A regular meeting of the North Pole City Council was held on Monday, November 24, 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, November 24, 2014 to order at 7:00 p.m.

There were present:          Absent/Excused
Ms. Holm
Ms. Hunter
Mr. McCarthy
Mr. McGhee
Mr. Smith
Mr. Welch
Mayor Ward

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG
Led by Mayor Ward
National Anthem sung by NPMS Choir members –

INVOCATION
Invocation was given by Councilman McGhee

APPROVAL OF AGENDA
Mr. McGhee moved to Approve the Agenda of November 24, 2014

Seconded by Mr. Welch

Discussion
None

Mr. McGhee moved to amend to postpone item b. under Executive Session to the meeting of December 1, 2014.

Seconded by Mr. Welch

Discussion
Mr. Welch felt the council did not have enough information.
FAILED
Yes: 3 - Holm, McGhee, Welch
No: 4 - McCarthy, Smith, Hunter, Ward
Absent: 0

On the main Motion

PASSED
Yes: 7 - McGhee, Holm, Welch, McCarthy, Smith, Hunter, Ward
No: 0
Absent: 0

APPROVAL OF MINUTES
Mr. Welch moved to Approve the minutes of November 4, 2014

Seconded by Mr. McGhee

Discussion
None

PASSED
YES – 7 – McCarthy, Smith, Hunter, McGhee, Welch, Holm, Ward
NO – 0
Absent – 0 -

COMMUNICATIONS FROM THE MAYOR
Bed Tax Grant applications were due in October and we have received 6 applications. The Council presentations are scheduled for Wednesday Dec 3rd and will begin promptly at 6:30 pm. All applicants have been informed. The council will approve allocations on the next scheduled council meeting (Dec 15th).

On November 12th I walked through the Flint Hills Refinery with the Fairbanks North Star Borough Assessors. The Assessors are the ones who determine the value of the refinery property for the 2015 tax year. Determination is not expected until late December and final determination may not be until end of February however, indications from those present lead me to believe we could see as much as a 50% reduction in the value of the Refinery. I have adjustments for the council to consider later in the meeting.
As for determining the value of the property we are subject to the determination made by the FNSB assessing department. The formula for calculating a refinery is apparently complicated and I do not understand the method that is used, it is different than calculating the value of a home or structure. I will keep the council updated as I know more.

On Veterans Day I was honored to help read the three mayor’s proclamation at the ceremony put on by Festival Fairbanks at the Westmark Hotel. It was also wonderful to see all of the people who came out for the dedication of the Trooper Gabe Rich and Scott Johnson Memorial Park. The dedication took place at the property in the Morning Star Subdivision; we installed a sign letting people know of the plans for the property. Special thanks to Chief Dutra for his efforts to help this become a success.

Alaska Municipal League was last week in Anchorage. It was a productive session, some of the items of interest to Alaska’s Municipalities include, state revenue sharing, PERS contribution by municipalities, Senior Citizens-disabled veterans property tax exemptions, Gas line construction and local planning authority for DOT projects.

If you are interested in more information about AML (Alaska Municipal League) and the resolutions that were passes this last session please visit http://www.akml.org/

Last week I was elected the Chair of the FMATS policy committee. FMATS is the local Metropolitan Planning Organization (MPO) and is one of two in the entire state of Alaska. FMATS is in charge of all of the road infrastructure planning for a large portion of the FNSB. I look forward to serving the Interior as the Policy Committee Chair.

While I was in Anchorage last week for AML I was also able to attend a Policy Meeting of the local MPO in Anchorage, AMATS. They are a different type of organization as they only have one municipal member (anchorage) vs us in the interior where we have three Municipal members: North Pole, Fairbanks, and The Fairbanks North Star Borough. It was an educating experience and gives me new appreciation for how we operate in the interior.

Tomorrow I am meeting with Senator John Coghill, Representative Tammie Wilson, Jeff Cook from Flint Hills Resources and Doug Chapados from Petro Star to address some of the issues plaguing the refining industry in Alaska. The plan is to identify the issues that are legislative and work on addressing them.

COUNCIL MEMBER QUESTIONS OF THE MAYOR
None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK
Director of City Services, Bill Butler

Building Department
- No new building permits issued since November 3
- McDonalds had its final inspection today—waiting for our inspector’s report to learn status and projected opening date

Public Works
- Soil & Water Conservation District submitted a grant for interpretive sign and facility upgrades on Beaver Springs trail
  - Little or no costs to the City, includes funding request to offset staff salary
  - Soil & Water would provide cash match

Utility Department
- Sewer outfall
  - Requesting an extension of response to Notice of Violation to February 20, 2015
  - Original submission date was December 15
  - ADEC is requesting permitting and regulations that could affect solution to sewer outfall
  - Based upon results of City’s submission to ADEC will then move to negotiation of Compliance Order by Consent (COBC) to resolve sewer outfall problem
- Wastewater treatment plant rehabilitation project
  - Project is scheduled for substantial completion inspection on November 24
  - Still waiting on delivery of new emergency generator; expected delivery is mid-December
  - Installation of generator will conclude this phase of rehabilitation work at WWTP

Natural Gas Utility Board
- Gas project’s success is at a precarious point
- How the state, through AIDEA, handles future financing will determine the project’s viability
- If the cost of gas to the customer is in the $17 to $20 or higher, the project could falters because models suggest insufficient numbers of people would choose to convert.
City Accountant, Lisa Vaughn
- None

Police Department, Lt. Dutra
- Thanked the council for passing the ordinance at the last meeting. They have been able to retain an employee that was thinking of leaving

Fire Department, Chief Lane
- None

Borough Representative
- Nothing to report at this time.

City Clerk, Kathy Weber
- Bed Tax Distribution meeting will be held on December 3rd. Your packets with applicants are before you for your consideration.

- December 2, 2014 - Local Intergovernmental Work Session between the FNSB Assembly City of Fairbanks and City of North Pole Councils regarding the passage of state of Alaska ballot measure No.2 an act to Tax and Regulate the Production, Sale, and Use of Marijuana. December 2, 2014 at 6:00 p.m. at Pioneer Park Civic Center.

ONGOING PROJECTS
- None

CITIZENS COMMENTS
- None

OLD BUSINESS

ORDINANCE 14-25, AN ORDINANCE ESTABLISHING THE 2015 BUDGET AND LEVYING THE MILL RATE, SECOND READING
Mayor Ward stated that this was the second reading of the ordinance.
Public Comment
None

Mr. McGhee moved to Advance Ordinance 14-25, An Ordinance Establishing the 2015 Budget and Levying the Mill Rate, Second Reading

Seconded by Mr. McCarthy

Discussion

Ms. Holm moved to amend as follows:

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<tr>
<th>Dept</th>
<th>Acct #</th>
<th>Category</th>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
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<tr>
<td>Prof Svs</td>
<td>01-02-00-7004</td>
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<td>Fees: Audit &amp; Accounting</td>
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<td>Prof Svs</td>
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<tr>
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<td>Water Reserves</td>
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Seconded by Mr. McGhee

Discussion
None

On the motion to amend:

Yes: 7 – Hunter, Welch, McGhee, McCarthy, Smith, Holm, Ward
No: - 0
Absent: 0
Mr. McGhee moved to amend the agenda as follows:

<table>
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<tr>
<th>Dept</th>
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<th>Category</th>
<th>Account</th>
<th>Debit</th>
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<td>Credit</td>
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<tr>
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<tr>
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<tr>
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<td>PERS Relief</td>
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Seconded by Mr. Welch

Discussion
Council discussed the declining revenues and were concerned with the position the state budget is in. There was also discussion on the impact that it would have in the City to put off funding for the Parks in the City until 2016. Mayor Ward clarified how the City had established Funds and how that worked.

On the motion to amend

PASSED

Yes: 7 – McGhee, Welch, Holm, Smith, Hunter, McCarthy, Ward
No: 0
Absent: 0
On the main motion as amended:

PASSED
Yes: 7 – McGhee, Welch, Holm, Smith, Hunter, McCarthy, Ward
No: 0
Absent: 0

NEW BUSINESS

ORDINANCE 14-26, AN ORDINANCE AMENDING TITLE 4, CHAPTER 4.08, SALES TAX
Mayor Ward said that the council had several work sessions and this ordinance is a result of those meetings.

Public Comment
Mike Gendreau, 1105 St. Nicholas Drive
Mr. Gendreau said that the vast majority of the residents are not in favor of a sales tax increase. He was not in favor of the ordinance.

Tammy Randolph, 653 Blanket Blvd
Ms. Randolph was not in favor of the ordinance and spoke against raising the sales tax.

Rep. Tammy Wilson, 571 Canoro
Rep. Wilson spoke against the sales tax ordinance.

Jeff Howe, 632 Holiday
Mr. Howe said he doesn’t buy anything in North Pole, ie; buys gas, groceries, and eats in Fairbanks. He stated the price of water and sewer is rising and putting a big strain on his budget. He spoke against the ordinance

Tim Devito, 1050 Refinery Loop
Mr. Devito spoke to the sales tax and said that this is going to choke the public. He spoke against the ordinance.

Sharon Beeman, 2540 Honey Bee Lane
Ms. Beeman doesn’t understand why the City can’t have volunteers for upkeep and why they have to hire 3 people for summer help. She spoke to the hotel/motel tax and against the ordinance.
Jerry Lymburner, 3100 Pewter Ct.
Mr. Lymburner spoke against the ordinance.

Mr. McGhee moved to Introduce and Advance Ordinance 14-26, An Ordinance Amending Title 4, Chapter 4.08, Sales Tax

Seconded by Ms. Hunter

Discussion
Mr. McGhee spoke to the ordinance and said that he didn’t see anyone here for the budget sessions. He said they have made very painstaking decisions regarding the budget and employee pay increases and commented that a large percentage of businesses in North Pole charge 30% more. Mr. McGhee stated that they wanted to decrease the property tax and increase the sales tax to take the burden off the property owner. He said he just came back from trip and there was an 8.5% sales tax. He’s glad he lives in North Pole and doesn’t believe anyone is going to lose their home. He said he is going to support the ordinance.

Mr. McGhee moved to amend to decrease the sales tax cap from $10 to $8.

Seconded by Ms. Holm

Discussion
Mr. McGhee said that he feels that $8 cap is fine but feels if the cap was raised it could hurt those who buy fuel.

Mr. Welch said that the council felt that on October 23 they were hit by the following:
1. Greater expense to dispatch fees
2. Increase to audit
3. Re-evaluation of refinery
He agrees with Mr. McGhee.

Ms. Hunter said that she is inclined that the $2 difference is not a big difference. Overall she doesn’t want to increase the tax at all but because the council has done a thorough job with the budget, they are in a place of necessity. Raising the cap will help spread out the cost among the payers.

Ms. Holm says she heard people say they felt choked and doesn’t know how else to take this. She knows many people who fell their tanks with fuel jugs multiple times a week and are actually paying $100’s of dollars a month and this is a survival thing. She said this is not a time to pay $2 more a month. Those are words that we need to heed by.
Mr. Welch said that when they talked about the cap he used something that Rep Wilson said, that those that can afford to go out and spend $200 only pay $8. He asked how they defined what is fair and equitable. He asked if they could have an exemption for fuel oil.

On the amendment

PASSED
Yes – 6 - McGhee, Welch, Holm, Hunter, Smith, McCarthy, Ward
No – 1- Hunter
Absent – 0

Mr. McGhee moved to amend line 140, 142 and 145, 426 as follows:

140 - If any person, firm, co-partnership, corporation, director or agent imposes collects taxes listed under this section on behalf of The City of North Pole and the transaction is clearly not taxable under this section, they shall refund all improperly paid taxes immediately or remit all unlawfully collected taxes to the City of North Pole immediately. Disregard for this section is a violation of code and offenders may be guilty of a Class-A-misdemeanor violation.

Line 426
chapter is guilty of a Class-A-misdemeanor violation. (Ord. 99-29 §2(part), 1999)

Seconded by Mr. Welch

Discussion
Mr. McGhee said that this is a recommendation from the City Attorney.

PASSED
Yes: 7 – McGhee, Welch, Holm, Smith, Hunter, McCarthy, Ward
No: 0
Absent: 0

On the main motion as amended

Discussion
Mr. McGhee spoke to the value of increasing the alcohol and tobacco tax.

Mr. McGhee moved to amend to equalize the tobacco and alcohol at Line 108 5 – 8% and line 111 to leave at 8% and strike 10% increase.
Seconded by Mr. McCarthy

Discussion
Mr. Welch said that the idea was the tobacco tax goes to 10 vs $2. State of Alaska gets $2 a pack and to help do medical research. City of Juneau has just increased the tax from $1 a pack to $3 a pack and his idea was to be at 25 cents a pack and realize shortfalls. Doesn’t believe people will quit buying cigarettes in North Pole.

Council had more discussion on the alcohol and tobacco tax.

On main motion as amended

FAILED
Yes: 3 - McGhee, McCarthy, Smith
No: 4 – Hunter, Welch, Holm, Ward
Absent: 0

Ms. Hunter said that they are not creating any extra jobs and are reducing and the increase in wages was a cost of living that they have not given to the employees over an extended period of time because their wages were so low that we were spending $40,000 over a years period, in training, and then leaving and going to FPD and our costs were tremendous. What the council looked at was an increase in the cost of living. We don’t want to raise taxes and think we are being responsible by providing services for residents.

Mr. Welch clarified what Ms. Hunter said by stating it was costing the City $50,000 a year to train new employees with the police department.

Mr. McCarthy said that one thing the public hasn’t realized is that this is the first time he’s been able to speak on this ordinance. He is unhappy about the sales tax.

Mr. McCarthy moved to amend as follows:
Line 103 to reduce from 4.5% to 4%

Seconded by Mr. Welch

Discussion
Mr. McCarthy said that he doesn’t want to see North Pole become another place like Mass. He doesn’t feel the ½ percent is in the best interest.

There was more discussion with council on this subject
Regular City Council Meeting  
November 24, 2014  
7:00 p.m.

PASSED  
Yes: 4 - Welch, McCarthy, Smith, Holm  
No: 3 - McGhee, Hunter, Ward  
Absent: 0  

On the main motion as amended

PASSED  
Yes: 6 – McCarthy, Smith, Holm, Hunter, Welch, Ward  
No: 1 - McGhee  
Absent: 0  

ORDINANCE 14-27, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA  
AMENDING TITLE 4, CHAPTER 4.10.010, USER FEES  
Mayor Ward explained the changes in the User Fees.

Public Comment  
Tammie Wilson, 574 Canoro  
Ms. Wilson asked for clarification on the ambulance fee and that the FNSB taxes should be paying those taxes.

There was discussion between Representative Wilson and the Council.

Mr. McGhee moved to suspend the rules to 11:00 pm  
Seconded by Mr. Welch

PASSED Unanimously

Mr. Smith moved to

Mr. McCarthy moved to Introduce and Advance Ordinance 14-27, An Ordinance Of The City Of North Pole, Alaska Amending Title 4, Chapter 4.10.010, User Fees Schedule

Seconded by Mr. Welch

Discussion
Mr. McGhee said that here we are taxing the 2200 residents when we could have taxed the 15,000 that come through the City. He doesn’t see justification in these user fees.
There was more discussion among council on the user fees

**Mr. Smith moved to reduce the ambulance fee for residents from $900 to $450**

Seconded by Mr. Welch

**Discussion**
Council discussed the amendment.

**FAILED**
Yes – 2 – McGhee, Smith
No – 5 – Welch, McCarthy, Holm, Hunter, Ward
Absent – 0

**On the main motion**
PASSED
Yes: 6 – McCarthy, Smith, Holm, Hunter, Welch, Ward
No: 1 - McGhee
Absent: 0

**ORDINANCE 14-28, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND TITLE 5, CHAPTER 5.02 BUSINESS LICENSES, TAXES AND REGULATIONS**
Mayor Ward said that this is brought before the council to bring clarity to the ordinance.

**Public Comment**
None

**Mr. McGhee moved to Introduce and Advance Ordinance 14-28, An Ordinance of the City of North Pole, Alaska to Amend Title 5, Chapter 5.02 Business Licenses, Taxes and Regulations**

Seconded by Mr. Welch

**Discussion**

Mr. McGhee moved to amend line 35 by inserting the word “perform” between engage, or complete.

Seconded by Mr. McCarthy
Discussion

PASSED
Yes – 7 – McGhee, Hunter, Smith, McCarthy, Welch, Holm, Ward
No – 0
Absent – 0

RESOLUTION 14-20, A RESOLUTION ESTABLISHING THE 2015 LEGISLATIVE CAPITAL PROJECTS REQUEST OF THE CITY OF NORTH POLE
Mayor Ward said that he requested from the council that they only approve the capital projects that they could match.

Public Comment
None

Mr. McGhee moved to Introduce and Advance Resolution 14-20, A Resolution Establishing the 2015 Legislative Capital Projects Request of the City of North Pole

Seconded by Mr. Welch

Discussion
Mr. McGhee said he was embarrassed when he saw the requests and that the only one he could justify is the one for the NPPD. With all due respect we don’t need to fund the park in Morning Star. He was told tonight that there is no money in the legislature. This is not legitimate and cannot support it. He wants to see it go back to the drawing board.

Ms. Holm moved to postpone this to the December 1, 2014

Seconded by Mr. McCarthy

Discussion
Mr. Welch was against postponing

Mr. McGhee was against postponing
On the motion to postpone

**PASSED**
Yes: 5 – McCarthy, Smith, Holm, Hunter, Ward
No: 2 – Welch, McGhee
Absent: 0

**EXECUTIVE SESSION**
10:32 p.m.
Mr. McGhee moved to enter into Executive Session to discuss:
   a. Legal issues pertaining to sulfolane contamination
   b. Personnel issues relating to Administration personnel matters

Seconded by Mr. Welch

Passed Unanimously

The regular meeting was reconvened at 11:56 p.m.

Mr. Welch moved to reconvene the Executive Session on personnel issues relating to Administration personnel matters to Monday, December 1, 2014 at 5:00 p.m.

Seconded by Ms. Hunter

Passed Unanimously

**COUNCIL COMMENTS**
None

**ADJOURNMENT**

Mr. McGhee adjourned the meeting at 11:58 p.m.

Seconded by Ms. Hunter

The regular meeting of November 24, 2014 adjourned at 11:58 p.m.
These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, December 15, 2014.

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

Bryce J. Ward, Mayor