

**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, November 25, 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, November 25, 2013 to order at 7:00 p.m.

There were present:

**Ms. Holm
Ms. Hunter
Mr. McCarthy
Mr. McGhee
Mr. Smith
Mr. Welch
Mayor Ward**

Absent/Excused

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Ward

National Anthem sung by NPMS student, Lindsay Moisan

INVOCATION

Invocation was given by Councilman Welch

APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of November 4, 2013

Seconded by Mr. Welch

Discussion

None

Mr. McGhee moved to consent the following items under New Business as follows:

- a. Award 2013 Audit RFP to Kohler, Schmitt & Hutchinson and the possibility to extend for another 5 years
- d. Request from PDC Inc, Engineering for modification to Professional Services Agreement
- e. Approval of Mutual Aid Agreement for Fire Protection Services

- f. Approval of Emergency Medical Services Mutual Aid Agreement between the Fairbanks North Star Borough and its EMS contractors, and adjacent entities providing like services
- i. Resolution 13-18, A Resolution of The City of North Pole to Formally accept Alaska Clean Water Fund Loan #633031 from the Alaska Department of Environmental Conservation in the amount of \$302,500 for the Utility Emergency Response Generators Project

Seconded by Mr. Welch

Discussion

None

On the Amendment

PASSED

YES – 7 –Hunter, Smith, Holm, McGhee, Welch, McCarthy, Ward

NO – 0

Absent – 0

On the main motion as amended

PASSED

YES – 7 –Hunter, Smith, Holm, McGhee, Welch, McCarthy, Ward

NO – 0

Absent – 0

APPROVAL OF MINUTES

Mr. McGhee moved to Approve the minutes of November 4, 2013

Seconded by Mr. Welch

Discussion

None

PASSED

YES – 7 –Hunter, Smith, Holm, McGhee, Welch, McCarthy, Ward

NO – 0

Absent – 0

COMMUNICATIONS FROM THE MAYOR

The North Pole City budget was made public on the 29th of October. It is available for review online at our website, www.northpolealaska.com and at City Hall.

Last week I was in Anchorage for ACOM (Alaska Conference of Mayors) and AML (Alaska Municipal League) the conference had many sessions on areas of impact to municipalities such as; net pension liability for AK PERS employers and how it affects your balance sheets, health care, FEMA flood zone mapping, Federal Regulation, Alaska energy plans and many more. I did run for district 7 board representative however, Katherine Dodge (incumbent) was elected to serve for 2 more years.

I will be out of the office from December 17th to the 25th to spend time with my family, which means “Muffins with the Mayor” for the month of December will be cancelled.

The proposed amendments for the 2013 budget will be presented in the December 2nd council meeting.

Thank you to all of the staff who took the time to give very educational presentations on the 2014 budget. If you have more questions or would like to look into amendments please come in and talk to the perspective department heads.

Thank you to all of the folks in the community who made lemonade out of lemons with the winter storm we had several weeks ago. North Pole neighbors and community organizations like Lord of Life Lutheran opened their doors to family’s and residents who had prolonged outages. Many parts of the City were without power for up to 48 hours or longer. The City of North Pole has not declared a disaster because of the low cost of damage to public infrastructure, however the Fairbanks North Star Borough has. If you have damages and wish to record them please contact the FNSB.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

Councilman Smith asked where the Santa letters could be sent.

Mayor Ward said that they could be sent to Mail Stop 1, 99705.

Mr. McGhee asked about the Holiday Lighting Contest.

Mayor Ward said that he didn’t know but would find out and report back.

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Accountant, Lisa Vaughn

- You have the October financial statements. There is nothing unusual. I would like to say that our cash balance is the highest that I have seen since I’ve been here. On December 5, Tricia and I will be spending time on a conference call with Kim at Caselle to go over some reconciling problems in the submodules.
- I attended the AGFOA, Alaska Government and Finance Officers Association meeting, in Anchorage last week. We had some really good session, including topics such as fraud and embezzlement, health care reform, investments and economic outlook, as well as the

GASB updates. One of the GASB updates that will be affecting us in the near future, is the requirement that all cities carry a portion of their state's unfunded retirement liability on their books. How the state will be allocating each entity their portion and exactly how we will be booking this is still not clear. The state and our auditors are awaiting final guidance from the GASB.

Director of City Services, Bill Butler

Building Department

- No new building permit applications since last council meeting.

Public Works

- Snow plowing, clearing sidewalks and graveling roads are the major activities for the Public Works Department.
 - Two contractor plowings this season.
 - Only four customer calls for two plowings.
 - Approximately \$7,800 remaining in 2013 Snow Plowing budget line.
 - Additional plowings in 2013 will require a budget transfer from other Public Works budget lines to finance the \$9,000 per plowing charge.

Utility Department

- Loss of flow to discharge channel in Tanana River.
 - A pre-meeting held this afternoon with Utility's wastewater consultant and consulting wastewater engineer.
 - Meeting with ADEC and DNR representatives scheduled for December 2.
 - Goal is to focus on promising solutions.
- Utility Department is in its winter mode—flushing sewers to prevent freezing, lift station monitoring and equipment maintenance.

Natural Gas Utility Board

- IGU has scheduled presentations (December 4) by engineering firms to evaluate a firm to function as a project manager--do the leg work for IGU should it receive a service area and need to shift from board of directors only a functioning public utility.

Police Department, Chief Dutra

- No Report

Fire Department, Chief Lane

- There were 2 shelters opened last week after the storm as warming shelters. (West Valley High School and NPHS).

- The Red Cross and City of North Pole hosted 18 people at NPHS.
- One church in North Pole opening their doors and feed and warmed families.
- Contact the FNSB if you have any damage to your home due to the storm.
- Working on training for City Council in the coming year. He asked council to look at dates and report back to him.

Borough Representative, Mayor Ward

- No Report

City Clerk

- Met with Bobbie Weaver of Younker-Keyes & Associates who are brokers for Lincoln Financial on Wednesday, November 06, 2013 to set the ball rolling in helping to set up voluntary retirement plans for our employees. Younker-Keyes & Associates are an Alaskan firm located in Fairbanks. They are dedicated to providing our employees with superior service in the retirement planning, financial planning, and advisory services industries. The firms and their advisors specialize in assisting employers and their participants to build and maintain their employer sponsored retirement plans. They currently service over 2,500 participants with over \$200 million in assets in all categories of retirement plans, including: 401(a), 457(b), and 401(k) plans. A tentative schedule has been put together as follows:
 - **Monday, December 9th** (9:00 AM, 12:00 PM & 3:00 PM @ City Hall) – This would be a 30-45 minute presentation to introduce the plan, features, general retirement information, etc. Mr. Weaver will make himself available for 1 on 1 meetings for 2 hours following each presentation.
 - **Tuesday, December 10th** (10:00 AM to 3:00 PM and then 7:00 PM to 11:00 PM @ Any Facility) –This would primarily be 1 on 1 meetings where we could use a sign-up sheet with 30 minute blocks for interested employees).
 - **Monday & Tuesday, December 16th & 17th** (10:00 to 4:00 PM @ City Hall) Mr. Weaver can make himself available to be at the city this day to either do presentations to small groups or 1 on 1 meetings, depending on interest.
- Notices have gone out to all employees regarding the Health Flexible Spending Account (FSA). Health FSA's pay for out-of-pocket medical expenses incurred during the plan year. Expenses covered under this account include insurance co-pays and deductibles, prescription drugs, diabetic supplies, eye glasses, dental services, orthodontics/braces, and more. Employees can sign up online this year.
- Attended the Alaska Association of Municipal Clerks conference in Anchorage, Alaska from Sunday, November 17th – Tuesday, November 19th. Attended an all day workshop

on “How to write Policies, Procedures, and Task Outlines. Many other informative classes taken and was able to spend time with the vendors looking at new programs and websites.

- This is a short week and we will be putting the agenda together by Wednesday. All department heads need to be sure and get their items to me by Wednesday noon so packets can go out to Council members.
- I will be out of the office on Friday.
- 30 days until Christmas!

ONGOING PROJECTS

None

CITIZENS COMMENTS

Ron Jones,

Mr. Jones reported to council that no one from the City checked on them when a tree fell on the power line and knocked his power out for 6 days.

Santa Claus, 2502 Outside Blvd

Mr. Claus said that he is now president of North Pole Community Chamber of Commerce. He said he would find out about the Holiday Lighting Contest. They will be having a Bazaar and fireworks the first week in December. The Candlelighting Ceremony will be on December 7th along with Christmas in Ice. Bazaar and fireworks will be held on November 30th. Contact northpolechamber.us for more information or Santa Claus at 907-388-3836

OLD BUSINESS

ORDINANCE 13-14, AN ORDINANCE ESTABLISHING THE 2014 BUDGET AND LEVYING THE MILL RATE, SECOND READING

Mayor Ward stated that this was the second reading of the budget and the third and final reading would be on Monday, December 2, 2013.

Public Comment

Heather Heineken,

Ms. Heineken read into the minutes a letter from her husband to the North Pole City Council:

Mr. Mayor and Council Members,

I would like to take this opportunity to discuss some of the effects that the 2014 budget will have on the City, the Fire department and its employees. First I would like to thank each of you for the jobs you do. The council must make decisions that at times are difficult or even unpleasant, so I commend each of you for stepping up and taking a leadership role in the community. I myself am fairly conservative and understand that it is in the best interest of the City for you to make sure all City revenue is used to the best of its ability. I believe any governing entity including this City should strive to operate within its financial means. AS with any budget whether its personal, corporate or government, sacrifices have to be made to operate with the money available. I would never ask or expect the City to budget for more than revenue would allow.

The Fire Department was asked to cut out a \$49,000 line item for Part Time Employees for the 2014 budget. I'm not here to persuade or ask you to fund this line item. I fully understand the City is trying to work with revenue available and some cuts have to be made. What I am asking is that you accept the limited services that this budget cut creates.

As with any decision there is always a potential for consequence, and with this change to the Fire Departments budget some consequences exists. I want you to make an informed and educated decision on how this budget will affect the City, the Fire Department and its Employees. Currently the Par Time Employee budget is used to hire personnel to work the shifts when a full time employee is absent. This keeps the department with a minimum staffing of 4 personnel on duty at all times. The Fire Chief has given us a plan for how we will operate next year with this budget change. This plan brings back an old system of having the off duty employees on standby for any shifts that an employee is absent. In 2013 this consisted on 174 days that would have been under 4 person staffing if the part time employees were not available. I am a firm believer in you get what you pay for and if the City does not want to pay for 4 person staffing they should get the staffing and service they are willing to pay for, nothing less and nothing more. The standby option presented is an attempt to maintain the same level of service without the financial cost to the City, but you must realize that this savings creates a hardship and an expense to your employees.

Let's talk about how this standby system works, when an employee is on standby they are not being paid but are required to carry a radio and must be available to report to the fire station within a half hour each and every time a call comes in from Dispatch. 30 years ago when this standby system was developed the department averaged around a call a day. Today our Fire department averages closer to 4 calls each day. Myself and a few of the other senior staff have been here long enough that we worked standbys back before we had a staff of 4 full time personnel so I can testify as to what it was like to be dedicate to the city on my days off without compensation. Now imagine, it's your day off and you are at your child's first something, a birthday, Christmas, hokey game, baptism, wedding the list goes on and on. Now you're just getting started and the radio on your side so loudly interrupts the event, you get up and drive your personal vehicle with your expensive gasoline to the fire station. Now let's put a little twist on this, it's your gran child's baptism, the church is on Chena Pump, you can't even go because it is further than a half hour away from the station. Imagine at today's gas prices following your family around everywhere in a separate vehicle because they have obligations and cannot risk being in the same vehicle with you and having a call come in.

Dan Kuhnert, NPF

(continued reading letter by Capt. Heineken)

Cold starting your car at 40 below and leaving for work without warming your vehicle, how much do you value the wear and tear on your vehicle if you did this regularly? Yes we go on the payroll during the time we are at the station but this small addition to our paychecks far from compensates what it cost the employee to be on standby.

Getting hired into the standby system was one thing, you were prepared to make the sacrifice and made the decision to except the job regardless of this out dated practice. Standbys create such a burden on an employee's personal time it makes it hard to find any perspective employee's that will except open positions. Most of our current employee made the decision to work for the City

of North Pole without such an obligation. Many of the current employees are going to experience a great hardship when placed on standby. Some have small children, now they will be paying daycare for someone to watch their child as they sit at home waiting for a radio to go off and hoping it goes off enough times that day so they can at least break even with paying for childcare on their day off. As for myself when utility cost rose so highly I sold my home in North Pole and now live in Fox on property jointly owned with other members of my family. This decision to live in Fox was to ease the burden of utility and property tax costs. I and two other employees live outside of the 30 minute response time expected during standby. I cannot afford to purchase another house closer to work, so now what do I do? Really what am I supposed to do, hang out at work on the days I'm off so I can make it to the station within the 30 minute time frame? I do not currently have a solution to my problem because being away from my family for another 24 hours is not acceptable!

Now let us look at the financial consequences of putting your employees on a standby schedule. We know that cut eliminates a \$49,000 line item from the budget. If current trends continue 2014 will have approx. 1,200 calls in the year, knowing in 2013 half of the year (174 shifts) would need standby coverage so approx. 600 standby calls. The average call last an hour and a half. The Firefighter on my shift has an OT rate of \$21.78 and my OT rate is \$35.34 so let's average that rate at \$28.56 an hour during standby call ins. This brings the estimated cost to payroll for standby to \$17,136 so now the \$49,000 cut is only saving the city \$31,864, that's a good savings right?

Now let us add in the costs to the personnel problems and absences that will surely happen due to this hardship on the employees. Looking at the Fire Department org chart I am pretty high up as a Captain. I have higher pay, a better retirement program and have seniority, and still with all of this I question how long I will be an employee if standbys return. In my time employed with North Pole I have turned down multiple job offers, all paying far more than I currently make. If standby is found to be the North Pole's solution to the budget problems my family has decided that we will not be the ones to be handed this heavy burden so the City can save so little. If you go back to standby schedule I most definitely would not turn down another job offer. You may be thinking to yourself, so we lose an employee big deal we can hire another. Well each of the employees of the Fire Department brings a wealth of skills and knowledge with us. Along with my duties to be proficient at EMS and firefighting I also am a master mechanic that specializes in fire apparatus repair. I previously owned and operated my own shop that at the time was the only independent shop to work on fire apparatus and pumps. Now there are other fire apparatus shops and mechanics in Fairbanks and their current shop rate is \$120 an hour. I take great pride that I regularly gets calls from these other mechanics looking for my knowledge and expertise in fire apparatus repair.

For the last eight years I have maintained North Pole's fire apparatus while on shift at a wage no other mechanic would ever work at. The maintenance budget in the last several years has dwindled to almost nothing at around \$8,000. We currently have cut out any preventive maintenance, I fix what is absolutely needed to stay in service and problems with apparatus that do not take it out of service operationally do not get repaired. The only reason you still have a fleet of operating emergency apparatus is because I have been here to nurse them along with absolutely no funding. Steps such as leaving the summer tires on the ambulance because the winter ones are bald are a regular solution to such a low maintenance budget. I researched what

other local departments have budgeting for apparatus maintenance and this is an example of what it will cost you if I leave. Steese FD currently has a \$50,000 budget for maintenance and they report that with the new FNSB shop rate of \$120 an hour they could use more. NSVFD has a full time 40 hour a week mechanic making \$60,000 a year with an additional \$40,000 for apparatus maintenance. So let's get back to the math, cutting out a \$49,000 line item next year after overtime expenses will save the city \$31,000 and could cost you up to \$50,000 in maintenance. Well if my math is correct that's an additional cost of \$19,000. I am not the only employee saving you money, each one of us at the Fire Department brings something to the table. I can only hope that single dad Lt. Kuhnert can work out daycare, I'm sure his computer and contractor skills would be a heavy cost to hire out, and I know Capt. Daniell could turn in retirement papers anytime if he decides against standby, without him all our EMS training would cost thousands in overtime to send employees out to class. These are just a few examples of the consequences of a standby schedule; I can only imagine how fast the owner ranking personnel will abandon ship once they are placed on standby. My Grandfather always said "be careful sometimes you'll spend a dollar to save a dime." This plan will surely save you that dime, but where are you going to get the dollar from?

I appreciate this council being frugal and keeping the department heads to a reasonable budget. I can fully support cutting the \$49,000 out of our budget. You can only spend what you bring in, but be willing to live with what you pay for. If three person minimums are what you pay for I believe that is what you should get. I have no problems working a three person shift, it would adjust our operations and most definitely hinder our ability to respond to emergencies but we will do what we can with what we have, nothing more and nothing less. I work hard for this City and I already spend a third of the year away from my family while at work. Statistics show that with my line of work I most likely will have a shortened life span due to cancer or disease contracted while protecting this City. So I am not willing to give up more time I could spend with my family and friends. Firefighting is the best job in the world but it's not the only job. So far this is my second career path and I have no problems looking into the third if needed.

Thank you for your time,

Chad Heineken

Chief Lane, NPF

Chief Lane said that cutting that line item out could cause the 2nd apparatus to be delayed up to 30 minutes. He stated that is a significant loss and decrease in service. Fire department personnel work 2764 hours in a regular year. Standby is another 864 hours that they are working in a year dedicated to the City and not being compensated for. Dept. heads were asked to give flat budgets and they gave a negative \$20,000 budget. They are looking at less than 1% of the budget to give back to the fire department. Chief Lane asked the council to look at the budget to try and find a way to put the money back into the fire department over-hire to save personnel.

Dave Daniell, NPF

Mr. Daniell stated that he has been with the fire department for 25 years. He explained about the 4 person shift verses the standby. When they went to the 4 person shift they lost their overtime pay but family life was better.

Mr. McGhee asked if he agreed that 80% of the calls were outside the city limits and that the city should increase their sales tax.

Mr. Daniell said he didn't have the numbers.

Mr. Welch asked if there was anywhere in the fire department budget that could be cut to fund the standby.

Christine Boddy,

Ms. Boddy felt strongly that having 4 man shifts increased safety of employees. Going to standby affects personal life and safety to employees and citizens. They love doing their job and are public servants and said firefighters step up and fill the need. She said that standby is not the solution to the budget as it will affect their families and safety on the job.

Ms. Hunter asked for clarification on the 3 man to 4 man shifts.

Ms. Boddy explained the difference between the two.

Santa Claus, 2502 Outside Blvd

Mr. Claus gave an overview of his experience in the fire department and the liability of being understaffed. He would be willing to help find a solution to this problem.

Ron Jones, 2410 San Augustin Dr.

Mr. Jones said that he feels like a stepchild in his neighborhood. He said he would work toward annexing out of the City. There is a way to prevent this from happening and to reach in and find a way not to impact their lives. He felt the council was making a mistake by cutting funding in the fire department.

Mr. McGhee asked if Mr. Jones would support a raise in sales tax.

Mr. Jones said that if it helped the City and the fire department he would be for raising the sales tax.

Mr. Welch asked if Mr. Jones considered what it would cost if he annexed out of the City.

Mr. Jones said that when he was on the council he did look at it and weighed it. If push comes to shove he will annex out of the City.

Capt. Chad Heineken, NPF

Mr. Heineken spoke on the 4 man shift and the safety of it. He said it was even an OSHA issue. Firefighters have sued their supervisors for getting hurt by not having 2 men in and 2 men out.

Mr. McGhee asked Capt. Heineken for the record, if he was called out to a fire would he not come in a put a fire out at his home.

Capt. Heineken said that there has to be 2 men in and 2 men out. It is law. He said he will protect his employees before he protect someone's house.

Mr. McGhee asked about the North Star Fire Dept. and the agreement approved tonight.

Capt. Heineken said he will do it by the book and not let his men go in until there are 4 people.

Mr. Smith asked about volunteers.

Capt. Heineken said that the volunteers are trained at the same level as the paid staff and they're great but you can't tell a volunteer to be there.

Mr. McGhee moved to suspend the rules at 8:35

Seconded by Mr. Welch

Mayor Ward brought the meeting back to order at 8:38

Justin Williams, NPF

Mr. Williams said it has been a bumpy road here. He was told that he may be laid off the first month he was hired. Now he is being told that he may have to go to standby time. He wanted to put a face with a name and testify tonight.

Mr. Smith asked if he was able to go to any other department.

Mr. Williams said that he did his training here and wants to take care of North Pole. That's why he's here.

Mr. McGhee moved to Advance Ordinance 13-14, An Ordinance Establishing The 2014 Budget And Levying The Mill Rate to December 2, 2013

Seconded by Mr. Welch

Discussion

Mr. McGhee said they studied the budget line by line and decided that this was the area in the budget that the Mayor could work with. Council even raise the property tax this year. There was even a full house at the council meeting speaking against raising the sales tax. This is the first year the employees spoke about safety and that we need to start looking at our City. The biggest burden is the 20,000 people that come in and out of our City. He said that the stores in North Pole charge 25% – 30% more because they can. We need to raise the sales tax to support the needs and shortfalls in the fire department.

Ms. Holm thanked everyone for coming out. She had numbers on the percentages of calls inside and outside the city. She is not on board with raising the taxes but would be more interested in negotiating the Mutual Aid Agreement.

Mr. McCarthy said there was a line item under general fund revenue/alcohol tax. He said that the council needs to find the revenue to fund this. He would like to raise the cap from \$8.00 to a higher limit.

Mr. Welch said that they should not pass this budget unless they can fund this line item. He said that by raising the property tax this year, he only saw a \$14.00 increase in his property tax. He felt that if they took the cap off the sales tax that the city would see an increase in revenue. He would not feel that he could pass a budget without funding the fire department.

Ms. Hunter said she agreed that it would be important to look at a revenue increase with property or sales tax and what the consequences would be if they don't pass the budget.

Mayor Ward said that they should pass the budget and then changes can be made.

Mr. Smith asked if there was a way to put off buying a piece of equipment another year to fund the fire department. He said that they could take the \$33,000 from Public Works and move it to the Fire Department.

Mr. McCarthy asked if they could fund the line item now and change the code the next meeting.

Mr. McGhee said that the budget has one more hearing. He wanted to bring forward a solution and raise the sales tax and asked Ms. Vaughn what that would be. He wanted to remove the money for the backhoe and then put the money back in at a later date. When they raise the sales tax they can put it back in. Mr. Butler's department is always the one that is taken from to fund something else. This will meet the needs for the fire department now.

Mr. McGhee *moved to transfer money from;*

| | | |
|---|-----------|--|
| Public Works line item 32 Acct # 01-08-00-7035 \$33,000 | To | North Pole Fire Dept line item 30 Acct# 01-04-00-7050 \$33,000 |
|---|-----------|--|

Seconded by Mr. Welch

Discusson

Mr. McGhee said that he makes a promise to public works to put it back but at least for now it relieves the burden on our employees.

Mayor Ward said that the increase in revenue needs to come first.

Ms. Hunter said that in January without the change in the budget they would be putting the employees would be put in a system they want to avoid and wanted clarification.

Mayor Ward said that this was necessary and isn't a big advocate and better speaks to the situation with the revenues. He said if you're going to make a cut, make a cut and make a decision.

On the Amendment

PASSED

YES – 4 –Smith, McGhee, McCarthy, Welch,

NO – 3 - Hunter, Holm, Ward

Absent – 0

On the main motion as amended

Discussion

Mr. Welch said that he would like to see what would happen if we took our alcohol tax from 5% to 8% and tobacco cost from 8% to 10%. He said that with the tobacco tax it would be \$31,000 and raising the alcohol tax to 8% would be another \$80,000.

Ms. Hunter said that this would be more than what the borough charges and that people would buy their alcohol and tobacco tax.

Mr. McGhee said that the sales tax should be raised and not the SIN tax. It will remedy the initial problem but not overall. He felt they needed to raise the revenue and not the little amounts with alcohol and tobacco. He felt the sales tax is the solution.

Ms. Holm said that she is an advocate of living within their means. She went through the FD budget. Public Works was something she wanted to talk about. She thought that they should possibly look at putting the beautification on hold and was not an advocate for the backhoe. She also said that Parks & Trails have more than doubled.

Mr. Butler said that the PW dept has been dismantled and lost hundreds of thousands of dollars.

Ms. Holm said that there is not an option at this time. She said that this was a perfect time for the City to hire youth.

Mr. Butler said that they have done this in the past and that volunteers are a challenge. The City has tried to hire at 9 and 10 an hour.

Mr. McGhee moved to suspend the rules to extend the meeting until 11:00 pm

Seconded by Mr. Welch

PASSED

YES – 6 –Hunter, Smith, McGhee, Welch, Holm, Ward

NO – 1 – McCarthy

Absent – 0

Mr. Welch moved to raise the tobacco tax to 7% and alcohol tax to 10%

Failed for lack of a second

On the main motion as amended

PASSED

YES – 5 – Hunter, Smith, McGhee, McCarthy, Ward

NO – 2 – Welch, Holm

Absent – 0

NEW BUSINESS

REQUEST FROM CHRISTMAS IN ICE FOR 3RD QUARTER 2013 BED TAX MONIES

Mr. Jones provided P & L for CII and a balance sheet. He stated that bed tax monies will help the organization. They have lost approximately \$20,000 in funding. He said that sponsor levels start at \$1,000 but he didn't have all the information available tonight.

Public Comment

None

Mr. McGhee moved to Approved Request From Christmas In Ice For 3rd Quarter 2013 Bed Tax Monies

Seconded by Mr. Welch

Discussion

Mr. McGhee said that this is one thing that brings money into the City and we need to stand behind it.

PASSED

YES – 7 – Hunter, Smith, Holm, McGhee, McCarthy, Welch, Ward

NO – 0

Absent – 0

REQUEST FROM FCVB FOR 4TH QUARTER 2012, AND 1ST, 2ND, AND 3RD QUARTER 2013 BED TAX MONIES

Dawn Murphy presented the budget for FCVB and provided a binder to the council with information on all the departments. She updated council on all the new flights into Fairbanks this past summer and how FCVB worked with the state legislature on issues concerning the visitors industry.

Public Comment

None

Mr. McGhee moved to Approve Request From FCVB For 4th Quarter 2012, And 1st, 2nd, And 3rd Quarter 2013 Bed Tax Monies

Seconded by Mr. Welch

Discussion

None

PASSED

YES – 7 –Hunter, Smith, Holm, McGhee, McCarthy, Welch, Ward

NO – 0

Absent – 0

ORDINANCE 13-15, AN ORDINANCE AMENDING TITLE 4, CHAPTER 4.09, SECTION 4.09.020, TAX LEVY

Public Comment

None

Mr. McGhee moved to Introduce and Postpone Ordinance 13-15, An Ordinance Amending Title 4, Chapter 4.09, Section 4.09.020, Tax Levy to the December 2, 2013 meeting

Seconded by Mr. Welch

Discussion

None

PASSED

YES – 7 –Hunter, Smith, Holm, McGhee, McCarthy, Welch, Ward

NO – 0

Absent – 0

ORDINANCE 13-16, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND TITLE 13, PUBLIC SERVICES

Mr. Butler informed council on the rates for the utility and the need to raise them.

