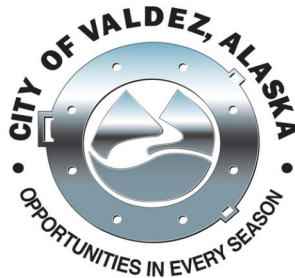


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Final

Tuesday, October 15, 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 7:01 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: 6 - Mayor Jeremy O'Neil
Council Member Christopher Moulton
Council Member Sharon Scheidt
Council Member Darren Reese
Council Member Dennis Fleming
Council Member Alan Sorum

Excused: 1 - Council Member Ron Ruff

Also Present: 5 - City Manager Mark Detter
Assistant City Manager Roxanne Murphy
City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
City Attorney Jack Wakeland

IV. PUBLIC BUSINESS FROM THE FLOOR

Mr. Steve Searles, representative from the Pioneers of Alaska, provided an overview of the recent Pioneers Convention in Valdez. He thanked Ms. Jennifer James and the staff of the Valdez Civic and Convention Center for their dedicated hard work to support the convention. Mayor O'Neil asked for the qualifications necessary to join the Pioneers of Alaska. Mr. Searles explained you must have been a resident of Alaska for 20 years. During the last three years of residency, the applicant must have been in state for at least seven months each year.

V. CONSENT AGENDA

1. **Appointments to City Parks & Recreation Commission (Three-year Term)**
2. ~~**Approval To Go Into Executive Session Re: 1) C-Plan Litigation 2) Employment Dispute Settlement Negotiation**~~ *(Administratively withdrawn, as executive session not needed.)*

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 Moulton, Council Member Scheidt,
Council Member Reese, Council Member Fleming and Council
Member Sorum

Excused: 1 - Council Member Ruff

CORPORATIONS**1. Valdez Museum and Historical Archive Corporation Annual Meeting**

MOTION: Council Member Moulton moved, seconded by Council Member Reese to recess as Valdez City Council and reconvene as the Valdez Museum and Historical Archive Corporation. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Ruff

Note: Meeting minutes from the VMHA Corporation Annual Meeting are transcribed in a separate document, to be approved during the 2020 annual meeting.

MOTION: Board Member Moulton moved, seconded by Board Member Fleming to adjourn as the Valdez Museum and Historical Archive Corporation and reconvene as Valdez City Council. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 6 - Chairman O'Neil, Board Member Moulton, Board Member Scheidt, Board Member Reese, Board Member Fleming and Board Member Sorum

Excused: 1 - Board Member Ruff

VI. NEW BUSINESS**1. Appointments to Providence Valdez Medical Center Health Advisory Council (Three-year Term)**

Mayor O'Neil recused himself from the discussion and vote on this agenda item due to a direct conflict of interest due to the nature of the PVMC Health Advisory Council, as he serves as the PVMC Administrator.

Council Member Sorum stated for the record his wife is an applicant, but he does not have a financial conflict of interest. Council expressed no objections to Council Member Sorum's participation in the discussion and vote for this agenda item.

City Council selected Dave Dengel, Dan O'Connor, Pam Shirrell, and Ruth E. Knight by paper ballot.

MOTION: Council Member Reese moved, seconded by Council Member Moulton to approve appointment of Dave Dengel, Dan O'Connor, Pam Shirrell, and Ruth E. Knight to each serve a three-year term on the Providence Valdez Medical

Center Health Advisory Council. The motion carried by the following vote.

VOTE ON THE MOTION:

Yays: 5 - Council Member Moulton, Council Member Scheidt, Council Member Reese, Council Member Fleming and Council Member Sorum
Abstain: 1 - Mayor O'Neil
Excused: 1 - Council Member Ruff

2. Approval of an Amendment to the Purchase and Sale Agreement between City of Valdez and Rydor Enterprises.

MOTION: Council Member Moulton moved, seconded by Council Member Fleming to approve amendment to the Purchase and Sale Agreement between City of Valdez and Rydor Enterprises. The motion carried by the following vote after the following discussion occurred.

Council Member Moulton asked the purpose of this amendment. Mr. Nate Smith, representative from Rydor Enterprises, explained it is due to contractor constraints. Their contractor is based out of Homer and as unable to complete the final plat due to travel limitations caused by the Kenai Peninsula fires and a serious injury to their team member. Mr. Smith explained the final plat will be presented to the Planning & Zoning Commission on October 23rd. Valdez Municipal Code provides thirty days between Council's approval of the land sale and the actual purchase. This amendment allows for additional time to complete the final plat process.

Council Members Fleming and Sorum recommended the timeframe in municipal code be reviewed and potentially modified in the future to allow more time to work through the necessary processes involved in a land sale. Ms. Kate Huber, interim planning department director, expressed support for potential code timeline revisions.

VOTE ON THE MOTION:

Yays: 6 - Mayor O'Neil, Council Member Moulton, Council Member Scheidt, Council Member Reese, Council Member Fleming and Council Member Sorum
Excused: 1 - Council Member Ruff

3. Discussion Item: Real Property Tax Assessment; Treatment of Shipping Containers aka "Conex" Boxes

Mayor O'Neil introduced the City's contracted property tax assessor, Mike Renfro of Appraisal Company of Alaska, LLC. Mr. Renfro explained the discussion item is a continuation of the concern identified during the Board of Equalization (BOE) hearing in early 2019. Mr. Renfro stated, in the past, when the property tax

assessors discovered a shipping container or “connex”, in Valdez, they determined the intent of the property owner. Installation of connex does not require a building permit. The owner’s intent might be to use the connex as temporary storage or to use the connex as a permanent structure on the property. Containers which are intended to be permanent structures, similar to a stick-built storage shed or connected to water, electric, or sewer and in place for more than 90 days, are assessed as real property. Connex simply in place for temporary use are treated as personal property for taxing purposes.

Mr. Renfro explained Alaska statute (AS 29.45.070) discusses similar permanent structures, but does not use the specific word “connex”. Statue explains these types of structures are considered real property, unless classified by ordinance as personal property. Valdez Municipal Code does not classify connex, trailers, or similar structures as personal property. Mr. Renfro explained Valdez Municipal Code also does not use the specific word “connex”, but does reference these types of structures must be in place for 90 days prior to being considered real property.

Mr. Renfro outlined the City legal team’s suggestion to define the word connex in Valdez Municipal Code and formally codify how to determine if a connex is real property or personal property based on intent of use. He stated there is only one municipality in Alaska with the specific word “connex” in their municipal code. Other municipal tax assessors use a method similar to what is being done in Valdez to determine if the connex are to be considered real property.

Mr. Renfro explained under his company’s contract with the City all real property city-wide will be assessed in 2020, including completing a canvas for all connex in town. He asked Council to discuss the topic and consider updating Valdez Municipal Code to better clarify how connex or similar structures are assessed.

Mayor O’Neil stated the issue from the 2019 Board of Equalization hearing involved the appellant’s concerns regarding inequitable treatment of all property owners with connex. The appellant stated if one property owner is to be taxed on connex, then all should be taxed equitably. Mr. Renfro stated, at the time of the hearing, his company had not adequately captured all real property connex on the tax rolls. He explained that would change in 2020 through his firm’s canvas efforts.

Ms. Julie Lindeman, Valdez resident, stated she would like to see written

clarification made between what is personal and real property regarding connex. She stated she considers connex personal property, but would support a municipal requirement for a color palette for connex to help them blend in to the surrounding property. Mr. Detter clarified appearance of the connex differs from taxability. Ms. Lineman stated if the connex is built into a structure, then it should be considered real property. However, if the connex stands on its own or just has a simple roof for protection, she believes it should be considered personal property.

Council Member Fleming explained the lack of specific definitions in Valdez Municipal Code is the reason for this discussion item. When the ordinance with definitions comes to City Council, the public can certainly provide comment and feedback on the proposed Code language. Ms. Lindeman suggested taxing of connex be put on hold until the ordinance with clarifying definitions is passed. Council Member Fleming stated he hoped the ordinance would be passed prior to completion of the 2020 tax assessment, but property owners could always utilize the BOE appeal process for concerns.

Ms. Magdalena McCay, Valdez resident and business owner, stated her property was the reason for the 2019 BOE hearing. She stated after conducting research, she does not believe other property owners with freestanding connex were being taxed.

Ms. McCay stated there are currently no opportunities for local business owners to address Council about the good work they are doing in the community, how many jobs they provide, and how they keep the Valdez economy going. She explained most business owners do not ask for funding from the City, instead they pay property taxes and create opportunities, jobs, and services. She explained the City is in a good financial position, so she did not understand why there was a need to look for additional opportunities to collect property taxes from local businesses who utilize connex. Council Member Moulton stated the concern came up during BOE and that was the reason for the discussion item. He explained it was not an attempt to look for additional opportunities to tax; it was an opportunity to further discuss an identified concern.

Ms. Robin James, Valdez resident, stated there have been connex in Valdez for years. They are effectively used for storage in cold, wet climates. She expressed her support for not taxing connex.

Mr. Alan Minish, Valdez resident, expressed connex should be considered personal property. He stated, when he moves from Valdez, his connex will go with him. However, if a roof is built over the connex or if the connex is built into a structure, it should be considered real property.

Mr. Ken Deaton, Valdez resident and business owner, stated his company (Deaton Enterprises) provides office trailers and connex containers to contractors. During the off-season, he stores the trailers and connex on his property under a conditional use permit. In the spring, the trailers and connex will be rented out and moved to job sites. He asked how and when the tax assessor will determine the use and intent of the connex for taxing purposes. He asked Council and the tax assessor to keep situations like his in mind when clarifying definitions in Code.

Mayor O'Neil recognized the difficulty in determining a connex used as an outbuilding versus a connex used as a temporary storage container. He expressed his desire for fair and equitable application based upon solid definitions in municipal code.

VII. RESOLUTIONS

- #19-50 - Terminating Lease Agreement with UAA for Tract E, Port Valdez Subdivision, According to the Official Plat Thereof, Filed Under Plat Number 77-1, Records of the Valdez Recording District, Third Judicial District, State of Alaska**

MOTION: Council Member Moulton moved, seconded by Council Member Reese to approve Resolution #19-50. The motion carried by the following vote.

VOTE ON THE MOTION:

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

Excused: 1 - Council Member Ruff

VIII. REPORTS

- Report: Comprehensive Plan Update RFP & Timeline**

Council Member Sorum asked for the status and future purpose of the Comprehensive Plan Advisory Committee. Mr. Detter explained many of the CPAC members expressed interest in continuing their service in the comprehensive planning process. Ms. Huber added the first task for the CPAC would involve one meeting to review the RFP for the new consultant before it is

presented to Council during the first meeting in November. Mr. Detter explained the consultant hired to complete the comprehensive plan could then provide suggested direction on use of the CPAC moving forward.

Mr. Nate Smith, Valdez resident, stated when Kimley-Horn was originally selected there were other contractors who submitted bids on the project. Council Member Moulton explained the scope of the project has substantially changed since that time.

Ms. Huber explained the Planning Department will now serve as the project manager for comprehensive plan development.

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

1. City Manager Report

Mr. Detter provided a verbal overview of his written report and thanked City staff for providing him familiarization tours of city departments, facilities and programs. With so many task and projects across departments, he hoped the comprehensive plan would provide prioritization assistance.

Ms. Murphy provided a brief update on the community daycare issue. She and representatives from Stepping Stones Learning Center met with a property owner about a potential building purchase. That meeting did not go as well as anticipated. Stepping Stones then reached out to another building owner about a potential lease agreement. She explained the lease option is looking favorable and she will provide additional information in the future. Mayor O'Neil stated there are many community stakeholders expressed willingness to write letters of support for Stepping Stones Learning Center if they needed assistance working through the licensing or other processes.

Council Member Sorum explained he, Mr. Detter, and Ms. Ferko recently participated in the Regional Stakeholders Committee function of the BP C-Plan shipper drill. Council Member Sorum stated Mr. Detter got quite the introduction to the oil spill response community and asked good questions.

Mr. Detter reminded Council he would be out of town for the next week to attend the ICMA conference.

2. City Clerk Report

Ms. Pierce explained Council would hear the first appeal under the new nuisance abatement municipal code on November 5th. The appeal hearing would begin at 5:30 p.m. There would be an informational packet, including a procedural agenda, provided in advance for the hearing.

Ms. Pierce reviewed upcoming dates for Council meetings, boards and commission vacancies, and community events.

3. City Attorney Report

Mr. Wakeland provided updates on projects and cases his firm is working on behalf of the City, including filing of comments for the FERC DEIS, C-Plan

adjudication, Meals Hill acquisition, and Pacific Pile & Marine dispute.

Council Member Reese asked if the comment filing deadline for the FERC DEIS had been extended. Mr. Wakeland stated he would check the status and follow-up with Council.

4. City Mayor Report

Mayor O'Neil read the honorees for the upcoming Advocates for Victims of Violence Women of Distinction ceremony:

Women of Distinction Honorees: Katherine Burns, Sam Foist-Swart, Sheila Jordon, Robin Mayo, Shannon Stites, Rhonda Wegner Taylor, Jan Whalen, and Gay Wellman.

Young Women of Distinction Honorees: Emily Humphrey, Tiffany Larcom, and Ashlee Marie Schaeffer.

Mayor O'Neil thanked the Valdez Fire Department Search & Rescue Team for the recent rescue of a local dog stuck on a cliff. Council Member Moulton outlined how the team had used the VFD's specialized dog harness to complete the rescue.

X. COUNCIL BUSINESS FROM THE FLOOR

Council Member Moulton announced the Valdez Snow Authority has begun clearing brush at the Salmonberry Ski Hill.

Council Member Fleming asked for an update on the permits for the Lowe River. Mr. Nathan Duval, city capital facilities director, explained clarifications were made on the permit application, but he had not yet heard from DNR. Council Member Fleming asked if the Flood Task Force would be meeting once the permits were issued. Mr. Duval stated the next planned meeting would be after approval of a consultant contract. Council Member Sorum encouraged city administration to utilize the city's lobbyist in Juneau to assist with DNR, if needed.

Council Member Reese encouraged the community to drive safely as winter weather arrives.

XI. ~~EXECUTIVE SESSION~~ (Administratively withdrawn, as executive session not needed.)

XII. ~~RETURN FROM EXECUTIVE SESSION~~ (Administratively withdrawn, as executive session not needed.)

XIII. ADJOURNMENT

There being no further business, Mayor O'Neil adjourned the meeting at 9:22 p.m.