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 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, May 21, 2012 to order at 7:00 p.m.

There were present: Absent/Excused
Mr. Holm
Ms. Hunter
Mr. Jones
Mr. McGhee
Mr. Nelson
Mr. Ward
Mayor Isaacson

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG
Led by Mayor Isaacson

INVOCATION
Invocation was given by Bryce Jones

APPROVAL OF AGENDA
Mr. McGhee moved to Approve the Agenda of May 7, 2012

Seconded by Jones

Discussion
None

Mr. McGhee moved to Consent the following item under New Business:
   a) Resolution 12-15, A Resolution Of The City Of North Pole To Enter Into A Cooperative Agreement With The Santa’s Senior Center To Implement The Community Development Block Grant #11-CDBG-004 Administered By The Alaska Department Of Commerce, Community And Economic Development In The Amount Of $73,261 For The Senior Center Kitchen Upgrade Project

Seconded by Mr. Jones

Discussion
None

City of North Pole
Minutes of May 21, 2012
PASSED
YES – 7 - Jones, Ward, Nelson, McGhee, Holm, Hunter, Isaacson
NO – 0 -
Abstained- 0

APPROVAL OF MINUTES
Mr. McGee moved to Approve the minutes of May 7, 2012

Seconded by Mr. Jones

Discussion
None

PASSED
YES – 7 - Jones, Ward, Holm, Nelson, McGhee, Isaacson, Hunter
NO – 0 -
Abstained- 0

COMMUNICATIONS FROM THE MAYOR
Communication Highlights from the Mayor for the period ending May 21, 2012

GENERAL:

• **The Status of Eielson:** The Site Activation Task Force (SATAF) report is expected out within the next week or two. You may have read in today’s News Miner how Congressman Young put specific language limiting the Air Force from doing a “back door” BRAC. The bill still has to pass the Senate but it definitely ups the pressure on the DOD to ensure there is proper cost-accounting to justify the move of Eielson’s F-16s.

Also, [KeepTheF16s.com](http://www.keepthef16s.com) is a joint outreach effort by the Fairbanks North Star Borough and the cities of North Pole and Fairbanks to inform concerned residents about the Air Force’s plans to move the F-16 squadron and support staff from Eielson AFB to the Joint Base Elmendorf-Richardson in Anchorage. The website ([http://www.keepthef16s.com](http://www.keepthef16s.com)) and related Facebook page ([www.facebook.com/KeepTheF16s/](http://www.facebook.com/KeepTheF16s/)) are also places where the public can share their comments, photos, and videos to help make the case that moving the F-16s from Eielson is the wrong solution for Fairbanks and the country.

• **The Status of Energy Relief and Projects:** With the conceptual buy-in by Mayors Hopkins and Cleworth, I have spoken to and/or made presentations to Anchorage groups during the past two weeks, including the Board of Commonwealth North, members of Institute of the North, members of the Anchorage Economic Development Corp, members of the municipality of Anchorage, the Presiding Officer of the Anchorage Assembly, the AML Board, and the Lt.
Governor trying to gain support for NOW-TERM (meaning, this coming winter) Energy Relief. Council members have received both a presentation paper and my correspondence to the Governor urging the use of what we own, Royalty Oil, to benefit Alaskans first and reduce the cost energy for Interior and Rural Alaskans by half of the current cost in a temporary use of our resources until projects like the trucking of LNG can be brought online. The concept has met with a lot of support, but the decision is with the Governor and Legislature.

The three local mayors met with Governor Parnell this afternoon. The Governor did promise us that he would pursue a now-term solution for this winter. It may or may not include the suggestion to use Royalty oil, which he questions the certainty of his constitutional and legal ability to do, that will be his call. The Governor did mention that he would like to see private companies (FNG, GVEA, FHR, etc.) be more aggressive and would prefer to help us find a solution that would give immediate relief without the possibility of getting the State trapped into a quick-fix that became a permanent subsidy. We all agree. The Governor will be speaking at a GFCC luncheon next Wednesday, May 30, from noon to 1 pm at the Carlson Center. He may update us on his NOW-TERM solution progress. Council members wishing to go, please contact me ASAP.

- **City Open House:** was held on May 19 with the NP Fire Department and NP Police Department hosting interactive events. The NPFD Live Burn demonstration graphically illustrated the benefit of having a sprinkler system in even a residential home, saving lives and property. The NPPD had a booth outside Cruis’n With Santa and appeared to have a steady stream of interested people looking at the displays, getting their children IDs, and getting their children properly fitted in car seats. Both the NPPD and the NPFD offered the popular rides in their vehicles. Howard Rixie, of Cruis’n with Santa, stated that their numbers were over 4000, up from the 2500 attendees last year. Also on Saturday was the Third Friday and Saturday Art Show at the Grange Hall, adding to a very eventful day in North Pole. Thank you to all the departments, staff, and organizations who help to showcase the talents of our people, the expertise and helpfulness of our departments, and highlight the livability of our great little city! Thank you to each one of you who had a part in making this spectacular Saturday happen. Special kudos to organizers Eng. Kyle Green, NPFD, Sgt. Chad Rathbun, NPPD, Howard Rixie, Cruis’n with Santa and Nicole Blizinski, Santa Claus House!

- **Welcome Home Soldiers!** STOMP (Salute to our Military Parade) was a huge success, as defined by the military members themselves! Thank you to all who participated in the day’s activities on May 12, including the excellent singing of the Greatland Singers, whose members include our own Councilman Dick Holm.

I also attended the 1-25 Fallen Soldier Memorial and the 1-25 Redeployment Ceremony and the US Army Alaska (USARAK) Commanding General Change of Command Ceremony at JBER.

- **Summer Festival Committee:** has begun preparing for the July 4, 2012 event. Teffony Wyman has agreed to be the Organizational Co-Chair, which frees me up for other mayoral duties. This year, July 4 falls on a Wednesday which means that a lot of people will be in town who might
otherwise have been elsewhere. If you, or your business, would like to be involved in the planning and underwriting of expenses/activities/prizes, please join us! The next two meetings are 1) this Wednesday, May 22 and 2) Tuesday, May 29 at 6 pm here at City Hall. Your help is needed to make this a great event!

- **Alaska Municipal League Board Meeting:** The City of North Pole is extraordinarily represented on the AML Board. City Clerk, Past AMCC President, Kathy Weber, District 7 Councilman Ron Jones, and At-Large Mayor Isaacson, were in Anchorage on May 11 participating in the AML Board meeting. There was discussion about encouraging a statewide Energy Plan, possibly headed by a Commissioner of Energy. Discussion was also held on the upcoming ballot issue for Coastal Zone Management. There is great information relating to both sides of the issue at [www.AlaskaSeaParty.org](http://www.AlaskaSeaParty.org) and [http://AlaskaAlliance.com](http://AlaskaAlliance.com). Chief Jeff Tucker of the North Star Volunteer Fire Department gave an ALMR update. We’ll hear more of this issue at the Summer Conference in Bethel as it again becomes a legislative priority. I was able to give a quick briefing of various Interior Issues: JPARC, Eielson, and my proposal for Energy Relief.

- **Bond Refinancing:** City Accountant, Lisa Vaughn, will give the briefing on savings generated by the City of North Pole during this Alaska Municipal Bond Bank Series Two issuance.

- **FMATS:** The Fairbanks Metropolitan Area Transportation System Policy meeting was held at the City of Fairbanks Conference Room, Director of City Services Bill Butler sat in for the mayor. There was a consensus to fund in FY13 the construction of sidewalks along St. Nicholas. The project is estimated to cost $2 million. For more information, talk to Bill or me.

- **Various Meetings** in addition to those mentioned above, included:
  - weekly at NPMS giving “Words of Wisdom” and interaction with students and staff
  - Participated in the NPHS graduation ceremony, congratulating students.
  - Spoke at the NPMS 8th grade advancement ceremony.

**FNSB ASSEMBLY MEETING:**

There is nothing to report. The next regularly scheduled Assembly meeting is scheduled for June 14.

For a list of meeting times and agendas, go to [http://co.fairbanks.ak.us/meetings/Assembly](http://co.fairbanks.ak.us/meetings/Assembly).

**MEDIA:**

**May 12 & 19:** Mayor Isaacson was on KJNP (1170 AM, 100.3 FM) 8 – 9 a.m. “Over the Coffee Cup.” I have also been interviewed by various media regarding Interior issues.
UPCOMING (This is NOT conclusive, see above for other events, dates, and times, or call the Clerk or Mayor for other possible upcoming events)

• May 23 & 29, 6-7 pm: Summer Festival Committee meets
• May 28: MEMORIAL DAY, CITY HALL IS CLOSED.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

Mr. McGhee had concerns on item B of Mayor Isaacson’s letter to the governor. He said that there is a potential for people to think that oil companies are not being totally honest with us about their endeavors.

Mr. Ward echoed Mr. McGhee’s comments and that it appeared that the Mayor demonized the business and that because the letter carries weight from the city that he needs to be careful.

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Police Department, Lt. Dutra

• Our annual Outreach day – successful
  374 Child ID kits
  Non stop police car rides
  Car seats distributed
  Car Seat checks
  Handed out pamphlets on bullying, drugs, safety tips
  Thank you public works for tent
  Thank you Cody and Mr. Butler for setting up tent

• New In car computer systems working flawlessly
  Excited about less down time and less issues

• New E-Citations is close to completion.

• Online accident reports and electronic Crash soon

• One Officer currently at Guard – 2 weeks
  2nd Officer goes out next week

• I will be out of the Office until Next Thursday but can always be reached by cell
  Sgt Rathbun will be in charge
• Officer Memorial well attended by 5 Officers
• Impound lot update
• Vehicle bid
• Officer Durney attended CIT
• Two Officers went to gang class
• Detective plus Officer Binkley to attend Computer forensic class
• CEEP Training a success
• Signs in roundabouts - please advise everyone not to put them there

Accountant, Lisa Vaughn
INVESTMENTS
Council Meeting - May 21, 2012

Time Value
Investments
This email shows a sample of current CD's available:
  Coupon Rate - Interest rate we can receive (put two O’s in from of the number)
  All investments are fully insured with through the FDIC
We can invest up to $250,000 per FDIC series number.

Currently, we are earning around .0014 on our Central Treasury account

<table>
<thead>
<tr>
<th>Current City Bank Accounts</th>
<th>Balance at 5/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Treasury</td>
<td>1,762,543.44</td>
</tr>
<tr>
<td>Gaming (required by state law)</td>
<td>38.64</td>
</tr>
<tr>
<td>Highway Park Sewer - Improvement District</td>
<td>18,827.65</td>
</tr>
<tr>
<td>Highway Park Water - Improvement District</td>
<td></td>
</tr>
</tbody>
</table>
Stillmeyer - Improvement District 101,652.33
Utility Industrial FRR 248,982.53
Total Cash 2,172,888.49

Bank Accounts - Improvement Districts
I would propose, that we close out the bank accounts associated with the Improvement Districts
Take the balance and move to a one year CD - to be renewed every year

<table>
<thead>
<tr>
<th>Bank Account</th>
<th>Acct Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Park Sewer</td>
<td>18,827.65</td>
</tr>
<tr>
<td>Highway Park Water</td>
<td>40,843.90</td>
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<tr>
<td>Stillmeyer</td>
<td>101,652.33</td>
</tr>
<tr>
<td>Move to CD</td>
<td>161,323.88</td>
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</table>

Bank Account - Utility Industrial FRR
I would propose that we close out the Utility Industrial FRR bank account
The balance should then be moved over to Central Treasury
Currently, this money is tracked on the general ledger in the utility fund
In the G/L, we would move this amount over to Funds 25 and 27 - Water/Sewer Reserves

Central Treasury Balance at 5/16/12 1,762,543.44
Add: Utility Industrial FRR 248,982.53
Balance in Central Treasury 2,011,525.97
Less: Amount to Invest (288,000.00)
Balance in Central Treasury 1,723,525.97
## INVESTMENT PROPOSAL

<table>
<thead>
<tr>
<th>CD</th>
<th>Amount</th>
<th>Description</th>
<th>Interest %</th>
<th>Interest Earned</th>
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</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>162,000.00</td>
<td>Bond Payments in Reserve - From ID Bank Accounts</td>
<td>0.0050</td>
<td>810.00</td>
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<tr>
<td>1 Year</td>
<td>88,000.00</td>
<td>General Investment - From Central Treasury</td>
<td>0.0050</td>
<td>440.00</td>
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<tr>
<td>6 Month</td>
<td>100,000.00</td>
<td>General Investment - From Central Treasury</td>
<td>0.0045</td>
<td>450.00</td>
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<tr>
<td>3 month</td>
<td>100,000.00</td>
<td>General Investment - From Central Treasury</td>
<td>0.0025</td>
<td>250.00</td>
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<td></td>
<td>450,000.00</td>
<td></td>
<td></td>
<td>1,950.00</td>
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</table>

162,000.00 Improvement District Bank Accounts

288,000.00 Central Treasury (A)

450,000.00

General Investments - From Central Treasury 288,000.00 (A)

Less: Utility Industrial FRR (248,982.53)

Actual Amt from Central Treasury 39,017.47
Regular City Council Meeting  
May 21, 2012  
7:00 p.m.  

Page 1 of 1

Lisa Vaughn

From: Paul.Jones [paul.jones@timesvaultvw.com]  
To: Lisa Vaughn  
Cc:  
Subject: CD Offerings for North Pole  
Attachments:

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Description</th>
<th>May's B&amp;P / Fitch Ins (Underlying)</th>
<th>Coupon</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>073755EG8</td>
<td>Beal Bl USA Las Vegas Rev CD 0.2% x 13, Survivor Option, Int@Mat Blue Sky, ON, TX, FDCX243325</td>
<td>0.260</td>
<td>8/22/2012</td>
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<td>20449EG57</td>
<td>Compass Bl Birmingham Ala CD 0.2% x 12, Survivor Option, Int@Mat Blue Sky, NY, AZ, CO, FL, IN, TX, FDCX246649</td>
<td>0.250</td>
<td>9/20/2012</td>
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<td>060824F27</td>
<td>Bank Of America New York NY CD 0.4% x 12, Survivor Option, Int@Mat Blue Sky, OH, TX, FDCX245681</td>
<td>0.450</td>
<td>11/10/2012</td>
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<td>35430E9U1</td>
<td>Bank Of America Norfolk VA CD 0.2% x 12, Survivor Option, Int@Mat, FDCX251513</td>
<td>0.600</td>
<td>11/21/2012</td>
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<td>448038F09</td>
<td>Huntington Natl Bank CD 0.3% x 13, Survivor Option, Int@Mat Blue Sky, IN, KY, MI, OH, PA, WV, FDCX266883</td>
<td>0.800</td>
<td>2/25/2013</td>
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<tr>
<td>74267G5N8</td>
<td>Privatebanc &amp; Tr Chicago IL CD 0.3% x 13, Survivor Option, Int@Mat Blue Sky, CA, IL, ME, FDCX263208</td>
<td>0.800</td>
<td>2/25/2013</td>
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<tr>
<td>0186309W9</td>
<td>Alliance Bl Corp Fairfax VA CD 0.3% x 13, Survivor Option, Mortg Cps, FDCX266864</td>
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<td>5/21/2013</td>
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<td>364879J48</td>
<td>Discover Bl CD 0.3% x 13, Survivor Option, Int@Mat, FDCX255649</td>
<td>0.625</td>
<td>5/22/2013</td>
<td></td>
</tr>
</tbody>
</table>

Sincerely,

Alex McCann | Chief Operations Officer

Time Value Investments, Inc. | 9725 3rd Ave NE, Suite 610 | Seattle, WA 98115


TVI

https://exchange.ci.fairbanks.ak.us/exchange/lvaught@northpolealaska.com/Inbox/CD%2... 5/16/2012

City of North Pole  
Minutes of May 21, 2012
FNSB Representative
Next meeting is scheduled for June 14, 2012

Director of City Services, Bill Butler
Building Department
- No building permits issued since the last council meeting

Public Works
- Resurfacing of Holiday, 4th Avenue, northern section of Santa Claus Lane/6th Avenue and southern loops of Kit and Beaver Boulevards completed
- Replacement resolution before council this evening for Santa’s Seniors kitchen upgrade project
- Have hired three seasonal Public Works Summer positions
- Public Works Department is accumulating a list of small road repair project
  - Settling at Dougchee/Badger Roads: Watching to see if it rises any with ground thawing. If repair too early a surface rebound could result in a speed bump in the winter
- Public works is continuing with beautification efforts on Santa Claus Lane
  - Roundabouts prepared for flower planting. Planting planned for early June
  - Drainage ditches being cleared of 5 years of accumulated gravel and litter. Plan is to till the soil and replant with grass

Utility Department
- Governor approved capital budget that includes a $2,590,450 Municipal Matching Grant for the Utility Department’s Techite Sewer Main and Manhole Rehabilitation project
  - Will be able to use the $1.4 million loan ADEC has approved for the Utility as the required match for the project
  - Expect to receive formal notification from ADEC in July
  - Project should go to construction in Spring/Summer 2013
- Utility Garage Project
  - Foundation excavation completed
  - Gravel bed for foundation is being compacted
  - Metal building has been ordered
- ADEC has granted final approval for the Utility’s Industrial Pretreatment Program
  - Utility has 90 days to implement the program—issue permits to the 3 industrial dischargers
- Utility’s discharge to the Tanana River is now discharging to a dry river channel (pictures attached)
  - Waste water discharge is supposed to have a mixing zone to dilute the effluent
  - ADEC has been notified because the Utility is in violation of its discharge permit
  - ADEC is not penalizing the Utility for an act of nature
- No historical memory of this happening over the past 25 years
If the Tanana River does not re-flood the channel the Utility could be facing a significant expense to correct the problem.

City Clerk
The City Clerk was at the International Institute of Municipal Clerks Conference in Portland, Oregon.

ONGOING PROJECTS

Friends of the North Pole Library, Brenda Sadler
Ms. Sadler updated council and the public on the event called A Storybook Festival which will be held on June 30th.

Finance Committee Report, Ron Jones
Next meeting will be held after Memorial Day

CITIZENS COMMENTS – 5 Minutes
None

OLD BUSINESS
None
NEW BUSINESS

PRESENTATION OF 2011 AUDIT BY JOHN BOST, MIKUNDA, COTTRELL & CO., INC
See Attached
Report to the City Council
Basic Financial Statements – Single Audit Reports

COUNCIL COMMENTS

Mr. Ward – Theme for tonight is to plan for the future. The finance committee needs to start planning for the direction that they want the city to go. He encouraged everyone to consider where they would like the city to be in the next few years.

Mr. Holm – good night everyone.

Mr. Jones - Has a meeting with secretary of the Air Force tomorrow. He plans on drilling them on the issue of the F-16’s and that it doesn’t balance out. Thanked Rep. Don Young for his help. STOMP was excellent and it was nice to see the community welcome the soldiers back. AML was great and they had some good discussion and a voice at the table. They are hoping that the PERS issue will get better and do away with termination studies. They are also working on energy issues.

Ms. Hunter – Have a good evening.

Mr. Nelson – No comment.

Mr. McGhee – No comment.

Mayor Isaacson – No comment.

ADJOURNMENT

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

Seconded by Jones

No Objection
The regular meeting of May 21, 2012 adjourned at 8:56 p.m.

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

Douglas W. Isaacson, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk