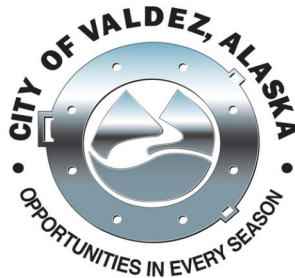


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Final

Tuesday, March 19, 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 7:02 p.m. in Valdez City Council Chambers.

II. PLEDGE OF ALLEGIANCE

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

III. ROLL CALL

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

Excused: 1 - Council Member Jim Shirrell

Also Present: 4 - Assistant City Manager Roxanne Murphy
Deputy City Clerk Allie Ferko
Records Manager Shelley McMillen
City Attorney Jake Staser

IV. PUBLIC BUSINESS FROM THE FLOOR**1. Patty Relay, Valdez Museum & Historical Archive Executive Director**

Ms. Relay provided City Council with recent marketing materials from the museum. She provided an update on museum operations, programming, and finances. She thanked City Council for their continued financial support of the museum. Ms. Relay highlighted several upcoming exhibits including the Spring into Art annual student art show, monthly Tuesday Night History Talks, and Cultural Immersion & Travel Talks.

2. Lanette Oliver, Valdez Adventure Alliance (VAA) acting Executive Director

Ms. Oliver provided an overview of the upcoming Fat Bike Bash festival and Bark & Bike event. She provided marketing materials to City Council. Proceeds from VAA events will go towards local trail maintenance and other efforts.

3. Dolores Gard, Valdez citizen

Ms. Gard expressed concerns regarding the availability of past City Council meeting minutes on the city website. Ms. Ferko explained the city clerk's office was behind on official meeting minutes transcription due to workload, but were working diligently to get caught up. She explained, however, the city clerk's office did have audio/video recordings from all past City Council work sessions and meetings, as well as action summaries for meetings posted and current online. She offered to assist Ms. Gard in locating those resources on the city website, if needed.

V. CONSENT AGENDA

1. **Approval of Senior Citizen Hardship Property Tax Exemption for Barbara Ezell**
2. **Proclamation: Earthquake Remembrance Day**
3. **Approval to Go Into Executive Session Regarding: 1. Ongoing Litigation Strategy and 2. Continuation of City Manager Evaluation Process**

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

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Shirrell

Mayor O'Neil read the proclamation on the record and formally presented the document to Mr. Jim Gifford representing the Pioneers of Alaska – Valdez Igloo. Mr. Gifford thanked the port department for annual use of the Kelsey Dock for the earthquake memorial ceremony.

VI. NEW BUSINESS

1. **Approval of Professional Services Agreement with ECI/Hyer, Inc. for Building Maintenance/Parks & Recreation Facilities Upgrades in the Amount of \$272,005**

MOTION: Council Member Moulton moved, seconded by Council Member Fleming to approve professional services agreement with ECI/Hyer, Inc. for building maintenance/parks & recreation facilities upgrade in the amount of \$272,005. The motion carried by the following vote after the following discussion occurred.

Council Member Fleming asked how this project fits in with the Council's annual priorities. Mr. Nathan Duval, city capital facilities director, explained because the Council had unfortunately been unable to hold a work session regarding prioritizing projects, his department would be bringing projects for approval one at a time. He stated this project is the downstream effect of removing the north and south portions of the yellow warehouse. It replicates and replaces the storage needs eliminated by the changes to the warehouse. While it has always been part of the future needs discussion regarding the yellow warehouse, there are also other options to address storage needs. The project is also of value as a standalone project.

Council Members Fleming, Ruff, and Reese expressed with the current fiscal

uncertainty due to the state budget, it would be prudent to refrain from large projects in the near term. Council Member Moulton explained the City budget process involves projecting construction and project needs several years into the future. He stated this item has been discussed as part of that project planning process.

Council Member Needles expressed his support with turning the maintenance facility into something more useable for City needs, regardless of the outcome of the yellow warehouse project. Mayor O'Neil asked if the project was not approved this evening, would it cause financial or other concerns. Mr. Duval explained the item before Council was design only. He stated many of the projects before Council at this meeting are not of immediate need for safety of life or property. However, waiting further into the season would result in construction delays until the subsequent year.

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Moulton, Council Member Needles, Council Member Fleming and Council Member Reese

Nays: 1 - Council Member Ruff

Excused: 1 - Council Member Shirrell

2. Approval of Professional Services Agreement with Roger Hickel Contracting, Inc. for City Dock Information & Interpretive Center - Phase II Warehouse in the Amount of \$20,000

MOTION: Council Member Moulton moved, seconded by Council Member Needles to approve professional services agreement with Roger Hickel Contracting, Inc. for City Dock Information & Interpretive Center - Phase II Warehouse in the amount of \$20,000. The motion carried by the following vote after the following discussion occurred.

Several Council Members expressed concerns with the need for the project with the current state budget uncertainty.

Mr. Duval explained the solicitation for this project included both components of phase II - the yellow warehouse and facilities components. The project could be amended to incorporate just the facilities component or to modify the scope. The PSA with Roger Hickel is tied to the yellow warehouse and parks&rec/building maintenance facility. Council debated the merits of splitting the scope of the contract. Mr. Duval explained this contract does not commit the City to total cost of construction. Following design work, the construction contracts could be bifurcated. Independent decisions could then be made about funding construction efforts.

VOTE ON THE MOTION:

Yays: 4 - Mayor O'Neil, Council Member Moulton, Council Member Reese and Council Member Fleming

Nays: 2 - Council Member Ruff and Council Member Needles

Excused: 1 - Council Member Shirrell

3. Approval of Annual Renewal of City/School Health Insurance Benefit Plan for Period Beginning 4/1/2019

MOTION: Council Member Reese moved, seconded by Council Member Moulton to approve annual renewal of City/school health insurance benefit plan for period beginning April 1, 2019. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Shirrell

4. Approval of Contract Award with Prosser-Dagg Construction Company, LLC for VHS Concrete Replacement in the Amount of \$343,275

MAIN MOTION: Council Member Moulton moved, seconded by Council Member Ruff to approve contract award to Prosser-Dagg Construction Company, LLC for VHS concrete replacement in the amount of \$343,275.

MOTION TO POSTPONE: Council Member Fleming moved, seconded by Council Member Reese to postpone this agenda item until the next regular City Council meeting of April 2, 2019. The motion to postpone carried by the following vote.

Ms. Ferko worked with Council to schedule part two of the project prioritization work session prior to their next regular meeting. She discussed with Council what types of information they wanted to be included in the work session's agenda materials.

VOTE ON THE MOTION TO POSTPONE:

Yays: 4 - Council Member Ruff, Council Member Needles, Council Member Fleming and Council Member Reese

Nays: 2 - Mayor O'Neil and Council Member Moulton

Excused: 1 - Council Member Shirrell

5. Approval of Contract with TB Inc., dba TBI Construction Co. for the Animal Shelter Kennel Renovation Project in the Amount of \$505,000

MAIN MOTION: Council Member Moulton moved, seconded by Council Member Fleming to approve contract with TB Inc., dba TBI Construction Co. for the animal shelter kennel renovation project in the amount of \$505,000.

MOTION TO POSTPONE: Council Member Fleming moved, seconded by Council Member Needles to postpone this agenda item until the next regular City Council meeting of April 2, 2019. The motion to postpone carried by the following vote.

VOTE ON THE MOTION TO POSTPONE:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles, Council Member Fleming and Council Member Reese

Nays: 1 - Council Member Moulton

Excused: 1 - Council Member Shirrell

VII. RESOLUTIONS

1. #19-11 - Providing for the Submission to the Qualified Voters of the City of Valdez, Alaska the Question of Incurring General Obligation Bonded Indebtedness in an Amount Not to Exceed \$16,000,000 for the Design and Construction of a New Fire Station, Together with all Necessary Appurtenances, Equipment and Facilities in Connection Therewith, and the Relocation and Repurposing of Facilities which are Pre-existing at the New Fire Station Site

MOTION: Council Member Moulton moved, seconded by Council Member Fleming to approve Resolution #19-11. The motion carried by the following vote after the following discussion occurred.

Council Member Needles stated, while he supports the need for a new fire station and the design as presented by Wolf Architecture, he does not support the selected location for the new facility.

Council Member Moulton stated the need for a new fire station is clear based on health issues, age of the current facility, and other factors. He encouraged members of the public stop by for a tour of the facility. He explained the debate over the location for the new facility spanned several years. He outlined the main reasons for selecting the skate park site. Council Member Moulton stated the design team listened to the public and to staff regarding needs and presented an excellent facility concept which also incorporates the need for an emergency operations center and back-up public safety dispatch facility. He encouraged members of the public to visit the City website to view design documents.

Several Council Members expressed their recollections of the process by which the new facility site was selected. Mayor O'Neil provided a brief history of the current fire station facility.

Mr. Matt Smelcer, Valdez resident and Valdez fire department volunteer, stated he was pleased the City Council supported construction of the new facility and expressed his appreciation for their efforts. He reiterated the public could stop by the current fire station facility for a tour or reach out to the City Council for more information on the project.

Chief Tracy Raynor of the Valdez Fire Department added several open houses would be scheduled prior to the election to allow citizens a chance to tour the facility and gather additional information.

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Moulton,
Council Member Fleming and Council Member Reese

Nays: 1 - Council Member Needles

Excused: 1 - Council Member Shirrell

2. #19-12 - Authorizing the Donation of a 1995 Emergency One Municipal/Industrial Pumper to the Cordova Fire Department

MOTION: Council Member Moulton moved, seconded by Council Member Fleming to approve Resolution #19-12. The motion carried by the following vote after the following discussion occurred.

Council Member Reese asked for the value of the apparatus being donated. Chief Raynor explained most apparatus of this age have no value. He estimated it would be worth approximately \$2,000.

Ms. Doom asked for clarification on why this apparatus was being donated to the City of Cordova. Chief Raynor explained several municipalities requested apparatus donations. He outlined why Cordova had the greatest need based on the condition of their current apparatus and their community's fire hazards.

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Shirrell

3. #19-13 - Amending the 2019 City Budget by Transferring \$30,000 from Unencumbered Capital Projects Contingency to Warehouse 1 Exterior Project

MOTION: Council Member Moulton moved, seconded by Council Member Fleming to approve Resolution #19-13. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Moulton, Council Member Fleming and Council Member Reese

Nays: 1 - Council Member Needles

Excused: 1 - Council Member Shirrell

4. #19-14 - Amending the 2019 City Budget by Transferring \$280,000 from Unencumbered Capital Projects Contingency to Parks/Building Maintenance Shared Facility Upgrade Project

MOTION: Council Member Reese moved, seconded by Council Member Fleming to approve Resolution #19-14. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Shirrell

5. #19-15 - Amending the 2019 City Budget by Transferring \$570,000 from Unencumbered Capital Projects Contingency to Animal Shelter Kennel, Curbs, and Drains Replacement Project

MAIN MOTION: Council Member Moulton moved, seconded by Council Member Fleming to approve Resolution #19-15.

MOTION TO POSTPONE: Council Member Fleming moved, seconded by Council Member Needles to postpone this agenda item until the next regular City Council meeting of April 2, 2019. The motion to postpone carried by the following vote.

VOTE ON THE MOTION TO POSTPONE:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles, Council Member Fleming and Council Member Reese

Nays: 1 - Council Member Moulton

Excused: 1 - Council Member Shirrell

6. #19-16 - Amending the 2019 City Budget by Transferring \$400,000 from Unencumbered Capital Projects Contingency to Major Maintenance, High School Concrete Replacement Project

MAIN MOTION: Council Member Reese moved, seconded by Council Member Fleming to approve Resolution #19-16.

MOTION TO POSTPONE: Council Member Fleming moved, seconded by Council Member Reese to postpone this agenda item until the next regular City Council meeting of April 2, 2019. The motion to postpone carried by the following vote.

VOTE ON THE MOTION TO POSTPONE:

Yays: 5 - Mayor O'Neil, Council Member Ruff, Council Member Needles, Council Member Fleming and Council Member Reese

Nays: 1 - Council Member Moulton

Excused: 1 - Council Member Shirrell

7. #19-17 - Authorizing the City Clerk to Dispose of Certain City Records

MOTION: Council Member Moulton moved, seconded by Council Member Reese to approve Resolution #19-17. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Shirrell

8. #19-18 - Authorizing City of Valdez Staff to Enter into a Purchase Agreement to Take Title to the Meals Hill Property, Authorizing Completion of Due Diligence on the Property, and Authorizing the Signing of all Documents Necessary for the City to Receive Title to the Property

MOTION: Council Member Moulton moved, seconded by Council Member Needles to approve Resolution #19-18. The motion carried by the following vote after the following discussion occurred.

Mr. Staser explained the background and process of the Meals Hill property transitioning to a conservation easement. *EXXON VALDEZ* Oil Spill (EVOS) Trustee Council funds will be used to take title of the property. The title will then be transferred to the City with the conservation easement held by the United States Department of the Interior. The EVOS Trustee Council will also provide an additional \$900,000 for improvements or enhancements on the land, such as trails or boardwalks. He explained there is no explicit financial burden on the City for this property transfer, other than future parks maintenance to maintain enhancements. City Council would be involved in the process for selecting the types of improvements and enhancements made to the land.

Mr. Staser explained the resolution gives the Valdez city manager authorization to revise or execute documents involved in the purchase and sale agreement, to include assumption of the existing lease for the Petro Star pipeline crossing the property. All existing uses of the property would remain in place, including the City's water tower, pipeline easement, existing roads, and utility easement.

Ms. Ferko explained a minor clerical revision would need to be made to the resolution, inserting the word "and" between "parties" and "to execute" in section one. This revision was at the request of involved parties and did not require a formal amendment, as it did not substantially change the intent of the resolution.

Mr. Nathan Duval, Valdez resident, expressed his support for turning the property into a conservation easement. He asked Council to bear in mind the potential for projects as visions are developed for use of the property.

Ms. Doom explained the Port Valdez Company requested some sort of historical monument or interpretive sign on the property to celebrate Mr. Meals, Mr. Hazelet, and their company. Mr. Staser explained the Port Valdez Company would attempt to raise \$250,000 to be used towards the monument. He stated the City was not obligated to provide funding for the monument as part of the agreement.

Council Member Moulton asked for clarification on how the funding would be managed for the improvements on the property. Mr. Dave Mitchell, representative from Greatland Trust, explained the \$900,000 will be moved from the EVOS Trustee Council to his organization through an existing agreement. Invoices would be paid by quarterly billing to those doing the work. The process for improvement selection would be collaborative between the City and the trust, however the funds would be managed by the trust. Council Member Moulton asked Mr. Mitchell to maintain open communications with city staff to ensure financial process and expectations are clear to all parties.

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Shirrell

VIII. REPORTS

1. **Procurement Report: Amendment to Professional Services Agreement #1358 with VEI Consultants.**
2. **Report: Delinquent Property Taxes and Foreclosure Process**
3. **February 2019 New Boat Harbor Report**

Mr. Ron Rozak, new boat harbor project construction manager, provided a verbal update to accompany the written report included in the Council agenda packet. He stated the project is on schedule and within budget.

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

Ms. Doom provided a verbal report, including an update on the outcome of a recent “lunch and learn” hosted by the city economic development department. The topic of the lunch meeting was how local Valdez businesses can interact with cruise ship companies and passengers. She explained the economic development director would provide a more detailed report on the lunch meeting and other activities of the department in the next Council meeting agenda packet. The city ports & harbors director provided an update on current statistics for 2019 cruise ship ports of call, stating a report would be provided in the next Council meeting agenda packet.

Ms. Doom stated she has been working with the city emergency manager and city fire chief to explore different emergency training opportunities.

Ms. Doom also provided a brief overview of a recent Microsoft Excel training she and other city staff attended in Anchorage.

2. City Clerk Report

Ms. Ferko provided a verbal report, including review of the list of qualified candidates for the upcoming municipal election, the schedule of upcoming Council work sessions, the property tax assessment appeal process, and upcoming vacancies on city boards and commissions. She reviewed the 2019 All-America City Scholarship. Mayor O’Neil, Council Member Moulton, and Council Member Fleming volunteered to serve as the selection committee for this year’s scholarships.

3. City Attorney Report

Mr. Staser provided a brief explanation of three pieces of proposed state legislation as requested by Council, including SB63 (repealing fisheries business tax allocation to municipalities), HB79 (expanding eligibility and participation for certain peace officers and firefighters in the Public Employees’ Retirement System of Alaska), and SB64 (repealing state aid for costs of school construction debt). Council discussed potential local impacts of the proposed legislation.

Mr. Staser outlined projects and provided updates on cases his firm is working on behalf of the City, including the Meals Hill title transfer and the Boulder Bay incident. Other pending litigation and legal strategy would be discussed, as allowed, in executive session.

4. City Mayor Report

Mayor O’Neil provided a verbal report regarding the Mayor’s Cup snowmachine race and Valdez High School girls’ basketball team, boys’ basketball team, and cheerleading team heading to the state tournament. He stated he will be traveling to Juneau for a series of meetings with state legislators, the City’s lobbyist, and the city attorney. He expressed his appreciation for the professionally delivered testimony by Mr. Brian Carlson, city finance director, to the state of Alaska House Finance Committee the previous day. Mr. Carlson’s testimony provided an overview of the impacts of proposed state legislation on the Valdez community.

Mayor O'Neil encouraged community members to stay informed and involved in the state budget and other legislative processes. Mayor O'Neil provided brief remarks regarding the upcoming 30th anniversary of the T/V *EXXON VALDEZ* oil spill.

X. COUNCIL BUSINESS FROM THE FLOOR

Council Member Moulton discussed current operations at the Salmonberry Ski Hill. Council Member Reese discussed the upcoming municipal election, encouraged community members to educate themselves on the new fire station bond ballot measure, and encouraged citizens to get out to vote in May. Council Member Needles asked staff to look into concerns about the condition of Dylan Drive and a flooded "pond" area alongside Richardson Highway. Council Member Ruff provided a review of the Mayor's Cup snowmachine race. At the race, he was presented two appreciation plaques for the City Council for their support of the event. Multiple Council members expressed support for high school teams headed to the state tournament. Council Member Fleming announced both the Valdez boys and girls high school basketball coaches were named coach of the year.

XI. EXECUTIVE SESSION

City Council transitioned into executive session at 9:09 p.m.

XII. RETURN FROM EXECUTIVE SESSION

City Council transitioned out of executive session at 11:12 p.m.

MOTION: Council Member Moulton moved, seconded by Council Member Reese to accept City Manager Elke Doom's resignation and offer severance as outlined in her contract, effective March 22, 2019 at 5:00 p.m., and appoint Assistant City Manager Roxanne Murphy as interim city manager effective March 22, 2019 at 5:00 p.m. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Shirrell

XIII. ADJOURNMENT

There being no further business, Mayor O'Neil adjourned the meeting at 11:17 p.m.