

# CITY OF NORTH POLE Alaska

### WORK SESSION

Kohler, Schmitt & Hutchison-Auditors 5:30 p.m Health Care Renewal Update 6:00 p.m.

### REGULAR CITY COUNCIL MEETING Monday, May 19, 2014

Committee of the Whole – 6:30 p.m. Regular City Council Meeting – 7:00 p.m.

**MAYOR** 

Bryce Ward 888-4444

CITY CLERK

Kathy Weber, MMC 488-8583

#### **COUNCIL MEMBERS**

Michael Welch- Mayor Pro Tem	488-5834
Sharron Hunter- Dep Mayor Pro Tem	488-4282
Elizabeth Holm – <i>Alt Dep Mayor Pro Tem</i>	488-6125
Kevin McCarthy-	590-0800
Thomas McGhee-	455-0010
Preston Smith -	488-8824

- 1. Call to Order/Roll Call
- 2. Pledge of Allegiance to the US Flag
  National Anthem sung by NPMS –
- 3. Invocation
- 4. Approval of the Agenda
- 5. Approval of the Minutes

- 6. Communications from the Mayor
- 7. Council Member Questions of the Mayor
- 8. Communications from Department Heads, Borough Representative and the City Clerk
- 9. Ongoing Projects Report
- 10. Citizens Comments (Limited to Five (5) minutes per Citizen)

#### 11. Old Business

a. Ordinance 14-06, An ordinance amending Title 1, Section 1.12.010, Altering Code

#### 12. New Business

- a. Renewal of the AW Rehn Health Insurance for the City of North Pole employees
- b. Request from Christmas in Ice for Bed Tax monies from City of North Pole for 4<sup>th</sup> quarter 2013 and 1<sup>st</sup> quarter 2014.
- c. Recommendation to award Wastewater Treatment Plant Renovation to Ghemm Company in the amount of \$2,275,000
- d. Ordinance 14-07, An Ordinance of the City of North Pole amending Title 4, Revenue and Finance, establishing procedures to collect delinquent debts owed to the City

#### 13. Council Comments

#### 14. Adjournment

The City of North Pole will provide an interpreter at City Council meetings for hearing impaired individuals. The City does require at least 48 hours' notice to arrange for this service. All such requests are subject to the availability of an interpreter. All City Council meetings are recorded on CD. These CD's are available for listening or duplication at the City Clerk's Office during regular business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m. or can be purchased for \$5.00 per CD. The City Clerk's Office is located in City Hall, 125 Snowman Lane, North Pole, Alaska.

#### 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, May 5, 2014 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, May 5, 2014 to order at 7:00 p.m.

There were present: Absent/Excused

Ms. Holm Excused
Ms. Hunter Excused

Mr. McCarthy

Mr. McGhee

Mr. Smith

Mr. Welch

**Mayor Ward** 

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

Led by Mayor Ward

#### **INVOCATION**

Invocation was given by Councilman Smith

A moment of silence was given for Officer Gabe Rich & Sgt. Scott Johnson

National Anthem sung by Lindsey Moison

#### APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of April 21, 2014

Seconded by Mr. Welch

#### **Discussion**

None

#### Mr. McGhee moved to consent items a under:

#### **Old Business:**

a. Ordinance 14-05, An Ordinance of the City of North Pole, Alaska to engage USKH, Inc for \$19,710 to conduct a feasibility assessment of extension of the North Pole

Municipal Water System to areas of the City above the groundwater contaminated sulfolane plume that do not have access to the municipal water system

#### **New Business**

- **c.** Cooperative agreement between the U.S. Army Corps of Engineers and the City Of North Pole, Alaska for the provision of law enforcement services
- d. Ordinance 14-06, An ordinance amending Title 1, Section 1.12.010, Altering Code
- e. Resolution 14-09, A Resolution supporting FMATS consideration of the North Pole intersection safety project

#### Seconded by Mr. Welch

#### **Discussion**

None

On the amendment

#### **PASSED**

YES – 5 – Smith, McGhee, Welch, McCarthy, Ward

NO - 0 -

Absent -2 – Holm, Hunter

On the main motion as amended

#### **PASSED**

YES – 5 – Smith, McGhee, Welch, McCarthy, Ward

NO - 0 -

Absent - 2 - Holm Hunter

#### APPROVAL OF MINUTES

Mr. Welch moved to Approve the minutes of April 21, 2014

Seconded by Mr. McGhee

#### **Discussion**

None

#### **PASSED**

YES – 5 –Smith, McGhee, Welch, McCarthy, Ward NO – 0 –

Absent -2 – Holm Hunter

#### COMMUNICATIONS FROM THE MAYOR

#### **Proclamations**

National Day of Prayer Municipal Clerks Week, May 4 - 10

#### **Mayor's Comments**

The City is in need of volunteers for the annual 4<sup>th</sup> of July parade and picnic. If you are interested please call City hall and sign up! The meetings are set for the following dates at 6pm here at city hall.

Monday May 12<sup>th</sup>
Wednesday May 28<sup>th</sup>
Monday June 9<sup>th</sup>
Monday June 23<sup>rd</sup>
Monday June 30<sup>th</sup>

The North Pole Lions have agreed to partner with the City of North Pole to host the 4<sup>th</sup> of July Parade this year. We look forward to partnership with the North Pole Lions. Parade entry information will be available through the lions.

The City of North Pole has sent out almost 800 surveys asking residents inside the sulfolane plume but outside of city boundaries if they are interested in a piped water system. Data collected will help determine the interest in a piped water system. If residents are interested in a piped water system we are asking if they would prefer a private system or a municipal system, which would require annexation to the City of North Pole. We have a public hearing for May 6<sup>th</sup> at 6pm. All written comments must be submitted by May 12<sup>th</sup>.

As part of the efforts to bring awareness to the potential for F-35 aircraft to be based here at Eielson AFB I am helping build a mock F-35. This (roughly  $1/3^{rd}$ ) model will be towed behind a vehicle and be at many of the events around town. The cockpit will be designed to sit in and we even have a line on a helmet for people to dawn. Construction is taking place at the Pipeline Training Center next Saturday from 10-2pm. For more information contact Bryce Ward at 888-4444.

Senior Citizen recognition day is this Thursday May 8<sup>th</sup> at the Carlson Center.

Last week the City of North Pole had its 2<sup>nd</sup> application for Made In North Pole. I warmly welcome Patty Brown with Heartstrings Embroidery to the MINP family.

