

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

Present:

Mayor Dave Cobb	Council member Dorothy M. Moore
Council member Mike Wells	Council member Joe Prax
Council member Steve McCann	Council member Karen Ables

Council member Alan Sorum was absent and excused.

Also Present:

John Hozey, City Manager  
Holly Powers, Deputy City Clerk  
Bill Walker, City Attorney

Members of staff and approximately 5 people in the audience.

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF July 18, 2011

The minutes of the meeting of July 18, 2011 were approved as presented with one minor correction.

V. PUBLIC APPEARANCES

VI. PUBLIC BUSINESS FROM THE FLOOR

Mayor Cobb informed the Council that he had asked the City Attorney to present the Alaskan LNG Exports Competitiveness Study (ALECS) that had been given to him by Wood Mackenzie. Bill Walker thanked the Mayor for allowing him this time to discuss his report. He explained that the Port Authority had chosen Wood Mackenzie to come up with ALECS to compare the natural gas pipeline to Valdez with other projects around the world, as well as to explain the possible rates of return the project would bring to the state of Alaska. He briefly outlined other contemporary gasline projects being pursued around the world. In comparison to those projects the gasline to Valdez would be both the cheapest to construct and quite comparable in

revenue expected. Part of the reason that it would be cheaper for the gasline to Valdez to be built is that the exploration, information gathering, and development of the area has already been done. In terms of revenue the gasline to Valdez could be expected to bring in 220~419 billion dollars. Someone, he explained, would get that money whether it is one gas project or another and it should be the State of Alaska that benefits. The State of Alaska and particularly the LNG pipeline to Valdez could best match the market with available resources.

ALECS was created with the intention of making it available to the public, Mr. Walker said, in order to inform the citizens of Alaska of this opportunity. The Port Authority provided ALECS to State legislators and had received many a phone call in return requesting further information. However, Mr. Walker reported, the Port Authority is not content to simply wait for the phone to ring; rather, they will present this as clearly as they can to as many people as they possibly can.

There continued to be a push for development of a small volume gasline to Anchorage. Many people, including State legislators and the Port Authority were glad that the ALECS report was done because it would invite further discussion as to what is best for the State of Alaska.

Mr. Walker explained that ALECS was actually the first of three reports that would be done. The second report would discuss the in-state effects of the Valdez gasline. The third report would compare the Valdez gasline to the bullet line to Anchorage. He indicated that both reports would be available within the next few weeks.

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

### CITY MANAGER

Mr. Hozey opened his report with the Homestead Road Project, as it was the biggest project the City was working on at the time. He informed the Council that it was progressing well, better than it had been now that they were getting to a higher elevation and out of the water table. They would have an additional 600 feet done by the end of the week, he said. The sewer system was about 80 percent done at that time, and the sewer pumps would be installed by the end of August of this year.

Mr. Hozey reported that the City-Wide Strategic Planning committee would be meeting sometime before August 15<sup>th</sup> in order to come up with a draft schedule to be presented to the Council at the next meeting. He said that once the plan was reviewed by Council HDR would proceed as directed.

Mr. Hozey stated that the Assisted Care Living Task Force had been working hard with the consultants on all the different options that are available, especially the financial components. Several task members met with them last Wednesday, and the next full task force meeting was scheduled for August 17<sup>th</sup>, 2011.

Mr. Hozey mentioned that they have been working to get a state grant for the STP Outfall Project. Eric Phillips, Assistant City Manager, had just finished the submittal last week and was working with the DEC Municipal Matching Grant Program.

The Salmonberry Ski Hill was still being worked on at this time. The survey work was in the process of being done, and the concrete slabs and tow rope would be installed in the near future. Mr. Hozey explained that plans include building two small warming huts; one at the top and one at the bottom of the hill. Volunteers were being organized to build those structures.

Council member Prax wondered if the City would charge fees for the Salmonberry Ski hill. Mr. Hozey explained that that would be something for the City Council to decide later on, but at this point in time fees had not been discussed. Council member Prax pointed out that charging a fee would give the City a good idea of how much the ski hill is being used. It became clear that everyone, including the City and the user group that helped push this project forward, wanted to discuss the idea of fees at some later point in time.

The Emergency Planning Exercise the week before took a lot of time but was extremely beneficial for the City of Valdez, said Mr. Hozey. He wanted to extend his appreciation to both the United States Coast Guard and to Alyeska not just for participating but also for helping to train the City of Valdez as well. The exercise was a two-day event. On the first day the City ran part of the Unified Command, and was guided in this activity. The second day, however, was spent at the Valdez Emergency Operations Center (VEOC) with the City watching instead of acting. Mr. Hozey was glad that they were able to do even that much; Alyeska was being graded on their performance but still found time to explain things and coach the City employees. He felt that this exercise was quite pertinent because, in case of a real emergency, the City would indeed have to work with these groups. He thanked the Coast Guard and Alyeska once again and expressed his hopes that they would be able to play with the City again during the Alaska Shield exercise in February. Mr. Hozey indicated that letters of appreciation would be written to the organizations that had participated.

Mr. Hozey met with Valdez City Schools on Thursday, July 28<sup>th</sup>, 2011. He met with school officials to promote a discussion between the City and the City Schools about budgets and maintenance/capital issues. He explained that

capital expenses would be covered in various ways, depending on the issue. If it was within the school's capacity to execute the work, and if it were a facility related issue and not a program related issue, then the schools would include that as a capital request in addition to their regular operational budget. Furthermore, he explained, if the work was related to a programmatic issue they would have to pay for that within their operational budget. All other capital requests would be split between the annual submittal to the State of Alaska as part of their six year plan, or to the City for inclusion with all other city projects.

Council member Wells and Council member Moore were pleased to hear that the City and School District were communicating more clearly and working together to discuss these issues. Council member Moore thought that all of the various budget deadlines should be put onto a yearly calendar in order to improve budget cohesion.

#### CITY CLERK

Deputy City Clerk, Holly Powers, wanted to announce that the regular municipal and school board elections would be held on October 4<sup>th</sup>, 2011. She stated that there are three vacancies on the City Council (each to serve two year terms) and three vacancies on the School Board (each to serve three year terms). Ms. Powers reported that nomination petitions are available in the Clerk's Office, and they are due back by August 15<sup>th</sup>, 2011. Mr. Hozey added that the budget development schedule would be issued to anyone who turned in a petition to run for City Council so they would know what would be expected of them should they be elected.

Ms. Powers also announced that City Clerk, Sheri Pierce, will be in Sitka the following week for the Alaska Municipal League Summer Conference but that she (Ms. Powers) would be available all week for any City Clerk needs or requests.

#### MAYOR

Mayor Cobb said that he and the City Manager were supposed to be in Sitka as well for the Alaska Municipal League Summer Conference.

#### VIII. CONSENT AGENDA

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

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

**VOTE ON THE MOTION: 6 yeas, 1 absent (Council member Sorum), motion carried.**

IX. NEW BUSINESS

1. Approval of Contract with Alaskan Industries to Install Replacement High School Gymnasium Bleachers and the HS Gymnasium Floor Replacement in the Amount of \$242,400

**MOTION: Council member Wells moved, seconded by Council member Ables to approve the contract with Alaskan Industries to install replacement high school gymnasium bleachers and the high school gymnasium floor in the amount of \$242,400.**

Mr. Hozey updated the City Council as to what had happened since their last meeting. The school board had met, and they wanted to complete this project this fall despite whatever disruptions would occur. The high school gym would be useable in mid September but it would not have bleachers until November of this year.

Councilwoman Moore mentioned that she had been concerned about the legality surrounding the switching of contractors as she felt that the City of Valdez did not need any more lawsuits. However, she was informed that the City had not done anything illegal; just that they had gone about awarding the contract differently than what normally takes place.

Council member Prax found it peculiar that over the course of the past few months the descriptors for the condition of the gym had gone from 'huge safety hazard' to being not quite as big of a safety issue. He was glad that a solution had been found, however.

**VOTE ON THE MOTION: 6 yeas, 1 Absent (Council member Sorum), Motion carried.**

2. Approval of Final Plat of Mineral Creek Subdivision South Portion, Lots 2A, 33A, 34 & 35, and Clifton Drive

**MOTION: Council member Ables moved, seconded by Council member Moore to approve the final plat of Mineral Creek Subdivision south portion, Lots 2A, 33A & 35, and Clifton Drive.**

Council member Wells commented that he was just glad to see that both parties had come up with an amicable agreement.

**VOTE ON THE MOTION: 6 yeas, 1 absent (Council member Sorum)  
Motion carried.**

3. Approval of Final Plat of Lot 7B, Block 37, Mineral Creek Subdivision, South Portion and ATS 617B

**MOTION: Council member Ables moved, seconded by Council member Moore to approve the final plat of Lot 7B, Block 37, Mineral Creek Subdivision South portion and ATS 617B.**

Council member Moore inquired about the improvements that had been done to the lot. She pointed out that those improvements had been a Department of Transportation (DOT) managed contract and that they should have noticed who owned that property. Mr. Hozey was unwilling to blame the DOT as the City of Valdez should have noticed it as well. However, project checklists would be put into effect to ensure that this sort of oversight would not happen again.

**VOTE ON THE MOTION: 6 yeas, 1 absent (council member Sorum),  
Motion carried.**

#### X. ORDINANCES

2. #11-04 – Amending the Zoning Map to Effect a Change to Lots 1, 2A & 3A, Block 1, Alpine Woods Estates from Rural Residential to Commercial Residential. First Reading. Public Hearing

**MOTION: Council member Wells moved, seconded by Council member Ables, to approve Ordinance No. 11-04 at first reading, public hearing.**

Council member Moore wondered if this had gone before the Planning and Zoning Commission. It was established that it had.

**VOTE ON THE MOTION: 6 yeas, 1 absent (Council member Sorum),  
motion carried.**

#### XI. RESOLUTIONS

3. #11-56 – Granting a 10 Foot Wide Public Utility Easement located within Tract A (Greenbelt), Cottonwood Subdivision, Phase I

**MOTION: Council member Moore moved, seconded by Council member Wells to approve Resolution 11-56 granting a 10 foot wide public utility**

**easement located within tract A (Greenbelt), Cottonwood Subdivision, Phase 1.**

**VOTE ON THE MOTION: 6 yeas, 1 absent (Council member Sorum), Motion carried.**

XII. REPORTS

4. Movie Report

Council member Ables liked being able to see what the movie theatre had been doing for the community. Mr. Hozey remarked that a milestone was reached this past weekend that marked the first time our theatre had been able to show a first-run movie; the Civic Center showed the movie the same time it came out everywhere else in the nation.

5. Valdez Testing and Training Platform Update

Council member Wells had it confirmed that this would be a discussion item at the next City Council meeting.

XIII. COUNCIL BUSINESS FROM THE FLOOR

COUNCIL MEMBER MOORE

Council member Moore thought that the rocks underneath the sign for the small boat harbor were decorative as well as practical.

MAYOR COBB

Dave Cobb informed the council and the public at large that the fishing had been good: the silver salmon have reached the Port of Valdez.

XIV. EXECUTIVE SESSION

XV. RETURN FROM EXECUTIVE SESSION

XVI. COUNCIL TRAVEL

XVII. ADJOURNMENT

There being no further business, Mayor Cobb adjourned the meeting at 8:30 pm.