

**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 21, 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 21, 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 Isaacson

INVOCATION

Invocation was given by Mr. Ward

APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of February 21, 2012

Seconded by Mr. Jones

Discussion

None

PASSED

YES –5– Ward, Jones, Hunter, McGhee, Isaacson

NO – 0 -

Abstained- 0

APPROVAL OF MINUTES

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

Seconded by Mr. Ward

Discussion

None

PASSED

YES –5– Ward, Jones, Hunter, McGhee, Isaacson

NO – 0 -

Abstained- 0

COMMUNICATIONS FROM THE MAYOR

Communication Highlights from the Mayor for the period ending Feb 21, 2012

GENERAL:

• Alaska Municipal League (AML) Meetings & Legislative Report: Mr. Jones and I attended the AML Board meeting on Feb 7. Among the topics of discussion prior to the AML Legislative Session was the location of future annual meetings. There was some discussion that it should only be in Anchorage due to what some described as cramped quarters in Fairbanks and the impossibility of holding it in Juneau. However, Ron and I argued for retaining Fairbanks. This is not the first time this discussion has come up at AML, but must be continually argued by the facts which still favor alternating the annual meeting between Fairbanks and Anchorage (which is usually held at the Capt. Cook Hotel and has its own set of constraints on the League). Upon my return to Fairbanks I had an initial discussion with FCVB officials to ensure certain issues were adequately addressed. The other item is future meetings: Ron and I will be travelling to Anchorage on May 11, paid for by AML, to attend a Board meeting. And for the Summer meeting in Bethel, we were encouraged to book reservations now. Council Members: Please let me or Kathy Weber know as soon as possible if you are making this important meeting where we do the initial work of making sure our community's priorities are addressed in the League's legislative priorities and develop a network of support with the other cities.

During my week in Juneau, I met with many different legislators and their staff. Because several issues are dominating the discussions, including the cost of energy, the gasoline, and oil production taxation, capital projects were not on anyone's radar. We were encouraged to keep monitoring the discussions and to be prepared to revisit the Capital in late March, if necessary.

As to the cost of energy, I have previously emailed Council as to the various alternatives being pursued. I floated a discussion point that would take Fairbanks out of the Power Cost Equalization (PCE) formula and be included as a PCE recipient until GVEA is able to truck natural gas to their North Pole power plant. Some locals and many legislators objected because of the "expense" and because the thought that a \$30-\$35 per month reduction wouldn't be enough to motivate someone who's leaving to stay. However, when GVEA trucks in natural gas, they're only calculating a 10% electric bill reduction, which may translate for many between \$20 to \$40 more or less--so being included for a short time in PCE would help.

Rep Tammie Wilson is working on getting more power transmission lines constructed between Healy and Bradley Lake, which would provide GVEA with less expensive hydro once the Bradley Lake expansions are done--that could take a couple years to build. And Sen Joe Thomas has introduced SB 203 (emailed to Council) that would spend 9 cents on the dollar from surplus revenue anticipated this year and give vouchers for 250 gals of heating oil, the natural gas btu equivalent, or for 1,500 kw of electricity. There is a provision for those who don't pay directly to exchange the voucher for \$250. It also requires the state to analyze on-going relief options and to make recommendations to the legislature by October 1, 2012. This has apparent strong support as nine of twenty senators have co-sponsored the bill.

Editorializing here, I didn't find any legislator who didn't agree that the best solution is investment in infrastructure that would get Fairbanks affordable energy--not simply access to natural gas, but natural gas and hydro, etc, at a delivery-to-your-door cost that residents can afford and that would incentivize more businesses to locate to the Interior, especially mining and manufacturing companies which would employ a lot more people in jobs that pay well, enabling our citizens to afford the inflationary economic bumps these days. And refreshingly, there is some talk by the Governor and some Legislators, consistent with Alaska's Constitution, to make decisions that are consistent as Owners of our resources so that the investments made and encouraged are done from a perspective that enables us to settle our land, develop our natural resources in a way that doesn't give all the raw material to other countries' workers to develop, and in a manner consistent with use of resources now and for decades to come. Although the talk is yet a whisper, at least the conversation has begun. Too often, the state invests through our Permanent Fund in infrastructure that could benefit Alaskans, e.g., gas treatment plants in Texas, but doesn't invest in Alaska where we can put our own people sustainably to work. Let's change our thinking. Let's be Alaskans First!

And while I'm editorializing, consider that Anchorage benefits from 40 years of stranded gas in the Cook Inlet that has historically been priced below market value. It's a pricing strategy that should be applied to all in-State use of oil and gas owned by the State, which will spur development and encourage private sector growth and allow families to earn wages that allow them to afford to live in Alaska--wherever they chose to live. That's what our Alaska Constitution tasks the Legislature to ensure (see Article 8, section 2). I'm not asking for government employees to lose their jobs, I'm asking for a dramatic increase of private sector jobs—the basis for true wealth development in our Country, or so it used to be.

Because of the DOD announcement regarding Eielson, that became a two day topic where I, and Ron, scoured the Capital building trying to get the Legislature more fully engaged and more rapidly responding to the Governor's request for \$300,000 to hire high level consultants who have access to the highest decision makers in Washington DC. The Senate did pass CS for SJR 14, which I have emailed to Council, urging the DOD "to protect Alaska's military bases and to keep the number of military personnel in the state intact for the defense and protection of the state and the United States." More on this discussion in the next bulleted topic.

• The Status of Eielson: I've attended numerous meetings and have spoke with our Congressional Delegation, USAF Chief of Staff, Eielson leadership, the Governor, Lt. Governor, members of AMFAST, community leaders and former 3- and 4-star generals regarding the announcement of moving the F16's from Eielson to Joint Base Elmendorf Richardson (JBER). I've attached both the News Miner's take on the meetings and notes that Jim Dodson of FEDC provided. The bottom line:

- This is not a base closure (if it was, we and affected service members would be receiving federal assistance funds), this is a force structure re-alignment in response to the President's requirement to reduce the DOD budget by over \$480 Billion.
- There will be a survey team coming up in the next 30 days to evaluate whether the perceived savings will be actual savings.
 - This occurred during the last 2005 BRAC and the results were that the savings would not be realized, which kept Eielson open.
 - Today, Congressman Young speculated that in the interest of saving money, the decision makers simply re-opened the 2005 BRAC without looking other pertinent information. He stated that he will not tell the DOD how to do their job, but will hold them accountable for their expenditures and national safety.
 - Locally, we have not yet been told HOW we will be given access to this survey team to ensure they are examining ALL available and pertinent data.
- General Schwartz, USAF Chief of Staff, stated that Eielson will not see any transfers of pilots and planes until the summer of 2013 and movement of 1600 military and civilians by October of 2013. As reported before, DOD expects to see savings by FY2015 (Oct 2014 – Sept 2015).
- General Schwartz also stated that of the 3100 total force at Eielson, only 1500 would remain, of those, the 168th National Guard Wing will not be reduced, there would be 600 active military and 300 civilians remaining.
- Eielson would go to an "active" status, open 8 hours/day, 5 days/week, and concessions would have to be made for Guard drill weekends. However, he didn't elaborate on how the active Guard mission as the refueling pump at this end of the world—a 24/7 requirement—would be accomplished.
- When asked about future missions for Eielson, while not ruling out the F36's locating here in 2020, General Schwartz replied that right now, the only consideration is to cut.
- Locally, Mayor Hopkins is submitting an ordinance to approve funding a contract with the some of the consultants who successfully assisted the Keep Eielson Open efforts in 2005, and is forming a "Tiger Team" comprised of the local mayors and certain other community leaders, the goal for both is to directly communicate with DOD officials and ensure the community's information is incorporated in evaluating the Air Force mission.

There are many moving parts right now, and while it is likely, it is not a foregone conclusion that the F16s will actually move, or if they do what the status of Eielson will be. A warm base is not tenable either for the Air Force or for the local community. If the base closes, the community—and it has been variously

asserted that this means North Pole—should acquire the base and efforts should be made to make commercial and industrial use of it. But we're a long way from that discussion. I'll keep you posted.

- Arctic Winter Games (AWG) 2014 Host Society travel to Whitehorse: As an informational item, I was scheduled to travel to Whitehorse with the AWG 2014 Host Society to observe and learn from the AWG 2012 but due to the escalation of Energy issues and the proposed Eielson Force Restructuring, I have decided not to attend. This is still an event that is in the best interests of North Pole to promote and I will continue my involvement on the Society Board on behalf of the City.

- The Status of Energy Relief and Projects: In addition to my comments above, several other items:
 1. I have emailed to Council and others the Preliminary Natural Gas Distribution Study for review. Keep in mind, the product is an initial 30-day look, not a finished product. The goal is to provide the Legislature with some factual data in order to secure funding for a build-out that would enable our residents to have maximum capability to connect to natural gas. The study shows the build-out can reach 80% of our population within 5 years. If you would like a copy of this report, go to [www](#).
 2. As to getting our GVEA bill reduced, perhaps we as coop members need to petition the Board to get a full accounting of this dramatic raise. GVEA leadership attributes the raise to the higher cost of running diesel, but it may be that operating or development costs might be able to be trimmed in order to provide rate payers some relief. I will be speaking with Mr. Newton to discuss this on Wednesday of this week.

- Gas Pumping and Pricing in North Pole: You may notice that Tesoro is changing out its pumps. This is in response to discussions with my office regarding the non-functioning of the old pumps. I have had multiple discussions with Regional and State managers on the pricing of their fuel and how they are losing revenue by not inducing the more than 21,000 vehicles who pass by their store every day (according to ADOT&PF 2010 ADT counts). Their pricing strategy has us as a much smaller community, and formerly, the state manager stated that Tesoro customers would just go down the road to a Tesoro station in Fairbanks! You and I know differently. I am working on strategies that will encourage Tesoro to be more competitive in their pricing to benefit themselves and North Pole economics.

- Various Meetings: included going weekly to NPMS and helping with announcements and giving “Words of Wisdom.”

- FMATS: the Fairbanks Metropolitan Area Transportation System (FMATS) Policy Committee met over two days, February 15 & 16. The first day was spent on decisions affecting the right of way between the Cushman and new Barnette bridges which will have some beautifications added. A committee has been established who will make recommendations to FMATS Policy Committee within the year. The second day had decisions being made on various other projects. The sidewalk along St. Nicholas is still projected for construction in 2014. This summer will still see construction of sidewalks / bike paths throughout the city. Also of great concern is the status

of FMATS. It has been a valuable tool enabling the local communities to push forward a number of transportation projects. Both the US House and US Senate have transportation bills that affect both the status of MPO's the size of FMATS and reductions to overall transportation dollars coming to the State.

MEDIA:

Feb 11 & 18 Mayor Isaacson was on KJNP (1170 AM, 100.3 FM) 8 – 9 a.m. “Over the Coffee Cup.” I was also interviewed by the News Miner.

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

- **February 25-26, 10 a.m.:** Mt. McKinley Bank North Pole Sled Dog Championships, Skijoring & Slippery Salmon Slalom (fundraiser for Itadori Sister City). \$15,000 PURSE! First team leaves the starting line at 11 AM on Saturday & 10 AM on Sunday with Skijoring. Slippery Salmon Slalom begins at 2 pm Saturday and Sunday. Start/Finish line @ Morning Star Park (behind Star of the North Charter School). *See Flier Attached.*
- **Feb 26, 2 pm, 4 pm, 6 pm:** Scandinavian Smorgasbord @ Lord of Life Lutheran, Tickets are \$10 adult. (*the BEST meal you'll have all year!*) .
- **February 28, 5:45 p.m.:** Itadori Sister City Meeting @ City Hall, Call Karen Lane for info: 456-2014

COUNCIL MEMBER QUESTIONS OF THE MAYOR

None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Fire Dept

- None

Police Department

- None

Accountant, Lisa Vaughn

- Council received January 2012 financial and an explanation of the revenues for that month.
- Ms Vaughn explained revenues for the month of January.

- 8% of fiscal year has elapsed.
- Auditors will be here in March and council members are encouraged to ask questions of them and their presence may be requested.

FNSB Representative

The FNSB Assembly met on Thursday, Feb 9. As I was in Juneau, Deputy Mayor Pro Tem Bryce Ward represented the City and read City of North Pole Resolution 12-02 Opposing the proposed FNSB vehicle registration fees. The Assembly voted the action down.

I attended the Committee of the Whole meeting of the FNSB Assembly on Feb 16 that gave the public and the Assembly the first read on the Gas Distribution Study that was emailed to Council today and that I discuss in my comments above. Also examined was Ordinance 2012-09, which addresses emission standards for space heating appliances. I anticipate much public comment on this item on Feb 23. There was also a discussion of: RESOLUTION NO. 2012-07. A Resolution Requesting The Alaska State Legislature And Governor Of Alaska To Make Expressly Legal The Cultivation Of Industrial Hemp In The State Of Alaska. If you want the handouts, I can copy them for you.

The next regular FNSB Assembly meeting is scheduled for Feb 23 at 6 pm. The following Agenda items will be of interest to North Pole:

- ORDINANCE NO. 2012-09. An Ordinance Amending FNSB 8.21.020 To Provide For The Addition Of Appliances To The Qualifying List If The Appliance Meets The Emissions Standard Of A Listed Appliance And Adding A Visible Emissions Standard To The Prohibited Acts Including Violation Of The Standard To The Fine Schedule.
- RESOLUTION NO. 2012-11. A Resolution Urging The Alaska Delegation To The 112th Congress In Washington D.C. To Use Their Power And Influence To Convince The United States Department Of Defense To Preserve Eielson Air Force Base And Military Personnel Stationed There For The Defense And Protection Of The State And The Nation.

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

- Building Department code changes complete and ready for submission to Council.
 - Will submit at March 5 meeting

Public Works

- Police Department roof is aging and experiences minor failures annually
 - When snow cover melts will get a quote for a “short-term” fix that can hopefully protect roof while budget funds for roof replacement.
 - Based upon Water Treatment Plant roof replacement, cost estimate is \$120,000 to \$150,000.

Utility Department

- Utility Garage Project is before Council this evening
- Recommended revisions in Title 13, Utility Department is before the Council this evening.
- In March, will release an annual report for the utility
 - This will be the second year issuing an annual report
- Purpose is to help utility customers better understand the utility

City Clerk

February 21, 2012

- Ms. Weber attended the monthly luncheon at Santa's Senior Center on Wednesday, January 18, 2012 and gave the Oath of Office to their new board members.
- Senior Appreciation Luncheon is scheduled for Friday, March 30, 2012 at the Hotel North Pole.
- Mayor's Art Show is scheduled for Tuesday, April 10, 2012 at 6:00 p.m. at North Pole City Hall.
- A special goodbye to Eleanor Barrett, resident at Holiday Heights who passed away on Saturday.

ONGOING PROJECTS

North Pole Economic Development Corp – Buzz Otis

- Mr. Otis invited the council to the Mt. McKinley Bank North Pole Sled Dog Championships on February 25 & 26 which has a purse for this event of \$15,000. This has been named as one of the top 10 dog races in North America. There will be free dog sled rides and a 3 person relay team for the Slippery Salmon Slalom which is a fundraiser for Itadori Sister City.
- Award ceremony will take place at 4:30 p.m. on Sunday at Hotel North Pole.
- Anchorage Economic Development met last week. Mr. Otis attended their meeting and was able to come away with some good ideas for our area.
- Mr. Otis attended the briefing with Col. Swartz and Congressman Young this past weekend.

CITIZENS COMMENTS – 5 Minutes

Traigh Priest - 3420 Hurst Rd, North Pole, AK

Mr. Priest spoke on behalf of the NPHS "We the People", who are working with West Valley High School and are going to Washington, D.C. Each student must raise \$2,100 and they will be traveling to Washington, D.C. April 27th – May 1st.

Contact – Patricia Behner at NPHS for more information.

OLD BUSINESS

None

NEW BUSINESS

REQUEST FOR 2011, 4TH QUARTER BED TAX FROM NORTH POLE COMMUNITY CHAMBER OF COMMERCE.

Heather Heineken – President

Thanked council for their continued support. NPCCC just finished Winterfest which goes along with Christmas in Ice. They are in process of putting together Taste of North Pole on April 21st which showcases our area restaurants in conjunction with UAF Days. Funds raised this year will go to We the People and Itadori Sister City.

The NPCCC are always looking for people to become involved. She is working with Fairbanks and State Chambers to help be advocates for our businesses.

Public Comment

None

Mr. Jones *move to* Approve Request For 2011, 4th Quarter Bed Tax From North Pole Community Chamber Of Commerce In The Amount of \$4009.29

Seconded by Mr. Hunter

Discussion

None

PASSED

YES –5– McGhee, Jones, Hunter, Ward, Isaacson

NO – 0

Abstained- 0

APPROVAL OF ENGAGEMENT LETTER BETWEEN CITY OF NORTH POLE AND MIKUNDA, COTTRELL & CO., FOR 2011 ANNUAL AUDIT

Ms. Vaughn stated that this was the standard engagement letter which includes what the auditor is responsible for and what the city is responsible for. All activities are outlined in the Engagement Letter.

Public Comment

None

Mr. McGhee *move to* Approve Engagement Letter Between City Of North Pole And Mikunda, Cottrell & Co., For 2011 Annual Audit

Seconded by Mr. Ward

Discussion

None

PASSED

YES –5– McGhee, Jones, Hunter, Ward, Isaacson

NO – 0

Abstained- 0

APPROVAL OF AWARD RECOMMENDATION FOR CITY OF NORTH POLE UTILITY GARAGE

Mr. Butler informed council on the bids received for the project and on the re-appropriation of the Sludge Removal monies and utility revenues to cover this project. He stated that there is also a 10% contingency in the bid for items that may arise while building. He encouraged the council to approve the bid and that the City was very fortunate to receive grant money from DEC.

Public Comment

None

Mr. McGhee *move to* Approval Of Award Recommendation For City Of North Pole Utility Garage in the amount of \$1,148,444 and Alternate #1 in the amount of \$55,000

Seconded by Mr. Jones

Discussion

Mr. Jones wanted to clarify that Mr. Butler had budgeted for this project.

PASSED

YES –5– McGhee, Jones, Hunter, Ward, Isaacson

NO – 0

Abstained- 0

Mr. McGhee *moved to* suspend the rules to approve Ordinances 12-01 through 12-05 in one motion. Ordinances are as follows:

ORDINANCE 12-01, AN ORDINANCE OF THE CITY OF NORTH POLE TO AMEND TITLE 13, PUBLIC SERVICES, SECTION 13.08, ADMINISTRATIVE PROVISIONS

ORDINANCE 12-02, AN ORDINANCE OF THE CITY OF NORTH POLE TO AMEND TITLE 13, PUBLIC SERVICES, SECTION 13.12, CUSTOMER SERVICE

ORDINANCE 12-03, AN ORDINANCE OF THE CITY OF NORTH POLE TO AMEND TITLE 13, PUBLIC SERVICES, SECTION 13.16, WATER SERVICES

ORDINANCE 12-04, AN ORDINANCE OF THE CITY OF NORTH POLE TO AMEND TITLE 13, PUBLIC SERVICES, SECTION 13.24, UTILITY RATES

ORDINANCE 12-05, AN ORDINANCE OF THE CITY OF NORTH POLE TO AMEND TITLE 13, PUBLIC SERVICES, SECTION 13.28, LIEN ON REAL ESTATE FOR DELINQUENT UTILITY PAYMENTS AND ACCOUNT RESOLUTION PROCEDURES

Seconded by Mr. Jones

Mr. Butler went through each of the ordinances and explained the amendments that have been made. Council had the opportunity to ask for clarification on them.

Public Comment

None

Mr. McGhee *moved to* Introduce and Advance Ordinance 12-01, An Ordinance Of The City Of North Pole To Amend Title 13, Public Services, Section 13.08, Administrative Provisions, Ordinance 12-02, An Ordinance Of The City Of North Pole To Amend Title 13, Public Services, Section 13.12, Customer Service, Ordinance 12-03, An Ordinance Of The City Of North Pole To Amend Title 13, Public Services, Section 13.16, Water Services, Ordinance 12-04, An Ordinance Of The City Of North Pole To Amend Title 13, Public Services, Section 13.24, Utility Rates, Ordinance 12-05, An Ordinance Of The City Of North Pole To Amend Title 13, Public Services, Section 13.28, Lien On Real Estate For Delinquent Utility Payments And Account Resolution Procedures

Seconded by Mr. Jones

Discussion

Mr. McGhee said Mr. Butler is an exemplary employee and would like to see the Mayor and Council come up with a Program and reward system.

PASSED

YES –5– McGhee, Jones, Hunter, Ward, Isaacson

NO – 0

Abstained- 0

COUNCIL COMMENTS

Mr. Ward – reminded everyone that there is a Finance Cmte meeting on March 5th at 5:30 p.m. He encouraged the council to talk with constituents and report back to the committee so they can move ahead in a well thought out manner. They need to look to the future.

Mr. Jones – the Finance Committee will try and meet prior to the Committee of the Whole. They are wanting to find better ways to help the city and the budget. He encouraged the council to attend the meeting and the public. He will bring in a report next meeting in regards to his trip to Juneau. Mr. Jones stated that he is working hard with Mr. Ward and the Mayor to keep the City work well and not become another entity in the FNSB. He commented on Eielson Air Force Base and moving the F-16's to Anchorage. He is also working on getting power from

Eielson to help with energy relief for area residents. He was was sorry to hear that Eleanor Barrett had passed but is now with her husband Fred who passed 6 years ago.

Ms. Hunter – expressed her sorrow for the passing of Eleanor Barrett. She commented that a young man in his 20's, Patrick Trometter, passed away of brain cancer on Saturday. She agreed with Mr. McGhee's comments on Bill Butler and that he goes the extra mile.

Mr. McGhee – stated that is was a good council meeting and was happy to see the students who were recognized tonight. He would like to see the council instruct the Police to do something with the snowmachiners. He doesn't want to see something bad happen to the children that are out riding but they are abusing the sidewalks in the city limits and are doing dangerous crossings in the City. He would like to address the issue of postponing the council meetings on city holidays and asked the Mayor to consider having council meetings during the holidays of Martin Luther King Day when nothing else is going on. He was impressed with the meeting tonight and highly recommended that Tammy Randolph be a member of the Finance Committee.

Mayor Isaacson – will take under consideration the Tammy Randolph appointment. He said the City has no authority to regulate snowmachiners on private property. He is happy to see the Finance Committee meeting to make changes. He said that we may need to create sub-committees where we can expand and get people to help research issues and help navigate solutions. He encourage all council members that they are adhoc of all committees. The Mayor was thankful to Ms. Hunter letter us know about the passing of Patrick Trometter's, as he has been a close friend of the family for years.

ADJOURNMENT

Mr. McGhee *moved to adjourn the meeting of February 21, 2012*

Seconded *by Mr. Jones*

No Objection

The regular meeting of February 21, 2012 adjourned at 8:50 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, March 5, 2012.

DOUGLAS W. ISAACSON, Mayor

ATTEST:

KATHRYN M. WEBER, MMC, City Clerk