Regular Meeting Valdez City Council May 7, 2012 Minutes Page 1

I. CALL TO ORDER

Mayor Cobb 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 Cobb

Council member Mike Wells

Council member Mike Wells

Council member Joe Prax

Council member Moore

Council member Sorum was absent and excused.

Also Present:

John Hozey City Manger Sheri Pierce, City Clerk Bill Walker, City Attorney

Members of staff and approximately 40 people in the audience.

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF April 16, 2012 and Special Meeting of April 25,2012

The minutes were approved as presented.

- V. PUBLIC APPEARANCES
- VI. PUBLIC BUSINESS FROM THE FLOOR
- VII. CITY MANAGER/CITY CLERK/CITY ATTORNEY/MAYOR REPORTS

CITY MANAGER

Strategic Planning

Mr. Hozey thanked all who participated in the Strategic Planning process over the previous weekend. He explained that the 5-month process had been very productive and now they are tasked with taking all information gained and putting it together into a manageable document. He hoped to have the next step concluded by the end of May.

The New Middle School Project

Mr. Hozey asked Council member Wells, as the Council's representative on the Middle School Building Committee to report on the current status of this project. Council member Wells stated that two meetings had been held to date. The committee is comprised of the Middle School Principal, the Superintendent, 2 Junior High teachers, the Parks and Recreation Director, Council member Wells. the City Manager, two parent representatives, and the school maintenance foreman. Council Member Wells explained that the correct layout of the building was of concern and that they decided that it will be necessary to move the track slightly to the west for the proposed design to work. The second issue, he said, is deciding what to do with the bus barn. He said that the civil engineers and the electrical contractors were present at the last meeting and were able to give updates on some issues they are working with. For example, he said, to ensure proper drainage at the site existing utilities may need to be moved. They also reported on lighting and energy issues within the proposed facility. Council member Wells felt that the process is coming along nicely. He explained that they are not just considering the Middle School itself but also all things that might be affected by this project. He reported that the next meeting will be on May 21, 2012 and that by the 2nd week of June 35% drawings for the Middle School should be complete. Mr. Hozey explained, as to update everyone on the process, that when the ed-specs were passed it defined the component parts to deliver a program. It did not specify how all of the pieces would fit together. That, he stated, is now the focus of this committee.

10 Mile Dyke Upgrade Phase II

Mr. Hozey stated that he hoped to have this project on the agenda that nighthowever; they were unable to confirm the availability of the 10 mile representatives to be able to attend the meeting, so he decided to postpone it until the next meeting. He explained that overall the project is estimated to cost about 4 million dollars and they only have about 1.1 million dollars in the budget. He talked about completing the project in digestible stages and the first piece would include the controversial area. Cost estimates based on what the residents prefer is about 1 million dollars versus \$850,000 for what the engineers originally proposed. That is assuming that both options have the same scourer depth all the way down to the floor of the gravel pit. He explained that he would be bringing that to Council at the next meeting but wanted to give them a heads up on the current status.

Project Management Review Process

Mr. Hozey stated that the consultant they selected was in town and had met with all project management staff. After completing their review of the department, Mr. Hozey was presented with a proposal to help them standardize their entire

process. He explained that he is currently reviewing that proposal and indicated that it would probably take the majority of the summer to implement changes to the department.

Beautification Task Force

Mr. Hozey stated that Design Alaska, urban design consultants, came to town for a series of workshops during May 1st - 3rd. He reported that many people from the public came in to give their input and that he would be presenting a full report to the Council after the information is consolidated by the Task Force.

Gas line Development

The Mayor had asked that a group get together to start looking to increase the marketing effort of trying to push Valdez as the identified terminus of any gas pipeline. Mr. Hozey stated that they are taking two different approaches to this effort. The first, he said, will be a marketing effort which would include an energy conference held here in Valdez this September. The second, he explained, is to put together incentives to draw interest to make Valdez the selected location. The energy conference, he stated, is at the forefront of their efforts right now as they will be pressed for time to pull it off by the end of summer.

Hiring Processes for Capital Facilities Director and Assistant City Manager

Mr. Hozey stated that initial phone interviews for the Capital Facilities Director have taken place and that a 2nd round of in-person interviews are currently being scheduled. The Assistant City Manager recruitment period is still open until the 10th of May.

Phone System Provider Re-boot

Mr. Hozey explained that an issue with phones at City Hall has created a need to reboot the phone system on May 8th. Therefore, for 5 - 15 minutes all calls to City Hall will only ring and there will be no answer or voicemail. He reported that they do have a work-around for emergency 911 calls but all other calls will not be answered during that time. The scheduled time for the reboot is at 12:30 pm on May 8th.

CITY CLERK

The Clerk reported that she would be out May 17th - May 25th for the International Institute of Municipal Clerks' conference. Ms. Piece also announced that they have hired Jonathan Lawson as the Clerks' summer office assistant.

She also announced that they have been working with the IT department on the

records management software project. All agreements have been signed and they will soon begin work on the agenda management portion of the program.

Ms. Pierce also announced the All America City Scholarships have been received. She asked for three Council members to volunteer to be on the selection committee. Council member McCann and Council member Ables along with Mayor Cobb volunteered to serve on the committee.

CITY ATTORNEY

Mr. Walker reported that the previous Friday was the day that the taxes were due as a result of the 2007 - 2009 Superior Court ruling that was tried last year. The payment was made in the amount of just over \$46 million. Mr. Walker thanked the Finance Department for all their hard work in coordinating supplemental bills to make sure that this process was completed.

Mr. Walker mentioned that May 14th is the day by which the Redistricting Board has to have a completed plan. He explained the process where the Supreme Court rejected the plan and the board made some modifications and resubmitted to the Superior Court. The Superior Court rejected that plan and sent it back to the Supreme Court. The Supreme Court responded and agreed that oral arguments would be heard on May 10th and a decision will be made by the 14th. Mr. Walker guessed that the Interim Plan will be put in place leaving Valdez in the Highway District.

MAYOR COBB

Mayor Cobb did not have a report that evening.

VIII. CONSENT AGENDA

- 1. Proclamation Children's Book Week
- 2. Proclamation Motorcycle Awareness Month
- 3. Proclamation Building Safety Month
- 4. Approval to go into Executive Session Regarding TAPS Value/Litigation

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

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

IX. NEW BUSINESS

1. Accept the 2012-2013 Valdez City Schools Budget

MOTION: Council member Wells moved, seconded by Council member Ables, to accept the 2012-2013 Valdez City Schools budget.

Council member Moore asked how many total full time employees (FTEs) there are in the presented budget. David Lawrence, School Board Member, stated that he did not have that number at the time but did report that there are no increases in FTEs for upcoming year. Council member Moore also asked what the cap is and how much they are spending over that cap. Mr. Hozey explained that the cap is currently 8.1 million which the city is agreeing to fund to. He then pointed out areas in the budget that are being funded over the cap and he listed those as follows: Transportation (\$94,062), Community Education (\$602,505) Food Service (\$100,000), Activities (\$355,000), and Technology (\$125,000).

Mr. Hozey thanked the School District for providing a line item budget. But he made a request that the next time they also submit a totals page that easily summarizes the budget. Mr. Lawrence agreed to provide this nest year. Council member Wells echoed Mr. Hozey's statement. He also said that as he understood it the district planned to do about \$300,000 worth of light improvements. Mr. Lawrence replied in the affirmative stating that when they were facing a deficit they asked Administration to find ways to reduce their ongoing budget. One way was to combine positions and the other was to install energy saving lights. Over three years, he predicted, they would get the money back from using the new lights. Council member Wells stated that for future projects of that size he would suggest it being sent to Council for funding.

Council member Prax wished to address the School Board and Administration in regards to increases and decreases in the proposed budget. Based on numbers presented he concluded that the things directly affecting the children are being reduced while budgets for administration and staff have increased. He also expressed frustration with the school board in overlooking the concerns of parents and the safety of their children with the snow incident and the hidden cameras incident. He felt that it was not handled with the seriousness it deserved. A big change for the school board would be to change the way their meetings are held so that public comment is allowed. He stated that it would go a long way to ease the frustrations of the public and might increase public relations with the school board.

Mr. Lawrence noted Council member Prax's concerns and indicated that he would be taking all of his concerns back to the board.

Council member Moore noticed in the Strategic Planning Process that there was some miscommunication in regards to a vocational education program that was not going to be offered anymore. She stated that as she understood it, the program is still intact it is just being offered under a different name. She felt that communicating that to the public would have alleviated unnecessary concerns. Mr. Lawrence acknowledged that request.

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

2. Approval of Supplemental Budget Request for the Valdez Museum and Historical Archive in the amount of \$40,000 for their FY2012 Budget.

MOTION: Council member Ables moved, seconded by Council member Moore, to approve the supplemental budget request for the Valdez Museum and Historical Archive in the amount of \$40,000 for their FY2012 budget.

Patty Relay, Museum Executive Director, addressed the Council regarding the budget. She stated that the increase in their budget is out of their control due to increases in healthcare costs that were unforeseen. The janitorial costs were also higher than expected though they were able to reduce that to some degree.

Council member Prax asked if these numbers will be going forward in future budgets. Ms. Relay replied in the affirmative. Council member Prax asked what their total operating budget was and Ms. Relay reported it to be \$540,750. Of that, she explained, the City had provided a grant of \$319,000 to operate their general operations. Council member Prax asked if these costs will be factored into future budgets. Ms. Relay replied in the affirmative. She stated that they had hoped that with the new boiler the cost for heating oil would have decreased their budget but the price of oil went up substantially and absorbed those savings. Council member Prax inquired about the new boiler and what happened to the proposed savings. Mr. Hozey stated that there was a mix up in billing. The combined use was billed to the library which had to be reimbursed. Council member Prax asked if he could get a number for gallons of fuel used at the museum last year compared to this year. Mr. Hozey replied in the affirmative.

Council member Prax asked why 2008 had "other sources" listed as so high. Ms. Relay explained that 2008 was the year that revitalization was completed in which they received State Funds for that purpose. Council member Moore stated that she felt that they should be implementing programs that can be used in multiple years instead of just going to the schools and teaching classes. In other words, she explained, she would like to see curriculum or a kit that can be used in the schools instead of taking time and energies of museum staff to teach school. Ms. Relay stated that they are moving in that direction.

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

3. Approval to Purchase Pierce Tanker Truck from Hughes Fire Equipment in the Amount of \$399,915

MOTION: Council member Wells moved, seconded by Council member Moore, to approve the purchase of a Pierce Tanker Truck from Hughes Fire Equipment in the amount of \$399,915.

Council member Moore asked if we are replacing a 1980 model truck. Mr. Hozey replied in the affirmative. Council member Wells pointed out that the truck will be transferred to the Fire Station 4 in Alpine Woods which will complete the upgrade of fire fighting apparatus at that station.

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

4. Approval to Purchase 2012 F-350 from Kendall Ford for the Harbor Department in the Amount of 37,195.01

MOTION: Council member McCann moved, seconded by Council member Moore, to purchase a 2012 F-350 truck from Kendall Ford for the Harbor Department in the amount of \$37,195.01.

Council member Wells asked why a truck with only 27,000 miles on it was being replaced. Larry Weaver, Public Works Director, stated that the mechanics reported that it is time for it to be replaced, that a new transmission would soon be needed, and therefore it makes sense to replace it now. Council member Ables asked about the transmission going out at only 27,000 miles and if it is due to the age of the vehicle. Mr. Weaver replied that it could be the age and also the type of work it was used for. Council member Wells asked if the new vehicle would be larger and Mr. Weaver replied in the affirmative. Council member Prax asked what all it was needed for since the number of miles is so low. Diane Kinney, Port and Harbor Director, stated that it is used by both the Port and Harbor Departments to haul equipment and to take items to the dump as needed.

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

5. Approval of Contract with Harris Sand and Gravel for Construction of the Kelsey Dock Mooring Dolphin in the Amount of \$538,000

MOTION: Council member Ables moved, seconded by Council memberMoore, to approve a contract with Harris Sand & Gravel for construction of the Kelsey Dock Mooring Dolphin in the amount of \$538,000.

Mr. Hozey explained that the original intent of the project was to extend the use of the dock allowing larger ships to tie off there. When the dolphin was originally designed it was along the East face which would have made the use of the East face much more difficult if not impossible. Once that was realized, the project was redesigned to move it out in line to the front of the dock. That was communicated by the cruise ship industry as desired for them to be able to use the dock. Those recommendations were included in this design, explained Mr. Hozey.

Council member Wells asked if this new design has been presented to the

stevedores who run the tie-ups there. Mr. Hozey replied that they are aware of the new design though they are not as thrilled with the idea that access is not available from the main dock. However, that is what is required in order to retain the use of the East face. So, they have looked at it and have signed off on the design.

Council member Ables asked if it will be started and completed this summer. Ms. Kinney responded in the negative stating that this will have to be done in the fall because there is a fishing window during the summer that prevents construction during that time.

Council member Wells asked about the discussion that was held about the possibility of a public fishing pier to be combined with this project. Mr. Hozey stated that it was not designed with this project. He stated that conceptually they looked at that possibility but that it would have a separate access for the public if they do in fact get to that point. Council member Wells asked what the engineers estimate was on that. Jack McCay stated that they did not get an estimate for the dolphin when they did the second design.

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

6. Approval of Public Utility Easement Across USS 448 to AT&T Alaska

MOTION: Council member Moore moved, seconded by Council member McCann, to approve a public utility easement across USS488 to AT&T Alaska.

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

7. Approval of Contract Amendment for Municipal Legal Services

MOTION: Council member Moore moved, seconded by Council member Ables, to approve a contract amendment for municipal legal services.

Council member Moore clarified to the public that this amendment was for the change of name only from Walker and Levesque to Walker and Richards.

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

8. Approval of Amendment #6 to the City of Valdez Healthcare Plan

MOTION: Council member Wells moved, seconded by Council member Moore, to approve Amendment #6 to the City of Valdez Heath Care Plan.

Council member Moore asked about the dollar amount for this amendment. Mr. Hozey stated that they did not anticipate the amount increasing and actually

hoped that there would be a decrease in cost.

Council member Wells asked for an explanation of the amendment. Mr. Hozey stated that our current plan allows for physical therapy but the way the plan is being interpreted by the administrator is that this therapy is only allowed within a hospital setting. This amendment would allow physical therapy with a physician's referral in a private office as well which is often more convenient for the patient and sometimes less expensive.

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

X. RESOLUTIONS

 #12-20 - Supporting the Prince William Sound Community College in Valdez and the PWSCC Advisory Council's Role in Ensuring Local Representation in College Affairs

MOTION: Council member Moore moved, seconded by Council memberWells, to approve Resolution No. 12-20.

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

 #12-21 - Adopting Terminal Tariff No. 100-12 Setting Rules, Regulations and Charges for the Port of Valdez and Repealing Resolution No. 08-17 Formerly Adopting Valdez Terminal Tariff No. 100-08

MOTION: Council member Wells moved, seconded by Council memberMoore, to approve Resolution No. 12-21.

Council member Wells asked if the only change to the document was to include a reduced rate for vessels up to 60 feet to tie up to the Kelsey Dock. Ms. Kinney responded in the affirmative. She stated that the commission brought it up as a way to alleviate some of the congestion in the harbor when the seine fleet was in. Council member Wells felt that it is a good idea to encourage ways to reduce congestion but still allows boats to dock, come into town, and use services there.

Council member Prax stated that he commended the commission for looking into this. He felt that they should also use this same idea on the launch ramps by making them extremely cheap or free which could reduce congestion in the harbor.

Mayor Cobb asked Ms. Kinney to take pictures again this year when the seine fleets come in. She agreed to this request.

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

3. #12-22 - Naming the Rates and Fees for Port Permits, Agreements, and

Charges and Repealing Resolution 10-19 Formerly Naming Such Rates and Fees

MOTION: Council member Wells moved, seconded by Council memberMoore, to approve Resolution No. 12-22.

Ms. Kinney made one correction to the resolution regarding the agreement with Copper Valley that it expires in August, not in April.

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

4. #12-23 - Authorizing Amendment No. 6 of the Lease for Parcel A, Alaska Tideland Survey (ATS) 564 with Valdez Ocean Dock, Inc. dba Big State Logistics.

MOTION: Council member Moore moved, seconded by Council memberAbles, to approve Resolution No. 12-23.

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

5. #12-24 - Requesting Alaska State Parks Provide Funding for the Worthington Glacier Park Attendant Position

MOTION: Council member Ables moved, seconded by Council memberMoore, to approve Resolution No. 12-24.

Harold Blehm, State Parks Advisory Board, addressed the Council regarding the issue. He explained that year after year they have to go back and beg for funding to allow for a park staff to be hired. He stated that in consideration of the number of people who go through the park it only makes sense to have it staffed. The park is advertised to have a volunteer run it but there has been little interest byanyone who would want to be there the entire summer. He explained that there is a woman interested in the position who is very committed to being there for the entire season. He stated that they were just trying to get some recognition so that they do not have to go through this process every year. He explained that it is a small amount of money to take care of the park that people access going to and from Valdez. He also mentioned safety issues as another reason to have someone stationed there since they are based out of Soldotna which is quite a distance away.

District Ranger Jack Blackwell and Valdez area Ranger Travis Russell were in attendance in support of the motion. Council member Ables thanked them for their work. Ranger Blackwell stated that they are thrilled to now have a Ranger in Valdez. He invited citizens to stop in and meet Ranger Russell at their office in the Department of Transportation building in Valdez.

Mayor Cobb asked if there was any opportunity to resolve this issue in the next year. Mr. Blehm stated that the Division of Parks has some personnel overrun this fiscal year which begins in July. He stated that they are optimistic that perhaps things will change financially July 1st.

Mayor Cobb offered to write a letter in support of the position to be sent to the Governor. Mr. Blehm thanked the Mayor and indicated that it would be very helpful.

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

XI. REPORTS

1. Salmonberry Ski Hill End of Season Report

Council member Wells stated that he was very pleased with the statistics of the report and felt that the numbers were very good. Council member Ables stated that if we had charged \$50 a pass the operating expenses would have been paid for and that perhaps we could look at raising that rate in the future. Mayor Cobb stated that he would like to keep the price fair and equitable so that more people can use the ski hill.

Council member Prax asked if there was a user number we were expecting for this year. Todd Wegner, Parks and Recreation Director, stated that he did not have the expected number with him but that he felt that the actual number was much more than expected. Council member Prax asked if Mr. Wegner could provide that number at the next meeting. Mr. Wegner replied in the affirmative.

- 2. Healthier You Finale
- 3. Building Permit & Inspection Report
- 4. Population Count Report

Lisa Von Bargen, Community and Economic Development Director, gave an update to the report stating that she had received news that day that the reviewer would be recommending that the State disallow the Crowley and Man Camp populations which is a total of 265 persons. If the State agrees to this recommendation our net increase of people will drop by 76-91 people. This is a significant issue because it will only increase our unrestricted revenue cap by \$300,000 - \$375,000 for next year. Mr. Hozey stated that they would be contacting them tomorrow and would give whatever push back possible. He said that they would keep the Council posted on the progress of the issue.

Council member Moore stated that she did read the report in its entirety and she hoped that they would not have to put City employees through this again. She postulated that through the process they discovered some ways to do this in the future without having to put in so much work and time into the effort. Ms. Von Bargen thanked Council member Moore for

recognizing the enormity of the task and stated that from the process they have learned a lot and have asked the reviewer they have been working with to meet with them when this is complete to solidify an approved methodology for future years. This should allow accurate counts to be created by the most efficient means possible.

XII. COUNCIL BUSINESS FROM THE FLOOR

COUNCIL MEMBER MOORE

Council member Moore reported that RCAC met in Valdez for their spring meeting. She commented that the City Clerk had forwarded the Council their agenda and the invitation to the community reception. She thanked those who were able to make it to the reception.

Council member Moore asked how much was left in their contingency after they spent the \$40,000 that evening. Mr. Hozey stated that there is about \$400,000 remaining in the reserve fund contingency.

COUNCIL MEMBER PRAX

Council member Prax stated that the 4th - 8th grade basketball tournament was a huge success. There were 40 teams who participated and Council Member Prax thanked all who were involved in that event.

Council member Prax stated that the May Day Fly-In would held be over the upcoming weekend and encouraged everyone to attend.

COUNCIL MEMBER WELLS

Council member Wells stated that in the packet that evening there was a letter of resignation for Bruce Painter from the Ports and Harbor Commission. Council member Wells stated that he served on Ports and Harbor Commission with Mr. Painter and that he always appreciated his pleasant attitude and insightful perspective. He thanked him for his service. Mayor Cobb asked Ms. Kinney if they would be doing some kind of recognition for him. Ms. Pierce stated that she and Ms. Kinney would work on creating something for him together.

MAYOR COBB

Mayor Cobb stated that he addressed 75 Shell employees last week while they were here. He said that there would be another group coming in soon. He explained that there were a lot of natives from the slope that are a part of the group. They have accepted the challenge of protecting their resource and are doing a great job. They are learning everything they can for oil spill response an d Mayor Cobb was very pleased with their efforts.

XIII. EXECUTIVE SESSION

XIV. RETURN FROM EXECUTIVE SESSION

XV. COUNCIL TRAVEL XVI. ADJOURNMENT

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