VALDEZ CITY COUNCIL Regular Meeting Minutes August 16, 2010 Page 1 of 15

I. CALL TO ORDER

Mayor Cottle called the meeting to order at 7:00 pm in the City Council Chambers

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Mayor Bert Cottle Council member Dave Cobb Council member Joe Prax Council member Karen Ables Council member Dorothy Moore Council member Mike Wells Council member Steve McCann

Also Present:

John Hozey, City Manager Sheri Pierce, City Clerk Craig Richards, Acting City Attorney

Also Present: Members of staff and approximately 12 people in the audience.

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF August 2, 2010

The minutes of the meeting of August 2, 2010 were approved with two minor corrections.

V. PUBLIC APPEARANCES

VI. PUBLIC BUSINESS FROM THE FLOOR

Chris Dodd, owner of E&H Power Systems, addressed the City Council and Mayor about a bid he submitted for the High Mast Lighting project. He indicated has been working as a contractor in Valdez for the past eight years and has commercial property and a service shop in Valdez. He stated that the high mast lighting project was bid a few weeks ago. Mr. Dodd pointed out that underneath the City of Valdez's advertisement for bid there is a section stating a local bidder preference. Mr. Dodd was under the impression that he would be given the local bidder preference. The two lowest bids came in with only a \$25 difference between them. Mr. Dodd explained that his bid was the 2nd lowest bid and that the contractor with the lowest bid was claiming a local bidder status as well. Both companies were denied the local bidder status because the City's criteria

defining a local bidder status is so loosely written. A clear direction could not be given for the two companies at hand. The bid was awarded to the lowest bidder and was on the agenda for approval by the Council that evening. Mr. Dodd described his experience and knowledge of the field to the Council including 30 years experience as a contractor and 8 years experience working in Valdez. He also indicated that his company is an electric company and that his competitor is not a company with any electrical experience and therefore is hiring out the electric portion of the project to a company with only two years experience in electrical installation. Mr. Dodd asked the City Council to take all of the facts into consideration and to not deny his company the opportunity of working on this project for the small amount of only twenty five dollars. It was Mr. Dodd's opinion that experience should be a major factor in the decision of who is awarded the job.

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

CITY MANAGER REPORT

Mr. Hozey reported that the re-staining projects for the school and the administration building are finished and that they are near completion on the Civic Center re-staining. The Port Security Camera project is about half way complete. The cameras and poles are installed but they are waiting on some supporting equipment. They should have that finished in another two weeks. Mr. Hozey reported that the RFP for the information technology network connectivity project has been sent out and those proposals are due back on August 26th. He also stated that the high school fire alarm and sprinklers are complete. Mr. Hozey indicated that they added a PA master clock system to the project and that testing is being done now for that. They are waiting on parts to complete the project but school operations will not be interrupted by these efforts. Mr. Hozey reported that the Teen Center renovations are almost complete. The BBQ area is finished and the entry way and kitchen area is in progress. Mr. Hozey explained that they did discover asbestos in the tiles in the building so they are in the process of obtaining quotes for their abatement.

Mr. Hozey reported that the school master planning meeting went very well. He has since been working with the consultant to refine the guidance given by the steering committee. Council member Moore asked Mr. Hozey if the school master plan would require additional funding as it progresses. Mr. Hozey stated that it is possible that more money would be needed for design requests that were not part of the original plan. A figure is supposed to be provided by the end of the week for any additional design costs.

Mr. Hozey mentioned the rehabilitation at the Kelsey Dock that is on the dock itself and clarified that the addendum to that project requesting a certain quality of timber has been questioned by the contractor. Mr. Hozey explained that possibly the contractor did not account for that extra cost in his bid. The City is standing by the addendum requiring the contractor to in fact use the specified materials. Council member Wells asked Mr. Hozey for clarification on the specified timbers. Mr. Hozey explained that the materials in question were for the reinforcements underneath. In the addendum the request specified that they were to all be water quality. Mr. Hozey explained that they are holding the contractor to this request because if they agreed to anything less it could have changed who was awarded the project.

Mr. Hozey thanked the fish derbies for a great weekend.

Mr. Hozey stated that he will be in Kodiak for the Alaska Municipal League (AML) summer meetings beginning Wednesday August 18th. He also indicated that he would be attending the memorial service for Senator Stevens on Tuesday August 17th before flying to Kodiak for AML.

CITY CLERK'S REPORT

Ms. Pierce announced that the petition process for the City of Valdez regular municipal election closed on Monday August 16th at 5:00 pm. Ms. Pierce read the names that will appear on the October 5th ballot. She explained that the order of the candidates on the ballot was determined by drawing names and placing them on the ballot in the order in which they were drawn. Ms. Pierce listed the names as follows:

Mayor	Council Member	School Board Member
Rich Long Dave Cobb	Joe Prax Chris Moulton Randy Ridderbush Alan Sorum Laura Mittlestadt TJ Jenn Dorothy M. Moore Steve McCann	Jack McCay Steve Brockman Duane Edelman Dolores Gard Anthony Balowski

Ms. Pierce also announced that she would also be attending the AML summer meetings in Kodiak beginning Wednesday August 18th.

CITY ATTORNEY'S REPORT

Mr. Richards reported that the Polar Tankers case has settled out. The City is now trying to come to a similar agreement on the Crowley side of the shipper's case which would put the entire Supreme Court litigation to rest. Mr. Richards also announced that on the TAPS case, Judge Gleason is still considering the decision from June. A decision is expected to be out next month but could take longer depending on the amount of time needed for reconsideration.

MAYOR'S REPORT

Mayor Cottle stated that Tuesday, August 24th is Election Day for the State of Alaska Primary election. He encouraged everyone to go out and vote. He also announced that the Alaska Municipal League was asking everyone to vote no on Measure 1 in the election.

VIII. CONSENT AGENDA

- Approval to go into Executive Session
 - a. City Manager Evaluation

MOTION: Council member Ables moved, seconded by Council member Wells, to approve the Consent Agenda.

VOTE ON THE MOTION: 7 yeas, motion carried.

IX. NEW BUSINESS

1. Approval of the 2011 Budget Policy Statement

MOTION: Council member Cobb moved, seconded by Council member Moore, to approve the 2011 Budget Policy Statement.

Council member Moore asked Mr. Hozey if there was a place in the budget policy statement where the potential of the 206 settlement could be addressed. Mr. Hozey acknowledged that it was a good point and suggested that maybe a general statement could be added to the budget policy statement indicating that ongoing litigation may seriously impact future money that is available for the City of Valdez. Mr. Hozey stated that he could draft a statement like that if the Council felt it necessary or a good idea. A majority of the Council agreed that this was needed. The Council gave Mr. Hozey guidance to make an amendment on the policy statement.

MOTION: Council member Moore moved to add a generalized statement to the budget policy statement concerning increased volatility potential associated with

pending litigation that could negatively impact the City of Valdez budget, seconded by Council member Prax.

VOTE ON THE AMENDMENT: 7 yeas, Motion carried on the amendment.

VOTE ON THE MOTION: 6 yeas, 1 nay (Council member Prax), motion carried.

2. Approval of Contract Award to Wolverine Supply to Furnish and Install 4 High Mast Lights at the Valdez Small Boat Harbor in an Amount Not to Exceed \$685,000

MOTION: Council member Cobb moved, seconded by Council member Ables, to approve a contract award to Wolverine Supply to funish and install 4 high mast lights at the Valdez Small Boat Harbor in an amount not to exceed \$685,000.

Council member Ables stated that she had concerns about what Mr. Dodd spoke about in regards to his competitor. Council member Ables asked where that business resides? Mr. Hozey explained that both companies have basic minimums to claim local bidder status. They both do business here and have been doing it for the minimum of at least one year. So, minimally, they both could qualify as a local bidder because there are no strict guidelines on how to determine a local bidder status. Mr. Hozey stated tha there are no strict rules about what constitutes an office or what constitutes an employee. If you narrowly define it or broadly define it, both companies would either fail or pass because they would be ruled the same. Mr. Hozey clarified the position of Administration which was that either way they looked at it the base bid would not change. Mr. Hozev explained that it has been determined that the definition of a local bidder needs to be more clearly defined and should be brought back to Council for them to provide further guidance for the City Manager on how to define a local bidder. Mr. Hozey stated that he did not want to set precedence by ruling for or against the local bidder status. From the advice of the City Attorney, it was decided to go further with the base bid only because applying the local bidder preference would not have made a difference because it would have been awarded to both companies.

Council member Moore asked if this is an electrical contract. Mr. Hozey replied that it was largely an electrical contract but there was also other foundation work for the lights as well. Council member Moore asked if both companies both were qualified to complete the electrical portion of the contract. Mr. Hozey stated that they both meet minimum qualifications. Mr. Hozey further explained that since this not an RFP we do not have the discretion to look at other factors such as quality. This is a bid and bids are usually awarded by the lowest amount of money. Council member Moore asked if the ambiguity of the local bidder status

had come up before. Mr. Hozey indicated that it had and that it had been tightened up somewhat previously and had not been an issue again until now. He stated that he would be bringing it back to the Council for direction in the very near future. Council member Ables asked what would happen if the motion was not passed. Mr. Hozey replied that it would mean that the lights would not be installed this year. His concern was that they are already behind schedule and if this had to go out to re-bid it would be impossible to be completed during this construction season.

Council member Cobb asked about the amount of experience associated between the two lowest bidders, one being 8 years and one being 2 years and how that was being addressed. Mr. Hozey responded that the primary contractor is the one that takes responsibility for the project by putting up the bond and making sure everything is completed to our satisfaction. Both companies met the requirements of the bid. Mr. Hozey stated that if it were a qualitative process things might have been done differently but that was not the process that was presented in the original request for bids.

The City Attorney stated that the City code states that a competitive bid may be rejected if the City determines that they are not a responsible bidder. Council member Wells asked who would made that decision? Mr. Hozey stated that ultimately, the City Council makes the decision. Administration only brings a recommendation to the Council.

Council member Moore asked if the City had experience with both companies in the past and if the experience was positive. Mr. Hozey replied in the affirmative.

Mr. Dodd addressed the Council again stating that the contractor with the lowest bid was just recently declared a non-local bidder two weeks prior on a separate project. Mr. Dodd stated that he did not understand why he was now trying to qualify as a local bidder when he was declared the opposite on another project. Mr. Hozey replied that based on the code, Mr. Dodd's company, would not qualify either. It comes down to a subjective call. They Mayor asked why Wolverine was determined as a non-local bidder on the previous project and was now bidding as a local bidder on the current project. Jack McCay, Capital Facilities Director replied that it was a non-issue because they would have been awarded the previous job regardless because they were lowest even without a local bidder status. Mr. McCay clarified that their classification was the same then as it is now.

Council member Ables asked if Wolverine was in the phone book. Mr. Hozey replied in the affirmative.

VOTE ON THE MOTION: 5 yeas 2 nay (Council member Ables and Council member Prax) Motion carried.

 Approval of Design/Build Construction Contract with Harris Sand and Gravel for the Crooked Creek Information Center Project in the Amount of \$461,250

MOTION: Council member Moore moved, seconded by Council member Cobb, to approve a design/build construction contract with Harris Sand and Gravel for the Crooked Creek Information Center project in the amount of \$461,250.

Council member McCann asked about the additive alternatives, the comfort station, and why it was not included. Mr. Hozey replied that there was not enough money to add that to the project. Council member Wells asked about the original design and if we were only considering Pan Abode construction. Mr. Hozey replied that the bid had to be broadened beyond Pan Abode but it is substantially similar to the original design presented to the Council. It was not limited to Pan Abode only because the lead time on that structure was too long and we would not have been able to complete the project in time. So, it was opened up to other manufactures. Council member Wells asked if this structure would go on a permanent foundation. Mr. Hozey replied in the affirmative. Mayor Cottle asked how many square feet the building would be. Mr. McCay stated that it would be approximately 900 square feet.

VOTE ON THE MOTION: 6 yeas, 1 nay (Council member Prax), motion carried.

4. Approval of Contract Change Order to Wolverine Supply for the Senior Center Roofing Project in the Amount of \$52,696.01

MOTION: Council member Cobb moved, seconded by Council member Wells to approve a contract change order to Wolverine Supply for the Senior Center roofing project in the amount of \$52,696.01

Council member McCann asked why only one side of the building was deteriorating as opposed to the other side. Mr. Hozey explained that the deterioration was what was found when the roof was taken off. Mr. McCann asked if it would be worth it to replace both sides now. Mr. Hozey stated that if the sheeting is currently in good condition and the roofing you put over it does its job then it should not need to be replaced. Jack McCay explained that the reason the front side had issues was because originally there was no overhang built and water was able to get up into the interior and damage all of the trusses. Council

member Prax asked about the warranty on the siding. Mr. McCay explained that it was not a warranty issue but a design issue because the ice would come straight over the side since there was no eve and then damage the siding in the process. Mr. Hozey explained that an eve would be added to the building to prevent this from happening in the future.

VOTE ON THE MOTION: 7 yeas, motion carried.

X. RESOLUTIONS

1. #10-42 — Authorizing Lease Amendment #6 for Tract E, Harbor Subdivision with Silver Bay Seafoods

MOTION: Council member Wells moved, seconded by Council member Moore, to approve Resolution No. 10-42.

Mayor Cottle asked the city attorney if there was a conflict of interest with him voting on this motion because his employer sells oil to Silver Bay Seafoods. Mr. Richards replied in the affirmative.

Council member Ables asked how this would affect dropping the rate of Peter Pan's lease. Specifically, will this affect the outcome if their rates are to come down to match up with Silver Bay Seafoods. Mr. Hozey explained that they were bringing back to Council what was requested which was an agreement to bring the lease to appraised value not assessed value for the remainder of the lease. At the end of the lease the rate would be brought back up to 10 percent like the Mr. Hozey also stated that as a discussion point they had other leases. suggested that upon the termination of the lease it could be decided to either bring Silver Bay Seafoods up to appraised value or everyone else in a lease agreement to assessed value as long as all parties were treated the same. However, that is not the direction Mr. Hozey received from Council for consideration at this time. Council member Wells asked for clarification on what was being done that evening which was to bring the current lease in line with other properties and since we are going to phase this increase in over a five year period does it require a super majority vote. Mr. Hozey replied in the affirmative indicating that because the first four years will be below market value six votes were needed to pass the motion.

Robert P. Zuanich, Silver Bay Seafoods, stated that it has been a good first year and though they do not necessarily want the increase in the lease amount they do understand the rationale behind it. In 2013 when the dock lease is up for renegotiation they hope to be able to come back to Council with a package of how they might move forward. Mr. Zuanich stated that Silver Bay Seafoods is

happy to be there and that they look forward to a lengthy relationship with the City and to bringing more fish into Valdez. Mr. Zuanich shared is support of the motion and hoped that it would pass.

VOTE ON THE MOTION: 6 yeas, motion carried.

2. #10-43 – Authorizing the Negotiated Sale of Lots 11 & 12, Block 30, Valdez Townsite, and a 6,000 Square Foot Portion of Vacated Empire Avenue Right of Way, to Mark and Karen Cline

MOTION: Council member Cobb moved, seconded by Council member Ables, to approve Resolution No. 10-43.

Mayor Cottle stated that he thought that all options were going to be discussed. Mr. Hozey replied that in fact those options could be discussed at the present time since it was put on the floor. That motion on the floor was option 2. Mr. Hozey explained that if Council did not want to do option 2 it will need to be voted down and direction given to do something else. There are four options in the agenda statement to consider.

Mayor Cottle stated that one option is that anyone who currently has property there that would touch the property in question would be given first option. Lisa Von Bargen, Community Development director, replied that it could be done in one of two ways. It could be handled as a negotiated sale between the property owners based on the fair market value or we could offer the property as a sealed bid and send it out to auction. Ms. Von Bargen felt that it seemed a little odd to offer it as a sealed bid for auction since it is pretty clear who would be bidding on the purchase. Mayor Cottle asked if this passed would the other property owners would need to come to Council with a similar request. Ms. Von Bargen stated that they had spoken to 2 of the 3 property owners out there and are aware of what those property owners are interested in doing. It will probably not come back for the next council meeting but will be addressed in the near future. Council member Wells asked Ms. Von Bargen if there was interest in the parties and she confirmed that yes 2 of the 3 owners are interested.

Council member Prax stated that as the owner of KVAK radio that he is not clear of their access of the land they lease from the City. He explained that access is not clearly defined though Karen has been nice enough to let him drive through her property. Council member Prax asked that it be defined in this transaction. Mayor Cottle asked if Council member Prax could currently access his property without crossing Ms. Cline's and Mr. Hozey stated that he believed it could be done but it is a longer route which would involve more maintenance with snow

removal issues, etc. Mr. Hozey stated that they need to figure out what would be the best solution for everyone.

Karen Cline, owner of Paw Power Kennels, stated that she just asked the city about buying the property and went where they led and it seems that this is an issue that she could not really address. She stated that she did not know that there was another interested party in the property until 4:30 pm on August 16th. They have talked briefly but nothing had been decided or determined. Mayor Cottle asked for clarification on what she wanted to purchase. She stated that if she were able to purchase the two lots and Empire Avenue then she would have 36,000 square feet which when added to her husband's property they would come close to having 2 full acres. That is why Ms. Cline requested Empire Avenue to begin with. Mayor Cottle asked if this needed to be decided that evening. Ms. Cline indicated that she was in no rush on this purchase and that though she had spoken to the other interested party there was no agreement settled on. Council member Wells stated that he would not have a problem postponing this until the next meeting so that both parties would have time to come up with an agreement. Council member Moore stated that she had no problem waiting either and hoped that both parties would have a chance to come to an agreement. Council member Moore felt that time should be given to the City as well to figure out proper access to the properties. Sheri Pierce, City Clerk, asked what the odds were that this resolution would change and not come back to the Council in this form. Ms. Von Bargen stated that it was possible that the resolution would in fact change. Mr. Hozey asked for clarification from Council as to what they wanted to do with this resolution. He stated that it appears that the Council is leaning towards two negotiated sales and if so he feels the Council should vote this resolution down and bring back another resolution. Council member Cobb stated that he disagreed. He thought that the two parties who were interested in buying the properties and the thirst party concerned about access should be able to sit down together and come back with an option for Council to vote on. Mr. Hozey indicated that the agreement that Council member Cobb is referring to would involve a negotiated sale with two different parties. Council member Cobb said that yes he was correct but that the terms of the sale cannot be determined without a meeting between the interested parties. Mr. Hozey agreed but asked if what Council is suggesting is to come up with a negotiated sale between two parties or are they suggesting the sale be prepared for some kind of competitive process. Council member Cobb stated that a negotiated sale is what he had in mind. Mr. Hozey then suggested that based on that recommendation that the Council postpone the resolution indefinitely and or vote it down and Administration will bring back a negotiated sale agreement between the two parties. Mayor Cottle asked that access to properties in question also be addressed. Council member Cobb moved to postpone the motion indefinitely, seconded by Council member Moore.

VOTE ON THE MOTION: 7 yeas, motion carried.

3. #10-44 – Adopting Amendment #7 to the City of Valdez Health Benefits Plan to Conform to the Provisions of the Patient Protection and Affordable Care Act of 2010

MOTION: Council member Wells moved, seconded by Council member Ables, to approve Resolution No. 10-44.

Council member Wells asked if we are complying with the federal mandate for health benefits? Mr. Hozey explained that it has to do with defining dependents and this is the amendment that addresses that. Council member Wells asked about the fiscal impact of this amendment and Mr. Hozey replied that because we are self insured and our expense is based on actual claims, there's no way to assess a fiscal impact before implementing the amendment. Council member Moore asked if there could be things further down the line that we would have to comply with in regards to this amendment. Mr. Hozey responded that it is probable stating that there are several components to this act and it is unlikely that this is the last we will see of it. Tom Schantz, Controller and acting Finance Director, indicated that this is the City's effort to comply with the new legislation. He explained that we rely on a third party actuary to help us wade through this. All of the questions of fiscal impact are being asked at other levels and we do not at this time have all of the answers.

VOTE ON THE MOTION: 7 yeas, motion carried.

4. #10-45 – Amending the FY 2010 City Budget in the Clinic Fund by Transferring \$3,342.93 from the Gilson Medical Clinic Fund Balance to the Gilson Medical Clinic Janitorial Services and Authorizing its Expenditure

MOTION: Council member Cobb moved, seconded by Council member Ables, to approve Resolution No. 10-45.

Council member Wells asked if in the future that we would be including these services that are a part of the janitorial contract. Mr. Hozey responded in the affirmative.

Council member Moore asked about the Gilson Medical Clinic fund and if it covers the cost of maintaining that portion of the building. Mr. Hozey stated that there is a portion of it that is charged out for maintenance but it is a prorated amount. He explained that they tried to isolate the cost and in 2010 total revenue

was about \$100,000 and expenditures were about \$90,000. So, we had about \$10,000 surplus in the 2010 budget. Mr. Hozey continued by stating that they are asking to use \$3300 of that surplus to get the janitorial contract fixed. Council member Moore asked if the clinic fund collects the rental for that facility. Mr. Hozey responded in the affirmative.

VOTE ON THE MOTION: 7 yeas, motion carried.

5. #10-46 – Amending the 2010 City Budget by Authorizing the Transfer of Funds from the Debt Service Fund in the Amount of \$10,000,000 to the Capital Facilities Fund and Increasing the Appropriation in the Small Boat Harbor Expansion Project in the Amount of \$10,000,000

MOTION: Council member Wells moved, seconded by Council member Moore, to approve Resolution No. 10-46.

Council member Wells asked for clarification on the current status of the fund. As he understood it the balance in the debt service fund is \$23, 000,750. The City has to maintain \$8.5 million to cover the City's obligations. So, that leaves \$15 million additional \$5 million in there on top of what we have to have in there for our obligations. Mr. Hozey replied in the affirmative. Mr. Hozey went on to say that he apologized for the error in the previously reported amount. The Finance Director looked at the most recent quarterly statement and it did not have a budgeted transfer booked yet. When they started looking into it further for the resolution they realized that that transfer needed to take place which changed the value originally quoted. Council member Wells also asked for clarification on the account number for the debt service fund. Tom Schantz responded that the number is 205. Council member Wells wanted to clarify that money was not being moved from the Tanker Tax Settlement Fund but moved from an account within the fund. Mr. Schantz explained that they would utilize a transfer account number which would take the fund balance from one fund and transfers it to another. So, in this case they would be using the transfer from the debt service fund to the capital facilities fund, account 205 to account 310. Mr. Schantz explained that we will use the transfer account number to take the money out of the debt service fund meaning it will be an expense of the debt service fund and will be accepted by the capital facilities fund.

Council member Prax asked when they could expect a realistic business plan for the Harbor. Mr. Hozey responded that he hoped to get started on that as soon as the initial budget reviews with all of his departments were complete. Council member Prax stated that he thought this approach was kind of in the reverse of what it should be. Mr. Hozey assured him that a business plan would be defined before ever spending any money.

VOTE ON THE MOTION: 6 yeas, 1 nay (Council member Prax) motion carried.

XI. REPORTS

1. Water Quality Report

Council member Moore stated that she appreciated the report and had asked for it because she likes to look at things preventatively before something fails and costs the City a significant amount of money. Council member Moore thanked Larry Weaver, Public Works Director, for the report

2. Building Permit Report

Council member Moore stated that in reporting for July for both residential and commercial we have topped what we have done in the past seven years in residential and 5 years in the commercial. She was pleased by this progress.

XII. COUNCIL BUSINESS FROM THE FLOOR

Council member Moore

Council member Moore apologized for missing the Boards and Commissions Appreciation Picnic.

Council member Prax

Council member Prax reported on the Women's Fish Derby. Seven hundred and three women participated in the derby. There were 660 participants last year. The increase in participants was a bit of a surprise since the price of a derby ticket doubled this year. That was done intentionally because they are running out of space for all of the events surrounding it. Council member Prax stated that all events went very well. The Civic Center was set up for 451 chairs and on both nights more women attended than that. Carhartt gave away over 700 pairs of pants. Everyone who signed up for the derby received a free pair of pants. Council member Prax stated that it was very nice to have the Civic Center to host the event. He extended his gratitude for Pam Lunt for organizing the event and making it happen. Council member Prax reported that the Elk's did the weigh in for the event and since the weather was so nice people kept fishing all day but all fish were weighed in by 6:20 pm. Council member Prax estimated that more than half of the participants were from out of town which is the reason they put this on. to encourage visits to Valdez. Mayor Cottle asked if the total number of money raised for breast cancer charity had been calculated. Council member Prax

responded in the negative. He reported that they ended up auctioning off three tables at \$3000 apiece. That was split between the fish derby and Casting for Recovery charity. Fish Central sold a lot of shirts that went to breast cancer research. Over all it was a fabulous event that went extremely well. Council member Moore asked that after the final numbers are calculated that Council member Prax report those numbers along with amounts given to each charity. Council member Prax responded in the affirmative and explained that the part that goes to the Fish Derby is spent on marketing fishing in Valdez. Council member Prax also announced that the lady who won the derby was named Betty Valdez from Eagle River. Council member Prax acknowledged the volunteers who made the event happen. Without them, it would not have come together. Council member Prax stated that if anyone has comments or suggestions about the event to please let them know.

Council member Cobb

Council member Cobb acknowledged Council member Prax's efforts along with all of the people who work with him to make the women's derby a true success. He commented on what a wonderful job they do. Council member Cobb asked for Administration to please work on clarifying the local bidder preference definition and bring that back to Council for approval. He suggested that either they clear it up or do away with it. Also, Council member Prax asked Administration to find land to give back to the Foreign Trade Zone. He stated that we may be nearly out of compliance because we have taken land out of it. We need to move ahead and get that taken care of.

Mayor Cottle

Mayor Cottle acknowledged Silver Bay Seafoods which employs 260 people. He stated that he has heard nothing but good things about them from the fishing fleet and the employees. Mayor Cottle stated that he hope that they do continue to grow as they are a great asset to this community. Mayor Cottle commented on the Boards and Commission Appreciation Picnic that was held on August 15th. As another way to show our appreciation for their efforts Mayor Cottle asked the Council if they would approve the purchase of fleece vests for all members. It would cost approximately \$2500. The Council agreed to this purchase. Council Member Ables added that she really appreciated the Boards and Commissions Picnic that was put on by the Clerk's office.

Mayor Cottle stated that on the local bidder preference issue that he felt that it is working if bids are coming in with only a \$25 difference. He did not feel that dissecting the definition was completely necessary.

COUNCIL TRAVEL EXECUTIVE SESSION

XIV. RETURN FROM EXECUTIVE SESSION

XV. ADJOURNMENT

XIII.

There being no further business, Mayor Cottle adjourned the meeting at 9:30.