

VALDEZ CITY COUNCIL

Minutes

November 2, 2011

PAGE 1

I. CALL TO ORDER

Mayor Cobb called the meeting to order at 7:00 pm in the City Council chambers.

II. PLEDGE OF ALLEGIANCE

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

III. ROLL CALL

Mayor Dave Cobb	Council member Joe Prax
Council member Karen Ables	Council member Alan Sorum
Council member Mike Wells	Council member Dorothy Moore
Council member Steve McCann	

Members of staff and approximately 5 people in the audience

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF October 17, 2011

The minutes of October 17, 2011 were approved as submitted.

V. PUBLIC APPEARANCES

VI. PUBLIC BUSINESS FROM THE FLOOR

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

CITY MANAGER

Assisted Care Living Task Force:

The subcommittee that was formed to look at the financials has met several times and a full meeting of the entire task force has been called for November 16th to discuss new information they discovered about revenue sources and certificate of need. Mr. Hozey stated that he would get back to the Council with the outcome of that meeting.

The Beautification Committee

Mr. Hozey reported that the committee continues to meet and is beginning to take specific action on creating a large "Welcome to Valdez" sign at the city limits. He reported that they are working on design and are soliciting proposals from artists. Once the design solidifies, he stated, the committee will bring back their plan to the Council before moving forward on it.

Council member McCann stated that having the sign out that far would attract vandals and the sign would be targeted from day one. He reported that he had heard that some on the committee felt the same way. Mr. Hozey stated that he had not heard of that opinion from anyone on the committee but that he would certainly ask

them about it. Council member Ables stated that having the sign out that far is the perfect place for it. She described her first trip to Valdez and reflected on what a beautiful drive it is within the city limits. She felt that it will be great for others traveling here for the first time to see what is included in our city.

Medical Clinic and Fire Station Doors

Mr. Hozey reported that doors at both places are complete with the exception of one of the doors at the fire station. Apparently, Mr. Hozey reported, the wrong glass was sent for that door and it will take a month to receive the correct glass. He indicated that once it is received and installed that project will be complete.

LED Street Lights Phase III

Mr. Hozey stated that three new lights have been installed on Pioneer and they are currently putting together the bid package for the Group C Lighting to be installed.

Glacier Campground Outhouses

All five out houses have been renovated and the work was all completed in house by the Building Maintenance department. Roofs were replaced and they have all been painted and repaired.

Small Boat Harbor Electrical Upgrades

The tour dock has been finished however there are issues with the H to K docks, Mr. Hozey explained. The pedestal boxes have not all been received and therefore it has delayed the project. Mr. Hozey indicated that they should be here at the end of the month which will push the final completion of that project to near Christmas.

The Harbor Restroom and Boiler Upgrades

Mr. Hozey stated that they have been working on the submittals and hope to get it started next week.

Salmonberry Ski Hill

Mr. Hozey reported that a lot more work than was planned has been required on this project. He stated that the top of the hill is very wet and getting up there to install the warming hut, equipment, and electrical has been very challenging. He stated that one option was to wait until the ground froze to make access easier, but that has not happened yet. He reported that their schedule is very tight. The state inspector is supposed to come on November 15th to inspect it with the grand opening slated for Thanksgiving weekend. However, a lot has to happen to keep on schedule with those dates, Mr. Hozey explained.

Council member Prax asked if the Mayor could send a letter to the Coast Guard thanking them for their assistance with the project. He stated that they did an

incredible amount of work. Mayor Cobb stated that he would be happy to do that.

2012 Budget Development

Mr. Hozey reported that the budget hearings have been completed. He stated that input received during that process from the Council will now be incorporated and a final public hearing will be held at the November 21st regular Council meeting. Comments from that meeting will be incorporated and the final budget will be brought to Council for adoption at the first meeting in December. Mr. Hozey reported the current 2012 budget reflects an increase in service levels, yet a reduction in spending of more than \$800,000 compared to what was budgeted for 2011.

Community Wide Strategic Planning

Mr. Hozey reported that they are still on track for the next scheduled meetings on November 19th and 20th. He stated that they planned to slow the process down slightly to be sure the broad community goals are done correctly and ensure that everyone is on the same page moving forward. He stated that he did receive a lot of positive feedback from the first weekend and that the only two drawbacks were that people felt a bit rushed and that some definitions were not being consistently applied. He indicated that in moving forward those issues will be addressed and if another meeting is needed in the spring it will be added.

Mr. Hozey closed by announcing that the following week will be the annual Alaska Municipal League conference and many City staff and members of the City Council will be in attendance.

CITY CLERK

Holly Powers, Deputy City Clerk, announced that she and the City Clerk would be visiting Fairbanks as well the following week for the Alaska Association of Municipal Clerk's conference. The Clerk's office, she reported, would therefore be closed until Thursday November 8th.

CITY ATTORNEY

Mr. Walker commented on the Governor's announcement last week in support of the exportation of LNG to Pacific Rim countries stating that his support is a huge help in moving forward. He explained that the media attention has been absolutely phenomenal and stated that he had since tried to capitalize on the many media opportunities surrounding this topic by speaking at various events since the Governor's announcement. He said that the unfortunate side of this is that it is becoming a bit of a competition between locations. He indicated that when asked for his opinion on the matter he has stated that he feels it should go everywhere, spreading this out as much as possible.

Mr. Walker also reported that another issued tangled up with this is the announcement of the federal government's relinquishment of the federal right-of-way

held by the Yukon Pacific Corporation. That began when the state of Alaska took away the state right-of-way for the gas line to Valdez. He stated that it was not a huge deal but is a bit unfortunate because it will take money and time to reinstate that right-of-way.

Mr. Walker commented that there is a press conference on Friday of that week that was called by the Speaker of the House to discuss the instate bullet line. Mr. Walker assumed that he would discuss what the Governor's announcement means to the idea of the bullet line.

In closing, Mr. Walker reported that there is a lot of excitement regarding the proposed gas line and that the discussions about the Asian market is great for the state of Alaska. He thanked the Council for keeping them in the game and stated that they are now in a very positive position.

MAYOR

Mayor Cobb reported that he received a call from a city council man from Kitimat B.C. who wanted to talk about what to do when oil companies come to your town. Mayor Cobb stated that they talked for an hour and the main advice he gave was to be in control, to have the final say in what goes on. He offered him our continued advice as they face these challenges.

VIII. CONSENT AGENDA

1. Approval of Transfer of Location Liquor License for Three Bears Alaska Inc.
2. Approval to go into Executive Session regarding TAPS Valuation/litigation

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

VOTE ON THE MOTION: 7 yeas, motion carried.

IX. NEW BUSINESS

1. Approval of Final Plat of a Replat of a Portion of Old Valdez Townsite - Creating Blocks 30D and 30E and a Vacation of the Lot Lines and That Portion of Keystone Avenue within Them

MOTION: Council member Moore moved, seconded by Council member Wells, to approve final plat of a replat of a portion of Old Valdez Townsite-Creating Blocks 30D and 30E and a Vacation of the Lot Lines and that portion of Keystone Avenue within them.

Council member Moore asked if Planning and Zoning passed on this and Mr. Hozey responded in the affirmative.

Council member Prax asked if the access could be restricted to prevent unauthorized

people from being there. He also asked if it could be a priority to clean up the area stating that there is trash that has been there for years. Lisa Von Bargaen, Community Development director, asked if her department could work with Council member Prax to identify some of the exact locations of his request which would add to a greater cleanup project they have been planning. Council Prax responded in the affirmative.

VOTE ON THE MOTION: 7 yeas, motion carries.

2. Discussion Item: Shared Fisheries Business Tax Allocation Method

Mayor Cobb stated that Cordova is looking for more of the tax revenues because they process more fish than anyone else. However, he argued, that the Valdez district catches more of those fish. He further explained that it has been agreed upon over the last 10 years or so that the communities in the Sound share equally in that money. He felt that one community should not profit more than another.

Council member Prax stated the catch numbers were very interesting. He said that he was surprised that the value of the pinks would be so high. Mayor Cobb stated that it has been coming up over the last few years.

Council member Ables asked how we could request that split remains equal between the three communities. Mayor Cobb stated that passing a resolution in support of keeping it as it has been over the last 10 years would be the way to communicate the city's wishes. Mayor Cobb stated that it is a public resource and therefore all communities should benefit equally.

Council member Moore stated that she is in favor of keeping it the same but asked who makes the decision. The Mayor replied that the state will make the decision.

Ms. VonBargaen stated that Whittier passed a resolution in support of keeping the status quo. Cordova, however, is prepared to fight for a change according to their City Clerk. Ms. Von Bargaen stated that the Cordova City Clerk stated that they will propose to go the way of filling out the long form, the standard allocation method, to prove who has the most impact based on fisheries in the Prince William Sound. She stated that if you take the raw fish tax earned and base it on that, Cordova has 70% of the processing in the Sound, City of Valdez earns 22% and Whittier is at 6%. The City Clerk of Cordova proposed that a standard allocation method be adopted where 50% of the shared fisheries business tax would be split equally by each community and the remaining 50% would be split according to the fish processing that is actually taking place in each community.

Council member Wells asked if the numbers of processed fish are based on land-based processing because there is also shore based processing. Ms. Von Bargaen stated that the shared fisheries business tax is based on processing that is done on the outside of the three different municipal boundaries but within the fisheries management. However, she explained, what she is referring to is raw fish tax which is allocated to the communities based on processing within municipal

boundaries. Mayor Cobb stated that he would challenge Cordova's numbers because there is discrepancy between their directory and the Chamber of Commerce's list of how many processors they actually have. Ms. Von Barga stated that what these numbers are based on is the raw fish taxes their community receives. In 2011, Cordova received 1.4 million dollars, the City of Valdez received \$521,000 and Whittier received \$139,000. Mayor Cobb responded that what Council member Wells pointed out was that the at sea floating processors can take the raw fish tax and dedicate it to any community in the Sound. So, there is some imbalance there. Ms. Von Barga stated that she does not have an answer to that. It may very well be the case and she indicated that she can check with the state. Ms. Von Barga stated that it is the state's preference that we work this out and that if we need a little more time past the December 15th deadline they are willing to wait. Ms. Von Barga asked the City Clerk of Cordova if Valdez and Whittier wish to keep things as they have been what would Cordova do. She indicated she believes they will want to prove that they deserve more but a final decision has not been made.

Council member Prax asked if we really want to get into a battle with this. If Valdez is at a third then it does not affect Valdez that much if things change. Council member Sorum stated that he would hate to see us get into it and our percentage goes down. He suggested that the Mayor go and talk to the mayors of Whittier and Cordova and see what they come up with. Mr. Hozey suggested that the Mayors get together and that he can meet with the city managers and after those meeting he would bring something back for the Council to consider.

X. ORDINANCES

1. #11-06 Amending Chapter 5.04 Titled Business Regulations Generally

MOTION: Council member Wells moved, seconded by Council member Moore, to approve Ordinance No. 11-06 first reading, public hearing.

Council member Prax stated that he is all for the business fee but asked why is the City hauling the state's water and occupational licenses which he felt are needless. Ms. Von Barga stated that the reason is to allow the City to make sure that people have the appropriate occupational license to be doing what they claim they are capable of doing. She indicated that she has the support of local contractors for the City of Valdez to continue doing this. To have a business license in Valdez you have to have the appropriate State license and to have that you have to have the appropriate occupational license, she explained. Council member Prax argued that as a result it ends up costing people more for services because there are instances where the license for certain services are not needed.

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

XI. RESOLUTIONS

1. #11-67 - Authorizing a Change of Term on the Commercial Recreation Permit

with 907 Snowcat, LLC for Commercial Snowcat Transportation on City Owned Property within Alaska State Land Survey (ASLS) 79-116

MOTION: Council member Wells moved, seconded by Council member Ables, to approve Resolution No. 11-67.

Council member Wells asked if this would essentially give him a four year extension instead of the 2 year extension. Ms. Von Bargaen replied in the affirmative stating that this will match up with the extension granted by DNR. Council member Wells asked if we had received any complaints or if there had been any issues with 907 Snowcat, LLC. Ms. Von Bargaen responded in the negative stating the applicant is extremely proactive in providing the City with information.

VOTE ON THE MOTION: 7 yeas, motion carried.

XII. REPORTS

1. Central Treasury Financial Report

Council member Wells stated that having Alaska Permanent Capital Management has been a great advantage to the City.

2. Valdez Small Boat Harbor Report

Council member Prax thanked the Harbor Staff for putting together the report and felt the numbers were very interesting.

XIII. COUNCIL BUSINESS FROM THE FLOOR

COUNCIL MEMBER MOORE

Council member Moore offered her condolences to Mr. Walker and his family for the loss of his father. She then reported that she would be going to AML in Fairbanks the following week.

Council member Moore commented on the letter provided by RCAC regarding the request to the Governor to try and mitigate non-indigenous species that are invasive. She stated that they are working out an idea that would not create a new department but would make certain that the State would at least look at the problem.

The request from RCAC was that Mayor would write a letter in support of this effort. Upon receiving support from Council the Mayor agreed to comply with the request.

COUNCIL MEMBER PRAX

Council member Prax stated that he too would be in Fairbanks for AML.

COUNCIL MEMBER ABLES

Council member Ables reported that she would be at AML as well.

COUNCIL MEMBER McCANN

Council member McCann thanked everyone for working with the VCVB stating his belief that we can move forward in a positive manner.

COUNCIL MEMBER WELLS

Council member Wells reported that he too would be in Fairbanks for AML.

MAYOR COBB

Mayor Cobb stated that he would be going to AML in Fairbanks going up on the train from Anchorage. He reported that he would go to the Mayor's meeting and then AML afterwards.

XIV. COUNCIL TRAVEL

XV. EXECUTIVE SESSION

Council member McCann was excused from participation in the executive session due to a conflict of interest concerning the subject matter.

XVI. RETURN FROM EXECUTIVE SESSION

XVII. ADJOURNMENT

There being no further business, Mayor Cobb adjourned the meeting at 9:00 pm.

CITY OF VALDEZ, ALASKA

David C. Cobb, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk

