



**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 21, 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, November 21, 2016 to order at 7:03 p.m.

There were present:

Mr. McCarthy – Alt Dep Mayor Pro Tem
Mr. Isaacson - Deputy Mayor Pro Tem
Mr. Thompson
Mr. McGhee - Mayor Pro Tem
Mr. Claus
Mr. Skipps
Mayor Ward – Borough Rep

Absent/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 November 21, 2016*

Seconded *by Mr. Claus*

Discussion

None

Mr. McGhee *moved to amend by consenting under Old Business the following items:*
Old Business

- a. Ordinance 16-25, An ordinance of the City of North Pole, Alaska to modify Chapter 4.25, Designated Funds, by reinstating a funding mechanism to General Fund for Capital and Fleet expenditures

New Business

- c. Heating fuel bid recommendation to accept the lowest bidder, Sourdough Fuel, for the delivery and supply of heating fuel in 2017
- d. Ordinance 16-28, an Ordinance of the City of North Pole, Alaska to amend Title 13, Public Services
- f. Resolution 16-15, establishing the 2017 Capital Project Priority for the City of North Pole

Seconded by Mr. McCarthy

On the amendment

Discussion

None

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward
No: 0
Absent: 0

On the main motion as amended

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward
No: 0
Absent: 0

APPROVAL OF MINUTES

Mr. Isaacson moved to approve the Minutes of November 21, 2016

Seconded by Mr. McGhee

Discussion

None

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

COMMUNICATIONS FROM THE MAYOR

- Agnew Beck has scheduled an implementation meeting for November 29th at 6pm here at City Hall. This is an opportunity for the City to decide which items from the strategic plan we want to begin to implement. Please mark your calendars for this meeting, and agenda will be going out soon.
- December 2-5 is Winterfest put on by the North Pole Chamber of Commerce. Winterfest is a fun filled weekend that starts with a Bazaar at the North Pole Safeway Mall. It is then followed up by the Candle lighting ceremony at the North Pole High School Sunday at 2pm. Please mark your calendars for this North Pole Tradition.
- Last week was the Alaska Municipal League meeting in Anchorage. I would encourage anyone interested in the ALM's resolutions and position statements to go to their website. The conference was dominated by discussions of the State of Alaska's budget issues or as many people coined "Crisis" and how we can fix the problems. One thing is for sure, the longer we wait the less options we have.
- I will be doing a TV and audio commercial with the FNSB in regards to the air quality issues tomorrow. I will be asking people to be courteous of their neighbors and monitor their burning to ensure they are doing it properly with the proper materials (dry wood). Folks should also be paying attention to the Air quality stages and ensure they know what they mean and when they are allowed to burn and not burn.
- The Food drive brought in 355 lbs. of food for donation. The Police Department was the winner.
- Thankfully Delicious Baking contest winner was, Reba Fansler. Big thank you to Jamie for putting all of this together.

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

- Congratulations to the Police Department for the win with the Food Drive.

- They have tested out their Firefighter 1 students and that went really well.
- We announced our Deputy Chief last meeting, Chad Heineken. Chad is in charge of hiring a Captain.
- I will be out of town this week visiting family and then I go to the National Fire Academy next week and will be back in town by the next Council meeting.

Mr. McCarthy thanked the Fire Department EMT's for doing a fantastic job.

Mr. McGhee asked when the Christmas Truck will start traveling around town.

Deputy Chief Coon stated that they normally start about a week before Christmas.

Finance, Tricia Fogarty

- We received our payment of property tax in the amount of \$370,000. That is close to what we asked for in the budget and we are prepared to go over the 2nd reading of the budget.

Director of City Services, Bill Butler

Building Department

- Developers continue to express interest in new construction in the City.
 - Developers met with Mayor to discuss a multi-property development.

Public Works

- Heating fuel bid before Council this evening.
- Other than snowplowing, most Public Works activities are moving indoors.
 - Equipment maintenance and repair and interior building maintenance projects expected through the end of 2016.

Utility Department

- Utility rate increase ordinance before Council this evening.
 - Requesting an increase only for the sewer charge.
 - 2017 Utility budget is based upon this rate increase.
 - Rate increase is part of the ongoing effort to respond to loss of sewer revenue after Flint Hills stopped oil refining at the Flint Hill North Pole Refinery.
- Frost is penetrating much more quickly this years compared to last year.
 - Already have begun water dumps down manholes to keep sewer lines open.
 - Utility uses wastewater that has passed through the treatment process compared to the past practice when we used drinking water. Current practice saves energy and water.

Natural Gas Utility Board

- There appears to be growing momentum for the Interior Energy Project.
 - AIDEA has a goal to resolve transfer of PENTEX to IGU by December 31, 2016.
 - Jim Whitaker to be point person in Governor's Office for major projects, including Interior Energy Project

Borough Representative

- Mayor Ward was not able to attend the Borough meeting as he was sick.

City Clerk's Office, Kathy Weber

- None

ONGOING PROJECTS

- None

CITIZENS COMMENTS

Dawn Murph, 2644 Diamul St. North Pole

I presented the new 2017 Visitors guide for Explore Fairbanks. There is also an article in the guide from the Alaska Airlines magazine, October issue. The article is about Ice Fishing at Chena Lakes. I also provided Council with their 2016 through September Hotel Tax. North Pole is up over 5% from last year and borough wide we are over 8% over last year. Scott McCray their director of tourism just came back from a Taiwan, China sales mission. Scott and some industry partners were able to speak with about 400 travel trade representatives. There is a lot of interest in Alaska and the Interior. We did have to work with Brand USA because of the reduction in State funding. We headed that sales mission. On Decemebtr 7th is our Annual Membership at the Carlson Center meeting luncheon will be at noon and just prior to that at 10:30 am our Communications Department is going to unveil our new website. We have been working on this all year and it's been a very creative process. Last time I was here I told you that we had just started our wi chat which is China's version of Facebook. We are one of the 1st destination marketing organizations to do a wi chat. We will have a sign put up at Hilltop in Chinese that has road condition warnings.

Mr. McGhee asks what Explore Fairbanks extranet is.

Dawn Murph states that the extranet is where you log into the Customer Relationship Management Module, within that you can see detailed reports on the work that they've done. You can also upload packets. They also post media articles and Travel Trade representatives. She encourages the Council to be at the Annual Membership meeting on December 7th.

Chief Steve Dutra, 125 Snowman Lane

Thanks the Council members for showing up and supporting the unveiling of the archway last week. There were at least a 100 or more people there. It was covered well by the newspaper and a couple news stations. It was phenomenal the amount of support we had. There is another group that is putting on another presentation they will be doing soon.

Jim William, 1125 Cloverleaf

Air quality update as of right now, the borough issued a stage 3 air quality alert for North Pole so the use of solid fuel burning devices is prohibited in the North Pole non-attainment area unless the temperature is -15 or colder and only certified EPA devices can be used. The monitoring plan we discussed at our working group meetings that plan is going forward. We are deploying our first set of 10 monitors in about a 10 block area in one of the neighborhoods in the Hurst area. The monitors will display air quality information on a 15 minute timer. Enforcement officers will be watching the monitors and will get a hold of air quality issues as they develop and engage citizens before it begins a problem. An engagement could be a knock on the door, a note, a comment or anything including a citation. The intention is to engage the citizens before it turns into a problem. Recycling is moving forward and they have approved the ordinance to fund the Recycling Management Position. The next step is getting the building lease together to operate the central recycling facility. Our goal is to consolidate all the recycling waste stream into one centralized facility by end of July. December 7th from 5:30-8 pm we will have an open house to look at the facilities and art from schools we have on display. Our Community Planning Department ran the house at the AML banquet and took 4 awards. The planning department did very well.

Mr. McGhee asks about the air attainment areas being so generalized and will the new monitors be more specific.

Jim Williams responds that the air quality control zones are formed around the EPA certified monitoring sites and there are only two of them in the borough. One is downtown by the borough and the other is by the fire station on Hurst Rd.

Mr. McGhee states that this containment area includes areas where people don't live. Areas that don't really have a problem are then being required to obey the rules of the area.

Jim Williams states that this can go either way. Unfortunately because of DEC & EPA rules this is how it is set up. That is one of the areas that we will be targeting.

Mr. McGhee thanks Jim Williams for all the meetings he attends.

Mr. Isaacson responds to the Recycling Manager position and concerns that the borough is doing away with any private efforts. He asks how the boroughs tax payer money is either hindering or helping the private efforts in recycling.

Jim Williams states his feedback is that most people in the borough want to do recycling. Every year plop borough tax dollars into private industries to develop recycling. We put an RFP out last year to a private firm to take on that recycling referral and not a single bid came in on that RFP.

Mr. Isaacson asks how do we know the majority of the public wants it and if it doesn't pencil out in the private sector, is it an indicator that we don't have the population to support it and will tax dollars be going to a worthwhile cause.

Jim Williams stated that his role is to execute the task that has been given to him by the Assembly and the Mayor so whether or not it is viable that is for the public to decide.

OLD BUSINESS

ORDINANCE 16-26, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND TITLE 4, REVENUE AND FINANCE, CHAPTER 08 - SALES TAX

Mayor Ward introduced the Ordinance. He stated that they are proposing to raise the sales tax from 4 – 5% and from an \$8 - \$10 cap. There are other changes that are being considered and he informed council on those changes.

Discussion

- None

Citizens comments

- None

Mr. McGhee *moved to* adopt Ordinance 16-26, an Ordinance of the City of North Pole, Alaska to amend Title 4, Revenue and Finance, Chapter 08 - Sales Tax

Seconded by Mr. Isaacson

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

ORDINANCE 16-27, AN ORDINANCE OF THE NORTH POLE CITY COUNCIL ESTABLISHING THE 2017 OPERATING AND CAPITAL BUDGET AND LEVYING THE MILL RATE.

Mayor Ward introduced the 2017 operating and capital budget and levying the mill rate. He went over all sections of the budget. He explained that the City is presenting the budget on a program level.

Public Comment

- None

Mr. McGhee *moved to advance the 2nd reading of Ordinance 16-27, an Ordinance of the North Pole City Council establishing the 2017 Operating and Capital Budget and levying the mill rate to the 3rd reading for adoption.*

Seconded by Mr. McCarthy

Discussion

Mr. McGhee would like to see the breakdowns of each category in the budget at the Budget sessions.

Mayor Ward states that the intention are to provide the Council with the program level and category level at those meetings.

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

NEW BUSINESS

Approval to purchase laptops from Government Computer Sales IT Solutions with DHS & Emergency Management grant funds.

Chief Dutra asked approval to purchase Laptops - Grant #20SHSP-GY16

The North Pole Police Department received a grant for \$59,250 from the Department of Homeland Security and Emergency Management (DHS&EM) this year for the purchase of Police Laptops.

I sought and received a sole source approval from the DHS&EM to buy laptops from Government Computer Sales IT Solutions because they are a NASPO Contractor MNWNC- 108 AK2015PC008 and they are the Dell distributor for our area. The NASPO or National Association of State Procurement Officials contract exceeds our procurement requirements as lined out in NPMC 4.16.030.

The bid from GCSIT is \$44,761.00. This would include 10 laptops, 11 desktop docking stations and 8 car docking stations. This will be sufficient for us to outfit all the desks and patrol cars as well as issue laptops to all the police officers.

I would like to ask that you approve this purchase and allow me to order these laptops and supporting equipment. Thank you for your time.

Public Comment

- None

Mr. Isaacson *moved to* approve to purchase laptops from Government Computer Sales IT Solutions with DHS & Emergency Management grant funds. Grant #20SHSP-GY16

Seconded by Mr. McCarthy

Mr. McCarthy *moved to* increase the amount by \$244.30 per laptop (10 each, \$2, 443) for better video cards. Nvidia GeForce GT 720 M, 2 GB (or equal). This would make pictures, documents, map images & video sent to laptops, play better, faster and with clearer resolution.

Seconded by Mr. Isaacson

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

Motion *to* approve to purchase the laptops as amended.

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

COUNCIL COMMENTS

- None

Appeal by Lazerwash of Fairbanks for the late fee charge of \$25.88

Introduced by Bill Butler – Jamie Duncan, Utility Billing/AR received a call from Shirley Glaudo on 11/9/2016. Shirley was inquiring about a delinquent notice that she received for account 5683.01. She stated that she did not receive the original statement in the mail and therefore should not have to pay a late fee. I assured her the statement was indeed sent in the mail and explained that each month

there is an obligation to pay for the services they are using, whether the statement is received or not. I also stated that I can always send a new statement to her via mail or email if she requests one as I have done twice for her since my start here due to her stating that she did not have the statement for Polar Plaza (9/30/16 and 11/2/16). Additionally she was informed that the bill could be looked up online in Xpress Bill Pay at any time.

Shirley responded stating that she didn't agree with what I said and that the late fee should be removed. I explained that the only way to remove a late fee is to petition the council. After our conversation, she immediately called Kathy and stated the same things she stated to me and Kathy also explained that she can petition the council and request to remove the late fee.

On 11/10/16, I received in the mail her check for the current and delinquent amounts owed along with a letter petitioning the council to waive the late fee.

PUBLIC COMMENT

None

Mr. Isaacson *moved to* **approve the appeal for the late fee for account #5683.01**

Seconded by **Mr. McGhee**

DISCUSSION

Mr. Isaacson states that we should allow every now and then for something to go wrong, call it human error and if someone does not have a record of being late, that we should forgive that. He believes we should bring these up case by case. This is unusual for this customer. I urge the Council to say yes.

Mr. McCarthy responds that he does not agree. He is on autopay and has lots of warning when his bill is due and when auto pay will be initiated. If we are going to excuse this bill based on it's a one-of-a kind nature, I would have this person or others sign up for autopay before giving them clemency.

Mr. McGhee states he is not in favor of forgiving it. There are policies and procedures in place and just because you are a good customer does not mean we will forgive it. The billing was done and was sent to the customer and even though she did pay it she was still late. The customer does have a history of calling and being re-informed when her bill is due.

Mr. Isaacson urges the Council to forgive the late fee no matter how many times a customer has called to find out when their account is due.

Mr. McGhee states that he believes if the late fee was that important to the customer that they would be here for the appeal and present the case to us. We have lost hundreds to thousands of dollars to delinquent accounts and I'm only considering the facts before me, not that I know her

or that she is a good person. The fact is we have a late bill and there is a late charge.

Mr. McCarthy states that we have before us a list of delinquencies some of which are going into foreclosure. Mr. McCarthy states that he believes others will try and take advantage of late fee forgiveness if this is forgiven.

Mr. Thompson states that the code is pretty cut & dry. Mr. Thompson is discussing where this would be in the code. Making an appeal would be hard to apply to this section of the municipal code.

Mayor Ward states that regardless if you received a bill or not, you did receive the service and are aware of that. The City has a policy that if you are late, you pay a late fee. It is unfortunate that they were not able to make the payment on time but there are many different ways for folks to access that information and make a payment. If the Council wants to forgive late payments to customers with a good history then the Council needs to make those changes in the code.

Mr. McGhee asks for clarification of the bill date & due by date. Mr. McGhee asks if the customer had in fact paid the bill and the late fee.

Mr. Thompson asks for clarification on the late fee.

Mr. Isaacson moved to suspend the rules for 5 minutes

Seconded by Mr. Claus

Back to order at 8:19 pm

Bill Butler stated that she over-paid her account, resulting in a credit on her account that was used to pay the late fee. Shirley is asking for the late fees to be forgiven from what she has paid.

Mr. Isaacson and Mr. McGhee ask for clarification discrepancies on Shirley's bill.

Mr. Isaacson asks Mayor Ward if Ms. Fogarty and Mr. Butler could examine this and get back to us at another time and get another answer at the next meeting. There is confusion on the bill of what she has paid and/or owes. There may be an error in the billing.

Mr. McGhee states that he objects to postponing it. Right now the Department not only charged the customer the late fee but has also credited her the late fee and the overcharge according to this bill so I see a complication here that would indicate our problem not hers. I'm willing to change my vote and forgive her the late fee.

Mr. Isaacson moved to divide the question

- 1) **Move tonight on the request to forgive the late fee**
- 2) **Have the Department explain apparent billing discrepancy to determine if there is a math error in the billing system and report at the next meeting**

Motion dies *for lack of second*

Mr. Thompson *moved to postpone this till the next meeting*

Seconded *by McCarthy*

DISCUSSION

Mr. McGhee does not see the point to postpone till next meeting. He sees a discrepancy in the billing and the City has already given her, according to the credit she has showing on the bill of \$45.10. The customer paid the amount asked on her bill. The Cities system credited her a overpayment of \$45.10 which the \$51.53 does not include a late payment. So in fact the customer has not paid a late payment and instead has a credit in the system for over paying the bill. According to the system it's an over payment.

Ms. Fogarty and Mr. McGhee discuss the late payment and credit on the customer's account.

Mr. Thompson states there is confusion on what was actually paid by the customer. He states that more information is needed and would like to postpone till the next meeting.

McCarthy called the question
McGhee objected

Vote to Call the question

Yes: 6 - Claus, McCarthy, Isaacson, Thompson, Skipps, Mayor Ward

No: 1 - McGhee

Vote to postpone the meeting

Yes: 6 – Claus, McCarthy, Isaacson, Thompson, Skipps, Mayor Ward

No: 1 – McGhee

Postponed till the next meeting

RESOLUTION 16-14, ESTABLISHING THE CITY OF NORTH POLE LEGISLATIVE PRIORITIES FOR THE 30TH LEGISLATURE 2017 SPRING SESSION

Mayor Ward introduced Resolution 16-14, establishing the City of North Pole legislative Priorities for the 30th Legislature 2017 Spring Session. He went over the Priorities.

DISCUSSION

Mayor Ward discusses the priorities. He states that it does mean a lot when you go to your legislatures and the governor with the things that are important to the community that you feel need addressing.

PUBLIC COMMENT

- None

Mr. Isaacson *moved to adopt* Resolution 16-14, establishing the City of North Pole Legislative priorities for the 30th Legislature 2017 Spring Session

Seconded by Mr. McGhee

DISCUSSION

Mr. Isaacson states that we should encourage the State to use its oil resources to develop more manufacturing of oil production as in Priority #5. Oil refineries and production help bring more wealth to the state treasury than simply oil production on the North Slope. He states for this reason he would like to switch #5 with #3.

Mr. McGhee states that the priority of North Pole is not so much oil production and refining for the State but the high cost of energy and for North Pole the high cost of energy is one of the largest downfalls. Local businesses struggle with the high cost of heating. For the City of North Pole the high cost of heating should be a high priority and actually should be #1.

Mayor Ward states that natural gas has the potential to make the biggest impact to the City of North Pole. If North Pole were able to have gas piped in to North Pole benefits the residents, businesses and commercial development. He states this may even need to be priority #1. Mayor Ward also states that all of these are of equal importance and priority to the City of North Pole and the State and maybe we should not even have these priorities numbered.

Mr. Isaacson agrees all the items are important. He understands how important the IGU is to the local community. It isn't that reducing the high cost of energy isn't important but that it is already in play. The idea about #5 encouraging oil production is to the City of North Pole. Royalty oil sales generate the State a lot of money and they are trying to fix their problems with revenue. If they could fix their problems with oil refinery in the Interior of Alaska that helps us. That's why he argues that we do prioritize these and as much as it's difficult for us to figure out what the biggest priority is for us, we have to keep in mind that it's even tougher for the legislature to determine what is most important and what they spend more time on. These could be renumbered differently.

Mr. Isaacson *moved to amend by renumbering priorities #5 to #3 and #3 to #5*

Seconded by Mr. McGhee

PASSED

Yes: 5 – McGhee, McCarthy, Isaacson, Skipps, Ward

No: 2 – Thompson, Claus

Absent: 0

DISCUSSION

Mayor Ward asks the Council if they wish to keep the numbers there or would it behoove us if we feel it's important to keep the numbers prioritized and also ask if any of the Council members would like to sponsor these.

Mr. Isaacson, Mr. Thompson, Mr. McGhee and Mr. Claus asked to be added as co-sponsors on Resolution 16-14.

Mr. McGhee *moved to remove the numbers in sequence*

Seconded by Mr. Isaacson

DISCUSSION

Mr. Isaacson suggests keeping the numbering to say there is some thought by us as to what we want to pursue first.

FAILED

Yes: 2 – McGhee, Ward

No: 5 – Skipps, Claus, McCarthy, Isaacson

Absent: 0

Priorities stay

On the main motion *as amended*

PASSED

Yes: 7 – Claus, McGhee, McCarthy, Isaacson, Thompson, Skipps, Mayor Ward

No: 0

Absent: 0

Mr. McGee *moved to recess into Executive Session to discuss confidential settlement negotiations in the North Pole vs. Flint Hills resources litigation and to provide settlement authority for alternate settlement options.*

Seconded by Mr. Thompson

Called the regular City Council meeting of Monday the 21st of November back to order at 9:59 pm.

Mr. Isaacson *moved to suspend the rules for 30 minutes in order to conclude the Executive Session and finish business.*

Seconded by Mr. Thompson

DISCUSSION

- None

Yes: 6, Isaacson, Thompson, Skipps, Claus, McGhee, Mayor Ward

No: 1 – Mr. McCarthy

Absent: 0

Mr. Isaacson *moved to suspend the rules to go back into Executive Session for the purpose stated on the agenda.*

Seconded by Mr. Thompson

Regular City Council meeting back in at 10:23 pm

Mr. McGhee *moves to authorize our attorney to proceed with the settlement agreement as discussed in our Executive Session.*

Seconded by Mr. Isaacson

DISCUSSION

PASSED

Yes: 7 – Thompson, Skipps, Claus, McGhee, McCarthy, Isaacson, Mayor Ward

No: 0

Absent: 0

Mr. McGhee moved to adjourn the meeting at 10:30 p.m.

Seconded by Mr. Isaacson

The regular meeting of Monday, November 21, 2016 adjourned at 10:30 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, November 21, 2016.

Bryce J. Ward, Mayor

ATTEST:

Sally Terch
Acting City Clerk