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 Alan Sorum
Council member Mike Wells

Council member Dorothy M. Moore Council member Steve McCann Council member Karen Ables

Also Present:

John Hozey, City Manager 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 May 29, 2012 and June 6, 2012.

The minutes were approved with corrections by Council member Moore.

V. PUBLIC BUSINESS FROM THE FLOOR

Jeri Devens

Ms. Devens asked if the city had contacted the owners of Aleutian Trailer Court regarding the need to make improvements to comply with the city code. Ms. Devens stated that the trailer court is currently in violation of several health and safety codes. She expressed her concern that the owners of the trailer court have been allowed to operate in violation for many years without any enforcement action by the city. Ms. Devens stated that when she came before the city council last January regarding this problem she was told by Council member Prax to withhold her rent until problems were resolved. Ms. Devens said that she followed this advice and has now been served with an eviction notice. Ms. Devens stated that fire fighting attempts have been impeded due to the many existing electrical code violations. Ms. Devens said the issues are continuing to mount with no enforcement by the city building official or Fire Chief.

Mayor Cobb asked that city administration address this issue and contact Ms. Devens as soon as possible. Council member Ables asked Ms. Devens why she did not move. Ms. Devens responded that she has lived in her trailer since 1989 and did not want to relocate because of negligence by the trailer court owner.

Council member Prax stated that if the city enforces the codes the trailer park owner may not want to make that investment resulting in closure of the park and the eviction of the residents. Ms. Devens said that the residents should not be punished and thrown out into the street due to the city's long term refusal to enforce city codes.

Council member Moore stated that she had requested city administration contact the owners of Aleution Village trailer court last January to request a face to face meeting with the city council regarding the issues raised by Ms. Devens.

Ms. Devens stated that if the trailer court is closed, forcing the residents to move, then Aleut Corporation and the City need to help the residents relocate. Ms. Devens stated that permits were issued by the city for illegal lot sizes and fuel tank locations.

Ms. Yvonne Crume stated that residents should not be told to move from their homes as a solution to this problem.

Alan Crume

Mr. Crume asked if the launch ramp improvement project at the small boat harbor was moving forward. Mr. Hozey responded that the entire project has been cancelled by the city council due to the high cost of the project. Mayor Cobb responded that the bids for the project were in extreme excess of the amount council wanted to spend. Council member Wells stated that cost was not the only issue; it was discussed by the council that the proposed project would not adequately resolve the congestion issue. Council member Wells said the council agreed that investing the cost of the proposed project into the new harbor project would make more sense. Mr. Crume agreed, however he expressed concern regarding safety issues he had observed at the existing boat ramp. He stated that waiting another five years was not a viable solution and urged the council to readdress the issue.

Becky Wade

Ms. Wade asked that a letter regarding the history of her family and their home in 10 Mile be read into the record. In her letter, Ms. Wade expressed her disappointment in the comment made at the last council meeting that residents of

10 Mile and Alpine Woods should have been "bought out" instead of the city continuing to invest money on flood control in this area. Ms. Wade said dikes protect many areas of the city and that residents in those areas have not been asked to consider moving. Ms. Wade's letter addressed her concerns regarding the discussions at the last council meeting regarding the dike and septic issues. Ms. Wade expressed her concern that hostilities toward the residents of 10 Mile still exist and that argumentative responses to resident's concerns continue. Ms. Wade asked that her letter be made a part of the official record.

Jerry Mehlberg

Mr. Mehlberg asked that the city council publically announce that they support the installation of pellet stoves which is a green, alternative form of energy. Mr. Mehlberg stated that this form of heat could save residents up to 40% in heating costs next winter. He asked that the city conduct a survey of residents who would be interested in installing a pellet stove. Mr. Hozey said that he had agreed to help Mr. Mehlberg through advertising to determine the level of interest in the community.

Council member Sorum stated that he believed this was a great idea, and encourage the city to offer as much support as possible. Council member Wells stated that he had questions about the city's involvement in the overall plan, but he certainly supported gathering baseline data to determine interest by the community. Mayor Cobb stated that he fully supported the concept. Mr. Hozey stated that he would pay for the advertising through his contingency budget.

Mr. Alan Crume stated that the city should consider this alternative form of energy when replacing city or school boiler systems.

