VALDEZ CITY COUNCIL Regular Meeting Minutes February 7, 2011 Page 1

I. CALL TO ORDER

Mayor Pro Tem Moore called the meeting to order at 7:00 pm in the City Council chambers.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Mayor Pro Tem Dorothy M. Moore Council member Karen Ables Council member Mike Wells Council member Joe Prax Council member Alan Sorum Council member Steve McCann

Absent and excused: Mayor Cobb

Also Present:

Eric Phillips, Acting City Manager 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 January 18, 2011

The minutes from January 18, 2011 were approved as presented.

V. PUBLIC APPEARANCES

VI. PUBLIC BUSINESS FROM THE FLOOR

Pam Shirrell addressed the Council as the Chair of the Providence Valdez Advisory Council. She gave an update on the board's activities stating that within the next six to eight weeks they will be doing their strategic planning that will include a team building process. She said that in order to maximize their success they wished to receive feedback from the City Council and Providence Valdez Medical Center on their expectations of the board. She indicated that they would like to know how they can be more valuable as a board and asked for the Council's support in helping them achieve this goal. She asked that council members consider her request and be prepared to share their expectations with the PVAC board on February 22nd.

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

CITY MANAGER

Eric Phillips, acting City Manager, stated that he was prepared to answer any questions regarding the written City Manager's report in the Council packet. Mr. Phillips requested that a work session be scheduled to discuss the Community Strategic Planning Process. The Council agreed to meet on Tuesday, March 8th at 6:00 pm.

CITY CLERK

Ms. Pierce reported that the next Council meeting would be on Tuesday February 22nd because of the holiday on February 21st. She stated that there would be a work session that night with the Valdez Convention and Visitors Bureau prior to the regular Council meeting.

CITY ATTORNEY

Mr. Walker stated that there was no attorney's report for the evening.

MAYOR REPORT

In Mayor Cobb's absence, Mayor Pro Tem Moore stated that there was no Mayor's report.

VIII. CONSENT AGENDA

1. Proclamation: Teen Dating Violence Awareness and Prevention Month

MOTION: Council member Wells moved, seconded by Council member McCann, to approve the proclamation.

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

IX. NEW BUSINESS

1. Approval of Homestead Road Project Bid Structure and Special Assessment District Concept

MOTION: Council member Sorum moved, seconded by Council member Ables, to approve the Homestead Road Project Bid Structure and Special Assessment District Concept.

Council member Sorum stated that he felt the City should agree to complete the entire project including paving, water, and sewer because in his opinion there was funding

available to do so. He also stated that there would be cost savings by doing the entire project at once instead of in stages.

Council member Prax asked how many properties there were in the neighborhood. Lisa Von Bargen, Community Development Director, stated that there were roughly 25 properties, some of which are zoned commercial. Council member Prax asked if what was in question tonight was the sewer portion of the project. Ms. Von Bargen responded that administration was also seeking approval of the bid structure for this project. Council member Prax asked how much it would cost for the residents to hook up to the sewer system. Ms. Von Bargen stated that it would cost approximately \$10,000 per home, depending on the location of existing plumbing within the home. Council member Prax asked if every resident was aware that they will be required to hook up to the new system. Ms. Von Bargen stated that she had not spoken to every single resident but that a majority of the residents had previously signed a petition in support of the project. Council member Prax expressed his concern that every resident might not be aware of the cost. He also stated that the cost of this project to the City was about \$75,000 per property plus the \$10,000 the residents have to pay to hook up to the system. He stated that Alpine Woods costs were \$35,000 per property.

Council member McCann asked how long the property owners would have before they would be required to hook up to the sewer system. Ms. Von Bargen said that the city code states 90 days, however the City had previously worked around this deadline when projects reach completion in a time period which would not be optimal to connecting to the utility. She stated that she had chosen a 1 year time period for homeowners to connect to the system, but she was open to allowing a longer time period if needed.

Council member Wells asked if once the septic systems are switched over, would the property owners be required to properly abandon their old systems and if so were they aware of this cost. Ms. VonBargen replied that this had been discussed at the January meeting with the residents. She stated that the total cost to the property owner would be determined by factoring in the price of the hook up costs, which included the installation of the sewer line from the property to the main line, any relocation of plumbing within the home, and the abandonment of the old septic system in accordance with local and state regulations. Council member Wells expressed concern regarding the one year deadline to hook up to the new system. He asked if residents who had relatively new septic systems would be allowed more time to connect. Ms. Von Bargen stated that they would evaluate each on a case by case basis depending on the age of the septic system and if it was functioning properly.

Joe Van Note, Homestead Road resident, stated that since everyone's situation was unique in the subdivision he would like to see a presentation from the City to reiterate information on the project to each property owner.

Donna Schantz, 1773 Homestead Road, stated that she was very supportive of the project. She stated that if each portion of the project were now put out to bid then they

would have a more concrete idea of what the costs would be. She said that the original intent was to pave Blueberry road and Homestead Rd. Ms. Schantz stated that for health reasons, paving the street was essential. She cited the dust problem created by commercial trucks and vehicles which provide freight service to businesses on the street. Ms. Schantz stated she hoped that when the bids are received the city did not lose site of the original intent which was to pave the street. She stated that if they cannot move forward with sewer and water that paving is very badly needed. Ms. Schantz thanked the City for considering the project and hoped that they could now move forward with what the City does best, which is providing services.

Emmy Swanson, Cottonwood Subdivision resident, stated that her neighborhood is effected by dirt and dust produced by traffic on Homestead Road. She applauded the efforts of the City to provide water and sewer services to the residents but she was sad to see that the original plan to pave the road may be waylaid. She stated that by not paving they are affecting more than one neighborhood and she hoped paving would be reconsidered.

Alan Crum, Alpine Woods resident, agreed with Council member Sorum regarding the need for all phases of the project to be completed. He stated that doing it in phases would cost the city more. He asked that the City seriously consider doing all of it as a onetime project.

Randy Butherus, 2070 Homestead Road resident, stated that he realized paving is needed, however the sewer issues should be addressed first. If paving is done first then it would be very costly to dig up the pavement and install the new sewer system. He stated that several septic systems are currently failing and that sewer needs cannot be ignored. He stated that the sewer system should take precedence over the other phases of the project.

Deborah Harrison, 2040 Homestead resident, stated that the cost of hooking up to the sewer will be a costly issue for the homeowners and she questioned if the design could be reconfigured to run the new sewer lines behind the properties on both sides of the road. She stated that this would eliminate the extra cost of homeowners having to relocate their interior plumbing to hook up to the new system. She asked if this could be a possibility. Ms. Von Bargen stated that the design of the sewer line intended for the line to run down the current right of way. She stated that though Ms. Harrison's idea has a lot of merit the current design has already gone through the environmental process to comply with the EPA guidelines and if redesigned now the project would likely lose the EPA funding. She stated that considering the fiscal situation with the federal government, grants that are not being used in a timely fashion are being taken back by rescission. She stated that it was imperative to get this project out to bid in a timely manner. Ms. VonBargen stated that if it was decided to not use the EPA grant, then other design options could be considered but it would likely push the project back another year. Mayor Pro Tem Moore asked if there were easements behind the properties in the neighborhood. Ms. Von Bargen replied in the negative and stated that

easements would have to be obtained from property owners, creating an additional step in the process.

Ms. Harrison asked if the City could go ahead with water and paving and then redesign the sewer portion to install the lines behind the homes. Ms. Von Bargen stated that it was possible but it would be doubling the amount of sewer pipe installed which would increase the cost significantly. Larry Weaver, Public Works Director, stated the current design requires a lift station at the far end of the subdivision. If there were two lines running behind properties it would be likely that two lift stations would be needed. He stated that an engineer would have to make that exact determination.

Council member Prax stated that before the City starts doing long range planning they should get on the same page regarding how they are going to handle projects. He stated that they did not offer a special assessment option to residents of Alpine Woods to put in an entire septic system. He stated that they do not offer this for people who want to build a house anywhere else within the city. Council member Prax explained that special assessments are designed so that the residents divide the cost of the entire system and pay for it by themselves. It is not just for connecting. He stated he felt that they are setting a precedent for one area of town that they are not doing for anyone else in Valdez. He gave examples of other neighborhoods that did not receive this benefit. He stated that the city should be consistent with how they handle projects of this nature. Council member Prax said that he talked to people familiar with how the subdivision was originally planned and indicated that there were concerns about services in the beginning but it was determined that they were not wanted by the residents. He explained that now, the City is coming in and putting them in anyway and they are not doing this elsewhere. He stated that the entire project would cost \$150,000 per lot. He stated that the lots themselves were not worth that amount of money. He stated that he also believed that by accelerating the process the residents who are not aware of their personal costs to hook into the system are going to be very upset with the money they will be forced to pay. Council member Prax concluded that he felt that there were people who do not want to be a part of this project and that they have only heard from those who do.

Council member Ables questioned if the City was willing to bear the cost of hooking up to the systems over a period of time, allowing the resident to pay it out through the special assessment. Ms. Von Bargen replied in the affirmative. Council member Ables stated that in other neighborhoods where home owners had to pay for sewer service when building new homes those properties had access to a nearby sewer main. She explained that the Homestead Rd. project is unique because the sewer main is not close by. Council member Ables said that the cost of the project includes installing a sewer main from which to connect to a sewer system for the neighborhood. Council member Ables asked Ms. Von Bargen if any residents had expressed opposition to the project. Ms. Von Barge replied in the negative.

Council member Wells asked Jack McCay, Capital Facilities Director, if there was concern with trenching in these types of services within a high water table. Mr. McCay

stated that there would be borings in the design and that they would need to look at those drawings to see what they show. Council member Wells recommended supporting the motion to move forward and get actual bid costs. Therefore, a decision on whether to go forward with the project can be made.

Sheri Pierce, Homestead Road resident, stated that her septic system was installed and inspected by the City and within a year of installation it had failed. She stated that her neighbor, Bob Zastrow, assisted her with the outfall pipe because it was not installed correctly which has helped the situation but there are still issues. Ms. Pierce stated that she questions whether or not her system was legal because of its close proximity to the creek. She stated that she has had huge problems with her septic and would rather pay to hook up to a new system rather than pay to have her current septic system pumped every 3-4 months. Ms. Pierce stated that she was in favor of installing a new sewer system, as it is necessary to her property and the neighborhood as a whole.

Bob Zastrow, Homestead resident, addressed Council stating that there are serious septic problems. He stated that he has his septic tank pumped out about every three months. He stated that it is a contamination problem and will continue to be until it is fixed. He stated that he is in favor of moving forward on the sewer portion of the project. He also stated that he does agree that the dust problem needs to be addressed as well. Mr. Zastrow stated that the petition that was signed one year prior in support of installing a sewer system was signed by 17 homeowners on Homestead Road. He stated that he has not heard of a single person that is opposed to it.

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

1. Approval of Amendment to the 2011 Capital Budget for Providence Valdez Medical Center in the Amount of \$46,700

MOTION: Council member Wells moved, seconded by Council member Ables, to approve the amendment to the 2011 capital budget for Providence Valdez Medical Center in the Amount of \$46,700.

Pauline Doucet, Assistant Administrator, explained that the amount would pay for one part of the electronic medical records application that is required in order to receive reimbursements for implementing the system they began last year. Ms. Doucet explained that there was a delay with the vendor being able to produce the entire package and because of that there were cost savings last year which allowed for the purchase of a fluoroscope. She said that now the application is available and still needs to be addressed. Ms. Doucet stated that there were cost savings in the current year because the CT scanner ended up being less than expected so they plan to use those savings to fund this expense.

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

2. Approval of Contract to EastSide Carpet Company to Remove and Replace Carpeting in the South Wing of City Hall, City Hall Entry and the Police Department Second Floor Hallway and Stairwell in the Amount of \$41,648.37

Mayor Pro Tem Moore asked for clarification on the amount requested. Mr. Phillips recommended Council award the contract in the amount of \$41,648.37 indicating that if there are additional needs administration will have the authority to increase the amount because it would be within their spending authority.

MOTION: Council member Wells moved, seconded by Council member Sorum, to approve the Contract to EastSide Carpet Company to Remove and Replace Carpeting in the South Wing of City Hall, City Hall Entry and the Police Department Second Floor Hallway and Stairwell in the Amount of \$41,648.37

Council member Wells asked if the bid for carpet included materials and labor. Mr. McCay replied in the affirmative.

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

X. ORDINANCES

1. Ordinance #11-02 – Amending Chapter 8.20 of the Valdez Municipal Code Titled Nuisances. Second Reading. Adoption.

MOTION: Council member Ables moved, seconded by Council member McCann, to approve Ordinance #11-02 for adoption.

Mayor Pro Tem Moore asked Mr. Walker if this creates a better appeal process. Mr. Walker replied in the affirmative stating that it updates the code and takes out some antiquated language used in years past.

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

XI. RESOLUTIONS

1. #11-08 – Endorsing the Prince William Sound Regional Citizens' Advisory Council for Recertification by the U.S. Coast Guard

MOTION: Council member Ables moved, seconded by Council member Wells, to approve Resolution #11-08.

Council member Sorum stated that he was employed by RCAC and asked if there was a conflict of interest with him voting on this motion. Mr. Walker stated that if it directly impacts the employer there could be a conflict but that it would be up to the Council to decide if they opposed Council member Sorum's vote or not. There were no objections by Council.

Council member Wells stated that the RCAC committee serves a very important role in the transportation of oil. He said that they do an excellent job and thanked all of those involved in that process.

Mayor Pro Tem Moore stated that she does serve on the RCAC Council and that the resolution does point out some things that she feels RCAC has done a great job in supporting. She stated that one that it fails to mention is a scientific study they completed in the Sound last summer in which the results are very telling, indicating that we do have a lot of fresh water on top of the Prince William Sound and the Port and it does not always mix very well.

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

2. #11-09 – Amending the 2011 City Budget by Accepting a Grant from the State of Alaska Department of Commerce, Community and Economic Development in the Amount of \$90,000 for Senior Center Carport Improvements

MOTION: Council member Ables moved, seconded by Council member McCann, to approve Resolution #11-09.

Mr. Phillips stated that originally the grant went to the Senior Center and it was determined that the project should run through the City. A MOA was signed to that effect. Mr. Phillips explained that this is a legislative grant and this is the process of accepting the money so that the design can begin. Mr. Phillips stated that this will only take care of the design of the carport.

Mayor Pro Tem Moore asked if all things occurring in the area are being considered in the design such as other work proposed by the hospital. Mr. Phillips replied in the affirmative.

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

3. #11-10 - Supporting the Extension and/or Renewal of the Alaska Coastal Management Program in the 2011 Alaska State Legislative Session

MOTION: Council member McCann moved, seconded by Council member Wells, to approve Resolution 11-10.

Ms. Von Bargen stated that the Alaska Coastal Management Program was in danger of sunset if the legislature does not extend it or renew it. There are a number of issues being addressed by more rural coastal districts with regard to the ability to make comment on things going on in their coastal districts. Ms. Von Bargen stated that the City of Valdez Coastal District is really only concerned that the program is renewed and does not sunset because the Alaska Coastal Management program currently allows for the coastal districts to have a seat at the table and a voice with

regard to projects in our community. She stated that it would be detrimental to us if that process were not in place.

Council member Ables asked what the consensus is to make sure it does not sunset with the legislature. Ms. Von Bargen stated that as Senator Coghill described, the legislature is generally in favor of renewing the program but the State is not interested in giving up any ground in decision making with regard to what happens. Ms. Von Bargen explained that they are not going to give a district more power than the State has. They do not want to give a district the ability to make decisions that could affect the economy of the entire state. Ms. Von Bargen indicated that she felt that it would be renewed but that they may be working out these specific issues.

Council member Sorum stated that it was a little disingenuous to say that communities have a voice in what happens because in fact they do not compared to the voice they once carried. Council member Sorum stated that the only way to get action out of the executive branch of the State is to have pressure on them to listen to rural communities. Council member Sorum said that the only way we should support this resolution was if we specifically support legislation that only extends it for 1 year. He indicated that he does not want to give them six years because it will not be looked at again for such a long time.

VOTE ON THE MOTION: 4 yeas, 2 nays (Council member Sorum, Council member Prax), 1 absent (Mayor Cobb), motion carried.

4. #11-11 – Amending the 2010 City Budget in the General Fund by Transferring Funds in the Amount of \$7,769.82 from the Engineering Department to the Hospital Department and Authorizing the Expenditure

MOTION: Council member Ables moved, seconded by Council member Wells, to approve Resolution 11-11

Mr. McCay stated there are three maintenance employees, two are full time and one is a 0.7 FTE, working 26 hours a week. He said that they budget for the full twelve months and if he works any over time at all it doesn't get charged to the over time line item but gets charged to regular time. It is not considered real over time until he works more than 37.5 hours. He explained that this puts them in arrears with the budget from the beginning. Mr. McCay stated that this is essentially a balance transfer of those hours which effect both salary and benefits.

Council member Sorum stated that a voter contacted him about this resolution and he appreciated the explanation which makes it much clearer. He stated that he feels we will be in the same situation with the new harbor position being a 75 percent position. He feels that it is much more of a headache than necessary and setting these positions up like this from the beginning sets up for issues that management has to deal with later.

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

5. #11-12 — Authorizing the Name Change of the Lessee for the Gravel Lease for Parcel 2, Tract A, ASLS 79-116 from Dean Cummings and King Bee Equipment to Chugach Materials, LLC

MOTION: Council member Ables moved, seconded by Council member Wells, to approve Resolution 11-12

Mayor Pro Tem Moore asked if this was a house keeping detail to make the lease agree with who is actually doing business. Ms. Von Bargen replied in the affirmative.

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

XII. REPORTS

1. Tailgate Alaska – WESC Report

Council member Prax stated that it was nice to see City Administration working with the organizers of the event. He stated that he feels that it will be a very large and successful event and he appreciated the way the organizers are going about it.

- 2. Pioneer Field Airport Terminal Building 2010 Year End Report
- 3. January Building Permit Report
- 4. January Building Inspection Report

Mayor Pro Tem Moore asked if they have gone to a new format. Ms. Von Bargen replied in the affirmative stating that it was necessary to change because of the amount of years that are included in the report. She also stated that they are now tracking City building permits separately.

XIII. COUNCIL BUSINESS FROM THE FLOOR

COUNCIL MEMBER PRAX

Council member Prax apologized for his absence during the previous two meetings. He then recognized the passing of long time Valdez resident, Pat Lynn. He commented on what a loss this would be to the community of Valdez. He shared some experiences he had with Mr. Lynn and expressed his appreciation for Mr. Lynn's positive impact on Valdez.

He also stated that he heard the School District was planning on renovating the administration building at the cost of \$500,000. He stated that if something like that is on the horizon the City should be kept in the loop on those decisions.

Ms. Pierce stated that her office had received confirmation from the school superintendent's office that he would be present at the next Council meeting and will be prepared to discuss capital projects. Ms. Pierce stated that they will be present during the regular meeting so that the public can hear these discussions.

Council member Prax stated that he did listen to the last two council meetings over the radio and that the reception was crystal clear.

Council member Prax closed stating his appreciation for the proclamation presented to his business at the last Council meeting recognizing their successes over the past 20 years in Valdez.

COUNCIL MEMBER ABLES

Council member Ables recognized the passing of Pat Lynn as well and wished his family well during this difficult time.

COUNCIL MEMBER WELLS

Council member Wells echoed the sentiments about the passing of Pat Lynn stating that his presence will be greatly missed. He wished his condolences for his family.

COUNCIL MEMER SORUM

Council member Sorum stated that there was an after action report that came out for the Alaska Shield 2010 exercise around the beginning of December. He stated that it was very important for the City to be involved in those exercises to learn from them. He asked Administration for a report back on the status of the comments noted in the report. He also asked why we did not hear anything back for so long after the exercise was complete. Council member Sorum indicated that there should have been some preliminary communication with the State and Administration. He asked for Administration to keep council better informed on this.

Mr. Phillips stated that a report could be provided at the next Council meeting and that Mr. Hozey did attend an after action recovery module training in Anchorage in recent weeks.

MAYOR PRO TEM MOORE

Mayor Pro Tem Moore passed out a summary of the RCAC meeting. She stated that she was certain that RCAC is appreciative of the resolution that was just passed. She said that they are in the process now of figuring out how to archive the papers they have supported. They have nearly 20,000 documents that they are trying to make accessible to the public.

XIV. COUNCIL TRAVEL

Council member Wells will be out of state during the next Council meeting.

XV. ADJOURNMENT

There being no further business Mayor Pro Tem Moore adjourned the meeting at 8:45 pm.