating budget. Hardware costs come from the technology reserve and major equipment reserve.

Council Member Shirrell stated passing on the costs of the system via the surcharge increase cost of living to residents. He explained the previous goal for the City Council was to leverage the property taxes paid by Alyeska to reduce the burden on residents who live in the community.

Council Member Needles stated he does not believe placing a surcharge is necessary at this time as there are plenty of other funds available to ensure the 911 system is fully functional.

Council Member Moulton asked how the surcharge is being applied. Chief of Police Bart Hinkle stated it is a surcharge applied to a monthly cell phone or land line bill. It is applied per subscriber line. Council Member Moulton asked for clarification at applying the maximum allowable under state statute. Chief Hinkle stated the surcharge is supposed to be reviewed annually. He stated this has not been reviewed in over 15 years. He explained applying the full \$2.00 surcharge allowed by the state is similar to what Anchorage used, but there is no specific revenue figure the City is attempting to collect.

Council Member Moulton asked if there are specific operations or gear the City is collecting money for in the future. Chief Hinkle explained dispatch consoles are currently being replaced, which will cost over \$400,000. The surcharge revenue could be saved and used to replace the consoles when they reach their end of life in future years. Chief Hinkle explained there is also currently no way to triangulate the position of a caller using a cell phone. If a caller cannot articulate their location, this poses a problem for timely response efforts.

Chief Hinkle explained the police department is attempting to reach phase one compliance for the 911 system, which would allow dispatchers to determine the sector of the caller's location using cell phone towers. To begin this process, the City would issue cell phone providers a letter stating they have six months to gain 911 system phase one compliance. The cell phone providers must then be reimbursed by the City for all expenses required to gain compliance. Chief Hinkle explained, per cell phone provider, this is approximately a \$20,000 one-time expense, followed by a \$1,900 expense per month. These costs would be reimbursed by the City. Phase two compliance would allow dispatchers to

triangulate the exact location of a caller. Council Member Moulton stated what is being called "911 enhancements" are not actually enhancements, but reimbursement to the cell phone providers to provide public safety capabilities.

Mayor Knight stated the burden of the funding should be on the phone users, not just property owners. Council Member Shirrell stated he supports gaining phase one and two compliance is crucial and should be funded regardless of the surcharge. He reiterated City Council is looking for ways to reduce costs to citizens to live in Valdez and the surcharge is counter to that concept. Mayor Knight stated costs for telephone and internet in Valdez are comparable to other locations around the state and country.

Council Member Smith stated perhaps the surcharge could be put in place for one year to determine the actual costs and impact. He explained then the topic could be revisited in one year.

MOTION TO AMEND: Council Member Moulton moved, seconded by Council Member Smith to amend the Ordinance to decrease the surcharge from \$2.00 per month to \$1.00 per month. The motion to amend carried by the following vote after the following discussion occurred.

Mr. Rick Wade, Valdez resident, stated he understands trying to capture revenue from cell phone users who do not pay property taxes. He explained, however, the surcharge would also effect those property taxpayers who own cell phones. He supports the amendment of lowering the surcharge amount for the first year to determine actual costs.

Mayor Knight stated she had several citizens approach her asking why the City Council voted against the surcharge. The citizens' viewpoint was that cell phone users should contribute to funding the 911 system similar to how user fees are applied for water and sewer services.

VOTE ON THE AMENDMENT:

Yays: 4 - Mayor Knight, Council Member Smith, Council Member Needles, and Council Member Moulton

Nays: 3 - Council Member Shirrell and Council Member Reese

Absent: 1 - Council Member Fleming

Mr. Wade stated the 911 system should be incorporated into the regular operating budget. He explained he supports funding the system, just not through application of a user surcharge. He stated there may be other communities that use the surcharge, but Valdez is different with high property tax rates.

The main motion as amended failed by the following vote after the following discussion occurred.

VOTE ON THE MAIN MOTION AS AMENDED:

Yays: 3 - Mayor Knight, Council Member Smith and Council Member Moulton

Nays: 3 - Council Member Needles, Council Member Shirrell, and Council Member Reese

Absent: 1 - Council Member Fleming

Council Member Moulton asked if an Ordinance would be brought to City Council to remove the current surcharge for landlines. Ms. Pierce explained Council Member Shirrell asked for this to happen and would include such an Ordinance on the next agenda with Council direction.

Council Member Moulton stated he would like to see annual phone provider reimbursement amounts for phase one and two compliance. These numbers will be important in the future, because funding for this program may mean cuts in other areas of the City budget.

2. #17-06 - Amending Title 9, Chapter 9.04 and Chapter 9.08 of the Valdez Municipal Code Regarding Public Peace and Welfare. Second Reading. Adoption.

MOTION: Council Member Moulton moved, seconded by Council Member Shirrell, to approve Ordinance amending Title 9, Chapter 9.04 and Chapter 9.08 of the Valdez Municipal Code regarding public peace and welfare. Second Reading. Adoption. The motion carried by the following vote after the following discussion occurred.

Council Member Smith explained there have been several questions raised by citizens regarding this Municipal Code change. Mayor Knight clarified the amendment is only adding a fee schedule for the infractions already captured in City Code.

Chief Hinkle explained there was a lot of online discussion over the weekend regarding the Ordinance. He explained citizens may have been looking at the fine schedule and then comparing it to obsolete Municipal Code online. Chief Hinkle stated he, the City Clerk, and City Attorney review Chapter Nine often to ensure the code remains constitutional, current, and enforceable. Through that process, the team identified several sections of code were identified as needing to be updated due to constitutional concerns. He provided several examples, such as the verbiage related to open carry of firearms. These sections were adjusted to match state statute. Now the fine schedule is being updated so there is no confusion related to the changes.

Mayor Knight stated there is also a process to update amended ordinances on the City's website. Ms. Pierce explained the City's codification company thoroughly reviews approved ordinances and cross references. This process takes some time to do correctly. She explained she contacted the codification company and the online codes should be updated shortly.

Ms. Pierce explained if citizens have questions about ordinances, she recommended they contact the City Clerk's office to obtain the most recent information.

Ms. Pierce stated there are a couple housekeeping clerical issues which need to be adjusted internally. These changes will not require the Ordinance to come back for another first reading. Chief Hinkle outlined the changes to include adjusting a couple of the references in the fine schedule table to match the correct section in code and removing the word "loaded" from "loaded firearm" to mirror state statute.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 1 - Council Member Fleming

3. #17-07 - Amending Title 1, Chapter 1.08 of the Valdez Municipal Code by Amending Section 1.08.010 titled General Penalty - Continuing Violations. Second Reading. Adoption.

MOTION: Council Member Smith moved, seconded by Council Member Needles, to approve Ordinance # 17-07 amending Title 1, Chapter 1.08 of the Valdez Municipal Code by amending Section 1.08.010 titled General Penalty - Continuing Violations. Second Reading. Adoption. The motion carried by the following vote after the following discussion occurred.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 1 - Council Member Fleming

IX. RESOLUTIONS

1. #17-26 - Authorizing a Tideland Lease with Valdez Fisheries Development Association for Approximately 3.5 Acres of ATS 564 and Parcel A, ATS 564

MOTION: Council Member Smith moved, seconded by Council Member Shirrell, to approve Resolution #17-26 authorizing a Tideland Lease with Valdez Fisheries Development Association for approximately 3.5 Acres of ATS 564 and Parcel A, ATS 564. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell asked for additional information about how the Valdez Fisheries Development Association would be using the parcel. Mr. Mike Wells, VFDA Executive Director, outlined the area and plans for placement of additional fish net pens would be moored. These additional plans are related to accommodation of an increase in pink salmon capacity at the hatchery.

Council Member Shirrell asked if there are any conflicts of use in this area. Mr. Wells explained there were no conflicts; however an old moored barge in the area needed to be removed. The owner must first be identified. Ms. Lisa Von Barga, City Capital Facilities Director, explained while going through the lease process, the parcel was determined to be zoned conservation instead of light industrial. This lease would not be effective until the zoning is changed for the parcel.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council

Member Reese

Absent: 1 - Council Member Fleming

2. #17- 27 Authorizing a Tideland Lease with Valdez Terminal, LLC for Approximately 4 Acres of ATS 564

MOTION: Council Member Smith moved, seconded by Council Member Moulton, to approve Resolution #17-27 authorizing a Tideland Lease with Valdez Terminal, LLC for approximately 4 Acres of ATS 564. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell asked for additional information regarding the new lay down yard mentioned in the agenda statement. Ms. Von Barga explained Lyndon has not given the City the depth and scope of their plan. There is a potential for fill, but the proper permitting process through the state must be completed by the company prior to any work being done. Any change to the lease use must also be approved by the City Council in advance.

Council Member Shirrell asked if the use of this land will result in competition with the Valdez Container Terminal. Ms. Von Barga explained this concern was addressed during the Commission meeting and there appears to be no intent for competition. The lease is specifically for lay down yard development and operation only. If they decide to change the use, it would need to come back before the Ports & Harbor and Planning & Zoning commissions and City Council. Ms. Von Barga added in the City lease documents, it is encouraged for leasees to utilize the Valdez Container Terminal to the maximum extent possible in movement of their goods by water.

VOTE ON THE MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese

Absent: 1 - Council Member Fleming

3. #17-28 - Authorizing the Execution of a Cooperative Participation Agreement Among Alaska Municipalities and School Districts Creating the Alaska Municipal League Joint Insurance Arrangement

MOTION: Council Member Shirrell moved, seconded by Council Member Moulton, to approve Resolution #17-28 authorizing the execution of a cooperative participation agreement among Alaska municipalities and school districts creating the Alaska Municipal League Joint Insurance Arrangement. The motion carried by the following vote after the following discussion occurred.

Yays: 5 - Mayor Knight, Council Member Smith, Council Member Moulton, Council Member Shirrell and Council Member Reese

Nays: 1 - Council Member Needles

Absent: 1 - Council Member Fleming

X. REPORTS

There were no reports to review on this agenda.

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

Ms. Doom outlined her recent activities, including meeting with Mr. Mike Wells to discuss the fisheries industry and tour the VFDA Solomon Gulch Hatchery.

Ms. Doom will be in Anchorage to meet with City legal and the Aleut Corporation to discuss Aleutian Village.

Ms. Doom expressed her appreciation for the hard work of all City departments in preparation for and during the Fourth of July festival events. It was a true team effort, everything turned out nicely, and the festival was thoroughly enjoyed by all.

Ms. Doom asked Mr. Dean Day, City Capital Facilities Director, to provide an update on the relocation efforts for the Alyeska Pipeline Workers Statue. Mr. Day explained the statue is approximately 11-feet high and 10-feet in diameter. He stated they determined the statue is sitting on a solid concrete base with no external bolting to disconnect the statue. There is also an approximate 20-foot diameter footing under the base.

City Council discussed several possible options to remove the statue from the base. Council Member Shirrell asked if Alyeska has additional information regarding the statue construction. Mr. Day stated Alyeska does not have anything additional than what is already known. He asked for City Council to provide guidance on how much effort and funding needed to be involved in the statue relocation project before it becomes unreasonable. Mayor Knight stated the Mayor's Beautification Task Force was very hopeful the relocation would be successful.

2. City Clerk Report

Ms. Pierce reviewed upcoming event dates and meeting, including the farewell parties for Ms. Von Borgen and Mr. Dave Dengel, Coast Guard Marine Safety Unit Change of Command, and the Prince William Sound Economic Development District lunch meeting and public open house regarding the ferry service reform initiative. Mayor Knight stated the City Council supported the ferry reform initiative with a donation and increased ferry service would greatly benefit the community. Mayor Knight outlined the personnel around the state involved in the initiative.

3. City Attorney Report

Mr. Guerriero recommended the City Council hold an executive session during their next regular meeting to discuss the outcome of the upcoming July 14th meeting with the Aleut Corporation.

Mr. Guerriero explained his firm continues to monitor Alaska LNG permitting. FERC has granted the City of Valdez intervener status in that proceeding. His firm continues to review applications and filings related to LNG.

4. City Mayor Report

Mayor Knight discussed several openings on City boards and commissions. She also discussed the recent opening for a Valdez representative on the Alaska Gasline Port Authority board of directors. She explained she received multiple questions on the purpose of AGPA and would like to receive a presentation from AGPA regarding their mission and purpose. Council discussed timing options for the presentation and timing options for the AGPA board vacancy. Council Member Shirrell stated he wanted to ensure an equal balance between Valdez and Fairbanks viewpoints. Council Member Moulton added if Valdez is paying for most of AGPA's expenses this should be taken into consideration as well.

Mayor Knight explained the Mayor's Beautification Task Force met at the end of June and the Egan Street light pole banners are up.

Mayor Knight also explained she is looking for different options to find viewfinders for the U.S. Forest Service Crooked Creek Information Site. Ms. Pierce and Ms. Von Barga explained the City owned the land for the Crooked Creek site and the U.S. Forest Service leased it for their use. They recommended the lease be reviewed prior to funding improvements on the site.

Prince William Sound Economic Development District is seeking a new member to replace Mr. Dave Dengel. The board suggested adding a non-government, business representative. Mayor Knight explained she contacted Mr. Mike Wells from VFDA who would be happy to serve as a Valdez representative. The PWSEDD appoints all new members of the board. Mayor Knight stated the group is also seeking a new executive director.

XII. COUNCIL BUSINESS FROM THE FLOOR

City Council expressed their appreciation for all the hard work and efforts of City staff in putting together the Fourth of July festival.

City Council wished Ms. Von Barga good luck on her new assignment as Wrangell Borough Manager.

Council Member Needles stated the permitting from the state was not received in time to complete the dikes in Valdez Glacier Stream, so the temporary revetment washed away. He expressed concern that the City was paying DOWL under contract to handle flood mitigation permitting. He asked who is now liable for flooding events in the near future since the permits were not obtained in a timely fashion. Mr. Guerriero stated he could take a look at the DOWL contract for liability if so directed by City Council. Mayor Knight explained the state of Alaska Department of Natural Resources actually controls the issuance of the permit and it appears were the cause of the stall. She stated the ice dam lake above Valdez Glacier Lake is also now empty. Council Member Shirrell expressed his support with City legal reviewing DOWL's contract for liability and potential consequential damages. He warned, however, that there were not many experienced glacier stream experts in Alaska. Council Member Reese recommended learning from experience and applying for river/stream permits as far in advance as practicable.

Council Member Moulton reminded citizens and visitors to clean up their fireworks debris around town.

XIII. ADJOURNMENT

There being no further business, Mayor Knight adjourned the meeting at 10:07 p.m.

