



**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 19, 2016 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 19, 2016 to order at 7:00 p.m.

***There were present:***

**Mr. McCarthy – Mayor Pro Tem  
Mr. Smith – Deputy Mayor Pro Tem  
Ms. Holm – Alt. Deputy Mayor Pro Tem  
Ms. Dawson  
Mr. McGhee  
Mr. Claus  
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, January 19, 2016 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 January 19, 2016**

**Seconded by Mr. Claus**

**Discussion**

None

**Mr. McGhee moved to amend by pulling item:**

b. Ordinance 16-01, An ordinance of the North Pole City Council amending Title 3, Elections, Chapter 3.16.020, Declaration of Candidacy and 3.16.080, Filling of Vacancies

**and by consenting the following items under New Business:**

- a. Approval of liquor license renewal for Oaken Keg Spirit Shop, Loyal Order of Moose, and Grizzli's

**Seconded by Ms. Holm**

**Discussion**

None

**On the Amendment to the Agenda**

**PASSED**

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0

Absent: 0

**On the agenda as amended**

**PASSED**

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0

Absent: 0

**APPROVAL OF MINUTES**

**Mr. Claus moved to approve the minutes of January 4, 2016**

**Seconded by Ms. Holm**

**Discussion**

None

**PASSED**

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0

Absent: 0

**COMMUNICATIONS FROM THE MAYOR**

**Proclamation – Martin Luther King Day**

### **Mayors Report**

Muffins with the Mayor will be cancelled for the month of February as the Mayor will be in Juneau with the Fairbanks Chamber of Commerce.

Mayor will be traveling to Juneau with the Fairbanks Chamber of Commerce for their Legislative Fly-in and will be gone February 16<sup>th</sup> to the 19<sup>th</sup>.

Mayor will be giving opening remarks at the winter tourism conference hosted by Explore Fairbanks on January 27<sup>th</sup> at the Westmark Hotel.

Last Friday was the third Friday art show at the North Pole Grange. The artist was Makara who runs Painting with Pigments, a business that does art parties. After the art show at the Grange she did a class and my wife and I were able to join and painted our own paintings. I highly recommend this wonderful opportunity to explore your creativity.

Tomorrow FMATS is considering a resolution in support of the State's effort to break the PM2.5 non-attainment area into two pieces. The Mayor is not in favor of this as he believes it will cost the State more and will not address the issues relevant to fixing the problem

### **COUNCIL MEMBER QUESTIONS OF THE MAYOR**

None

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

#### **Fire Dept., Deputy Coon**

- None

#### **Finance, Tricia Fogarty**

- None

#### **Police Department, Chief Dutra**

- 1) Guys Read – Fisher and I
- 2) Ofc. McCumby decided to back out due to personal reasons.
- 3) Ofc. Lindhag will be starting Feb 1.
- 4) We currently have an open position. We are advertising.
- 5) New car is in Anchorage being outfitted. Should be delivered next week.
- 6) Fuel ran out at NPPD. Apparently we were left off refill list.
- 7) Asset Forfeiture has been suspended until further notice.
- 8) Lt. Rathbun is in Anchorage on DHS dime for AK Shield 2016.

- 9) I attended with Lt. Rathbun and Ofc. Fisher LEO Terrorists response.
- 10) We are \$3400.00 away from our goal for Memorial Park pavilion

### **Questions**

Mr. Claus thanked him for the update on the situation in Colorado.

Mr. Smith said that he had been told about a house that has a rather large amount of traffic that comes and goes from it and if the police had something in the works or if anyone was watching that residence, also he was told by a local business that some drug paraphernalia was found in their parking lot and there was a concern for safety cause they have a lot of women that frequent that business.

Chief Dutra said that he was aware of the break-ins but not of any recent paraphernalia being found.

### **Borough Representative**

- There is an open seat on the Planning Commission. If anyone knows of anyone that would like to serve in that capacity, they do meet twice a month and you have to do a financial disclosure as part of the requirements for that.

### **Director of City Services, Bill Butler**

#### **Building Department**

- No new building permits issued since December 7 Council report.

#### **Public Works**

- Streetlight repairs in progress—we were waiting on the delivery of spare parts.
- Request before Council this evening to transfer funds to Public Works to purchase a snowplow for the new pickup truck
  - Request based upon Public Works being conservative and returning approximately \$40,000 to General Funds at end of 2015.

#### **Utility Department**

##### Notice of Violation Update

- Submitted information to Senator Coghill as part of legislative request updating him on the status of the NOV and costs associated implementing solution.
- Engineering firm scheduled to begin initial laboratory testing as first step in generating engineering design.

- Begun work on an Alaska Clean Water Fund (ACWF) loan as one of the sources to finance construction of extended sewer main.
  - Part of the process to demonstrate to ADEC that the Utility is actively working to resolve the NOV.
  - Will submit resolution at next Council meeting seeking Council's support for the application.
  - Submitting an application is NOT accepting a loan or any associated debt. Accepting a loan offer would come later and accepting debt would still require approval by the voters.
  - Loan request is for \$2 million (20-year term at 1.5% with estimated annual payments of \$116,500).

Mild winter is having a positive impact upon the Utility

- Have not yet had to heat the water—represents a savings of 150 gallon per day of heating oil at the water treatment plant.
- Early snow cover helps retain heat in the ground and protects water mains and customer service lines.
- No reports to date of frozen customer water or sewer lines.

### **Natural Gas Utility Board**

IGU waiting on AIDEA to announce selected natural gas provider.

- IGU retains its commitment to \$15 per MCF (thousand cubic feet) at the customer meter. IGU has received applications for General Manager position (prior finalist withdrew and search reopened).

### **Questions**

Mr. Smith asked if there was any kind of update on the candy cane lights that are out in the city.

Mr. Butler told him that they had ordered parts for them. One issue they were having was that those lights are on the Boroughs circuit and they have a higher voltage which makes the correct ballasts extremely hard to find.

Mr. McGhee commented by saying thank you for keeping the Christmas trees lit throughout the night. Many people are out and about during the dark hours and they are a nice site to see.

Mr. Butler gave kudos to Cody Lougee for putting the trees together. The color arrangement is extraordinary this year.

**City Clerk, Kathy Weber**

- Please contact us at 488-8583 or email us at [Kathy.weber@northpolealaska.org](mailto:Kathy.weber@northpolealaska.org) or [aaron.jacobson@northpolealaska.org](mailto:aaron.jacobson@northpolealaska.org) if you have anything that you would like to have included in the North Pole Newsletter. We are also on Facebook at [www.facebook.com/cityofnorthpole](http://www.facebook.com/cityofnorthpole), Twitter, @cityofnorthpole, and are in the process of creating an Instagram account, ie photo's.
- Have received 970,000 documents that need to be archived from FHR & Williams.
- Working with Police Department to bring them onboard with archiving their records.

**ONGOING PROJECTS**

- Festival Committee Presentation – See slide show -Howard Rixie, Katy Englund, Dawn Murphy, Larnetia Skipps, Ricki Homchick
- Strategic Planning Update – Shelly Wade

**CITIZENS COMMENTS**

- Chief Dutra asked the council for \$3500.00 in funding for the Memorial Park.

**OLD BUSINESS**

**ORDINANCE 16-02, AN ORDINANCE OF THE CITY OF NORTH POLE AMENDING THE 2016 BUDGET TO TRANSFER NECESSARY FUNDING FROM THE GENERAL FUND TO THE PUBLIC WORKS FLEET FUND TO PURCHASE A SNOWPLOW**

Bill Butler gave introduction on purchasing a snowplow for Public Works Department.

Mr. McGhee asked what happened to the vehicle and the snowplow that this purchase will replace.

Mr. Butler said that we are not getting rid of anything to replace. The City replaced the old orange truck with the new truck at the end of 2015. Public Works is planning on selling the old orange truck but don't expect to get much as it is a failing vehicle.

Mr. McGhee said he heard that Public Works had a plow that won't retrofit and asked if that was true.

Mr. Butler said the plow that is on the red truck that they have now is made only for that type and size of vehicle so we cannot just take it off and stick it on the new truck.

Mr. McGhee asked if the red truck we have now is not adequate enough to do what this new truck will do.

Mr. Butler stated that we would be able to do more with snow plows for each of the vehicles and we plan on keeping and using both vehicles and plows. It will make work easier for the Public Works department.

**Public Comment**

None

**Mr. McGhee *moved to* Introduce and advance Ordinance 16-02, an Ordinance of the City of North Pole amending the 2016 budget to transfer necessary funding from the General Fund to the Public Works Fleet Fund to purchase a snowplow**

**Seconded by McCarthy**

**Discussion**

Mayor Ward said that the city was under budget and they would probably not have to transfer from fund balance. Departments have done a good job keeping their budgets down.

Mr. Smith asked if we could save it for a future budget season.

Ms. Holm asked if these extra funds were discussed in budget workshops.

Mayor Ward responded with that there was no previous discussion about the snowplow and that is why it is being brought before the council tonight.

**PASSED**

Yes: 6 –Holm, McGhee, Dawson, Claus, McCarthy, Ward

No: 1- Smith

Absent: 0

**ORDINANCE 16-03, AN ORDINANCE OF THE NORTH POLE CITY COUNCIL AMENDING TITLE 4 CHAPTER 4.08, SALES TAX, BY ADDING MARIJUANA TAXES**

Mayor Ward gave an introduction on this ordinance about adding marijuana sales tax.

**Public Comment**

None

**Mr. McGhee *moved to* Introduce and advance Ordinance 16-03, an Ordinance of the North Pole City Council amending Title 4 Chapter 4.08, Sales Tax, by adding marijuana taxes**

**Seconded by Mr. McCarthy**

**Discussion**

Ms. Holm wanted to clarify who will be taxed the 6%.

**Ms. Holm *moved to* Amend Ordinance 16-03, an Ordinance of the North Pole City Council amending Title 4 Chapter 4.08, Sales Tax, by adding marijuana taxes**

**Discussion**

Mr. McGhee commented that he thought that over taxation would make the people go back to buying it on the street.

Ms. Dawson wondered if we should only increase to 8%

Mayor Ward said he thought 6% is a satisfactory number.

Mr. McCarthy stated that he agrees with the Mayor and Mr. McGhee.

Ms. Dawson said if they want it bad enough they will be willing to pay whatever price.

Mr. McGhee said that consumers are going to always go with the cheaper option.

Ms. Holm said that if we leave it at 6% they will be paying only \$18.00 in sales tax per ounce. The small increase in sales tax should not be an issue. It is easier to bring the tax down at a later date than it would be to increase it.

**FAILED**

Yes: 2 –Holm, Dawson

No: 5 – Smith, McCarthy, McGhee, Claus, Mayor Ward

Absent: 0

**Discussion on the main motion**

Mr. Claus asked if the city wanted to enforce the sales tax on the “made from hemp” items.

**PASSED**

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward



No: 0  
Absent: 0

**ORDINANCE 16-04, AN ORDINANCE OF THE NORTH POLE CITY COUNCIL AMENDING TITLE 5, BUSINESS LICENSES, TAXES AND REGULATIONS, AND ADDING CHAPTER 5.09, MARIJUANA ESTABLISHMENT REGULATIONS**

Mayor Ward gave the introduction to this ordinance about adding marijuana establishment regulations.

Ms. Holm asked how Mayor Ward came up with the 50% of the fee being refunded if denied.

Mr. Claus pointed out a typo on line 28.

Mr. McCarthy said it does not prohibit the use of water which is much safer.

Mr. Smith asked how they came up with the permit fees.

Mr. McGhee said that they were trying to come up with a fair and affordable amount for the businesses.

**Public Comment**

Chief Dutra said that in the Lower 48 they make enough revenue to pay for their high taxes so they don't have to worry about the price of the fees

**Mr. McGhee *moved to* Introduce and advance Ordinance 16-04, an Ordinance of the North Pole City Council amending Title 5, Business License, Taxes And Regulations, and adding Chapter 5.09, Marijuana Establishment Regulations.**

**Seconded *by* Mr. McCarthy**

**Discussion**

Ms. Holm said she thinks that the fees listed in 5.09.030 are too low.

**Ms. Holm *moved to* Amend line 106a : In the case of vertically integrated business, permit fees will be capped at \$3000.00**

**Seconded *by* Ms. Dawson**

**Ms. Holm *moved to* Rescind**

**Seconded *by* Ms. Dawson**

**Ms. Holm moved to Amend Ordinance 16-04 as follows:**

**Line 106: strike through \$1500.00 and make it \$3000.00**

**Line 120: strike through \$1000.00 and make it \$2000.00**

**Line 123: strike through \$500.00 and make it \$1000.00**

**Line 126: strike through \$500.00 and make it \$1000.00**

**Line 129: strike through \$500.00 and make it \$1000.00**

**Seconded by Ms. Dawson**

**Discussion**

Mr. McCarthy stated that we have a really good police department and that he doesn't want us to over price the fees to the point there will be more illegal activity outside the city limits

Ms. Dawson asked if we make these fees low then should we lower the fireworks permit fees.

Mayor Ward said Ms. Dawson had a good point but if you want to encourage business then we should keep things simple.

Ms. Holm said that all this money is going to go into the general fund which will be going right back into the city.

Mr. McGhee said that he thinks they had put together a good ordinance.

***On the Amendment***

**FAILED**

Yes: 2 –Holm, Dawson

No: 5 – McGhee, McCarthy, Smith, Claus, Ward

Absent: 0

**Discussion on the main motion**

None

**PASSED**

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0

Absent: 0

**RESOLUTION 16-01, A RESOLUTION ESTABLISHING CITY OF NORTH POLE LEGISLATIVE PRIORITIES FOR THE 29<sup>TH</sup> LEGISLATURE 2016 SPRING SESSION**

Mayor Ward introduced the Resolution and updated council on what he was going to put together to take to Juneau in February.

**Public Comment**

None

**Ms. Holm *moved to* Introduce and adopt Resolution 16-01, A Resolution establishing City of North Pole Legislative Priorities for the 29<sup>th</sup> Legislature 2016 spring session.**

**Seconded by Mr. Claus**

**PASSED**

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0

Absent: 0

**COUNCIL COMMENTS**

Ms. Dawson – she stated it was late and wished everyone a good evening.

Ms. Holm – thanked everyone for their debate this evening.

Mr. Claus – delighted to be a part of the council that has such a diverse point of view.

Mr. Smith – be safe and drive careful.

Mr. McCarthy –really enjoyed the debate this evening.

Mr. McGhee – awesome meeting tonight. Great presentations. Thanked the Mayor for reading the MLK proclamation.

Mayor Ward – We do have a community that loves North Pole. There is always room for improvement and would definitely love to see more involvement from folks. He encouraged the council to participate in the strategic planning.

**ADJOURNMENT**

**Mr. McGhee** *moved to adjourn the meeting at 10:00 p.m.*

**Seconded by Mr. Claus**

The regular meeting of January 19, 2016 adjourned at 10:00 p.m.

**These minutes passed and approved** by a duly constituted quorum of the North Pole City Council on Monday, February 1, 2016.

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Bryce J. Ward, Mayor

**ATTEST:**

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Kathryn M. Weber, MMC  
North Pole City Clerk