



**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, March 04, 2019 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

**CALL TO ORDER/ROLL CALL**

Mayor Welch called the regular City Council meeting of Monday, March 04, 2019 to order at 7:00 p.m.

***There were present:***

**Doug Isaacson – Mayor Pro Tem**  
**Avery Thompson – Deputy Mayor Pro Tem**  
**Perry Walley – Alt Dep Mayor Pro Tem**  
**DeJohn Cromer**  
**Aino Welch**  
**David Skipps**  
**Mayor Welch**

***Absent/Excused***

**PLEDGE OF ALLEGIANCE TO THE U.S. FLAG**

Led by Mayor Welch

**INVOCATION**

Invocation was given by Ms. Welch

**APPROVAL OF AGENDA**

**Mr. Isaacson *moved to* approve the agenda of March 04, 2019**

**Seconded *by* Ms. Welch**

**DISCUSSION**

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

**Old Business:**

- a.** Ordinance 19-03, An Ordinance of the North Pole City Council Amending Title 10 Vehicles and Traffic by Adding Chapter 10.03 Restrictions on Certain Vehicles.
- b.** Ordinance 19-04. An Ordinance of the City of North Pole, Alaska to Amend Title 1, by Updating General Penalties and Including a Surcharge Section and a Minor Offense Fine Schedule.

**New Business:**

- a. Request to Approve the Fairbanks Area Surface Transportation Planning Inter-Governmental Operating Agreement and Memorandum of Understanding for Transportation and Air Quality Planning in the Metropolitan Area of the Fairbanks Metropolitan Planning Organization.

**Seconded by Ms. Welch**

**Discussion**

None

*On the amendment*

**PASSED**

Yes: 7 – Skippis, Thompson, Isaacson, Cromer, Walley, Welch, Welch

No: 0

Absent: 0

*On the Agenda as amended*

**Discussion**

None

**PASSED**

Yes: 7 – Skippis, Thompson, Isaacson, Cromer, Walley, Welch, Welch

No: 0

Absent: 0

**APPROVAL OF MINUTES**

**Ms. Welch moved to approve the Minutes of February 19, 2019**

**Seconded by Mr. Cromer**

**Discussion**

None

**PASSED**

Yes: 7 – Skippis, Thompson, Isaacson, Cromer, Walley, Welch, Welch

No: 0

Absent: 0

**COMMUNICATIONS FROM THE MAYOR** (Audio 5:12)

- Represented the City of North Pole at the Alaska Conference of Mayors/Alaska Municipal League with Mayor Pro Tempore Doug Isaacson on Monday, February 18 – Friday, February 22 in Juneau. The State Capital Building was extremely busy due to the reorganization of the House for the 31<sup>st</sup> Legislative session.
- Doug and I were able to see Rep. Talerico, Rep. Wilson, Rep. Lance Pruitt, House Majority Leader Rep. Thompson, and Speaker of the House Bryce Edgmon. On the Senate side we were seen by Sen. John Coghill’s office, Sen. Click Bishop, and Sen. Scott Kawasaki. For the Executive Branch, we were hosted by Lt. Gov. Meyer at his mansion on Tuesday evening February 19. On Thursday the 21<sup>st</sup> we met with Commissioner Jason Brune of ADEC to discuss the CNP sewer outflow project. I was able to meet with Governor Mike Dunleavy at 1530 for 22 minutes. We discussed the needs of the CNP, as well as the PFD and PERS impact to our budget. I expressed gratitude for his reassignment of NPPD Chief Dutra to the Alaska Police Standards Council.
- The AML agenda had us cover a wide range of topics, including police recruitment and retention, as well as online sales tax at the community level. I am sure that Pro Tem Isaacson has more in his report; Doug was an invaluable asset to help me express the true needs of CNP! We were both recognized on the floor of the House on Friday, February 22 when we were introduced by Rep. Wilson to the Finance Committee Technical session. Speaker Edgmon gave special recognition to former House Representative Douglas W. Isaacson.
- On Saturday, February 23, I was joined by my wife to attend the funeral and Celebration of Life for former Lt. Governor Jack Coghill. We were joined by Pro Tem Isaacson, and we represented the CNP well along with 400 citizens from the Governor to Jack’s family and friends! I purchased each of you a gift of his book Growing Up in Alaska with hopes that each of you will find time to read and enjoy it.
- Monday, February 25, 1830-2100, I attended the FNSB Badger Road to Salcha expansion plan. There were 54 citizens in attendance representing all these areas. There were 14 questions that participants actively answered by way of electronic transponders. We received instant and accurate feedback. It was noted by the presenter and a FNSB rep that I was the only one representing the government of the CNP.
- I attended the North American Junior Mushers Association event in North Pole this past Sunday. I was happy to hear that there were more than 75 family participants on Saturday, and at least 60 on Sunday. I took the 2 mushers, Jameson and Christine to Little Richards for dinner as my way of saying thanks for coming out with the dogs and sleds so that so many kids could have a good time!

**COUNCIL MEMBER QUESTIONS OF THE MAYOR** (Audio 14:13)

- **Mr. Thompson** asked about the process for the Borough Representative because during a previous meeting, a sign-up sheet was passed around for Council Members, but according to Code, it states that the Borough Representative is to be elected by the Council. **Mayor Welch** replied that he asked Council Members to sign up and once the sign-up sheet was filled out, that would be how Council elected the representatives. **Mr. Thompson** stated that seemed to be the opposite of what the Code states.
- **Mr. Thompson** asked why the City would hire a temporary accountant considering the memo the Mayor sent out and for a position the City has never hired for before. **Mayor Welch** replied he is using the process to demonstrate the need for a temp during the time of an audit so the City has a more successful audit. Ms. Fogarty, the CFO, stated it is correct the City has never hired a temporary accountant before but that her office is extremely busy so the goal of hiring a temporary accountant is to free up her time so she can focus on the audit. **Mr. Thompson** asked why the City can't make do with the current staffing. **Mayor Welch** replied that there have been issues with the audit in the past and costs the City more in the long run. The City is not always prepared for the audit so the City has to pay more money to do an audit. This position is being used as a "proof of concept" that one day, as the City grows, the City will need more employees. **Mr. Thompson** state the City shouldn't be incurring this one-time expense, especially when pay freezing every other employee in the City. **Mayor Welch** responded that there are no benefits with the package and it will not be an ongoing expense.

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

**Police Dept., Chief Dutra** (Audio 27:35)

- Coffee with a Cop in Fairbanks at McCafferty's. Was well attended.
- I attended the APOA Award banquet – humbled to report I received 2018 Chief of Year. Thanked for my efforts in teaching ALiCE.
- I had my first Senate Confirmation hearing awaiting House hearing for APSC appointment.
- We will bring a fiscal note forward at the next Council meeting to increase our grant award by \$19,100.00 for JAG 2018-19 grand period.
- We have a couple of applicants moving to final three phases of hiring. First time in long time.
- Leadership training modules are started and books are available at NPPD if you need them.
- Planning Sgt. Stevenson's retirement party on May 3<sup>rd</sup>.
- Also planning department awards banquet on the 15<sup>th</sup> at 6pm. Would like to know if any Council members will be attending.
- Our squad room has been repainted and flooring is going in tomorrow. Come see if you

have a spare moment. Long overdue and it has been a collaborative effort.

- Mayor and I have worked to find ways to save money in light of new state budget so we have reduced our car purchase to one and holding the funds for second until better picture is available. The second car can be ordered at later date if things stabilize.
- NPE conducted their first ALiCE active assailant drill. 4 of us attended and it was a success. Hats off to Principal Winford and Counselor Illingworth for their efforts. Thank you Council for their support and monetary commitment to the program.
- I put in for legislative funds through DPS for GO-Buckets for NP schools and active shooter plates for PD employees and DOT program supplies. Roughly \$20k in equipment.
- I gave Captain Wall our prestigious Inter-Agency Award for his efforts in supporting all law enforcement causes and making commitments to foster good relationships.
- Stats for February 2019.
- Motorola radios have arrived and 2 have been sent to Fire Department.
- Sgt. Bellant is off to Anchorage for DHS&EM AK Shield final planning meeting.
- **Mr. Isaacson** asked if people have to pass a preliminary test before they become an applicant. Chief Dutra replied that is correct. There is a screening process and many applicants are lost during that process. **Mr. Isaacson** asked if there is a solution that may be recommended to Council to consider. Chief Dutra replied that the City is not attracting enough qualified applicants and firmly believes it's because of the pay. **Mr. Isaacson** asked if the chief and lieutenant patrol on a regular basis or basically relegated to administrative tasks. Chief Dutra replied he is relegated mostly to administrative tasks, as is the lieutenant but he is in uniform every day and goes on calls on a regular basis and went out to one today.
- **Mr. Thompson** asked if a fleet report could be brought to the Council at the next meeting. Chief Dutra replied he would bring that.
- **Mr. Walley** asked about the \$2 million that is available for grants. Chief Dutra replied that it is legislative funding for crime prevention and crime response and is mainly meant for small communities. Chief Dutra's understanding is the money has been sitting there for a while and no one has applied for it.
- **Mr. Cromer** asked what has happened with the recent vandalism. Chief Dutra replied he would look the case up and report on the next Council meeting.

#### **Fire Dept., Chief Coon** (Audio 45:53)

- I participated in a Borough workshop to establish a new regional emergency services advisory committee. This workshop is significant because it combines fire and EMS which has been completely separate in the Borough. The ordinance as written does not include the City of North Pole on the committee. I lobbied strongly for the City to have a seat at the table. The seat could be filled by a City resident and did not specifically have to be a Fire Department member. Being involved in the process is important because if there is a major event anywhere in the Borough, both cities would be involved to the same extent as the Borough fire departments would be. It just makes sense for us to be

involved. If you go to Mayor Ward's town hall meeting, please bring up these concerns.

- We have members taking EMS classes and several staff members are preparing for a state company officer class that will be held at NSVFD.
- Maintenance Report:
  - Captain Hamlin has been working on some drive train problems on the first and second out ambulances. He replaced inner axel seals which is no small task as it requires complete disassembly of the front end to change. This was done completely in-house and without overtime.
  - We are still expecting the new ambulance later this month and we will bring it to a Council meeting after it is in service. The cost was just over \$207,000 and is the first vehicle we have been able to buy using fleet funds.
  - Chief Coon thanked the Council for the small increase to the fleet fund for 2019 but this is yet another reminder that the City must be diligent about increasing fleet funds for the Fire Department and transferring any unexpended funds from 2018 into the fleet fund so we can afford to replace our rolling stock.
- Chief Coon thanked Council Member Thompson for his kind words last meeting regarding how well the Fire Department was running. He also stated that several members of the Fire Department read the minutes and were aware that the Council values the department members. Morale at the NPFDD is good and the members feel valued by the Council and administration.
- **Mayor Welch** asked for an update on the negotiations with the Borough. Chief Coon replied that negotiations have basically concluded and the City is expecting to receive the same amount as last year plus a 2% increase plus a little bit for fleet funds.

#### **Finance, Tricia Fogarty** (Audio 53:44)

- Last week there was a software upgrade with our accounting software, Caselle. It took several phone calls to get that upgrade started and once it was completed, there were issues.
- Payroll has been started and there are no issues yet.
- There has been an uptick in our health insurance claims for the month of January (\$~154,000) and February (\$104,000). Notification was received that a \$50,000 stop loss check should be coming soon.
- Amazon submitted an application for a business license and filed some sales tax. The business license was processed but the sales tax was not accepted. We want Amazon to refund the money to the customer.

#### **Director of City Services, Bill Butler** (Audio 1:00:19)

##### **Building Department**

- No building permits issued but three permit applications submitted: small commercial addition; new residential home; and IGU gasification plant (engineer's estimate: \$8.7M).

##### **Public Works**

- Homestead pedestrian path (Old Richardson Highway to Perimeter) received notification that matching contribution has increased, but received notification too late to present at this Council meeting.
  - Need to relocate road centerline that was not originally anticipated.
  - Approximate \$20,000 increase to \$78,585.
  - FMATS match requirement is less than 10% of the total project cost.

### **Utility Department**

- Sulfolane settlement.
  - No construction activities presently occurring.
- Moose Creek Water System Expansion Project.
  - Received a draft of Phase 2 Cooperative Agreement – full engineering and design.
  - Delaying briefing on project status because Concept Design report due date was extended to March 4. Will provide a detailed briefing at March 18 Council meeting.
  - Drafting service area application to the Regulatory Commission of Alaska for the Moose Creek service area – Certificate of Public Convenience and Necessity (CPCN). Narrative approximately 80% complete; attachments approximately 60% complete.

### **Natural Gas Utility Board**

- Permit application submitted for IGU regasification plant in North Pole.
  - Goal is fall 2019 completion date.
- **Mr. Isaacson** asked if IGU could do a presentation to Council on the scope of the project. Mr. Butler replied that he would ask.
- **Ms. Welch** asked where the temporary tank was going to be located. Mr. Butler replied that GVA owns land down H & H Road across from the Flint Hills gate.

### **Borough Representative**

None

### **City Clerk's Office, Judy Binkley** (Audio 1:06:00)

- Please don't forget to complete you APOC POFD filings. The due date is March 15<sup>th</sup>! Please make sure that you provide a copy of your filing to me once you've completed it.
- I will be on vacation for just over a week immediately following our March 18<sup>th</sup> Council Meeting.

### **ONGOING PROJECTS** (Audio 1:06:52)

#### **Councilman Isaacson's Report to the Council: AML Legislative Session, Juneau, February**

## 19-22, 2019

- The Alaska Municipal League annual Legislative meeting was held in Juneau from February 19-22, 2019 and held at the Baranof Hotel. This year, unlike in years past, we huddled in plenary sessions due to the extraordinary nature of the Governor's amended FY20 budget released the Friday before the meetings via a suite of bills. No one, not even the Legislature, had digested all the ramifications. The Governor's goal is laudable: have expenditures match anticipated revenues of \$3.2 Billion.
- As it may affect municipalities, here's a partial summary of what's known:
  - The Governor is proposing a \$1.6 BILLION CUT in UGF expenditures;
  - Authority for Municipal governments to tax oil infrastructure and properties will be revoked, the revenues will be collected by the State – this will greatly affect the FNSB, therefore North Pole residents;
  - Education expenditures will be cut by 10% over FY19, also greatly affecting FNSB and North Pole residents;
  - Municipal "revenue sharing" will be split at last year's \$30 million total distribution;
  - Municipalities will split an additional \$20 million from the State's collection of alcohol tax (the new slogan throughout Alaska will be "Have a drink, save your city!")
  - The cuts would eliminate multiple services in State government, transferring programs/services to municipalities, possibly including road maintenance, greatly affecting the cost to the City of North Pole;
  - The cuts are proposed to be enacted all at once, contrasted to the promise to "repay" PFD's which will be enacted over 3 years. However, as calculated by Legislative Finance, payments for the PFD's in FY20 (\$2.465 Billion: \$1.9 Billion, normal "fully-funded" plus \$565 Million for retroactive payments) will be greater than payments for education (\$1.3 Billion) or Health and Social Services (\$1.8 Billion).
- In other news, I accompanied Mayor Welch on visits to various Legislators, including Reps Tammie Wilson and Steve Thompson, Speaker Edgmon, Senators Bishop and Kawasaki, and met separately with many others; we attended a reception with the Lt. Governor and spoke with him of our concerns and needs.
- We had a productive meeting with the nominated DEC Commissioner, Jason Brune and members of his staff regarding our Utilities Outflow project. He and his staff recommended the City pursue a USDA loan, the interest rate is currently about 4%, 50% of which would be grant, to complete the project and then it could theoretically be refinanced by the State's Revolving Loan Fund, which is currently around 2%. He said the City is working diligently on the project and is not in danger of punitive actions. He did warn us that municipalities may have a liability if PFAS is found in any of our remediated sludge which was distributed as fertilizer.
- We had great networking opportunities with munis and addressed issues and concerns with other state officials, including DCRA, OMB, Public Safety, and with Senators



Murkowski and Sullivan and their staff.

- Finally, we also were engaged with other municipalities discussing appropriate steps to take, the timeline and costs associated for creating a model template and unified approach to collecting online sales tax.

**Mr. Walley's Report to the Council: Finance Committee Update**

- The committee had their second meeting on February 21<sup>st</sup> and was attended by Tricia Fogarty, Kathleen Thompson, Rollie Miranda, and Benjamin Williams.
- This was a continuation of education and the committee started to look at the revenue side of things and options and the AML investment pool. The committee requested rate of return data from the CFO.
- The committee is also looking at the sales tax exemptions and different options associated with that.
- The next meeting is scheduled for March 27<sup>th</sup> in Council Chambers at 2:00 p.m.

**CITIZENS COMMENTS – (Limited to Five (5) minutes per Citizen)** (Audio 1:25:04)

- **Dawn Murphy**, 2644 Diamond Street, North Pole – Spoke on behalf of Explore Fairbanks and provided a copy of the November 2018 edition of Raven Alaska Airlines Alaska Spirit Magazine.
- **Jordan Ikerd**, 212 Wedgewood, Fairbanks – Spoke to the development of a new church in North Pole, Northlight Community Church.

**OLD BUSINESS**

Consented

**NEW BUSINESS**

Consented

**Mr. Isaacson *moved to* Adjourn into Executive Session to Discuss Personnel Issues in the Utility Department and Personnel Issues in the City Services Department.**

**Seconded by Mr. Walley**

**Mayor Welch brought the meeting back to order at 9:55 p.m.**

**Ms. Welch *moved to* Suspend the Rules and Extend the Meeting for 30 Minutes.**

**Seconded by Mr. Isaacson**

**PASSED**

Yes: 7 – Skippis, Thompson, Isaacson, Cromer, Walley, Welch, Welch

No: 0

Absent: 0

**Mr. Thompson *moved to Adjourn Back into Executive Session to Discuss Personnel Issues in the Utility Department and Personnel Issues in the City Services Department.***

**Seconded *by Mr. Skipp*s**

**Mayor Welch brought the meeting back to order at 10:07 p.m.**

**Mr. Thompson *moved to Approve the Actions as Recommended in the Executive Session to Discuss Personnel Issues in the Utility Department.***

**Seconded *by Ms. Welch***

**PASSED**

Yes: 7 – Skipp, Thompson, Isaacson, Cromer, Walley, Welch, Welch

No: 0

Absent: 0

**Mr. Isaacson *moved to Approve the Actions as Recommended in the Executive Session to Discuss Personnel Issues in the City Services Department.***

**Seconded *by Ms. Welch***

**PASSED**

Yes: 7 – Skipp, Thompson, Isaacson, Cromer, Walley, Welch, Welch

No: 0

Absent: 0

**COUNCIL COMMENTS**

None

**Mr. Thompson *moved to adjourn the meeting at 10:09 p.m.***

**Seconded *by Mr. Skipp*s**

The regular meeting of Monday, March 04, 2019 adjourned at 10:10 p.m.

**These minutes passed and approved** by a duly constituted quorum of the North Pole City Council on Monday, March 18, 2019.

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Michael W. Welch, Mayor

**ATTEST:**

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Judy L. Binkley, City Clerk