

**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 Monday, May 16, 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 Monday, May 16, 2011 to order at 7:00 p.m.

There were present:

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

Absent/Excused

Excused

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Pro Tem McGhee

INVOCATION

Invocation was given *by* Councilwoman Sharron Hunter

APPROVAL OF AGENDA

Mr. Jones *moved to* Approve the Agenda of May 16, 2011

Seconded *by* Ms. Hunter

Discussion

None

Mr. Jones moved to have item B under New Business on Consent Agenda:

B. *Ordinance 11-05, An Ordinance Of The City Of North Pole, Alaska Amending Chapter 13.08, Administrative Provisions*

Seconded *by* Ms. Hunter

Discussion

None

On the Amendment

PASSED

YES –6 –Holm, McCarthy, Jones, Arnold, Hunter, McGhee

NO – 0

Abstained- 0

On the main motion as amended

PASSED

YES –6 –Holm, McCarthy, Jones, Arnold, Hunter, McGhee

NO – 0

Abstained- 0

APPROVAL OF MINUTES

Mr. Holm *moved to Approve the Minutes of May 2, 2011*

Seconded *by Mr. Jones*

Discussion

None

PASSED

YES –6 –Holm, McCarthy, Jones, Arnold, Hunter, McGhee

NO – 0

Abstained- 0

COMMUNICATIONS FROM THE MAYOR

Communication Highlights from the Mayor for the period ending May 16, 2011

ISSUES:

- Update Juneau: The Legislature adjourned on Saturday, as you may have read in the paper today. Representative Wilson visited with me this morning, reviewing the session and discussing the strategies needed to get a positive result on our funding requests and on a bullet line. She and Rep. Steve Thompson were vital to getting the funds to complete the bridge over the Tanana for access to the military's Joint Pacific Alaska Range Complex (JPARC). However, the House removed funding for local area schools. Money was set aside for area PM2.5 issues, including \$3 million for additional woodstove replacement. The effort to add more money to DEC funding, in order to assist us with our sewer line repairs failed, but we will discuss with her and DEC over the summer how to make sure it is a high enough priority to be inserted in the Governor's budget proposal, if possible. \$10 million was included for FMATS transportation projects, however, the Legislature intends for \$7 million to go to Fairbanks specific problems. I have discussed that with the other mayors and am hopeful that North Pole specific projects will not be delayed next summer.

- Audit Update: Copies of the Basic Financial Statements of the Audit Report conducted by Mikunda, Cottrell & Co are available for review. For the first time in a decade, probably ever, there were no, NO, findings! Congratulations to City Accountant Lisa Vaughn, Accounts Payables Clerk Marilyn Zrucky, Accounts Receivables/Utilities Billing Clerk Tricia Fogarty, and all of City Staff and Council who worked diligently on this product. Council will be discussing the Audit and possibly accepting the report on the meeting of June 6.
- City-Wide Open House this Saturday, May 21: As previously discussed, we are holding a city-wide open house this Saturday, May 21, from 10 a.m. to 4 p.m., in conjunction with Cruis'n With Santa and the North Pole Grange Third Friday/Saturday Art Show. I encourage Council members to attend this event and be available to the public. In addition to the annual NPPD Open House, which is being very well organized this year by Kyle Green, there will be booths at City Hall and the NPPD. A City "Passport" will be issued and small prizes given for visiting all the functions. Tom Ertel will be bringing his Santa Sleigh Train, developed for NP Christmas In Ice, to provide transportation between locations. Rides, information, static and interactive displays, and city staff will be on hand to answer questions from the public.

Overflow parking is available to the public at the North Pole Elementary School and in the property between Mt. McKinley Bank and AT&T (park at your own risk).

- **A Community Workshop on Sulfolane**

What: Community Workshop on Sulfolane

When: Monday, May 16, 7 p.m. to 9 p.m.

Where: The North Pole Grange on Grange Road in North Pole (off Eighth Avenue)

The North Pole Sulfolane Technical Project Team will hold a public workshop to discuss the health issues of sulfolane. The workshop will be held Monday, May 16, from 7 p.m. to 9 p.m. at The North Pole Grange.

James Durant, an environmental health scientist with the federal Agency for Toxic Substances and Disease Registry, will discuss ATSDR's recently released health consultation on sulfolane in drinking water.

Nim Ha and Cassandra Kirk of the Alaska Department of Health and Social Services will discuss community concerns about sulfolane exposure in North Pole. Ha is a program manager, and Kirk is a health assessor, both in the Division of Public Health, Epidemiology Section.

After the presentations, TPT members will be available to answer questions, and provide information on the progress of the sulfolane investigation and next steps, sulfolane sampling

methods, 2010 garden sampling project, and ongoing cleanup and remediation efforts on the refinery site.

The TPT includes technical experts from DEC and DHSS, the City of North Pole, University of Alaska Fairbanks, Flint Hills Resources and various contractors. Sulfolane is an industrial solvent that was found in wells near the Flint Hills refinery in the fall of 2009.

For more information, contact Susan Erben, a public involvement coordinator in the DEC's Contaminated Sites Program: (907) 465-5206 in Juneau, (907) 451-2269 in Fairbanks or at susan.erben@alaska.gov.

- Summer Festival Committee: Met on May 10. Thank you to new sponsor Birchwood Homes, who has contributed \$500. We've got a great team tackling 11 different projects that must be completed in order to put on a great event this July 4. If you would like to participate in helping to make this event exciting, whether it's producing the parade, scouring the community for finances and prizes, soliciting vendors, helping with games, putting on the Bed Race, marketing, or even being on the set-up and clean-up teams, please mark your calendar and attend **the next meeting is: May 24, 6 pm, at City Hall**. See you there!

- Flint Hills Refinery: is undergoing a multi-million dollar "shut down" for maintenance. NPFDD responded to a minor contained incident in one of the plants. There was no fire. My office was advised of the situation by both FHR representative and by NPFDD Chief Lane.

- Tour of Bernie Karl's bio-mass Pelletizer: I toured Bernie Karl's new bio-mass pelletizer plant under construction on his 9 mile Richardson Highway property. The material he uses will primarily be product otherwise destined for the landfill and will not be in competition with the wood chip pelletizer plant operated by Superior Pellet Fuels. This operation will extend the landfill's life, which will save the taxpayers considerably. Additionally, Bernie will be producing 600 KW (gross) electricity by sometime in August, will build one acre greenhouse, will install a glass crushing plant, and is looking at the possibility of building a "briquetter" to make briquettes for use on domestic grills. For more information or for a tour, call Bernie at 378-2967.

COMMUNITY:

- May 4 & 11: Delivered "Words of Wisdom" and interacted with students and staff at North Pole Middle School.
- May 5: Presented, with other Mayors, Awards recognizing outstanding Seniors at the FNSB Parks & Rec Annual Senior Appreciation Luncheon.
- May 5: Read 3 Mayor Proclamation recognizing National Day of Prayer at Prayer Breakfast hosted by New Jerusalem COGIC.
- May 6: With Deputy Mayor Pro Tem, hosted Col. Lynn Scheel and wife Ro, Deputy 354th Wing Commander, at the GFCC Military Appreciation Dinner.

- May 9: Attended EAFB Quarterly Awards Luncheon. Congratulations to Alt. Deputy Mayor Pro Tem Ron Jones for his nomination as Outstanding Civilian Specialist!
- May 11: Provided telephonic testimony to the House Finance Committee.
- May 13: Along with NPPD Chief Paul Lindhag and many NPPD Officers, attended the CTC Police Academy graduation ceremony. Congratulations to NPPD Officer Alex Sporleder who graduated number ONE in his class!
- May 13: Attended Spaghetti Feed and Silent Auction to assist the Dan & Tia Condon family of Salcha with medical & travel expenses for their baby girl, Celah, diagnosed with Acute Lymphoblastic Leukemia as a four month old. An account has been set up at Credit Union One under Dan Condon's name for donations. En lieu of money, air miles contributions would also be helpful to allow Dan to travel to Seattle once a month to visit his family.
- May 14: With Fairbanks Mayor Jerry Cleworth, read 3 Mayor Proclamation recognizing National Day of Prayer at the Governor's Prayer Breakfast.

FNSB ASSEMBLY MEETING:

The Assembly met on May 5 & 12 and passed a budget that was described as "flat" with no property mil rate increases. For a list of meeting times and agendas, go to <http://co.fairbanks.ak.us/meetings/Assembly> .

MEDIA:

May 7 & 14: Mayor Isaacson was on KJNP (1170 AM, 100.3 FM) 8 – 9 a.m. "Over the Coffee Cup."

May 9: Ch 13 News re: fuel prices in North Pole

May 12: Fairbanks Daily News Miner re: on-going discussions with the State to install piped water system.

UPCOMING (*see above for other events, dates, and times*)

- **May 16, 6:30 pm**, NPMS 8th Grade Celebration (graduation)
- **May 18, 6:30 p.m.**, Mayor to participate in NPHS Graduation Ceremony @ Carlson Center
- **May 19, 9:30 a.m.**, Mayor to participate in NPE Awards Ceremony
- **May 19, 6 p.m.**, Fairbanks Arts Association Mayors Awards Ceremony & Reception @ Centennial Hall
- **May 20, 5 p.m.**, Third Friday Art Show @ NP Grange.
- **May 21, 10 a.m. – 4 pm**, City Wide Open House, also Cruis'n With Santa @ Alaskaland RV Park (until 10 pm) and Third Saturday Art Show @ NP Grange (until 5 pm)
- **May 22, 11:30 a.m.**, Armed Forces Appreciation Service @ New Jerusalem COGIC (Mission Road)

- **May 23-28:** Mayor taking time off to be with family, including grandkids who are here for a month.
- **May 26, 10 a.m.,** dedication ceremony of the Alaska Territorial Guard, World War II, Korean and Vietnam War Monuments @ Monterey Lakes Memorial Park FT WW
- **May 30: MEMORIAL DAY. CITY OFFICES CLOSED.** Mayor will participate in Memorial Day Services at 11 a.m. at Veteran's Memorial Park, see attached schedule for other venues and times.

Councilman Jones gave an update on the AML meeting. He gave information on APOC, Revenue Sharing and items on PERS.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Accountant

Lisa Vaughn

- None

Police Dept

Lt. Dutra

- None

Fire Dept

Chief Lane

- None

Director of City Services, Bill Butler

May 16, 2011 Council Report

Bill Butler

Director of City Services

Building Department

- Three residential projects planned, waiting on additional submissions.
- White Eagle Condo project building permit issued.

Public Works

- City-wide crack sealing project to begin this week (you may have noticed markings in streets)
 - DOT funded with City match.

- Pavement rehabilitation project scheduled to start on 18th
 - Finnel, Cross Way, Snowman Lane, North Pole High School Blvd. (section) and H&H Road (section).
 - Two additional roads added: East 6th and East 7th.
 - DOT funded with City match.
- Main Street initiative
 - Request for Bids for roundabouts ready for release.
 - Contacts with engineer to estimate cost for hanging flower baskets poles (cannot use light poles).
 - Position for a summer hire closes May 18.

Utility Department

- Sulfolane: DEC public meeting this evening at North Pole Grange 7:00 to 9:00 pm
- Lift station renovation project has started with Old Richardson Highway and Kit Boulevard.
- Sludge removal project is scheduled to begin mid June.

Engineering analysis and design project for waste water treatment plant contract is signed and engineer has begun preliminary analysis; site visit of engineering project team planned for next week.

Borough Representative, Mayor Isaacson

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City Clerk, Kathy Weber

- Mrs. Weber attended the International Institute of Municipal Clerks conference from Friday, May 6 – 13th to Nashville, TN. She will give a full report on June 6, 2011.

ONGOING PROJECTS

None

CITIZENS COMMENTS – 5 Minutes

None

OLD BUSINESS

None

NEW BUSINESS

RENEWAL OF GREAT WEST LIFE/CIGNA HEALTH INSURANCE FOR THE CITY OF NORTH POLE

During the Committee of the Whole the council spoke with Dianna Stewart where she was able to explain the 3 options the council had from to chose for the city employees.

Citizens Comments

None

Discussion

Mr. McCarthy said Option 2 or 3 would be good.

Ms. Hunter said she preferred to go with Option 3.

Mr. Holm said that the city should support our local health care providers or have the opportunity to. He said that as a buyer of the insurance we could make them participate and insurance companies normally give a contract and there is no negotiation. As owner of this policy, the city has the ability to negotiate a reasonable policy. He doesn't know if Dr. Marshall or the dentists in town are participating, and knows he is not participating because he was not given any reasonable opportunity to do so. He would like to see the council, as a group, to have a say and try to get our local people in.

Mr. Jones said he would like to differ to the City Clerk/HR Manager and see if it's in the plan. The council needs to see it and see who is participating and whose not.

Mr. Holm said the plan merely says preferred provider or not. He said the council can say as owners of the policy who they want in the plan. The council can say they want reasonable negotiation to get local merchants in. He said that Diana Stewart gave the lame excuse of some people being given opportunities and not participating, when the actual reason is probably because they have not given the ability to reasonably negotiate. The council needs to direct them towards reasonable opportunity to negotiate participation

Mr. McCarthy said that with Mr. Holm running the local pharmacy, he thought it was important to hear Mr. Holm's voice because he is in the business and the council wants to see his point of view as he is seeing the other side of it. He would also like to see if there is something the council can do for the plan this year that would let them open up local medical opportunities online with our plan.

Ms. Hunter said she didn't understand the negotiation process or the option for that.

Mr. Holm said that pharmacies with 3rd party plans or payments, which are usually set up with a PBM who will contract new or non external pharmacies and will send them a contract and say this is what we will pay you. Take it or leave it. There is no negotiation. The insurance companies are setting the price. There are no options but to take it. A lot of such plans end up reimbursing them at a negative number. At a best scenario, a 5-10% gross profit margin. Not many businesses could survive on that profit margin. Which is everything; labor costs, rent, and

heat, light, that's everything. Maybe giving you a number would help. Maybe on a pharmacy basis and base it on one prescription, reimbursing you at 10-15% below average whole sale price. Which means giving up interest. That would give you a two dollar dispensing fee.

Ms.Hunter called for a point of order and said her understanding of ethics code is that the discussion of a matter that could financially benefit us should be processed. She felt like this discussion going too far.

Mr. McCarthy moved to Approve The Renewal Of Great West Life/Cigna Health Insurance For The City Of North Pole With Option #3 and to have Great West Life/Cigna Health Insurance negotiate with local medical providers.

Seconded by Jones

On the amendment

PASSED

YES –6 –Holm, McCarthy, Jones, Arnold, Hunter, McGhee

NO – 0

Abstained- 0

On the main motion as amended

PASSED

YES –6 –Holm, McCarthy, Jones, Arnold, Hunter, McGhee

NO – 0

Abstained- 0

COUNCIL COMMENTS

Mr. Holm – No Comment

Ms. Arnold – No Comment

Mr. Jones – Thanked two dedicated people for coming out. He agreed with negotiating a contract with GWL and local providers. May 21st is the open house and there is a lot going on that day. There will be a car show on the other side of the street. Cruis'in with Santa is on the other side of the road. It will be a fun filled Saturday. He reached out to make it a coordinated city wide event. He encouraged people to go to both halves.

Ms. Hunter – Participated in clean up day last weekend and expressed her thanks for the NPF and their hotdogs. Itadori sister city will have a booth out front of City Hall to talk with people during the open house. They are trying to recruit participants for next May of 2012 and also soliciting to support shelter boxes to go towards the earthquake victims in Japan. Ms. Hunter said she likes to support local doctors, dentists and pharmacies.

Mr. McCarthy – Thanked McGhee for chairing the meeting tonight.

Mr. McGhee – Financial audit committee meeting on May 31, 2011 at 6:30 pm. Please bring your copy of the findings back to the meeting on June 6th. It was a wonderful idea to have two car shows in the area right across the street from each other, and he doesn't see it as a conflict. Motorcycles are out there and he encouraged everyone to watch for them. He appreciates the opportunity to chair the meeting tonight. Mr. McGhee thanked Ms. Weber and state that the council is looking forward to her report.

ADJOURNMENT

Mr. Jones *moved to adjourn the meeting of May 16, 2011*

Seconded *by Mr. Holm*

No Objection

The regular meeting of May 16, 2011 adjourned at 7:51 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, June 6, 2011.

DOUGLAS W. ISAACSON, Mayor

ATTEST:

KATHRYN M. WEBER, MMC, City Clerk