#### I. CALL TO ORDER

Mayor Cobb called the meeting to order at 7:00 pm in the Valdez 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 Alan Sorum Council member Steve McCann Council member Dorothy M. Moore Council member Joe Prax Council member Karen Ables

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

Members of staff and approximately 10 people in the audience.

## IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF July 5, 2011

The minutes of the regular meeting of July 5, 2011 were approved as presented with one minor correction.

- V. PUBLIC APPEARANCES
- VI. PUBLIC BUSINESS FROM THE FLOOR
- VII. CITY MANAGER/CITY CLERK/CITY ATTORNEY/MAYOR REPORTS

#### CITY MANAGER

Mr. Hozey opened his report with the subject of Homestead Road. The sewer line construction was going well and there was a lot going on. The Assisted Care Living task force met on July 11<sup>th</sup> to get their financial analysis information together. However, more analysis needs to be done, and so they are scheduled to meet again on August 17, 2011. The final report should follow soon after.

As to the new middle school project, there had been a pre-proposal meeting last week. Mr. Hozey was careful to point out yet again that this is a phased design contract and that the City of Valdez would not be obligated to see each phase through. The Salmonberry Ski Hill tow rope had been procured and was ready to ship. The City of Valdez should have it in 30 days, and it should be ready to go for the upcoming winter season. Mr. Hozey commented that this project is more involved than what was originally pitched to the council.

Mr. Hozey then asked if the approval of the contract with Wolverine Supply to install replacement high school gym floor and bleachers could be pulled from the agenda for this evening and brought back at the next City Council meeting. He explained that the school district had changed their minds about which bleachers they would accept, therefore causing a problem with the bid made by Wolverine Supply. Also, he brought forth a recommendation for the City Council about this project: they could either award the contract at this current meeting and try to push this project through, even though it would affect the beginning of the school year, or they could award the contract now but delay the start of the work until next summer. The representatives from the school district would prefer if the City Council would wait until next summer; and he proceeded to go over the benefits and repercussions of both options.

The benefits of awarding the contract that night and starting work the fall of 2011 would be that the gym and bleachers would be done sooner. However, to try and complete it during the school year would cause a complete disruption to both physical education classes and high school/community sports programs. The idea was floated by Council member McCann that Hermon Hutchens Elementary gym could be used for some of those activities. Mr. Hozey said that idea was problematic due to the fact that the schools were already going to be doing work on the elementary school gym floor also.

The benefits of awarding the contract at the next meeting and having the work done the summer of 2012 were also discussed. The agenda item could be reworked to reflect the change in contractors, and the contract price would not be influenced by delaying the work by a year. The high school would have to make do with the old gym floor and bleachers for another year, but their sports and classes would not be disrupted. Concerns were raised by the City Council about the feasibility of pushing this back to the summer of 2012, as it had been brought forward to the City Council as a safety issue requiring immediate attention. However, it was decided that the bleachers could withstand another year of use if non-skid tape was applied to minimize the possibility of people slipping and falling on them.

Council member Prax wondered how the City could be working on one gym and the school system working on another at the same time without it being made known to the City Council. Mr. Hozey explained that this lack of communication between the City Schools and the City Council was a long-standing issue. He explained that the City Schools often wait to see how much money they have left over at the end of their fiscal year and then spend what is left on large projects. The City usually finds out about the spending after the fact.

Council member Moore was concerned as to the legal implications surrounding this problem. The saving grace was that the low bidder for this contract had no problem giving it up to the other bidder.

Council member Prax stated that, if the high school gym was being redone as a safety issue while the elementary school gym floor was merely an indulgence on the part of the City Schools, the elementary school gym needed to be available while the City of Valdez fixed the more pressing issue.

Council member Sorum as well as Council member Prax wished that a representative of the school board was present at this meeting. Mr. Hozey explained that if they pushed this back to the next City Council meeting, he would do his utmost to have a member of the School District attend the next City Council meeting. Ultimately, the City Council decided to remove the item from the agenda until the next meeting.

Mr. Hozey continued his report by informing the City Council of the Emergency Planning exercise that would run the majority of Tuesday and Wednesday of that week. He explained that upper level staff would be heavily engaged in this large training event. The City of Valdez would be able to interact with a multitude of players, some of which the City had not participated with before. A unified command consisting of the City of Valdez, Alyeska, the State of Alaska, and the U.S Coast Guard would be set up, enabling the City to see how that would function outside of a classroom scenario. He asked that if anyone needed to contact any City staff during this exercise, to please be patient as they may not be available. Police Chief Comer and Mr. Weaver helped plan the event, and Fire Chief Keeney will have the opportunity to play instead of plan this year. Mayor Cobb asked if these plans and actions came from lessons learned from the Alaska Shield event that took place last year. Mr. Hozey affirmed this, but said that this year the City would be testing new things they had not had an opportunity to test as well with playing with different groups than last year. However, Mr. Hozey clarified that this event is part of an ongoing process to learn more and improve on the City's emergency planning.

Council member Moore asked if the City Council could be informed about how well the emergency planning exercise went. Mr. Hozey said that they would be informed after the exercise and when everyone had time to digest what happened.

#### CITY CLERK

Ms. Pierce reported that she had election announcements. Petitions for City Council or School Board would be available in the City Clerk's office. The filing period opened on July 15<sup>th</sup> and would be closed August 15<sup>th</sup>. There would be one proposition on the ballot for 2011; the Charter change, as approved by resolution of the Council. Ms. Pierce stated that anyone interested in receiving absentee ballots can download the application online, or they could email or call the City Clerk.

Ms. Pierce stated that there were 3 public hearings scheduled to occur on July 27th, 2011, during a Planning and Zoning Commission meeting. These hearings were scheduled to discuss: 1) an exception for a 1 foot, 2 inch Encroachment of a house as applied for by Steven Cotter, 2) a conditional use permit for a 130 foot tower

structure as applied for by Copper Valley Telecom, and 3) a conditional use permit for a Recreational Vehicle Park (5 Sites Only) as applied for by Bill and Kathy Hutchinson.

## <u>MAYOR</u>

The Mayor wished to congratulate Council member Sorum on being appointed by the Governor to the Alaska Boating Safety Council. The yellow gazebo was looking good; Cindy Rymer had planted flowers, and Diane Kinney had helped as well. They had used some of Larry Weaver's crushed glass, and the three bear silhouettes were startlingly realistic at first glance. Mr. Cobb wished to thank them for all for the work they had done to beautify the gazebo.

#### VIII. CONSENT AGENDA

- 1. Approval to go into Executive Session Regarding
  - a. TAPS Valuation/Litigation

MOTION: Council member Moore moved, seconded by Council member Wells, to approve the Consent Agenda.

**VOTE ON THE MOTION: 7 yeas, motion carried.** 

#### IX. NEW BUSINESS

1. Appointments to Ports and Harbor Commission

Council member Sorum asked the Council if he had a conflict of interest as one of potential appointees was his employer. The Council came to the conclusion that it was not a conflict of interest. By ballot, the City Council members voted Mark Swanson and Bruce Painter to the Ports and Harbor Commission for a three year term.

MOTION: Council member Moore moved, seconded by Council member Ables, to appoint Bruce Painter and Mark Swanson to the Ports and Harbor Commission.

**VOTE ON THE MOTION: 7 yeas, motion carried.** 

1. Approval of Five Year Extension to the Building Lease Agreement with North Star Terminal and Stevedore Co., LLC

MOTION: Council member Wells moved, seconded by Council member Moore, to approve a five year extension to the building lease agreement with North Star Terminal and Stevedore Co. LLC.

# **VOTE ON THE MOTION: 7 yeas, motion carried.**

2. Approval of Seasonal Use Structure Agreement with Janette & Moustafa Kaymak for Mtn. High Espresso Building

MOTION: Council member McCann moved, seconded by Council member Moore, to approve a seasonal use structure agreement with Janette & Moustafa Kaymak for Mtn. High Espresso building.

## **VOTE ON THE MOTION: 7 yeas, motion carried.**

3. Approval of Contract with HDR, Inc. for Strategic Planning Facilitation and Administrative Support in an amount of \$115,000

MOTION: Council member Ables moved, seconded by Council member Moore, to approve a contract with HDR, Inc. for strategic planning facilitation and administrative support in the amount of \$115,000.

Council member Sorum asked if Council members were normally included on the selection committee. Mr. Hozey explained that he usually asks one Council member to sit on the selection committees for things like this; this time he has asked the Mayor to be on the committee.

Council member Ables had hoped that the goals of the plan were similar to the goals she had in mind. She made it known that she did not object to this plan; she merely hoped that it would be further and deeper than what had been outlined. Mr. Hozey confirmed that the consultant would meet with administration and with council to make sure everyone was on the same page.

Council member McCann felt that six months seemed like a very ambitious schedule to do this work. He inquired as to whether the Planning and Zoning Commission had even finished their plans. He also was concerned that this group was only engaged in the short term instead of the long term.

Mr. Hozey was quick to point out that there can be alternate planning horizons. This outline was just their proposal in direct response to a process the city put out in the RFP. This was just to give the City a means of comparison between proposals. Long term projects would be examined in manageable chunks, but the idea was to be fairly flexible and to allow these complex processes to grow and evolve.

Council member Moore felt obligated to ask a few questions due to the fact they were spending public money on this issue. Seven proposals had been turned in, and she wondered why this one had been chosen over the other six. Mr. Hozey explained that, while all of the proposals had been in the same price range, this proposal had additional ideas that the other proposals did not. However, the City did not have to take on these extras if they do not want to. Council member Moore's

next question was about the cell groups outlined in this proposal. She wanted to make sure that their wants would be addressed in a fair and balanced manner. Mr. Hozey explained that a planning core would be set up, comprised of one member from every cell. The City Council would be the nucleus of that core, and therefore would be the ones in charge of making the ultimate decisions.

Council member Prax thought the whole thing was yet another white elephant. The City was way too dynamic for most long term planning to be effective. He went on to describe the proposal as frivolous and geared to make easy money off the City of Valdez. He stated his opinion that ultimately, this endeavor was going to be worse than worthless.

Council Member Sorum commented that he would have liked to have seen the other proposals if the City was going to agree to spend so much money on this study.

Council member McCann asked how much more this would cost if the City of Valdez did not stick to the outlined schedule. Mayor Cobb explained that this was just a basic schedule that the City Council would modify and adjust over time. The City Council would be the core group that makes the ultimate decisions, with other members of the community helping out. The cell groups would decide what is important to them and then the core group with the City Council would take that and from there come up with an overall plan. He also said that after looking at all of the proposals this one had stood above the rest, and that it had been a unanimous vote by the selection committee to bring this proposal forward.

Mr. Hozey made it clear that the City had come up with this plan, and that that City Council had approved this outline before it went out. If after this group is hired the City Council wishes to change the approach, the City Council has the ability to do so.

Council member Ables felt that this community needed these measures in order to adapt and survive.

Members of Council reiterated that the City Council would be in control of how this project would operate. Mr. Hozey explained that this group would provide reports, conduct meetings, and do whatever research is needed to be done. The ideas would come from the community, and the consultants would just facilitate the process.

Council Member Prax thought that this plan would lead to numerous irresponsible and idle plans being considered. There would be many a bad idea of how the City should spend public money without any risks involved for those suggesting them. As no one is omniscient, particularly the City Council, planning to plan for the long term is irrational.

Council Member Wells agreed that there were plenty of plans floating around the city. However, at some point in time the City has to gather all of that information and start focusing it as a list of priorities. Council member Wells continued that the proposal, the process being discussed, should help pull all of those loose ends together. It was time for the City to put money where it was truly needed.

Council member Ables applauded Council member Wells for his perspicuity. She agreed; she felt that the Council needed extra help to shape the future of the City. Council Member McCann did not want his statement mistaken as dissent, but merely wanted to point out that this process would be in-depth as well as difficult. Council member Wells thought that this would take a lot of time, consultation, and administering to in order for it to work, but by the end of the day he felt that the City Council would be happy.

# VOTE ON THE MOTION: 5 yeas, 2 nays, (Council member Prax and Council member Sorum), motion carried.

 Approval of Contract with Wolverine Supply to Install Replacement High School Gymnasium Bleachers and the HS Gymnasium Floor Replacement in the Amount of \$234,000

# By consent of the council, this item was removed from the agenda.

5. Approval of Contract with Harris Sand and Gravel for the Demolition of the Buildings on Sea Otter RV Property in the Amount of \$68,000

MOTION: Council member Sorum moved, seconded by Council member Ables, to approve a contract with Harris Sand and Gravel for demolition of the buildings on Sea Otter property in the amount of \$68,000.

Council Member Prax brought up the fact that the City of Valdez had leased part of the lot in question to Peter Pan. He then asked if Peter Pan had expressed any interest in expansion. Lisa Von Bargen, Community & Economic Development Director, explained that Peter Pan was very interested in expanding to the west. They would expand south if need be, but would rather expand west if at all possible. She clarified that all of Peter Pan's current properties are leased properties.

Council member Prax asked if the City of Valdez had looked into demolishing the buildings themselves instead of contracting someone else to do it for the City. Jack McCay, Capital Facilities Director, explained that it would take a lot of resources to complete this project, and so it was best left to subcontractors. Council member Wells asked if the City had addressed the contaminated soil issue in its entirety, and Mr. Hozey confirmed this.

Council Member McCann wondered if the Fire Department would be interested in this building for training purposes before it was destroyed. Mr. McCay informed him

that Chief Keeney was aware of the building but it was decided to leave it to a contractor.

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

6. Approval of Contract with Wolverine Supply for the Renovation of the T-Ball Field Comfort Station in the Amount of \$79,700

MOTION: Council member Wells moved, seconded by Council member McCann, to approve a contract with Wolverine Supply for the renovation of the T-Ball field comfort station in the amount of \$79,700.

Council member Moore established that the comfort station in question was the one in between Hanagita Street and Prince William Sound Community College. This comfort station, as well as the other ones around town, was built over 35 years ago. She questioned how many other comfort stations there were, and if they needed to be repaired as well. Mr. McCay explained that all five of them need to be repaired. The City of Valdez tries to repair one a year; last year they had fixed the comfort station by Ruth Pond, and it had been quite an improvement. Council member Moore wished to make the point that these things need to be upgraded and maintained.

Council member Prax questioned the need to spend \$80,000 on repairing a restroom. Mr. McCay explained that this was something of a bargain as the Ruth Pond comfort station renovations from last year had cost \$125,000.

Council member Prax wanted to know what specifically was being done. Mr. McCay explained that the price would cover all costs for the repairs which would include: a new roof, new plumbing, and fiberglass reinforced plastic panels all the way around the outside.

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

7. Approval of the Valdez City Council Policies and Procedures

MOTION: Council member Ables moved, seconded by Council member Moore, to approve the council policies and procedures.

Mr. Hozey brought up a potential amendment before the City Council. If they so chose, the City Council could change the order of the agenda for the City Council meetings by moving *public business from the floor* to right before *council business from floor*, instead of having it after *public appearances*. Ultimately, the City Council decided not to make an amendment for this motion.

**VOTE ON THE MOTION: 7 yeas, motion carried.** 

## 9. Discussion Item: Alaska Gasline Port Authority Update on Gasline Issues

City Attorney Bill Walker had hoped to provide a PowerPoint presentation to the City Council, but he would not have it until Wednesday at the earliest. However, he would walk the City Council through the information without it. He expressed the idea of the current situation as being, in fishing vernacular, a gasline 'opener'. Right now, he said, a bad idea is being pushed through, and pushed through hard, by some folks. Mr. Walker gathered from conversations with the Executive Director of Alaska Housing and the President of a subsidiary of Alaska Housing that they both felt that this would be a better project if it went through Valdez, but felt curtailed by the plan that was being projected.

Mr. Walker expressed his frustration at what damage the State of Alaska would do to itself if this bullet line was accepted. He felt that the people of Alaska seem to be kowtowing to a bad idea. The strongest point in favor of the bullet line was that gas prices in Fairbanks might drop to something more similar to the prices as they stand in Anchorage. Mr. Walker had hoped for a stronger selling point than that, but as none were presented, he chalked this idea as just another one that would have to be laid to rest. The Port Authority had fought the line through Canada, they had fought the McKenzie project, and if Alaska wanted to continue proposing bad ideas, the Port Authority would be prepared to continue the fight.

Mr. Walker went on to discuss how the Port Authority's money had been expended thus far. The majority, he explained, had gone to the consulting firm that was creating the new report to counter the one pushing the bullet line. He stated that each iteration of this PowerPoint presentation was better than the last, and the next draft of it would be the final one, which would be presented to City Council as soon as possible. He assured the City Council that they would be pleased with the information presented.

The City of Valdez had been promised that if it contributed \$300,000 that it would be matched. Mr. Walker said that there has been a match of \$200,000. He also indicated that he did not need to be compensated for his time to do this. The men who worked to bring TAPS into being did not need to be compensated, he said, and neither did he. He then thanked the City Council for their contribution, as it had been extremely helpful in fighting for a line to Valdez.

Mr. Walker then segmented into describing how popular the line to Valdez was in other communities around the State. For example, someone on the Kenai Peninsula would be running for mayor with their platform being a line through Valdez. There are a few articles that have been written about several people running on the premise of an All-Alaskan line. He also mentioned that several legislators had mentioned to him in person that, were it possible, they would approve of a line to Valdez.

He also explained that several of the other gasline ideas had little support or were falling through. For example, Shell had pulled out of the McKenzie Project. While they only had 15% invested, it was still significantly symbolic that someone with their power says that they are out. Also, BP and Conoco Philips had pulled out of the Denali project.

Mr. Walker stated that he has been in communication with Yukon Pacific Corporation (CSX) who stated that they are in the process of stepping away from the Federal Environmental Impact Statement from Prudhoe Bay to Valdez for the gas pipe line due to the maintenance cost to keep it current. They see no reason to continue this effort since several years ago the State of Alaska took away their State right-of-way from Prudhoe Bay to Valdez for a gas pipeline. CSX fought vehemently to retain the right- of- way with no success. Mr. Walker stated that it was astounding that a State which claims they want a gas pipeline would take away a right- of- way from a company which had invested hundreds of millions of dollars to obtain the right of way. Mr. Walker said though this was very unfortunate, it is really not the license or permit which is as important as the public data that was collected by CSX. Mr. Walker said that the irony of this was that the initial gas pipeline route proposed by CSX and Governor Hickel attempted to go to Cook Inlet instead of Prince William Sound. Twice it was attempted to permit the Cook Inlet route, which resulted in failure due to direction by the permitting agencies to move the gas line into the existing permitted TAPS right-of-way.

Mr. Walker stated that on August 17<sup>th</sup>, 2011, there would be a gasline forum meeting to discuss all plans. He had been asked to represent the Port Authority, but other competing groups would be there as well. It would be interesting, he said, to see how things go due to the fact that everyone will all be on one stage.

He also explained that the Port Authority was due to have a meeting later that week. The plan was to have a fair amount of media involved to inform Alaskans on what they would be giving up if they were to go ahead and put this silly restriction on gasline options. Mr. Walker then said that this was the idea in a nutshell, and that he would take questions at this time.

Council member Ables asked about the possibility of being able to deny the stipulation that the State would no longer consider any other plans for the natural gas line in the State of Alaska were this proposal to be accepted. Mr. Walker said that it was only a recommendation to the state legislature, but that he could not think of any reason why the State would approve it in the first place. He thought that it was pure, raw politics and nothing more. Mr. Walker explained that having a line to Cook Inlet is not very feasible. Even if they were to have a large volume pipeline to Cook Inlet, he said, it would not work because the inlet is too shallow for big tankers to enter into. There have been small tankers that have been built specifically to get around this issue, but only Prince William Sound, and particularly the Port of Valdez can handle current large volume tankers. What he did think, however, was that the is project should be at least initially owned, and then built by the private sector. He

reiterated his pleasure at the research and effort that had been put into this project, and hoped to be able to show that to the Council soon. Council member Moore asked if, once Mr. Walker presented the information, the council members could receive a copy of the PowerPoint that they could keep. Mr. Walker affirmed this, stating that the compiled data would not exist without the City's support.

Council member Moore went on to express her displeasure that the larger population within the State of Alaska would want to have cheaper gas at the expense of smaller communities. Energy costs were going up around the State, and there were towns and villages who were hurting more than the City of Valdez. She felt that all people should equally enjoy the benefits of the State. Mr. Walker confirmed her idea; the Constitution of Alaska, Section 8, states that "resources are developed for the maximum benefit to the people", not solely to benefit certain people in certain areas.

Again Council member Ables asked about the possibility of the citizens of Alaska halting the bullet line as soon as possible. Mr. Walker explained he did not think it would have to come to that; it was not time to be worrying about lawsuits as it was still in the court of public opinion. He felt that dialogue would do well enough on its own at this point. It could potentially turn into a debate between rural and urban Alaska, but it would be too early to judge that.

Council member McCann had just recently read an article in the Anchorage Daily News that stated that Golden Valley had been hauling gas to Fairbanks by truck. That contract, however, would be ending, and they are pushing to have the gas trucked south from the North Slope instead. Mr. Walker explained that Golden Valley was pursuing that idea on their own, with or without help from the Port Authority. However, the Port Authority would not in of themselves be spending the time and money it would take to pursue it.

Council member Prax had heard about an offshore drilling proposal. The oil fields they are looking into are not Prudhoe Bay sized, but closer to that size than the little fields up there. It could extend the life of the pipeline, he said, therefore solving some ongoing problems as well as extending the life of the Pipeline Terminal. He asked if there was anything the City could do to monitor that. Mr. Walker explained that they could have their lobbyist look into that and give the City updates on that particular idea. Council member Prax had no idea of the scale of the offshore oil fields and consequences it may have for the oil line; he thought the gas companies were chasing after squirrels. Mr. Walker made it clear that these people hunt elephants, not squirrels. Offshore drilling is where the elephants are. Unfortunately were the gas companies to bag their elephant no revenue would go to the State of Alaska as it would be an offshore endeavor. However, that gas would have to hook up to TAPS, and so it would benefit any one group involved with TAPS. He concluded this idea by saying the City of Valdez should probably look into it as it may be a huge benefit to them if it goes through.

Council member McCann said he recently read a news article which stated that there is some fear by residents of the Kenai Peninsula that money spent to construct the proposed "bullet line" would take away funding which could be used for exploration of gas in Cook Inlet. Mr. Walker responded that this was correct. Senator Wagner issued a press release on July 5th which questioned what in the world the State of Alaska was doing considering this bullet line when there was plenty of gas in Cook Inlet. Mr. Walker said a recent geological survey has estimated the reserves at 19 tcf due to the fact that the technology in finding and bringing gas to the surface has improved. Mr. Walker said the cost of the gas in Cook Inlet may not be cheap, but development of the reserves is eminent. Mr. Walker said he was surprised to learn that this important information regarding the Cook Inlet gas reserves was not contained in the bullet line report.

Council member Wells thanked Mr. Walker for donating his time and for his tireless efforts to continue to promote the merits of an All-Alaska gas line project. Mr. Walker responded that a reporter had recently asked him off camera why he continued to support this project. Mr. Walker said his reply to the reporter was "because I have seen the numbers of what this project will do for the State of Alaska and what will happen if we don't go forward with this project". Mr. Walker stated that the price of gas continues to go up in the Asian market.

Council member McCann asked if the coal lobbyists were pushing back on the development of gas within the State. Mr. Walker replied that there is a push-back by the coal lobbyists due to those in the lower 48 who are attempting to use gas development as a means to pressure the coal industry to scale back mining efforts. Mr. Walker said he did not subscribe to this way of thinking.

#### X. RESOLUTIONS

1. #11-52 – Amending the 2011 City Budget in Various Funds to Effect the 2011 Mid-year Budget Adjustment

MOTION: Council member Wells moved, seconded by Council member Moore, to approve Resolution #11-52.

Council member Moore asked about the numbers concerning TAPS's value. Mr. Hozey explained that the total value of the pipeline went down 1 billion dollars, but the total loss of revenue for this municipality was 4 million dollars.

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

2. #11-53 – Amending the 2011 City Budget in Various Funds by Transferring Funds Between Various Accounts as Indicated in Attachment A

MOTION: Council member Wells moved, seconded by Council member Moore, to approve Resolution #11-53.

Council member Moore wished to tout the projects that had come back underbudgeted as much as the projects that had come back over-budgeted are. She also commended the City for not spending everything on December 29, 2010, therefore ensuring carryover of monies into 2011.

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

3. #11-54 — Amending the 2011 City Budget to Accept the Child Care Assistance Grant in the Amount of \$35,773 and Authorize its Expenditure

MOTION: Council member Moore moved, seconded by Council member McCann, to approve Resolution #11-54.

Council Member Moore asked what this grant would pay for. Mr. Hozey explained that this grant pays for the child care administrator who runs the Day Care Assistance program.

# **VOTE ON THE MOTION: 7 yeas, motion carried.**

4. #11-55 – Amending the 2011 Budget in the General Fund by Accepting a Grant from the Alaska Division of Homeland Security and Emergency Management in the Amount of \$12,143 and Authorizing its Expenditure for the Valdez Local Emergency Planning Committee

MOTION: Council member McCann moved, seconded by Council member Moore, to approve Resolution #11-55.

**VOTE ON THE MOTION: 7 yeas, motion carried.** 

#### XI. REPORTS

- 1. Building Permit Report
- 2. Building Inspection Report

## XII. COUNCIL BUSINESS FROM THE FLOOR

#### COUNCIL MEMBER MOORE

Council member Moore informed the Council that the Audit committee did meet and they were moving forward except for the State mandated audit of the Providence grant. Mr. Hozey explained it would be broken up into two parts, and the first part would be brought to the City Council soon. He asked Walter Sapp, Finance Director, when those would be available and he said they would be brought before the Council in August.

Council member Moore stated that RCAC had met with the chief executives of Alyeska and that it had been a very productive meeting. She appreciated their time and efforts. At the meeting she had been made aware of a low flow report and how it affects the pipeline. The executive summary of the report was quite telling: the report itself was over 50 pages long, but the summary was only 3-4 pages and she encouraged the rest of the Council to read it and come to their own conclusions on the subject matter.

## **COUNCIL MEMBER PRAX**

Council member Prax wanted to thank the Parks and Recreation swim instructors for their excellence in teaching swimming. He stated his appreciation for program and noted that all three of his children successfully completed it.

The Kids Pink Salmon Derby had been held on the previous Saturday. There were 185 kids at the picnic at least, and over half of them were from out of town. The biggest fish was caught by a boy from Anchorage. The kids had a great time, he said, and it was fun to see so many people from out of town. Most of the out of town kids were from Anchorage, Wasilla, and Fairbanks. First National Bank, Connecting Ties and The Elks lodge contributed to this event, as did Larry Zonka Productions. He also mentioned that a person with the name of Smokey Joe grilled the hot dogs. All in all, it went extremely well.

Council member Prax reiterated his displeasure at the Alaska State Trooper Traffic Control Division that had recently shown up in the city. He felt that they were out of control enforcing uncommon laws over common sense. That sort of nonsense served to give law enforcement a horrible and normally undeserved name. The only way to deal with them, he supposed, was to pull their funding.

## COUNCIL MEMBER McCANN

Council member McCann wanted to inform the Council and the public that the Salmonberry Ski Hill, which has been progressing fabulously, has a website. He also wished to inform the Council that he would not be present for the next two Council meetings.

#### COUNCIL MEMBER SORUM

Council member Sorum did have a chance to stop by the harbor, and he was quite pleased with what he saw there.

#### XIII. EXECUTIVE SESSION

Council member McCann was absent and excused from the executive session.

## XIV. RETURN FROM EXECUTIVE SESSION

**MOTION:** Council member Moore moved, seconded by Council member Wells, to instruct City Administration, in abidance with Rule 67, to deposit the 2006 supplemental tax payment with the court.

**VOTE ON THE MOTION:** 6 yeas, 1 absent (McCann)

XV. COUNCIL TRAVEL XVI. ADJOURNMENT

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