May 2<sup>nd</sup> was the Fairbanks Chamber of Commerce Military Appreciation banquet. I was unable to attend however Mayor Pro-Tem Michael Welch and his wife were able to go and represent North Pole.

The memorial service for Sgt. Patrick "Scott" Johnson and Gabriel "Gabe" Rich will take place this Saturday at 4pm at the Carlson Center. The general public is encouraged to attend. As many of you know Gabe started his career in law enforcement here at North Pole and holds a special place in many of our hearts. Our thoughts and prayers go out to his friends and family and his fiancée who has been a regular volunteer at the Fire department for many years.

During the last FMATS Policy meeting we re-scoped several projects that were in danger of falling off the list, Peridot was one of them. FMATS passed a new policy last year that states that all projects must have an identified maintenance agreement before a project can be funded. This has always been the case for federal monies however not the case for state monies. This new policy created an issue with Peridot because part of the project fell outside of City limits and had no responsible party for maintenance. We were able to re-scope the project to only include the potion inside North Pole City Limits.

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

Mr. McGhee asked if the Mayor had started working on a budget for next year in light of the Flint Hill Resources closure.

Mayor Ward stated that he has started discussions with department heads and are already making plans for next year.

Mr. McGhee said he would like council to be a part of discussions and to possibly have a budget for next year before the election in October.

#### <u>COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH</u> REPRESENTATIVE AND THE CITY CLERK

#### **Fire Department, Chief Lane**

- Chief Lane echoed the sentiments of Chief Dutra to the loss of Officer Gabe Rich and Sgt. Scott Johnson. Officer Gabe Rich's fiancé is a volunteer firefighter at the NPFD.
- Spoke on live-in program at NPFD to help alleviate costs of over hire.
- Seasonal maintenance will take place and testing fire hydrants shortly.

Mr. Welch asked when burn permits will available.

Chief Lane said that burning was allowed as of today but you must still get a burn permit.

Mr. McGhee asked what the cost would be to have live-ins and if it would be a coed facility.

Chief Lane said that it would cost about \$5,000 to install a shower in the facility and that it would come from the old forestry account. He also said that it could be a coed program, with rules.

Friday, May 9<sup>th</sup> is the appreciation dinner at 6:30 p.m.

Mr. Smith asked about the ladder truck.

Chief Lane said that it could be as soon on July 1st. The Open House will be held on June 14th.

#### Police Department, Chief Dutra

- I want to express my condolences to the families of Trooper Gabe Rich and Sgt. Scott Johnson. Our department lost two good friends on May 1, 2014. Our hearts go out to all of those affected. Our department has taken an active role in support of these two families and we will continue to do so from this day forward. Trooper Gabe Rich worked with the North Pole Police Department between October 27, 2008 through October, 2012. Trooper Rich will always be part of the North Pole Police family. Both Gabe and Scott will be truly missed.
  - I would encourage anyone who is willing to show their support to donate to the families. This can be done at Wells Fargo Bank.
- North Pole Police Officers participated in the precession and are standing vigil over both our fallen officers. We are offering grief counselling to those who may need it.
- Statistics are attached

#### Accountant, Lisa Vaughn

• Ms. Vaughn is attending the AGFOA conference in Sitka, Alaska.

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

#### **Building Department**

No new permits issued since last council meeting

North Pole Veterinary Clinic is planning a renovation

#### **Public Works**

- Saint Nicholas Drive pedestrian path
  - Clearing brush and surveying began last week
  - Contractor submitted a request to detour traffic to Cary Street during replacement of culverts
- 2014 FMATS paving project will not occur in 2014 due to environmental restrictions
  - Issues are not in North Pole but in Fairbanks
- Street sweeping on city streets scheduled to begin later this week
- Site of Santa Claus Lane bus shelter has been surveyed, no report yet on construction date.

#### **Utility Department**

- Capital Budget \$500,000 to address "Mixing Zone Compliance"
  - Award appears to have been placed in Alaska Clean Water Fund loan
  - Hopefully this is a mistake
  - Mayor has contacted legislative delegation to get this corrected
- Land purchase adjacent to wastewater treatment plant approved, waiting for transfer of title

#### **Natural Gas Utility Board**

- Interior Gas Utility has not met since the last council meeting
- Mr. Welch asked if the City had heard back from the attorney on delinquent accounts.
- Mr. Butler stated as of today he had not heard back from the attorney.
- Mr. McGhee asked about striping this year stating that it is important to have that done.
- Mr. Butler said that they will stripe the streets this year and will contact DOT again.
- Mr. Smith asked about the fitness trail, dog park, and benches.
- Mr. Butler gave an update on the trail, dog park and said the benches would go out after the sweeping had been done.

#### **Borough Representative, Mayor Ward**

• Borough is going over their budget and mil rate increase that is for education.

#### City Clerk

- Re-schedule for the i-pad class
- New file cabinets for the Clerk's office and the archive room have arrived. Many thanks go out to our Public Works department for painting my office and repairing the wall that was water damaged and molded.
- Clean up day will be held on Saturday, May 10<sup>th</sup>. Contact Kristen at United Way to receive your garbage bags and reserve an area to clean up. The number is 452-7211 ext. 102.
- Lisa Vaughn is out until the end of the week and I have picked up the payroll function while she is out.
- Equipment for laserfiche has been ordered and they are working with our IT (TekMate) and installing the program. We should be up and running by the end of the month.

#### **ONGOING PROJECTS**

NPEDC – Nadine Winters

- Ms. Winters gave council an update on the F35's and are trying to get 10,000 supporters and getting information out to the public.
- A model of an F35 is currently being made for the parades and to help register support.
- Business retention program is underway. They currently have UAF & Fairbanks
  Chamber. They are still trying to get volunteers to help with going out and interviewing
  businesses.
- Mr. Welch asked about the draft radius study and is awaiting the final product.
- Ms. Winters said that she is almost ready with the final draft.
- Mr. Welch asked when the next NPEDC meeting was going to be.
- Ms. Winters said that the next meeting is June 7<sup>th</sup>. However, they do not have a meeting place yet.

#### **CITIZENS COMMENTS**

None

#### **NEW BUSINESS**

## RENEWAL OF THE AW REHN HEALTH INSURANCE FOR THE CITY OF NORTH POLE EMPLOYEES

Craig Kestran gave an overview of the policy and stated that there was only a 3.5% increase from last year. (Renewal paperwork is included in the packet) There was a work session that took place at 6:00 p.m.

#### **Public Comment**

None

Mr. McGhee moved to Approve the Renewal Of The AW Rehn Health Insurance For The City Of North Pole Employees

Seconded by Mr. Welch

#### **Discussion**

Mr. McGhee asked what the deadline on when this has to be approved.

Ms. Weber stated that the new policy would take affect on July 1, 2014.

Mr. McGhee *moved to* postpone the renewal of the AW Rehn health Insurance for the City of North Pole employees until the meeting of May 19, 2014 so council can hear from Ms. Hunter and Ms. Holm and to also hear from employees.

Seconded by Mr. Welch

#### **Discussion**

Mr. Welch asked if Mr. Kestran from Alaska USA would be available by phone or if he would be able to come back to the meeting of May 19<sup>th</sup>.

Mr. Kestran said that he would be able to attend.

Mayor Ward said that if there were any questions that the council members had that this was a great opportunity to get that information.

Mr. McGhee said that he would like to meet with the Mayor to get some questions answered about the budgeting and that there is another council member that wasn't present tonight that would like to ask some questions.

Mayor Ward said that he had talked earlier in the day about some of the issues in regards to the healthcare plan and one thing that Mr. Kestran had mentioned was that it was important to

maintain the City grandfather status. He asked what type of changes could be made and still allow the City to maintain grandfather status.

Mr. Kestran said that the areas that can be changed to maintain grandfather status is employee contribution but there is a ceiling which can not be more than 5%. Co-pays can be increased \$5.00. Deductibles can be increased from \$300 to \$360 and on the family deductible \$180. He said that all the information that was given to the City was based on keeping the grandfather status.

On the motion

#### **PASSED**

YES – 5 –Smith, McGhee, Welch, McCarthy, Ward NO – 0 –

Absent -2 – Holm, Hunter

On the main motion as amended

#### **PASSED**

YES -5 –Smith, McGhee, Welch, McCarthy, Ward NO -0 – Absent -2 – Holm, Hunter

# REQUEST FROM NORTH POLE COMMUNITY CHAMBER OF COMMERCE OF BED TAX FROM CITY OF NORTH POLE FOR 4<sup>TH</sup> QUARTER 2013 AND 1<sup>ST</sup> OUARTER 2014

As President of the North Pole Community Chamber of Commerce (NPCCC), I hereby request the approved 2013 fourth quarter 2013 and 2014 first quarter City of North Pole Bed Tax grants be distributed to NPCCC.

I have attached our financial statements and accounting spreadsheets for your review and will be pleased to answer any questions you may have regarding them at the appropriate City Council meeting.

Since my last report to City Council, the North Pole Community Chamber of Commerce has presented its Winter Festival, including the community bazaar, candle lighting (in association with Christmas in Ice), and fireworks display, and already is planning to host its 2014 Winter Festival, including the bazaar, fireworks, candle lighting, Regents coronation, and community celebration (music, pageant, etc.).

Our Chamber is producing, publishing and distributing its Annual Visitor Guide and has updated its website that also will include a viewable Visitor Guide. We now have more than 1,400 followers on our new Facebook page (NorthPoleChamber), a seven-fold increase from last year;

and, our membership list is growing. Marlene has returned and is our quarter-time Executive Director. Also, Sharon will be managing our Visitor Center full-time again from Memorial Day to Labor Day in our cabin at 2550 Mistletoe.

So far, this year our efforts have secured visits by television production companies that have taped segments in North Pole for "Christmastown" and "Only in Alaska." Other TV producers are being invited to film/tape in North Pole as well. In addition, I am expecting to talk about North Pole on several national TV shows.

We are working with The Greater Fairbanks Chamber of Commerce, Explore Fairbanks, Alaska Tourism Industry Association, News-Miner, and several magazines to increase coverage of North Pole. And, our Chamber has renewed its affiliations with Santa's Senior Center, North Pole Friends of the Library, North Pole Grange, KJNP, North Pole Regents, March of Dimes, and Christmas in Ice, among others.

The NPCCC completed 2013 with a slight positive financial balance, just enough to initially hire a part-time Executive Director and full-time summer Visitor Center Manager and produce our Visitor Guide. Those are ongoing expenses, as are website maintenance, publications, supplies, advertising, telecommunications, utilities, insurance, etc. If sufficient funds are available, we may host Christmas in July again. We have applied and are applying for grants from several industry leaders and organizations for funding to potentially help meet expenses for ongoing operations and projects.

I am requesting the North Pole Community Chamber's allotted portion of the Bed Tax for the last quarter of 2013 and the first quarter of 2014 and trust that our Chamber will manage to secure new sponsors and grants during 2014 that may enable it to become self-supporting by the end of 2014. And, we are actively exploring options for the sale of our cabin on Mistletoe, so that we may move closer into town.

We are striving to achieve our ultimate goal of serving our community well and becoming self-supporting. Eventually, we hope to enable the City of North Pole to allocate NPCCC's grant funding to a variety of other deserving community non-profits and/or to municipal projects and personnel. Lastly, our Chamber fully endorses the City of North Pole's new "Shop North Pole" initiative.

I respectfully request your continued understanding and support. You are welcome to contact me on my cell number: 907-388-3836. Our Board Members' direct contact information is posted on our website: <a href="www.NorthPoleChamber.us">www.NorthPoleChamber.us</a>. My email address is <a href="mailto:santaclaus@usa.net">santaclaus@usa.net</a>, and my cell number is 907-388-3836.

Mr. Smith asked if the NPCCC had looked into renting the old Stage Stop.

Santa Claus said that they have looked at various properties in North Pole.

Mr. Welch asked if Santa hadn't come before council in December 2013 stating they would not be requesting 4<sup>th</sup> quarter bed tax.

Santa stated that it was true but they need the funding now because some of the large funders are not as giving this year.

Mr. McGhee said that his problem with North Pole is that it only has three attractions, our name, some candy cane streetlights, and Santa Claus House which is a private business. He asked what do the businesses think about growing into a theme city or not.

Santa said not many have signed on to the Theme City thing. He said they need to create their alliance with GFCC and spoke on the business feeling in North Pole.

Mr. McGhee said that for over 50 years the NPCCC has been going after the visitor theme when we have nothing but Santa Claus House. He said it is a bedroom community and asked why isn't the chamber focusing on needs of bedroom community instead of on entertainment and a visitor center. He asked what the focus was for the chamber.

Santa said he didn't know if there was a solution to that and that the only strength the chamber has is when it is involved in community activities as it would be in a bedroom community and not in the tourism end of things. He felt that initiatives like "Shop North Pole" are good to a certain degree. He said what chamber has done in the past is duplicating efforts that has been made by other entities. He would like to see it go back to being a good community organization and not being called a chamber.

Mr. McGhee commented that the sales tax has nothing to do with the cost of things in North Pole. He buys the same coffee in Fairbanks as he does out here and it's 75 cents more out in North Pole and the tax is less than that.

Santa said you should get a discount if you can show that you have a North Pole address. He said the NPCCC has tried bringing out the Small Business Administration to help with businesses but the businesses out here don't want the help. He would like to spend the rest of this year to point the chamber in the direction that's going to benefit the community and not just the business community.

Mr. Smith said that the closure of the Key Bank may be another spot to look at for the NPCCC.

Santa said that the bank isn't interested in renting the space and that it was about \$4,000 a month. Santa Claus House was going to rent their space for \$2,500 per month.

#### **Public Comment**

None

Mr. McGhee moved to Approve Request From North Pole Community Chamber of Commerce the Bed Tax From City Of North Pole For 4<sup>th</sup> Quarter 2013 And 1<sup>st</sup> Quarter 2014

Seconded by Mr. McCarthy

#### **Discussion**

Mayor Ward said that with budget cuts they may want to withhold 25% of the 1<sup>st</sup> quarter bed tax for 2014.

Mr. Welch moved to withhold up to 25% of 2014 bed tax distributions to keep in our general fund

Seconded by Mr. McCarthy

#### **Discussion**

Mr. McGhee said he did not agree with it and that council has already voted on this issue. They tried to amend this before and form a committee. He said that throwing this out to preserve for the general fund - he doesn't agree with it. This is bed tax money already designated by ordinance, by percentage, to four entities and if they want to change the ordinance then bring it back but voting on it now to withhold it he doesn't agree with.

Mr. McCarthy said that the idea behind it is to go to community organizations and doesn't want to divert a single penny of it.

Mr. Welch said that the city currently withholds 15% of the bed tax and he would like to retain 25% and ups the ante by what they already withhold.

Mayor Ward said the city retains 15% of all the bed tax and distributes the other 85%. He gave percentages of what the entities receive. He said that he felt that the City should be able to withhold 25% of the bed tax until they can see where they stand. The borough retains 10% until project is completed and same with City of Fairbanks. All tax monies that come in are general fund monies. Council decides how these monies are distributed. Not a specific designation unless described by code.

Mr. Welch withdrew his motion to amend.

Mr. McCarthy withdrew his second.

#### **PASS**ED

 $\overline{\text{YES} - 4}$  –Smith, McGhee, Welch, McCarthy NO – 1 – Ward

Absent – 2 – Holm Hunter

# RESOLUTION 14-10, A RESOLUTION SUPPORTING FMATS CONSIDERATION OF THE STREETLIGHT STANDARDIZATION AND IMPROVEMENT PROJECT IN THE CITY OF NORTH POLE

Mayor Ward said that they are recommending the subdivisions within the resolution for streetlights and to bring it before the FMAT's policy committee.

#### **Public Comment**

None

Mr. Welch *moved to* Resolution 14-10, A Resolution Supporting FMATS Consideration of the Streetlight Standardization and Improvement Project in the City Of North Pole

Seconded by Mr. McGhee

#### **Discussion**

None

#### **PASSED**

YES – 5 –Smith, McGhee, Welch, McCarthy, Ward NO – 0 – Absent – 2 – Holm Hunter

#### **COUNCIL COMMENTS**

Mr. McGhee – thanked Santa for his vision. He gave his condolences to family and friends of the officers. Also for 3 motorcyclist that lost their lives in Palmer this past weekend. He stresses every day watching adult drivers on phones. The emergency personnel see the results and consequences of these actions. An accident can change lives in a fraction of a moment. He appreciates the council and thanked the Mayor for postponing the healthcare until the next meeting. He asked everyone to be careful with their outdoor fires.

Mr. Welch - he and his wife represented the City at the Military Appreciation dinner and hosted Staff Sgt. Jedidiah Smith and his wife. He said that Officer Rich was a member of St. Nicholas church and he and his fiancé were going to take marriage classes within the next two weeks. He warned everyone to watch for fire hazard.

Mr. Smith – thanked everyone for coming out and to watch for kids outside playing and walking around on the streets. He encouraged everyone to enjoy the great weather.

Regular City Council Meeting May 5, 2014 7:00 p.m.

Mr. McCarthy – commented that the public hearing is set for tomorrow and hasn't heard anything on the radio or seen anything in the Newsminer. He wants to hear from everyone and is interested in what the local guys in the trenches are thinking about this.

Mayor Ward – said the state capital budget was approved and the City has a lot in there. He stated that the City got everything they asked for. He encouraged everyone to spend time with family.

#### **ADJOURNMENT**

Mr. McGhee adjourned the meeting at 8:06 p.m.

Seconded by Mr. Welch

The regular meeting of May 5, 2014 adjourned at 8:35 p.m.

**These minutes passed and approved** by a duly constituted quorum of the North Pole City Council on Monday, May 19, 2014.

	Bryce J. Ward, Mayor	Bryce J. Ward, Mayor	
ATTEST:			
Kathryn M. Weber, MMC			
North Pole City Clerk			

125 Snowman Lane North Pole, AK 99705 P: 907-488-8583

F: 907-488-3002 C: 907-388-2728

Email: Kathy@northpolealaska.com

# City of North Pole Office of the City Clerk/HR Mgr

# Memo

To:

North Pole City Council

From: Kathy Weber, MMC

CC:

Mayor Ward

Date:

4/24/2014

Re:

Ordinance Amending Title 1, Altering Code

In August 2013 we were awarded a grant from the State of Alaska for the City of North Pole Archival System. Included in the grant was the request to do a legal review. The legal review sent back finding within our code that needed to be cleaned up before we did a final republication of the NPMC. Attached are ordinances in Title 1 and Title 2 that are basically housekeeping and reviewed by the attorney for approval.

I recommend that the council introduce and passed these ordinance so our North Pole Municipal Code is up to date and clear.

Thank you.

1 2 The City of North Pole 3 **ORDINANCE 14-06** 4 5 AN ORDINANCE AMENDING TITLE 1, SECTION 1.12.010, ALTERING CODE 6 7 WHEREAS, changes to the North Pole Municipal Code is a continually changing requirement; 8 and 9 10 WHEREAS, the City of North Pole Municipal Code should be amended to conform to the requirements of the City and to clarify questionable areas. 11 12 13 **NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of North Pole: 14 Section 1. This ordinance is of a general and permanent nature and shall be codified. 15 16 Section 2. Chapter 1, Section 1.12.010 of the North Pole Code of ordinances amended as 17 follows [new text in underlined italicized red font; deleted text in strikethrough font]: 18 Title 1 19 Chapter 1.12 20 **Sections:** 21 1.12.010 Altering code. 22 23 It is unlawful for any person other than the City Clerk or City Attorney as provided in Chaper 24 1.08 NPMC, firm or corporation in the city to change or amend by additions or deletions, any 25 part or portion of this code, or to insert or delete pages, or portions thereof, or to alter or tamper 26 with the code in any manner whatsoever which will cause the law of the city to be 27 misrepresented thereby. Any person, firm or corporation violating this section shall be punished as provided in Chapter 1.20. (Prior code §1-7) 28 29 30 Section 3. Effective Date. This ordinance shall be effective at 5:00 p.m. on the first City 31 business day following its adoption. 32 33 **PASSED AND APPROVED** by a duly constituted quorum of the North Pole City Council this 19<sup>th</sup> day of May, 2014. 34 35 36 37 Bryce J. Ward, Mayor 38 39 **ATTEST:** 40 41 42 Kathryn M. Weber, MMC 43 North Pole City Clerk 44 45 PASS/FAIL 46 Yes: 47 No: 48 Absent:

North Pole Municipal Code Legal Review – Attorney Findings

**1.12.010 Altering code.** Because this section punishes every person who would alter the code, it punishes the City Clerk and all persons customarily authorized to alter the code. An exception, e.g., "other than the Clerk or City Attorney as provided in Chapter 1.08 NPMC," should be inserted by an amending ordinance. **Recommendation:** Does the City wish to amend this section by ordinance before republication?

## **Chapter 1.08 ORDINANCES**

#### Sections:

1.08.010 Effect of repeal of ordinances.

1.08.020 Amendments and additions to code.

1.08.030 Revision of Ordinances.

1.08.040 Improvement of Code.

#### 1.08.010 Effect of repeal of ordinances. SHARE

The repeal of an ordinance shall not affect any punishment or penalty incurred before the repeal took effect, nor any suit, prosecution or proceeding pending at the time of the repeal, for an offense committed or cause of action arising under the ordinance repealed. (Prior code §1-4)

#### 1.08.020 Amendments and additions to code. SHARE

- A. All ordinances passed subsequent to this code which amend, repeal or in any way affect the code may be numbered in accordance with the numbering system of the code and printed for inclusion therein. When subsequent ordinances repeal any chapter, section or subsection or any portion thereof, such repealed portions may be excluded from the code by omission from reprinted pages. The subsequent ordinances, as numbered and printed, or omitted in the case of a repeal, shall be prima facie evidence of such subsequent ordinances until such time that this code and subsequent ordinances numbered or omitted are readopted as a new code by the city council.
- B. Amendments to any of the provisions of this code shall be made by amending such provisions by specific reference to the section number of the code in the following language:

That Section of the Code of Ordinances of North Pole, Alaska, is hereby amended to read as follows:

The new provisions shall then be set out in full as desired.

C. In the event a new section not heretofore existing in the code is to be added, the following language shall be used:

That the Code of Ordinances of North Pole, Alaska, is hereby amended by adding a section, to be numbered, which said section reads as follows:

The new section shall then be set out in full as desired.

D. All sections, articles, chapters or provisions desired to be repealed must be specifically repealed by section, article or chapter number, as the case may be. (Prior code §1-6)

#### 1.08.030 Revision of Ordinances. SHARE

- A. Subject to the general policies which may be promulgated by the council for the preparation and publication of the regular supplements to this code, the clerk shall revise for consolidation into this code all city ordinances of general applicability having the force and effect of law.
- B. The clerk shall edit and revise the ordinances for consolidation without changing the meaning of an ordinance in the following manner:
  - 1. Renumber sections, parts of sections, articles, chapters, and titles;
  - 2. Change the wording of section or subsection titles, or delete subsection titles, and change or provide new titles for articles, chapters and titles;
  - 3. Change capitalization for the purpose of uniformity;
  - 4. Substitute the proper designation for the term "the preceding section," "this ordinance," and like terms;
  - 5. Substitute the proper calendar date for "effective date of this ordinance," "date of passage of this ordinance," and other phrases of similar import;
  - 6. Strike out figures if they are merely a repetition of written words, or substitute written works for figures;
  - 7. Correct manifest errors which are clerical, typographical, or errors in spelling, or errors by way of additions or omissions;
  - 8. Correct manifest errors in references to ordinances:
- C. The clerk shall edit the laws as they are adopted by the council so as to avoid the use of pronouns denoting gender without changing the meaning of an ordinance.

#### 1.08.040 Improvement of Code. SHARE

The clerk or the city attorney shall make recommendations to the council concerning efficiencies, conflicts, or obsolete provisions in and the need for reorganization or revision of this code, and, at the direction of the council, shall have prepared for submission to the council ordinances for the correction or removal of the deficiencies, conflicts, or obsolete provisions, or to otherwise improve the form or substance of any portion of the code. This code shall be systematically reviewed for deficiencies, conflicts, or obsolete provisions.



# CITY OF NORTH POLE 2014 RENEWAL MEETING

125 Snowman Lane North Pole, AK 99705

May 5, 2014

Presented by: Craig Kestran Employee Benefits Manager

Diana Stewart, RHU, CEBS Sr. Employee Benefits Account Manager



### **City of North Pole**

**Agenda** 

Section I. General Overview

Section II. Current Trends in Healthcare

Section III. PPACA Required Changes

Section IV. Summary of Current Programs

Section V. Renewal Presentation

Section VI. Reports & Exhibits

Section VII. Alternative Funding Options

City of North Pole Attendees:	Alaska USA Insurance Brokers Attendees:
Bryce Ward	Craig Kestran
Kathy Weber	

Individual	Functional Position	
Craig Kestran	Employee Benefits Manager:	
907-564-6143	Responsible for managing all strategic	
c.kestran@alaskausainsurancebrokers.com	aspects of client relationship, including planning, plan design, financial evaluation, claims analysis, insurer negotiations and compliance.	
Diana Stewart	Employee Benefits Supervisor:	
907-564-6140	Responsible for analyzing carrier proposals,	
d.stewart@alaskausainsurancebrokers.com	assisting with the preparation of financial evaluations (renewals) and daily service/policy issues and plan execution.	

#### I. General Overview

#### **Our Commitment to Service**

We appreciate the opportunity to work with City of North Pole, and help you meet your insurance and employee benefits objectives. In order to adapt to the changing needs of your organization, Alaska USA Insurance Brokers has invested in top-notch talent and leading-edge technology. We take nothing for granted, and will always work in the best interest of City of North Pole.

Thank you for your business. We look forward to nurturing an ongoing relationship that brings you the best solutions in the business. We will continue to build our relationship through hard work, creativity, and assertiveness that effectively meets the needs of your business.

#### Alaska USA Insurance Brokers Account Service Team

All Alaska USA Insurance Brokers clients are assigned to a team of specialists who are dedicated to providing a wealth of resources to serve their needs. Our professionals pride themselves on excellent service, and are dedicated to using their experience and expertise to meet our clients' benefits objectives. Your account team's goal is to help City of North Pole save money through proper implementation and management of your benefits programs, and they are committed to anticipating and fulfilling your needs and concerns.

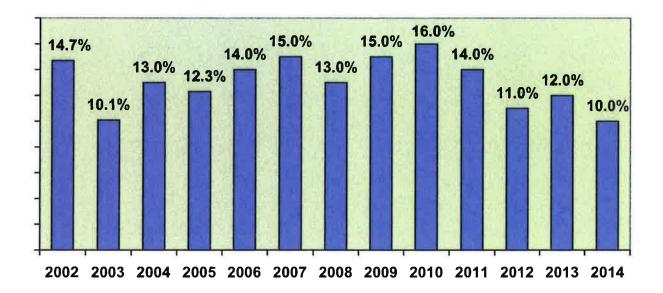
In addition to our own talented professionals and specialized value-added services, Alaska USA Insurance Brokers has a wealth of resources available to us through our national affiliations. The resources available to us through these affiliations let us gain access to regional expertise and market clout.

Final accountability for your programs is the responsibility of Craig Kestran, your lead Advisor. While a number of our professional staff will be active with your account, either on a day-to-day or project-specific basis, Craig is ultimately responsible for meeting your expectations.

#### II. Current Trends in Healthcare

#### 2002-2014 Trends

This year is expected to be another double digit rate increase. This is the 13<sup>th</sup> double digit increase in a row.



#### **Cost Drivers:**

- Health Care Reform
- Increased incidence of chronic diseases due to increase in age of the overall population and in part due to unhealthy lifestyle choices.
- Use of prescription drugs, usage goes up as the incidence of chronic conditions increase.
- Increase use of technology to treat illnesses.
- Inefficient care only 55% of all patients receive care in accordance with Best Practices.
- Defensive medicine additional tests and procedures ordered as precautions.

#### **Cost Saving Considerations:**

- Cost shifting:
  - o Increase employee contributions
  - Tiered employee contributions charging employees a percentage of pay, charging employees whose dependents have access to other insurance more than those that do not
  - o Offer "Wellness Rebates to offset employee contribution increases
- Change plan designs especially increasing the prescription drug co-payments to keep pace with prescription drug cost increases.
  - Although minimum changes can be made within a Grandfathered plan, major changes to benefits will cause the loss of Grandfather Status and an overall increase in plan costs.
- Focus on Employee Communications as the need to implement more drastic cost savings increases, it is critical to engage employees. Comprehensive communications are needed to build awareness of the actual cost of their care, to arm them with decision making tools to help them to be more involved in the course of their medical treatment to improve outcomes, (which reduce cost) and to educate them on the connection between health, prevention, the quality of life and cost.

#### **Other Trends:**

#### **Comprehensive Wellness Programs:**

- Discounts for health clubs, weight loss centers, etc.
- Employer-paid smoking cessation classes
- Smoker/Non-smoker employee medical contributions
- Wellness "rebates"
- Third party health advocate
- Incentives for health risk assessments

#### III. PPACA REQUIRED CHANGES

- Maximum 90 Day Waiting Period: Plans are no longer allowed to have a
  waiting period that exceeds 90 days. The City of North Pole is already in
  compliance with this rule. Employees are eligible for the plan on date of hire.
- Elimination of Annual & Lifetime Limits: The City of North Pole is already in compliance with this rule.
- Elimination of Pre-Existing Condition Language: The plan will need to be amended to remove this language.
- Amend Adult Children Language: Adult children to the age of 26 can now remain on a parents plan regardless of having access to their own employer coverage. The plan will need to be amended to adjust this language.
- Required Essential Health Benefits: The City of North Pole Health Plan meets the requirements of Essential Health Benefits.
- **Determination of a Benchmark Plan:** We recommend the use of the State of Utah as the plans benchmark plan.

#### Fees & Taxes

**PICORI Fee:** Fully Insured & Self Funded Plans. The Fee is based on the average covered lives (including dependents) during the plan year. The fee changes on October 2 each year. The first year the fee is \$1 per covered life, due July 1, 2014. The second year will be \$2 per covered life, and it will continue to grow from there. **The Fee due July 1, 2014 will be \$110.** 

Reinsurance Fee: Fully Insured & Self Funded Plans. The Reinsurance fee applies to plan years beginning 2014 through 2016. This fee decreases over the three year period. The fee is calculated on the actual number of covered lives each month. The number of insured will be reported to the IRS annually in December each year and billed to the employer in January of the following year. The first year fee is \$63 per life, or \$5.25 per life per month. Final regulations and filing requirements are yet to be released. First year fees estimated at \$6,930.

**Health Insurance Transition Fee: Fully Insured Plans Only.** This fee continues on an annual basis, increasing annually from a base of 2% to 2.5% of Premium in 2014.

Cadillac Tax: Starting in 2018, a 40% excise tax on health plans with values exceeding a specific threshold. The thresholds are \$10,200 for individual or \$27,500 for family coverage (indexed to inflation). The excise tax will be assessed on the amount that exceeds the threshold, not the whole value of coverage. 2014-2015 costs are \$9,860.76/ Employee Only & \$24,785.16 / Family.

#### **IV.** Summary of Current Programs

	Carrier	Renewal Date
Health	Self Funded - AW Rehn	7/1/14
Dental	Self Funded - AW Rehn	7/1/14
COBRA	AW Rehn	7/1/14
FSA	Eflex Group	1/1/14
Life/AD&D	Lincoln Financial	7/1/15
Short Term Disability	Lincoln Financial	7/1/15
Group Voluntary Life /AD&D	Lincoln Financial	7/1/15
		2

**Note:** Detailed plan information is located in the **Reports & Exhibits** section of this report.

#### **Summary of Benefits**

Plan: Medical TPA: AW Rehn

Renewal Date: 7/1/14

Benefit	In-Network	Out-of-Network
Deductible	\$300 / \$900	\$300 / \$900
Out-of-Pocket	\$3,000 / \$9,000	\$3,000 / \$9,000
Lifetime Maximum	Unlimited	Unlimited
Coinsurance	80%	80% Providers 60% Hospital
Preventative Services	80%	80%
Physician Office Visit	You pay 20% Plan pays 80% after deductible	You pay 20% Plan pays 80% after deductible
Retail Prescriptions Retail Mail Order	\$10 / \$20 / \$40 3 x Retail	Member pays 100% at the time of purchase then reimbursed 50% after the applicable co-pay
Urgent Care	You pay 20% Plan pays 80% after deductible	You pay 20% Plan pays 80% after deductible
Emergency Room	You pay 20% Plan pays 80% after deductible	You pay 20% Plan pays 80% after deductible
Ambulance	You pay 10% Plan pays 90% after deductible	You pay 10% Plan pays 90% after deductible
Office Surgery	You pay 20% Plan pays 80% after deductible	You pay 20% Plan pays 80% after deductible
Outpatient Hospital Serv.  Outpatient Surgery Anesthesia Requires Pre-Certification Lab & X-Ray based on Facility Network status	You pay 10% Plan pays 90% after deductible	You pay 40% Plan pays 60% after deductible
Inpatient Hospital Serv.  • Anesthesia  • Requires Pre- Certification  • Lab & X-Ray based on Facility Network status	You pay 10% Plan pays 90% after deductible	You pay 40% Plan pays 60% after deductible

Outpatient Lab & X-ray	You pay 20%	You pay 20%
	Plan pays 80% after deductible	Plan pays 80% after deductible
Outpatient Advanced Radiology  • MRI, MRA,PET, CT- Scan & Nuclear Medicine	You pay 20% Plan pays 80% after deductible	You pay 20% Plan pays 80% after deductible
Durable Medical Equip.	You pay 20%	You pay 20%
	Plan pays 80% after deductible	Plan pays 80% after deductible
Skilled Nursing Facility	You pay 20%	You pay 20%
100 visits PCY	Plan pays 80% after deductible	Plan pays 80% after deductible
Hospice Care	You pay 20%	You pay 20%
4	Plan pays 80% after deductible	Plan pays 80% after deductible
Home Health Care	You pay 20%	You pay 20%
100 visits PCY	Plan pays 80% after deductible	Plan pays 80% after deductible
Organ Transplant	You pay 10% Plan pays 90% after deductible	Not Covered

Plan: Dental

Benefit	In or Out of Network	
Deductible	\$50 / \$150	
Waived For Preventive	YES	
Type A Expenses	100%	
Type B Expenses	80%	
Type C Expenses	50%	
Calendar Year Max	\$1,000	

Plan: Vision

Benefit	In or Out of Network	
Deductible	None	
Eye Exams	Plan pays 100% up to \$60	
Lenses, Contacts and Frames	Plan pays 100% up to \$120	
Benefit Period	24 months	

Plan: Life & AD&D

Carrier: Lincoln Financial Renewal Date: 7/1/15

		Benefit
Life	Class I – Full Time Employees	\$50,000
AD&D	Class I – Full Time Employees	\$50,000

Plan: Voluntary Life & AD&D

		Benefit
Life	All Employees working 30+ hrs	5 x annual salary to a maximum of \$500,000
AD&D	All Employees working 30+ hrs	5 x annual salary to a maximum of \$500,000

Plan: Voluntary Short Term Disability

		Benefit
STD	All Employees working 30+ hrs	0% of weekly earning to a maximum benefit of \$500 per
		week for 52 weeks

#### V. Renewal Presentation

# City of North Pole 2014-2015 Renewal

		HCC Life						HCC Life		
Aggregating Specific \$15,000		\$35,000 Specific Stop Loss						\$35,000 Spec		
			Current	1.5	Renewal	Chg	Ne	g. Renewal	Chg	
Administrative Fee										
AW Rehn	40	\$	28.18	\$	28.70	1.8%	\$	28.70	1.8%	
AUIB	40	\$	36.78	\$	37.69	2.5%	\$	37.69	2.5%	
PPACA Fees *	40	\$	•	\$	14.67		\$	14.67		
Total Monthly Admin Fee		\$	2,598.40	\$	3,242.40	24.8%	\$	3,242.40	24.8%	
Specific Premium										
Employee Only	11	\$	184.91	\$	219.15	18.5%	\$	203.40	10.0%	
Family	29	\$	497.97	\$	546.00	9.6%	\$	547.77	10.0%	
Total Monthly Stop Loss Premium		\$	16,475.14	\$	18,244.65	10.7%	\$	18,122.65	10.0%	
Aggregate Premium							-			
Employee Only	40	\$	18.06	\$	18.96	5.0%	\$	18.06	0.0%	
	-	Ť			10.00	0.070	Ť	,0,00	0.070	
Total Monthly Aggregate Premium		\$	722.40	\$	758.40	5.0%	\$	722.40	0.0%	
Total Monthly Fixed Costs	Ellin, S	\$	19,795.94	\$	22,245.45	12.4%	\$	22,087.45	11.6%	
Total Annual Fixed Costs		S	237,551.28	\$	266,945.40	12.77.70	5	265,049.45	11.070	
								20012/2012		
Claim Factors										
Employee Only	11	\$	519.21	\$	519.21	0.0%	\$	519.21	0.0%	
Family	29	\$	1,418.54	\$	1,418.54	0.0%	\$	1,418.54	0.0%	
		-							29	
Maximum Monthly Claims Cost		\$	46,848.97	\$	46,848.97	0.0%	\$	46,848.97	0.0%	
		\$	562,187.64	\$	562,187.64		\$	562,187.64		
TOTAL MONTHLY Maximum Cost		\$	66,644.91	\$	69,094.42	3.7%	\$	68,936.42	3.4%	
TOTAL ANNUAL Maximum Cost		\$	799,738.92	\$	829,133.04		\$	827,237.09		
TOTAL MONTHLY Expected Cost		S	57,275.12	\$	59,724.63	4.3%	\$	59,566.63	4.0%	
TOTAL ANNUAL Expected C	ost	S	687,301.39	-5	716,695.51		5.	714,799.56	ARTHU	
Total Increase (Maximum Cost) Employee Family		\$ \$	787.14 - 1,999.53	\$ \$ \$	29,394.12 838.38 2,064.56		\$ \$ \$	27,498.17 821.73 2,065.43		

\*PPACA Fees: Includes PICORI & Reinsurance Fees on 110 lives prorated to employee lives per month.

