

**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, February 6, 2012 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

CALL TO ORDER/ROLL CALL

Mayor Isaacson called the regular City Council meeting of Monday, February 6, 2012 to order at 7:00 p.m.

There were present:

Mr. Holm

Ms. Hunter

Mr. Jones

Mr. McGhee

Mr. Nelson

Mr. Ward

Mayor Isaacson

Absent/Excused

Excused

Excused

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Pro Tem Ward

- Presentation of Colors by Boy Scout Troop #9

INVOCATION

Invocation was given by Mr. McGhee

APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of February 6, 2012

Seconded by Mr. Nelson

Discussion

None

Mr. McGhee moved to Amend the agenda of February 6, 2012 to consent items a, b, & c under New Business as follows:

- a. Request from city resident, Angelica Broady, to forgive \$265.67 sewage portion of utility bill
- b. Request from city resident, Justin Dehart to forgive \$526.50 sewage portion of utility bill, suspending the late charges until insurance claim can be processed.
- c. Request from Christmas in Ice for 4th quarter 2011 bed tax

Seconded by Mr. Nelson

Discussion

None

On the amendment

PASSED

YES –5– Ward, Nelson, Holm, Hunter, McGhee

NO – 0 -

Abstained- 0

On the main motion as amended

PASSED

YES –5– Ward, Nelson, Holm, Hunter, McGhee

NO – 0 -

Abstained- 0

APPROVAL OF MINUTES

Mr. McGhee moved to Approve the minutes of January 17, 2012

Seconded by Mr. Holm

Discussion

None

PASSED

YES –5– Ward, Nelson, Holm, Hunter, McGhee

NO – 0 -

Abstained- 0

COMMUNICATIONS FROM THE MAYOR

Communication Highlights from the Mayor for the period ending Feb 6, 2012

GENERAL:

• Finance Committee: The Finance Committee will have its first meeting of 2012 on Tuesday, February 21, 5:00 pm. Mayor Pro Tem and Committee Chair Ron Jones will have an agenda published with the next Council packet and public noticed. They are planning to meet prior to every Committee of the Whole at 5 p.m. (usually the first and third Mondays of each month).

• Alaska Municipal League (AML) Meetings & Legislative Priorities: The Legislature is in full swing.

As I write this on 2/2/12, there have been 498 bills introduced and only 40 passed; also, there are 60 other

resolutions still under consideration. This means there's a lot of pushing and pulling going on and Councilman Jones and I are going to be urging legislators to make North Pole priorities their priorities—not an easy task.

As you can imagine, we are having many discussions in the Interior regarding the various legislative priorities. Topping everyone's list, including ours, is bringing relief from the high cost of energy. Ron Jones and I, while in Juneau with AML, will be urging funding for our capital projects requests, as well as advancing potential legislative actions that will bring us relief in the near term and sustainable low cost energy from sources such as natural gas and hydro electricity in the future. One short-term possibility is to extend power cost equalization, which is used in Rural Alaska, to the Fairbanks North Star Borough. That will give some relief to residential electric customers but does not bring relief from the high cost of heating fuel.

Oil and gas taxation is on the foreground in the Legislature. Some of this debate revolves around CoNP Resolution 11-08 which became AML Resolution #2012-02, making Alaska more competitive for oil exploration, development, production and in-state refining. Sen. Lesil McGuire is proposing adjusting the progressivity portion of the tax regime and I have already begun discussions with her staff to ensure that revenue sharing to the communities, which has been tied to progressivity, is not adversely affected.

Other issues affecting our community include the new North Pole library funding, education formula funding, prohibiting reading texts and using computers while driving, funding rail-road realignment and extensions, and, of course, the AGIA and AGDC/ASAP gas pipelines. This is by no means a complete list, but tops the current discussions in the legislature.

Today, the Governor issued a Press Release that is positive for Alaskans. His action is EXACTLY the right beginning to change the cumbersome and often obstructive bureaucracy that has been charged since statehood to allow Alaskans to develop our resources and settle our land in order to pay our own way--to be a contributor to, and not be a burden on, the federal coffers. Well done, Governor! Here's the text:

Dear Fellow Alaskans,

Recently, we proposed a change to the mission statement at the Department of Natural Resources (DNR) to reflect the exact words of Alaska's Constitution. Our Constitution makes it State policy to "encourage development of its resources by making them available for maximum use consistent with the public interest."

Early in my administration I directed our commissioners to review the department mission statements to ensure they line up with Alaska's Constitution. Changes to agency mission statements are subject to legislative approval.

Some have expressed opposition to hanging DNR's mission to reflect this constitutional policy statement. I invite you to listen as I speak with the press corps about how Alaskans are served through this effort.

- Memorial Service for 1-25: On Feb 2, I attended a memorial service for PFC Dustin Paul Napier, an infantryman with the Arctic Legion, 1st Battalion, 24th Infantry Regiment from Ft Wainwright killed by small arms fire in Afghanistan. PFC Napier had dreamed of being a soldier all his life and was proud to serve. He was 20 years old and had recently married his sweetheart while on mid-term leave. Our prayers and condolences go out to his family and friends.
- The "Fairbanks Committee": is sponsored by the Fairbanks Convention and Visitors Bureau (FCVB) and is composed of the mayors, native leaders, and community leaders from various industries. The goal of this committee is to continue working together cross-culturally to attract more meetings and conventions to the Interior. It was first formed to coordinate the communities' efforts to bring AFN to Fairbanks. AFN will be held in Anchorage in 2012 but have left open the opportunity to bring them here in 2013 and 2014. This meeting was held on Jan 18.
- Gas Pumping and Pricing in North Pole: I received complaints that gas station attendants in North Pole were telling customers to stick the diesel pump up the exhaust pipe of running vehicles in order to "thaw" them out. This is NOT a practice condoned either by City Hall or the owners of the stations and has been addressed. However, if you are instructed, or have constituents who are instructed, to do this, please notify Mayor Isaacson, 488-8584, immediately. During the discussions with owners, I again urged them to lower their gas prices to be competitive with Fairbanks and attract more customers—it's profitable for them, and good for our local economy. So far, no response. We'll see...
- Sulfolane Update: I have had several discussions with Nim Ha of the State's Department of Health and Social Services (DHSS), with Ann Farris of DEC, and met with medical professionals in the community during the Interior Public Health Summit at Fairbanks Memorial Hospital regarding the results of DHSS' report on possible health effects. Here's the text of the Press Release of January 19:

North Pole sulfolane health impact evaluation released

No negative health effects expected; caution still stressed

ANCHORAGE — Officials with the Alaska Department of Health and Social Services, Section of Epidemiology, Environmental Public Health Program have released their evaluation of possible health effects from sulfolane exposure from North Pole area wells.

Based on available scientific information, officials concluded that water containing detectable levels of sulfolane is safe for most household activities, such as bathing,

washing clothes and dishes, and rinsing foods. They continue to recommend that North Pole residents use a water source that has no detectable level of sulfolane for growing edible plants, drinking, or other uses where the water is ultimately consumed (such as adding water to a can of soup).

“Although levels of sulfolane in people’s wells are substantially lower than those that caused subtle health effects in test animals, we cannot say with *absolute certainty* that there will not be any health effects from long-term exposure to low levels of sulfolane in drinking water, because no studies have looked at this in animals or people,” said Nim Ha, a co-author of the report.

“Flint Hills has provided a long-term alternative water supply to all North Pole residents with detectable levels of sulfolane in their well water, and we recommend that they continue to use an alternative source of water for drinking and eating. This also applies to pets and other household animals,” Ha said.

Sulfolane is an industrial solvent that was found in wells near the North Pole Flint Hills refinery in fall 2009.

The evaluation found no increase in cancer or birth defect rates for North Pole residents compared to the entire state from 1996 – 2007 (cancer), and 1996 – 2009 (birth defects).

North Pole residents and interested stakeholders with further questions about the content of this report are welcome to contact the Environmental Public Health Program at 907-269-8000.

For more information about sulfolane contamination in North Pole groundwater, go to <http://dec.alaska.gov/spar/csp/sites/north-pole-refinery/>.

For the full report, go to <http://www.epi.alaska.gov/eh/sulfolane/DHSSHealthConsultSulfolaneGroundwater.pdf>

- Various Meetings: included going weekly to NPMS and helping with announcements and giving “Words of Wisdom.”
 - On Jan 19, I met with Ira Perman, Chairman of the Institute of the North. Their tour to Norway has resulted in House Concurrent Resolution (HCR) 19 in which the legislature is considering restructuring the State’s approach to oil and gas production and taxation.
 - On Jan 21, was MC for Samaritan Counseling Center’s, “Celebration of Lights” benefit dinner.
 - Attended the 354th Wing’s Quarterly Awards Luncheon and the Annual Awards Dinner. Congratulations to own Ron Jones who was a runner up for the Award going to the Civilian Technician of the Year.
 - Participated in the Arctic Winter Games (AWG) 2014 Host Society planning meeting, to which the Council has given financial support. We are going to be in Whitehorse from March 2-11 in order to observe AWG 2012 and learn how from them how to put on successful Games.

- Met with various community residents and business leaders discussing what's on their minds and are priorities.
 - On Jan 26, met with Department Heads to develop revisions to our Emergency Response Planning, especially to ensure our employees' families are taken care of while they respond to the emergency. Fire Chief Buddy Lane is heading up this work group which will be conducting preparedness training for employees and Council members during the next two months.
 - On Jan 30, I participated in the Federal Energy Commission's (FERC) Alaska Pipeline Project NEPA review held at the Carlson Center. It was sparsely attended, no objections, and in response to whether FERC considers this to be a "real" project, they are taking it very seriously and devoting resources to reviewing the applicants' submissions. I was interviewed by Dan Bross/KUAC.
 - On Jan 31, I attended the Alaska Railroad's Open House, and discussed with project engineers the status of the projects affecting North Pole: Phase 1 NP Realignment, the Tanana River Crossing, and the Rail extension to Ft. Greely. Our discussion centered on status of Environmental reports for Phase 1, which is 30 days behind schedule—we can expect public meetings to be held in about 30 days; and where our projects fit in the prioritization of other projects around the state. Once our environmental reports are completed, we can pursue funding for Phase 1. I was given a shovel commemorating my participation at the Tanana River Crossing Groundbreaking Ceremony and was interviewed by Tim Ellis/KUAC.
 - On Jan 31, our Itadori Sister City met. Karen Lane, Chair, told the group of students and parents that we'll plan to go on or around May 22 for 10 days. I INVITE ANY COUNCIL PERSON who would like to go to participate in the planning meetings, fundraising activities, and language/culture sessions.
 - A home school group, consisting of approximately 15 students, ages 5-13, toured City Hall with the Mayor on Friday Feb 3.
- FMATS: the Fairbanks Metropolitan Area Transportation System (FMATS) Policy Committee met on Jan 18. Much of the discussion had to do with the proposed archway that would be erected between Cushman St. and the new Barnette bridge. Construction of Illinois should be proceeding this summer and completion in 2014. The archway is being reconsidered and will not hold up construction. The next meeting will be held on Feb 15, 10 am at the DOT Conference Room on Peger. Public comment is possible at the beginning and near the end of the meeting.
- BRAC?: Included with these comments is a Press Release from the Governor concerning the agreement between him and the Congressional Delegation to oppose any attempt to close military bases in Alaska. It is also a concern of the local mayors and FEDC which have initiated actions to positively inform DOD leadership of the positive value of our bases, especially since

the President has affirmed his focus will be on the Pacific and Asia. Read the press release for more. I'll keep you informed of local actions.

- **Jeannette James:** Many people in the North Pole area will remember Jeannette James, who served us in the legislature for about ten years. Jeannette's husband Jim passed away early in the morning of Monday, January 30. He had been ill but returned to his home for the last week and was surrounded by family. Jeannette and Jim were just short of celebrating their 64th anniversary this month. I spoke to Jeannette and she would love to receive written cards, and hear the memories people have of Jim. Her daughter is putting together a slide show, so if anyone has photos they can send, give her a call. She misses Jim terribly, but because he was sick, "it was his time to go." She would have liked to have had another anniversary with Jim in February, but nevertheless, she's "not going to mope" and has her eyes fixed on what she can contribute in the future. After all, she's a young 82 years of age--her mom lived well into her 90's! One of the projects she's working on is to write her family history. The Memorial Service was held on Saturday, Feb 4. Cards can be sent to:

792 Fescue Ave
Woodburn, OR 97071

MEDIA:

Jan 21, 28 & Feb 4: Mayor Isaacson was on KJNP (1170 AM, 100.3 FM) 8 – 9 a.m. "Over the Coffee Cup." As mentioned above, I was also interviewed by KUAC.

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

- **February 6-10:** Mayor Isaacson & Councilman Jones are in Juneau; Deputy Mayor Pro Tem Bryce Ward is point of contact. City Clerk Kathy Weber is on vacation, in her absence, contact Tricia Fogarty.
- **February 13, 6 p.m.:** Itadori Sister City Meeting @ City Hall, Call Karen Lane for info: 456-2014
- **February 18, 10 a.m.:** Senator Coghill Townhall meeting @ City Hall.
- **February 20: PRESIDENT'S DAY. CITY OFFICES ARE CLOSED.**
- **February 21, 5 p.m.** Finance Committee; **6:30 p.m.** Committee of the Whole; **7 p.m.** Regular Council Meeting.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Fire Dept

- None

Police Department

- None

Accountant, Lisa Vaughn

- W-2's were sent out last Tuesday. 1099's will be sent out by the end of the month. W-2's are balanced to payroll records. If you have any questions about yours please let me. I will not be sending them to the IRS until the end of February which is the deadline.
- Auditors will be here the week of March 12. You are more than welcome to stop by and talk to them during that week. They will be in the council chambers

FNSB Representative

The FNSB Assembly met on Thursday, January 26. Included in the actions was a rezone request for Ice Alaska which was partially approved, enabling Ice Alaska to pursue the World Ice Art Championships this year; Ordinance No. 2011-61, amending Title 17: roadway construction, failed on a 3-3 vote (several Assembly members were absent); and \$552k of federal CMAQ (air quality funds) was appropriated to the Transit Enterprise Projects Fund to develop a Fairbanks PM2.5 non-attainment area statewide implementation plan for air quality control (North Pole held the dubious distinction of having the worst air quality in the borough during the recent cold spell when we were at 60 Below).

You have in your packet for the City Council of Feb 6 a resolution that focuses on pending action being considered by the Assembly on Feb 9: that of adopting a motor vehicle registration tax and establishing a vehicle registration reserve allocating the proceeds to provide real property relief through reduction of the areawide mil rate and fund fire serve area capital expenditures.

- The next regular FNSB Assembly meeting is scheduled for Feb 9 at 6 pm. For a list of meeting times and agendas, go to <http://co.fairbanks.ak.us/meetings/Assembly>.

Director of City Services, Bill Butler

Building Department

- No new building permits since the last Council meeting on January 17
- Drafted changes to building codes modeled after changes adopted in City of Fairbanks

- Hope to submit proposed changes at February 21 Council meeting after changes reviewed by City Attorney

Public Works

- Took delivery of skid steer loader purchased with a federally funded grant
 - Public Works staff are breaking in the equipment and are beginning to clear pedestrian paths throughout City

Utility Department

- Hope to submit proposed changes to Title 13, Public Services at February 21 Council meeting after receive feedback from City Attorney. Some of the proposed changes to the Code include:
 - Transferring limited authority to Utility Department to forgive some utility charges when there is a customer service line break
 - Clarifying landlords' responsibilities for renters' utility bills
 - Reduction in utility tie-in fees
 - Creating a flat rate
- The Alaska Department of Environmental Conservation released on January 12, 2012 a public notice about the City's Industrial Pretreatment Program with a 30-day comment period
 - Public comment period closes Saturday, February 11, 2012
 - City has had a meeting with representatives from Flint Hills Resources to answer questions.
 - ADEC contacted Flint Hills, GVEA and Petro Star notifying them directly of the comment period.
 - Mike Pollen, the City's consultant on the pretreatment permit submission will make a presentation about the City's pretreatment permit during the Tuesday, February 21 Council work session.
- Utility Garage Project has generated significant interest and I hope to submit a bid recommendation to the Council at the February 21 council meeting.

City Clerk

None

ONGOING PROJECTS

None

CITIZENS COMMENTS – 5 Minutes

Jason Donald, 3119 Tobacco Rd, North Pole, AK

Mr. Donald requested a donation from the City of North Pole to help him attend the Arctic Winter Games where he will be playing hockey.

Mr. McGhee moved to Donate \$200 to Mr. Donald in exchange for community service

inside the City of North Pole

Seconded by Mr. Nelson

Discussion

Mr. Holm said he didn't think that would fly because Mr. Donald was only 15 years old.

Mr. McGhee stated that he would need to have a work permit.

Ms. Hunter asked if this was a team effort or for one individual. She said she would respectfully decline supporting an individual but would support a team. She said if they were to donate this money she would like the mayor to investigate it further.

Mr. Holm said this sets up a precedence that he can't go along with.

Mr. Ward said he admired Mr. Donald and said he didn't think it was appropriate for the city to do that. It is the taxpayers money and would not be a wise choice for the council to do.

PASSED

YES –1– McGhee

NO – 0 - Nelson, Holm, Hunter, Ward

Abstained- 0

OLD BUSINESS

None

NEW BUSINESS

**RESOLUTION 12-02, A RESOLUTION OF THE CITY COUNCIL OF NORTH POLE
OPPOSING FNSB ORDINANCE NO. 2012-07 "ADOPTING A MOTOR VEHICLE
REGISTRATION TAX AND ESTABLISHING A VEHICLE REGISTRATION
RESERVE ALLOCATING THE PROCEEDS TO PROVIDE REAL PROPERTY
RELIEF THROUGH REDUCTION OF THE AREA WIDE MILL RATE AND FUND
FIRE SERVICE AREA CAPITAL EXPENDITURES"**

Public Comment

None

Mr. McGhee *move to* Introduce and Adopt Resolution 12-02, A Resolution Of The City Council Of North Pole Opposing FNSB Ordinance No. 2012-07 "Adopting A Motor Vehicle Registration Tax And Establishing A Vehicle Registration Reserve Allocating The Proceeds To Provide Real Property Relief Through Reduction Of The Area wide Mill Rate And Fund Fire Service Area Capital Expenditures"

Seconded by Mr. Holm

Discussion

Mr. Ward said he felt he had pretty much outlined why this would not be a good idea for city residents.

Ms. Hunter asked what some of the reasons for the Resolution.

Mr. Ward explained how it would impact the City of North Pole and referred back to the report from Wes Madden.

PASSED

YES –1– McGhee, Nelson, Holm, Hunter, Ward

NO – 0

Abstained- 0

COUNCIL COMMENTS

Mr. McGhee – Appreciated the council meeting tonight and Ms. Hunter wanting more information. He also appreciated the author bringing it forward. He felt it was a lot in taxes. He is grateful for the warmer weather and for the younger people coming out. Mr. McGhee thanked Troop 9 for coming out and reminded them that when they wear the uniform they represent a large organization and commended them.

Mr. McGhee also commended Mr. Donald for coming before council to request funding. He said if you want to enjoy a sport you must work for it.

Mr. Nelson – No comment

Ms. Hunter – said it is hard to turn down a student who requests funding. She commended Mr. Donald for coming before council but it has been the practice of this council to not give individual donations. She hopes that this experience will want him to be involved in government in the future.

Ms. Hunter supported the reasons in the Resolution for turning it down. She felt there were a lot more things that should have been worked out to make it more viable and thanked Mr. Ward for bringing it before council.

Mr. Holm – thanked the members of Troop 9 and for staying for the meeting as it will go toward their citizenship badge. He felt it was a good way to show support for their community. He is not in favor of any increased taxes and that there is a need to reduce the taxation on property and is sure that in the Resolution they were probably trying to reduce the property tax. The nation, state, and local government need to find ways to reduce the taxes and live within their means.

Deputy Mayor Pro Tem Ward – commended Jason Donald for coming forward and encouraged him to continue to work toward funding in other areas. He thanked Troop 9 for their contribution tonight and said that he was also a Boy Scout. He gave his best wishes to the Mayor and Mayor Pro Tem and is looking forward to their report when they return.

ADJOURNMENT

Mr. McGhee *moved to adjourn the meeting of February 6, 2012*

Seconded *by Mr. Nelson*

No Objection

The regular meeting of February 6, 2012 adjourned at 7:39 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Tuesday, February 21, 2012.

DOUGLAS W. ISAACSON, Mayor

ATTEST:

KATHRYN M. WEBER, MMC, City Clerk