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

City Manager

Middle School Project

Mr. Hozey stated that without sacrificing any program components in the education specifications the consultant has worked very hard with the building committee to bring the middle school project cost in at slightly under 40 million dollars. A joint work session will be held between the council and the school board on July 2^{nd.}

Assisted Living Task Force

Mr. Hozey reported that the Assisted Care Living sub-committee met last month to finalize discussions on financial issues. The entire task force will be meeting on July 10th to work on final recommendations for presentation to the city council

the first meeting in August.

Beautification Task Force

The Beautification Task Force will bring forward an update at the July 2nd council meeting. This will be a discussion item on the agenda. The task force will be providing an update to the council and asking for feedback.

Homestead Road

Mr. Hozey stated that Capital Facilities is addressing issues with the Homestead Road improvements and negotiating with the contractor on additional work to be completed.

Airport Lighting

The city is moving forward with the airport lighting project. The Port Director is looking at LED versions to save energy and reduce electrical costs.

Youth Commission

The City Manager, City Clerk and the Mayor met with members of school administration to discuss the formation of a Youth Commission. The group will meet again in August to further discuss the development and composition of this commission.

City Attorney

Mr. Walker stated that two weeks ago he attended the World Gas Summit in Malaysia where many countries were represented from all across the globe. Mr. Walker stated that there was no formal representation from Alaska, but that he had made many contacts and arranged meetings in Asia with potential LNG buyers.

Mr. Walker stated that last Thursday, he had received a call from Governor Abercrombie in Hawaii to talk about the high cost of energy in Alaska and how to get LNG from Alaska to Hawaii. Mr. Walker said he would not give up until there is no longer an opportunity or a market. Mr. Walker pointed out that at the World Conference most attendees were not aware that Alaska had such a large LNG volume and good BTU content.

Mr. Walker spoke about the upcoming LNG conference planned for Valdez on September 13th and 14th.

Mayor Cobb

A meeting is pending between Governor Parnell, Mayor Hopkins of Fairbanks North Star Borough, Mayor Charlotte Brower from the North Slope Borough and himself to discuss the recent interference by the Governor and his Commissioners in the recent TAPS settlement discussions.

VII. CONSENT AGENDA

- 1. Proclamation Recognizing Peter Pan Seafoods for 25 seasons in Valdez
- 2. Approval to go into Executive Session Regarding TAPS Value/Litigation

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

VOTE ON THE MOTION: 7 yeas. Motion carried.

VIII. UNFINISHED BUSINESS

 Approval of Contract Award with URS for Lowe River Levee Certification in the Amount of \$94,000 (Request for Reconsideration by Council Member Wells)

Due to a request for reconsideration by Council member Wells the motion on the floor for discussion was to approve a contract award with URS for Lowe River levee certification in the amount of \$94,000.

Mr. Rick Wade said he had met with Lisa VonBargen and Laura Robertson to make progress on the dike project.

Mr. Paul Williams, 10 mile resident, said that he had done a personal inspection of the dike. He stated that the people in the field such as Mr. Wade are frequently ignored, however he agreed with the comment made by the engineer during the work session this evening who said that the model is only as good as the input. Therefore, he encouraged the historical and proper input on this project from residents in area.

Council member Sorum said he had worked with URS on many projects and could not fault their work. He pointed out that the engineer works for and takes direction from the client. Council member Sorum said the project seems to be an endless cycle of contradiction. He suggested that the dike project be completed before moving forward with the certification process.

Council member Moore asked for an explanation of certification verses levee accreditation. Mr. Hozey responded that it may be a misnomer to say that the city is trying to obtain FEMA certification. The dikes would be certified, but FEMA would not be certifying them. FEMA would recognize and accredit the dikes assuming that they were built to specification. A professional engineer would

actually be performing the certification, who would then submit his certification to FEMA for recognition when drawing their maps. If the dike system is accredited by FEMA, then the 10 mile/Alpine Woods residences will remain in a lower risk range, resulting in reduced flood insurance rates. If the city chooses not to seek accreditation by FEMA, then FEMA could place the residences in a higher insurance zone. Mr. Hozey stated that this process does not slow down the construction of the project in any way.

Council member Ables stated that the focus of the city should remain on the construction of the dike with the certification process as a secondary concern.

Council member McCann asked what the difference was between this agenda item and the next agenda item which would award a contract to Wrangell Mountain for the same services. Mr. Hozey responded that they are two parts to the same process. Because URS is a national consultant for FEMA, they can only take the process so far before a potential conflict of interest arises. Therefore, Wrangell Mountain Technical Services was invited to submit a proposal for the portion of the work which URS cannot complete.

Mayor Cobb said he was concerned that if the city fails to move ahead on this portion of the project then something of consequence may be overlooked. Part of the certification/accreditation process is the development of the maintenance and operation plans for the dike.

Council member Wells said that he did see the benefit to the residents and that postponing this work would do nothing but bring the council back to the same certification decision at a later time. He stated that it is important to go through the process of insuring that the dikes are maintained and inspected in order to keep the accreditation.

Council member McCann asked who would be tasked with doing future inspections of the dike. Ms. Laura Robertson stated that the plan would determine who will be responsible for the inspections. Ms. Robertson stated that if this contract is approved, URS would immediately be starting conversations with FEMA on a conditional letter of map revision prior to construction of the dike to determine if FEMA has any issues upfront. She stated that this will make the process of accreditation move forward more smoothly. Ms. Robertson thanked Mr. Wade for his knowledge and help with this project. Council member Wells agreed.

Mr. Alan Crume pointed out that there are various dikes throughout the city which can benefit from this process which should be examined as well.

VOTE ON THE MOTION: 5 yeas, 2 nays (Prax/Sorum). Motion carried.

2. Approval of Contract Award with Wrangell Mountain Technical Services

for Lowe River Levee Certification in the Amount of \$95,000 (Postponed from the regular meeting of June 6, 2012)

Due to postponement of this item at the last meeting, the motion on the floor remains to approve a contract award with Wrangell Mountain Technical Services for Lowe River levee certification in the amount of \$95,000.

Mr. Wade stated that the city should delay action on this contract until the city can determine the right way to approach the certification/accreditation process Mr. Wade said this was not the correct action to take at this time. Mr. Wade stated that this engineer has not produced quality inspections in the past.

Mr. Alan Minish, Wrangell Mountain Technical Services, said that part of his contract is to do the inspection of the dike construction. Mr. Minish stated that all prior inspections he performed were as a city employee and not as a private engineer.

Mr. Minish said that along with certification his proposal included inspection of the dike, developing an operation and maintenance plan for new and existing dikes, an emergency action plan and an inspection plan. Mr. Minish stated that it was critical to the FEMA process to receive buy off by the citizens in 10 mile/Alpine Woods. Council member McCann asked Mr. Minish if he had experience in putting together a program such as this before. Mr. Minish replied that he did not, however he had read everything available on this.

Council member Wells asked who at the city would be overseeing the project. Mr. Hozey replied that after the new Capital Facilities Manager is on the job he will determine how to align the city's project management personnel. Council member Wells asked if it was typical that someone at the city would be responsible for inspections. Council member Wells stated that with the city, there would be three inspectors on this project. Mr. Hozey replied that the city would have a project manager who may or may not do inspections. If the project is determined to be light on inspectors, the city may seek contract inspections.

Mr. Wade stated that much of the work inspected and approved by Mr. Minish in the past such as the culvert work, illegal slopes at the river crossings and other recent projects at 10 mile and Alpine woods are disasters waiting to happen. Mr. Wade said that he believed the city was not receiving correct information in order to make an informative decision. Mr. Wade stated that if the council moved forward to award this contract he would be finished dealing with the city.

VOTE ON THE MOTION: 5 nay, 2 yea (Moore/Cobb). Motion failed.

IX. NEW BUSINESS

1. Approval of Donation of a Wheel Chair Lift to Loving Kindness, a Helping

Hand Assisted Care Living Home, in the Amount of \$9,000

MOTION: Council member Moore moved, seconded by Council memberMcCann, to approve the donation of a wheel chair lift to Loving Kindness in the amount of \$9,000.

Council member Moore asked what the funding source would be. Mr. Hozey replied that the funding would come from the city council contingency budget.

Mr. Sorum stated that the city needs to expand long term care at the hospital, but also needs to establish a level of assisted care in the community. Mr. Sorum stated that this private business would provide this service.

Council member Prax said he did not disagree that this was a needed service; however he did not agree that the city should be involved with funding a private business.

Mayor Cobb asked Ms. Ebb if she had explored other sources of funding. Ms. Ebb stated that she did, but that she has residents waiting to get into her home that are in wheelchairs. Ms. Ebb said she did not ask the city to get involved, she just asked for a small donation in the amount of the lift.

Council member Ables stated that Council member Prax was correct in that the city was funding a private business. Council member Ables said that when she is appointed to a task force to explore how to get more small businesses in the community, she hoped that grants will be offered by the city much in the same way as the council is being asked to do this evening.

Council member Moore said she spoke with Ms. Ebb and discovered that she had tried many different alternatives to installing the lift before asking the city for assistance.

VOTE ON THE MOTION: 5 yeas, 2 nays (Prax/Wells). Motion carried.

2. Approval of Contract with Bettisworth North Architects for Programming, Site Investigation, and Conceptual Design Services for New Maintenance Facility in the Amount of \$48,676

MOTION: Council member Wells moved, seconded by Council memberSorum, to approve a contract with Bettisworth North Architects for programming, site investigation and conceptual design services for a new city maintenance facility in the amount of \$48,676.

Council member Moore asked the funding source. Mr. Hozey replied that the funding will be taken from the Middle School CIP account. Council member Moore asked if this would be a city schools facility. Mr. Hozey responded that this

facility would be used by both the city and the school district. He stated that this contract would determine the need for a consolidated facility and explore site options. Mr. Hozey said that as part of the Middle School project, the current school district maintenance facility will need to be relocated; therefore the cost was allocated to the Middle School project. Council member Moore said she was concerned that funds were being used from the school project account for a facility which may or may not be used by the school district. Council member Moore said she did not object but was only concerned that the auditors may find fault with the transfer of money from the Middle School CIP for this purpose. Mr. Hozey replied that no funds would be moved; the contract amount was charged to the middle school account for the purpose of dealing with relocation of the current school maintenance facility.

Council member Prax asked when the contractor would provide the answers. Mr. Hozey responded that site selection would be pursued first and inquiries made to determine if the land owner would be interested in selling their property. Mr. Hozey stated that the cost of relocating the school maintenance facility was included in the project budget. If it is determined that more funding will be needed to include city space it will be brought back to the city council for their approval.

Mr. Chris Karna, City School Maintenance, asked if this was the beginning of discussions to combine city and school maintenance. He said he did not believe it was a good idea to combine city and school maintenance staff into one area. He questioned the ability to keep school maintenance tools and projects separate from the city. Mr. Hozey responded that the proposed facility would be large enough to accommodate both entities. Mr. Karna asked if the intent was to combine the city and school maintenance departments. Council member Wells stated that the city council and city school board has not had this discussion yet. However, because the school buildings are city facilities, therefore it may make sense to locate everything in one central area. He clarified that the action this evening was only to approve a contract which would determine what type of facility would be needed.

VOTE ON THE MOTION: 6 yeas, 1 nay (Prax). Motion carried.

X. ORDINANCES

 #12-01 - Amending Chapter 4, Section 4.08.010 of The Valdez Municipal Code Related To The Definitions Of Appraised Value And Fair Market Value For the Lease Of City Owned Real Property. Second Reading; Adoption.

Council member Wells moved, seconded by Council member Moore, to adopt Ordinance No. 12-01.

VOTE ON THE MOTION: 7 yeas. Motion carried.

XI. RESOLUTIONS

1. #12-34 - Authorizing an Amendment to Section 3.02, Adjustment of Rent, for Ten Individual City of Valdez Leases

MOTION: Council member Moore moved, seconded by Council memberSorum, to approve Resolution No. 12-34.

Council member Wells declared that one of the leases listed in this resolution is owned by the Betty Wells Estate, which is family. Council member Wells said that he receives no financial benefit, however for the record he wished to declare his association.

VOTE ON THE MOTION: 7 yeas. Motion carried.

2. #12-35 - Repealing Resolution 11-40 and Amending the Terms of the Homestead Road Special Assessment District

MOTION: Council member Moore moved, seconded by Council memberSorum, to approve Resolution No. 12-35.

VOTE ON THE MOTION: 6 yeas, 1 nay (Prax). Motion carried.

 #12-36 - Establishing the Fees for Temporary Land Use Permits and Repealing Resolution No. 05-11 Formerly Setting Such Fees

MOTION: Council member Moore moved, seconded by Council memberWells, to approve Resolution No. 12-36.

VOTE ON THE MOTION: 7 yeas. Motion carried.

4. #12-37 - Authorizing a Lease with Peter Pan Seafoods for a 10,500 Square Foot Portion Of Tract J, Harbor Subdivision and the Additional 10,500 Square Foot Portion of Tract J, Harbor Subdivision and a 4,200 Square Foot Portion of Lot 6, Block 46, and a Portion of South Harbor Drive Right of Way, Harbor Subdivision for a Total of 25,000 Square Feet

MOTION: Council member Sorum moved, seconded by Council memberWells, to approve Resolution No. 12-37.

Council member Wells asked the reason for the five year renewal clause in this lease. Ms. VonBargen stated that because this land is considered prime waterfront property, the Planning and Zoning Commission recommended a five year lease with the stipulation that if Peter Pan moves forward to construct a facility on the property within that time period, the lease would be eligible for

extension to year 2039 with approval by the city council. This time period would then be concurrent with other leases currently in place between the City and Peter Pan Seafoods. Council member Wells said he agreed that this was a wise use of this property.

Council member Prax said he wanted to compliment Peter Pan for not asking for a handout to expand their business. He asked if this was enough land for their use. Council member Prax stated that an area along the waterfront had been reserved for public use which he did not think was necessary. Mr. Gary Johnson, Peter Pan Seafoods, replied that for what they envision to use the property for at this time, the amount of land they have requested is adequate. Mayor Cobb said the need existed for the public to view the harbor.

VOTE ON THE MOTION: 7 yeas. Motion carried.

XII. REPORTS

- 1. Building Permit/Inspection Report
- 2. Temporary Land Use Report
- 3. Coast Guard City Report

Council member Sorum thanked Ms. Pierce for her Coast Guard report. Mayor Cobb said he spoke with someone about a celebration in Grand Haven, Michigan, he suggested Grand Haven may be a good source of information for the city.

Ms. Pierce asked if the city council was interested in attending the upcoming tours of their facilities which would be scheduled for July. Council consensus was in favor of participating in the tours.

XIII. COUNCIL BUSINESS FROM THE FLOOR

Council member Sorum

Council member Sorum stated that a resident who lives on "Sea Lion" street in Alpine Woods, asked if the city would look into accepting this street for city maintenance. Mayor Cobb asked for the location of the street. Council member Sorum replied that it was the first right turn off of Chalet. He asked if the city would look into this. Ms. VonBargen said that discussions have been held on accepting this street as a city road, however the current road bed encroaches on private property, therefore each individual lot owner must be willing to give up that section of their property for a road easement.

Council member Wells

Council member Wells asked for an update on the fish pump. Diane, Kinney,

Ports and Harbor Director, replied that a part has been ordered to repair the pump.

Council member Prax

Council member Prax asked who was responsible to assure that the sewer systems installed by the city in Alpine Woods are working. He asked for a report on the functionality of the units and asked if additional units are waiting to be installed. Ms. VonBargen replied that she would provide a report to council on this question.

Council member Prax stated that at a recent school board meeting a city representative and State Emergency Management representative had made the statement that cameras and metal detectors may be installed in our city schools. Council member Prax said he was curious to know if the city approached the State Emergency Management department to encourage this proposed action. He asked why the Fire Chief was involved with this agency and not the Police Chief. Mr. Hozey responded that the State had conducted a vulnerability assessment of the community, including the school district. Mr. Hozey stated that the Fire Chief was the city emergency manager; therefore he works with this agency on many emergency management issues. Mr. Hozey stated that what is determined by the assessment is only a recommendation, the city and school district is not required to conform. Council member Prax stated that the search for eternal safety needed to be shut down, as it was absolutely unachievable. He hoped that the city was in no way encouraging these actions.

Council member Prax said he was confused regarding the way forward on the Alpine Woods dike certification due to the negative vote on the Wrangell Mountain Technical Services contract. Mr. Hozey replied that he would need to speak with his staff and bring back a recommendation due to the fact that a secondary contract was needed to complete the certification process.

Council member Prax asked for a discussion regarding the possibility of moving council business from the floor to the first part of the meeting.

Council member Moore

Council member Moore asked for a list of account code descriptions from the Finance Department. Mr. Hozey replied that administration would supply this information.

Council member Moore said she had attended the Military Appreciation Day event for Mayor Cobb. Council member Moore stated that General Katkus had commented on the ease and access for landing the Black Hawk helicopter at the event location this year and expressed his desire to hold the event at the John Kelsey Dock again next year.

Mayor Cobb

Mayor Cobb stated that local military veterans Mike Meller and Chuck Gard were honored at the Military Appreciation Day ceremony this year. Mayor Cobb stated that next year the city will work on incorporating military family members into the event.

XIV. EXECUTIVE SESSION

XV. RETURN FROM EXECUTIVE SESSION

XVI. COUNCIL TRAVEL XVII. ADJOURNMENT

There being no further business, Mayor Cobb adjourned the meeting at 10:00 pm.