### I. CALL TO ORDER

Mayor Pro Tempore Moore called the meeting to order at 7:00 pm in the Valdez City Council chambers.

## II. PLEDGE OF ALLEGIANCE

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

#### III. ROLL CALL

Mayor Pro Tempore Dorothy M. Moore Council member Mike Wells Council member Alan Sorum Council member Karen Ables Council member Joe Prax Council member Steve McCann

Mayor Cobb was absent and excused.

Also Present:

Eric Phillips, Acting City Manger Sheri Pierce, City Clerk Bill Walker, City Attorney

Members of staff and approximately 25 people in the audience.

# IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF March 19, 2012.

The minutes were approved as presented.

# V. PUBLIC APPEARANCES

### VI. PUBLIC BUSINESS FROM THE FLOOR

Allen La Master, Gakona Alaska, owner of Gakona Junction Village, addressed the Council about the possibility of getting a gas line for natural gas down the Richardson corridor to Valdez. For 30 years, he explained, he has held the hope that this would happen.

Over the last couple of months his community and the Fairbanks community, along with many places in between, have banded together in a movement to oppose the House Bill 9 (HB9) bullet line. He stated that he felt like they are winning the battle even with a loss at the House. He felt that the Senate would probably not get this passed by the end of the session. He stated that another problem in the event that it does not go through is that they will still be at odds with those pushing for the HB9 line. He passed out a letter from the three major oil companies to Governor Parnell confirming that they are

coming together to build another pipeline to tidewater. In the letter it indicated that they are making every effort to do this to prevent losing land in Point Thompson. So, he indicated that he felt they are on the right track though there are still some valid concerns. Those concerns center around the Governor's constant referral about building a large diameter pipeline from the North Slope to tidewater because they do not explain where tidewater is.

He went on to explain that they know for a fact that Speaker Chenault and the AGDC Group have a commitment from the State for \$240 million to develop plans for a pipeline though it is a small diameter pipeline. Mr. La Masters also reported that if HB9 ultimately passes there will be an additional \$200 million added to that giving that consortium \$400 million to develop a small diameter pipeline. Mr. La Masters said that Speaker Chenault comes from Nikiski, Alaska which has a liquefying plant that has been operating for many years. It is not satisfactory for shipping gas overseas in the kind of quantity needed. An engineer recently reported that the Nikiski plant can handle about 1 million gallons of natural gas per year. If it was on line and with an upgrade it could handle 3 million gallons a year. However, the pipe being proposed for Valdez could handle 20 million gallons a year, Mr. La Masters stated. It's obvious, he said, that Valdez is in a premier place to have the pipeline with the exception that they do not have \$200 million - \$400 million to get the pipeline built and AGDC does.

Mr. La Master stated that the reason for his presence that evening was to report that the Copper Valley community has come to a clear realization that there is no better alternative to a pipeline down to TAPS corridor to Valdez. They have also come to the realization that when it comes to politics and \$240 million, reason has very little power. He presented a study done by the Southwest Alaska Marine Pilots Association a couple of years ago that compared Point Mackenzie and Valdez. They concluded that Valdez is hands down the only place that it makes sense to build a 48 inch gas pipe line for the purpose of shipping natural gas overseas. Mr. La Masters explained that if that pipeline were built to Valdez they would be taking gas off of that for Copper Valley Electric and the cost for energy could plummet from between 60% - 70%. He stated that this would allow the Copper Valley Region the ability to grow and provide for the families in that region and the same will hold true for Valdez. He suggested to Council that they lock arms in a common effort to approach the producers in a way that will give them the right kind of incentives to negate the efforts of the money that is sitting there in favor of this port for a destination of the pipeline.

Richard Dennis, president of the Greater Copper Valley Chamber of Commerce, addressed the Council and stated that they have been following HB9 and it is very concerning. He stated that they are trying to spear it off at considerable expense to the State treasury for their own benefits. He said that the proper placement is right down the TAPS corridor and now there are attempts to circumvent that. Unfortunately, the Copper Valley region does not

have the political or financial muscle that Valdez has.

Council member Ables stated that in a business mind the oil companies will want to come to Valdez and she did not understand why they would not want to be here. She said that they have to just keep talking and making noise about this issue and hopefully it will end up in our favor.

Mayor Pro Tempore Moore stated that the City and City Council is doing everything possible to push this issue and asked Mr. Walker if he had been sharing the studies we have had done to support this project with Mr. La Master. Mr. Walker replied in the affirmative and thanked Mr. Dennis and Mr. La Master for their attendance that evening. He stated that he had been to three different gatherings with the community there and indicated that they are very excited about this opportunity. They testified against HB9 and it was a very powerful message, the strongest to date. He thanked them very much and stated that they would be locking arms and working together on this effort.

Mark Sullivan, Founder of Flow Tailgate Alaska, addressed the Council stating that they have been in full swing over the last 2 weeks. He indicated that there were hundreds of people staying up on the pass for the event from all over the world.

Council member Ables asked Mr. Sullivan if he got his snow removal needs taken care of. He stated that he heard that a part needed for the machine they were using was in route to Valdez as he understood it but that their needs had not yet been met. Council member Ables stated that he could call her and they could work together to make sure they were taken care of.

Council member Prax asked if he had participant numbers for the event yet. Mr. Sullivan replied in the negative stating that he did not have them yet but that people were still arriving. Council member Prax thanked Mr. Sullivan for organizing the event and bringing it to Valdez.

Council member Ables asked when he expected to start the actual event. He replied that there would be a meeting at the Fat Mermaid the next evening and the following day would be the next possible contest day.

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

### **CITY MANAGER**

There was no City Manager's report since John Hozey was not present at the meeting that evening.

CITY CLERK

Ms. Pierce reported that she had provided a handout on redistricting that had just come out from the redistricting board. On April 5<sup>th</sup>, they will have the actual maps on their website by district which will provide more detail. The map provided showed changes for District 6. She stated that it could mean that Eielson might be moved out of District 6. The process now, she reported, is that this will have to go back to the court and the judge will have to look it over and decide whether or not it complies with the court's ruling. After that, it will have to be sent to the Department of Justice and an answer from them could take up to 60 days. So, Ms. Pierce explained, they may be looking at moving the June 1<sup>st</sup> date further out and the primary date as well.

Mr. Walker reported that he had attended the hearings and felt that just being present was very important. He stated that changes to the Fairbanks area will impact Valdez slightly. He applauded the participation so far from Valdez and thankfully they have avoided a law suit. He concluded that all considered, he felt they came out just fine.

### MAYOR

Mayor Pro Tempore reported that in the Mayor's absence she was able to walk with the *Choose Respect* Group during the previous week and she felt that it was a great and very worthwhile event.

### CITY ATTORNEY

Mr. Walker stated that it had been a very busy couple of weeks. He had visited Houston and had met with Shell and BP. He stated that he was then invited by the House Finance Chair to come and testify against HB9. He indicated that this was not normal for them to ask for testimony on something they are planning on voting for. So, Mr. Walker went to Juneau to speak about why HB9 is not a good idea. Following that he was invited back to speak on Senate bill 215 which is a bullet line going in the opposite direction of HB9. He stated that they are now arguing the least of two bad options. He strongly encouraged them to not look at the shortest distance but to look at the biggest benefit, the route that will benefit the most people in Alaska. Mr. Walker felt that HB9 would not pass the Senate. He thought that Senate bill 215 may or may not pass the senate but it will not pass the House. So, essentially, they would end up canceling each other out.

Mr. Walker stated that after the announcement came out about Point Thompson and the study on a big line that he was asked to meet with Exxon about the process of picking one location over another. Exxon predicted that it would take until the end of the year before a decision was made. This, Mr. Walker reported, puts Valdez in an interesting position. He stated that they had been preparing for this for at least 10 years if not 20 - 30 years and Valdez is in a good position to make a great case. He suggested that at the next City Council meeting there be an agenda item or a work session so there can be a dialogue about their strategy.

Council member Ables stated that she was in favor of a work session and asked Mr. Walker if he would be available for that meeting. He replied in the affirmative. Council member Wells echoed Council member Ables' request for a work session and suggested it happen as soon as possible.

Council member McCann stated that he was concerned with Governor Parnell's recent statement that he might have to renegotiate with Trans Canada. Mr. Walker stated that he believed that it was about the geo license not requiring that it goes to tidewater. It is only required in the initial open season but if it is not successful they do not have to continue to tide water. He suspected that the renegotiation would be about that issue.

Council member Prax asked what our lobbyist has done with to support the idea of a gas line to Valdez. Mr. Walker stated that he participated against the HB9, has kept in close contact with Mr. Walker on a daily basis, and was very helpful during the entire process. Council member Prax stated that it may take more than just talking about the project when Valdez is only a town of 4000 people compared to a town of 400,000 in Anchorage. He stated that incentives needed to be explored and every other option that they can come up with. He also felt that it would help to know where Valdez stands with them. Council member Wells stated that he felt that the City will quite possibly need to expend funds to sell Valdez as the place for the gas line.

It was the consensus of Council to hold a work session to discuss all options at the next meeting on April 16, 2012.

### VIII. CONSENT AGENDA

- 1. Proclamation: National Library Week
- 2. Proclamation: Child Abuse Prevention Month
- 3. Proclamation: Sexual Assault Awareness Month
- 4. Approval to go into Executive Session Regarding TAPS Value/Litigation

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

**VOTE ON THE MOTION: 6 yeas, 1 absent (Cobb), motion carried.** 

## IX. NEW BUSINESS

 Approval of Request for Emergency Funding in the Amount of \$20,000 for the Local Transportation Assistance Program

MOTION: Council member Wells moved, seconded by Council member Ables, to approve the Request for emergency funding in the Amount of \$20,000 for the Local Transportation Assistance Program.

Mayor Pro Tempore Moore asked what the fiscal year is for the program.

Denyse Brown, Mobility Manager for Connecting Ties, replied that it is July 1<sup>st</sup> through June 30th. Mayor Pro Tempore Moore asked if the \$20,000 will keep the program active for the remainder of their fiscal year. Ms. Brown replied in the affirmative.

Council member Wells asked about the expected rides reported compared to the actual rides that were taken. Ms. Brown explained that there were peak periods of ridership that centered around December and January. The increase in riders was attributed to weather she reported.

Ms. Brown also presented letters in support of the program to the Council from a rider and from David Levy, Executive Director to the Alaska Mobility Coalition.

Ms. Brown also introduced several community members that were present that evening in support of the program. Paul Sanders, disabled Valdez citizen, said that this program is a necessity for him to survive on his fixed income. He explained that he relies on the program to go to the grocery store and the food bank and that he could not do that without the program. He strongly encouraged the Council to approve the motion. Dave File, Yellow Cab driver, stated that the program is very important as it allows him to take people all over Valdez that normally who would not have the means to pay for rides. He stressed the importance of giving people in town a sense of independence by giving them rides to work, to the doctor and other places. He felt it was vital to keep it active in an effort to comply with the mission of the City of Valdez which includes the statement of improving the quality of life for the citizens of Valdez.

VOTE ON THE MOTION: 5 yeas, 1 nay (Prax), 1 absent (Cobb), motion carried.

2. Approval of Mutual Aid Agreement with Resolve Marine Group Inc. for Marine Fire Fighting Support

MOTION: Council member Sorum moved, seconded by Council member McCann, to approve the Mutual Aid Agreement with Resolve Marine Group Inc. for Marine Fire Fighting Support.

Council member Sorum stated that the Fire Department in Valdez is pretty unique in establishing these mutual aid agreements with the salvage marine firefighting contractors and we have seen great support from these groups. He said that they have also contributed in a very substantial way by providing equipment and training for the Valdez Fire Department. He recognized the importance of establishing these relationships before any emergencies arise.

VOTE ON THE MOTION: 6 yeas, 1 absent (Cobb), motion carried.

3. Approval of Change Order for Middle School Design Contract with Bettisworth North in the Amount of \$121,425

MOTION: Council member Ables moved, seconded by Council member Wells, to approve the change order for Middle School Design Contract with Bettisworth North in the amount of \$121,425.

**VOTE ON THE MOTION: 6 yeas, 1 absent (Cobb), motion carried.** 

4. Approval of Professional Services Agreement with Meridian Management for Project Management Services in the Amount of \$75,000.00

MOTION: Council member Ables moved, seconded by Council member Wells, to approve the Professional Service Agreement with Meridian Management for Project Management Services in the amount of \$75,000.

Council member Sorum stated that he had a problem with hiring a temporary project manager since the Engineering Department has enough work to keep them busy for a very long time and this contract only covers half a year. He said that he would much rather hire on an employee on a long term basis that would have some tie to this community. He felt it was important to have a long term resident who has a vested interest in Valdez, who pays property taxes, or has children in our schools as opposed to a temporary hire out of Anchorage. He felt that it was a lot of money to spend for such a short amount of time on someone who is not grounded in this community.

Council member Ables asked why the contract is only for 22 weeks. Eric Phillips, Acting City Manager, responded that the time frame of the contract nearly covers the six month construction season and that is the reason the contract was constructed in that manner. He indicated that Jack McCay, Capital Facilities Director, actually wanted a few more weeks added to the contract but part of the money originally planned for this purpose was re-allocated for the project management consultant that is being hired to improve the City's project management process.

Council member McCann asked if we will be doing this year after year. Mr. Phillips stated that we did it last year and it is likely that we will need contracts such as this in the future. However, he explained, that this is an issue that needs to be addressed at budget time. If it is the wish of the Council to add another full time employee for this purpose it should be discussed at that time. He explained that a contract eliminates the need for a long term commitment with an employee and that has be a significant factor in handling project management in this manner in the past.

Council member Wells stated that the amount of money may seem excessive but a permanent position would cost much more. He then asked if the consultant hired to address the project management process will consider whether or not we are adequately staffed for the projects they take on each year. Mr. McCay replied in the negative stating that it was his understanding that it was to be a study of the process of the City and how they handle project management, procurement, purchase orders and things of that nature.

Mr. Phillips reminded Council that this has been discussed previously during the budget process. Council member Wells agreed that that was the time to consider how this issue is handled and that it should be brought up again during budget season.

Council member Sorum stated that though we do not have to commit to a long term relationship with this person they in turn do not have a commitment to Valdez either and that is something to really consider.

Council member Prax ask if this is less money than what we paid last year and Mr. McCay stated that this is considerably less than what we paid last year.

# **VOTE ON THE MOTION: 5 yeas, 1 nay (Sorum), 1 absent (Cobb)**

5. Approval to Purchase a Vactor 2100 Plus from Yukon Equipment, Inc. with Accessories in the Amount of \$352,465.00.

MOTION: Council member McCann moved, seconded by Council member Wells, to approve the purchase of a Vactor 2100 from Yukon Equipment, Inc. with accessories in the amount of \$352,465.00

Council member Wells asked Larry Weaver, Public Works Director, what this truck is used for. Mr. Weaver stated that now it is used when the sump pump fails and they have to go out and repair it. He indicated that they would be installing the new pump that week. Council member Wells asked if it was the plan to surplus this and what would the resale value be. Mr. Weaver said at that time he did not have a number but that he was in the process of figuring that out. Council member Wells also asked about the additional work that would need to be done on the existing vehicle and how much money that would cost. Mr. Weaver estimated that it would be up in the \$200,000 range or more. He stated they had already spent money replacing various parts on the vehicle and that would only continue if the truck was not replaced.

VOTE ON THE MOTION: 4 yeas, 2 nays (Sorum and Prax), 1 absent (Cobb), motion carried.

6. Approval of Compliance Order by Consent for Mountain High Espresso with Kimberly and Taylor King

MOTION: Council member Ables moved, seconded by Council member McCann, to approve the compliance order by consent for Mountain High Espresso with Kimberly and Taylor King.

Council member Wells stated that he is glad to see that we are able to work with a potential business owner on this issue and that in turn another business will be added to the community.

Council member Sorum stated that by the time they finish complying with all of the City and State requirements it will cost more than the original cost of the business. He stated that he is glad the owner agreed to it but that is a lot of effort for such a small structure.

Council member Ables stated that it is good that the building is not on blocks and that a permanent foundation will be put in place.

Council member Prax stated that he is glad they came up with an agreement but that it certainly adds a lot of expense to the owner and that will be reflected in the price they have to charge for their product.

**VOTE ON THE MOTION:** 6 yeas, 1 absent (Cobb), motion carried.

### X. RESOLUTIONS

 #12- 17 - Authorizing Amendment No. 3 to the Use Agreement for a Portion of Tract D, USS 447 with the Valdez Emergency Assistance & Food Bank Extending the Term for an Additional Five Years

MOTION: Council member Wells moved, seconded by Council member Sorum, to approve Resolution No. 12-17.

Mayor Pro Tempore Moore asked for an annual report from the Food Bank on who uses their services.

VOTE ON THE MOTION: VOTE ON THE MOTION: 6 yeas, 1 absent (Cobb), motion carried.

### XI. REPORTS

1. Harbor Snow Removal Report

Council member Sorum stated that when you talk to the state Coastal Engineers that they report that Valdez is known to have the worst water quality of any harbor in the entire state of Alaska. He stated that the harbor has always had a fresh water problem and after a year like this year they will really add to that issue. He also said that he found it ironic that the municipal code does not oppose the action of dumping snow into the harbor but that the state in fact does oppose that action. He hoped that we could guit doing this in the future.

Council member Ables stated that she owns a business on the water front and that the person she hires does not push snow into the water. She stated that we should look to stop this process all together. Council member Prax asked her where her snow is put. She replied that it is either pushed behind her restaurant or across the street and the City then plows it. It was determined though that when the City plows the snow they then do push it into the water.

Council member Prax suggested that there be a rule that the first snow of the year should not be allowed to be pushed into the water but that maybe the snow that falls after that could be pushed into the water because it would be cleaner snow. He stated that he would be against purchasing more snow lots or designating the old Sea Otter RV Park for snow storage. He also suggested that they investigate whether or not the snow is actually polluting the water.

Council member Wells stated that he would like to see some figures presented to the Council on what the ideas presented in the report would cost. He felt that if the cost of snow removal increases that it would likely increase the moorage fees and other expenses that would negatively affect users.

Mayor Pro Tempore Moore stated that her concern is that the State is not in favor of us doing this and yet the City code does support it. She questioned if it is a State requirement or not. It was determined that it is not in fact a State requirement. Larry Weaver explained that the S tatesuggests avoiding the act of moving snow into the ocean but does not prohibit anyone from doing so.

Council member Ables asked if we could have boats that are across from the Harbor Master move to the old Sea Otter RV park and use that area for the snow storage. Diane Kinney, Ports and Harbor Director, stated that those boats in the yard are picked up by the travel lift and that would mean that the travel lift would have to go over there which is much too far of a distance. Council member Prax stated that there are boats on trailers out there that could be moved. Ms. Kinney did not think that there were enough boats there that would make that much of a difference if they were

moved.

Mayor Pro Tempore Moore stated that we need to make sure that our harbor is fairly clean. She stated that she liked the idea of using a bubbler system and working with boat owners to encourage the use of a system such as that.

# 2. Audit Procedure Report

Council member Sorum stated that the audit committee was talking with the auditors and staff on the entire audit process. He commended Tom Schantz, Comptroller, for his effort in explaining how the entire procedure works. He stated that he did an excellent job in clearly spelling out the procedure. Mayor Pro Tempore Moore and Council member Wells agreed that Mr. Schantz provided a very useful and informative report. Mayor Pro Tempore Moore suggested that we look at the report each year and change it as necessary as federal requirements change and evolve. She felt that anyone new to the City Council should also be required to read the report as well.

Council member Moore stated that the Clerk's office is working to revise the policies and procedures for the City Council. At the 2<sup>nd</sup> meeting in May a work session will be held on that topic. The City Clerk stated that what needed to be addressed is the City Council and City Clerk travel policy and p-card policy.

Council member Ables stated that she had recently attended the annual business meeting for Copper Valley Telephone and they recommended an application that you can download for your phone that will scan your receipts so you do not have to take a receipt and can send it directly from your phone. Ms. Pierce stated that she could contact the Finance Department to see if that would be an allowable way to submit receipts.

# XII. COUNCIL BUSINESS FROM THE FLOOR

### COUNCIL MEMBER PRAX

Council member Prax stated that he felt that they do not hear much from the state or federal lobbyists throughout the year. He asked if there was a way to report to the Council what is going on. He stated that it is nice that Mr. Walker is aware of what they are doing but that the Council should be brought up to speed on a regular basis as well.

Council member Prax also asked about the VCVB missing fund status and he also asked about the snow report regarding Operation Snow Globe. He asked if that would be during the next meeting. Mr. Phillips stated that he thought it would be but did not know if it would be in the regular meeting or during a work session.

Council member Prax closed with sentiments regarding Frosty Fever. He stated that the snow scoop races were a huge success and were very fun. He said that the Coast Guard participated and that Wilson Brothers gave away free ice cream for those who participated in the race. He said that it was very nice to see the community to come together for the entire Frosty Fever event.

## COUNCIL MEMBE MCCANN

Council member McCann thanked Mark Sullivan from Flow Tailgate Alaska for his input earlier in the meeting. He encouraged the public to go up to the pass and see all that is going on up there. He reported that people are here from all over the world just for this event.

## COUNCIL MEMBER WELLS

Council member Wells stated that he appreciated Amanda Bauer's report in the packet.

### MAYOR PRO TEMPORE MOORE

Mayor Pro Tempore Moore encouraged people to keep an eye on their chimneys so that they are not damaged by moving snow. She also inquired about House Bill 325 regarding the coastal zone management issue and asked if Community Development is watching that. Lisa Von Bargen, Community Development Director replied that they are indeed keeping an eye on it.

Mayor Pro Tempore Moore stated that the 1<sup>st</sup> meeting in May will be the Board of Equalization. Ms. Pierce stated that it would begin at 5:00 PM to accommodate all of the appeals. Mayor Pro Tempore Moore reminded the Council members to not discuss tax issues with the public because they sit as board of equalization and cannot have prior knowledge of tax issues since it could affect the decision the board makes. Ms. Pierce reiterated that fact and said that if the board has prior knowledge they would have to disqualify themselves from voting.

# XIII. EXECUTIVE SESSION

Council member McCann was excused from participating in executive session due to a potential conflict of interest.

- XIV. RETURN FROM EXECUTIVE SESSION
- XV. COUNCIL TRAVEL
- XVI. ADJOURNMENT

There being no further business, Mayor Pro Tempore Moore adjourned the

meeting at 9:00 pm.