

**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 3, 2013 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

CALL TO ORDER/ROLL CALL

Mayor Ward called the regular City Council meeting of Monday, June 3, 2013 to order at 7:00 p.m.

There were present:

**Mr. Holm
Ms. Hunter
Mr. McGhee
Mr. Nelson
Ms. Sikma
Mr. Smith
Mayor Ward**

Absent/Excused

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Ward

INVOCATION

Invocation was given by Mayor Ward

APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of June 3, 2013

Seconded by Ms. Sikma

Discussion

None

Mr. McGhee moved to Amend the agenda to move item a. under New Business to Mayor's Communications

Seconded by Ms. Sikma

PASSED

YES – 7 –Sikma, Holm, Nelson, Hunter, McGhee, Smith, Ward

NO – 0

Absent – 0

On the main motion as amended

PASSED

YES – 7 –Sikma, Holm, Nelson, Hunter, McGhee, Smith, Ward

NO – 0

Absent – 0

APPROVAL OF MINUTES

Mr. Nelson *moved to Approve the minutes of May 20, 2013*

Seconded by Ms. Sikma

Discussion

None

PASSED

YES – 7 –Sikma, Holm, Nelson, Hunter, McGhee, Smith, Ward

NO – 0

Absent – 0

COMMUNICATIONS FROM THE MAYOR

RENEWAL OF THE AW REHN HEALTH INSURANCE FOR THE CITY OF NORTH POLE EMPLOYEES

Diana Stewart from Alaska USA Insurance gave a presentation to the council on the renewal of the health plan for the employees. She stated that it would be beneficial for the City to change the aggregate that would lower the overall cost for the City. Ms. Stewart said that the City is considered a small group and has grandfather rights.

Public Comment

None

Mr. McGhee *moved to Approve the Renewal of AW Rehn Health Insurance for the City of North Pole Employees and to go with IMG for Aggregate Specific*

Seconded by Mr. Nelson

Discussion

Mr. McGhee said he hadn't heard enough argument on why HCC is better than IMG but based on the dollar amount he felt IMG is the best route to go.

Mr. Holm said he didn't understand why we didn't ask for options and that he felt it was a bad way to do it. He wanted to know why we didn't look at options and ask what would happen if we gave up our grandfather rights. He said the City has a Cadillac plan and there is certainly

room to make changes. He stated that our whole reason for our being is to save the City money. He said he felt that the City isn't doing its job by not looking at other options.

Mayor Ward stated that the Administration did look at options when they spoke with the broker in April. He believes that this is a prudent plan and that we went from 33% down to 6% increase. The City has a good history with the broker and this was her recommendation.

Ms. Stewart said that the big differential is the dollars that the City would be responsible for. Historically the City's claims have not gone that high.

Ms. Hunter said that it was important to remember that once we step outside the grandfather rights we don't get them back in. She didn't see any problem with waiting one year to find out what we are going to compare to because right now we don't know right now we would be comparing to an unknown. In her opinion we would not have a clear idea of what those savings would be if we tried to do it at this point.

Mr. Holm stated that he didn't mean to imply that it would not be in our favor to stay in a grandfather status. He said that we do make a mistake when we don't ask the question. He said it's fine to ask the broker but it doesn't cost us anything to ask for an additional quote. He said the council needs to have all the information so they can make a good decision and the City didn't ask for all the information, they just took the broker at her word. A plan like this is fine but a wellness plan like this is a crap shoot.

Mr. McGhee said that the total annual fixed cost difference is approximately \$2,000 between HCC and IMG. He asked Ms. Stewart for clarification.

Ms. Stewart said that those include projected claim and maximum claims liability. IMG has set the maximum claims liability at \$546,000 and HCC set the maximum claims at \$596,000. She said if the City only has \$400,000 in claims, you are going to meet either one of them and you are going to have the same \$400,000 in claim under HCC as you would with IMC, Standard, etc. Your claims are your claims no matter what carrier you go to. All they are doing is setting a maximum limit

Mr. McGhee said that in the future, he would like to have a little more information on the companies that they bring forward.

Mr. McGhee moved to Amend the Aggregate Specific and go with HCC instead of IMG

Seconded by Ms. Sikma

Discussion

Ms. Hunter asked for clarification on the amendment.

On the amendment

PASSED

YES – 7 –Sikma, Nelson, Hunter, McGhee, Smith, Ward

NO – 1 - Holm

Absent – 0

On the main motion as amended

PASSED

YES – 6 –Sikma, Nelson, Hunter, McGhee, Smith, Ward

NO – 1 - Holm

Absent – 0

COMMUNICATIONS FROM THE MAYOR

Mayors Comments

The Memorial service at FTWW was on the 22nd of May and was well attended. The ceremony was at the Memorial Park on base at FTWW, if you have the opportunity to reflect at this park please take the time. We thank all of our members of the military for your service

The bill signing for the Gas Trucking plan was signed last Wednesday May 29th at the Fountainhead antique auto museum, all of the local mayors were present as well as many legislators from around the state. The Gas Trucking bill received unanimous support from the house and the senate.

4th of July Committee meeting will be June 5th at 6 pm in council chambers. Parade, booth, bike and Citizen of the Year applications are available in the front office.

I was honored to speak at the opening of the State VFW convention here in North Pole. Thank you to all of our veterans of foreign wars for your service

The state Rail planning board (City of North Pole has a seat at this board) is having an open house at 5pm at the borough building chambers. Please come share your ideas and thoughts on the adoption of a new state rail plan.

The FNSB, City of Fairbanks and City of North Pole are exploring the possibility of an intergovernmental support agreement, which would help consolidate cost for municipalities and the local military installations.

As many may have heard and read the draft EIS on the F-16 Move was released on Friday of last week. The EIS unfortunately still recommends moving the F-16's to JBER and does not address many of the critical issues addressed in the EIS scoping meetings. Senators Begich and Murkowski criticized the report in press releases on Friday and Saturday. The council should have gotten a digital copy of the EIS. The Mayors are meeting with Governor Parnell this week as well as General Hoog the general in command of PACAF.

Last council meeting there was a request for an update on a report to look into consolidation of our fire services with North Star Fire Department. The initial request for a study was made in a budget workshop a couple of months ago and was purposed to save money. I have requested a bid for a report from Information Insights (local company) to get an idea of what the cost would be. I am still awaiting a quote. Money for a report is not budgeted for so approval to actually commence a study would have to go to a vote of the council. Once a report was finalized and presented to the council, the council would still have to act on the information presented. It would also be my recommendation that if the city is interested we could also have a city wide efficiency audit done to look for areas of improvement in all departments.

Over the past month Dave Gardner of GVEA, Bill Butler and I have been reviewing our electric accounts and discovered we have been overpaying for an account of “un-metered” streetlights going as far back as 30 years. After much research at DOT AK we came to a new number of kilowatt hours used and the tentative amount equals a refund of Approximately \$25,800. The request for refund is being reviewed by GVEA accountants.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

Ms. Hunter asked if the Mayor had a chance to look into Mr. Zastrows complaint about the trucks on Peridot Rd.

Mayor Ward said that last week he met with Sgt. Bellant, Mr. Butler, and Chief Dutra and the different options that they had available. The conclusion that they came up with was that unless there was a blanket policy over all of the City, which would include all roads in the City, it was not something they would want to move forward with as there are other options such as putting together a new FMAT’s project for Peridot to get more monies for improvements for it. As far as a regulatory standpoint there is no action that he wishes to take at this time.

Ms. Hunter said she was under the impression that the City has certain roads that commercial trucks could not travel down.

Mayor Ward said that they do have certain roads labeled “Local Roads”, however, the City has no supporting ordinance for that.

Ms. Hunter asked about the sink holes on Finnel Street and to restrict traffic.

Mayor Ward stated that they do have it marked off and referred it to Mr. Butler.

Mr. Butler said that they are waiting to pave it at a later date until frost has come out of the ground.

Ms. Hunter asked if they could restrict fuel trucks from the roads.

Mr. Smith asked if we could use the monies from GVEA to the railroad.

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Police Department, Chief Dutra

- None

Fire Department, Chief Lane

- Statistics were brought forward by Chief Lane for the council to look at.

Mr. Holm said it would be more helpful if it were listed by inside the City limits and outside the City limits.

Chief Lane said that outside the city were 200 and 20 inside the city.

Mr. McGhee said that he would also like to know what is inside the city and what is not.

Mr. Smith asked about the burn permits issued.

Chief Lane said that there has been a ban on permitting and so there hasn't been anything for 5 days.

Mr. McGhee commented that Chief Lane wasn't at the last meeting and it was stated that he was at training. He asked what training the Chief was attending.

Chief Lane said he was at the Homeland Security Preparedness course under the EOC and meeting with grant writers.

Mr. McGhee asked Chief Lane how many times he had left the City for training the past 12 months.

Chief Lane stated he had left the City 4 times for training.

Mr. McGhee asked how many times his employees have left the City for training.

Chief Lane said that he couldn't answer that off the top of his head but that 4 out of 5 were paid by the State and that it was specifically for his position. He stated that he will be in training to write a mitigation plan. The City has to have a plan approved by the federal government to get federal funding.

- Chief Lane said that the NPFDF Open House was last weekend and was attended by approximately 250-300 people.
- Chief Lane stated that Alaska Shield is coming up. He received an email back today and that they got a class on how to do rescue operations and emergency staffing and refinery with security work and water dept will establish a water supply and get water to residents in the community.

- If you haven't done your NIMS testing it has an effect on grants. He would like to have it done before March 2014. If you haven't done it please come see him.
- City of Fairbanks received a grant for writing an Emergency Operations Plan. The City currently has an emergency plan that Chief Lane wrote 4 years ago. If there is money available after the City of Fairbanks has theirs written, there may be money left for the City of North Pole to lob onto to offset the cost. This could save the City a minimum of \$45,000 - \$50,000.
- Chief Lane is trying to put some training together specifically for the Council, "Who's in Charge Anyway", and go over the rules of who is in charge during a disaster.
- Starting summer hydrant, hose, and truck testing in July.

Mr. Smith asked how often the plan needs to be renewed.

Chief Lane said they should be looked at every year.

Accountant

- Working on 1st quarter reconciliations.
- There are 15 applications for the AP position and we will be interviewing next week.
- Ms. Vaughn will be out of the office next week.

Director of City Services, Bill Butler

Building Department

- North Pole Library project: Permit application submitted

Public Works

- Busy public works construction season getting under way (see attached map)
 - Installation of LED streetlights began May 31
 - Bike & Pedestrian Path project scheduled to begin this week
 - Other project schedules are not firm
- Street sweeping will start Tuesday on City-owned streets
- Hired three summer staff
- Begun work in roundabouts
 - Planning to plant flowers this week in new raised beds
- Small project with Borough Transportation to expand a bus stop on 8th Avenue
- Exercise trail moving forward
 - Private funds committed for majority of equipment and shipping
 - Borough has issued a temporary use permit for easement on site adjacent to 8th Avenue well house (North Pole Middle School land)

- Need to get the proposed easement surveyed to apply for permanent easement

Utility Department

- Sewer main lining and manhole repair project expected to begin as early as next week (videoing of sewer mains)
 - Insert in this month's utility bills informing utility customers about planned start of project
 - Short-term \$500,000 line of credit application approved by Mt. McKinley Bank; signing scheduled for June 5
- Ground movement caused separation of a water main on Park Way (east side of Old Richardson Highway)
 - Have had persistent problems with this main—three leaks in six springs

Natural Gas Utility Board

- Governor Parnell signed Senate Bill 23 on May 29: \$362.5 million financing package for natural gas liquefaction on the North Slope and a distribution system
 - The Alaska Industrial Development and Export Authority (AIDEA) has authority to offer up to \$275 million in low interest financing for a natural gas liquefaction plant and a liquefied natural gas (LNG) distribution system within the Fairbanks North Star Borough
 - \$57.5 million in capital funding appropriated and \$30 million in storage credits are available

Mr. McGhee said he was concern with his neighborhood and the loose gravel. He would like to have fog lining put down in his neighborhood.

Mr. Butler said that they could look into it and have a contractor come and line the streets. Since there was funds returned to PW in road maintenance, this is something he could discuss with the mayor.

Mr. Smith asked about the LED lighting at Kit Blvd and Evolyn.

Mr. Butler stated that it is a street light maintenance issue. They think there is a wire torn apart and will have to excavate and find the break. There have been 3 different line breaks this past winter and will be a public works project this summer.

Mr. Smith asked about the circulating pumps and if the city could let people know that they need to keep those on.

Borough Representative

- There was nothing to report that affected the City of North Pole.

City Clerk

- Attended the 67th Annual Conference for Municipal clerks in Atlantic City, New Jersey. There were 3 General session and 42 different educational breakout sessions that consisted of the most diversified educational session and most comprehensive agenda including workshops to strengthen skill, and a variety of education session with topics on Leadership, Communication, Sustainable Municipalities, Management, Budget/Finance, Records Management and more. These sessions provided solutions to many issues that our municipality faces.
- The City of North Pole has received \$150,000 for archival system. I will be looking into legal review of our code, binding all ordinances, resolutions, and minutes, and software for archival purposes. I don't know when to expect the funds but they won't come trough until after July 1st.
- We have 15 applications for the AP position and will be interviewing on Wednesday and Thursday.
- There will be a luncheon/picnic for Marilyn Zrucky on Friday, June 28th.

ONGOING PROJECTS

None

CITIZENS COMMENTS

Bill Hoople, 900 Old Richardson Hwy - HC Contractors

Mr. Hoople said they are well aware of the concerns on Peridot and have made some improvements themselves at their own expense. He purchased the property in 2003 and was used for 10 years prior to that by Earthmovers/Jim Thurman and has been a commercial gravel source and operation for over 20 years. Slowly the road has been improved and in 2009 they put a resurface on it. In 2010 he met with Mayor Isaacson over concerns and the effects on the road. They agreed to provide all trucking companies to comply with and sign an agreement that they would comply with legal limits and weight restrictions. HC also agreed with the Mayor that they would repair any damage to the road that was considered, due to their operations, on that road. HC as done a lot of roads in the North Pole area and overpasses and paved Newby, Dawson, and much of it has come from that gravel source. HC has provided good service to the community. He has been a part of North Pole community for 30 years and takes a lot of pride in it. He has been a part of many projects in the area.

Ms. Hunter said one of the issues is dust and asked if he helped in alleviating that.

Mr. Hoople said that the City made the greatest improvement by putting the surface treatment on the road as it improved the dust problem and almost eliminated it. They also continue to water the road and have the ability to sweep and water the road but only during the time their trucks are on it. They agreed to not park trucks on the road and made arrangements for the trucks to park inside the pit . He is not going to tear up city streets and then leave town and is willing to work with the city.

Phil Zastrow, 2255 Peridot

Mr. Zastrow said he has a lot of respect for Bill Hoople but he does not know what is going on. The dust control is not being done. As far as being a good neighbor he likes Bill but hates his pit and the speeding is terrible. He said they need to stop using Peridot Rd. He would like to see it restricted to 50% axle weight and would like to see the pit go away.

OLD BUSINESS

None

NEW BUSINESS

REQUEST BY NORTH POLE COMMUNITY CHAMBER OF COMMERCE FOR DONATION OF LAND FROM CITY OF NORTH POLE, LOT 1F2 OF SANTA'S VILLAGE, TO RELOCATE THE VISITOR'S CENTER IN NORTH POLE

Tammy Randolph said the NPCCC board is very appreciative for the support the council has shown in past years through the sharing of bed tax monies.

With that support, we have seen a surge in involvement by members both old and new, and we are extremely encouraged by this desire from our members to make a difference in our community.

We currently have a full board of directors, and have resurrected our monthly members meetings. We have also begun to plan for our annual members meeting and elections in the fall.

The summer of 2013 is quickly filing with events and activities for our members as well as the community. With a new board and a new direction, NPCCC is working hard to be a true advocate for North Pole and our local businesses.

The board has realized the need for a new visitor center building and location. The old chamber bacin has seen a dramatic decline in visitors since the new interchange was installed on the Richardson Highway, and it is the desire of the board to move the visitor center to a more accessible location.

For 2013, NPCCC will be renting the former Santa Land RV Park building and will be relocating the visitor center there on a temporary basis. Current plans are to have the visitor center open from May 20, 2013 through September 20, 2013.

One of the ways NPCCC is trying to improve our community is by the completion of a new permanent visitor center. Throughout the summer of 2013, NPCCC will actively be seeking land and funding for the construction of a new visitor center. (Attached is a rough sketch and budget for the proposed visitor center.)

NPCCC would like to ask the City of North Pole to consider making an investment into the North Pole community by donating land to NPCCC for our new location. The City owned lot that NPCCC would ask council to consider is Lot 1F2 of Sant's Village, located adjacent to the North Pole Police Station on Cary Lane, behind Wendy's.

NPCCC would also like to recommend that if the city council decides to grant NPCCC the land, that council would withhold 50% of 2013 NPCCC bed tax monies, in order to offset the value of the land donation.

Based on the 2013 budget, it is estimated that the City would retain approximately \$10,582.50 in bed tax monies.

NPCCC is dedicated to making North Pole a great place to live, work and play, and is excited about the potential to relocate our visitor center here in the heart of North Pole.

Thank you for your consideration and your service as we strive to serve our community.

Mr. Holm asked if council approves this request, how soon does the chamber anticipate before they build.

Ms. Randolph said that they need to make sure the funding is there and to have it completed by 2014. She said the budget is in the packet along with the drawing of the building. They plan on selling the land that the current building is on.

Mr. McGhee asked why they picked the lot.

Ms. Randolph said that it is in the proximity of North Pole City Hall, Mt. McKinley Bank, Santa Claus House and the Beaver Springs Trail.

Mr. McGhee said that this lot is behind other businesses and not in a visual place.

Ms. Randolph said that they can use signage and Santa Claus House will help with bringing buses in.

Mr. McGhee said that he sees other locations would be better and that they could lease land for a \$1 a month and that maybe the cabin that the City isn't using would be better.

Ms. Randolph said they are based on business and do not want to rely on the City.

Mr. McGhee said she answered his question by saying they don't want a hand out from the City

Ms. Randolph said they are not looking for a handout but a \$1 a year is not reasonable.

Mr. McGhee asked if the City is giving the land to the NPCCC is not a handout.

Ms. Randolph said they are not asking the City to give the land but exchanging bed tax money for it.

Mr. McGhee stated that it is \$10,000 in bed tax money in exchange for a lot worth \$40,000.

Mr. Smith said his concern is location, location, location. Like Mr. McGhee said, it is hidden.

Ms. Randolph said the NPCCC is willing to look at any property and in the best of their ability, in the City Limits.

Mr. McGhee asked Mr. Butler about 3 lots, one is the lot that Mr. Zastrow built a few years back, and two right beside it. He asked if we owned those other lots.

Mr. Butler said that they owned the lots across Kevin's Way.

Ms. Hunter asked about the tax assessment for the lot and if it was for the property NPCCC already owned.

Ms. Randolph said that was for the lot the NPCCC was asking the City to consider.

Ms. Hunter said that the property is located in Santa's Village and that the current drawings don't reflect an Alaskan design.

Ms. Randolph said that they would be happy to look into things as they can afford it.

Mr. Smith asked if they looked at the old Stage Stop.

Ms. Randolph said that the land remediation would be out of their reach.

Mr. McGhee wanted clarification on the letter they wrote. He said that in the letter the NPCCC would forego \$10,000 in bed tax and the City would donate a \$40,000 piece of property.

Public Comment

Rob Schrekhaus said he visited quite a few visitor centers throughout his travels (Arkansas and Oklahoma) and that the City of North Pole has a great opportunity with its Santa Claus themed city. They are looking for a positioning, if money was not an object, they are looking to do a stepping stone from across the highway. They are now leasing from Santa Claus House this year. The visitor count has gone up and they are excited about that and he excited to be back home.

Mr. Holm *moved to* Transfer title of lot 1F2 of Santa's Village to the NPCCC

FAILED for lack of a second

APPROVAL OF THE FAIRBANKS NORTH STAR BOROUGH AND CITY OF NORTH POLE EMERGENCY MEDICAL SERVICES/AMBULANCE CONTRACT RENEWAL AND AMENDMENT NO. 3

Chief Lane spoke to the amendment of the contract and that it is an increase of \$20,000 from last year.

Public Comment

None

Ms. Sikma *moved to Approve the Fairbanks North Star Borough And City Of North Pole Emergency Medical Services/Ambulance Contract Renewal And Amendment No. 3*

Seconded by Mr. McGhee

Discussion

Mayor Ward stated that this contract was straightforward and the City has done this for a number of years, providing service to the borough for a fee and is prudent to approve it.

PASSED

YES – 7 –Sikma, Holm, Nelson, Hunter, McGhee, Smith, Ward

NO – 0

Absent – 0

ORDINANCE 13-09, AN ORDINANCE AMENDING TITLE 15, BUILDING AND CONSTRUCTION, CHAPTER 15.05, ADMINISTRATIVE CODE, CONCERNING VALUATION OF BUILDING IMPROVEMENTS FOR THE DETERMINATION OF PERMIT FEES

Mr. Butler said this would make the code more clear and explicit. He said the previous code could be unclear to a contractor. This would help to clear this up and clarifies it more.

Ms. Hunter said that in the new language that the amount is going to be based on the latest edition of the building chart and based on final contract amount whichever is greater.

Mr. Butler said they do a survey each year and recommend a square foot chart and uses an adjustment factor of 1.3 and the other method is to look at the developmental cost.

Mr. Smith asked about the cost of the building permits.

Mr. Ward said that this is a way of calculating a project and building permit cost.

Public Comment

None

Mr. McGhee *moved to Introduce and Advance Ordinance 13-09, An Ordinance Amending Title 15, Building And Construction, Chapter 15.05, Administrative Code, Concerning Valuation Of Building Improvements For The Determination Of Permit Fees*

Seconded by Ms. Hunter

Discussion

None

PASSED

YES – 7 –Sikma, Holm, Nelson, Hunter, McGhee, Smith, Ward

NO – 0
Absent – 0

COUNCIL COMMENTS

Mr. Nelson – wished everyone a good night

Mr. McGhee – thanked everyone for coming out tonight and for everyone to have a good summer.

Ms. Hunter – the ground breaking for new library will be in 2 weeks and she will send an email out to everyone. She invited everyone to come out to trunk sale this Saturday and Santa’s Senior Center

Ms. Sikma – good night

Mr. Holm – good night

Mr. Smith – good to see new faces here. He said that last Saturday Senator Coghill had a good meeting here and to keep your eyes on the fires.

Mayor Ward – the Festival Committee meeting will be held on Wednesday and he encouraged the public to come and help out.

ADJOURNMENT

Mr. McGhee adjourned the meeting at 8:52 p.m.

Seconded by Ms. Sikma

The regular meeting of June 3, 2013 adjourned at 8:52 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, June 3, 2013.



Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk