

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 Mike Wells
Council member Dorothy M. Moore
Council member Steve McCann

Council member Karen Ables
Council member Joe Prax
Council member Alan Sorum

Also Present:

John Hozey, City Manger
Sheri Pierce, City Clerk

Members of staff and approximately 25 people in the audience

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF August 6, 2012.

The Council was presented with an updated version of the minutes at the meeting. The Council approved the minutes as presented with the correction.

V. PUBLIC APPEARANCES

VI. PUBLIC BUSINESS FROM THE FLOOR

Jeremy Simmons, Auto Cat Recycling, announced that his company is new to town and would be bringing recycling efforts to Valdez. He stated that they would be shipping cars and recyclable materials out of Valdez. The Council welcomed Mr. Simmons to the community.

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

CITY MANAGER

The City Manager did not have a report that evening due to his recent travel for the Alaska Municipal League and the Alaska Municipal Managers Association Summer meetings in Bethel the previous week. He did report that the

Beautification Task Force had to reschedule the Town Hall Meeting originally planned for August 23rd for the following week of August 30th.

CITY CLERK

The City Clerk reported that the Clerk's office is very busy with the upcoming LNG Summit which will be held during September 13 – 14th.

Ms. Pierce then announced the candidates for the upcoming municipal election which will be held on October 2, 2012:

City Council

Wanda Clark
Kris O'Brien
Christian McGee
Josh Swierk
Donna Schantz
Allen Crume
Chris Moulton
Nate Smith
Jeremy Miner

MAYOR

Dave Cobb
Rich Long

SCHOOL BOARD

Kathleen Todd
Dolores Gard

She also announced that there will be a proposition on the ballot for the Middle School general obligation bond. She explained that the proposition has been published in full in the paper and will continue to be published up until the election.

Ms. Pierce reported that currently absentee voting is going on through August 27th at City Hall for the State Primary Election. Election Day for the primary will be on August 28th with polls open from 7:00 AM – 8:00 PM.

Ms. Pierce explained for those interested in voting in the Presidential and State of Alaska General Election voters must be registered 30 days prior to the election. So, registration must be completed prior to October 7th in order to vote in the election which will be held on November 6th, 2012.

For all elections, Ms. Pierce emphasized, voters must be registered 30 days prior to that election.

CITY ATTORNEY

Mr. Walker did not have a report that evening.

MAYOR

Mayor Cobb reported on his trip to Bethel for the Summer AML meetings stating that it was a very interesting and worthwhile conference. He indicated that it was largely attended by small town mayors with many native communities represented. The most notable discussion at the meeting was about a bill introduced by Senator Begich that would change the revenue sharing aspects of off shore oil and gas exploration. Mayor Cobb reported that Senator Begich would like to change the 100% of revenue sharing going to the federal government. He is proposing it change to 37.5% to *Save Alaska*, where 20% of that amount would go to all shore based areas impacted by oil and gas which would include Valdez, explained Mayor Cobb. Thirty three percent would go to communities directly impacted by the oil and gas development. Seven percent would go to native corporations and 40% would go to the state of Alaska.

He stated that another topic discussed was the great need for gravel in western Alaska. He explained that communities in the area have to import almost all gravel that they need for construction projects which could be an opportunity for Valdez to consider.

Mayor Cobb concluded with another proposed opportunity for Valdez to work with oil companies to use our port for shipping and storage of oil. He explained that Unalaska is inundated with oil companies coming in and buying up land in anticipation of the Arctic route that will be opening. He felt that this was an opportunity worth exploring for Valdez.

Mayor Cobb also announced that he did attend the funeral of Senator Al Adams that week as well. He stated that the City has Senator Adams to thank for revenue sharing as he was the one that proposed the 6% tax on natural resources that we all enjoy today.

VIII. CONSENT AGENDA

1. Proclamation – NYO Record Breaker
2. Approval to go into Executive Session Regarding
 1. TAPS Value/Litigation
 2. City Manager Evaluation

MOTION: Council member Moore moved, seconded by Council member Wells, to approve the consent agenda.

VOTE ON THE MOTION: 7 yeas, motion carried.

IX. UNFINISHED BUSINESS

1. Approval of the 2013 Budget Policy Statement – Postponed from the August 6, 2012 Regular Meeting

MOTION: Council member Wells moved, seconded by Council member Moore, to approve the 2013 budget policy statement postponed from the August 6, 2012 Regular Meeting.

Council member Wells asked Mr. Hozey about changes in wording from last year's budget policy statement. Mr. Hozey explained the only change in wording from the 2012 statement was adding the words "up to" on the percentages. For example, he stated, when there was a percentage of 4% the words "up to 4 percent" were added.

Council member Wells stated that what his question related to was the classification of costs in the reserve funds between major maintenance and capital projects. In last year's statement, he reported, it stated \$20,000 or higher. He just asked for clarification on the change that now reads \$20,000 to \$250,000. Mr. Hozey stated that during the budget meetings last year that was the range used for the development of the 2012 budget, so this does not represent any change from what was done last year. This was explained to Council during the budget hearings last year and so the statement this year just captures what they were told previously.

Council member Moore asked about major equipment and how in the past they have had a ten year equipment replacement plan. She asked if the city would still project out 10 years even though not everything will be replaced every ten years. Mr. Hozey replied in the affirmative.

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

X. NEW BUSINESS

1. Approval of Contract with Nordic Village Supply for Abatement of the Valdez Industrial Subdivision and Valdez Townsite Pipeyard in the Amount of \$50,000

MOTION: Council member Sorum moved, seconded by Council member Moore, to approve the contract with Nordic Village Supply for abatement of the Valdez Industrial Subdivision and Valdez Townsite Pipeyard in the amount of \$50,000.

Mr. Hozey reported that when Community and Economic Development Department put this together they recognized that some of the materials including tanks are from Old Town Valdez and may be considered historical.

Lisa Von Bargen, Community and Economic Development Director explained they should have in hindsight sought State Historical Preservation Office (SHPO) approval to deal with tanks that are from Old Town. The tanks, she stated, are actually a part of a contract that Roger Kipar has which is not included in this contract. She explained that Mr. Kipar is aware that in regards to the tanks, they need to take a step back and reevaluate what is going on with them. She indicated that Laura Robertson, GIS Technician, specifically went out with the contractors to do the site visits and determined that there was intrinsic historical value in the tanks. They determined that it would be nice to retain at least a portion of them for some use to commemorate the fact that they were in Old Town and what they were used for. So, she explained, the tanks are on hold until they go through SHPO to see what could be done with them.

Council member Wells asked about the tanks and what kind of shape they are in. He wondered if they could be left where they are as part of what tourist might see when driving around the Old Town area. Laura Robertson stated that the tanks are all or partially collapsed and are not accessible to tourists currently. They are buried in vegetation along with the fact that there is quite a bit of bear activity there. The contractors felt that making some kind of art sculpture with the materials would be a nice idea but it would be kind of dangerous for them to work with the materials to get them to a metal recycler. She felt that moving them in their collapsed state could be very difficult. She stated that if it were made into some kind of art sculpture they had the idea of putting a picture of them burning next to the sculpture that explains where they came from. Mr. Hozey stated that he had been out to view the tanks and indicated that they are not recognizable as tanks since they are collapsed and largely covered in vegetation.

Council member Wells asked about the contract and why it is a combination of being a set bid for a portion of the work and then rest being set as time and materials. Ms. Robertson stated that Nordic Village Supply's portion is entirely based on hourly wages that were presented in the original RFP. Part of the confusion, she explained, might be coming from Roger Kipar's bid which includes a combination of a lump sum bid for one portion of the work and then an hourly bid for the remaining. However, the bid before them, she explained is strictly based on hourly wages. A lot of that, she stated, is related to the widespread area that has to be cleaned up. Materials are widely dispersed and brush clean up needs to happen. So, due to the uncertainty of how long the project could take an hourly agreement made the most sense.

Council member Wells stated that his concern was that he did not understand how much of the project would be completed with \$50,000 and after that amount

is used up would the contractor be coming back asking for another \$50,000. Ms. Robertson replied that due to the level uncertainty with the project they felt that this was the most reasonable approach. The contractor wanted to ask for more at this time but Ms. Robertson felt that \$50,000 was a good place to start to see how fast they can get through the list. That will determine, she said, how much they will need to ask for to complete the remainder of the project. Ms. Robertson felt that \$50,000 would be enough to complete Airport Industrial Subdivision which is the bulk of the area that needs to be clean up. She stated that if they get through that quickly they may not need to come back to Council for more money at all. If they only get Airport Industrial done they may need to look at how they are tackling abatement issues and how money should be allocated for that purpose.

Council member Moore asked if the tanks had been moved after the earthquake. Ms. Robertson replied in the affirmative. Council member Moore stated that she did not believe that SPHO would not have much to do with them since they were moved. Mayor Cobb agreed but stated that in any case we had to go through the process.

Council member Prax stated that he was glad that abatement was happening but felt that a lot of the large items out there were City related and should be cleaned up by the City. He felt that they should be using some of their own equipment to go out and clean the area. However, he continued, if we are taking this approach he hoped that we would create a policy to prevent this from happening again. Mr. Hozey replied in the affirmative and stated when something does go in there now it is discussed and other alternatives are explored before putting anything out there.

Council member Prax asked how the contractor is dealing with the materials they haul out of there. That, Mr. Hozey stated, is up to the contractor. Ms. Robertson stated that one recycler wants to charge the city to take some of the materials and another recycler may actually pay the City for some of the materials. She stated that she was working with the contractor to make the deal with the recycler that is in the best interest of the City.

Council member Wells asked what the plan would be after the initial \$50,000 was used. Ms. Robertson explained that they would then evaluate where all of the costs for the cleanup were coming from. She said that if the project could be completed with only a small amount of money it would be brought back to Council at that time for approval. Ms. Robertson felt that if that were the case it would make the most sense to allow the current contractor to complete the work. However, she continued, it came back that the project would need a lot more money they would then put the project back out to bid.

Mayor Cobb asked what the range was in amounts for the bids submitted for this project. Ms. Robertson responded that the range was \$20,000 - \$1.5 million. Mr. Hozey commented that the wide range of bids reflected the uncertainty of the project and that this is a good place to start, where many of the unknowns could be answered.

VOTE ON THE MOTION: 7 yeas, motion carried.

2. Approval of Contract to Harris Sand & Gravel for the Airport Industrial Park Road Extension Project-Phase I in the Amount of \$429,003.68

MOTION: Council member Moore moved, seconded by Council member Sorum, to approve a contract with Harris Sand & Gravel for the Airport Industrial Park Road Extension Project-Phase I in the amount of \$429,003.68.

Council member Wells asked how this bid compared to other similar projects. Mr. Hozey stated that he did not think that this exact type of road project had been bid in quite some time. He did not feel that there was a good comparable bid from recent years. It was within the engineers estimate, he explained. There were no other bidders on this project.

Council member Prax stated that he was having a difficult time understanding what they were getting for the money. It seemed to him that they were spending quite a bit of money to only provide access to two lots. Ms. Von Barga explained that the City of Valdez subdivided and sold several lots in Airport Industrial Subdivision over the past decade and unfortunately did not put roads in when the subdivision was originally platted. The City allowed property to be sold without appropriate access. With this contract, she explained, they will be opening access to 6 lots that have not been sold and are providing access to at least 5 lots that have already been sold. Ms. Von Barga also stated that they are also connecting to Airport Road so that access will be provided to the area in both directions.

VOTE ON THE MOTION: 7 yeas, motion carried.

XI. RESOLUTIONS

1. #12-53 – Amending the FY2012 Budget by Accepting a Grant from the Alaska Division of Homeland Security and Emergency Management Grant in the Amount of \$12,143 to Fund the Valdez Local Emergency Planning Committee (LEPC)

MOTION: Council member Moore moved, seconded by Council member Ables, to approve Resolution #12-53.

Council member Moore reminded Council that she would still like another member to take her place on the committee.

VOTE ON THE MOTION: 7 yeas, motion carried.

2. #12-54 – Authorizing the Sale of Lot 4, Loop Road Industrial Subdivision to Jeff Johnson & Linda Brandenburg in the Amount of \$31,000.

MOTION: Council member Wells moved, seconded by Council member Ables, to approve Resolution #12-54.

Council member Prax commended the buyers for their efforts in cleaning up the lot they were purchasing.

VOTE ON THE MOTION: 7 yeas, motion carried.

XII. REPORTS

1. Building Permit Report

Council member Moore noticed that for this year the commercial building permits to date were quite a bit more than last year. She asked if that was due to snow damage. Ms. Von Barga stated that there were more commercial permits this year because of the building that was being re-built due to snow damage and also because of the remodel at the Community College.

XIII. COUNCIL BUSINESS FROM THE FLOOR

COUNCIL MEMBER ABLES

Council member Ables thanked the Fire Department for getting to her building the previous day when she experience an electrical fire at her restaurant.

Council member Ables thanked Mr. Weaver, Public Works Director, and the Public Works Department for putting the surround covers around the dumpsters on the waterfront.

COUNCIL MEMBER PRAX

Council member Prax asked Mr. Weaver if problems with the LED streetlights could be addressed as previously requested.

He also mentioned issues with bears and garbage. He stated that they have a dumpster at the store and they continually have to deal with the bears scattering trash all over the parking lot. He asked if it was possible to have one of the guys on the street crew assist in dumping trash so that it they may be dumped more often. Council member Moore proposed that perhaps they emptied the dumpsters in the early evening instead in the morning. Mr. Hozey stated that they could look into the possibility.

Council member Prax stated that the Women's Silver Salmon Derby was a great success with 704 women participating. Though the fishing could have been a little better it was still a very successful event that continues to improve each year. He explained that all of the events were well attended and that there were several people from out of town visiting Valdez just for this event. He stated that the event was doing just as it was intended which was to bring people to Valdez and promote silver salmon fishing. Mayor Cobb stated that many of the female Mayors have gotten wind of the event and plan to come to Valdez next year to compete. Council member Prax stated that they have done very little advertising for the event and by mostly word of mouth alone it has grown to a very huge event that is well known throughout the state.

COUNCIL MEMBER MOORE

Council member Moore reported that she was happy to represent the Mayor at Alyeska's 35th anniversary celebration of oil going through Valdez. She indicated that it was a very worthwhile event where they honored the employee who has been continually employed with Alyeska the longest.

Council member Moore also reported that she traveled with RCAC to Anchorage to the Coast Guard Foundation dinner fundraiser. She explained that it is a very big event nationwide. The Coast Guard Foundation is a non-profit organization that raises money for things they cannot get funding from congress such as playground or recreational equipment. They also established a scholarship in the name of the Hickle family because they have been very active in their organization.

Council member Moore concluded by thanking the local Coast Guard for the tours they recently provided for the Council and Administration. She asked if a thank you letter would be sent thanking the Coast Guard for providing the tours. Mayor Cobb replied that it was currently in the works.

Council member Moore stated that she was continuing to weigh fish and was usually weighing about 15 per day. In doing that, she noticed how much foot traffic there is in the area. She felt that though they cannot paint crosswalks on the State highway they could at least paint cross walks in the harbor area.

MAYOR COBB

Mayor Cobb also thanked the Coast Guard for the recent tours they provided. He felt that it was very informational and enlightening. He looked forward to a continued partnership between the City and the Coast Guard.

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

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