

**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, October 1, 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, October 1, 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 Councilman Ward

APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of October 1, 2012

Seconded by Mr. Jones

Discussion

None

Mr. McGhee moved to consent the following items on the agenda:

Old Business

- a. Ordinance 12-19, An Ordinance Repealing Chapter 4, Section 4.23, Motor Vehicle Impoundment and State Forfeiture
- b. Ordinance 12-20, An Ordinance Introducing Chapter 10, Section 10.02, Motor Vehicle Impoundment and State Forfeiture
- c. Ordinance 12-21, An Ordinance Introducing Chapter 2, Section 2.27, Office of Administrative Hearings

New Business

- a. Approve Professional Development Criteria for North Pole Police Department

Seconded by Mr. Jones

Discussion

None

On the amendment

PASSED

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

NO – 0

Absent- 0

On the main motion as amended

PASSED

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

NO – 0

Absent- 0

APPROVAL OF MINUTES

Mr. Jones moved to Approve the minutes of September 17, 2012

Seconded by Mr. McGhee

Discussion

None

PASSED

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

NO – 0

Absent- 0

COMMUNICATIONS FROM THE MAYOR

Communication Highlights from the Mayor for the period ending October 1, 2012

GENERAL:

• Thank you: NPPD Sgt Bill Bellant for spearheading effort to get 100 yards of clean fill dirt to enhance the use of the skateboard park and to the Brice Company for donating the fill dirt. There will be other thank you's owed to those who will volunteer to deliver the dirt and move it on location.

• Gas Utility issues: I attended the Fairbanks City Council meeting on September 10 and listened to the public testimony. Many of the same issues were discussed as we heard at the North Pole Council with some questions, of course, being Fairbanks specific. The Council postponed action

to October 8, after our Joint Work Session. I was able to clarify the invitation to the Joint Work Session of the North Pole and Fairbanks City Councils to be held at the North Pole City Council Chambers on Wednesday, September 25 at 6 p.m. While the public is invited, only the Council members can interact with the panel. The invitee list includes the Alaska Industrial Development and Export Authority (AIDEA), the Alaska Energy Authority (AEA), the Fairbanks North Star Borough and Bond Counsel, Fairbanks Economic Development Corporation, the Lowell Group, Fairbanks Natural Gas (FNG), GVEA (not confirmed), and Flint Hills (declined).

• The Status of Eielson: The Tiger Team continues to meet on a weekly basis; additionally, the Legislature's Joint Armed Services Committee met today with the Governor's consultants, Hyjek and Fix Consulting Group. Some of the current status highlights include:

- The 168th Air Refueling Wing will be given 2 of the 3 buildings they requested of the 8 buildings on Eielson scheduled for demolishing during the FY12 budget cycle.
- There is still a conflict of communication regarding the continuation of the SAIC F16 Environmental report process. Senator Begich's office was told by HQ USAF that the report will not be completed in FY 13, but today, Senator Murkowski's office reported that PACAF allocated the money prior and will continue to spend it.
- The Governor's consultants have stated that while communications have not been transparent in the past, the new USAF leadership has made overtures of cooperation and they are hopeful this will happen.
- The current effort includes efforts to add missions to Eielson, one example may be by transferring F16s from Asia or Europe; develop greater shared capabilities with the communities, for example land use development and reduced power costs; Department of Defense and State of Alaska industry collaborations; and noting regional positioning of military assets.
- The Governor's consultants are working on a phased plan which they expect to have to the Governor by mid/late October and to the Joint Armed Services Committee / public by early November.

• Legislative Visit. State Rep Bill Stoltz, Chugiak/Palmer, Co-Chair of House Finance, was in town for the Palmer "Moose" v North Pole "Patriots" game on Friday and visited City Hall. We spoke of our proposed legislative priorities and I took him on a quick tour of North Pole on our way to attending the POW / MIA Flag Retreat Ceremony at Eielson AFB. Unfortunately, Palmer beat North Pole 49-42 but the Co-Chair has a greater appreciation for what the City represents to the community and State at large.

• KUDOS: to NFPD Volunteer Fireman Jesse Sterns and NPPD Officer Scott Kvittem who represented the City with distinction during their participation in the POW / MIA Flag Retreat Ceremony last Friday at Eielson AFB. The interaction of our city employees and the military help forge those relationships that benefit the departments during the normal conduct of business

and the community during joint exercises, one of which will be the North Pole Preparedness Fair at the North Pole Plaza Mall on Saturday, September 29 from 10 a.m. to 4 p.m. The Fire Department will be discussing this in more detail.

MEDIA:

Sep 8 & 15: Mayor Isaacson was on KJNP (1170 AM, 100.3 FM) 8 – 9 a.m. “Over the Coffee Cup.”

Sep 5: Interviews with KUAC & News Miner re: Gas Utility Transfer ordinance

UPCOMING (*This is NOT conclusive, see above for other events, dates, and times, or call the Clerk or Mayor for other possible upcoming events*) *As a reminder, the Mayor will be taking leave time, as able, through August 29.*

- **September 21, 5 - 8 p.m.:** Third Friday Art Show @ the North Pole Grange. Also on Saturday, September 22 from Noon – 4 pm.
- **September 25, 6 pm:** North Pole/Fairbanks Joint Work Session on Gas Utility Powers Transfer to the FNSB @ North Pole City Hall
- **September 29, 10 am – 4 pm:** North Pole Preparedness Fair @ North Pole Plaza Mall
- **September 21, 4 pm JV, 7 pm Varsity:** the “Mayors’ Bowl” Lathrop “Malemutes” v North Pole “Patriots” @ NPHS (loosing team’s mayor has to wear opponents’ jersey to next city council meeting—NPHS is undefeated in the series the past five years!)

Police Department, Chief Dutra

- Received my first quote for repairs on the Police Department roof
 - \$110,000.00. I have to say the roof is in much worse shape than I had imagined.
 - In my opinion - This repair must occur next year or there could be significant structural damage.
 - We have the representative from Garland Co. who has put together a proposal and has offered to repair some of the large holes for the costs of material. We will move ahead on this but without grant funding we may have to step up and fix this.
 - Exactly why we should consider a Capital Expenditure account.
- Officer Binkley is back from Computer Training and Sgt. Bellant is back from MADD conference and attended Taser training previous to leaving.

- Dept Emergency Vehicle Operations training is next week. We will be sending everyone so officers will be scheduled as tight as possible to avoid OT.
- Starting to work our buffer zone protection. This protection plan encompasses GVEA, Petro Star and Flint Hills. Incredible task to secure such a large facility. This is our number one priority and it is known as a Critical Infrastructure and we are tasked with securing it in the event of an incident.
 - Includes communication plan and physical security.
- We have concluded the Traffic Grant for this last year and are awaiting final approval of new grant.
- JAG Grant for ABADE Officer is now off to the Dept of Public Safety and awaiting approval.
- September we had 94 citations, 2 MVA's, 52 cases (approx calls=5,000), and 7 arrests (yearly total of 193 arrests.)
- We are continuing our GREAT (Gang Resistance Education and Awareness Training) and Sgt. Bellant is flexing out early to help save on OT to make sure we save money and continue this program.
- Good luck to those of you running for office we look forward to working with the new Mayor and the new council.

Fire Department, Chief Lane

- None

Accountant, Lisa Vaughn

-

FNSB Representative:

FNSB ASSEMBLY MEETING:

The Assembly met on September 13; there was nothing on the agenda immediately impacting the City of North Pole and I attended homecoming events at the request of students and teachers at NPHS.

- The next regularly scheduled Assembly meeting is scheduled for September 27. The agenda has not yet been published but the Gas Utility is expected to be on it for public discussion. 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

- Structure modification permit issued
- In discussions with architect related to a re-build of McDonalds

Public Works

- Cody Lougee completed an OSHA certification course two weeks ago
- Beautification
 - Should see lighting displays begin to be installed in roundabouts later this week or early next week
 - Benches, trash cans, planters and wheel stops will begin to be removed to protect them from snow plowing
- Community Development Block Grant for Santa's Senior Center Kitchen Upgrade Project
 - Construction work has begun—installing cut-outs in roof for ventilation
- Snow plowing contract extension will be before Council on October 15

Utility Department

- Ballot questions related to purchasing mobile emergency generators will be decided in tomorrow's election
- Utility Garage Project
 - Tunista vice president met with me today to assure me the project would achieve substantial completion by mid-October
- Flint Hills Resources is proceeding with construction of industrial sewer force main
 - Sewer main installed
 - Electronic leak-detection monitoring being installed
- Flint Hills Resources-Williams Alaska Petroleum possible lawsuit
 - I gave a deposition on September 19
- Potential land sale to City of School Trust land adjacent to waste water treatment plant (attached map)
 - Process to purchase this land was begun under the previous mayor at least as early as 2003
 - Intention was to acquire land for future waste water treatment plant expansion
 - Next stage is to have land appraised by a Department of Natural Resources authorized appraiser.
 - School Trust Land can only be sold for fair market value

City Clerk

City Clerk/HR Manager Report to Council– October 1, 2012

Human Resources

Two positions within the city have closed this past week. They are:

1 Firefighter - **Minimum qualifications are:** State of Alaska Firefighter 1, EMT 1. State of Alaska Firefighter 2 and EMT 3 preferred. The position closed today at 5:00 p.m.

2 Police Officer - Minimum qualifications are 21 years of age, valid driver's license, pass written testing, an oral board, a physical examination, an extensive background examination, psychological testing, polygraph, and physical agility test and have an APSC approved academy within the last 3 years of closing date or be a currently APSC certified officer.

All positions were posted online at www.northpolealaska.com under Job Opportunities.

- Officer Scott Kvittem was promoted to Sergeant this past week.

City Clerks Office

- I will be out of the office for most of the day tomorrow voting those people who are unable to come to City Hall to cast their ballot. If you know of someone who would like to vote but is a shut-in, please contact my office.
- Polls will open promptly at 7:00 a.m. and close at 8:00 p.m
- Please be sure to stay after the meeting tonight to help set up voting booths for our election staff.
- Reminder:

Registration forms for the 2012 Annual Local Government Conference which will be held in Anchorage November 12-16, 2012 are here. Registration forms must be returned by October 12 to receive the best rates. After October 12th a \$50 late fee will be added per person. Please let me know if you are interested in attending and for those newly elected officials I will tentatively register them. I have also left an application form for the 17th annual "Awards of Excellence" on the dais. There are several categories of awards; People awards to recognize local government officials who have demonstrated a commitment to excellence in local government both within their own communities and on a statewide level; and Community Awards to showcase your area and let others know how you have solved a problem or improved local government. If you have any questions regarding the upcoming conference, please call me at 488-8583 or come in to City Hall.

ONGOING PROJECTS

North Pole Community Chamber of Commerce, Phil Zastrow

Over 4500 people have visited the Chamber this past year. They have a full board and are working on the Winter Festival. The board would also like to see a community center within the city limits.

CITIZENS COMMENTS – 5 Minutes

- None

OLD BUSINESS

ORDINANCE 12-18, AN ORDINANCE APPROVING THE TRANSFER OF NATURAL GAS UTILITY POWER TO THE FAIRBANKS NORTH STAR BOROUGH

Mayor Isaacson introduced this ordinance to the public.

Public Comment

Mayor Hopkins spoke in favor of the transfer. He was concerned about the amendments being put forward and asked to keep it as simple as possible so as not to impact the financing of the project. Their legal counsel was concerned with a sunset date and that the CNP charter had protection mechanisms. He asked that the effective date of November 15th not be used in the ordinance. The mayor spoke to the GO Bonds and revenue bonds and explained which ones would need to be voted on.

Diane Hutchison,

Ms. Hutchison is a co-sponsor for the ordinance. The FNSB work session will be held on Thursday Oct 4 and a public hearing on the 11th. She felt that the public and private sector should come together and help to provide a low cost alternative to heating fuel. She is charged with looking out for the whole borough and the CNP is looking out for their residents. She hasn't heard a good reason for not doing this and doesn't see anything that will be negative. She stated that what the FNSB does will hinge on what the CNP and COF does.

Bob Shefchik,

Mr. Shefchik said he has spent a significant amount of time working on energy projects and is on the NPEDC board of directors. He is supportive of the FNSB Energy Utility as it will offer an opportunity to be a catalyst for a project whether it be pushing FHR and GVEA to go a little further or taking over a portion that no one else will take up. He said that the Newsminter reported that 25 yrs ago today ENSTAR was going to build a gasline from south central Alaska to the Interior for \$187,000,000. The project was killed over competing forces. We don't want natural gas to come to town and the price of natural gas to parallel the price of heating fuel. The energy utility and the model that pushes cost of service for the commodity is the crux of what will change the energy dynamic in Fairbanks. Transfer of power is a step that will help to bring this forward.

Dan Britton, FNG

Mr. Britton said he would work with this group. He said he was skeptical about the revenue source to pay back the funds and they are relying on flawed economics. Does the community want the cost of gas and are they willing to pay for those in the remote areas. He state that you have to have customers in the dense areas to pay an extra cost for those in remote areas. He compared it to not everyone having water/sewer in North Pole because the rate payers don't want to pay the extra cost. The reason FNG has struggled is the supply of gas. The formation of this municipal utility doesn't bring about a greater chance for supply. At the end of the day FNG will continue to bring natural gas to Fairbanks. FNG is currently building a storage project in Fairbanks for \$30 million and a LNG production facility for \$150 million. He said that one of

his primary concerns is the changing target. Is it a facilitator, is it going to compete with FNG, and what is the focus of this utility. In the last few days he said that there has been an attempt to clarify some of those questions but there are still differing views on what this utility was or was going to do. As a private business owner, he stated that this was a concern of his. He has families that he represents that they employ and they need to protect them. He urged the council to support private enterprise, to look for a solution to the energy issue through a resolution that would support state funding for an LNG plant on the North Slope and not create another entity with bureaucracies' to get in the way.

Jim Dodson, President of FEDC

Mr. Dodson spoke on the struggle that Fairbanks has had with providing cost effective energy. He stated that less than 2% of residents in Fairbanks have natural gas. We are forced with the possibility of EAFB moving to JBER. He asked if we should be worried about a gas supplier that supplies less than 2% of the energy to this community. He said there is not one entity in Fairbanks, Alaska that can speak to this community when it comes to energy. This community started MUS for a reason, he stated, and we are faced with the same thing today. He urged the council to pass this ordinance without any restrictions. Mr. Dodson went over the chart that was distributed to council and explained how the utility would work. He said by passing this ordinance North Pole is showing that they want to work together.

Merrick Pierce,

Mr. Pierce spoke in support of the FNSB utility and urged council to pass the ordinance.

Lance Roberts,

Mr. Roberts spoke against passing this ordinance tonight and we are not in a big rush and should get details figured out first. He stated that with MUS in the end the City of Fairbanks had to give it up and it was a mess because they couldn't control their costs.

Ron Therriault,

Mr. Therriault is a member of the Lowell Group and said there was a lot of info that was given to them today. As a business owner he state that they use \$150,000 of energy per year. He wasn't opposed to waiting another week or two which may be the right idea. There are so many meetings the governor is having that he wondered if there is a mistake being made. The governor's budget doesn't necessarily need to be done in October. He asked the council to postpone this and let the next city council members get caught up with this issue.

Nadine Winters,

Ms. Winters stated that this ordinance is to facilitate and provide natural gas to the community and that it has been the purpose all along. She said that this is basically about public verses private and that everyone agrees that we need to get gas. She state that there are three things on the public utility:

1. Financial benefits
 - a. no property tax
 - b. no state tax or federal tax
 - c. local control and ownership
 - d. lower borrowing costs

Private Utility

- a. pays property tax
- b. pays state and federal tax
- c. profit return on investment
- d. responsibility to shareholders vs. public
- e. pays taxes on grants

2. A public utility is there to look out after the public.

3. The distribution study is doable and needs to be someone's job to look out for the general public.

She said that GVEA has been consistently supportive and FHR are supportive of anything that brings lower costs gas. Private sector has a place and she said that at the end of the day private sector has so far not gotten gas and we are at a critical juncture in this community. Ms. Winter said that she hopes that the city will transfer its power and support it. She said this was not hasty and is viewed as a way of getting us there.

Steven Haggenson,

Mr. Haggenson said he was part of the FNSB distribution study. He stated that coops pay the same rate and this was brought forward by the people of the FNSB because they have hope and that this will create jobs to help build the infrastructure. He supports the new entity and said it provides affordable energy to everyone. He urged the council to pass this ordinance.

Senator Joe Thomas,

Senator Thomas said we have struggled with this for some time and felt this could be useful if transferred to someone else. He said we are talking about the liquefaction plant and selling gas to the Interior. The legislature is looking for a regulated utility and by pushing this forward and brining everyone together he believes there can be no great harm. Senator Thomas felt this would be a good economic move.

Hank Bartos,

Mr. Bartos said that as a result from last weeks meeting and the noise has been ramped up. The people and stakeholders are coming together. He said there has been a lot of information brought forward and everyone is wanting to work together. Tomorrow they are making a presentation to the GFCC and will be meeting with the Governor later this month. The governor wants to know what program the people want to move forward with. It won't happen unless everyone gets together. He said the council should put a caveat into the ordinance that there should be term limits as GVEA members had board members that have served for 35 years and he would like to see that changed. He felt this plan would benefit the entire state of Alaska.

Michael Welch,

Mr. Welch said we are trying to bring together the very best plan that the governor will go with. He said there has been a short time for all the information. Now is the time to put something together. He felt Mr. Britton had a valid point but so did Mr. McGhee. He urged the council to think in that direction.

Jeff Jacobson,

Mr. Jacobson said this will have a significant impact and benefit on our community and North Pole. The governor and legislature are more likely to approve or provide needed funds in the form of grants and low interest loans to help build the required infrastructure that benefits the residents directly through a municipal gas authority who will retain the power of the purse strings rather than just through a private entity. He is skeptical about an investment plan that does not have regulated rates by the RCA and whose profits would likely leave our community. The transfer of North Pole city gas utility powers to establish a municipal gas authority should not be delayed as the benefits far outweigh the risks. He said that now is the time to take action and that we should be the catalyst for change.

Buzz Otis,

Mr. Otis said he is not current on the natural gas utility but he senses that there is not a willingness to take a risk invest in North Pole or Fairbanks. He said our biggest risk is high energy costs. He said that whatever the council's decision is this evening, they should make sure to bring gas to community at a low cost. People cannot afford to stay here and business people are not interested in building here anymore. He asked them to do what it takes to bring low cost gas.

Mr. Jones *moved to Approve Ordinance 12-18, An Ordinance Approving The Transfer Of Natural Gas Utility Power To The Fairbanks North Star Borough*

Seconded by Mr. McGhee

Discussion

Mr. Jones said that everything has been said already and that his concern is GVEA and he doesn't know that GVEA is out for us. There is a lot to do with little time to do it. We need to have something to the Governor and press on.

Mr. McGhee thanked everyone for coming out. He got an education on the subject and it is an "at now" situation. There is only one thing to do and transfer our power to allow the FNSB to start a utility. He said that private entities charge this community 25 cents more than anywhere else. He encouraged the council to vote yes on this ordinance. We are protected by our charter and should act now.

Mr. Ward respectfully disagreed. He said we should add more constraint to the ordinance to give it more direction. If we put something forth and give our utility power away we should do so with the idea that see it is successful or that the rights are returned to the city.

Mr. Ward *moved to amend the ordinance by adding the following :*

a. The City of North Pole and the City of Fairbanks shall each have the right to appoint one board member of the seven member board of directors.

b. Direct competition in an area covered by a Certificate of Public Convenience & Necessity by the Regulator Commission of Alaska will not be initiated without approval of the Fairbanks North Star Borough, the City of Fairbanks and the City of North Pole by separate resolutions. In the event such authority is given, IANGU is only authorized to operate via a contract with a private entity unless this option is not available.

c. Compensation of the IANGU Board of Directors shall not exceed compensation paid to the Assembly Members of the Fairbanks North Star Borough.

d. IANGU shall report its activities to the public on at least a quarterly basis.

Seconded by Mr. Holm

Discussion

Mr. Ward felt these are good things that we need to look at and are mirroring the things that the City of Fairbanks is also looking at. These are steps to ensure that our best interests are being taken into consideration by the right to appoint to the 7 member board, mirrors what FNSB ordinance is putting forward, and the other items regarding competition is an effort to honor the existing private entities out there and show a sense of good faith that the council is trying to do what is best for the community and not looking to infringe on private enterprise. He said the idea behind the compensation will prevent situations similar to that of our coop where individual are paid more than what some believe are reasonable.

Mr. Holm agreed with Councilman Ward and that we should mirror what Fairbanks has proposed.

Mr. Jones respectfully disagreed and felt that it was overkill and that it was putting too many layers in the ordinance, like an onion.

Ms. Hunter said she felt the council is trying to micromanage to a point where it would be a detriment. The one she felt the most egregious was point b, because the board, once created, will have the good judgment to know when competition is advantageous to go forth with a certification of public conveyance. The problem she sees is if it came back any one of these entities could vote it down and we could be in a situation where we would be unduly lobbied and not have all the info that the board of utilities would have. There is a certain amount of expertise and knowledge expanding all the time and to have to stop and wait for us to approve it would take a tremendous amount of time.

Mr. Nelson disagreed to adding additional changes. He said the FNSB already has it codified. He felt this was just throwing in extra language.

Mr. McGhee said this reminds him of an ordinance that Mr. Ward has wanted to change since he has been elected and that is that we micromanage and knit pick too much. Respectfully as in our NPEDC and Ice Alaska, that we ask too much of them every time they come up and ask for bed tax. We have been offered a seat on the board and compensation as being no better than assembly members, he hoped that the board of directors worked harder than assembly members and deserve more than assembly members. Take the power and do the best you can.

Mayor Isaacson said he would vote no because the voice that he will nominate to the board is going to make sure that these very aspects are going to be integrated into the plan. He doesn't want to limit the production of this plan. The best ideas come with the rub of all this stuff and is continually moving fast. We already have the ability to appoint someone to the board and we need to trust that our board member will be trying to get done with the best result by those members appointed.

Mr. Ward said item b speaks directly to competition. If an existing utility wishes to operate in that existing certificate of conveyance, they must go through this process. He said it was a gesture of good faith. Item a is in the borough ordinance and by adding the emphasis gives it a bit of direction. He doesn't want to hog tie this entity or impede it to do things properly. We need to lookout for what is best for our community. He doesn't see this as being a hindrance.

Ms. Hunter said that when she saw that FNG only serves 2% of the certificated area and they've had 14 years that they need an incentive to fill the whole certificate that they have. If we were to withdraw that incentive by saying we're never going to allow the utility to go into that area if they don't serve it within a reasonable amount of time, we are not doing a service to the public. They are part of the public even if they are under a certificated area. Give FNG a chance to go in and expand in those areas and hear the reasons why they aren't in those areas but let's not tie the utility's hands.

On the Amendment

FAILED

YES: 2 - Ward, Holm

NO: 5 - McGhee, Nelson, Hunter, Jones, Isaacson

Mr. Holm moved to Amend Ordinance 12-18 to put an effective date of November 15, 2012

Seconded by Mr. Ward

Discussion

Mr. Holm stated that since the council wasn't passing the other amendments that we should put some restraints on the ordinance because if something goes wrong then "shame on us". He said that with the testimony given, there isn't a big rush to put this through. He felt that anytime something has been pushed through as fast as this that there is political shenanigans going on and that it should wait until after the election.

Mr. McGhee asked for clarification of "something" and what he wanted done by a specific date.

Mr. Holm said that the end of the ordinance has a date of November 15th not the day after the council meeting.

Mayor Isaacson said that our charter already has an effective date of 90 days after tomorrow. He wasn't sure that the City needed to do this. This would put off our voice until February 2013 and that could work against us.

Mr. Jones called the question.

Failed

Ms. Hunter asked for clarification on the effective date.

Mr. Holm said that he felt we needed to postpone this until after the election.

Mayor Isaacson asked the City Clerk for clarification on the effective date of the ordinance.

Ms. Weber read from the NPMC the effective date of the ordinance.

Mr. Jones called the question.

On the Amendment

FAILED

YES: 1 – Holm,

NO: 6 – Hunter, Nelson, McGhee, Ward, Jones, Isaacson

Discussion

Mr. McGhee, Ms. Hunter, Mr. Nelson, and Mr. Jones asked to be added to the ordinance as a sponsor.

Mr. Jones said that we need to press on and get this done and not put it on the back burner.

Mr. Ward *moved to* Have board members of IANGU be limited to two consecutive terms of three years.

Seconded by Mr. Holm

Discussion

Mr. Ward said this is something that has been expressed by the public today that could benefit both this utility and the future process of running it to maintain that we have fresh blood directing this board. He believes in term limits for offices and helps bring in new blood and keep officials or directors up to date with the public.

Mayor Isaacson said that he hopes that the council will ratify his selection of Mr. Bartos on this board who spoke in favor of term limits. He realizes how difficult it is to be term limited as so does Mr. Jacobson, to 2 terms of 3 years. He said you can't even get financing for some of these projects in 6 years. The mayor said it was a noble thought but they don't have the parameters needed to say if it's 2, 3, or 4 terms. He felt that for the stability of the utility's success that they should leave it to the bylaws knowing that the City has a champion who is going to insist upon that.

Mr. Jones called the question

On the Amendment

FAILED

YES – 2 – Holm, Ward, Jones

NO – 5 – McGhee, Hunter, Nelson, Isaacson

Discussion

None

Mr. Jones called the question

On the main motion

PASSED

YES: 5 – Jones, Hunter, Nelson, McGhee, Isaacson

NO: 2 – Ward, Holm

Mr. McGhee moved to Suspend the Rules to extend the meeting until 10:30 p.m.

Seconded by Mr. Jones

Moved Unanimously

Mayor Isaacson moved to take a 10 minute at-ease.

Mayor Isaacson brought the meeting back to order at 10:00 p.m.

NEW BUSINESS

ORDINANCE 12-22, AN ORDINANCE AMENDING THE 2012 BUDGET

Lisa Vaughn, Finance Director went through the amended budget and answered questions from council.

Mayor Isaacson explained that the City Council had committed to \$15,000, \$5,000 per year, and he is asking that the City accelerate and put \$10,000 in this year for AWG. He stated that the city had a surplus last year and that the City is going to be fine this year but what the City is looking at is that in the future making sure we have seeded our community with events that are going to bring a return back to our businesses and therefore to us. The City of North Pole has two venues and by putting \$10,000 in, he is hoping that we will be able to encourage people to stay in our hotel and eat at our restaurants and be in the community spending money and that this should more than help to bring a return back in March of 2014.

Mayor Isaacson said that in March 2013 the International Sleddog Races will be held in North Pole and they are looking for \$400,000 and the City has assisted them in requesting money from the State in the amount of \$200,000 and they are raising the rest with local contributions. This would be a month of activity, directly impacting North Pole and will be necessary as it's coming up within the next few months and will be bringing the attention of the world to North Pole and in doing so may be able to attract investments and bring all sorts of TV shows to Alaska.

Mayor Isaacson said that the \$54,000 is for land acquisition and is separate from what Mr. Butler talked about earlier. Monta Faye Lane has property in Davis Subdivision that she would like to sell to the City for \$54,000 and back taxes of \$1,832 and the rest would be for closing costs. Properties right now are hurting because of lack of investment and we are participating with natural gas and we know that natural gas will be coming to town within 2 -3 years. Mayor Isaacson said this is like a 3 – 5 year CD because we are always looking for a way to create reserves. He said you buy low and sell high and this is an opportunity for the City to do just that. On the back of Mr. Butlers notes there is property that the City has been looking at for a number of years to acquire from the State which is going to be very expensive. During his tenure, his discussions with the previous borough mayor, Mayor Whitaker, was to try and see if we could help the City finance the expense and at one time he remembered the number of \$180,000 and obviously it will be more than that with whatever the market values are with the expansion on FHR but we were talking about trading property in the City with borough property that the borough would then swap with the appropriate State agency. He said that would offset our cost. He said the City's problem has been that we have never really had a lot of property available in the City for swap. With the Lane property they would have bought it on a song and then in a few years sell it at a better rate which may enable the City to put together a land deal to enable us to get the best possible expansion opportunity for the lowest amount of investment for the wastewater treatment plant.

Ms. Hunter moved to Suspend the rules and extend the meeting to 11:00 p.m.

Seconded by Mr. Ward

Discussion

None

FAILED

YES: 3 -Ward, Hunter, Isaacson

NO: 4 - McGhee, Holm, Jones, Nelson

Public Comment

Karen Lane, Arctic Winter Games

Ms. Lane gave an overview of the Arctic Winter Games. Their current budget is \$6.5 million. A list of sponsors in included with the packet given to the council along with the board of directors. May – December 2012 report is included along with a January – May 2012 annual report. Invitations are included to the University of Alaska Museum in mid October and hopes that the council can join them for that event.

Monta Faye Lane,

Ms. Lane said she has 14 lots for sale between 5th and 6th Ave. She would like to see a Santa's Village built there. She has lived here for a long time and is asking \$54,000 for the property. She knows that the property is worth more than what she is asking and would donate the rest of it.

Mr. Otis, Executive Director NPEDC

Mr. Otis spoke in support of the International World Sleddog races in 2013. He reminded the council of Resolution 12-06 that they passed in support of the races back in April. He said NPEDC is moving forward quickly with this event and will take place in 5 months. There is a lot of work to do and he could use an influx of money to help him carry out some of the pre-activities that need to take place.

Mr. McGhee moved to Introduce and Advance Ordinance 12-22, An Ordinance Amending The 2012 Budget

Seconded by Mr. Jones

Discussion

None

Mr. McGhee called the question

PASSED

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

NO – 2 – Holm, Hunter

Absent – 0

COUNCIL COMMENTS

Mr. Nelson –

Mr. McGhee –

Mr. Ward –

Mr. Holm –

Mr. Jones –

Ms. Hunter

Mayor Isaacson –

ADJOURNMENT

Mr. McGhee adjourned the meeting at 10:30 p.m.

Seconded by Mr. Jones

The regular meeting of October 1, 2012 adjourned at 10:30 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, October 15, 2012.

Douglas W. Isaacson, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk