

# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686



## Meeting Minutes - Final

**Tuesday, September 17, 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**

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

**III. ROLL CALL**

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

Excused: 1 - Council Member Sharon Scheidt

Also Present: 4 - Assistant City Manager Roxanne Murphy  
Deputy City Clerk Allie Ferko  
City Attorney Jake Staser  
Executive Assistant Debbie Roberts

**IV. APPROVAL OF MINUTES**

**1. City Council Special Meeting Minutes of September 11, 2019**

The City Council special meeting minutes of September 11, 2019 were approved as presented.

**V. PUBLIC BUSINESS FROM THE FLOOR**

There was no public business from the floor.

**VI. CONSENT AGENDA**

- 1. Appointment to City Library Board (One-Year Term)**
- 2. Appointment to Economic Diversification Commission (Three-Year Term)**

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

**VOTE ON THE MOTION:**

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

Excused: 1 - Council Member Scheidt

**VII. UNFINISHED BUSINESS**

1. **#19-38 - Authorizing a Lease with the Valdez Community Garden for a .69 Acre Portion of Medical Park Subdivision (Postponed from September 3, 2019 Regular Meeting)**

MOTION ALREADY ON THE FLOOR. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Scheidt

**VIII. NEW BUSINESS**

1. **Appointment to City Library Board (Three-year Term)**

City Council selected Ms. Michele Copeland by paper ballot.

MOTION: Council Member Reese moved, seconded by Council Member Ruff to approve appointment of Michele Copeland to a three-year term on the City Library Board. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Scheidt

2. **Approval of Professional Services Agreement with Day Engineering for the Sewer Force Main Replacement Design in the Amount of \$586,300.**

MOTION: Council Member Moulton moved, seconded by Council Member Fleming to approve professional services agreement with Day Engineering for the Sewer Force main replacement design in the amount of \$586,300. The motion carried by the following vote after the following discussion occurred.

Council Member Moulton requested an overview of the items included in this professional services agreement. Mr. Nathan Duval, city capital facilities director, explained it includes preliminary feasibility, routing determination, permitting, preliminary engineering, and 35% design. Once the preliminary design is complete, permitting is in place, and routing is determined, the project team will have a better cost estimate to complete the design and construct the project.

Council Member Reese asked if this would be a standalone system or tied in with the old system. He asked if it was a standalone system, would the old system be abandoned in place. Mr. Duval explained the replacement would be a standalone

system. He stated whether the existing system would be abandoned in place or run as a redundancy back-up had yet to be determined.

Mayor O'Neil asked for the overall project cost for the sewer force main replacement. Mr. Duval stated exact costs were yet to be determined, however he estimated anywhere between twelve and twenty million dollars.

Council Member Reese asked for an estimate on construction dates. Mr. Duval stated the construction phase of the project was anticipated to occur anywhere from 2022 to 2023.

Mayor O'Neil asked for clarification on the need for this project. Mr. Duval explained the current sewer force main system runs from the animal shelter around the duck flats, down Mineral Creek Loop Road to the sewage lagoons. It was built around 1970. The piping is made out of asbestos cement pipe which has around a 50-year lifespan. This type of piping works well for the job, however in the wrong conditions can become brittle and fail. Due to the sensitivity of the ecosystem the systems runs through as well as seismic risk in the area, it is important to avoid significant failures in the system. The replacement system will be made of corrosion resistant plastic piping.

Council Member Reese asked for confirmation that a camera had been recently run down the sewer line and there were no known issues. Mr. Duval stated at this point in time there are no known significant failure points. However, based on age and location, it is time for replacement. He noted the project involves replacement of the current system and does not incorporate any extensions.

**VOTE ON THE MOTION:**

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

Excused: 1 - Council Member Scheidt

**3. Approval of Woodside Housing Development Request for Proposals**

MOTION: Council Member Moulton moved, seconded by Council Member Fleming to approve Woodside Housing Development request for proposals. The motion carried by the following vote after the following discussion occurred.

Ms. Murphy explained there would be a few administrative updates to the RFP prior to publication, including updating the project point of contact to Mr. Duval.

Council Member Moulton asked what types of submissions administration expects to see for this RFP. Ms. Murphy stated there may be different ideas of how to build and use the space. She explained ideally any development would include a mix of apartment type housing and single family homes. Mr. Duval added submissions usually include some type of business plan and developers need enough time to put together those documents. The closing date for the RFP will be approximately 30 days from publication.

Mayor O'Neil stated the RFP appears vague, but that may be the intent to encourage creative development solutions. Ms. Murphy confirmed this was the

intent. Mr. Duval added Ms. Martha Barberio, the city's economic development director, has several interested parties for this type of development who intend to submit project proposals regardless. He explained staff wanted to make the RFP less prescriptive and open to creative solutions.

Ms. Murphy stated the development contract would be presented to Council for final approval.

**VOTE ON THE MOTION:**

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

Excused: 1 - Council Member Scheidt

**4. Discussion Item: Potential Property Purchase for Childcare Services**

Council Member Reese explained the last update he received on this topic was that Stepping Stones intended to speak to the property owner about leasing the building. However now the City was being asked to purchase the building. He asked for an update on the actions taken between the last Council discussion on the daycare topic and today as clarification on the process.

Ms. Murphy explained Stepping Stones did approach the property owner about entering into a lease to use the building as a childcare facility. The owner was not interested in leasing the building, but would be open to discussing sale of the property. Ms. Murphy explained she was looking for Council direction on how to proceed and if they would be interested in the City purchasing the building. No sale price had been discussed to this point.

Council Member Reese asked if any building inspections had been done on the property. Ms. Murphy explained those types of concerns would be addressed as part of the negotiation process. If the property was determined to not be viable as a childcare facility, she would certainly bring that information back to Council.

Council Member Fleming stated he would also want to determine the cost to remodel the facility to meet state childcare licensing requirements and facility needs, to include installation of a fire protection sprinkler system.

Council Member Ruff reiterated the process appeared to have moved quickly since the last time Council discussed the topic. He asked what had been done to reach out to the other larger employers and community stakeholders to determine buy-in. Ms. Murphy stated she planned to reach out to those entities

once Council provided guidance to move forward on exploring a potential property purchase.

Council Member Sorum stated the lack of childcare program is not getting better. This type of issue is central to economic development. He explained it would be easier to gain buy-in or financial commitment from other larger employers and community stakeholders once a plan is in place. He expressed his support for use the identified property as not only a childcare facility but also a place to co-locate several family and social services.

Council Member Moulton stated he does not see any harm in exploring costs and feasibility to purchase the building. He stated, however, once the building is purchased there needs to be an RFP for a childcare service provider or providers who would lease the space.

Mayor O'Neil outlined his recent conversations with U.S. Coast Guard leaders regarding childcare concerns in Valdez. Lack of childcare will have major impact on which Coast Guard members will be assigned to Valdez, specifically impacting families with young children. Council Member Sorum added lack of childcare will also impact other families moving to or remaining in town in the future.

Ms. Kelly Brown, representative from Stepping Stones, stated her organization would be able to apply for a variance for the fire sprinkler system. Without the sprinkler system, they would only be allowed to serve 49 children.

Ms. Lori Plaster, former owner of Puffin Learning Center, expressed her support of establishing quality childcare services in Valdez. She stated she hoped the City would not be the sole investor in the building purchase. She stated exploring grants for non-profits and stakeholder investment should be highly encouraged.

Ms. Ruth E. Knight, Valdez resident, stated she hoped if the building was purchased and proved to be large enough, the Council would consider leasing space not occupied for childcare to related service providers such as public health, the WIC program, and the infant learning program. Council Member Moulton express hope that related service providers would approach City administration to express interest in the idea.

Council Member Reese stated he ideally would like to see a private investor

purchase the building to be used for childcare instead of the City. He stated he also understood that might not be possible. Ms. Murphy explained she will be sure to explore all possibilities of investment or funding to defray costs.

Ms. Olivia Foster, representative from the 0-3 With Families Alliance, provided an overview of her organization and services they are trying to align for families in the community. She provided testimony on the importance of quality, licensed childcare in Valdez. She encouraged local stakeholders to invest in supporting services for young children, stating it should be a community effort and not fall on the shoulders of just one or two organizations or agencies.

Council provided clear direction to City administration to move forward with discussions about a potential sale price for any property suitable for a childcare facility, due diligence for environmental analysis and other actions to determine if identified properties would meet the needs of a childcare facility, and determination of total costs associated with remodeling to meet licensing and other requirements. Council also directed City administration to look into licensing requirements for the facility itself and how licensing timelines might be effected by the need to remodel.

The Council also clearly articulated any building purchase would not be intended for a specific childcare provider. If a building is purchased, an RFP would then be issued for interested childcare services providers to lease the space.

## **IX. RESOLUTIONS**

### **1. #19-46 - Amending the 2019 City Budget by Transferring \$104,417 from Reserve to General Fund / Community Service Organizations for the Robe Lake VFDA / Army Corps Project**

Council Member Sorum declared a potential conflict of interest, as he serves on the board of directors for the VFDA. Following a short discussion, Council expressed no objection to Council Member Sorum participating and voting on the resolution, as he did not have a financial conflict of interest.

MOTION: Council Member Reese moved, seconded by Council Member Ruff to approve Resolution #19-46. The motion carried by the following vote after the following discussion occurred.

Council Member Reese asked for a brief overview of the history of this project. Ms. Lori Plaster, representative from the VFDA, explained the organization received a 2019 city community service organization grant for the project. She explained, in March 2019, VFDA requested the city delay grant disbursement until the Army Corp of Engineers conducted its evaluation of the Robe Lake rehabilitation project for potential project funding under its Section 206

Ecosystem Restoration Program. At that time, the VFDA's grant funds were moved into a reserve account.

Ms. Plaster explained VFDA received communication from the ACOE in June stating there would not be any federal funding available for the study itself. VFDA now intends to move forward with the selection of a project contractor in October with the anticipation of work to begin in 2020. Mr. Brian Carlson, city finance director, explained Resolution #19-46 simply moves the VFDA's approved CSO grant funds back into the general fund for disbursement.

Council Member Reese asked what actions were involved in the project. Ms. Plaster explained the study included measurement of flows into and out of Robe Lake and associated streams, measuring changes in the area since 1985, assessing the effectiveness of aquatic vegetation harvesting, and providing an updated scope and cost estimates for further habitat enhancement projects.

**VOTE ON THE MOTION:**

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

Excused: 1 - Council Member Scheidt

**X. REPORTS**

- 1. Change Order Report: Change Order No. 3 with Prosser-Dagg Construction for the VHS Concrete Replacement Project.**
- 2. Report: 2020 Budget Personnel Request Update**

Mr. Carlson explained this report was presented at the request of Council. Following the 2019 budget process, Council directed staff to provide information about new FTE requests prior to the budget work session process.

Ms. Rhea Cragun, city human resources director, explained the 2020 new FTE budget requests include a Fire Department training/EMS coordinator and increasing the .80 Fire Department administrative assistant to a full 1.0 FTE. Additionally, administration would be recommending a one-year, full-time contract for a city emergency manager.

Following a brief discussion regarding timing, Council directed staff to bring this report back as a discussion item at the next regular meeting for further discussion. Council stated no additional data on the proposed positions would be needed for the discussion item. However, they asked staff to include information about new but unfilled FTE positions created in the 2019 budget.

- 3. Monthly Treasury Report - July, 2019**



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

Ms. Murphy provided information about accessing a video recording of the recent community tsunami hazards presentation. She announced the RFP for the new fire station was published earlier in the day. She provided a brief update on the city manager review of the budget. She thanked the Valdez Fire and Police departments for their efforts in holding the 9/11 memorial ceremony.

Ms. Murphy thanked the Council, staff, and community as this would be her last regular meeting as interim city manager.

**2. City Clerk Report**

Ms. Ferko provided an overview of upcoming vacancies on city boards and commission, the 2019 community flu shot clinic, and upcoming Council meetings.

**3. City Attorney Report**

Mr. Staser explained Council Member Scheidt requested his firm provide a written statement of case status with preliminary facts. He stated the case status summary document would be made available to all council members.

Mr. Staser provided updates on projects and cases his firm is working on behalf of the City, including the Pacific Pile & Marine case, C-Plan adjudication, FERC DEIS, municipal code revisions, termination of the Kimley-Horn contract, Meals Hill acquisition, TAPS property tax valuation matters, the Barton case, boundary change concerns, personnel regulations revisions, support for nuisance abatement cases, and human resources concerns.

Council Member Reese asked if cumulative totals could be included in the monthly legal billing report.

**4. City Mayor Report**

Mayor O'Neil acknowledged the recent tragic loss of two community members in a car collision. He thanked the first responders, hospital staff, Vertical Solutions Helicopters personnel, good samaritans, and others who provided care for those involved.

He also acknowledged the recent anniversary of 9/11 and thanked those involved in holding the local memorial ceremony.

Mayor O'Neil stated this week is the first week for seven months Price William Sound communities will not have AMHS ferry service.

He thanked all the sponsors and agencies involved in the recent community health fair and outlined several programs offered during that event.

Mayor O'Neil thanked Ms. Murphy for her work as interim city manager. He confirmed the incoming city manager, Mr. Mark Detter, would arrive the week of September 30<sup>th</sup>.

**XII. COUNCIL BUSINESS FROM THE FLOOR**

Council echoed thanks to Ms. Murphy for her service as interim city manager. They thanked the Valdez Fire and Police Departments for their efforts holding the 9/11 memorial service. They asked everyone to stay safe, especially as temperatures begin to drop.

Council Member Sorum explained he was recently part of a school district delegation in Washington D.C. He explained in the early 1900's Congress passed a law giving 25% of U.S. Forest Service timber sales receipts to local counties for roads and schools. With timber sales declining over the past eight years, those funds have been dramatically reduced. He stated the federal Secure Rural Schools Program is especially important for communities in Prince William Sound and southeast Alaska, as those municipalities provide services to support federal land adjacent to our jurisdiction.

Council Member Fleming stated the Valdez High School volleyball team took second place in a recent tournament.

**XIII. ADJOURNMENT**

There being no further business, Mayor O'Neil adjourned the meeting at 8:37 p.m.