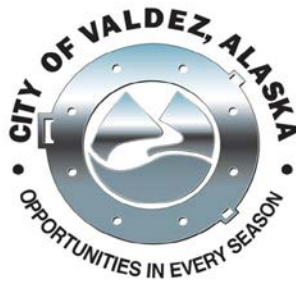


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Final

Tuesday, July 18, 2017

7:00 PM

Regular Meeting

Council Chambers

City Council

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

Mayor Knight called the meeting to order at 7:01 p.m. in Valdez City Council Chambers.

II. PLEDGE OF ALLEGIANCE

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

III. ROLL CALL

Present: 5 - Mayor Ruth E. Knight
Council Member Christopher Moulton
Council Member Lon Needles
Council Member Jim Shirrell
Council Member Darren Reese

Excused: 2 - Council Member Nate Smith
Council Member Dennis Fleming

Also Present: 4 - City Manager Elke Doom
City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
City Attorney Tony Guerriero

IV. PUBLIC BUSINESS FROM THE FLOOR

Mr. Rick Wade, Valdez resident, expressed concerns with the management of the Lowe River. He explained the main channel of the river is now flowing against a portion of the dike which is not designed to take the brute force of the river. He stated it appears the river is taking material out of the dike every day and running into the gravel pit at 12-Mile. Mr. Wade recommended the City Council needed to start taking action right away to prevent further damage.

Mr. Wade expressed concerns with lack of Flood Task Force member involvement in design and engineering work on the dikes and flood controls in the Lowe River. He stated he does not feel City staff are incorporating citizen task force member input and does not understand, then, why citizen members should be involved.

Council Member Needles stated he understood the recent work on the dikes in the Lowe River was already supposed to be complete. He asked why that was not the case. Mr. Wade stated he was not exactly sure, but he understood no bids were received for the project. He also expressed concerns with the scope of the project put out to bid. His firm explored bidding on the project, but the required survey work made it cost prohibitive. Mayor Knight confirmed the City received no bids on the project.

Council Member Shirrell asked for the current plan of action from City staff, as it appears lack of work completed increases flood risk. Mr. Dean Day, City Capital Facilities Director, explained the project involved raising the dikes to meet FEMA standards. The project had very little to do with actual flood mitigation, focusing instead on meeting those requirements which would assist in lower flood insurance rates for area residents. He stated the project was put out for quotes, but no response was received. The Capital Facilities Department then approached both Mr. Wade and Harris Sand & Gravel to obtain direct bids. Mr. Day explained the bids received from both those contractors

exceeded \$40,000 due to costly survey requirements. This also exceeded project estimates. Under Valdez Municipal Code, a project that exceeds \$40,000 holds additional requirements during the bidding process, including being advertised further before a bid could be accepted.

Mr. Day stated several items mentioned by Mr. Wade did need to be addressed, including placing additional rock material on the Lowe River dikes.

Council Member Shirrell clarified that the project related to FEMA requirements did not directly involve current flood mitigation initiatives. Mr. Day confirmed this as correct, although a by-product of the project would assist in those mitigation efforts.

Council Member Reese asked what the engineer's estimate was for the project. Mr. Day stated \$20,000 to \$30,000, which was why the quotes were requested for the project instead of being put out for bids. Quotes received came in over \$60,000. Council Member Reese asked if City staff were capable of completing this work. Mr. Rob Comstock, City Public Works Director, stated the project would be most appropriately completed by a contractor based upon on-site survey requirements and his department's current workload.

Council Member Needles asked if there was a deadline on the FEMA component of the project. Mr. Day explained consultant (formerly URS, now AECOM) wanted the project to be completed by mid-July so they could submit information to FEMA in a timely manner.

Mr. Wade stated he did not believe the quote timeline set by the City for the project was conducive to timely submission. He explained there was not enough time to submit a quote when outside engineer and survey estimates had to be obtained first. He stated he also feels like the scope of the project did not address critical areas of the river. He explained there has been water within a foot of the dike that is proposed to be raised and there has also been a main channel shift this year. Mr. Wade stated he believes the problems with the request for quotes relates to the process set by City staff.

V. CONSENT AGENDA

- 1. Appointment to Alaska Gasline Port Authority (AGPA) Board of Directors**
- 2. Approval To Go Into Executive Session Re: Legal Issues Related to Aleutian Village Negotiations**

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

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles,
Council Member Shirrell and Council Member Reese
Absent: 2 - Council Member Smith and Council Member Fleming

VI. NEW BUSINESS

- 1. Approval of Contract Amendment #6 to Arcadis for New Middle School**

Project in the Amount of \$10,640.00

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to approve Amendment # 6 of the contract for project management of the New Middle School with Arcadis to close-out the project. The motion carried by the following vote after the following discussion occurred.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese
Absent: 2 - Council Member Smith and Council Member Fleming

2. Authorize City Manager to Accept the Terms of Middle School Close-Out Proposal Letter from Arcadis, Dawson, and Bettisworth-North

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to authorize the City Manager to accept New Middle School project close-out letter terms from Arcadis (project manager), Dawson (contractor), and Bettisworth-North (architect). The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell asked if this would be the last set of actions on the New Middle School Project. Mr. Dean Day, Capital Facilities Director, stated there will be one additional change order to close out the project. The last change order will likely involve money being returned to the City in the form of the remaining project contingency funds.

Council Member Shirrell asked for confirmation of the remaining items of the project. Mayor Knight stated the item related to the air conditioning system in the information technology room. Council Member Shirrell asked, because the remaining items were covered under warranty, if the City would be paying out of pocket to close out the project. Mayor Knight explained the contractor is liable for all costs for the items under warranty.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese
Absent: 2 - Council Member Smith and Council Member Fleming

3. Approval of Change Order #30 to Dawson Construction for the New Middle School Project in the Amount of \$47,729.61

MOTION: Council Member Moulton moved, seconded by Council Member Reese, to Approve Change Order # 30 to Dawson Construction for the New Middle School project in the amount of \$ 47,729.61. The motion carried by the following vote after the following discussion occurred.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member Needles, Council Member Shirrell and Council Member Reese
Absent: 2 - Council Member Smith and Council Member Fleming

VII. RESOLUTIONS

1. **#17-29 - Amending the 2017 City Budget by Transferring \$131,987 from Project Planning Reserve to Master Planning Reserve**

MOTION: Council Member Reese moved, seconded by Council Member Needles, to approve Resolution #17-29 amending the 2017 City Budget by transferring \$131,987 from Project Planning Reserve to Master Planning Reserve. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell asked if this transfer specifically related to the upcoming Kimley-Horn project. Mr. Brian Carlson, City Finance Director, confirmed this as correct. Council Member Shirrell asked if there would be a balance in the reserve fund after the Kimley-Horn contract is complete. Mr. Carlson stated, the Master Planning Reserve was funded specifically with the Kimley-Horn project in mind and would have no balance after that contract is complete.

Council Member Shirrell asked what types of items are funded out of the Master Planning Reserve. Mr. Carlson explained the reserve predates his employment with the City. He stated this particular reserve held funds for unspecified planning initiatives that the City knew were coming on the horizon without knowing the particulars of the project. It has also been used to hold closed repurposed funds from closed out major maintenance projects. Council Member Shirrell asked if the leftover funds from the New Middle School Project would be held in this reserve. Mr. Carlson stated Council Member Shirrell has the right idea, however in the case of the New Middle School Project; it has its own account.

VOTE ON THE MOTION:

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

Nays: 1 - Council Member Moulton

Absent: 2 - Council Member Smith and Council Member Fleming

2. **#17-30 - Authorizing the Donation of a 1995 Emergency One Municipal/Industrial Pumper and a 1995 Four Wheeled Coach Ambulance to the Chenega Bay Fire Department**

MOTION: Council Member Moulton moved, seconded by Council Member Shirrell, to approve donation of a 1995 Emergency One Municipal/Industrial Pumper and a 1995 Ford Wheeled Coach Ambulance to the Chenega Bay Fire Department. The motion carried by the following vote after the following discussion occurred.

Council Member Shirrell asked if staff knew the market value of the apparatus being donated. Fire Chief Tracy Raynor explained older fire apparatus have very little market value. Mayor Knight clarified Chenega Bay requested the opportunity to receive surplus fire apparatus and equipment. Council Member Shirrell stated he appreciated the apparatus staying within Prince William Sound.

Council Member Moulton asked if a solicitation was released statewide for the surplus fire apparatus. Chief Raynor explained a solicitation was not released; however multiple request letters were received by the Valdez Fire Department. Chenega Bay was the first to submit a letter. Council Member Moulton asked if Chenega Bay currently has an operating fire service. Chief Raynor stated they do

have a fire service. However their operation has limited funding and equipment, so anything that can be donated to the community is very much appreciated. Council Member Moulton asked if any fire service equipment would be donated with the apparatus. Chief Raynor explained the department had surplus hose which would be included in the donation.

Council Member Reese asked if the apparatus would be replacing apparatus already in service at Chenega Bay. Chief Raynor explained Chenega Bay does not currently have a fire engine. They have a modified vehicle with a tank they use for pumping. Chief Raynor explained Chenega Bay does have an old military ambulance, but it is extremely old and out of date.

VOTE ON THE MOTION:

Yays: 5 - Mayor Knight, Council Member Moulton, Council Member
Needles, Council Member Shirrell and Council Member Reese
Absent: 2 - Council Member Smith and Council Member Fleming

VIII. REPORTS

- 1. Monthly Treasury Report - May, 2017**
- 2. Human Resources Report - June 12 to July 10**
- 3. Available City Land for Possible Development of Affordable Housing Report**

Council Member Shirrell asked for a complete list of City parcels available for development, not just those which could be developed for housing. Ms. Martha Barberio, City Economic Development Director, explained she personally visited each City-owned parcel around town. She then met with the Public Works and Community Development Departments to determine which lots were being used for snow storage, were located in an avalanche zone, or had another special designation. Those parcels remaining were outlined on the map provided in the agenda packet to Council. There is the possibility of reallocating snow lots, depending on Council direction.

Ms. Barberio explained she concentrated her review on available parcels in town which already have water and sewer connections. She explained she also identified two other parcels near the Senior Center which could be used for a possible expansion of that facility. However, the smaller of the parcels has utilities running through its center and the other is designated as wetlands.

Council Member Shirrell asked for the inventory of parcels, including those used for snow storage. He stated he did not want to lose snow storage lots and get into trucking out snow, but there might be opportunities to reallocate snow storage space in conjunction with future housing developments.

Ms. Doom explained the City Community Development Department has a comprehensive list of all the properties the City owns. She explained Ms. Barberio was tasked with working with other departments to narrow the list of viable options for development.

Council Member Shirrell reiterated he would like to see the comprehensive list so the Council can make educated decisions when looking at project opportunities. Mayor Knight asked that staff designate the properties on the list being used for snow lots or in avalanche zones.

Council Member Moulton stated, with a complete list of options, creative options for development might be better explored.

Council Member Needles stated the Senior Center is looking at expanding its housing facility based upon identified needs in the community. The Senior Center Board would like to meet with City Council in a work session in the near future. Ms. Pierce added the Senior Center would just like to be part of the affordable housing discussion. She asked the Senior Center board to gather data to better explore the senior population's needs – including what types of housing would become available if seniors moved into senior housing. Council Member Shirrell clarified some seniors place their name on the senior housing waiting list to save a place even if they are not ready to move.

- 4. Valdez New Boat Harbor Phase 2 June 2017 Status Report**
- 5. Quarterly City Council Travel Report - 2nd Quarter 2017**
- 6. Relocation of Alyeska Workers Statue Report**

Mr. Dean Day, City Capital Facilities Director, explained staff is exploring another option for a second sawing contractor which is already approved for on-terminal work.

Council Member Shirrell expressed concerns with increasing costs for the project.

Mayor Knight stated she would not want to give up on moving the statue, as it is the only site in Valdez which is registered with the Smithsonian Museum. She explained she reached out to the company which originally constructed the statue. They stated commissioning a new statue would far exceed the costs associated with the relocation. She stated the project is more expensive than anticipated. She hoped the grant money allocated for the Kelsey Dock uplands could be used towards the relocation project.

Council Member Moulton stated he would only support moving the statue if the project was funded with grant money. He explained he believes there are better, more time sensitive uses for taxpayer dollars.

Council Member Reese encouraged looking at all available options, including different contractors, before making a final decision. Mayor Knight thanked North Star Stevedores for their promise of help on the project.

Mr. Day stated Alyeska Pipeline Service Company would like to move the statue by August. Council Member Reese stated he would like to see the numbers before making a decision. If the timeline did not work with Alyeska's requested August move date, he wondered if the offer would still be on the table. Ms. Doom explained, regardless, the City would be responsible for the costs associated with replacing rock at the base of the statue which was removed to examine the statue foundation. Mr. Day explained decorative rock had to be removed to determine the base is solid concrete. Mayor Knight stated it would be far less expensive to saw the concrete than the bronze.

Council Member Shirrell asked if the statue is a registered historical landmark. If so, then the City must consider the obligation of future care and reoccurring upkeep in the overall cost. Mayor Knight stated the statue is catalogued in the Smithsonian. Ms. Barberio explained the statue is not registered as a historic landmark. Council Member Shirrell asked if the City would be relieving Alyeska of future care, reoccurring upkeep, and costs.

Mr. Day asked why the deadline to move the statue in August was previously given. Mayor Knight explained the 40th anniversary of TAPS is summer 2017. Alyeska is holding their anniversary celebration at the end of July and the City Beautification Task Force wanted to time moving the statue to dedicate it around the same time.

Mr. Day asked for guidance on the next step. Mayor Knight stated staff must first determine if grant money could be used for the project. Ms. Doom directed Ms. Barberio to determine the stipulations for the grant.

Mr. Rick Wade, Valdez resident, asked if the cost to create a brand new statue would be cheaper than the cost to move the current one from the terminal. Mayor Knight stated, based on her conversations with the company who constructed the original statue, she believes it will be much cheaper to just move the current statue.

7. Mosquito Control Report

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

1. City Manager Report

Ms. Doom explained she has negotiated with the Gavora family regarding the sale of their property to the City. They have agreed to the appraised value as the sale price, if the City absorbs all the property taxes for 2017, a little over \$4,000, and pays for the costs associated with the sale. City legal is in the process of drawing up the documents for Council review at their next regular meeting.

Ms. Doom will be taking former Assistant City Manager Todd Wegner's place on the Providence Valdez Health Advisory Council.

Ms. Doom stated she has been kept in the loop on the new harbor project. She will also brief the City Council on the outcome of her recent meeting with the Aleut Corporation during Executive Session.

2. City Clerk Report

Ms. Pierce reminded City Council of the upcoming work session with Copper Valley Electric on July 20th.

Ms. Pierce stated the next Flood Task Force meeting is scheduled for July 24th at noon in Council Chambers. Mayor Knight stated the next Beautification Task Force meeting is scheduled for July 31st at noon in Council Chambers. Both meetings are open to the public.

3. City Attorney Report

Mr. Guerriero stated the Alaska Department of Revenue recently issued a notice that it may reevaluate the process by which it calculates the depreciation value of oil and tax properties. Mr. Guerriero's firm attended a workshop on the topic earlier in the year. They will be preparing comments and recommendations for submission as outlined in the notice. Council Member Shirrell asked for more information about the change and its impact on the valuation on TAPS properties. Mr. Guerriero stated he could provide additional, specific information to City Council at the next meeting. Mayor Knight asked if the notice is posted on the public Alaska Department of Revenue website. Mr. Guerriero confirmed it would be posted on their website, but it would be very general in nature.

Council Member Shirrell asked if the comments would be in the name of the City of Valdez. Mr. Guerriero confirmed this as correct. Council Member Shirrell asked that the draft comments be presented to City Council for review prior to submission.

4. City Mayor Report

Mayor Knight reviewed the contents of her written report. She stated she drove past the Carnival, which seemed to be very well attended. She also reminded the community of the upcoming Rodeo the weekend of July 29th and 30th.

X. COUNCIL BUSINESS FROM THE FLOOR

Council Member Moulton stated he appreciated the opportunity to have the recent conversation with the Alaska Gasline Port Authority board of directors. It would be useful to continue efforts towards clarification and transparency regarding AGPA efforts.

Council Member Moulton would like Parks & Recreation to provide a report with both funding costs and in-kind costs of the Rodeo for the Council to review.

Council Member Moulton provided details on the upcoming kids' pink salmon derby. Council Member Reese provided details on the upcoming silver salmon derby.

Council Member Shirrell expressed his appreciation with City staff and their efforts during the Pink Salmon Festival. He was thoroughly impressed with the amount of enjoyable dishes which could be created with pink salmon.

Council Member Shirrell asked staff to bring forth a conceptual plan for the Gavora property with the purchase agreement at the next Council meeting. Council Member Shirrell stated he wants to ensure the Council's unified voice and overall priorities are heard early in the City annual budget process. City Council and staff briefly discussed vision and timing for a work session to determine overall Council budget

priorities. Mayor Knight asked all City Council members to send a list of their individual goals and priorities to the City Clerk. The City Clerk would then use the individual Council submissions to put together a matrix to work from during the August 3rd work session at 5:30 p.m. Council Member Moulton asked which staff would be present for the work session. Mayor Knight stated it should be Council, the City Manager, and City Clerk. Ms. Doom suggested the City Finance Director also be present for the work session.

XI. EXECUTIVE SESSION

City Council transitioned into Executive Session at 8:19 p.m.

XII. RETURN FROM EXECUTIVE SESSION

City Council transitioned out of Executive Session at 9:29 p.m.

XIII. ADJOURNMENT

There being no further business, Mayor Knight adjourned the meeting at 9:30 p.m.