

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

The City Council led in the Pledge of Allegiance to the American flag.

III. ROLL CALL

Mayor Dave Cobb

Council member Karen Ables

Council member Mike Wells

Council member Sorum

Council member Dorothy Moore

Council member Joe Prax

Council member Steve McCann

Also Present:

John Hozey, City Manger

Sheri Pierce, City Clerk

Bill Walker, City Attorney

Members of staff and approximately 25 people in the audience.

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF February 21, 2012 AND SPECIAL MEETING OF FEBRUARY 27, 2012.

The minutes of the meetings of February 21, 2012 and February 27, 2012 were approved with one correction.

V. PUBLIC APPEARANCES

VI. PUBLIC BUSINESS FROM THE FLOOR

Howard Stoddard, Owner and Operator of Alaska Backcountry Adventures (ABA), addressed the council regarding his concerns with the proposed new heli-ski guide company, Alaska Snowboard Guides, who if allowed a permit would be operating feet from the base area of his company. Mr. Stoddard explained that he is mainly concerned with safety and issues that might arise with two companies working that closely together. He stated that having two operations in such close proximity to each other would greatly increase the risk of a collision considering the uniqueness of the terrain in the area. Mr. Stoddard asked the Council and the citizens of Valdez to keep this from happening. He stated that it is our responsibility to maintain the integrity of heli-skiing, to keep our visitors

captivated. This can be achieved by offering un-crowded, untracked powder skiing, he said. Mr. Stoddard asked the Council and citizens to submit concerns and comments about this issue to Candace Snow at the DNR @ Candace.snow@alaska.gov.

Council member Moore asked what the exact location of the proposed new company is. Mr. Stoddard replied that it is in the same area as Tailgate Alaska. Mayor Cobb asked Mr. Stoddard if he had tried working with DNR. He replied in the affirmative but indicated that he was not getting anywhere by going that route. He stated that they do not seem to have a concern with safety and he felt that it is a huge issue to ignore. Mayor Cobb asked how many companies are currently working in the area to which Mr. Stoddard replied that there are four companies sharing the same area. Mayor Cobb asked the City Manager if there was anything that the City could do. Mr. Hozey replied that it is out of our jurisdiction but that they are always able to make comment. Lisa Von Barga, Community and Economic Director, stated that the City of Valdez does have the capacity to comment on what goes on up on Thompson Pass. Ms. Von Barga stated that comments are due to DNR by March 22nd. Mayor Cobb asked Mr. Hozey if he planned to make comments. Mr. Hozey replied that if it was the direction of Council he would do so. Mayor Cobb felt that in respect to safety that the City should comment. Mr. Stoddard explained that it is up to Valdez to keep the experience of heli-skiing on Thompson pass pristine because if there are too many operators customers will spend their money elsewhere. Mr. Stoddard stated that he has already lost clients to the Haines area because of the increasingly over-crowded situation that is being created on the pass. Adding another company to the same location will negatively impact Valdez.

Council member Wells asked at what point does the FAA get involved. Mr. Hozey explained that it is uncontrolled airspace in which the FAA does not monitor. Council member Sorum stated that though he is concerned with safety he felt that we should at least attempt to contact the applicant. He said that he would be very uncomfortable filing something with DNR without hearing the whole story. He stated that their focus could be strictly air safety while avoiding taking sides with individual heli-ski companies. Mayor Cobb agreed that we should not be picking sides but that we should be picking safety.

Council member Ables asked about the details of a given trip in a helicopter. Mr. Stoddard explained that he can fit four people in a helicopter and that he has five groups running at a time. Council member Ables asked if he would consider expanding and Mr. Stoddard explained that he believed in personal service and that it was not something he would look at doing. Council member Ables asked where Mr. Stoddard saw Valdez in the next 10 years and he indicated that he believed that there would be a ski resort here. He explained that the views on top of the Chugach are one of a kind and that there is nothing like that range in the rest of the world. Council member Ables stated that she felt that over the next 20

years the Thompson pass area will see several lifts and substantial growth in hotels in the area. Council member Ables asked what would it take to be safe in the air with the addition of ski lifts and more people. Mr. Stoddard explained that they did not need more companies but that they would just need more operators and more helicopters. He stressed that keeping fewer companies in operation with experienced guides will keep the air safe.

Council member Prax stated that he agreed with Council member Sorum in that they needed to hear from the proposed company to get the entire story. He also stated that it is likely that there are going to be more companies up on the Thompson Pass and that with growth there will be pains. However, he stated, there is a lot of room up there.

Council member McCann asked what the permit entitles an operator to utilize. Mr. Stoddard stated that it entitles him to the Chugach range and allows them to utilize a landing area. Mr. Stoddard stated that with the increasing prices of fuel they are running a tighter operation so they are not flying as far as they once did.

Council member Ables asked if everyone takes off in the same area. Dean Cummings, owner of H2O Guides, stated that he takes off from the airport. Mr. Stoddard stated that he and one other company take off from the same area. Council member Ables asked if it was possible for them to take off from the same area. Mr. Stoddard explained that taking off from the same area ruins the experience clients are seeking.

Dean Cummings, owner of H2O Guides, addressed the Council asking them to do some research on their industry and try to truly understand what it is they do. He stated that he has been doing this along time and that his company brings a lot of money to Valdez and he felt it would be wonderful if the City educated themselves on the reality of his and other heli-guide businesses. He stated that the natural resource of snow could fully support this town and that should be the focus. The answer to make this town a better place is to concentrate on that resource and use it for all it's worth because it will never go away and does not cause a negative environmental impact. Mr. Cummings stated his disappointment regarding the decision to use tax payer dollars to send people to Europe to essentially promote Tailgate Alaska. He stated that historically he has been treated poorly by the City and that there is documentation to prove that. Mr. Cummings concluded however that he can look over that and sees Valdez as an amazingly beautiful place that is going through some growing pains. He was happy to report his pride in being able to view the wilderness in the manner in which he has. He stated his desire for the City Council to get behind his business and really understand it and not just jump at the chance to support organizations such as Tailgate that do not live and work here year around. Businesses such as his and Mr. Stoddard's are what are making this place better year around and that is who the City should be behind. Mr. Cummings also requested that a

serious look be taken at the state level as well. He explained that of all heli-guide companies across the state, millions of dollars are being brought into Alaska and yet there are no regulations on whom can set up a business here. He stated that there should be standards in place to protect the industry. Council member McCann stated that it seemed to him that the operators who are the experts should come up with a set of standards and then take those requirements to the State since they are the most qualified to do that. Mr. Cummings agreed and said that it has been worked on to some extent. He explained that it's still in the pioneering stages but that the City could in fact approach the subject with the State as a concern for the safety of this community. He stated that the City could give them suggestions on what should be going on at Thompson Pass. Mr. Cummings stressed his belief that it is time to get really smart about business and the future of this community.

Leigh Hart, H2O Guides, addressed the council and explained that she comes from the outdoor, adventure, travel, tourism and ski industries in branding and marketing and PR for the past 20 years. She wished to bring a trend in the industry to the Council's attention. Ms. Hart explained that there's a trend within the industry to move from a quantitative number to a qualitative number. The experience is now the focus. It is important for Valdez because the experience brings people to Valdez on a long term basis. If people have an amazing vacation here in Valdez they may look to move here. Ms. Hart explained that she comes from a rafting community in Colorado and saw this very thing happen there. Council member Ables asked if those rafting companies communicated well together. Ms. Hart responded that they created a rafting association that grew from just a local group into a national organization. Council member Ables stated that it would be a good idea for the heli-guides, to create an association with all of the guides to open up those lines of communication.

Ms. Hart announced that they are working on a project through H2O Guides that is a multimedia project that will position Valdez and Alaska as a base camp for year around adventure. Ms. Hart asked that everyone be on the lookout for this exciting new project.

Mr. Stoddard explained that the heli-guides do communicate but that now is not the time to get an association started up. They are in the height of their season and starting it now is not feasible. Council member Ables stated that it is something they should look to do in the future because safety is paramount and in her opinion things are really starting to grow which opens up the possibility of accidents.

Sunny Hamilton, snowboarder, voiced her concerns regarding safety and explained that there have already been near misses on the pass. She said that as it is now she often uses the area where ABA is stationed and reported that they are very respectful of skiers and snowboarders that are hiking or using snow

machines to climb the mountain. She indicated though that if more companies are allowed access to the same area accidents can and will happen because that area is already very busy and is being used by all companies at times. She stated that she does not want to see a lot of regulations and rules as far as who can be where on the mountain. She felt like the current operators do well in communicating with each other but it is reaching capacity. She explained that the companies that have been here for years and have established themselves in the industry should not be the ones to suffer when they have been dedicated to Valdez for years. She explained that she has fully embraced Tailgate Alaska by volunteering and competing in the events and she plans to continue to do so. However, she said, there comes a point where it becomes a conflict of interest by having another company in the same location.

Council member Ables asked what a safe distance would be for future companies to start up at to avoid the issues being discussed. Mr. Stoddard explained that the Chugach is huge and maybe the area where Valdez Heli Camps used to be would work out.

Dan Vander Meulen, Snow Safety Director, stated that the Canadian Avalanche Association are very heavily regulated. He explained that he is not pro-regulation but there could be a lot more communication between operators on the pass. However, he continued, there are so many micro weather systems on the pass that it is very difficult to share relevant information. The best information is what is under the feet of the people who are skiing. Alaska Avalanche Information Center tried to get professionals together to share information but that avenue has become far too public. As far as flight space is concerned the pilots are all well trained and are monitoring the standard frequency as well as their own. He stated that he felt it is more of a risk for an in air collision as two helicopters are coming through a saddle together than a collision in the main corridor. Mr. Vander Meulen stated that he sees the demand this year for as many helicopters as possible. He reported that last year people were turned down because there were not enough helicopters to give rides and people left Valdez disgruntled. This is not what we want for Valdez. He stated that he was at the Tailgate parking lot last year and people who had invested a lot of money were not able to get up in a helicopter. That, Mr. Vander Meulen, stated is not the publicity we need. He said that his stance is to have a good time but in the safest manner possible. Bringing all of the companies and guides together can turn into a wrestling match, Mr. Vander Meulen explained. He concluded that the demand is here and we need to take as many people up into the mountains as possible.

Council member Prax stated that the operators do not really want the City involved in this and they do not really want regulations. Once that happens, he explained, their businesses will be changed forever and not in a good way. Council member Prax stated that the key is to welcome other businesses, be friendly, and concentrate on running your business and doing it better than

anyone else. That is how you succeed, he said. If you ask for regulation you are asking for something you do not want to deal with. Council member Prax concluded that if anything, regulations should be created by those in the business, by the operators themselves, not government that knows nothing about the ski industry.

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

CITY MANAGER

Beautification Task Force

The Task Force met and reviewed the request for proposals submitted and have selected Design Alaska for the project. Mr. Hozey stated that they will bring that contract to Council for approval at the next meeting and will be meeting with Design Alaska the following day.

Strategic Planning

The Planning Core met and had a very productive discussion on the objectives. The consultant has put that together in a summary document that has been circulated. The next step, Mr. Hozey announced, will be Cell meetings that are planned for Saturday March 10th to discuss Milestones. The second meeting on Milestones will be on the 31st of March and the Open House will be on April 10th, reported Mr. Hozey.

Project Management Process Review

This process has begun, the proposals have been reviewed and interviews have been set. Mr. Hozey stated that he hopes to have that to Council on the next agenda.

The Middle School Project

Mr. Hozey reported that a joint meeting is scheduled with the School Board which will be a work session that leads into special meetings. At the special meeting, he announced, there will be time for public comment and action will then be taken on whether or not the Council wishes to approve the Ed Specs as presented for submission to the State. After the packet was completed for this meeting a request was submitted to the Clerk for an addition to the plan for the middle school. Mr. Hozey explained that what is desired is to add a wrestling room to the plan. Though it is pretty late in the process the request was sent to the architectural firm.

Small Boat Harbor

Diane Kinney, Ports and Harbor Director, Jerry O'Brien, Project Manager, and Mr. Hozey traveled to Anchorage to attend a design conference with the Corps of Engineers for the new small boat harbor. The Coast Guard representative did not make the meeting as hoped. However, it was determined that the harbor as currently designed will not be able to accommodate the new large cutters inside the basin since it was designed for vessels 100 feet or less. What is being proposed instead, he explained, is an option for a mooring facility that could be located just outside the basin on the east side of the east break water. It is a low cost, low impact planning idea to preserve this future option in the current design. Mr. Hozey said that they will be briefing that to the Coast Guard as they go forward. Another thing discovered in the discussion was how intricately tied the uplands development at hotel hill is to this project. Mr. Hozey stated that it is not currently part of the official project. The current project creates about five acres of uplands using dredge materials from the project. What was determined was that the two processes, the uplands development and the small boat harbor, need to be developed together. Mr. Hozey stated that the use of dredge materials to create uplands is actually more expensive. It is cheaper to take those materials out to Two Moon Bay. Mr. Hozey said that in order to use dredge materials you have to de-water it to make it acceptable as dredge material. If we can use materials from the hill excavation to create the uplands it makes the overall project cheaper and the environmental mitigation at Two Moon Bay improves, he explained. Mr. Hozey stated that a work session would need to be held to fully address this issue in the future.

Legislative Priorities

Mr. Hozey finished the development of the federal lobbying pages for the small boat harbor that he and the Mayor will be using at the end of the month in DC. Also, he reported that our lobbyist has submitted our request to the delegation and he is currently working with them to set up their appointments for the Washing D.C. trip. Council member Moore asked when that trip would occur and Mr. Hozey replied that it would be the week of March 26th.

Assisted Care Living Task Force

Mr. Hozey reported that work is progressing. He explained that the subcommittee is still working on financials but what the larger group decided is needed to facilitate the layout of the site plan, is to break the master plan up into parts. The first part will reserve the real estate for the area, basically the site plan. A meeting will be held with the task force on March 15th to finalize that plan. After that meeting, Mr. Hozey explained, this first part of the plan will be brought to Council for approval. The meeting on the 15th is critical, he said, because they

are trying to finalize the senior center car port issue and where it will be placed within the master plan.

Salmon Berry Ski Hill

Mr. Hozey reported that there have been a total of 196 passes sold. There has been an average attendance of 47 people with a maximum of 90. The new hours, 11:00 – 5:00 have been working well. They will be open the entire week of spring break and Mr. Hozey listed special events scheduled for that week. He also reported that skis and snowboards are available for rent at the Prospector.

Childcare Grant

Mr. Hozey reported that at the last Council meeting it was agreed by Council that administration should submit a grant for the regional Childcare Program in an effort to keep staff here in Valdez which would also mean taking on the administration of the entire region. Mr. Hozey stated that Walter Sapp, Finance Director, has been working on that request but there are some requirements that he did not know about at the last meeting. Mr. Sapp addressed the Council stating that within all of the communities in the central region, it is required that the applicant must have in place already or is able to submit a plan for the rental of an office to use for the administration of the program in that area. He stated that they have not had an opportunity to visit all of the locations to see where they would locate offices or what the rent would be. He indicated that it would be very difficult to submit an application without knowing this information. He also indicated that they would need IT support for computers there. After talking to the IT Director it seemed that it may pose a problem to his staff's support if more than just a basic set up.

Mayor Cobb asked if there are existing offices in those places. Mr. Sapp stated that he did not know if there were or not. Mayor Cobb suggested calling those locations to see what is currently in place and to see if we could derive numbers for our application based on information provided from the current locations. Mr. Sapp said that might be possible but that the application is due in Juneau by 4:00 pm on March 8, 2012. Mr. Hozey stated that it was his impression that the Council did not commit to hosting this program but only committed to submitting the application to keep our options open. He indicated that if the application is submitted, the odds of Valdez being selected for this program would be very small. Mr. Hozey asked the Council if they really wanted the extra work to be done to submit the application.

Council member Ables stated that she wished that they maintain an office here whether they get the contract or not. Mr. Hozey replied that having an office here without the contract is not an option. If an office is here it will have to support all of the other places in the region. Council member Ables stated that if that is the

case then whoever got the contract would have to have an office here locally and that would benefit the parents and employers in Valdez. Mr. Sapp stated that ideally he would prefer to subcontract under whoever gets the contract but that is not a guarantee. Council member Ables asked if Mr. Sapp could make some calls to see if that might be an option for Valdez. Mr. Sapp indicated that he could try and do that research. However, Mr. Hozey stated that that will be determined by who gets the contract and we do not know who that will be. He also stated that they do not have time to do this research before the deadline on March 8th. Council member Ables stated that an office would still have to be here. Mr. Hozey stated that there would be an office here but it did not mean someone would be stationed here. Mr. Hozey stated that it would make sense for the City of Valdez to subcontract under whoever gets the main contract and he asked the Council for permission to not put in the application at that time. Council members Prax and Wells agreed with this request. However, Council member Sorum questioned why Representative Feige and Senator Coghill had not been contacted to fight for the status quo. He stated that they should put pressure on the State to keep the administration of this program as it is. Mr. Hozey said that those calls had not been made but that he will make the calls and follow up with them. By the end of the discussion it was agreed by Council to not put in an application to take over the day care program for the region but to wait until it is awarded and try and subcontract under the recipient of the program.

Council member Prax stated that he felt that the plans for the new location of the Senior Center car port might be located in a very vicious wind path. He stated that it is currently pretty sheltered from the wind and moving that as proposed could be very dangerous. Mr. Hozey stated that they are considering leaving it where it is but moving it just slightly up towards the mountain. Council member Prax stated that if it is moved past the Senior Center itself it will be a very dangerous path for the Seniors to walk to their vehicles.

Council member Prax asked about the status with VCVB. Mr. Hozey stated that Colleen Stephens has been busy with her father in Anchorage but that he has a meeting scheduled with her during the upcoming week. Council member Prax asked about what exactly happened last year and if that will be investigated. Mr. Hozey stated that he had not been actively working that issue at the moment. He agreed that the task force should address that. Council member Prax stated that he did not feel that it is the task force's responsibility. He felt that it was the responsibility of the City Council to make sure that the public money was spent correctly. Mr. Hozey stated that he would follow up on that and would report back to the Council.

CITY ATTORNEY

Mr. Walker expressed his appreciation for the Council coming together for a special meeting the previous week to sign off on the TAPS valuation for 2012. He

stated that he was surprised that everyone signed off on that so close to the deadline. He said that they now have a chance to regroup and begin the process for going after a 5 or 10 year long term settlement. He reported that the odds were not in our favor for everyone to sign on to the agreement for 2012 and that he was very pleased that it went through.

Mr. Walker said that they are watching House Bill 9, the bullet line, closely and if it does pass it would not be good for Valdez or the rest of the state. He also mentioned that the Harris Report, funded by the AGPA, has gone out to every legislature showing what the cost of energy reduction would be around the state if an all Alaska gas line was put in. He heard back from approximately 15 legislators, the Lieutenant Governor's Office, and some commissioners who all showed an interest in future conversations about the idea. The 3rd report completed by the McDowell group compares jobs, income, revenue, and cost of energy benefits to different regions based on the bullet line versus the all Alaska line to Valdez. That will go out to the legislature during the week of March 5th and a copy will be given to Council and Administration.

Mr. Walker reported that there has been a lot of new interest in LNG out of Alaska. He stated that he has been called to do presentations to companies that are doing business in Alaska and are looking at getting LNG out of Alaska and into the Asian market. Last week, Mr. Walker gave a presentation in Houston to a company that is on the North Slope now and they were very impressed with the Wood McKenzie report. A request from one of the top three buyers of LNG in the Asian market was made for Mr. Walker to come to New York to do a presentation there. He stated that the meetings went very well and he was asked for a letter of intent as well as an MOU. Mr. Walker stated that there is a new sense of urgency about the opportunity of getting LNG to the Asian market. Mr. Walker stated that he did stop by each office of the delegation to provide them a copy of the Harris report and found that they wanted to talk a lot about the market and what activity they are seeing. He concluded that it is great to be participating in all of these discussions.

VIII. CONSENT AGENDA

1. Proclamation – Youth Court Month
2. Accept Resignation from RCAC – Stan Stephens

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

VOTE ON THE MOTION: 7 yeas, motion carried.

IX. NEW BUSINESS

1. Request for Sponsorship Funding to Break the Record for the World's Largest Snowman in the Amount of \$10,000.

MOTION: Council member Moore moved, seconded by Council member Ables, to approve the request for sponsorship funding to break the record for the World's Largest Snowman in the amount of \$10,000.

Ronnie Houchin, Campus Site Coordinator at PWSCC, addressed the Council about an idea they had to build the world largest snowman. In the late 80s, Valdez met the record and they would like to bring it back to Valdez. Mr. Houchin stated that he had met with Larry Weaver, Public Works Director, and Terry Larson, Street Foreman, to get their support for the project as they would need to utilize them by using some of their equipment for the project. He stated that they are here today to get the Council's approval to do the project. They wished to use the park strip for the snowman and wished to use the City Logo on promotional materials. He stated that if that record was broken it would bring some great publicity to Valdez. Mr. Houchin also reported that to get an official judicator from the Guinness Book of World Records to come to Valdez the cost would be about \$10,000 to cover all expenses for that purpose. He felt that there were a lot of media opportunities by bringing the official judicator to Valdez. However, Mr. Houchin indicated that their main purpose is to gain the support and approval of Council and the money is not their main objective. Mr. Houchin stated that the current record older is from Bethel Maine at 122 ft and 1 inch tall. They however, used artificial snow. It was Mr. Houchin's belief that Valdez should use their greatest natural resource for this purpose. He also expressed that he had a lot of community interest in this idea.

Mayor Cobb asked if we do not sponsor the official judicator to come over from England what are our other options. Mr. Houchin stated that a civil law notary or the Police Department can submit statements regarding the snowman as well as videos and photos that clearly show the height of the snowman.

Mr. Hozey stated that the types of things the college is asking for are things within his spending authority to approve but the main reason he brought it to Council was the money issue. Mr. Hozey stated that we would work with them providing in kind services but that safety is his main concern. He wished to have a solid plan for creating the snowman that is agreed upon by everyone involved in the project.

Council member Wells stated that his concern is that since they really do not know how it will be constructed there is no way to know the level of in kind services needed and how much it will cost the City. Mr. Hozey stated that there would not be additional funding needed and that only in kind services would be granted. However, he did have a concern with liability and if the City is going to put their name on it we have to make sure it is safe. At the same time, the City does not want to take over the project either. It is crucial, he said, that the project be designed and signed off by someone who can certify the construction. Mr. Hozey explained that there are many details to work out yet and the approval by Council would be conditional.

Council member Ables stated that she wished we could do this as this would be a fun winter project for Valdez. She then asked how high the City Snow Blower can shoot snow. Larry Weaver, Public Works Director, indicated that it could blow snow about 50 feet. He also stated that he met with Mr. Houchin and suggested that maybe it will not have to beat the 122 feet because they could perhaps start a new record of the largest snowman made with natural snow. He also said that there needs to be a level of expectation in that he cannot commit two machines to the project for a lengthy amount of time. However, he did support the idea. Mayor Cobb asked if this project is time sensitive. Mr. Houchin replied that it is only time sensitive in that it needs to be built before the snow melts. Originally, Mr. Houchin stated they had hoped to have it completed by March 18th to have some kind of celebration for the completion of the snowman. They hoped to have it up and finished before Frosty Fever and Tailgate Alaska. Mayor Cobb stated that he felt that we need a little more planning. He did support the idea but felt that more work needs to be done to determine if it is a viable project.

Christian McGee, Valdez Resident, stated that the City just spent \$25,000 to send people to Germany for a tradeshow to promote Valdez. He questioned why we could not fund this project to bring the official judicator over since it would be great publicity for Valdez. Mayor Cobb stated that they support the project but the official judicator is not needed to get Valdez in the record book.

VOTE ON THE MOTION: 5 nay, 2 yea (Moore and Ables). Motion failed.

2. Appointments to Alaska Gasline Port Authority

MOTION: Council member Moore moved, seconded by Council member Ables, to appoint Dave Dengel to serve a 4 year term which

shall expire on November 1, 2015 and Bert Cottle to serve a 2 year term to expire on November 1, 2013.

Ms. Pierce explained that there are two ballots before the Council; the first seat is for a 4 year term and the 2nd seat is for a 2 year term. Ms. Pierce asked that the Council vote for the 4 year term first and the 2nd year term 2nd on two separate ballots. Ms. Pierce stated that her office did the research on the AGPA terms and from this point forward they will be appointing to the AGPA in November of every year.

Council member Prax stated that he appreciated this because he always wondered about the process. He asked Mayor Cobb if he had a conflict in voting on this since he is a member of the AGPA. Council member Prax asked if the Fairbanks North Star Borough Mayor is off the board entirely. Mayor Cobb stated that he chose to get off the board because of the way it operates. He was not permitted to bring issues to the Fairbanks North Star Borough so it was better for him to get off the board and appoint someone else to do it. Mr. Walker stated that they have a different set of rules in the Fairbanks North Star Borough.

VOTE ON THE MOTION: 7 yeas, motion carried.

3. Approval to Purchase a 2012 Ford Expedition with Accessories from Kendall Ford of Wasilla in the Amount of \$52,073.00

MOTION: Council member Wells moved, seconded by Council member McCann, to approve the purchase of a 2012 Ford Expedition with Accessories from Kendall Ford of Wasilla in the Amount of \$52,073.00

Council member Prax asked Larry Weaver, Public Works Director, how this vehicle would be equipped. Mr. Weaver stated that it would be equipped as a patrol vehicle. Council member Prax questioned why the accessories are almost as much as the vehicle. He wondered if we could use accessories from the old vehicle since they were so expensive. Mr. Weaver stated that most of the expenses are the cameras and radars that are all one unit now. He indicated that they had problems with them in the past and the newer equipment is more expensive. Council member Wells asked if we were paying extra for leather seats and Mr. Weaver replied in the negative. Mr. Weaver stated that things have changed in the way they bid. They have a website through the State where they can price out the vehicle and all dealers have to honor that bid. Council member Moore asked about the three vehicles and the cost to get them here; why are there difference in price for delivery. Mr. Weaver replied that they included an option to send the City mechanic to learn about working on the new

vehicles if needed. It does not mean that they will in fact send him but if needed they wanted to have that amount approved.

VOTE ON THE MOTION: 7 yeas, motion carried.

4. Approval to Purchase a 2012 Ford F-250 Extended Cab 4X4 with Accessories from Kendall Ford of Wasilla in the Amount of \$29,015.00
MOTION: Council member McCann moved, seconded by Council member Moore, to approve the purchase a 2012 Ford F-250 extended cab 4X4 with accessories from Kendall Ford of Wasilla in the amount of \$29,015.00

VOTE ON THE MOTION: 7 yeas, motion carried.

5. Approval to Purchase a 2012 Ford F-350 Crew Cab 4X4 from Kendall Ford of Wasilla with Accessories in the Amount of \$34,826.00

MOTION: Council member Moore moved, seconded by Council member Ables, to approve purchase a 2012 Ford F-350 crew cab 4X4 from Kendall Ford of Wasilla with Accessories in the Amount of \$34,826.00

VOTE ON THE MOTION: 7 yeas, motion carried.

6. Approval of Contract Award to Moffatt and Nichol for the Design of the VCT Landing Craft Ramp Repair in the Amount of \$98,609.00

MOTION: Council member Wells moved, seconded by Council member Moore approval of contract award to Moffatt and Nichol for the design of the VCT landing craft ramp repair in the amount of \$98,609.00

Council member Moore asked if these were design documents to go to bid. Mr. Hozey replied in the affirmative. Council member Moore asked if it was common for the design to cost about one fifth of the project. Jack McCay, Capital Facilities Director, stated that water front design is much more costly. He said that the design will require a shore line study, a wave study, riprap design and permitting through the Corp of Engineers. That is what costs so much more than the design of other projects. Council member Wells asked if what they are doing is design work to put an adequate repair in place. Mr. McCay replied in the affirmative. Council member Wells stated that we need to have a good, safe facility for the public to use and therefore he supported this motion. Mr. Hozey added that during budget this was the cheapest of all options discussed.

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

7. Re-Appointment of Council Member Dorothy Moore to PWS Regional Citizens Advisory Council

MOTION: Council member Wells moved, seconded by Council member Ables to re-appoint Council Member Dorothy Moore to PWS Regional Citizens Advisory Council.

Council member Sorum stated a potential conflict in voting to approve Council member Moore to the PWS Regional Citizens Advisory Council because he is employed by RCAC. Mr. Walker stated that since Council member Sorum stated his conflict that it is up to the Council whether or not he should vote. The Council agreed that he would be permitted to vote despite the conflict.

VOTE ON THE MOTION: 6 yeas, 1 abstained (Moore) motion carried.

X. RESOLUTIONS

1. #12-09 – Amending the 2012 Budget by Authorizing the Transfer from the Debt Service Fund in the Amount of \$715,000 and Authorizing Its Expenditure in Various Funds to Make the Disaster Preparedness Reserve Whole and Budget Estimated Costs Related to January Snow Event

MOTION: Council member Sorum moved, seconded by Council member Ables, to approve Resolution No. 12-09.

Mr. Hozey addressed the Council stating that though it does not have anything to do with the passage of this resolution he wanted to make the Council aware that during the previous week the State was in Valdez to talk about disaster assistance for everyone else in town and what would be required for that. Also, the existing limitations on the Governor's declaration were discussed. Mr. Hozey explained that individual assistance was not included. The State and the Small Business Administration toured communities to determine if there was a need. They were in Valdez last week. They believe that in combining Cordova and Valdez that there is a need. The program being evaluated was for the Small Business Association to implement a loan program which could assist businesses or individuals. The threshold for that program has been met and the Small Business Association will complete their report back to the State and then the Governor will have to ask the Federal Government

to implement an agency declaration to make that available for those that qualify.

Mr. Hozey stated that other communities like Cordova are also seeking individual assistance and are making a plea to the Governor to amend his declaration to include that. Mr. Hozey stated that if there is a desire from Council to ask the Governor to include individual assistance we do not have to declare an emergency for this to happen. However, we do have to let him know that we would like him to consider making that change. This could be done, Mr. Hozey said, in the form of a letter signed by the City Manager.

Mr. Hozey stated that the Governor's declaration already included public assistance for city governments, but that it was the Council's choice to not seek that assistance. However, he said, the deadline is quickly approaching to apply for that money and at the time the Council originally discussed this option the cost to the City was at \$715,000. However, with the passage of this resolution, should the Council approve it; the cost will increase to \$1.2 million. Mr. Hozey stated that if the Council wanted to apply for assistance now, the deadline to do so will be at the end of the week, March 10, 2012.

Council member Ables stated that the reason she originally voted no on reimbursement was because she thought that the money would be increasing the deficit in the Federal government. However, she found out after the fact that the money we would be accessing is funded by an insurance policy and would not affect the deficit at all. Therefore, Council member Ables changed her mind and wished to go after the assistance. Mr. Hozey stated that submitting for this reimbursement does not require Council action; but that he just wanted Council direction on what they wanted him to do.

Council member McCann stated that he supported the idea of reimbursement in the first place and continues to support it. Council member Prax stated that we need to familiarize ourselves with what a real natural disaster is. This, he said, was not a natural disaster and we have the money to take care of it ourselves. He reported that he heard that they did not have enough damage in Cordova so they had to look for more damage to step this up to a disaster. He felt like that it is playing games. Similarly, he stated that during the flood in 2006, damages were inflated to make it look worse than it was so more money could be received. Council member Prax worried that all kinds of questionable acts can come out of pursuing this money. He stated that it is embarrassing for us to go for this money. We as citizens and as a City, he explained, certainly can take care of this especially in light of recent disasters across the country.

Council member McCann stated that he disagrees since that money was tax payer money and it is our fiduciary responsibility to get some of that money back. Council member McCann stated that as a reimbursement, that money could be used for energy assistance, the food bank, or possibly grants for those in town who were negatively impacted by the event and have no other way to cover the costs.

Council member Sorum did not support asking for assistance since many in town were upset with the way the snow removal was handled by the City and it is not right to go after the money because it was not a disaster. Council member Sorum felt that it was solely the result of poor planning.

Council member Wells asked when we will have the official final numbers since this is so greatly different than the first estimate. Mr. Hozey stated that we should be there now with a total amount spent. However, he stated, that the entire 1.2 million might not be reimbursed because part of the money is being used for ongoing snow shoveling costs for the rest of the season. Mr. Hozey explained that in normal years the city does not have snow shovelers on buildings, but are trying to stay on top of it now which may not be approved for reimbursement.

Council member Sorum stated that it seems like we are trying to get reimbursed for something we should have paid for in the first place.

Council member Wells asked if regardless of Council's action on public assistance; will a letter be sent to ask the Governor to consider including individual assistance to his disaster declaration? Council member Wells stated that in Cordova he heard that 25 – 30 homes had collapsed. He questioned what the need is here. Mr. Hozey stated there is nothing they need to do to get the SBA program to go forward, but that what we would be doing with a letter is asking for a grant program to be created to assist those who do not qualify for loans.

Council member Moore stated that she felt that there are individuals who genuinely need the help and that we should write the letter in support of that. She also felt the need to ask for city reimbursement and that we could redistribute that money to be used for something that we can give back to the community.

Mayor Cobb stated that there are two questions before the Council. The first is to ask the Governor to open up the availability for individuals to receive funding. Council members Moore, Ables, McCann, Wells, and Mayor Cobb supported this action. Council members Prax and Sorum did not. Mayor Cobb stated the second question on whether or not the City of

Valdez should seek reimbursement. Council members Moore, Ables, McCann, and Mayor Cobb supported the action. Council members Prax, Sorum and Wells did not. It was the consensus of Council to go forward with both actions.

Council member Prax stated that we do not know the accounting, if we would have spent the money anyway or not, and we are going to take it for reimbursement and give it out to someone else. He stated that it is completely immoral. Mayor Cobb asked Mr. Sapp if we have accounting for all of the monies spent. Mr. Sapp replied that we have accounting of all expenses applied to this account but there are residuals that are coming in with the snow shovelers that are not entirely accounted for.

Christian McGee, resident, addressed the Council, and stated that this is tax payer's money and they have the opportunity to get the money back to put it back into the community regardless of how the money is used. It is the right thing to do.

Council member Prax stated that it is unjust to call this something that it is not. To call this an emergency is ridiculous. He stated that he could, on a very small level, support the needs of the citizens but felt that those that will end up benefitting are the one who know how to work the system. He said that we are calling this an emergency and it is completely dishonest.

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

2. #12-10 – Authorizing Amendment #1 to the Building Lease Agreement for the Valdez Senior Citizens Housing and Multi-Purpose Facility with Valdez Senior Citizens Center, Inc.

MOTION: Council member Wells moved, seconded by Council member Ables, to approve Resolution No. 12-10.

Mr. Hozey explained that in working with the Senior Center Board they came up with the language in the agreement and there is one difference in what the board authorized and what is included in the agenda statement. He said that the Board had included a nurse call system, but then the Senior Center subsequently had requested that system be removed from the building. Therefore, he stated, there was no reason to include it in this agreement.

Council member Moore asked if there is a time included in the agreement when they will go back and review it. Mr. Hozey replied in the negative. Council member Moore stated that they should consider adding that. Lisa Von Bargen, Community Development Director, stated that the agreement

says that it shall expire on a date that is mutually agreed up on by both parties.

VOTE ON THE MOTION: 7 yeas, motion carried.

XI. COUNCIL BUSINESS FROM THE FLOOR

COUNCIL MEMBER ABLES

Council member Ables reported that she has had several people contact her about the high price of electricity and asked if we were furthering any solutions on that. She suggested that if we do receive reimbursement, we should put that towards the high energy costs in Valdez. Mr. Hozey stated that should we receive any reimbursement that he will bring it back to Council for discussion.

COUNCIL MEMBER PRAX

Council member Prax stated his disappointment in the way we are proposing to use the reimbursement, should we receive any. He stated that a real disaster happened in 1964 and that it is embarrassing to think that we are calling this event a disaster. He stated that we do not know the real number of what was spent. He did not at all agree with the decision to go after the money and he did not believe the public wanted it either. He also expressed that the Council is focused on getting more money but ignoring the reasons the money was misused in the first place, which he felt was a very greedy action.

COUNCIL MEMBER MOORE

Council member Moore stated that she had provided the City Clerk a report from Barry Roberts on how snow removal is progressing at Alyeska which indicated that 75% of the work is complete.

- XII. EXECUTIVE SESSION
- XIII. RETURN FROM EXECUTIVE SESSION
- XIV. COUNCIL TRAVEL
- XV. ADJOURNMENT