

I. CALL TO ORDER

Council member Moore, acting as Mayor Pro Tempore, called the meeting to order at 7:00 p.m. 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

Council member Steve McCann
Council member Karen Ables Council member Alan Sorum
Council member Mike Wells Council member Joe Prax

Council member Dorothy Moore acting as Mayor Pro-Tempore

Absent and excused: Mayor Dave Cobb

Also Present:

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

Members of staff and approximately 20 people were in the audience.

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF August 15, 2011

The minutes from the meeting of August 15, 2011 were approved as presented with one minor correction

V. PUBLIC APPEARANCES

1. Alaska Gasline Port Authority Update – Bill Walker

Mr. Walker presented a status report on the Alaska Gasline Port Authority to the City Council. The good news, he said, was that the State Legislature was going to do something; the scary news was that the State Legislature was going to do something. However, the timing was good, said Mr. Walker, as this seems to be the only gas line idea that is currently seeing any activity.

Mr. Walker also reported on trucking gas from the North Slope stating that the Port Authority is not involved in any way now. The Fairbanks natural gas trucking

operation is being done by a consortium between the Foothills Refinery and Golden Valley. The Port Authority applauded those efforts, Mr. Walker said. A resolution would be brought back to the Council, stated Mr. Walker, explaining the City's current position with the trucking operation.

Mr. Walker reported that there would be a gas luncheon in Anchorage to discuss all of the gas line possibilities. He indicated that those attending will include Mr. Walker, Senator Beigich, three legislators, and the representatives of the other gas line proposals as well as anyone else who wishes to attend. The luncheon will be televised and Mr. Walker felt that it will be good to have all the gas line options up on the same table.

Mr. Walker also mentioned that he had just returned from Norway. It was, he said, a pretty amazing trip put together by Institute of the North to meet with various officials and see how the Norwegians approach their energy needs. They do not look at their pipeline as a profit center but more of a way to get commerce moving and so they have a very low return on the pipelines. He visited the LNG terminal and their oil museum. Overall, Mr. Walker reported that the trip was very beneficial in learning how they do business.

Mr. Walker felt that there was a quickly growing interest in liquid natural gas. AGIA has not been very successful: 85% of Alaskans thought it had failed and would not result in anything. However, 92% of Alaskans wanted to export liquid natural gas. He stated that it will be a matter of matching up the people's wishes with the elected officials' wishes. Mr. Walker reported that he will know more on Thursday when he meets with Governor Parnell about the elected officials' stance on gas line issues.

2. Jacob Jensen, Superintendent of Valdez Schools

Mr. Jensen addressed the Council recognizing the Capital Facilities Department for their work on the new high school gym floor. He commended them on a job well done and stated how wonderful the new floor looks. He also mentioned that the new bleachers for the gym have been ordered and he anticipated that they will look very nice with the new floors.

Mr. Jensen then introduced and welcomed the two new principals that are joining staff at the elementary and high schools. Dr. Elizabeth Balserek is the new high school principal and Christopher Bennett is the new elementary school principal. He stated that both principals have commented on the positive relationship between the Capital Facilities Department and the City Schools indicating that they are working together very well.

Finally, Mr. Jensen also spoke as a private citizen thanking the Parks and Recreation Department for their efforts in maintaining all of the parks in town. He stated that he and his family have used them extensively and appreciates all of the effort that goes into maintaining them.

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

City Manager

Mr. Hozey started off his report by stating that the Homestead Road sewer line was in and that the paving had been done. He reported that the pumps should be in by mid-September. Mr. Hozey did indicate that there had been a little snag in the project with the utilities that run alongside the road. They were disturbed a bit during the excavation and they now do not have the layer of materials over them that the electric company requires. That is not something that was picked up by the Engineer that designed the project and the electric company did not pick up on it as well when plans were sent to them. So, it is a nuance that they will have to deal with and Mr. Hozey indicated that he will provide more information to the Council as it is received.

Completing the preliminary work for the City Wide Strategic Planning has been quite the undertaking, said Mr. Hozey. He explained that the big push at the moment is to get the word out that the City of Valdez is accepting applications from those who wish to participate in this endeavor. If the applications were turned in by the 16th of September, then everything would be ready for the first meeting which is scheduled to take place the first week in October. He clarified that the list of topic ideas presented were not set in stone: once the City starts receiving applications, they will be able to see where the public's interest lies and will be able to adjust accordingly.

Mr. Hozey reported that the Assisted Living Care Task Force had a successful meeting during the previous week. They were able to go through the improved updated financials on all four options proposed. The task force asked for a subcommittee to further review some of the parameters of the four options. Mr. Hozey indicated that they would be meeting next week and they were working towards a final plan in the near future.

Mr. Hozey reported that an issue has come up in regards to the Salmonberry Ski Hill. As the ski hill started out as a grassroots project, the City is now beginning to find a few oversights in their plan. A number of items were significantly under-budgeted; for example, electrical installation would cost approximately \$85,000 but had only been budgeted at \$5,000. The total proposed budget at the time had been \$93,000 but after scrutinizing the plan it would most likely need another \$125,000 to be fully operational.

Council member McCann asked where the \$85,000 price came from. Mr. Hozey replied that it came from electrical engineering estimates they had received and due to the magnitude of the project it will now have to go out to bid.

Council member Prax expressed his concern over the manifestation of these expenses. If these expenses had been missed, he asked, what other expenses had

they not anticipated? He also felt that the initial idea to charge \$10 dollars for the entire season was something that needed to be reassessed in light of the recent financial developments. Council member Ables felt that the City Council needed to move forward on this issue. However, they also needed to considerably adjust their original idea for the fee, whether seasonal or daily. Council member Wells asked Administration to really scrutinize what other costs were not considered in the original plan and to bring that back to Council. Mr. Hozey replied that there were several other costs that were not originally anticipated but the largest were the electrical expenses. He stated that it would all be explained in the budget resolution to transfer the money.

Council member McCann asked Todd Wegner, Parks and Recreation Director, if the Snow Authority was aware of these new expenses. Mr. Wegner replied in the negative. Council member McCann suggested the possibility of getting some of the labor donated to the project. Mayor Pro Tempore Moore stated that perhaps that is something to look into but a contractor would probably have to still sign off on the work. Mr. Hozey commented that to the extent they can use volunteer help they are taking advantage of that but some things must be done by licensed contractors and engineers. Mayor Pro Tempore Moore asked that the information be shared with the Snow Authority so they are aware of the current status of the project. Mr. Hozey indicated that Mr. Wegner would be updating them this week.

Mr. Hozey reported on the three fire alarms that were to be installed. He stated that the library was at the time about 75% complete, the airport was about 50% complete and the Civic Center would not be installed until after the New Year.

Mr. Hozey announced that the final design for the Small Boat Harbor additional launch ramp float has been received. The final design on that project is just under a million dollars and currently there is approximately \$800,000 left in the budget for that project. He stated that he could put it as one of the options for the Capital budget this fall for the 2012 budget.

Mr. Hozey reported that the library and the museum replacement boiler project is going well and that is about 90% complete. He hoped they would be firing up the boilers within the next couple of days with plans of completing the project by mid month.

Mr. Hozey reported that the surveyor for the 10 mile dike upgrade is under contract. They did the walk of the alignment with all players involved including residents. They staked the line and now the survey will take place on that line and the numbers will be generated accordingly. Mr. Hozey reported that the Community Development Department also discovered that FEMA is now pushing a new levy certification that is not required but if our dikes are not FEMA certified and they will not be included in future mapping that FEMA does for insurance purposes. Consequently, quotes have been requested from our engineer on what costs will be associated with this certification.

VALDEZ CITY COUNCIL

Minutes

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Mr. Hozey was pleased to announce that the new High School gym floor had been completed; the High School Girls Volleyball team had been practicing on it. However, the bleachers had not been installed but have been ordered.

In regards to upcoming budget process Mr. Hozey expressed his intent to hold the line on spending, absorb inflation, and therefore bring a level budget before City Council.

Mr. Hozey announced that on Thursday, September 8th, there will be a delegation from the House Senate Transportation committee coming to town with a number of representatives from the State Legislature who are touring the state looking at transportation issues. He indicated that they will be taking a tour at Alyeska and, following that, will join City Council and Administration for dinner. Mr. Hozey reported that presentations would be presented about the harbor by Diane Kinney and Mr. Walker. Mayor Pro Tempore Moore asked if she should bring up the continued frustration of not having cross walks on the state roads. Mr. Hozey replied in the affirmative.

Mr. Hozey concluded his report by stating that he would not be going to Washington DC this year for his annual lobbying trip. Considering the current Congressional atmosphere he ultimately deemed it prudent to not go this year. However, since he had already blocked the time out of his schedule to go, he informed the Council that he would be gone on personal leave instead. He stated that he will be gone from the 9th to the 20th of September.

City Clerk

Ms. Pierce reported that absentee voting would commence on September 19th, 2011. If anyone wished to vote in person or receive an absentee ballot by mail, she asked if they would please go to City Clerk's website or call the office at 834-3408. The City Clerk's office will be available to help the public in any way possible.

City Attorney

Mr. Walker reiterated that there would be a luncheon on Thursday to discuss all possible gas line options. He also explained that today was the first day of the TAPS trial for the years of 2007-2009. The trial, he said, was off and running that he would keep the Council informed of its progress.

Mayor

Mayor Pro Tempore Moore explained that she had been in contact with The Alaska Regional Response Team (ARRT). She reported that the AART is made up of State and Federal staff who would respond to a natural or manmade disaster. In case of

emergency they could be some key players, and therefore she felt that this was a group the City should be familiar with.

VII. RECESS AND RECONVENE AS VALDEZ MUSEUM CORPORATION

1. Appointment to VMHA Board of Directors

MOTION: Board member Wells moved, seconded by Board member Ables, to reconvene as the Valdez Museum Corporation

Motion: Board member Ables moved, seconded by Board member Wells, to appoint Jerry O'Brian to the VMHA Board of Directors.

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

Motion: Board member Wells moved, seconded by Board member Ables, to adjourn and reconvene as the Valdez City Council

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

VIII. RECONVENE AS VALDEZ CITY COUNCIL

IX. CONSENT AGENDA

1. Proclamation: Joining the National Moment of Remembrance of the 10th Anniversary of September 11th
2. Appointment to Providence Valdez Medical Center Health Advisory Council
3. Approval to go into Executive Session Regarding TAPS Valuation/Litigation

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

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

X. NEW BUSINESS

1. Approval of Design Contract for Phase 1 of the Valdez Middle School Project with Bettisworth North in the Amount of \$260,701

MOTION: Council member Sorum moved, seconded by Council member Wells, to approve a design contract for phase 1 of the Valdez Middle School project to Bettisworth North in the amount of \$260,701.

Mr. Hozey explained that through the process of evaluating all City facilities the main priority at this time was the replacement of the junior high school. Since then, he explained, there have been several work sessions and public meetings to determine conceptual ideas, site location, and the concept of a middle school versus a junior

high school. Mr. Hozey stated that the next step is to take the conceptual ideas and turn them into real designs by developing an education specification. Mr. Hozey explained that this contract would ideally allow an architect to sign on to the project and take it all the way to completion, however, this contract is only to complete Phase I. Minimally, he stated, Phase I will provide education specifications needed to provide cost estimates that will allow a ballot initiative to be created to take to the voters. The City had received four proposals, had interviewed two, and had ultimately selected the design submitted by Bettisworth North.

Council member Ables wondered what had been the defining factor for the interviewers. As Mayor Pro Tempore Moore had been one of the interviewers, she responded that she had actually been on the fence between the two proposals. However, she felt that Bettisworth North presented a well thought out proposal, that they had done their homework and they addressed what needed to be addressed. She was also impressed with the fact that over the past twenty years, Bettisworth North, had not had a project awarded over budget, missed a project deadline, or been the subject of a construction claim. Ultimately, she approved the entire gamut of their proposal.

Council member Prax voiced his disapproval over the shortsighted spending that the City Council seemed fixated on going through with. He wished to remind the Council members that if they continued spending at our current pace the City would be spending more than it brings in within the next two years. He stated that it would be a disservice to the future of Valdez and its inhabitants if the City continued to spend in this manner.

Council member Sorum did not wish to belabor his point, but wanted to briefly expound on why he ran for Valdez City Council in the first place. The reason for doing so, he said, was because there seemed to have been a real push not to do anything in this community when the resources are so plentiful. He also mentioned that he had seen some of the work done by the proposed contractor in Skagway, and felt they had done an excellent job. All in all, Council member Sorum was ready to see this project move forward.

Rod Morrison, Principal of the Gilson Junior High School, voiced his appreciation of the Council moving forward with this project as it had been in the works since 2002. He considered it a great step in the right direction, and thanked the Council for their time.

Ruth E. Knight, a Valdez City Schools teacher, also spoke at this time. She expressed her approval that the design was for a middle school as opposed to a junior high school. As this project concerned the education opportunities for the children of Valdez, she hoped that this design was one of the top priorities for the City of Valdez. If we do not educate our kids, she intoned, it would have a negative effect on our community and society as a whole.

Council member Wells said that what was needed at this time was an estimation of expenditure. He continued stating that ultimately the voters would decide if they wanted to build this school. He said that there would also be plenty of opportunity for this matter to be discussed later on. Right now, he emphasized, that the City needed to get the numbers out there.

Council member Ables expressed her concern at the idea of Valdez becoming a community 'that thinks about me and not us'. She stated that it is important for the City to decide what we want as a community as well as what would make this community more appealing to people. A new school may not bring any money to the City, she said, but it will give people a reason to want to live here.

Council member Prax commented that the City has been very generous in their monetary support of the Valdez schools. He stated that the City gives an average of \$10,000 per child per year which is hardly a draconian approach to supporting education.

Buildings, said Council member Prax, 'don't do it'. While it is agreeable to have nice new shiny buildings, it is more important to have excellent teachers who care about their students.

VOTE ON THE MOTION: 5 yeas, 1 nay (Council member Prax), 1 absent (Mayor Cobb); motion carried.

2. Approval of Design Contract with McCool Carlson Green for \$98,970 to Develop a New Roof Replacement Design for the Valdez High School

MOTION: Council member McCann moved, seconded by Council member Sorum, to approve a design contract with McCool Carlson Green for new roof replacement design for the Valdez High School in the amount of \$98,970.

Mr. Hozey explained that, at this time, there were enough construction funds to design the new High School roof but not enough funds to complete the entire roof. The design could be completed now and the repairs could be done in phases.

Council member Prax asked if there was an estimate of what this might cost. Mr. Hozey replied that it is estimated to cost just over 2 million dollars to redo the entire roof.

Council member Sorum and Council member Wells agreed that paying to design the entire roof now and completing the work as funding became available (in phases if necessary) made the most sense.

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

3. Approval to Purchase 2012 Model 7400 International Chassis with Accessories in the Amount of \$98,563.58

MOTION: Council member McCann moved, seconded by Council member Sorum, to approve the purchase of 2012 Model 7400 International Chassis with accessories in the amount of \$98,563.58.

Mr. Hozey recognized that they were replacing a truck ahead of schedule but explained that it was due to safety issues. There was money available from equipment sales earlier in the year and so he felt the best option would be to purchase the truck while the City was able to do so. Council member Wells asked who, if anyone, had said that the truck was too dangerous to drive. Larry Weaver, Public Works Director, explained that while it had not been validated by any safety commission, the current truck was still seen as a safety hazard. He stated that when the current truck has a water tank on it, as it is often required to have, it puts the truck at the maximum weight per axle allowed. This makes the truck unsafe to drive, particularly when going highway speeds.

Council member Ables explained that at first look she was reluctant to support this. She asked Mr. Weaver if there was another way to use this truck. He stated that there could be, and indicated that the stellar unit will be coming off the truck and will be mounted on the new one.

Council member Wells also asked if the current truck could still be run with less of a load on it. Council member Prax concurred. Mr. Weaver replied that that could possibly work, but it would be a numbers game: to fill the tank with less water would mean it would take longer to complete projects.

Council member Prax thought that a new truck would be a nice thing to have, but that perhaps the City should consider all the alternatives. To him it made sense to use the truck the City currently possesses and fill the tank with less water. He also pointed out that the truck generally did not travel long distances and that driving it at 20 miles per hour in town was unlikely to be dangerous.

Council member Ables asked Mr. Weaver how often the tank is loaded to an unsafe level. Mr. Weaver responded that every time it is filled with water. He also commented that it was used, not just in town, but also in neighborhoods outside of town such as Alpine Woods.

VOTE ON THE MOTION: 5 yeas, 1 nay (Council member Prax), 1 absent (Mayor Cobb); motion carried.

4. Acceptance of State Single Audit Report for Providence Valdez Counseling Center

MOTION: Council member Wells moved, seconded by Council member Sorum, to accept the State Single Audit Report for Providence Valdez Counseling Center.

Council member Wells asked about the corrective items listed in the report. Walter Sapp, Finance Director, explained that a corrective action plan had been provided in the report. Mayor Pro Tempore commented that, as a Council, they need to accept the responsibility of their capital assets. She stated that it is highly unlikely that the City owns something that will last indefinitely without repairs. She suggested that the City should look at this since it has come up two years in a row. Council member Sorum asked how the corrections for the Kelsey Dock were added in with this audit. Mr. Sapp explained that the corrective action plan had been issued for the City's audit and that it included everything in this report.

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

5. Approval of a Contract Award to Wolverine Supply for the City Shop Office Ventilation Project in the Amount of \$75,000

MOTION: Council member Sorum moved, seconded by Council member Ables, to approve a contract award to Wolverine Supply for the city shop office ventilation project in the amount of \$75,000.

Mr. Hozey explained that this had been on the major maintenance list from the beginning of the year. The purpose of this project would be to segregate the ventilation system from the shop which, up until this point in time, did not have the best air quality. He stated that they recognized it as an important health need for City of Valdez employees working in that environment.

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

6. Approval of Working toward a Nomination of the Keystone Canyon Portion of the Richardson Highway as a Historic Property under Section 106 of the National Historic Preservation Act

MOTION: Council member Ables moved, seconded by Council member Wells, to approve working toward a nomination of the Keystone Canyon portion of the Richardson Highway as a Historic Property under Section 106 of the National Historic Preservation Act.

Council member McCann asked what the difference was between a scenic byway and a historic property. Lisa Von Bargaen, Community Development Director, explained that while a scenic byway has natural and intrinsic qualities, a historic property recognizes the land's historic qualities. Council member McCann recalled that the City had the opportunity for scenic byway designation a few years ago but turned it down because it had too many caveats. Ms. Von Bargaen said that people

were nervous that it would restrict any development in the area, which it would not have done. She went on to explain that most road repair and improvement would still be able to be done without interfering with the historic designation.

Councilwoman Ables asked if this designation would prevent growth in that area, such as a gas line or a turning the road from a two-lane to a four-lane highway. Ms. Von Barga said that those would have to be taken into consideration, but reminded the Council that they were discussing Keystone Canyon, a very short and very narrow stretch of highway.

Council member Sorum stated that, while Ms. Von Barga had mentioned a few possible exemptions, if there was anything that triggered the National Environmental Policy Act or NEPA, the City would have to talk with the State Historic Preservation Office (or SHIPA) for clearance. Like many state officials, he said, SHIPA would be understaffed and overwhelmed, and it would take time before they would be able to process the clearance. Unless there was something amazing that came from designating this area as historic, Council member Sorum saw more costs to this plan than benefits.

Council member McCann asked how the City would benefit if they designated that stretch of road as historic. Ms. Von Barga answered that it would help ensure that the road would be maintained and preserved. However, she stated that this was just an option, and that she was not even sure that the State would agree with the premise that it is a historical area.

Council member Prax stated that the obvious question to ask was; what benefits does this bring to the City of Valdez? He professed that he did not see many. In fact, he felt that doing this would merely be opening up a can of worms because having that designation could limit future development in that area.

Council member McCann expressed his concern over this sort of thing, as the City had had to relocate the harbor expansion from the duck flats because they were prevented from building there. What other mechanisms are there, he asked.

Ms. Von Barga had thought that this might have been worth a shot; it did not matter to her one way or the other, but as it sounded like the City was not interested, she did not wish to waste another minute of the Council's time. Mr. Hozey had stated that the reason this was brought before Council in this manner was because it had a deadline associated with it and he wished to bring it before Council prior to pursuing it.

Mayor Pro Tempore Moore, a known history buff, stated that she would vote for it. This area was part of the first highway in Alaska, and there would be benefits to the city by way of tourism to acknowledge that area as historic property.

VOTE ON THE MOTION: 4 nays, 2 yeas (Council members Moore and Ables), 1 absent (Mayor Cobb); motion failed.

XI. ORDINANCES

1. #11-05 – Amending Section 17.14.090 of the Valdez Municipal Code Related to the Maximum Height of Accessory Structures in the Single Family (RA) Zoning District. Second Reading; Adoption

MOTION: Council member Wells moved, seconded by Council member McCann, to adopt Ordinance No. 11-05 at second reading.

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

XII. RESOLUTIONS

1. #11-57 – Naming Rates and Fees for Use of Facilities in the Valdez Small Boat Harbor and Repealing Resolution No. 10-54 Formerly Naming Such Rates and Fees

MOTION: Council member Sorum moved, seconded by Council member McCann, to approve Resolution No. 11-57.

Council member Wells stated that it seemed like even though the City would incorporate some additional harbor costs, the revenue and expense sheets still showed deficits for 2012-2014. He asked Diane Kinney, Ports and Harbor Director, if these costs would be covered by revenue from the fish tax. Ms. Kinney replied in the affirmative: the deficits would be made up from the raw fish tax and the fisheries business tax. She stated that the Ports and Harbor Commission estimated their expenses and that perhaps by the end of the year would find that they would not need the full ten percent. Eventually the Commission hoped to get to a point where the fish tax would become a savings for major maintenance major improvements.

Council member Wells asked about the feasibility of that. He stated that harbor expenses along with other expenses increase over time. He asked if they had an idea of what point in time the fish tax would actually become a savings. Ms. Kinney replied that the Ports and Harbor Commission was just focusing on the next three years to get an idea of where they needed to go. She stated that they had talked about administrative expenses and after three years they hoped to know the true cost of running the harbor.

Council member Ables asked if it would truly be a 10 percent increase per year. Ms. Kinney replied in the negative, that it could be as little as two percent in areas.

Council member Sorum stated that when this started, the Ports and Harbor Commission had been given marching orders to recoup the cost of operations. He

stated that he still attended the commission meetings and, as a witness, knew that the Ports and Harbor Commission made an attempt to do what they were asked to do. He stated that he supported their effort and appreciated the idea of easing into rate increases to make it easier on users of the harbor.

Council member Wells took responsibility for sending the fees back to the Ports and Harbor Commission but felt that they did an exceptional job on it throughout the entire process.

Council member Prax wondered if the Council should meet yearly with the Ports and Harbor Commission if they are operating on a three year plan. He also felt that the commission had done a great job and that the fees should reflect the desires and intent of the City.

Mayor Pro Tempore Moore felt that the City should try and meet with the Commission once a year, but that the meeting date should not be set in stone.

Jack McCay spoke as a local boat-owner at this time. He explained the difficulties and frustrations he has as a boat owner who has been on the wait list for a permanent slip but may not see one open up, he said, in his lifetime. He suggested that the wait list fee and higher transient rates unfairly punish the local boat owners for the fact that the harbor is not large enough to accommodate all of them. Council member Sorum explained that transient rates have a long and extensive history. In short he stated that in a lot of places you pay by the day, week or month. What Valdez did was to give the transient boats the annual rate which provides huge savings compared to how other harbors operate. He stated that when the transient rate was instated, boat owners felt it was a very good deal for them. Council member Sorum also explained that in regards to the wait list, if there is not a mechanism in place to track boat owners then when a slip becomes available, it is a very lengthy process to fill it. The wait list provides an advantage to minimizing the headache of finding boat owners once a slip becomes available.

Mayor Pro Tempore Moore asked if the City could refer Mr. McCay's question back to the commission. Mr. Hozey stated that Council member Sorum provided the history on why the transient fees are in fact needed. Mr. Hozey did say that the commission had considered the possibility of applying fees paid while waiting for a slip to go towards the first year's moorage fee once a slip became available. This might give people and incentive to get on the list and stay on it. Ms. Kinney stated she had talked about this idea with her staff and all staff felt that it was not a good idea. She explained that they have had people paying fifty dollars a year for many years and if the City were to change the process this late in the game there would be complaints which could result in back-credit which would cost the city thousands of dollars. Ms. Kinney also explained that transient boat owners cost the Harbor more money in operations than boat owners that do have slips.

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

2. #11-58 – Authorizing the City Clerk to Dispose of Certain City Records

MOTION: Council member Sorum moved, seconded by Council member McCann, to approve Resolution No. 11-58.

Council member Wells asked Mr. Walker if the litigation files listed for destruction were in fact legally able to be destroyed. Mr. Walker replied in the affirmative.

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

3. #11-59 – Authorizing the Purchase of Four Easements Which Will Facilitate the Completion of the Design for Water & Sewer Lines in the Robe River and Corbin Creek Subdivision Areas in the Amount of \$29,255.

MOTION: Council member McCann moved, seconded by Council member Ables, to approve Resolution No. 11-59.

Council member Wells asked for clarification from Ms. Von Bargaen if the resolution would allow the right of way to be acquired based on the need for the design work that CRW is requiring regarding the Robe River and Corbin Creek Water and Sewer Line project. Ms. Von Bargaen replied in the affirmative; CRW has indicated that, unless they were allowed to move through private property for these easements, the project cost would be increased by at least 1 million dollars. CRW expressed their hesitancy to move forward with the design until the easements have been granted. Council member Wells asked if there had been any money allocated for the project. Ms. Von Bargaen replied in the negative stating that there had been money in the project to pay for the easements in the unencumbered funds for the project, but that within the agreements that the property owners sign, the City of Valdez has no commitment to completing the project. Council member Ables asked if the resolution failed, would it make the easements more difficult to obtain in the future. Ms. Von Bargaen replied in the affirmative stating that property owners may build on this land preventing easements from ever being obtained. Council member Wells stated that, if the easements were not secured while the opportunity presents itself, it could otherwise become quite costly for the City.

VOTE ON THE MOTION: 5 yeas, 1 nay (Council member Prax), 1 absent (Mayor Cobb); motion carried.

4. #11-60 - Authorizing the Purchase of a 1,329 Square Foot Triangular Shaped Parcel of Land Located in the Most Northwesterly Corner of ATS 617A in the Amount of \$4,700

MOTION: Council member McCann moved, seconded by Council member Ables, to approve Resolution No. 11-60.

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

5. #11-61 – Amending the 2011 City Budget by Authorizing the Transfer of \$37,747 from the Council Contingency in the Reserve Fund to the General Fund and Increasing the Appropriation for the Solid Waste Permit in the Solid Waste Budget in the Amount of \$37,747 and Authorizing its Expenditure

MOTION: Council member Ables moved, seconded by Council member Wells, to approve Resolution No. 11-61.

VOTE ON THE MOTION: 6 yeas, 1 absent (Mayor Cobb); motion carried.

XIII. REPORTS

1. Valdez Museum & Historical Archive Automatic Lease Renewal
2. Building Permit Report
3. Building Inspection Report
4. Salmonberry Ski Hill Fee Proposal
5. Strategic Planning Status Report

Council member Prax stated that the direction of the ski hill was definitely in question. He asked if perhaps a discussion item or work session could be included in a future Council meeting so that the Council and the Parks and Recreation Commission could attempt to reach a decision in regards to fees. He stated that deciding on a fee for skiing merely begged the question of why the public need to pay to ski but not to swim. Mr. Hozey stated that the Parks and Recreation Commission had been struggling with this because they did not want to charge anything. The Commission had sought the Council's guidance for establishing a fee, since it appeared that was what the Council wished to see happen. However, the Council needed to inform the Commission of what the Council expects the fee to accomplish so that the Commission can assign an appropriate amount to suit the need.

Council member Prax stated that because the City has no idea what to expect in terms of usage, a daily fee should be charged to assess that information for the first year of operation. After the first year, he said, the fees can be readdressed. Mr. Hozey thought that would be more of a determination of usage and not a determination of revenue. Council member Prax stated that the City may need to do both. Mr. Hozey stated that the revenue will have an effect on usage.

Council member Ables stated that she agreed with Council member Prax about charging a fee but questioned Mr. Wegner about why the Ski Hill will only be opened for 49 days of the season as he had stated earlier. Mr. Wegner replied that the days of operation were determined by the resources needed to groom the hill. He reported that the Snow Authority would be limited in staff and equipment and therefore it was determined that a 49 day season for the first year would be

sufficient. Mr. Hozey stated that seeing how things progressed during the first year would determine how the City would adjust the ski hill operations in the future.

Council member Wells stated that he was looking for balance between the two ideas; ten dollars a day and ten dollars a year represents a vast range of price. He stated that something in the middle should be agreed upon. Mr. Wegner stated that charging a daily fee would greatly increase administrative costs. He indicated that, though volunteers have offered to help, complete reliance on them to make the daily operation of the ski hill happen may not be realistic. Council member Prax stated that an annual fee would not give you daily usage. He suggested a \$5 a day fee. Council member Moore stated that she would like to meet with the Parks and Recreation Commission and work these details out. Council member Wells stated that he would like the Snow Authority present at that meeting. Mr. Wegner indicated that the spokesperson for that group is Karen Cummings and that they could invite her to a work session. The work session was set for the next Council meeting on September 19, 2011.

XIV. COUNCIL BUSINESS FROM THE FLOOR

COUNCIL MEMBER PRAX

Council member Prax stated that the Fish Derby wrapped up and at the time it looked as if the revenue generated this year would be very close to last year's revenue. He stated that it had been another great year for the fishing industry in Valdez.

COUNCIL MEMBER McCANN

Council member McCann asked about the CDQ study that had been completed regarding the fleet relocation. Mr. Hozey reported that the study came back and had produced no favorable results. Council member McCann asked how much the study had cost the City. Ms. Von Barga stated that it cost a total of \$75,000. Mr. Hozey stated that a Phase I report would be provided to Council as soon as it was completed.

DOROTHY MOORE

Council member Moore called attention to the letter written by the Executive Director of RCAC to Mayor Cobb. She explained that RCAC does a five year plan of projects and that this was the time of year during which proposed projects that would meet the mission of the safe transportation of oil would be presented.

XV. EXECUTIVE SESSION

Council member McCann did not participate in the executive session.

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- XVI. RETURN FROM EXECUTIVE SESSION
- XVII. COUNCIL TRAVEL
- XVIII. ADJOURNMENT

There being no further business, Mayor Pro-Tempore Moore adjourned the meeting at 10:50 pm.