

**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, July 18, 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, July 18, 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 Isaacson

INVOCATION

Invocation was given by Councilman Jones

APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of July 18, 2011

Seconded by Mr. Jones

Discussion

None

PASSED

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

NO – 0

Abstained- 0

APPROVAL OF MINUTES

Mr. McGhee moved to Approve the Minutes of July 5, 2011

Seconded by Mr. Jones

Discussion

Mr. Jones stated that he was the one who made the second on the motion to adjourn at the July 5,

2011 meeting and would like the minutes to reflect that.

PASSED

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

NO – 0

Abstained- 0

COMMUNICATIONS FROM THE MAYOR

Communication Highlights from the Mayor for the period ending July 5, 2011

ISSUES:

- ITADORI SISTER CITY Committee: will be doing a FUND RAISER at the Golden Days kickoff party at Pioneer Park this Wednesday, 5 – 8 pm. The hot dogs are free but donations will be welcome! THANK YOU to Council members Thomas McGhee, Ron Jones, and Sharron Hunter for volunteering between 4:30 and 8 pm! If anyone else would like to donate their time or would like more information, please call Karen Lane at 459-3758.

As mentioned last Council meeting, North Pole will be hosting 16 kids and 4 adults from Itadori from August 4 through August 9. Needed are 3 more Home Stay families. Thank you to several businesses who have already stepped forward to assist with hospitality, including Taco Bell, Wendy's, and Pagodas. For more information on the responsibilities of a Home Stay Family, call Karen Lane at 459-3758.

- Golden Days in Fairbanks: will be from this Wednesday through Sunday. Some highlights: The Parade is Saturday from 10 am to Noon, Rubber Ducky Race at 2 pm, and in honor of Ted Stevens Day, Jazz on the River will be held at Doyon from 4 - 6 pm (tickets available at Doyon), and the Governor's Picnic follows the Red Green Regatta, noon to 3 pm on Sunday. The Golden Days jail was in North Pole on Saturday. If you would like to take out a \$5 warrant to arrest someone, call 779-0756.

- World Eskimo Indian Olympics (WEIO) Queens to Visit North Pole. Mark your calendars now and do plan to attend a **reception honoring the past and current WEIO queens on July 21, 2 p.m. at Hotel North Pole**. This is the 50th Anniversary of WEIO which brings participants from across the state to the Interior. This year's competition will be held at the Carlson Center, July 20-23. We appreciate the opportunity to honor the participants, the "royalty" and the history of this truly Alaskan event. I'm glad they're coming out to North Pole—the more we make them feel welcome, the more they'll tell their friends and neighbors to visit us! For more information about WEIO, go to www.weio.org.

- Department Heads and the Mayor met to discuss budget issues. While there is nothing that raises urgent alarms regarding the budget, I have concern that escalating prices will require the City to re-assess how, and to what extent, we deliver services. One of the budget tools would be the creation of reserve funds for specific types of purchases that would be required and protected by changes to City Code. A number of fees were suggested, for example, a fuel surcharge on citations and ambulance calls similar to what we encounter on our GVEA billing; the Impound Lot resurfaced, as did a dorm to attract NPFV volunteers. Energy savings modifications are being made where possible, and staff in all departments are being encouraged to turn off unused lights, unplug vehicles in the Spring, and turn down the thermostats.

We are in discussions with the City of Fairbanks regarding their proposal to more than double the current fee billed us; our current discussions have reduced that amount. Our discussions continue and options are being considered and the outcome will be reported to Council once a number has been formally proposed by Fairbanks. Any decision will have to be approved by the Fairbanks City Council before a rate hike is imposed upon us.

- Members of the Beautification Committee, NPEDC, and City Staff met to discuss and prioritize the various projects underway. The City is going ahead with beautification plans of the roundabouts, subject to final permitting being granted by DOT and the Federal Highway Administration (who funded the original project); NPEDC will be working on beautifying the area between the off-ramp from Fairbanks and the Safeway parking lot and expects to be done before the end of summer, pending cooperation with DOT, and the Beautification Committee will focus their efforts on transforming the vacant property on 5th and Davis into a park, as authorized previously by the Council.

- Alaska Railroad (ARRC) President/CEO Chris Aadnesen: and his staff met with the three local mayors and discussed a wide ranging list of topics important to our community, including the bridge over the Tanana in Salcha, funding sources and priorities for the Phase 1 rail-road realignment from North Pole to 9 mile, Flint Hills North Pole Oil Refinery, Ice Alaska relocation, connections to Canada, tourism, and much more. Mr. Aadnesen kept drumming a particular theme, that a State Rail Plan is essential to the future success of prioritizing and funding rail projects in Alaska. Most states have their plans updated every 5 years. Alaska has not updated its plan since about 1984.

- Regarding the bridge over the Tanana, work is expected to begin this week on the new levy. The project will employ up to 200 direct jobs and approximately 1000 indirect jobs.

- Funding sources for Phase 1 may come from a variety of pots, some of those pots are only accessible when referenced in an updated State Rail Plan.
 - Flint Hills North Pole refinery (FHR), only a couple years ago, accounted for 55% of ARRC's revenue; today FHR is still the railroad's number one customer but only accounts for 30% of their revenue, in part to reduced production at the refinery, and in part due to more transporting of coal and containers.
 - Connecting to Canada may become driven by Canadian companies who are pressing for a rail link to Alaska due to right of way disputes with First Nations Canada. There are also economic interests that may eventually push the rail EAST from Nome, connecting it with Russia, that may "make more sense than pushing WEST from Fairbanks." ** Just an historical note: E.T. Barnette accidentally founded Fairbanks because he was seeking to establish a trading post at Tanacross which was supposed to become a major hub along the proposed Chicago to Moscow rail project.
 - Of concern, current Highway Authorization bills going through Congress may leave the ARRC out of the funding loop—putting Alaska at a \$40 million loss of revenue, a loss most other states are not having to deal with.
- Former Sen. Stevens staffer, Kevin Simpson, who now works for the Senate Energy Committee, met with community leaders to discuss issues related to minimizing federal obstacles that may be hampering getting affordable energy resources to market. He noted that the Administration is taking an average of five months to reply to questions from Congress, a length of time that was unacceptable in prior Administrations. The EPA, an agency that has been very aggressive in Alaska, is also coming under scrutiny in other states but there are numerous hurdles in the effort to limit the authority assumed by the Agency. He noted the importance of Alaskans to make comments on the projects that affect us, such as Outer Continental Shelf development.
- Red Flag Alaska is underway. I attended a dinner hosted by FEDC and the Binkley's to honor the Executive Observers, who are usually Generals from foreign countries here to evaluate and plan for future involvement in Red Flag Alaska exercises. Of the 16 or so EO's, I sat at a table with a General from Poland who is hoping to bring 8 fighter aircraft next year. With me at Table Seven were FNSB Chief of Staff Jeff Jacobson and Lt. Col. Tom Daack, the new 354th Fighter Wing equivalent of our Director of City Services.
- The Jingle Bell Run was held on July 9 and many volunteers, generous contributors, and outstanding participants are to be commended. The Arthritis Foundation's "Monday Morning Notes" led off with the following story:
- The Jingle Bell Run/Walk season kicked off last weekend in the Great West Region with the 2nd Annual *Jingle in July* in North Pole, Alaska. 455 participants (up from 208 in 2010) turned out

with bells on their shoes for a festive start in front of Santa Claus's house and workshop (see pictures attached). Honorary event chair, Mayor Doug Isaacson, AF staff members Laura Goss and Laura Rosseisen and of course Santa Claus, led the runners and walkers on a scenic 5k course through the town of North Pole. ***Thanks to the generosity of local sponsors, donors and participants the event raised \$37,576 surpassing the 2010 event revenue by over \$20,000!*** Both the number of participants and money raised is an impressive accomplishment considering the population of North Pole is 2,300, many of whom are elves.

To compare, the 2010 Anchorage JBRW had 495 participants, 39 Teams, and raised \$34,584.64. Great Job! North Pole and Friends!

FNSB ASSEMBLY MEETING:

FNSB Assembly met for a special session on Thursday, July 7, attended by Council member Sharron Hunter. There was a briefing given on the North Pole Library project. The next regular meeting is scheduled for July 21. On the Agenda are several items affecting service districts in the area and two that have some impact on the City:

- **ORDINANCE NO. 2011-20-1B.** An Ordinance Amending The FY 2011-12 Budget By Appropriating An Additional \$340,000 In Federal Pass-Through Capitalization Grant Funding To The Solid Waste Disposal Enterprise Projects Fund For Solid Waste Cell 1 And South Cushman Landfill Partial Closure And Landfill Gas-To-Energy Project Design And Construction. And,
- **ORDINANCE NO. 2011-20-1D.** An Ordinance Amending The FY 2011-12 Budget By Appropriating \$500,000 In State Grant Funding To the Capital Projects And/Or Special Revenue Funds For A Natural Gas Distribution Study And A Feasibility And Pre-Due Diligence Study. For a list of meeting times and agendas, go to <http://co.fairbanks.ak.us/meetings/Assembly> .

MEDIA:

July 9 & 16: Mayor Isaacson was on KJNP (1170 AM, 100.3 FM) 8 – 9 a.m. “Over the Coffee Cup.”

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

- **July 20, 5 p.m.,** Kickoff party for Golden Days—Fundraiser for Itadori Sister City @ Pioneer Park
- **July 20, 6 p.m.,** the mayor will be greeting participants and attendees during the Opening Ceremony of the 50th Anniversary World Eskimo-Indian Olympics (WEIO)
- **July 21, 2 p.m.,** Reception for past WEIO queens and current contenders for Miss WEIO @ Hotel North Pole
- **July 26, 4:30 – 6:30 p.m.,** FMATS Public Open House @ North Pole City Hall. Call 459-6805 for details.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

Mr. Jones asked about the Fairbanks Daily Newsminer article concerning the state aid and how North Pole made out.

Mayor Isaacson said that the city received \$207,000 so far and that we still haven't received any other monies but we are close to what was budgeted for 2011.

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Accountant

Lisa Vaughn went over the financial statements including the percentages of how the fund is split up between the general fund and the utility fund.

Police Dept

None

Fire Dept

None

Director of City Services, Bill Butler

July, 2011 Council Report

Bill Butler

Director of City Services

Building Department

- 1 residential building permit issued since my June 20 report

Public Works

- City-wide pavement rehabilitation project has begun (Finnel, H&H, North Pole High School Blvd., Cross Way, Snowman, Davis, 6th & 7th.)
 - Originally estimated to be finished this week, apparently behind schedule
- Increased rainfall has lessened need for turf watering, but has resulted in increased need for mowing
- Permit application drafted to ADOT for main street initiative that encompasses roundabouts

Utility Department

- Lift station renovation project proceeding
 - Old Richardson Highway, Kit Blvd. and Holiday Road lift stations progressing with no significant problems
 - Yukon lift station discovered corrosion on interior of can that will result in a delay and relative small cost overrun—estimated at \$34,000

- Sludge removal project completed
- Engineering analysis and design project for waste water treatment plant proceeding in generation of USDA mandated preliminary engineering and environmental reports

Cash flow issue related to utility construction projects has been proceeding well with cooperation of EPA, ADEC, GNI

Borough Representative, Mayor Isaacson

The library concept plan will be presented on August 1, 2011 during mayors communications. The next meeting will be on Thursday, July 21, 2011.

City Clerk, Kathy Weber

- The utility position closed today at 5:00 p.m. We will be conducting interviews within the next two weeks.
- The election is drawing near. Filing for 2 City Council seats will begin on July 25, 2011 and closes on August 12, 2011. Kevin McCarthy is term limited and Bonnie Arnold's seat was for a 1 year term. Packets will be available for anyone wishing to file for those seats in the clerks office on July 25, 2011.
- I will be out of the office from July 13 – 20, 2011 vacationing with family.

ONGOING PROJECTS

- None

CITIZENS COMMENTS – 5 Minutes

- None

OLD BUSINESS

None

NEW BUSINESS

Mr. McGhee moved to Consent the following items and to move into Executive Session at 7:33 p.m.

a. **Resolution 11-18, A Resolution To Place An Initiative On The October 4, 2011 City Of North Pole Ballot Authorizing The City To Incur \$1,416,500 Of Debt In The Form Of A Low-Interest Alaska Department Of Environmental Conservation Loan For The Purpose Of Reducing Inflow And Infiltration Of Ground Water Into The Waste Water Collection System.**

b. **Resolution 11-19, A Resolution Authorizing The Utility Department To Distribute Educational Materials Explaining The Ballot Initiative Related To The Alaska Department**

Of Environmental Conservation Loan For The Utility Project To Reduce Inflow And Infiltration Of Ground Water Into The Waste Water Collection System

c. Resolution 11-20, A Resolution Establishing The City Of North Pole Utility Department Priority Capital Project For Calendar Year 2012: North Pole Sewer Line And Manhole Rehabilitation And Replacement Project

Seconded by Mr. Jones

Discussion

None

PASSED

YES – 6- Hunter, McGhee, Holm, Arnold, Jones, Isaacson

NO – 0

Abstained - 0

Mayor Isaacson brought the meeting back to order at 8:05 p.m.

Ms. Hunter *moved to* Approve The Resolution Of The Lawsuit Of Tesla And USKH For The Approximate Amount Of \$87,000 In Which If DEC Covers That Payment It Will Only Amount To \$8,700 To City Of North Pole.

Seconded *by* Mr. Jones

Discussion

Mr. Holm asked what the timeframe was for this.

Mr. Wilson said there was no timeframe.

Mr. McGhee said he didn't want to bring it back for discussion and that this was pretty simple to understand.

Mr. McGhee *moved to* amend the motion to accept the second solution that if DEC does not accept the payment that the City of North Pole will pay the \$29,000.

Seconded *by* Holm

Discussion

Mr. Jones wanted clarification of the actual resolution.

Mayor Isaacson said it doesn't affect our negotiating as it is in the hands of DEC.

Ms. Hunter said she felt it would send a message to the other party's that we were not ready to pay the whole amount.

Mr. Wilson said that there is no more negotiating at this point.

PASSED

YES – 6- Hunter, McGhee, Holm, Arnold, Jones, Isaacson

NO – 0

Abstained - 0

COUNCIL COMMENTS

Ms. Hunter – Ms. Hunter said she is a little hesitant to put major items on a consent agenda even though they discuss things thoroughly during Committee of the Whole. It looks as though the council is rushing through things when it isn't covered in the minutes. She had no problem voting for the consent agenda this time as she didn't know how long the Executive Session would last. Ms. Hunter is looking forward to the Committee Report on the library during the August 1st meeting. The legislature will be matching 50% of the funds for this project and they are looking to see what kind of contribution the community is making towards this too.

Mr. McGhee – The Finance Committee had a good meeting. He had considered resigning from the committee because he felt it was too in depth for what it should be and would require too much time. The Committee changed its forum and is not the same as the borough as they don't get \$900 per month to be a part of it. He stated that they talked about giving back 10% of the EMS Contract to the fire department, removing the sales tax from fuel, doing tax audits, and invite the NPEDC to see what they are doing to generate revenues for the City of North Pole without it being an amusement affair or a duplicated winter festival as that is the Chambers function, not the NPEDC function. The majority of this committee is made up of council members and they didn't feel that they should have to discuss things again and will set up quarterly meetings and that people who want to attend will be able to.

Mr. Holm – No Comment

Ms. Arnold – stated that one department head was at the meeting and that they felt it was an open forum to be able to speak without having to be governed by Roberts Rules.

Mr. Jones – Apologized for the meeting he missed. He agreed that they should have a tax audit on some of the companies in town and feels that it is well warranted and overdue. He said that the sales tax on the fuel is something that the council should look at. He had a good time at Jingle in July and that they walked it in under an hour. AML is planning on getting together on August 2, 2011 and planning the conference in November.

Mayor Isaacson - said he is happy that the Finance Committee has direction. The city doesn't have the staff to conduct tax audits on businesses in town and it would be an added cost to the city if the council requested this and that they would need to help find funds to do this. He reminded council that on December 8, 2011 they had Tesoro on the phone and they said if they took the sales tax off the fuel prices can still rise. Mayor Isaacson said he would like to meet with Mr. Jones and try and get AML out this way as the Clerks are coming out and that is going to be a fun time.

ADJOURNMENT

Mr. McGhee moved to adjourn the meeting of July 18, 2011

Seconded by Mr. Jones

No Objection

The regular meeting of July 18, 2011 adjourned at 8:32 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, August 1, 2011.

DOUGLAS W. ISAACSON, Mayor

ATTEST:

KATHRYN M. WEBER, MMC, City Clerk