

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 3, 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 3, 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

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Ward

National Anthem sung by NPMS Choir members –Cheyanna Rood, Tori McGovern, Tiana Phillips, Haylee Croteau, Amber Stewart, Sierra Glade, Jasmyne Rutan, Kasayah Meade, Hope Woody, Joel Denham, Brandon Lujan, Hanna Moore, Megan Parrish, Cassidy Sickels, McKenzie Starcher, Sheighlee Rosendahl, and Julia Rice

INVOCATION

Invocation was given by Councilwoman Holm

APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of November 3, 2014

Seconded by Mr. Smith

Discussion

None

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

Old Business –

- a. Ordinance 14-22, An Ordinance of the North Pole City Council amending Title 2, Chapter 2.36 Personnel Code, Section .470 B. and C. – Pay**

c. Ordinance 14-24, An Ordinance of the City of North Pole repealing Title 4, Section 4.08.055 Senior/disabled sales tax refund

New Business

- a. Request from North Pole Economic Development Corporation for 1st, 2nd, and 3rd quarter bed tax
- b. Request from Christmas in Ice for 3rd quarter bed tax.
- c. Recommendation to purchase a compact articulating loader from the lowest responsive bidder, Construction Machinery, Inc.
- d. Approve a User Agreement between Santa Claus House and the City of North Pole for Terry Miller Park
- e. Approve a Use Agreement between Santa Claus House and the City of North Pole for the Beaver Springs Trail
- g. Recommendation to extend the heating fuel contract with Fairbanks Fuel Distributors for an additional year

Seconded by Mr. Welch

Discussion

None

On the amendment

PASSED

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

NO – 0

Absent – 0 -

On the main motion as amended

PASSED

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

NO – 0

Absent – 0 -

APPROVAL OF MINUTES

Mr. Welch moved to Approve the minutes of October 20, 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

- The last week has been very busy with the budget workshops for the 2015 Budget. I was glad to see that all council members were able to attend all of the Budget Presentations. I would also like to give a special thanks to the Department Heads and employees that helped to put those presentations together.
- I had a phone meeting with Woody Thompson the CEO of the business Eyeboogie, a production company that recently filmed in North Pole. There special 'Christmas town USA' will air sometime this month. Woody was energized about North Pole and may be interested in doing another show here in the future; I will keep the council posted.
- Bed Tax Grant applications were due last Friday and we have received 6 applications. The Council will be the review committee and I am considering times that work for the group presentations. Considerations are Wednesday Nov 12th or Wednesday Dec 3rd. All applicants will be informed of this date for the presentations. The council will approve allocations on the next scheduled council meeting.
- This Veterans day, November 11, 2015 at 11:11 am Festival Fairbanks is hosting a ceremony at The Westmark Hotel. The three mayors will be present to give a three mayors proclamation.
- There will also be a homeless youth vigil on the 5th of November put on by Fairbanks Counseling and Adoption. The 'walk' will start at 530 7th avenue and go to 547 7th avenue (First Presbyterian Church). The event starts at 5pm.
- On November 12th I will be walking through and inspecting 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.

- I had a meeting with Gary Hutchison our audit firm last week in regards to increases to our audit fees. He referred to the June 10th, 2014 letter in the audit suggesting ways to improve efficiency and thus reduce the cost of the audit. The proposed fees structure is as follows
 - \$ 23,000 base fee for the audit of the financial statements
 - \$ 7,000 Federal and single audit
 - \$ 15,000 to draft the financials and assist in closing the books (based on actual time)Total of \$45,000
We will have a modified agreement for the next meeting to include amendments for the increase.
- I am in negotiations for the 2015 dispatch contract with the City of Fairbanks. We should have a contract to the council for review at the next City council meeting. A cost formula and a new desk audit study are being completed to make sure the breakdown is reflective of our proper cost share. Amendments for the 2015 budget will be included to reflect any increases in cost.
- Alaska Municipal League will be November 17th through the 21st in Anchorage. I will be in attendance of this important conference. Some of the items of major interest to Alaska's Municipalities include, proportionate education funding, state revenue sharing, and municipal gas line tax structure to name a few. Other areas of concern for the City also revolve around the economics of refineries in Alaska and are we encouraging the refining industry or pushing them out of the state.

Re-organization of council

- Mayor Pro Tem – Michael Welch
- Dep. Mayor Pro Tem – Thomas McGhee
- Alt. Dep. Mayor Pro Tem – Preston Smith
- Borough Representative – Mayor Ward

Bed Tax Committee will meet on December 3, 2014.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

Mr. Welch said that he has been getting phone calls from various people who have been getting information off the internet and City web site.

**COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH
REPRESENTATIVE AND THE CITY CLERK**

Director of City Services, Bill Butler

Building Department

- ☐ No new building permits issued since September 2

Public Works

- ☐ Public Works items on tonight's Council agenda
 - Compact loader bid recommendation
 - Heating fuel contract extension
 - Beaver Springs Trail five-year use agreement
 - Terry Miller Park ten-year use agreement
- ☐ Working with Soil & Water Conservation Service on a grant for interpretive sign and facility upgrades on Beaver Springs trail
- ☐ Christmas lighting installed including new Christmas tree at City Hall
- ☐ Begun clearing pedestrian paths
 - Over 12 miles of pedestrian paths in City plowed by Public Works—City only has 18 miles of roads

Utility Department

- ☐ Sewer outfall
 - Flow continued in channel through early October when channel began to freeze
 - Received Notice of Violation today that outline first stage of requirements of the Utility
- ☐ Wastewater treatment plant rehabilitation project
 - Rehabilitation work is approximately two thirds complete
 - Aerators being installed and should be operational this week
 - Still waiting on delivery of new emergency generator; expected delivery is early December
- ☐ Low snowfall (7 inches below average to date) has the potential to increase penetration of cold leading to increased risk of freezing water and sewer mains and customer service lines

Natural Gas Utility Board

- ☐ IGU has released an invitation to bid for the pre-purchase of pipe to be used in summer 2015 construction
- ☐ Draft 65% design documents in final draft review
- ☐ Permits issued for air quality for construction of North Slope liquefaction plant
- ☐ Large pending issue is the cost for a million BTUs (MBTU) delivered to Fairbanks "city gate"
 - Goal remains the \$15/MBTU range (equivalent to approximately ½ the cost of a gallon of heating fuel that provides a similar amount of energy)

- Financing of the liquefaction plant, trucking and cost of storage will determine the cost per MBTU

City Accountant, Lisa Vaughn

- Revenue Sharing came through last week
- Will attend conference in Anchorage next week for AGFOA
- Looking at investing in short term CD's.

Police Department, Chief Dutra

- Operation glow stick was a success we handed out 500 glow sticks.
- Slayden plumbing has completed the Heating portion of the bid and we are starting to see a difference in the buildings performance. We shall see how it goes in the next few months.
- We will be sending out press releases tomorrow for the Gabe Rich and Scott Johnson memorial park dedication ceremony. We are planning a 2:30 ceremony we would hope you would be able to attend.
- Sgt. Bellant just conducted two forensic classes at NPHS.

Fire Department, Chief Lane

- None

Borough Representative

- Nothing that pertained to City of North Pole

City Clerk, Kathy Weber

- Michelle Myhill, our Records Preparation Clerk, continues to work with Laserfiche to scan grants and legal documents for the City. Our goal is to have all the legal documents scanned into laserfiche by the end of the year.
- We have received 6 applications for the bed tax funds. I will be working with the Mayor to determine dates for presentations and discussion from the council.
- State elections will take place tomorrow. City Hall is a polling place and I would appreciate if council could stay and help set up booths and tables for the ladies. They arrive at 6:00 a.m. and are here usually until approximately 9:30 p.m.
- I will be out of the office from November 11 – November 19.

ONGOING PROJECTS

- None

CITIZENS COMMENTS

- Dawn Murphy – Explore Fairbanks

Ms. Murphy brought information to distribute to the council. The new video on the Interior is available on YouTube and they have had over 30,000 hits.

OLD BUSINESS

ORDINANCE 14-23, AN ORDINANCE OF THE CITY OF NORTH POLE AMENDING TITLE 2, CHAPTER 2.36 PERSONNEL CODE, SECTION .470 PAY

This is the 2nd reading of this ordinance.

Public Comment

Chad Rathbun – North Pole Police Dept

Mr. Rathbun said that he has spoken with council before about the pay and how hard it is to retain employees. He said that with the last increase in 2008, council said they wanted to look at the pay scale on a more regular basis. He spoke in favor of it.

Lisa Vaughn –

Ms. Vaughn thanked Mr. McGhee for bringing this forward for all departments.

Steve Dutra –

He appreciates this and knows that it is difficult. Long time coming and council has done a good job taking care of us. He thanked council.

Buddy Lane –

Mr. Lane dittoed what Chief Dutra stated. He thanked council for considering that and encouraged them to pass it.

Mr. McGhee *moved to* Ordinance 14-23, an Ordinance of the City of North Pole amending Title 2, Chapter 2.36 Personnel Code, section .470 Pay

Seconded by Mr. McCarthy

Discussion

Ms. Holm said that the people she talks with don't agree with the pay scale.

Mr. McGhee said this was not a mill increase or any other increase in taxes. He doubts very much that anyone from the public can understand it. He said that it was within our budget and that was why we were voting on it tonight.

Ms. Hunter said that it is not a pay raise and only adding inflation that we haven't done for many years.

Mr. Welch stated that historically there was language put in code that the council would look at the pay scale every year in 2008. He stated that even though there are step increases that there haven't been inflation. He said that with the re-evaluation of the refinery and other things that have been thrown at the City how this would affect our budget.

Ms. Holm needed clarification.

Mr. Welch asked if they were given a 3% increase for the Accountant and the City Clerk.

Ms. Holm asked about the AHSO grant and if they voted no on the grant how this would affect the budget with the current budget off on health insurance. She asked if this would this still give a balanced budget.

Mayor stated that this ordinance doesn't take place until January 1st and that at this time everything is schedule to work.

PASSED

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

NO – 0

Absent – 0

NEW BUSINESS

APPROVE 2014-2015 ALASKA HIGHWAY SAFETY GRANT IN THE AMOUNT OF \$66,292.44

Chief Dutra did a recap of his budget presentation on the AHSO grant. He asked the council to not approve the funds because this position could only cover traffic and not any other

duties. This makes it difficult to staff the department. He stated that this past year was one of the most difficult - with injuries and other staffing issues.

Mr. McGhee said he struggles with this. He asked where we have been with the Mayors and filling the needed position. Why didn't we fill this position and that now at this point we are eliminating the position we were told was absolutely needed.

Mr. McGhee asked why we weren't looking to increase the budget to fill the position.

Mayor Ward said that it was his decision to not fill the position.

Mr. Smith asked if declining this would hinder getting future grants.

Chief Dutra said that he has talked with the grant administrator and she assured him that they could still apply.

Public Comment

Chad Rathbun –

Mr. Rathbun said the DUI numbers are down because the program worked. Last year was a terrible year of scheduling and he was having to schedule the DUI officer overtime until he was told he could by the Chief that he couldn't do that. He said there was a problem with the grant and would have been taking on the full responsibility of it this year. Realistically the numbers are low and they end up spinning their wheels. The DUI officer got burned out fast.

Mr. McGhee said he is convinced they need the person and he is not convinced that you don't need a DUI officer. The chief in the past said that citations are down because officer may not be as proactive and is it possible that officer doing it is not as proactive. What effect does it have that the refinery is for sale and is one the backburner.

Mr. Rathbun said that with a lower economy there could be and an increase in DUI's there could be having to look at it and using that officer in other places. Still go out there and work those other shifts and could have used him 8 months of last year. They are not getting rid of him.

Mr. McGhee asked besides the DUI officer how many have DUI training.

Lt. Rathbun said that all officers have DUI training and everyone watches for them.

Mr. Welch asked when we would need to notify them.

Lt. Rathbun said that they needed to notify now.

Mr. Welch asked who was in the pipeline to replace the 9th officer.

Officer Jed Smith –

Mr. Smith addressed Mr. McGhee on the DUI grant. He said it was very restrictive. He said that he could be more well-rounded with the things that he could do as an officer.

Mr. McGhee *moved to* Approve 2014-2015 Alaska Highway Safety Grant in the Amount of \$66,292.44

Seconded by Mr. McCarthy

Discussion

Mr. McGhee appreciates the officers coming forward. He doesn't feel that the DUI's are going down and realizes that we can't have an officer on every corner.

Mr. Welch asked if there was anyone that they were thinking of hiring that could do this position.

Chief Dutra stated that it would be great to reinstate this position but this grant was very restrictive.

Ms. Holm wanted clarification on the staffing.

Mr. Welch asked what was stopping them from having that other position.

FAILED

Yes – 0

No – 7- McGhee, Welch, Holm, Hunter, Smith, McCarthy, Holm

Absent – 0

ORDINANCE 14-25, AN ORDINANCE ESTABLISHING THE 2015 BUDGET AND LEVYING THE MILL RATE

Mayor stated that this was the 1st reading of the ordinance.

Public Comment

Dawn Murphy – Explore Fairbanks

Ms. Murphy was concerned about the budget line with bed tax and that it should be on its own line item and should be distributed on \$55,000

Mr. McGhee moved to Introduce and Advance Ordinance 14-25, An Ordinance establishing the 2015 budget and levying the mill rate

Seconded by Mr. Welch

Discussion

Mr. McGhee said he liked the fact that everyone was here for the budget meetings. He is concerned about the openness of where we are going to be with FHR, elections, etc. He is concerned with who will get election as governor and will he be online with LNG or Walker and halt the direction. We are gambling on the fact that LNG will increase the fact with economic with heating fuel and gambling on F-35's. We are gambling on potential increase in sales tax. NPEDC, we don't even have a projected future much less what might increase our tourism. He said this council is the most undernourished in the Interior. He settled on the property tax and last year we had to sacrifice and didn't raise the sales tax. We are not increasing the cost from anyone using the service, the user, 12,000 who use our services, and we are spending all our money that could benefit our Police, Public Works and Fire Depts. He wants the Clerks office adequately staffed so we can readily respond to request. He looked over the budget and that is where he stands right now and voiced his concerns and where we'll be in 6 months.

Mr. Smith said his thoughts are the same as Mr. McGhee. Sales tax is up and he said there is a lot of unknowns and wants to hang on to extra cash and not spend.

Mr. Welch said that he has some of the same concerns and sees a need for a change in our sales tax structure. Food for thought of what is happening what is happening on the tobacco in the City of Juneau and the changes we could make. He said it is getting from the people who use our City. Just knowing that we have emergency services within the City is calming. He said we should tread carefully through the three readings of the budget. He doesn't think that we will have all the property taxes that are projected for this budget. He spoke to the impact that the City has had on its budgets over the past decade.

Ms. Hunter said she is also wanting to be more conservative with the budget and fund the position and keep the person on who is keeping on until we are a month ahead and delaying it.

Mr. McGhee brought Mr. Butler forward to speak to the PW position.

Mr. Smith agreed with the other council members.

Mayor Ward said that there is a risk with budget and doesn't have a crystal ball. That's what has been done with the past year and budget for 2015. He feels that we are close and same with property tax and FHR. He is committed to managing and maintaining our budget and

we need to make adjustments as needed. He would like to have direction tonight from the council or department heads as he wants them to be comfortable and educated actions with the future of the City.

Mr. Welch said that we need to cut our budget with the projections of FHR. He said that with property tax the budget needs to be reduced by 20%. He said the overall value of our homes are going down.

Mr. McCarthy said that his neighbor's house came in \$45,000 less because of foreclosures in his neighborhood.

Ms. Hunter asked why we can go in and ask about the devaluation of property. And if we did object, how much longer would it delay the numbers.

Ms. Holm asked if we should prepare for the worst and hope for the best. She is onboard with the property tax issue and go with the 50% devaluation. Decrease the budget by \$200,000. They did support the change in pay scale. She is supporting the Police Dept. and not behind Admin and PW.

Mr. McGhee said his understanding that state assistant is a total of only \$779,000. He said that Ms. Holm asked why we do this and the answer was if we don't do this someone else will. He wondered where would the City of North Pole be and if we didn't have them was it an entitlement of welfare. Fire and PW wouldn't be able to make it.

Ms. Holm said that she hoped to discuss that in the workshops.

PASSED

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

No – 2 - Welch, Holm

Absent – 0

EXECUTIVE SESSION

Mr. McGhee *moved to* **cancel Executive Session**

Seconded by Mr. Welch

Passed Unanimously

The regular meeting was reconvened at 9:54 p.m.

COUNCIL COMMENTS

Mr. McGhee – thanked council and employees for showing up. It is his understanding that he gave permission for paid employees to attend meeting. They could have shared their comments with their Chiefs and he doesn't appreciate that they are here on the clock and would like that addressed. Thanked council for what they have done. Hopefully being positive and being more efficient and effective and another government position.

He had concerns with DUI's and encouraged people to be careful.

Mr. McCarthy said that he has asked the same thing about having a paid officer at the council meetings and how much we are losing and they should be able to come on their own time and have the same ethics. They shouldn't be here when they are on duty. The other thing bothering him is that Lisa Murkowski was here and had a quazi secret meeting with some people from town. We all have smart phones and we have an issue with the open meetings act. If there is an elected official and gotten into big trouble and also not happy and can meet with special people.

Mr. Smith thanked everyone for coming out tonight and everything laid out and positive things happening with the gasline. Make sure to plug in vehicles and watch for kids

Ms. Hunter said that overall and with the figures, she feels the mayor did a good job of putting the budget together and better about them being real that what it has been over the past years. She does want to move cautiously and that he has done a good job with numbers on the budget. In the past she felt they were looking at fudged numbers. It is really important to vote tomorrow and really important propositions on the ballot. Voting is your most important right.

Ms. Holm wanted to make sure that everyone gets out and votes. She wants to make sure we have a fully funded pd.

Mr. Welch had the opportunity to be with Click Bishop and? He remembered sitting in Click Bishop's office in Juneau and he found out that there are 12 miles of trail. Had an opportunity to talk with Bill Walker and what he would do if elected. If we could change royalty oil and commission tax and bring FHR back to the table. As far as Sen. Murkowski he found out at 8:00 the night before. He didn't have time to notify anyone but he was here to meet and greet and did not speak long. He said he would leave it at that.

Mayor Ward said that the equipment is here when they are here and if called then they would be able to respond. He overlooked the visit with Murkowski and it was his fault and did send a note to her apology. If there is discussion or concern you can contact dph

ADJOURNMENT

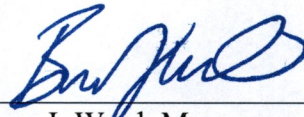
Mr. McGhee adjourned the meeting at 9:54 p.m.

Seconded by Mr. McCarthy

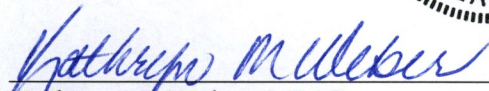
The regular meeting of November 3, 2014 adjourned at 9:54 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, November 24, 2014.




Bryce J. Ward, Mayor

ATTEST:


Kathryn M. Weber, MMC
North Pole City Clerk