

**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, June 4, 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, June 4, 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

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Isaacson

INVOCATION

Invocation was given *by* Mr. Jones

APPROVAL OF AGENDA

Mr. Jones moved to Approve the Agenda of June 4, 2012

Seconded by Mr. McGhee

Discussion

None

PASSED

YES –7 - Jones, Ward, Jones, Nelson, McGhee, Holm, Hunter, Isaacson

NO – 0 -

Abstained- 0

APPROVAL OF MINUTES

Mr. Jones moved to Approve the minutes of May 21, 2012

Seconded by Mr. Holm

Discussion

None

PASSED

YES –7 - Jones, Ward, Holm, Nelson, McGhee, Hunter, Isaacson

NO – 0 -

Abstained- 0

COMMUNICATIONS FROM THE MAYOR

Mr. McGhee said that he hasn't heard from North Pole Economic Development Corporation and has concerns on the "gray gardens", as it looks like a nice gravel pit growing. He would like to know what NPEDC is doing on the EAFB closure or on the shut- down of one the stacks at Flint Hills Resources and why North Pole isn't an attractive place to do business. He would also like to hear from North Pole Community Chamber of Commerce on what they are planning for.

Mayor Isaacson explained that the "Gray Garden", and the boulders, is to discourage 4 wheeler traffic. Because of the bricks that outline the landscaping, it is not wise to plant grass because of the heat that it attracts.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

Communication Highlights from the Mayor for the period ending June 4, 2012

GENERAL:

- The Status of Eielson: Mayor Hopkins and I met with Secretary of the Air Force Mike Donley on May 22. The primary take-away is that HQ Air Force is committed to the move to fulfill the President's budget unless constrained by Congress. The Site Activation Task Force (SATAF) report is a Pacific Air Force (PACAF) product and challenges to it need to be on that level. By the time it reaches him, he doesn't challenge the assumptions just assures the report is complete. However, as local mayors, we have sent two letters challenging the assumptions without response. On Friday, June 1, as reported in the Daily News-Miner, we reviewed the SATAF report with PACAF's Brigadier General McLeod during a two hour meeting. The meeting can be summarized by saying the General admitted the report is deficient, that he would get answers back to us, but that senior leadership was still committed to the move unless "we prove the negative." We asked that the information be released immediately to diffuse cause for public panic due to rumors of personnel receiving orders, a rush to sell houses, expected losses of employment, and other economic hits to the area. As to the rumor that orders were being rushed, there was no validity and the good news is that Eielson will see the normal influx of personnel this July and September.

Senator Murkowski, in a letter written on June 1 which was emailed to Council members today, requested Secretary of Defense Panetta to drop the move completely in 2013 "and take this proposal back to the drawing board. She stated a number of reasons including that this is a "backdoor" BRAC, that it ignores Congressional process requirements, and that it places undue hardship on both the military member and

on Interior Alaska's economy. Secretary Panetta is scheduled to testify before the Senate Defense Appropriations Subcommittee on June 13th, a committee on which the Senator serves.

Senator Begich, who sits on the Senate Armed Services Committee, continues to refuse to lift his hold on Lt. Gen. Hawk Carlisle's nomination for a fourth star and the leadership of PACAF until the Air Force addresses his lingering concerns of the affordability and feasibility of the move.

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>) 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**: As reported to you in my last communications, the Governor promised me and the other two mayors that he would work with us during the next 4-5 months to provide our economy with a **"NOW TERM" solution this winter; however, when** questioned at the Wednesday, May 23 Greater Fairbanks Chamber of Commerce luncheon, he backed away from the commitment and told the assembled community members that he would support LNG solutions which, admittedly, are several years away from benefiting the community. I am scheduled to meet with the News Miner Editorial Board this Thursday to discuss the issue. The three local mayors are meeting weekly to develop our unified approach to a NOW TERM solution. Fairbanks Economic Development Corp hosts a weekly meeting on Tuesday mornings and the goal being strategized is to find the energy solution that will provide the Interior with a cost of energy (heating oil and electricity primarily) that is half of the current amount we're paying and ultimately that will give us price parity with Anchorage.

- **Summer Festival Committee**: Major sponsors have committed funds to the July 4th North Pole Summer Festival. Thank you to Flint Hills for once again being the Title Sponsor with a promised \$5000 sponsorship. Lithia will once again provide \$500 in cash and \$500 in-kind sponsorship; Seekins Ford and Birchwood Homes will once again contribute \$500, major prizes to be given away include a pair of summer excursion Alaska Rail Road tickets and Tammy Randolph State Farm has again promised a bicycle. Thank you to all our contributing sponsors! 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) tomorrow, Tuesday, June 5 at 6 pm at City Hall and 2) Wednesday, June 13 at 6 pm here at City Hall. Your help is needed to make this a great event!

- Status of Peridot: For the time being, Peridot will be a 50% axle weight road, essentially limiting the road to empty trucks. This is an effort to preserve the pavement which is in the process of prematurely crumbling.
- Various Meetings in addition to those mentioned above, included:
 - I participated in hosting the Arctic Winter Games International Committee on Tuesday, May 29. Members came from Canada, Greenland, Denmark and the USA. (As a side note, one of the International Committee members is also the Director for Anchorage Parks and Rec and he continues to support our efforts to bring artificial turf to NPHS in order to assist our student athletes by expanding their playing seasons and assist our economy by making the Interior competitive to host statewide competitions.)
 - Made a Use Royalty Oil for Now-Term Solution presentation to the Tanana Chiefs, who were interested in further details.
 - Attended several Memorial Day functions, including being a speaker at the Veterans Memorial in Fairbanks. I was also a Reader at the Vietnam War Moving Wall Memorial and participated in the Closing Ceremony on Sunday, June 3.

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 media in Fairbanks and Anchorage regarding Interior issues, especially Eielson and Energy 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*)

- **June 5 & 13, 6-7 pm:** Summer Festival Committee meets
- **June 7-22:** Red Flag Alaska: expect a lot more “sounds of freedom” in the skies above us and many more international visitors to North Pole!
- **June 15, 5-8 pm & June 16, 1-5 pm:** Third Friday and Saturday Art Show @ the North Pole Grange.

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Police Department, Lt. Dutra

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Accountant, Lisa Vaughn

- The bond refunding will take place on Thursday in Seattle. Our bond attorney, Cheryl Brookings will be in attendance. On May 11, Doug and Kathy spent time in Cheryl's office signing the pertinent paperwork. On May 14, I flew down to Anchorage to sign additional paperwork. We are saving a total of \$41,615.97 over the life of the bond. In addition, we will be receiving cash proceeds of \$14,705.03, out of this we will be paying attorney fees of \$7500 plus part of her travel expenses. In addition, my trip to Anchorage, of about \$530 will be paid out of these proceeds. The balance will go into revenue.
- Financial statements were emailed to you earlier today. We are on track for this time of the year. I'd like to bring your attention to our cash balance. Overall, we are \$157,000, in cash ahead of this time last year.
- I've passed out two sets of information; that I gave to the Mayor earlier today regarding investments:
- The first set is Paul's response: I called Paul Jarvis at Time Value Investments. Short listing of available CD's, information about Time Value Investments. I called Paul Jarvis because I have worked with him the past and am very comfortable working with him. Paul sits on the AGFOA board, and has attended every AGFOA meeting since 1989. He works with many communities throughout Alaska.
- The Second set is city information:
This shows our cash position as of May 16, by bank account. Three of these bank accounts were set up for the three pieces of long term debt. While we are required to keep a year's worth of payments in reserve, we do not need to keep them in separate bank accounts. I would recommend that we close out these bank accounts and put the monies in a one-year CD that renews annually. This will fulfill our requirement by the lending agencies. The bank account for the FRR Industrial monies can also be closed out (Bill and I have discussed this). The monie should be invested in a short-term CD. We can keep track of the FRR monies in the general ledger, in Funds 25 and 27, that I set up beginning in 2011.

While investment interest rates are not very high. It is still more than what we are receiving in our checking account.

FNSB Representative:

- 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>.

Director of City Services, Bill Butler**Building Department**

- No building permits issued since the last council meeting

- Inquiry for a Habitat for Humanity project

Public Works

- Public Works Department has begun small road repair projects, including work on Dougchee and San Augustin
- Public works is continuing with beautification efforts on Santa Claus Lane
 - Tons of accumulated sanding gravel have been removed from drainage ditch and along road right of way
- North Pole Flower Club has planted flowers around City Hall
- Community Development Block Grant agreement signed and project is proceeding to design and generation of a request for construction bids
 - Plan to submit a professional services contract to the Council at the June 18 meeting for an architect/engineering/construction services agreement

Utility Department

- Utility Garage Project
 - Gravel for foundation compacted and preparations have begun for concrete slab installation
- Utility's waste water discharge to the Tanana River
 - River flow returned to discharge channel after heavy rainfall on Memorial Day weekend (Picture 1)
- River flow has begun to drop: approximately one foot over the course of a week (Picture 2)

City Clerk

Here are some of the things that are coming up in the city. If you have any questions on any items below, please feel free to contact me at 488-8583 or email at Kathy@northpolealaska.com.

Thank you for allowing me to attend the IIMC Conference in Portland, Oregon this past month. It is the single, largest professional development and networking opportunity that I will engage in all year next to the AAMC Conference in November.

My job is multi-faceted and changing, with new citizen demands, legal changes in procedures and new information technologies increasing the speed and requirement for me to plan and expedite so many different tasks at once. This requires me to engage in continuing education and networking to keep abreast of changing laws and trends.

For the past two years I have served on the IIMC Promotion & Marketing Committee, putting together our goals for the next 3 years. I have also been asked to chair the Mentoring Committee for AAMC starting June 30, 2012. This was quite an honor to be asked to step in to this position and help our new city & borough clerks familiarize themselves in our local and state government functions.

This past year, in 2011, I received my Master Municipal Clerk designation in March. Many thanks to your continued support of your City Clerk to ensure that the City is kept up to the highest standards possible.

The theme of this year's conference was "Ascending to New Heights" which permeates the diverse educational sessions and off-site venues that bring opportunity to raise awareness and connect with cultures and professional practices worldwide.

I also participated in a 5K walk/run and attended classes throughout the day and committee meetings that start at 7:15 a.m. I hope to be able to bring some of what I learned at the conference to the City of North Pole in future meetings. Again, thank you for your continued support.

ONGOING PROJECTS

None

CITIZENS COMMENTS – 5 Minutes

None

OLD BUSINESS

None

NEW BUSINESS

REQUEST FOR MAYOR TO ENTER INTO EMPLOYMENT CONTRACT FOR POLICE CHIEF

Mayor Isaacson said that he believed that Lt. Dutra was the best man for the job. Lt. Dutra had brought forward an employment contract and therefore must be approved by council. Lt. Dutra came forward and explained his reasoning for the contract and asked council for their approval. The agreement is a step-back agreement or clause which would allow him to step back into a minimum of a Police Officer in case of political turmoil.

Public Comment

Sgt Rathbun, NPPD 8:22 p.m

Sgt. Rathbun spoke in favor of the employment contract for the Police Chief position.

Sgt. Bellant, NPPD 8:28 p.m.

Sgt. Bellant spoke in favor of the employment contract for the Police Chief position.

Terri Nelson, NPPD 8:31 p.m.

Ms. Nelson spoke in favor of the employment contract for the Police Chief position.

Officer Stevenson, NPPD 8:32

Officer Stevenson spoke in favor of the employment contract for the Police Chief position.

Lisa Vaughn, City Accountant

Ms. Vaughn spoke in favor of Lt. Dutra being appointed the Police Chief and spoke in favor of the employment contract.

Mr. Jones *moved to* Authorize The Request By Mayor Isaacson To Enter Into An Employment With Steve Dutra For Police Chief

Seconded by Mr. McGhee

Discussion

Mr. Nelson said he understands wanting job security but is pondering why there is not something in code for the step back clause.

Mayor Isaacson said he decided to do it this way and there hasn't ever been a need to have a step back clause. He is confident that this is not a necessary contract. He stated that he is confident that Lt. Dutra will be able to make the hard decisions for the department.

Mr. Holm said that what he has heard tonight is that everyone has been happy with Lt. Dutra's performance and that he will take the position. As he hears what is being said, it is a precedence that is being set, and could come back to bite the council. He said life has no guarantee and you take the step into the unknown. He said you succeed on your own determination and confidence in yourself.

Mr. Jones asked who would write the grants if Lt. Dutra took the Police Chief position.

Lt. Dutra stated that he would give guidance to someone else who would do that position.

Mr. Jones said he understands Lt. Dutra's position and he is for the contract and that it does set precedence for the city.

Mr. Ward asked if Lt. Dutra has been asked to be Police Chief. He said the issue is not whether or not he is qualified to be the Chief of Police it is the issue of the contract and that the process takes away from the power of the Mayor and then would need to come before council. He is not in support of the contract and that it is not what Lt. Dutra is looking for. He suggested that council look at changing code to put dept. heads as 2/3 of a vote instead of step back. He thinks it should be a blanket policy instead of a contract for one. He is in full support of Lt. Dutra but not in support of the contract.

Ms. Hunter said she believes that Lt. Dutra is the right person for the job. She too wants to make a change for all department heads and not enter into a contract for just one. She was on council when there was 2 or more council members that wanted the Police Chief out and it was a very difficult time. She would like to see code changed so that it would take a 2/3 vote to dismiss a department head.

Mr. McGhee said that council doesn't have much time to go over things in a meeting. He would love to see Lt. Dutra be the Chief. He likes the verbiage in the contract and the fact that there is

a contract and felt it should have been made between Lt. Dutra and the Mayor. He felt that the council is eliminating all the mayor's powers. He told the Police Department to form a Union because then they would be protected. He agrees with a contract that would protect Lt. Dutra and would vote in favor of it because he believes in him.

Mr. Holm called the question.

FAILED

YES – 3 – McGhee, Jones, Isaacson

NO – 4 – Hunter, Nelson, Holm, Ward

Absent - 0

COUNCIL COMMENTS

Mr. Holm – No Comment

Mr. Jones - No Comment

Ms. Hunter – No Comment

Mr. Nelson – said that it's times like this when we want to keep a good person in employment to where the council has to consider when a professional contract come up and the council has to make a decision as to whether they are going to make a precedence move to where that move is superseding the code, and the code is there for a reason. Our code is a livable document and council can amend it at any time. Any employee of the city that feels insecure should always be referred back to the code to fix that security. He doesn't doubt that Lt. Dutra would make an outstanding Chief and but doesn't believe in having a contract.

Mr. McGhee – commented that he was surprised at the vote on the employment contract. He was disappointed that the council didn't vote for it if for nothing other than to say "I believe in you" and was confused on the way the vote went tonight.

Ms. Hunter called point of order.

Mayor Isaacson said that council members can say what they want during council comments and to respect other council members.

Mr. McGhee said he fully disagrees with some of the stands that councils have taken in the past. He said it was unfortunate that the council changes so often and with the changes the employees have to go through these changes.

Mr. McGhee said the gravel doesn't look good and it looks like a gravel pit and the City could have at least brought in some colored gravel. He is disappointed with the aspect that it would help to deter the 4 wheelers and all it has done is direct them into the sidewalks of which he has visually witnessed himself and photographed. He commented on the work that was done at Doughchee and Santa Claus Lane. The gravel situation around the City seems to be under control and as a motorcyclist that is something that he takes notice of. He is looking forward to

the 4th of July festivities with the Mayor.

Mr. Ward – stands by his comments earlier and that Lt. Dutra would be a great Chief and that we should do whatever we need to keep him. If there are things that we need to do, we need to do it, as he is the right man for the job. He reminded council that they are elected by the people of the City and that is where our responsibilities lie. The people that elected council elected them for a reason and that is to voice their opinions and bring their concerns to a discussion like this and keep in mind when we make decisions we make decision for them as well as our employees.

Mayor Isaacson – appreciated the discussion today and was hoping that council would authorize the signing of the contract but prepared Lt. Dutra for such a conclusion because the mayor is conflicted with it himself. He said it does set precedence just for the department heads but like Mr. McGhee pointed out he doesn't think there is a concern for other employees. He said that if any of the council that voted in the majority you can always move for reconsideration within 24 hours. Mayor Isaacson said he has filed for House District 1 on the republican ticket with Paul Brown, Lynette Bergh, and Dave Gardner. He feels that with his experience he has the knowledge to move forward with the energy issue.

ADJOURNMENT

Mr. McGhee *moved to adjourn the meeting of June 4, 2012*

Seconded by Mr. Jones

No Objection

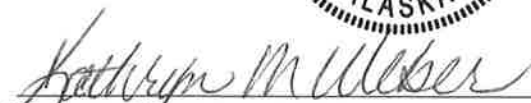
The regular meeting of June 4, 2012 adjourned at 8:56 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, June 18, 2012.



Douglas W. Isaacson, Mayor

ATTEST:


Kathryn M. Weber, MMC
North Pole City Clerk