



**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, October 3, 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, October 3, 2016 to order at 7:02 p.m.

***There were present:***

**Mr. McCarthy – Mayor Pro Tem  
Mr. Smith – Deputy Mayor Pro Tem  
Ms. Holm – Alt. Deputy Mayor Pro Tem  
Mr. McGhee  
Mr. Claus  
Mayor Ward**

***Absent/Excused  
Excused***

**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 October 3, 2016**

**Seconded by Mr. Smith**

**Discussion**

None

**Mr. McGhee *moved to* consent the following items:**

**Old Business.**

- a. Ordinance 16-21, an ordinance of the North Pole City Council amending Title 2, Chapter 2.36, Section 2.36.220, Travel and Host Reimbursements.

**New Business**

- b. Approval of stipulation with the Williams Companies, Inc in regards to the sulfolane litigation.

- c. Approval of RFP# NPPD-16-02, Towing Services for the City of North Pole to Interior Towing
- d. Approval of the 2016 SHSP (State Homeland Security Program) Grant EMW-2016-SS-0002 in the amount of \$79,450.
- e. Approval of State of Alaska, Division of Homeland Security and Emergency Management grant in the amount of \$20,000 and minimum matching grant of \$20,000

**Seconded by Mr. Claus**

*On the amendment*

**PASSED**

Yes: 5 –Smith, McGhee, Claus, Holm, Ward

No: 0

Absent: 1 - McCarthy

*On the main motion as amended*

**PASSED**

Yes: 5 –Smith, McGhee, Claus, Holm, Ward

No: 0

Absent: 1 - McCarthy

**APPROVAL OF MINUTES**

**Mr. Smith moved to Approve the Minutes of September 19, 2016**

**Seconded by Mr. McGhee**

**Discussion**

None

**PASSED**

Yes: 5 –Smith, McGhee, Claus, Holm, Ward

No: 0

Absent: 1 - McCarthy

### **COMMUNICATIONS FROM THE MAYOR**

Last week was the FNSB Air Quality Conference. I was able to stop in to the conference on Tuesday and meet the EPA Director and the ADEC director. They informed me that the state received money via a grant to do a saturation study to determine if the North Star Fire Station is representative of the North Pole area, if not, which we would assume then it would determine where the best location should be to get an accurate representation. Any change to the regulatory site would need to be approved by the EPA.

Petro Star gave a tour of the asphalt plant to officials and legislators last week and they are proud to say that the plant is making oil. They were unable to meet the aggressive timeline of May but they will be ready to make asphalt oil first thing in the spring for the next construction season.

There will be an Assembly work session on Thursday the 6<sup>th</sup> of October with AIDEA and IGU about the Interior Energy Project. The council is encouraged to attend. The meeting will start at 6pm in the Assembly chambers.

AFN, Alaska Federation of Natives will be in Fairbanks the week of the 20<sup>th</sup> to the 22<sup>nd</sup>. Each year, the AFN Convention draws between 4,000–5,000 attendees. The proceedings are broadcast live statewide via television and radio and webcast to 70 countries worldwide. In addition to the memorable keynote speeches, the expert panels and special reports, the Convention features several evenings of cultural performances known as Quyana Alaska. Native dance and music groups from across the state perform for large and appreciative audiences at the event and watching on TV and the Internet. For more information go to <http://www.nativefederation.org/annual-convention/>

October 22<sup>nd</sup> there will be pumpkin carving at City Hall with the Mayor. It is BYOP bring your own pumpkin. Bring the kids and have fun! The carving begins at 2pm and will go till 5pm.

- Student of the Month – Cody Peters, NPHS

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

- None

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

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

- None

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

- Wrapped up fire conference this past week.

- Ongoing with CTC firefighting classes.
- Processed 4 new volunteer firefighters.
- Wrapping up City projects and looking forward to working with council on the budget.
- Offer free smoke alarms and CO2 detectors for City of North Pole residents.

### **Finance, Tricia Fogarty**

- State of Alaska has not released the PERS liability. Asked the State for an extension and we were granted that.
- The 2017 budget is being put together with Miexcel.
- Grant review with the JAG grant and they may fund the city with more funds than they had last year.

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

#### **Building Department**

- Issued a foundation permit for a triplex to be built on East 5<sup>th</sup> Avenue. Structure to be built in 2017.
- Santa Claus House warehouse expansion approaching completion.

#### **Public Works**

- All wayfinding and identification signs planned for 2016 have been installed.
  - Additional signage planned for City Hall, Dog Park, Fitness Trail, Terry Miller Park and Highway Park Playground to be installed in 2017.
- All summer hires gone for the season.
- Streetlight repair.
  - Samson Electric is scheduled to repair three City streetlights this week.
  - DOT is in process of repairing streetlights on Badger Road—permitting issue to excavate on Tesoro parking lot is causing delays.
- Santa's Senior Center grant update: FNSB Assessor inspected the facility and will provide an assessed value for the property that we will use as the determination of the value of the City's match to the project.

## **Utility Department**

- Lift Station Phase 3.
  - Contractor has returned all lift stations to internal pumping—bypass pumping ended.
  - Estimate project will achieve substantial completion before the end of October.
- Two 30KW mobile generators ordered after Council approved the purchase.
- Proposition #6/ACWF loan to support sewer outfall construction.
  - Municipal election tomorrow, October 4<sup>th</sup> will express electorate's position on accepting \$2 million debt.

## **Natural Gas Utility Board**

- The negotiations with a second natural gas supplier are underway.
  - At September IGU Special Board meeting, the Board publicly expressed its concerns about the negotiation process and lack negotiations addressing IGU's priorities (See back for Board's position.)

IGU Board Action – Post-Executive Session Direction to General Manager  
September 20, 2016 Board of Directors Meeting

### **COUNCIL COMMENTS**

Mr. McGhee asked why is it the Governor is going abroad trying to sell our natural gas and why is it such a difficult task to provide ourselves with our own product.

Bill Butler states to his understanding the Governor is trying to sell the gas on the North Slope through a major pipeline deal. The gas we are trying to get access to is out of the Cook inlet and then provided by trucking here as a short term fix. Long term goal for the Interior would be to tap off the natural gas pipeline when it's built.

Mr. Smith asked for a recap on Proposition 6.

Bill Butler stated anytime the City is going to take on debt it has to go to vote. North Pole is eligible for the Alaska Clean Water Fund in the amount of \$2 million to help address the sewer processing plant problems. The channel where we discharge the waste water periodically goes dry. When you don't have river flow, you don't have a mixing zone. The state has said this needs to be fixed. This is a

violation of our permit. We have gone through a series of steps to identify the most logical and economical means to do it that would be approved by the State. The \$2 million would only fund part of the product and the remainder we are hoping will come from a Grant we have applied for called the Matching Municipal Grant for \$1 million. This is the maximum of Municipal Grant's you can apply for.

Mr. Smith asked if Residents do not choose to take on this debt what will be the next step.

Bill Butler stated we will look at other funding options. USDA has monies but they are loans as well. There are not many Grants that can do what we need and we will report to the state that we are making our very best effort. The ball will be in their court if we cannot finance this.

Mr. Smith asked if we will get penalized further or will we get a higher score on the list.

Bill Butler said we get a higher score on the list. That is why we were very eligible for the Alaska Clean Water Fund Loan. We were number 1 on the list last year. The Municipal Matching Grants will not be announced until probably late winter or early spring.

### **Excerpt from pre-approved Minutes**

After extensive consideration of the Binding Term Sheet for gas purchase, and the September 16 Memorandum of IGU, the IGU Board, after leaving Executive Session, directed the General Manager, via unanimous roll call vote, to communicate the following message to AIDEA Executive Director John Springsteen:

IGU Board is not willing to accept the Binding Term Sheet as written as it does not adequately provide for the needs of the community for a secure gas supply under a utility-grade agreement. To gain acceptance:

1. The IGU Board needs the right to approve the Binding Term Sheet, the Gas Sales Agreement, and any other contract that materially impacts Pentax assets, as IGU is expected to operationalize such agreements throughout their term.
2. IGU needs the right to directly negotiate the Binding Term Sheet; specifically the points raised in IGU's September 16 Memo, with the Seller.
3. IGU needs to be an equal partner with AIDEA in all negotiations going forward, with no communications with any potential Seller occurring without both IGU's and AIDEA's direct participation, input and concurrence. This will ensure AIDEA's and

IGU's interests are adequately protected moving forward.

The Board asked copies of the approved message also is forwarded to AIDEA Board Chairman Dana Pruhs, and members of the AIDEA Gas Negotiating Team Dan Britton, Nick Szymoniak and Gene Therriault.

### **Borough Representative**

- The FNSB went out to bid for a new ambulance; it has been the first ambulance bid in some time. The numbers for a 4 wheel drive ambulance came in at approximately \$185,500. This is almost \$20,000 more than the City paid for its new ambulance several years ago.
- The Smith Ranch rezone went off without a hitch, the staff and administration did a great job reaching out to citizens to fix this problematic area. A similar model could be used elsewhere in the Borough including in the Cities to rezone an entire neighborhood. If more than 5 property owners come forward then the cost for rezone is waived by the Borough.
- The FNSB also had a very contentious debate regarding Ordinance 2016-49 establishing a moratorium on marijuana establishments that allow onsite consumption. The ordinance ultimately failed but not until after lengthy debate. The City does not permit these type of establishments under the existing code.

### **City Clerk's Office, Kathy Weber**

- Absentee voting is closed.
- The municipal elections are tomorrow. Polls open at 7:00 am and close at 8:00 p.m.
- I will be leaving for Juneau on Tuesday evening for the PERS 2016 Employer Conference. I did not plan to attend but was contacted by PERS and encouraged to register for this conference to participate in learning their new benefit upload for the payroll program. This is the only class they have scheduled for this year and the new program goes into effect on January 1, 2017.
- We have been busy putting together our budget for the Clerk's Office which includes Human Resources, and Records Management. It was turned in to the Mayor on Thursday. We look forward to presenting it to you at the workshops.
- The Budget Workshops will be held on Tuesday, October 25<sup>th</sup>, Wednesday, October 26<sup>th</sup> and Thursday, October 27<sup>th</sup>.
- The winner of the Halloween coloring contest is 5 year old Lilly Knickle. She has won a coloring book and 64 pack of crayons so she can continue her artistry.
- I ask that council will stay and help to set up for the municipal election tomorrow morning.
- The social media (Facebook, Twitter, and Instagram) and newsletter is coming along very well. Sally put out a wonderful newsletter for the month of October and it has a lot of information in it. We have doubled our viewers on Facebook in just the past week. If you are interested in being on our email list please contact us at 488-8583.

- Next meeting is Monday, October 17, 2016 and we will be swearing new council people.
- 83 days until Christmas.

### **ONGOING PROJECTS**

- None

### **CITIZENS COMMENTS**

- Tammi Wilson, State Representative

Brought information on air quality and informed council of the results. She said she would get the information on how to opt out of the program.

Steve Dutra, 125 Snowman Lane

Chief Dutra stated that the sign that was knocked down was caused by a drunk driver.

### **OLD BUSINESS**

None

### **NEW BUSINESS**

#### **REQUEST FROM VICTORIA JONES FOR FORGIVENESS OF UTILITY BILLS LEFT BY TENANTS.**

Mr. Butler came forward and gave a recommendation and other pertinent information on the properties that are affected. See enclosures.

Mr. McGhee asked for clarification of amounts owed on all properties. Total is \$11,811.50.

Ms. Holm asked many questions of Mr. Butler concerning the properties and lack of notification to the owner.

Mr. Butler stated they had sent out letters. Ms. Jones did not tell us when she changed her address stating that for years we did not have a proper address and had to track her down. We sent out Certified mail in which she did not pick up and had returned to us.

Mrs. Holm asked if there are more documents of efforts to get in touch with Ms. Jones and is concerned in the Cities negligence to get this resolved sooner.

Mr. Butler stated that the Utilities person that was handling Ms. Jones account is no longer employed with the City of North Pole and because we did not contact her as much as we should



have. Mr. Butler is in full agreement that the City did not make as good of faith effort as it should have.

Mr. Smith asked if the City could go after the tenant as well and could the City go after Ms. Jones PFD or send to a collection agency.

Mr. Butler stated that they tried to go after the tenant but had no luck with that. Mr. Butler also stated that they do not garnish PFD's because you need to have a judgment to get that and you can only do that once per year.

Mr. Smith asked if we could issue a bench warrant or something similar.

Mr. Butler stated that in the code the property owners sign, the tenant is not the ultimate one responsible, therefore the responsibility is on the property owner.

Mr. Smith asked if we've talked to the City of Fairbanks about how they handle situations like these.

Ms. Fogarty stated that the City of Fairbanks doesn't have utilities but that Golden Heart does and they disconnect people in this situation. Ms. Fogarty also gave an explanation of how this happened. She stated that it was time consuming and agreed that the City had been negligent in the collecting of the bills. In her opinion, many people dropped the ball including Ms. Jones. Mr. Smith asked if there was a system put in place now.

Mr. Butler said that there will be no more tenant utility bills and they will only bill the property owner. He will bring forward an ordinance for that.

Ms. Jones addressed the council. She stated that she had the copy of the agreement with the tenant and gave one to each of the council members. Ms. Jones stated that she did not know how much the water bills were that the tenants were using. She said she had to hire a lawyer to get tenant out of the rental. They vandalized her house and now they need major repairs. She said she didn't know what to do and what to say. As far as the City assessments for the 3 properties she is willing to pay for those but that she does not have extra money to pay all the remaining bills. Ms. Jones brought in copies of the water bills she says she has received.

Mr. McGhee said she Ms. Jones keeps referring to 3 properties but we only see 2 addresses.

Ms. Jones said she does have three properties but one is an empty lot.

Mr. McGhee asked if there were any utilities on that lot.

Ms. Jones said no because there is no house on that property.

Mr. McGhee stated that on a previous judgment one of them from February 2013 and the other one of 2014 has only had a payment of \$600 on that debt.

Ms. Jones stated that she might have missed a payment due to lack of funds.

Mr. Smith said the council will be trying to come up with a positive solution. He asked how long she had been at her Fairbanks address.

Ms. Jones stated she has been at her Cindy address for about 3 years.

Mayor Ward asked if she understood what the utilities recommendation is today. On the property of 2392 Homestead is there is a COJ that was signed for \$3,102.06 and there is also the outstanding charge that we have of \$5,641.31 which is for water usage by the previous tenant. We did back out all late fees and also the sewer charge that was from the water break. The total amount for 2392 Homestead which includes the COJ to \$8,743.37 The other recommendation for 2450 Homestead is to take the outstanding charges and you have \$.52 left on that previous COJ which would be total amount for 2450 Homestead would be \$1,638.86. There is also an additional charge of \$1,500 split between both properties to disconnect the water.

Ms. Jones said she does not understand the COJ.

Mayor Ward explains the COJ and points out that she had signed these.

Ms. Holm asked her if she had brought all bills she has received and been paying on. Ms. Holm also asks if she is aware of the bill for \$8900 for one property that had a tenant living there.

Ms. Jones said the only bill she received was a notice of disconnection in September. She said she had also received a bill showing a \$500 credit. When she contacted the City in regards to the \$500 credit they did not say anything about her outstanding charges. She did not understand.

Ms. Holm asked if she would consider hiring a property manager or selling the property.

### **Public Comment**

None

**Mr. McGhee** *moved to* approve the recommendations by the Director of City Services

**Seconded by Mr. Claus**

**Discussion**

Mr. McGhee asked about the utility bills that were sent out. He asked if its normal practice to send out bills to the property owners when the tenants are delinquent.

Mr. Butler stated that it should be and in this case that is the reason why it is in practice.

Mr. McGhee said that if they approve the \$7,279.65, (this is after late charges & sewer charges) not counting the disconnections of the two properties & does not include the previous judgments she has not been paying on.

Mr. Smith asked for clarification of the total.

Mr. McGhee restated the amounts and broke up each amount.

Mr. Smith asked if it could be added to a COJ so there are not any additional fees on her accounts.

Mayor Ward gives an explanation.

Ms. Holm is curious on the consensus of the council with the billing of the City.

Mayor Ward stated that this is an unfortunate situation. As a landlord it is the owner's responsibility to make sure that utilities are paid for. Ultimately we have to go back to the contract that was signed by Ms. Jones. The water has to be paid for.

Mr. McGhee said the testimony of Mr. Butler is that we had a change of address, certified letters not accepted and were returned, confirmed address and ultimately the landowner is responsibly. She knew they weren't paying rent so obviously not paying the utilities. Our system is flawed to some point, whether or not an employee or the attorney didn't follow through, the bill is just and fair. Regardless of when they were notified, it is not the utility users' responsibility to pay for the bill, it is on the property owner.

Mr. Claus said that he agrees with the recommendation. He made recommendations that Ms. Jones has the ability to go after the tenants.

Mr. Smith asked if there was an advocacy that she could go to for help.

Mr. Claus said that there is an agency with the State of Alaska that could help her recover her funds and not get into this situation again.

Ms. Holm said that she would give the web address for a Go Fund Me page.

Mr. McGhee said that because of the liability of Ms. Jones properties that he recommends they include the cost of disconnection.

**Mr. McGhee moved to Amend by adding \$714.53 disconnect charges for both properties. 2392 Homestead, 2450 Homestead**

**Seconded by Mr. Claus**

**Discussion**

Mr. Smith asked for clarification on other accounts.

Mayor Ward stated that this was on outstanding utility accounts and not on the assessments.

**PASSED**

Yes: 5 –Smith, McGhee, Claus, Ward

No: 1-Holm

Absent: 1 – McCarthy

**Ms. Holm moved to amend to strike fees after 180 days from last payment**

**Failed for lack of a second.**

On the main motion as amended

**Discussion**

Ms. Holm and Mr. Smith had discussion on the payments that were made and not made.

Mr. McGhee asked Mr. Butler and Ms. Fogarty to come forward and give clarity on the payment schedule made by the renters and by the owner.

**PASSED**

Yes: 5-Smith, Holm, Claus, McGhee, Ward

No: 0

Absent 1 - McCarthy

**ORDINANCE 16-23, AN ORDINANCE OF THE NORTH POLE CITY COUNCIL AMENDING THE 2016 OPERATING AND CAPITAL BUDGET AND LEVYING THE MILL RATE**

Ms. Fogarty presented the 2016 amended budget to council and went over some of the larger amendments.

**Public Comment**

None

**Mr. McGhee moved to Introduce and Advance Ordinance 16-23, An Ordinance of the North Pole City Council amending the 2016 Operating and Capital Budget and levying the mill rate**

**Seconded by Mr. Smith**

**Discussion**

None

**PASSED**

Yes: 5 –Smith, McGhee, Claus, Holm, Ward

No: 0

Absent: 1 - McCarthy

**RESOLUTION 16-10, A RESOLUTION IN SUPPORT OF FAIRBANKS METROPOLITAN AREA TRANSPORTATION SYSTEMS' GREEN STREETS POLICY**

Ms. Gardino of FMAT's updated council on the policy.

**Public Comment**

Bill Butler, Director of City Services

Mr. Butler stated that the City is already doing this in places at City hall, the Memorial Park.

**Mr. McGhee moved to approve Resolution 16-10, a Resolution in support of Fairbanks Metropolitan Area Transportation Systems' Green Streets policy**

**Seconded by Mr. Claus**

**Discussion**

Mayor Ward spoke about the different things that were brought up.

**PASSED**

Yes: 4 –Smith, McGhee, Claus, Ward

No: 1 - Holm

Absent: 1 - McCarthy

**COUNCIL COMMENTS**

Mr. McGhee – stated that the upgrades downtown have been great. On the Homeland Security grant for the fire department he did take the training and he is glad the City is approving this. It is not a military action and we need to protect those first responders as the police can't protect everyone. He is glad to see that the City is getting involved in the community again with Halloween and Christmas decorating. He would like other people to get involved and encourage people to come by and tune their radio in to 88.1. He is enjoying his display. He thanked Ms. Holm for her service.

Ms. Holm – stated her opinion about the militarization of police officers. Keep local cops balanced and use a different agency if a SWAT team is needed. She will not be giving much of a closing comment on her last minute but she truly appreciates every on the council and has enjoyed the debates and it has been a great 3 years. She is due the end of February and will come back to show off her new baby.

Mr. Claus – all North Pole voters get out and vote.

Mr. Smith – tonight was a tough night but we had a positive outcome. Saw tourist take pictures around town and people enjoying the fall weather.

Mayor Ward – appreciates Ms. Holm's service and urges everyone to get out and vote.

**ADJOURNMENT**

**Mr. McGhee moved to Adjourn the meeting at 9:22 p.m.**

**Seconded by Mr. Claus**

The regular meeting of Monday, October 3, 2016 adjourned at 9:22 p.m.

**These minutes passed and approved** by a duly constituted quorum of the North Pole City Council on Monday, October 17, 2016.

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Bryce J. Ward, Mayor

**ATTEST:**

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Kathryn M. Weber, MMC  
North Pole City Clerk