Public Comment

None

Mr. McGhee moved to Introduce and Advance Ordinance 13-15, An Ordinance Amending Title 4, Chapter 4.09, Section 4.09.020, Tax Levy

Seconded by Mr. Welch

Discussion

Mayor Ward said that when we compare rates with other areas, we charge a flat rate. Our rates are very transparent and open; if you know how much water you use, you know how much your water bill will be. The City has been very fortunate that Mr. Butler has been able to bring in over \$25,000,000 in grants to help the water/sewer infrastructure. He said that \$75,000 is a small increase for 2014.

Ms. Hunter said that if our rates are comparable with college utilities it speaks well of our system.

PASSED

YES – 6 –Hunter, Smith, McGhee, McCarthy, Welch, Ward

NO – 1 - Holm

Absent – 0

RESOLUTION 13-19, A RESOLUTION IN SUPPORT OF THE FAIRBANKS METROPOLITAN AREA TRANSPORTATION SYSTEM (FMATS) REQUEST FOR TRANSPORTATION FUNDING FOR FISCAL YEAR 2015

Mayor Ward said he sits on the Policy Committee and that they were asked for resolutions of support for the \$16 million for projects within the Interior. He gave a brief history of the FMATS.

Public Comment

None

Mr. McGhee *moved to* Approve Resolution 13-19, A Resolution In Support Of The Fairbanks Metropolitan Area Transportation System (FMATS) Request For Transportation Funding For Fiscal Year 2015

Seconded by Mr. Welch

Discussion

Ms. Holm asked what projects they are planning on doing in 2014.

Mayor Ward said that they do have a priority that is sent to the legislature.

Ms. Holm asked about an updating of the roads.

Mr. Butler stated that it would be Baker/North Star and possibly Doughchee.

Mayor Ward explained the different funding mechanisms.

PASSED

YES – 7 –Hunter, Smith, Holm, McGhee, McCarthy, Welch, Ward

NO – 0

Absent – 0

Executive Session

Mr. McGhee *moved to recess to Executive Session to discuss statute of limitations concerning sulfolane contamination and City's options concerning legal options related to Flint hills Resources*

Seconded by Mr. Welch

Passed by Unanimous Consent

Mr. McGhee *moved to extend the rules to 11:30 p.m.*

Seconded by Mr. Welch

Passed by Unanimous Consent

Mr. McCarthy left the meeting at 10:57 p.m.

Mayor Ward called the meeting back to order at 10:57 p.m.

Mr. McGhee *moved to instruct Mayor Ward to bring forward an assessing damage impact of the Sulfolane contamination on or before the 2nd council meeting of February 2014 than allowing Zane Wilson to enter into a trolling agreement with Flint Hills Resources, Williams, and the State of Alaska.*

Seconded by Mr. Welch

PASSED

YES – 4 –Smith, McGhee, Welch, Ward

NO – 2 - Hunter, Holm

Absent – 1 - McCarthy

COUNCIL COMMENTS

Ms. Holm – good night

Ms. Hunter – good night

Mr. Smith – appreciated everyone coming out and wished everyone a good thanksgiving.

Mr. McGhee – said the council moved forward and accomplished many things tonight. He said we should all be thankful for what we have. Mr. McGhee wanted Mr. Butler to know that he used his line item and he stands behind the public works and will find revenue and put it back in

the Public Works budget. Council needs to accept the fact that we have a police and fire department and stand behind them. He thanked the young lady for singing national anthem.

Mr. Welch – said the council is on the right track and they need to go back to drawing board and increase revenue for all departments. He despised taking things from public works and that it was not a satisfactory way of doing business. He said at AML they look at case studies on how cities get in trouble and prepare for economic troubles. He will bear those things in mind as he goes forward with the city and employees.

Mayor Ward – had a lot of business to do tonight. Please come in and talk with department heads and the City Clerk. Thank you for your services and have a Happy Thanksgiving.

ADJOURNMENT

Mr. McGhee adjourned the meeting at 10:58 p.m.

Seconded by Ms. Holm

The regular meeting of November 25, 2013 adjourned at 10:58 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, December 2, 2013.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk