



**Committee of the Whole – 6:30 P.M.
Regular City Council Meeting – 7:00 P.M.**

A regular meeting of the North Pole City Council was held on Monday, June 15, 2015 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

CALL TO ORDER/ROLL CALL

Mayor Ward called the regular City Council meeting of Monday, June 15, 2015 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

CALL TO ORDER/ROLL CALL

Mayor Ward called the regularly scheduled meeting of the North Pole City Council to order on Monday, June 15, 2015 at 7:00 p.m.

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 June 15, 2015

Seconded by Mr. Welch

Discussion

None

Mr. McGhee moved to amend the agenda to consent as follows:

Old Business

- b. Ordinance 15-09, an Ordinance of the City of North Pole, Alaska to amend the 2015 budget to authorize purchase of a replacement pickup truck for the public works department
- c. Ordinance 15-10, an Ordinance of the City of North Pole, Alaska to amend Title 13, Public Services, and adding Chapter 32 – General provisions for drilling water wells, to update ordinance, and establish process for permitting the installation of water wells

New Business

- c. Ordinance 15-11, an Ordinance of the North Pole City Council to amend Title 5, Chapter 5.08 – Liquor Regulations, and introduce Section 5.08.030 – Council review of license issuance, renewal, transfer, relocation, or continued operation.
- d. Resolution 15-12, a Resolution establishing the water treatment plant emergency system improvements project as the City of North Pole’s priority capital project for the municipal matching grant program in State fiscal year 2017

Seconded by Mr. Welch

Discussion

None

On the amendment

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

On the Agenda as Amended

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

APPROVAL OF MINUTES

Mr. Welch moved to Approve the minutes of June 1, 2015.

Seconded by Mr. McGhee

Discussion

None

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

COMMUNICATIONS FROM THE MAYOR

We are seeking donations for the Trooper Park. If you are interested in donating your time or resources please talk to me or Chief Dutra with the Police Dept. We had a great contractor meeting today and look forward to starting work when the road weight restrictions are lifted.

The 4th of July festival “A Patriots Christmas” is only 3 short weeks away. If you are interested please contact me or Katy Englund for details. Flint Hills Resources has graciously agreed to come on as title sponsor again this year, Thank YOU! The next meeting will be here at City Hall tomorrow evening at 6:15pm.

The ground breaking ceremony was a great success on the 5th. Governor Walker was present in North Pole for the fusing of the pipe and a short speech on this momentous event.

I was able to attend the change of command for Col. Snelson at FT. Wainwright last Friday. Col Snelson was in charge of the air brigade and is responsible for my introduction to golf. He was a great leader here in the Interior and is planning on staying because he loves it so much here.

I was also able to attend the ribbon cutting for the Tanana Trails housing project. This project was over 10 years in the making at it was great to tour the new buildings. It was interesting to see the change in the terrain from 15 years ago when me and my buddies used to play there.

The State announced last week that they are not going to make a determination on the cleanup level for sulfolane for 2 years citing the need for the results of the NTP study that will be completed in 2017. Not having a cleanup standard poses a significant challenge for the City and for the responsible parties to determine what needs to be done achieve a reasonable cleanup plan.

The Audit should be completed on Wednesday of this week. Staff met with the auditors last week and it was clear it would not be ready for this meeting. We have scheduled a special meeting for Monday June 29th at 6:00 p.m. for the presentation of the audit, per our charter. This year even with significant economic challenges we still managed to keep our expenditures under budget and our revenues came in over expected.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

Ms. Hunter asked where the Tanana Trails housing was located. She also asked about the Amazing Race during the July 4th celebration.

Presentation by Water & Soil Conservation on Elodea

Joni Scharienberg stated that they had worked with the City of North Pole for over ten years, along with federal, state agencies and legislators on Chena Slough to improve water flow. In 2010 an aquatic invasive was discovered and work has shifted over to trying to eliminate the invasive. She introduced Adidi Shanoy, the invasive weed specialist who gave a presentation on the work they have done so far. Adidi explained what Elodea was and how it was introduced to the interior. It was discovered in Chena Slough in 2010 and in 2011 it was found in the Chena Lakes Recreation area. She said that it's been found in Badger Slough, Chena Lakes and in some sections of the Chena River. Once it's established in the water body it can convert a gravel bed and increase sedimentation and alters the environment that salmon and grayling need for spawning and rearing. It will have huge impacts on commercial and sport fisheries, will create problems for recreation and reduce waterfront property values. The biggest problem with Elodea is that it reproduces and spreads easily across the state. The infestation in the slough is the most difficult in the state to get rid of because it's in moving water. It's a high priority because it can easily bleed into the Chena River and infest bodies of water along the Tanana and Yukon so a lot of salmon habitat could be lost if Elodea moves from the slough throughout the water sheds. The management goal is to eradicate Elodea in these interior water bodies and to prevent spreading. She described the various methods they've used to try to eradicate. They are currently applying for permits to use fluridone in the Chena Slough and Chena Lakes because Elodea is very dense in those areas. There is a lot of permitting required with the DEC and DNR. It will be a very expensive project in the region of \$700,000 for the three to four year treatment plan. There are a lot of pieces that need to fall into place for the plan to be successful. There will be a community information session in the chambers on Thursday. She answered questions of the council.

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Police Department, Chief Dutra

- None

Fire Department, Chief Lane

- None

Finance, Tricia Fogarty

- None

Director of City Services, Bill Butler

Building Department

- July 14: FNSB Planning Department will be reviewing the conditional use application for the proposed senior housing project in Stillmeyer Estates Subdivision)
 - Public will be able to comment at the meeting

Public Works

- FMATS 2014 repaving project in final stages (3rd and 4th Avenues by the Elementary; School; West 6th Avenue; Manley Street; Owens Street; & Blanket Boulevard)
- Hurst Road: City section nearing completion
- City's annual road patching work completed

Utility Department

- Complaints about odor from wastewater plant declining
 - Chemistry of lagoon 1 appears to be shifting to “normal” (color change from dark to more normal green—algal bloom)
- \$1.9 million for Sewer Lift Station Rehabilitation Project still in the 2016 Capital Budget
 - Waiting for governor's signature on budget
- Five of Utility's grants audited last week.
 - 2 ½ days scheduled for audit, but lasted approximately one day
 - Passing audits is important because ADEC withholds 5-10% of reimbursable funds until audit is passed
 - Utility has approximately \$100,000 being withheld

Natural Gas Utility Board

- Gas pipeline installation continues at approximately 1,000 to 1,500 feet/day
- State approved purchase of Fairbanks Natural Gas
 - What this specifically holds for IGU not yet determined
 - One possible outcome is the consolidation of the two entities into a single public utility
- ADIEA release a request for proposals to for a natural gas supplier
- Focused on Cook Inlet but also gave flexibility to get natural gas from any cost-effective source, including the North Slope

Mr. McGhee asked about the striping on Badger Rd.

Mr. Welch stated that his wife heard that there weren't many qualified people to do with the IGU.

Mr. Smith asked if Mr. Butler could put something on the website concerning the difference between an easement and utility easement.

Borough Representative

- The Borough Assembly voted to set the mill rate for the budget. There was an increase for schools.
- Ordinance in regards to the vote by mail did not garner enough votes.

City Clerk, Kathy Weber

- There will be a Special Meeting on Monday, June 29, 2015 at 6:00 p.m. Kohler, Schmitt, & Hutchison will be presenting the 2014 Annual Audit.
- Aaron Jacobson has been hired as the new archivist under the grant. He is helping to continue to research data that needs to be archived for the City.
- The City has long talked of possibly getting a museum in the area. I have been in contact with borough officials and they are interested in talking with us about the use of the old library. I will be coming before council in the weeks to come with a business plan and more information.
- I will be on vacation from Thursday, June 18 – Friday, June 26, 2015. I will have email and cell phone service if you need to contact me.

ONGOING PROJECTS

None

CITIZENS COMMENTS

None

OLD BUSINESS

Ordinance 15-07, An Ordinance of the City Of North Pole, Alaska to amend Title 2, Personnel System, Chapter 36, Section.480 Insurance and Disability Benefits

Mayor Ward stated that this ordinance changes the contribution amount for employees from \$0 to \$45 per month and for dependents to go from \$100 per month to \$175 per month. This works out to be approximately \$101 per month for a family.

Public Comment

Steve Dutra – 125 Snowman Lane

Mr. Dutra finished his presentation that he didn't get to finish at the last meeting. He felt that the contribution would be a significant impact to some of the employees' wages. He felt that with the healthcare renewal coming in the middle of the year that it doesn't let the Department Heads come up with budgetary fixes. He felt there could have been other alternative to consider.

Mr. Smith asked if we are asking the right questions to the broker for what we need for the employees. He asked if the NPPD could put together a wellness program for the officers.

Ms. Holm asked if he could give his presentation to Agnew:Beck.

Mr. Welch asked how many employees the NPPD had hired this past year and what their expectations would be toward paying for their benefits. He asked Chief Dutra what would be fair for his employees.

Mr. McGhee said that every year he puts forth raising the sales tax and he doesn't have the support of the employees. He said the surplus he was proposing at the last budget session was shot down. The council needs the support of the employees at the budget session. He said we need to be proactive and the cost of doing business is going up for everyone.

Ms. Hunter asked if these were voted down would there be things that department heads would be able to do to decrease their budgets.

Mayor Ward asked if Chief Dutra thought 5% of the cost of healthcare was unreasonable.

Chief Dutra said he is speaking for the people at the lower end of the pay scale and that it is a lot of money.

Mayor Ward asked if he knew that 81% of the NPPD budget was personnel.

Mr. Welch asked if Chief Dutra was aware of the fact that this was going up from \$100 to \$120 before this was released.

Mr. McGhee said he was concerned about what Chief Dutra meant by cutting services and if it would be wiser to raise sales tax to pay for those services.

Chief Dutra did not want to be put on the spot. He stated that they had already cut a position. They represent the citizens and it's about what services they wish to have.

Mr. McGhee asked if it would not be wiser to increase the sales tax for people who are using services to start with and if he has Chief Dutra's support on that.

Mr. McGhee moved to Adopt Ordinance 15-07, an Ordinance of the City of North Pole, Alaska to amend Title 2, Personnel System, Chapter 36, Section.480 Insurance and Disability Benefits

Seconded by Mr. Welch

Discussion

Mr. McGhee said he supports Chief Dutra in what he wants for costs. He hopes to see the sales tax raised to help see these services kept. He asked to move this forward and hopefully in the budget session they can find a way to readjust it.

Mr. Welch said he has talked with other employees and department heads and said that they have said they had expected lower pay because they had better benefits. He's heard the chief and employees loud and clear regarding a more than \$2 an hour decrease towards the insurance.

Mr. Welch move to amend line 33 amend to employees shall pay a \$25 monthly premium and \$150 for dependent coverage

Seconded by Mr. McCarthy

Discussion

Mr. Welch stated that what that means is approximately a 3% towards the overall premium. We are our employees employer. We represent new employees. In all fairness this is doable and that in next years' budget it will probably go up because costs are going up.

Mr. Smith commented on the free ambulance fee for the residents and the changes over the years. Because of an error in the code residents now pay a higher ambulance fee. Is this a similar situation?

Mr. McCarthy stated that he is in favor of the amendment.

Ms. Hunter asked if there was an option of offering a percentage of salary as opposed to a flat rate.

Ms. Holm said that the average employee makes about \$60,000 a year. She has a good feeling that with getting Agnew:Beck on board that they can help reorganize and restructure the city. She's really excited about the future of North Pole. Hopefully the increase can be reduced by next June.

Mr. McGhee asked how this amendment will affect the budget.

Mr. Smith asked about increasing the deductible.

City Clerk Kathy Weber said the city did increase the deductible from \$300 to \$375.

Ms. Hunter said she is in favor of the amendment and using the approach of Ms. Holm in reverse and if we have to increase it next year we have more time. The best solution goes with Councilman McGhee on the proposal for sales tax and hopes the council will consider that. They need the support of the residents and the council is the body that needs to look at this and keep a balance with the services that the City needs to provide.

Mr. Smith asked if the City could put together a wellness program and capitalize on these gains.

Mayor Ward said he has run some of the numbers and he is not in support of this. He stated that they have to look at how they manage the City in an effective way and provide benefits to all employees. With the numbers the employee would be paying \$46.15 per pay period for health care. With the changes as presented it would increase to \$101.54 per pay period and with the changes proposed by Mr. Welch it would be \$68.09 per pay period increase. The reason why we brought this forward is because they've lost \$200,000 property tax revenue and had a double digit increase in health insurance. 80% of costs are wages and when it comes out of operational costs it affects the employees and services provided and it is not in the best interest of the City and in looking after the wellbeing of our employees. The 5% is in the best interest of the city. Reducing the amount that employees contribute will create a wider gap in the budget and where they are going to find that money. To find 30,000 – 40,000 in a budget is a difficult thing to do. The only place that is left to cut is personnel. That is the only way he sees this happening. It is difficult and a challenge. He is not in favor of the amendment.

Mr. Welch said his numbers were based on 30 families and approximately 12 other employees. Instead of \$540 a year it would be \$340 a year so that's \$19,000 instead of \$30,000. Keep in mind that we don't know how much the spousal coverage would be barred in the contract before us.

Ms. Holm said she ran the numbers she came up with different numbers.

Mr. Welch said that it was \$220 per family (\$2640 a year). Under his plan it would be \$2,100 a year out of employee pockets. In the same token looking at an employee without dependents it would be \$300 a year instead of \$540 a year and it brings it to 80% for a family without the amendment and 55% for the employee.

Mr. McGhee said he supports the Mayor on this and if we support this amendment we need to look at cutting services. We need to look at our budget for 2016 and support what the mayor has brought forward. Right now is not the time to do this amendment.

On the amendment

FAILED

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

On the main motion

Discussion

Mr. McGhee said we should be talking about this during the budget session and see the City become more proactive and see increases in our revenues and we need to stop being dependent on what the bases are doing and start looking at what the City does. In regards to what he means by their support is that this is what it takes to run a city.

Ms. Hunter moved to amend line 33 – shall pay .5% of their monthly salary for healthcare coverage and .5% for dependent coverage.

Seconded by Mr. Welch

Discussion

Ms. Hunter said this will address the Chiefs comments that people that make a larger salary can afford and have a more disposable income and not putting such a big burden on those employees that are making \$20/hr.

Mr. McGhee said he doesn't think this is a fair deal. The cost is the same for a doctor visit no matter who you are. I don't agree that someone who makes more should pay more for the same type of service. The mayor has already set up what the cost of the budget is at this time I think it is something we need to address at the budget session and not over charging people because they have been here longer, they have a higher pay scale and assuming that it's okay for them to pay more. That's not a fair system.

Ms. Holm said her numbers didn't make sense.

Mr. Kestram said this would put us over if it exceeded \$45 and the City would lose their grandfather rights.

Ms. Hunter withdrew her amendment

Mr. Welch removed his second.

APPROVED

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

NEW BUSINESS

Renewal of 2015-2016 City of North Pole Health Insurance With AW Rehn

Mayor Ward

Public Comment

Steve Dutra – 125 Snowman Lane

Mr. Dutra said he liked to see all the discussion. He doesn't think the denial of spousal coverage is fair. He said that the \$100,000 for spousal coverage and dependents doesn't make any sense and the 2nd is that what if a person works at a business and that business offers a healthcare plan that's 50% of what we offer and twice as much. Is my wife or spouse now going to be forced to purchase that health insurance because he/she can't be covered under the city? I don't think that is fair. Most of us work here for the benefits for our families and that includes our spouse. I do not object to the deductible changes, I get it, but I don't get this one. We don't even have an accurate number and can't even tell what it is going to save us. I am asking that you pull the spousal additive out of the contract because it's really not fair treatment.

Geoff Coon – 110 Lewis Street

Mr. Coon said he is also affected by this. It is not clear to him and not clear to other employees that this was a mandatory drop of the dependent. This is a small City and 20% or so this will effect should have gotten a phone call letting us know that this IS going to affect us. I know it is in the fine print and all this was put out there but if he didn't get it then they didn't get it. He would like to have it dropped as well and make a comment on and council member who talked about the squeaky wheel. He likes the fact that you the council members are elected for your opinion. Thank you.

Buddy Lane, 110

Mr. Lane echoed chief Dutra and Coon. You will penalize a family because you have a spouse that works outside the home and I don't think that's fair on any level. You are not treating all your employees the same and therefore he encourage you to drop that part off of this. Thanked the council for their work and encouraged them to drop that portion.

Bill Bellant, 125 Snowman Lane

Mr. Bellant said he objected to the removal of the spousal coverage as well. He doesn't see where it will benefit the city. Our children can be double covered and the spouse cannot? It's not fair especially if no one can tell us the benefit.

Chad Rathbun, 125 Snowman Lane

Mr. Rathbun said that this is a guestiment and that it doesn't seem responsible. The other thing that will happen is you are dividing the employees, we stand unified, you are our union, you are our representatives as well as for the city. My wife currently doesn't have insurance so this will not affect me but I would prefer that you not divide us like that way as a city and a group of people.

Tricia Fogarty, 125 Snowman Lane

Mrs. Fogarty encouraged council to drop that part of the contract. If our spouse lost their coverage they wouldn't be able to get health insurance because we can only sign up once a year. So that family member would be without insurance until it was renewal time.

Mr. McGhee *moved to* approve the Renewal of 2015-2016 City of North Pole Health Insurance with AW Rehn

Seconded *by* Mr. Welch

Discussion

**Mr. Welch *moved to* amend with the following:
To barre language on denial of spousal coverage in the contract**

Seconded *by* Ms. Hunter

Discussion

Mr. McGhee asked for clarification on the verbiage on the spousal coverage and where is it located in the contract. My next question is what if the person covered is an American Native? They are covered by something other than the city. Would they be refused as well based on this?

Ms. Hunter asked for a clarification: What are we voting on if we are not voting on the contract? Where are the provisions in the contract that states about not covering the spouse?

On the amendment to remove the language barring spousal coverage

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

On the main motion as amended

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

Fairbanks North Star Borough and City of North Pole Emergency Medical Services and Ambulance Contract

Deputy Chief Coon stated that this contract is for \$419,750.

Public Comment

none

Mr. Welch *moved to* Approve Fairbanks North Star Borough and City of North Pole Emergency Medical Services and Ambulance Contract

Seconded by Mr. McCarthy

Discussion

Ms. Holm said that this contract was not for enough money.

Ms. Hunter said that she would like to send some sort of message to the FNSB. Year after year receiving this as a take it or leave it the borough is trying to take advantage of us and other fire services. She will vote for this as it was recommended by Deputy Chief Coon.

Ms. Holm said they just went through this with the Fairbanks dispatch contract. We were severely under paying them and they had to decide to charge us quite a bit more for the services and we need to do the same.

Mayor Ward said that we can work with them to make it better and has been working with the borough mayor. He has learned that a little finesse is better. If the city wishes to provide this service to the borough it will take an commitment on our part and the borough to make that happen.

PASSED

Yes: 6 – McGhee, Welch, Smith, Hunter, McCarthy, Ward

No: 1 - Holm

Absent: 0

COUNCIL COMMENTS

Ms. Holm – would like to give a shout out to the North Pole Worship Center who went out to the assisted living homes and helped clean out the flower beds, giving out water and much more. Great outreach.

Mr. Welch – It's nice to see us back in the 80's and to have 22 hours of daylight. It won't start getting dark until July 27th. Nice to see employees come out and give their opinion. Looking forward to the 4th of July and look forward to the June 29th meeting on the audit.

Mr. McGhee – It's been an awesome weekend and brought in 280 motorcycles from around the world, as far away as shanghai and Venezuela. We had an awesome time and zero accidents in our group. We filled the riverboat discovery with motorcyclist and visited outside the refinery and the Santa Claus House. It was a great economic impact on City of Fairbanks and City of North Pole as well. I am looking forward to August and going down to the 75th anniversary of the Sturgis Motorcycle Rally. Be careful and look out for the other guy. Give the right of way.

Mr. McCarthy – I'm glad to see people in the audience stay until the end. A lot of the things they heard them say will come up in the budget. Last December we had a lot of fire equipment out here, a lot of people in uniform in here, they told us a lot of things when we were working on the budget but when second reading came up none of those people were here and we were slowly flame roasted over the fire. It literally was night and day and the people who didn't show up for the second discussion really missed the boat. Please don't let that happen again.

Mr. Smith – thanks to all the guys that came out and appreciates all the people using the bike paths.

Ms. Hunter – apologizes to all the employees, the first session we discussed the insurance and put it on consent agenda instead of opening to public comment. I think we should do that differently next time. Thanked for coming out and testifying and makes a big difference.

Mayor Ward – Said a reminder of special meeting of June 29th and not another meeting until after July 4th. We need your help, come out please.

ADJOURNMENT

Mr. McGhee adjourned the meeting at 9:21 p.m.

Seconded by Mr. Welch

The regular meeting of June 15, 2015 adjourned at 9:21 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, July 6, 2015.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk