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 Cobb Council member Ables
Council member Wells Council member Prax
Council member Moore Council member Sorum

Council member McCann was absent and excused

Also Present:

John Hozey, City Manager Sheri Pierce, City Clerk

Members of staff and approximately 25 people in the audience

IV. Approval of the minutes of the regular meetings of September 4, 2012 and September 17, 2012

The minutes were approved as presented with one minor correction to the minutes of September 4, 2012.

V. PUBLIC APPEARANCES

VI. PUBLIC BUSINESS FROM THE FLOOR

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

CITY MANAGER

AIRPORT EXTERIOR LIGHTING

Mr. Hozey reported that the project is moving along nicely and should be finished by the middle of October.

COMPLETED PROJECTS

Mr. Hozey reported that the Sea Wall Dock Replacement Project and Harbor Piling Replacement Project are finished.

MEDICAL CENTER MASTER PLAN TASK FORCE

Mr. Hozey reported that the task force recently met to finalize the draft of the medical campus master plan that will be presented to Council. He explained that their difficulty in bringing this to conclusion lies in the construction costs of creating a space to house a potential MRI at the hospital. He explained that there is a dollar amount that they cannot exceed without obtaining a Certificate of Need, which Valdez would not qualify for. So, the task force has gone through various iterations of how they can make it work within budget and believe they may have come up with the solution. On October 25th they will meet with the task force again to present the proposed solution. If they are all in agreement, the plan will be bought to Council in November.

THE SENIOR CENTER CARPORT PROJECT

Mr. Hozey reported that with delays due to excessive rain the project is moving about a week and a half behind schedule. They did pour concrete last week, he said, and they are moving forward.

THE CIVIC CENTER ROOF REPLACEMENT

Mr. Hozey stated that the roof replacement has proven difficult due to record breaking rainfall experienced in September. He commented that the project is 70 percent complete and that they hope to finish up the remainder of it during a stretch of upcoming dryer weather.

AIRPORT INDUSTRIAL PARK ROAD EXTENSION PROJECT

Mr. Hozey reported that this project has been moving along nicely and that they hope to have it completed by the end of October.

OPERATION WATER SHIELD

Mr. Hozey reported that from the $16^{th} - 23^{rd}$ of September they were in a heightened state of readiness due to excessive rain and were operating in the Incident Management Team (IMT) mode. The city was out monitoring water levels, sandbagging, and using heavy equipment to assist with

drainage. He felt that overall they were largely successful with the exception of the Glacier Stream, which took an unexpected right turn in just one morning that took out portions of the Dump Road. However, they responded quickly and prevented further damage from occurring. He stated that they are now staging to do temporary repairs to the road this winter and that it will be on the major maintenance list next summer to complete permanent repairs.

At the conclusion of Mr. Hozey's report Council member Prax asked him about what the projected interest expense will be on the bond for the proposed new middle school. Mr. Hozey stated that they will not know for sure until they go to market but have used a range of 4.5 – 5 percent to give an order of magnitude of what it could be. Council member Prax asked if that actual dollar amount had ever been presented to Council. Mr. Hozey replied in the affirmative. Council member Prax asked if that would be part of the state reimbursement. Mr. Hozey indicated that it would be.

Council member Prax asked about the status of the VCVB Task Force. Mr. Hozey stated that work has been stalled due to loss of staff and other priorities; but that the task force left off with the development of a survey to local businesses soliciting their input on how that organization could be restructured. He indicated that he had just not had time to get that survey out. Council member Prax felt that it would have been better to focus on that rather than the beautification efforts. He stated that thousands of dollars have been spent by VCVB with very little direction and those efforts have a direct effect on economic development in Valdez. He hoped that the issue would not be dropped. Mr. Hozey assured Council member Prax that he has every intention of following up with the VCVB task force as soon as the budget process is complete.

CITY CLERK

Ms. Pierce announced details of the regular municipal election that would be held the following day on October 2nd. Ms. Pierce encouraged everyone to vote and to contact her office with any questions or concerns.

CITY ATTORNEY

The attorney did not have a report that evening.

MAYOR

They Mayor also did not have a report that evening.

VIII. CONSENT AGENDA

- 1. Proclamation: Domestic Violence Awareness Month
- 2. Approval of Senior Citizen Late File Property Tax Exemption
- 3. Approval to Go into Executive Session Regarding TAPS Value/Litigation

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

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

IX. NEW BUSINESS

 Appointments to Providence Valdez Medical Center Health Advisory Council

MOTION: Council member Moore moved, seconded by Council member Wells, to appoint Pam Shirrell, Dave Dengel, and Doug Desorcie, to Providence Valdez Medical Center Health Advisory Council.

Council member Moore stated that it was nice to see several people apply for the advisory board and indicated that all were very qualified for the position.

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

2. Approval of the 2013 Energy Assistance Program

MOTION: Council member Wells moved, seconded by Council member Sorum, to approve the 2013 Energy Assistance Program.

Council member Ables wished she would have known this would be on the agenda because there are people that need this assistance that do not receive it because they do not have an account in their name with one of local energy companies. She felt that we needed to come up with a better solution so that all people can receive the benefit. Mayor Cobb stated that this issue should be brought up during budget discussions. Council member Ables stated that it was discussed during budget last year but that nothing seemed to have come of it. Council member Moore stated that it was her recollection that it was discussed at length but that there

> was not a way to distribute the money to residents without accounts in their name to make sure it was used for energy assistance.

Council member Prax hoped that this would be something that is kept up in the future. He stated that he would have preferred to write everyone a check for this but that it was decided to go the current route. He hoped that in the future it would continue but would not get more convoluted in the process.

Alan Crume, Alpine Woods Resident, stated that a great example of savings is what the City has done with the installation of LED lights. He felt that they could make this program recognized and explain that homeowners could continue to cut their utility bills with a onetime donation. This way, he said, we could become more energy efficient as a community. Another related example, he continued, is a program that has already begun to get residents to install pellet stoves in their homes in Valdez. Programs such as these are part of the answer to decrease energy costs, Mr. Crume concluded.

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

 Approval of Contract Award to Off the Map Consulting for Phase 1 of Electronic Records Conversion and SIRE Software Implementation in the Amount of \$30,000

MOTION: Council member Sorum moved, seconded by Council member Moore, to approve the contract award to Off the Map Consulting for Phase 1 of Electronic Records Conversion and SIRE Software Implementation in the Amount of \$30,000.

Council member Moore expressed her support of this contract. She felt that they keep asking administration to take on more and more work and she wondered if they needed to look at more small contracts for certain projects such as this in the future.

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

4. Approval of contract for Janitorial Services with Gulf Coast, Inc.dba Clean Alaska in the Amount of \$91,500

MOTION: Council member Wells moved, seconded by Council member Ables, to approve the contract for Janitorial Services with Gulf Coast, Inc.dba Clean Alaska in the Amount of \$91,500

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

5. Approval of contract for Janitorial Services with X-DLX Investments, Inc. in the Amount of \$54,300

MOTION: Council member Ables moved, seconded by Council member Wells, to approve the contract for Janitorial Services with X-DLX Investments, Inc. in the Amount of \$54,300

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

6. Approval of contract for Janitorial Services with In and Out Cleaning Services in the Amount of \$40,200

MOTION: Council member Wells moved, seconded by Council member Ables, to approve the contract for Janitorial Services with In and Out Cleaning Services in the Amount of \$40,200.

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

7. Approval of Change Order to Harris Sand and Gravel for the Kelsey Dock Waterline Replacement Project in an Amount up to \$58,600

MOTION: Council member Moore moved, seconded by Council member Wells, to approve the Change Order to Harris Sand and Gravel for the Kelsey Dock Waterline Replacement Project in an Amount up to \$58,600

Council member Wells asked Mr. Hozey if this is in addition to the total cost of the project and if this would be used out of the contingency listed. Mr. Hozey replied in the affirmative.

Council member Moore asked if this would include an as-built that is accessible in the future. Mr. Hozey assured her that it would be.

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

8. Approval of Contract to Harris Sand & Gravel for Paving Pacific Road in the Amount of \$46,000

MOTION: Council member Ables moved, seconded by Council member Moore, to approve the Contract to Harris Sand & Gravel for Paving Pacific Road in the Amount of \$46,000

Council member Prax asked what the system is for determining the roads that need repair. He felt that Meals Avenue would be a better road to repair in 2013 than Pacific Road. Larry Weaver, Public Works Director, stated that they try and look at each road each year and classify them as worst case scenario. He stated that this year it was set up a little differently because Harris Sand and Gravel was working outside of Valdez for the majority of the summer. They did not have their asphalt plant in operation for much of the summer. So, he explained, they felt they could get the most for their money this year by repaying Pacific Road. He explained that Meals Ave., amongst others, are in the lineup for future repairs. It was determined that due to the way they move snow they need to repair Pacific Road now before it gets worse. Council member Prax asked if there is a priority list because 10-15 years ago they paved several roads all at once. Mr. Weaver stated that they had been going through all roads over the last 2 years prioritizing which ones need to be taken care of and when it will happen.

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

Approval of Amendment to City Council Policies and Procedure -Travel Policy

MOTION: Council member Sorum moved, seconded by Council member Moore, to approve the Amendment to City Council Policies and Procedure -Travel Policy

Council member Moore asked if this item is just to amend the travel portion of their policy because she also was interested in making other changes to the order of the Council agenda as previously suggested by Council member Sorum. She asked if she could move to discuss that issue as well as travel. Ms. Pierce stated that Council member Moore could amend the motion to discuss that now if she wished. Mayor Cobb interjected that it was advertised as a discussion of the travel portion only and that is all that should be discussed at that time. Ms. Pierce concurred stating that since it was advertised as the travel policy it would be her suggestion to only vote on that portion. However, if they would like her to bring the policies as a whole back to council, then she could do that and they could discuss all of it at that time. Council member Moore stated that the policies as a whole might be good to discuss with the new members elected to council.

> Council member Sorum stated that he and Council member Prax brought up changing the order of the agenda on multiple occasions and it was unfortunate that it could not be discussed that evening. He did not feel that it would be a huge public awareness issue to discuss it then.

Council member Wells and Ables stated that they would like to see the entire document brought back at another meeting for a full discussion on all of it. Ms. Pierces stated that they could amend the travel policy that evening and then she could bring back the rest of it at a future meeting. Mr. Hozey stated that he suggested that they approve this change since those members present are all seasoned Council members who have experience with the travel policy. He recommended that perhaps they bring the rest of it up at a later meeting after the new Council is established.

Council member Sorum stated that it seems that staff wanted the travel policy changed and so it was put on the agenda while the Council wanted the agenda format changed and that has never been addressed. He felt that there was a real disconnect there. He said that it seems like the driver of what is going on here is backwards. He felt that the Council should follow the same travel policies as everyone else but that this is not what they asked for on multiple occasions.

Council member Moore asked for clarification on the term per diem. Ms. Pierce explained that per diem is the amount of money they may spend per day for meals. Lodging she stated is separate. Council member Moore asked about driving their own vehicles and if the rate stated is the federal rate which changes from time to time. Mr. Hozey replied in the affirmative. Mr. Hozey also clarified that they are authorized the number of miles the trip takes times the federal rate and they cannot charge more than that amount to their City issued credit card.

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

X. RESOLUTIONS

 #12-57 – Amending the City Budget by Accepting Reimbursement Funds from the Alaska Department of Corrections in the Amount of \$14,698.65

MOTION: Council member Wells moved, seconded by Council member Ables, to approve Resolution # 12-57.

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

2. #12-58 – Amending the 2012 City Budget by Authorizing the Transfer from the Reserve Fund to the General Fund and Increasing the Appropriation in the Engineering Budget in the Amount of \$29,665.44 for the Purpose of Extending the Contract of the Engineering Project Manager and Authorizing its Expenditure

MOTION: Council member Ables moved, seconded by Council member Moore, to approve Resolution # 12-58.

Council member Moore asked if this would get us through the season or would this be brought back again. Mr. Hozey stated that it should get them through to November if needed, but work should be complete by the end of October.

Council member Sorum asked how much we have spent on the contract so far. Mr. Hozey replied that they had spent roughly \$75,000. With this addition, Council member Sorum calculated, they would be up to \$100,000. He stated that he did not support this idea to begin with. He noted that the City would be in a much better place if they hired someone full time that would live here and be a part of the community rather than hiring a contracted employee who lives elsewhere. He felt that there was more than enough work to keep that position busy for several years to come.

Council member Ables asked Mr. Hozey if he saw the need to have a project manager position contracted out for the 2013 construction season. Mr. Hozey replied that he did plan to have money in the budget for that purpose again next year. She asked if they should consider hiring a full time position. Mr. Hozey replied that they could address that during budget time.

Council member Prax stated that it seems to him that they are always racing to get projects done into October and November. He felt that part of this seems to be their budget cycle. He stated that when they looked into that they would have to come up with the operations for a year on six months of revenue. Mr. Hozey clarified that they would go six months with expenditures without six months of revenue. Council member Prax suggested that the City take a break from major projects and purchases for a year and just ran the operations. This would allow Capital Facilities to catch up on their work and to have more work lined up for the following year. At the conclusion of that year, they could change to a fiscal year.

Mr. Hozey agreed that his suggestion would be a more cost effective way of doing that though it would still be very expensive.

Council member Wells stated that they should took a look at it. He stated that our labor force and our ability to do projects is a resource just like money. He said that for years they only did so many projects because they only had so much money. Now, he stated, they have the money to do projects but not enough people. He stated that it is incumbent on Council during the next budget season to take a hard look at what they think they can get through in a year and what projects should be put off for another season. He stated that he is very interested in making that process much tighter.

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

XI. REPORTS

1. Street Light Report

Council member Prax appreciated the report and seeing the numbers associated with the project. Council member Ables stated that the savings of \$50,000 - \$60,000 a year is tremendous. Mr. Hozey recognized the work of Laura Robertson, GIS Technician, for taking the lead on this project and making it happen.

Septic System Report

Council member Prax stated that he appreciated the report but noted that he still did not feel comfortable just with the fact that the systems are running. He asked if the City is testing any water and can the residents test the water. Lisa Von Bargen, Community and Economic Development Director, stated that all interested parties met on this issue and at that time ongoing monitoring was discussed. She indicated that she had been out of town and had not had a chance to fully brief the City Manager on the outcome of that meeting. However, she stated that they did have two engineers present at the meeting that provided a considerable amount of insight and brought new information to the table about the effectiveness of the different component parts which gives them a lot to move forward with.

Council member Prax asked if this changes where they left off before. Ms. Von Bargen stated that they had left it so that residents could come forward, put in a system, and then be reimbursed. Council member Prax asked if that was happening. Ms. Von Bargen reported that no one had

come forward until just recently. There are a few people who are trying to do things now but it has been very difficult for them to get an engineer in the state to work with them.

Council member Ables asked if the reason they could not get an engineer to work with them is because it is an area that should be avoided. Ms. Von Bargen stated that they would follow up with some guidelines for installing septic systems. She stated that they had been advised to put a moratorium on any more septic installations in Alpine Woods until they have looked at city wide standard protocols. Council member Ables asked who would decide on the moratorium. Mr. Hozey explained that Council would make that decision.

Council member Prax asked that the water be tested so they know that it is working.

Council member Sorum asked the Council to remember that they were asked to adopt a City wide ordinance that addressed the standards for these package systems. He explained that the issue was that though DEC approved the systems, their approval was solely based on an engineer's recommendation. They do not, he said, really have regulations on those package systems and are going off what the engineer recommends them to do. Council member Sorum concluded that Anchorage has great standards and that is what we should follow. It is up to the City to create the standards on what should be put in out there, he said. If there is no standard, anyone that has an engineering stamp can approve a system that might not be right for Valdez.

XII. COUNCIL BUSINESS FROM THE FLOOR

COUNCIL MEMBER SORUM

Council member Sorum stated that in considering the number of destroyed trailers around town the City needs to create a program to dispose of them. He stated that after thirty years they have exceeded their expected lifetime by a long shot. He felt that something should be done as it could be a liability for the City.

COUNCIL MEMBER WELLS

Council member Wells commented that he was out near the Glacier recreation area and there are some derelict vehicles out there that should be taken care of. Council member Wells also recognized the City's recent response to the heavy rains and high water levels. He felt that it was vastly

improved compared to previous years and he was happy to see that change.

COUNCIL MEMBER ABLES

Council member Ables stated that during the heavy rains she went out to 10 mile to see the dikes and was happy to see that everything was working nicely. Mayor Cobb appreciated Council member Ables comment but he stated that both the City's dike and the State dike are not perfect. He reported that adjustments need to be made on both.

COUNCIL MEMBER PRAX

Council member Prax stated that he was noticing that there was a new Copper Valley wind tower installed. He said that he hated to see that because wind energy cannot work here and that it is not a good use of money.

Council member Prax concluded with a report on the Boy Scout Camporee that was held the previous weekend in Valdez. He indicated that it was a great success even with the less than desirable weather. He noted there were a number of volunteers who made it happen and those visiting Valdez were very impressed.

COUNCIL MEMBER MOORE

Council member Moore stated that she attempted to go to Seward for the RCAC meeting but it was canceled due to heavy rain. Half of the group met in Anchorage while the other half met in Seward. She indicated that they got a lot accomplished. She let the Council know that the weekly staff report is out and available. She thanked Commander Hawkins, Captain of the Port, for continuing to work on the subarea meetings for the Prince William Sound.

Council member Moore also recognized the efforts during the heavy rain event. She suggested that when events gear down, messages should be sent out to the public so they are aware that the operation had come to a close.

MAYOR COBB

Mayor Cobb stated that he welcomed the State Schools Superintendents the previous week and thanked the Boy Scouts who were on hand to perform the flag ceremony. Mayor Cobb then congratulated Council

member Wells for being appointed as the New Executive Director of the Valdez Fisheries Development Association.

Mayor Cobb concluded the meeting by thanking, Council member Prax, Council member McCann and Council member Sorum for their service on Council and for their contribution to the community of Valdez.

- XIII. EXECUTIVE SESSION
- XIV. RETURN FROM EXECUTIVE SESSION
- XV. COUNCIL TRAVEL
- XVI. RECESS AND RECONVENE ON OCTOBER 3, 2012