

**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, January 6, 2014 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, January 6, 2014 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

Absent

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Ward

INVOCATION

Invocation was given by Councilman McGhee

APPROVAL OF AGENDA

Mr. McGhee *moved to Approve the Agenda of January 6, 2014*

Seconded *by Mr. Welch*

Discussion

None

PASSED

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

NO – 0 –

Absent – 1 - Hunter

APPROVAL OF MINUTES

Mr. Welch *moved to Approve the minutes of December 16, 2013*

Seconded by Mr. McGhee

Discussion

None

PASSED

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

NO – 0 –

Absent – 1 - Hunter

COMMUNICATIONS FROM THE MAYOR

Student of the Month

Robin Heineken- North Pole High School – December 2013

Today Bill and I met with the Interior Delegation and DEC Contaminated Sites in Regards to the Sulfolane issue in North Pole. We talked extensively about Sulfolane and De-watering and the 14 PPB cleanup standard that has been issued by DEC. The result is a promise to come up with a short term solution for De-watering and a BMP by 2015 for treatment of contaminated ground water.

Thursday of this week Chief Lane and I are meeting with Mayor Hopkins to discuss our EMS contract request for 2014-2015. We have included the request for monies to fund our Fire Department Fleet Fund so that in several years with the City's contribution we will have the money to replace our equipment as it wears out.

The City Staff is also meeting this week to go over the final details of our AK Shield exercise agenda for the mock disaster to be held this March. The City has received approximately \$60,000 to participate in this event. Allowable expenditures are for overtime and supplies to participate.

I am also working on revising and compiling the City of North Pole's policies. I am reviewing everything from the computer use policy to the travel policy. The City has the need for other areas of policy such as defining what an inclement weather day is and when we should or should not close City Hall. I plan to have a revised bundle of policies sometime in the spring.

I am in need of individuals to serve on several committees this year. The committees needing volunteers are as follows.

- Two members to serve on the Ethics Board (three year term)
- Finance and Audit Committee
- 4th of July- Summer fest committee
- Community Christmas events Committee (New)
- Bed Tax allocation Committee (New)

If you are interested in serving your community in one of these areas please contact me at my Email Bryce.Ward@northpolealaska.org or Call me at 907-488-8584

COUNCIL MEMBER QUESTIONS OF THE MAYOR

None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Accountant, Lisa Vaughn

- December 31, 2013 balance sheets were handed out before the meeting.

Director of City Services, Bill Butler

Building Department

- No new permit applications since last council meeting
- Permits anticipating in 2014:
- Eagle Wings II assisted living facility
- McDonalds remodel
- GVEA natural gas storage tank

Public Works

- Augmenting the snow plowing budget was necessary for the plowing that occurred at the end of December
- Major task of the Public Works staff continues to be snow removal from sidewalks and at City facilities
- Will be installing a decorative feature in the Council Chamber
- Sanding truck will be out-of-service for up to two weeks, possible transmission problem
- Oldest skid steer loader will be out-of-service for up to a week due to problems with loader arms and equipment attachment features

Utility Department

- Mayor and I met this morning with ADEC representatives and members of Interior Legislative delegation to discuss issues associated with dealing with sulfolane in the ground water
- It appears North Pole's request for a legislative award to research methods to deal with sulfolane motivated actions on ADEC's part
- ADEC has committed to conducting field tests this summer to develop methods to

deal with sulfolane when dewatering for construction

- Loss of flow to discharge channel in Tanana River
- First laboratory tests for sulfolane at the outfall (samples taken in December) was non-detect at the parts per billion test method
- Preliminary meeting scheduled for the end of January with ADEC to discuss a Consent Order by Agreement
- * Consent Order would establish expectations and requirements for the City to resolve the loss of flow in the discharge channel
- * Have apprized the City Attorney of the situation because his involvement will be critical in the negotiation of the agreement—it is a legally binding agreement
- * NTL, City's waste water consultant, and USKH, City's consulting waste water engineer, have agreed to provide technical support
- City is working cooperatively with Fairbanks and the Borough to develop a Hazard Mitigation Plan
- An approved plan is required for any of the entities to request hazard mitigation funds from FEMA
- Due to federal budget restraints, this year is expected to be the last year significant funds will be available for hazard mitigation grants
- Five potential hazards addressed in the draft plan: Wildfire, seismic events, severe weather, volcanic ash, and flood
- Process for approval
- * Local entities develop plan
- * State reviews and recommends changes
- * Local governments pass resolutions in support of plan
- * Revised plan submitted to FEMA for approval
- Draft Executive Summary of the Hazard Mitigation Plan is attached

Natural Gas Utility Board

- Regulatory Commission of Alaska granted Certificate of Public Convenience and Necessity (CPCN) to Interior Gas Utility
- January 7 will be first meeting of the IGU since certificate was granted
- IGU is in last stages of selecting a program manager to begin the process of creating a functioning public gas utility
- IGU in the next several weeks will hire professional staff to oversee the day-to-day activities associated with starting a public gas utility

Police Department, Chief Dutra

- Would like to present Ofc. McBroom with his Basic Police Certificate.
- Shop with a Cop on the 20th. Lt. Rathbun, Officer Gore, and I attended the event. Each of us shopped with 2 kids and spent \$100 on each kid. All the money came from Fairbanks Police and other donors. Event was a complete success. One of the boys told me it was the best day of his life.
- We also took up donations and were able to give the Explorers to help support adopt a family a check for over \$160. This family is a North Pole family and they had a real need to assistance. We were happy to be involved and help out. I want to thank all of those at the PD who donated.
- We completed dui enforcement blitz had only 2 arrests for DUI. Thankful to see less DUI arrests and hope the trend continues.

Fire Department, Chief Lane

- None

Borough Representative, Mayor Ward

- Next borough meeting will be held on Thursday, January 9, 2014.

City Clerk

- Today I received two pictures from a gentleman in Delta Junction, Sherwin Stebbins. They were taken in 1940 of Santa Claus House and a sign the read "Entering North Pole, Alaska, slow to 25mph.
- I will be out of the office from January 21st through February 7th.

ONGOING PROJECTS

None

CITIZENS COMMENTS

Rep. Tammy Wilson, 571 Canoro Rd.

Rep. Wilson announced that there will be a meeting with DEC to publicly comment on proposed new DEC regulations tomorrow at the Westmark Hotel between 5 and 7 p.m. These are regulations in which DEC wants to do an open burn ban from November 1st to March 31st and also only stoves that have 2.5 grams per hour permitting or lower would be able to be sold in the borough.

Wednesday, from 5pm – 7pm is the last Open House on these regulations. The public will be able to ask some questions. She encouraged people to come out and comment.

The only other time the public will have a chance to comment will be on January 21st from 11:30 am – 1:30 pm.

Melissa Kelher, 2581 Bain St., Fairbanks, AK

Ms. Kelher said that there is a webpage available www.Hazplan.fnsb.us and a plan draft is available for review for the next two weeks. She encouraged the council and public to look at the webpage and submit comments. A survey is available about the hazards in the community and how you have prepared for them. She distributed a newsletter to council and left copies for the public.

Sheila O'Drane, 2453 Homestead, North Pole, AK

Ms. O'Drane had concerns about the deposit on the water/sewer service. She also stated that there was an \$8 tax on her home heating fuel this last time. It was brought to her home from outside the city and not within the city.

OLD BUSINESS

ORDINANCE 13-18, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND TITLE 4, REVENUE AND FINANCE, CHAPTER 4.16, PURCHASING

Mayor Ward gave an overview of the ordinance and stated that this could save the City money by being able to tag on to the State, Borough or other city that has a more stringent process. This could have saved the City \$6,500 on the ambulance purchase.

Public Comment

None

Mr. Welch *moved to Adopt Ordinance 13-18, An Ordinance Of The City Of North Pole, Alaska To Amend Title 4, Revenue And Finance, Chapter 4.16, Purchasing*

Seconded by Ms. Holm

Discussion

None

PASSED

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

NO – 0 –

Absent – 1 - Hunter

ORDINANCE 13-19, AN ORDINANCE INTRODUCING TITLE 4, CHAPTER 4.05, FISCAL NOTES FOR ORDINANCES AND RESOLUTIONS

Mayor Ward gave an overview of the ordinance and how this will help to make things more transparent and be able to track purchases.

Public Comment

None

Mr. Welch *moved to Adopt Ordinance 13-19, An Ordinance Introducing Title 4, Chapter 4.05, Fiscal Notes For Ordinances And Resolutions*

Seconded by Mr. Smith

Discussion

None

PASSED

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

NO – 0 –

Absent – 1 - Hunter

NEW BUSINESS

APPROVAL OF LIQUOR LICENSE FOR SOURDOUGH FUEL AT 3330 BADGER RD

Mayor Ward stated that memo's from the departments had no issue for allowing this to go forward.

Public Comment

None

Mr. Welch *for a Motion Of Non-Objection For A Liquor License For Sourdough Fuel*

Seconded by Mr. McCarthy

Discussion

None

PASSED

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

NO – 0 –

Absent – 1 - Hunter

ORDINANCE 14-01, AN ORDINANCE AMENDING TITLE 4, CHAPTER 4.08, SALES TAX

Mr. McGhee introduced this ordinance and stated that the City has many projects to do and has had to cut the budget. The City needs to have funds in reserved in order to cover any catastrophe. He would like to be able to fund the level of service they offer the City.

Public Comment

Mike Gendreau, 1105 St. Nicholas Drive

Mr. Gendreau stated that he felt this was one of the worst economies that he has seen in 30 years. He spoke against raising the sales tax. He felt it would hurt his business because Fairbanks doesn't have a sales tax. He asked the council to not support the sales tax increase.

Tammy Randolph, 653 Blanket Blvd

Ms. Randolph spoke against the sales tax increase. She was concerned about the City budget and wanted to see cuts rather than an increase in sales tax. Her written comments are attached to the minutes.

Rep. Tammie Wilson,

Ms. Wilson spoke against the sales tax and spoke on the tax cap. She asked if the council had spoken to business owners about the sales tax or about the Police and Fire service.

Brenda Ratzloff, 2501 Mission Rd

Ms. Ratzloff spoke against the sales tax increase. She wanted to know if any of the council members had gone out and spoke to the business owners and asked if his was done behind closed doors.

Sheila O'Drane, 2453 Homestead

Ms. O'Drane spoke against the sales tax increase. She felt this was an ethical issue and that it was about spending the taxpayer's money. She asked if the City needed all of these positions in Admin, Police or Fire.

Ron Therriault, 2520 Noatak Drive

Mr. Therriault said he services about 90% of the businesses in North Pole and was one of the primary people that started Christmas in Ice. He felt that the City needed to have more events rather than. Mr. Therriault stated that the first year Christmas in Ice started, the 4th quarter sales tax increased \$240,000. He spoke against the sales tax increase and for raising the tax base.

Buzz Otis, Bradway Rd

Mr. Otis spoke against the sales tax increase. He would rather see an increase in property tax than sales tax. He wants to see the sales tax stay at 4% and will make some effort to bring other business owners to the next meeting.

Jeff Howe, 632 Holiday

Mr. Howe said he is unemployed in North Pole. Mr. Howe stated that the City needs to be good stewards of the taxpayer's money. He said that he needs to tighten his belt and would like to see the City tighten theirs. Mr. Howe spoke against the sales tax increase.

Laura Poirrier, 2474 Tanana Drive

Ms. Poirrier said she has watched the sales tax increase over the years. She asked why we are not questioning the spending of the City and doesn't understand why they are increasing the cost to the residents of North Pole. She spoke against the sales tax increase.

Ed Randolph, 653 Blanket Blvd

Mr. Randolph said that his wife sat on the Finance/Audit committee for over a year and the committee never talked about expenses. He said there aren't very many City employees here tonight and that there isn't much support from the employees as they can't testify because they don't live here.

Bill Butler, Fairbanks, Alaska

Mr. Butler spoke about the vast majority of people who come into the City and use the services of the City. He would rather pay nothing. He said the council has to make difficult choices. He doesn't live here but works here and gives 100% to the community that he works for. Mr. Butler spoke in favor of the sales tax.

Lisa Vaughn, 1303 Brock Rd.

Ms. Vaughn said that this ordinance spreads the cost of sales tax across the City. People outside the City shop within the City. She hasn't heard anyone speak about they want or think needs to be cut. She spoke in favor of the sales tax.

Steve Dutra, Hurst Rd

Mr. Dutra said that there weren't any faces here tonight that were at the budget presentation in October. He was given the staff he has by the council and is executing the council's will. He said it is extremely misleading when they say it is the Dept. Heads budget. The majority of his staffing is grant funded. He said there is no money for the roof. 90% of what the police department does is a result of the people that come in to the city.

Mr. McGhee *moved to* Introduce and Advance Ordinance 14-01, An Ordinance Amending Title 4, Chapter 4.08, Sales Tax

Failed for the lack of a second

COUNCIL COMMENTS

Mr. Smith - said he enjoyed the comments on the sales tax and hopes everyone had a good Christmas.

Mr. McCarthy – said the City is in a financial crisis. The council needs to increase revenue or increase the tax base. He was disappointed because last week the council chambers was packed with people from the fire department who basically read the council the riot act. He is severely disappointed that they didn't show up tonight when it came time to find out where the money was going to come from. He said the fire department employees needed to listen to the public tonight.

Mr. McGhee – said he is surprised at the council and a lack of cowardice seconds. He stated that none of the council found a place to cut. They have been constantly stealing from Peter to pay Paul and now they don't have the money to do it anymore. He stated that emotional testimony has been happening for over 20 years. Every time the City needs to raise taxes to cover their own expenses they are going to get the businesses, not the residents, concerned about the raises. He said it has never hurt the businesses and they've never lost any businesses, but the City has invested hundreds of thousands of dollars in programs like the NPEDC that has done nothing to increase substantial funds in the City. He said the council gave in again and now it is time to start losing employees and start finding your real cuts. He said the Fire Department can't even afford winter tires and they have employees doing mechanical work servicing City emergency vehicles. He asked the council, "When one of those vehicles rolls with your son or daughter in it, are you going to be happy about the sales tax we couldn't raise because we can't afford new tires." He said Council never let this come forward and he is extremely disappointed. None of these people were here for budget hearings and he was shocked and disappointed. He stated that none of the council found money to save an employee. He asked how many council members sit here and do nothing, and they were elected.

Mr. Welch – said he is reluctant to say anything but believes that there is more misunderstanding that has taken place tonight. He wouldn't support this as it's written because he feels there is a better way to do it. The Mayor tasked the Audit/Finance Committee, for whatever purposes he desired, to not look at expenses but to only look at different ways to raise the revenue. However, his concept was not to take the tax structure and play with it, but to find what he truly ask for, different ways to raise revenue. He thinks that may be expressed here tonight and the ideas of doing more types of community things, that make them come here under the current tax structures, than money. He said that Mr. Therriault brought up a good point, but it's hard to measure whether it was that one event and if that was the reason that particular 4th quarter was \$240,000 more than the previous quarter. He said you can't solve it here tonight in a few minutes and asked Mike Gendreau how he felt about the SIN tax. Mr. Welch said the City has directors that are trying to do a good job. There are things outside of the control of the council and Mayor like the PERS debacle in this state. It's an enormous amount of money. He said there is more to be discussed and he has a feeling there is a better way. The council needs to put their heads together and take a good hard look at how to promote the City and get there under the current tax structure.

Ms. Holm – thanked everyone for coming and supporting this issue. She said she doesn't feel like a coward just because she didn't say anything. She was elected by the public to represent the ideas of the majority of people. Ms. Holm stated she visited 21 businesses and talked with 80

citizens and not one person she talked to said there was another council person that came and talked with them. She said this is a hot issue. She stated that we have an Allstate agent or Forbes Laundry, they are the ones who support our community and we need to support them. She added that what they said is that they want to decrease in issues like, first of all I appreciate the police department, but some people want the police department gone. When we look at things like the fire department that cost \$2 million dollars, we get \$400,000 from our borough contract but they do 80% of their work, the city gets stiffed with a \$1.6 million bill. If the Council wants to talk about decreasing spending, then the council needs to re-look at that and let the FNSB take it over and the City could contract the Fire Department. She said we will still have to pay PERS but the City will save over \$1 million and that could go to Public Works or the Police Department, or other projects that these citizens want. She stated that the City could decrease taxes like what was promised to them 14 years ago. Other things that the City can cut is the backhoe, that costs \$100,000. The City just increased the water bill by \$1 per 1000 gallons because they needed \$75,000 extra but they're going to spend \$66,000 on a backhoe, Public Works is going to spend \$33,000 on the backhoe and this could be a savings to the City. She said it's not that expensive to rent a backhoe and someone else could maintain it that way the City could be supporting a local business. The council, at our last meeting, just approved almost \$2 million in legislative requests for things that aren't going to benefit the citizens. The people that she talked to don't care about the cracks in the road, they don't care if City Hall is remodeled. Yes, she does want to see the Police Department remodeled because they need help but there are a lot of things in that request that could be cut that would save the City \$177,000 for the taxpayers. If the council is telling her that there is nowhere to cut, she doesn't believe that is true and that maybe this is something that they need to go into special meeting or give to the Audit/Finance Committee and give permission to look into those expenses and get to the detail of the problem.

Mayor Ward – stated that all meetings are open to the public and anyone can testify. The meetings are the 1st and 3rd Monday's of the month and agendas are published in the newspaper and online. If there are any questions you can contact the Mayor or Clerks office and they can get you the information. He stated that there are a lot of things on the table. The council did pass the budget and the last reading was December 16, 2013 and it was a balanced budget. It does not call for increased taxes, but it does call for cuts to the departments, most noticeable being the Fire, Police, and PW. Those cuts were made and they will go into effect unless something happens. The Mayor said that when he was elected he felt that you had to do more with less. He stated there is a direct correlation between how much do you pay and how much you get. He asked if they are happy with the level of services they have or not and do you want to continue to have those levels. There are significant cuts that the council looked at, most noticeably with the Fire and Police. He encouraged council and the public to talk with them and if it's something that continues to be acceptable then the actions of the council will support that. The Mayor said that one thing that was mentioned during the meeting was the cost of the personnel to operational expenses. He said that has been one thing that throughout the years by code, our personnel expenses are mandated. The decisions of the councils in the past, were decisions by people elected to prior councils. He said the City is feeling the squish and now there is no area to cut it operationally, it's got to come out of personnel. He hopes that if any of the people in the public want information to come and talk with him and he'll spend as much

time to go over the budget. He said that if you are committed to your community then do your homework. He appreciated all the people who came tonight.

ADJOURNMENT

Mr. McGhee adjourned the meeting at 8:50 p.m.

Seconded by Ms. Holm

The regular meeting of January 6, 2014 adjourned at 8:50 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, January 21, 2014.



Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk