

**Committee of the Whole – 6:30 P.M.  
Regular City Council Meeting – 7:00 P.M.**

A regular meeting of the North Pole City Council was held on Tuesday, February 22, 2011 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

**CALL TO ORDER/ROLL CALL**

Mayor Doug Isaacson called the regular City Council meeting of Tuesday, February 22, 2011 to order at 7:00 p.m.

*There were present:*

**Mr. McGhee  
Ms. Arnold  
Ms. Hunter  
Mr. Jones  
Mr. Holm  
Mr. McCarthy  
Mayor Isaacson**

*Absent/Excused*

**Arrived at 7:14 p.m.  
  
Excused  
  
Excused**

**PLEDGE OF ALLEGIANCE TO THE U.S. FLAG**

Led by Boy Scout Troop #7

**INVOCATION**

Invocation was given *by* Councilwoman Hunter

**APPROVAL OF AGENDA**

**Mr. McGhee *moved to* Approve the Agenda of February 22, 2011**

**Seconded *by* Ms. Hunter**

**Mr. McGhee moved to Amend the agenda to put the following items under consent agenda;**

**CONSENT AGENDA**

**a. REQUEST BY NORTH POLE COMMUNITY CHAMBER OF COMMERCE FOR 3<sup>RD</sup> QUARTER BED TAX**

**c. APPROVAL OF ENGAGEMENT LETTER TO PERFORM AUDIT SERVICES BY MIKUNDA, COTTRELL & CO., INC.**

**d. REQUEST FOR TRAVEL FUNDS FOR THE MAYOR TO BE PRESENT IN JUNEAU PRIOR TO THE END OF THE SESSION, AS NECESSARY, FOR NORTH POLE PRIORITIES**

**e. ORDINANCE 11-01, SUBSTITUTE A, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND TITLE 13, PUBLIC SERVICES**

**f. RESOLUTION 11-06, A RESOLUTION OF THE CITY OF NORTH POLE REQUESTING THREE AMENDMENTS TO PROPOSED FNSB ORDINANCE 2010-56 AND AMENDMENTS TO TITLE 18 OF THE BOROUGH CODE OF ORDINANCES**

**Discussion**

None

**PASSED**

**YES –4 –Holm, Hunter, McGhee, Isaacson**

**NO – 0**

**Abstained- 0**

**APPROVAL OF MINUTES**

**Mr. McGhee *moved to Approve the Minutes of January 18 and February 7, 2011***

**Seconded by Mr. Holm**

**Discussion**

Mayor Isaacson stated that there were some concerns over the amount of funding that the city would be contributing to the Arctic Winter Games. Ms. Hunter thought that it would be only \$10,000 and thought there was a mistake in the minutes of January 18<sup>th</sup>. Mayor Isaacson said that the city would contribute \$30,000 over three years.

**PASSED**

**YES – 4 - Holm, McGhee, Hunter, Isaacson**

**NO – 0–**

**Abstained- 0**

**COMMUNICATIONS FROM THE MAYOR**

**Communication Highlights from the Mayor for the period ending February 17, 2011  
ISSUES:**

- **PLEASE ATTEND Energy Projects Comparison Meeting:** The three mayors have discussed the need to educate our councils on the different energy projects being discussed or in play. There are two natural gas projects that can possibly bring relief in the short term. Mayor Hopkins has invited the Councils of North Pole and Fairbanks to join the Assembly for a **JOINT WORK SESSION: BRIDGING ENERGY SOLUTIONS PROJECTS COMPARISONS on Wednesday, February 23, 5:30 pm**

**at the Borough Chambers.** Please come to this important and informative meeting. The impact to North Pole can be game changing! For example, the AGPA project would put a \$22 million de-liquefying plant in North Pole and 150 miles of the 500 mile build out would be in North Pole. See the attached, “Comparative Analysis of Fairbanks Energy Bridging Projects” for initial scenarios for discussion. Also attached is an AEA announcement for Railbelt Hydro meetings.

- **THE NORTH POLE SLED DOG CHAMPIONSHIPS** return to North Pole this coming Saturday and Sunday, February 26 & 27! Remember the “good ole days” when the North Pole Sled Dog Championships were held in North Pole in various locations? For the past decade, the races have been more obscure at their Chena Lakes Recreation Area location (thanks to the Borough for maintaining the trail system there!). This year, 80 teams are expected to compete for a \$15,000 purse, thanks to the efforts of Buzz Otis and the North Pole Economic Development Corporation. This is a huge opportunity for community participation and local businesses as the 4-mile, 6-mile and 12 mile courses will be visible to the public from the starting point at Morningstar Ball Fields, off Badger Rd, along Hurst to Peridot where the trails cross over Peridot to the undeveloped northern portion of the City. Drivers are asked to avoid Peridot, which will be closed off for the races, which begin at 10:30 am on both Saturday and Sunday and go until approximately 4 pm each day. Anyone wishing to contribute to the purse or to help as a race official/helper, contact Buzz at 322-8909.

- **THE IRON DOG ROARS BY NORTH POLE** on Saturday, February 26, sometime from Noon through early afternoon. This incredible endurance race involves over 20 teams travelling over 2000 miles across Alaska. The racers will be crossing the North Pole Flood Plain Project, using the location as the last opportunity for fuel prior to making the finish line by the Cushman Bridge in Fairbanks. While you’re enjoying the Sled Dog races (above), come out and witness this truly unique racing spectacle!

- **Mayor and Clerk Travel:** Thank you to Mayor Pro Tem Thomas McGhee and other Council members who stepped up and assisted City Staff while City Clerk Kathy Weber and I travelled with 15 other community leaders and employers with the Employer Support of the Guard and Reserve (ESGR) to MacDill AFB in Tampa FL from Sunday, January 30 to Friday, February 4. We had briefings from NOAA Hurricane chasers, the Florida Air National Guard, the Navy, Special Ops Command, Central Command, whose Area of Responsibility extends from Egypt thru the “Stans” and where our active duty soldiers and guardsmen currently deploy, and others. North Pole will have at least two guardsmen from the Police Department deploying this year. The trip was excellent for

both the information content and the opportunity to become better acquainted with the other members of the trip, including individuals from the School District, State Troopers, City of Fairbanks, and the ESGR.

- AML Juneau Trip. Thank you, to the Council, for also making possible for Ron Jones and I to travel to Juneau to attend the Alaska Municipal League and Alaska Conference of Mayors meetings. It was a quick trip and I wasn't able to see all the decision makers, but we did accomplish quite a bit. Some of the issues we dealt with were energy projects, revenue sharing, PERS Termination Studies and the ongoing impact on local communities ability to manage staffing levels and budget constraints, and Essential Air Services (see report below). We pushed the North Pole priorities, everything from our Capital Projects requests to Library funding to transportation/public works needs to Royalty Oil pricing and Energy projects, meeting with the Governor, various legislators and staffers, and some Agencies. Looking through my notes, some of the people I met with were: Sen. Coghill and staff, Rep T. Wilson and staff, Rep Kawasaki, Joe, staff for Sen. Thomas; staff of Rep Thompson; Rep Lynn; Sen Huggins; Sen. President Gary Stevens; House Speaker Chenault; Sen. Tom Wagner; Judy Andriajanoff of Foraker Group (also Heidi Ekstand, Pres/Chair, Friends of the Ketchikan Library, Susan Fisher, CEO, Tongass FCU); Jim Dodson, FEDC, Molly Aichner of ACS, Lt. General Dana Atkins (JPARC issues), Governor Parnell and Karen Rehfeld and Randy Ruaro (with other mayors), Conference of Mayors, AML Legis meeting, Sen. Joe Paskvan, DNR Commissioner Dan Sullivan; DOT Commissioner Marc Luiken; Fish & Game Commissioner Cora Campbell; Dept HSS Commissioner Stewart, Labor Commissioner Click Bishop and Deputy Commissioner Tom Nelson, and many others.

- Update on Sulfolane/Clean Water Options: On Friday, February 11, I had an extensive meeting in Anchorage with DEC Commissioner Larry Hartig. Also present: Dan Easton, Deputy Commissioner DEC and Bill Butler, Director of City Services by teleconference; Lynn Kent, and Bill Griffith. Summary: within 2 weeks of today's date, DEC will produce White Paper to the legislature and public outlining a summary of what we know now and the options to fund a piped water system from the City of North Pole to affected areas containing sulfolane. The next step will be to conference with particular state agencies, municipal governments, the Interior delegation, Flint Hills, and other stakeholders, and determine how to proceed. On point for DEC: Lynn and Bill Griffith.

- Joint Base Elmendorf Richardson February 10-11. Prior to meeting with DNR, and at the invitation of Brigadier General Ray Palumbo, Commander USARAK, I overnighted on Joint Base Elmendorf Richardson (JBER) and was given briefings on the United

States Army Alaska (USARAK), which I am happy to share with anyone interested. The various contents included more details on JBER, JPARC, integrated forces throughout the state, including Ft WW, the Combat Training Center, which including hand-to-hand combat, Stryker simulator—which I was permitted to drive and fire the weapons, Roll-over simulator, an Education complex, a community center, and library, these last two can serve as models for facilities to constructed in North Pole.

- Renewable Energy Production Tax Credit for Alaska: [Senate Bill 63](#), introduced by Sen. Lesil McGuire (R-Anchorage), would provide an incentive for power producers and utilities to develop renewable resources by offering a corporate tax credit of 15% of the retail price of the electricity produced. The tax credit would apply only when a project began producing power, and would be applicable for the first five years a project is in service. The total credit would be capped at \$30 million, or 10% of the total project cost (minus any state or federal grants received), whichever is less.
- FMATS Policy Committee met on February 16. Among the action items, the Committee approved two actions benefiting North Pole: 1) a \$62,979 cost overrun funding, due to unexpected grounding issues to our LED Streetlight Conversion Stage 1; 2) an increase to Phase 2 funding from \$50,000 to \$120,000 in FFY 11 for the North Pole Bike Trail Rehabilitation and Connections project, with no additional match required from the City. We also had a quarterly update to the NP Road/Rail Crossing Reduction Project (public comments are due February 28). The Findings of No Significant Impact (FONSI) which will determine the stand-alone aspect of this project is estimated to be signed in February 2012.
- Arctic Winter Games 2014 Update, We got the bid!! Council members have received an email inviting them to witness the signing of this event contract scheduled for Noon, February 23 at the FNSB Assembly Chambers. RSVP with Amber Courtney at [abcourtney@ci.fairbanks.ak.us](mailto:abcourtney@ci.fairbanks.ak.us).
- Commissioner Update. The City of North Pole still needs two individuals to represent the city on the FNSB Planning Commission and the FNSB Recycling Commission. There is a lot of local interest in RECYCLING! If you are interested in either one of these positions, please contact Mayor Isaacson at 488-8584. Details of the commissions are online at [www.fnsb.us](http://www.fnsb.us).
- Essential Air Services (EAS) Update: Many of our local businesses either benefit from or are directly involved with services to Rural Alaska. Senator McCain introduced an

amendment to gut \$150 million from a \$200 million EAS budget. Mayor Buthello of Juneau and I (mostly Bruce) wrote the AML/ACoM reply to Congress (see attached). The latest news, as of Wednesday, February 16, was that Essential Air Service is slated to be phased out during the next four years. However, Alaska and Hawaii will continue to be funded in the same amount as prior years. So, Alaska is safe for now.

As I write, an email came from Sen. Begich stating: U.S. Sen. Mark Begich today met with Postmaster General Patrick Donahoe to discuss the future of postal services in Alaska. Mr. Donahoe was sworn in as the 73<sup>rd</sup> Postmaster General of the United States Postal Service (USPS) in December 2010. Following the meeting, Sen. Begich released the following statement: *“The U.S. Postal Service is crucial to Alaskans and our way of life. It is more than just a mail service; it is food, supplies, and medicine for our communities. The Postmaster General and I talked about how to continue improving services for Alaskans - including the importance of maintaining a viable bypass mail system. The Postmaster General emphasized his support for bypass mail saying the USPS is ‘100% behind bypass mail – it is our universal service obligation’ and I agree with him. I will continue to work with Mr. Donahoe to protect this program’s essential stability for rural Alaska. As a member of the Committee on Homeland Security and Governmental Affairs, which oversees the USPS, I will continue to be a resource for Alaskans and an advocate for increasing and improving USPS services in Alaska.”*

- APOC regulations changes being proposed: APOC has scheduled public hearings on extensive proposed regulatory changes. The attached letter from Gov. Parnell to AML Executive Director Kathie Wasserman highlights some of public comment periods. Public meetings have been scheduled in Anchorage and Juneau and accessible to us by teleconference. As public officials, we need to be aware of the changes and make comments as appropriate. Go to <http://doa.alaska.gov/apoc/proposedRegulations.html> for details.

- Alaska Railroad Crossing Permit Update: There are several projects in which we are engaged with the Alaska Railroad, including the Phase 1 Road/Rail Realignment project mentioned in last meeting’s Communications and for which I helped secure \$1 million to enable that project to proceed, and the ongoing dispute we have had with having to pay an annual \$8000 payment for the railroad’s reconstruction of 2 crossings in North Pole. The new President/CEO, Chris Aadnesen and I have spoken about this issue and on February 16, Bruce Carr, Government Relations, called and will be setting up a meeting in the near future. I will keep the Council apprised with the ongoing developments and any proposed resolution.

**FNSB ASSEMBLY MEETING:**

Mayor Pro Tem, Thomas McGhee, attended the Assembly meeting of February 10 in my absence and will make the report tonight. The next Assembly meeting is February 24 at 6 pm.

**MEDIA:**

**Jan 29, Jan 30:** Mayor's Commentary on Maximum Benefit published in the Ketchikan Daily News, Alaska Dispatch, and Fairbanks Daily News Miner (attached).

**Feb 5, 12 & 19,** Mayor Isaacson was on KJNP (1170 AM, 100.3 FM) 8 – 9 a.m. "Over the Coffee Cup."

**UPCOMING** (*see the February-March Mayor's Newsletter and above for other events, dates, and times*)

- **Feb 22:** ICE ALASKA World Ice Art Championships begin at Phillips Field location.
- **Feb 23, 5:30 pm,** JOINT WORK SESSION: BRIDGING ENERGY SOLUTIONS PROJECTS COMPARISONS at the Borough Assembly Chambers.
- **Feb 25 & 26,** Mayor will be judging tables and deserts at the annual "Spouses Dining In" gala at Eielson AFB.
- **Feb 26, 6 pm,** Flint Hills "Have a Heart Auction" benefiting the Boys & Girls Club of the Tanana Valley.
- **Feb 26-27, 10:30 am -4pm,** NORTH POLE SLED DOG CHAMPIONSHIPS, Parking at Morningstar Ball Fields (see above).
- **Feb 26, Noon-ish to?,** Iron Dog Snowmachine Racers pass through the Flood Plain Project at North Pole (see above).
- **Mar 3, 6 pm,** Mayor will participate in the Dr. Seuss Night After School Event at North Pole Elementary School.

**COUNCIL MEMBER QUESTIONS OF THE MAYOR**

None

**COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK**

**Accountant**

None

**Police Dept, Sgt Nelson**

- Officer Sporleder has started the academy in Fairbanks. He is #1 in the Academy and will graduate from the Academy on May 13<sup>th</sup>.
- Officer Smith, the Reserve Officer, is working many shifts with the department and will be done with field training in a couple of months.
- Sgt Nelson will be gone from August 27<sup>th</sup> through January 7<sup>th</sup> with the Air National Guard.
- Sgt Nelson reminded council and the public that the roads are bad and he encouraged everyone to be careful.

**Fire Dept, Bryan Lane**

- St. Baldericks is coming up and department employees will be shaving their heads to raise money for children with cancer. They have had female employees cut 12 – 14 inches for Locks of Love.
- Received 4 RFP's for ambulance billing contract. That will be in front of council on March 7<sup>th</sup>.
- April 29<sup>th</sup> is the North Pole Fire Department Appreciation dinner. Dinner will be held at Hotel North Pole and the special speaker is Mr. Howard from out of state. This is the first time that the department has had a nationwide sponsor who will pick up the tab for this event.
- The NPFDF finished a Hazmat class and will start Fire Fighter 2 classes shortly.
- Newer council members still need to take their NIMS classes. That is required to receive the Homeland Security grants.

**Director of City Services, Bill Butler**

**February 21, 2011 Council Report**

Bill Butler

Director of City Services

**Building Department**

- Tanana Apartments renovation project
  - Permits issued for \$2 million project
- White Eagle Construction plans to complete two, four-unit condominium this summer
  - Expect to issue permits by end of month
- Building in City is following national trend of rental housing construction recovering more quickly than single family housing construction--but it is still early

**Public Works**

- Major snow event is challenging snow plowing due to limited places to put snow.
  - Snow plowing should be completed this evening with some clean up necessary
- Jesse Lindsoe, Public Works Assistant for 4 years, took apprenticeship with DOT. His last day was February 10



- Tom Blair, part time hire to fill position until spring; started February 16
- Electronic signs; estimated cost difficult to pin down but in range of \$40,000 to \$60,000, possibly more
- Automatic door openers for handicapped access, seeking estimates
- Planning to submit a grant for Bobcat for sweeping/plowing of bike and pedestrian paths
  - Estimated cost: \$50,000
  - *Funding source, Congestion Mitigation and Air Quality Projects (CMAQ); federal DOT*
  - *Proposal due March 11*
  - *Projects require no City matching contribution*

### **Utility Department**

- New drinking water well project will possibly be ready for acceptance at March 7 City Council meeting
- Waste Water Treatment Plant Engineering and Design Project
  - Received four proposals
  - Project will be funded with grants from US Department of Agriculture (\$375,000) and Alaska Department of Environmental Conservation (\$125,000)
  - I plan to make a recommendation at the March 7 City Council meeting related to an engineering firm to conduct the project
- Water Pump Replacement Project
  - Economic stimulus funded project to replace pumps at water treatment plant
  - Completed accept for final engineering bill
  - EPA will be in North Pole week of March 7 to audit project
- Preliminary concepts being prepared by Jantz Associated for Utility Garage
  - Do not expect to build in 2011
  - May request Council approval to construct foundation in 2011 and bid project for construction in 2012
  - Have a \$524,977 Alaska Department of Environmental Conservation grant for the project—requires a 30% match
  - Expected project cost: \$850,000 to \$1 million
- City received offer to apply for a \$1.4 million Alaska Clean Water Fund (ACWF) loan for the repair of aging sewer mains
  - 20 year loan at annual interest rate of 1.5% would be a single annual loan payment of about \$89,000
  - Will require formal resolution from Council to initiate process to apply for funds
  - Will ultimately require a vote of the people to accept debt
  - Developing a full report to Council for consideration a March 7 meeting and possible approval of a resolution authorizing me to apply for the loan

- Need to correct an apparent deletion from 2011 Budget where Capital Projects Fund was approved at first reading of budget but dropped from subsequent readings of the budget.
  - Capital Projects Fund details utility capital projects and funding sources
  - I would like to bring an ordinance to the City Council at its March 7 meeting to get the Capital Projects Fund added back to the 2011 Budget
- Lift Station Rehabilitation Project Phase I subcontractor is threatening City with a law suit
  - Subcontractor, Tesla Electric, claims lift station controls could not be built as designed
  - Lift stations are working after Tesla Electric was removed from the job by prime contractor and Control Contractors was hired to complete project
  - City attorney would like to make a presentation to Council at March 7 meeting
  - City has acquired a third party review of engineering of project that found no significant fault with the lift station control design

### **Borough Representative, Mayor Isaacson**

- **FNSB ASSEMBLY MEETING:**

Mayor Pro Tem, Thomas McGhee, attended the Assembly meeting of February 10 in my absence and will make the report tonight. The next Assembly meeting is February 24 at 6 pm.

### **City Clerk, Kathy Weber**

- The City is in the process of getting quotes for a new server. The server has not been replaced for many years and need a new upgrade.
- Reminder that council members need to have their original copy of their APOC forms turned in to the City Clerk by March 15, 2011.
- Updated council on the ESGR trip to Tampa, Florida from January 30 – February 4. Great trip and interesting briefings from the 5 branches of the military. Those representing the Interior were; Alaska State Troopers, FEDCO, GFCC, Denali State Bank, City of Fairbanks, City of North Pole.
- Kudo's to Officer Binkley for a job well done. Lt. Dutra shared an email from a resident who Officer Binkley helped after the resident had been involved in an accident.
- Itadori Sister City will meet on March 1, 2011 at 6:00 p.m. in the Council Chambers to discuss funding for the trip in May.

## **ONGOING PROJECTS**

- North Pole Library – Update by Sharron Hunter
- North Pole Economic Development – see attached flyer

**CITIZENS COMMENTS – 5 Minutes**

None

**OLD BUSINESS**

None

**NEW BUSINESS**

**REQUEST FROM SERGEY STRELTSOV TO DISMISS THE WATER BILLS FOR THE MONTHS OF DECEMBER 2010 & JANUARY 2011**

Mr. Sergey Streltsov asked council to dismiss the water bills for December 2010 and January 2011. He said the bottom housing was what broke and caused the leak.

Mr. Butler explained how the meter worked to the council. He said that when water freezes in the meter it expands 10% and will corrupt the bolts that hold the bottom of the meter together. He said that more water went through the meter than what was recorded. He said that precedent has been set by council prior and that the sewer did not go into the system and therefore he could recommend that council forgive the sewer portion of the bill which equals \$1053.35 plus FRR

**Public Comment**

None

**Mr. McGhee *moved to* dismiss the sewer bills for December 2010 and January 2011 in the amount of \$1053.35 plus FFR.**

**Seconded by Mr. Holm**

**Discussion**

Mr. Holm said it was probably due to a freeze.

Mayor Isaacson said it was an unfortunate incident.

**PASSED**

**YES – 5 – Holm, Arnold, Hunter, McGhee, Isaacson**

**NO – 0**

**Abstained -0**

**COUNCIL COMMENTS**

**Mr. McGhee** – Thanked Troop #7 for presenting the colors. He spoke to the water issue and how high it jumped and that he is concerned there is no alarm system and that there isn't anything to notify the owners.

Mr. Butler explained that there is a system in place that prints a leak report and then customers are mailed a notification of that leak.

Mr. McGhee would like to see a phone cell service ordinance banning cell phone use for the city limits. He said it is more dangerous than drunk driving and that we need to set an example.

**Mr. Holm** – Agrees with Mr. McGhee that cell phones are a problem. He doesn't know how they will accomplish that. He will try to be at the borough meeting tomorrow night at 5:30 p.m. He was happy to see the Boy Scouts here tonight.

**Ms. Arnold** – gave everyone a heads up that Dennis Small is in the hospital and that he and Jo enjoyed the flowers sent by the city. They welcome visitors and Dennis will be going to Denali Center when he recovers from the frost bite.

**Ms. Hunter** – Thanked the Boy Scouts for coming tonight. She asked if there would be a finance committee meeting soon.

**Mayor Isaacson** – Thanked Mayor Pro Tem McGhee for heading up the last meeting and for signing PO's while he was gone to Florida and Juneau. This Friday is an APOC hearing which is from this past summer. He said APOC is undergoing changes and asked council to read those changes closely. He wished everyone a safe evening.

**ADJOURNMENT**

**Mr. McGhee** *moved to adjourn the meeting of February 22, 2011*

**Seconded by Mr. Holm**

**No Objection**

The regular meeting of February 22, 2011 adjourned at 8:41 p.m.

**These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, March 7, 2011.**

---

**DOUGLAS W. ISAACSON, Mayor**

**ATTEST:**

---

**KATHRYN M. WEBER, CMC, City Clerk**