### VI. Reports & Exhibits

- Large Claims Report
  - o 2003-2013 Cigna & IISI
  - o 2013-2014 HCC Life
- 2013-2014 Monthly Experience Report

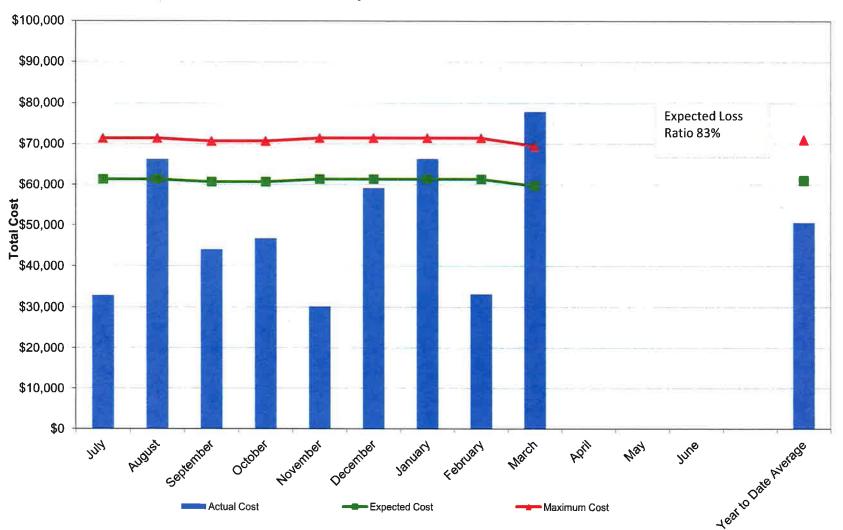
City of North Pole Large Claims Report

CIGNA	No. of Claims	Gross Claims	Claims Over Specific	Net Claims	Est Spec Premium	Stop Loss Level		
2003 / 2004	2	262,804	119,023	143,781	33,342	25,000	357.0%	
2004 / 2005	0	163,936	0	163,936	33,898	25,000	0.0%	
2005 / 2006	1	202,966	17,958	185,008	51,296	25,000	35.0%	
2006 / 2007	0	123,163	0	123,163	69,169	25,000	0.0%	
2007 / 2008	3	226,537	34,732	191,806	116,201	25,000	29.9%	
2008 / 2009	1	273,749	28,165	245,584	193,915	30,000	14.5%	
2009/2010	1	431,722	67,465	364,257	209,420	30,000	32.2%	
2010/2011	2	250,529	32,617	217,912	236,321	30,000	13.8%	
2011/2012	2	609,687	230,882	378,805	245,509	30,000	94.0%	
IISI		ŕ	ŕ	,	,	,		1 Laser at \$100,000
2012/2013	1	\$622,432	\$214,066	\$408,366	\$131,411	\$35,000	162.9%	
TOTAL	10 years	3,167,525	744,908	2,422,617	1,320,483		56.4%	•

# City of North Pole Large Claims Report

Plan Year	SL Claims	Specific SL Limit	Claims in Excess of SL	Stop Loss Premium	Loss Ratio	Agg Specific	Employer Claim Cost	Premium Savings	Loss Ratio
2013-2014	0	\$35,000	<b>\$</b> O	\$164,971	0%	\$15,000	\$0	\$15,000	0%
Totals	0		\$0	\$164,971	0%	\$15,000	<b>\$</b> 0	\$15,000	0%

City of North Pole Group Health Plan July 1, 2013 to June 30, 2014



# CITY OF NORTH POLE GROUP HEALTH PLAN ELIGIBILITY REPORT PLAN YEAR: JULY 1, 2013 THROUGH JUNE 30, 2013

PPACA covered lives

Month	Employees	Dependents	Total	
July	12	31	43	107
August	12	31	43	107
September	11	31	42	106
October	11	31	42	106
November	12	31	43	107
December	12	31	43	108
January	12	31	43	109
February	12	31	43	109
March	12	30	42	108
April				
May				
June				
Total	106	278	384	967
Average	12	31	43	107

# CITY OF NORTH POLE GROUP HEALTH PLAN AVERAGE COST PER EMPLOYEE

# PLAN YEAR: JULY 1, 2013 THROUGH JUNE 30, 2014 Claims in excess of the Specific Stop Loss of \$35,000 EXCLUDED

Month	Med / Vis Claims	Rx Claims	Dental Claims	Total Claims	Stop-Loss Premium	Admin & U/R	Actual Cost	Eligible Employees	Avg Cost Per EE
July	\$8,451	\$706	\$2,529	\$11,686	\$18,433	\$2,757	\$32,875	43	764.54
August	\$39,313	\$3,118	\$2,623	\$45,054	\$18,433	\$2,757	\$66,244	43	1540.55
September	\$17,318	\$4,426	\$1,281	\$23,025	\$18,230	\$2,729	\$43,983	42	1047.22
October	\$21,934	\$3,483	\$364	\$25,781	\$18,230	\$2,729	\$46,739	42	1112.84
November	\$2,911	\$4,159	\$1,903	\$8,972	\$18,433	\$2,757	\$30,161	43	701.42
December	\$30,895	\$4,460	\$2,575	\$37,930	\$18,433	\$2,757	\$59,119	43	1374.87
January	\$36,473	\$4,617	\$4,038	\$45,128	\$18,433	\$2,757	\$66,318	43	1542.27
February	\$6,056	\$2,442	\$3,449	\$11,947	\$18,433	\$2,757	\$33,137	43	770.62
March	\$49,008	\$3,864	\$4,367	\$57,239	\$17,917	\$2,729	\$77,884	42	1854.37
April									
May									
June									
Total	\$212,359	\$31,274	\$23,129	\$266,762	\$164,971	\$24,726	\$456,459	384	1188.70

# CITY OF NORTH POLE GROUP HEALTH PLAN ACTUAL COST COMPARED TO EXPECTED COST PLAN YEAR: JULY 1, 2013 THROUGH JUNE 30, 2014

Claims in excess of the Specific Stop Loss of \$35,000 EXCLUDED

Month	Total Claims	Stop-Loss Premium	Admin & U/R	Actual Cost	Expected Cost	Loss Ratio	Amounts Over \$35,000
July	\$11,686	\$18,433	\$2,757	\$32,875	\$61,353	54%	\$0
August	\$45,054	\$18,433	\$2,757	\$66,244	\$61,353	108%	\$0
September	\$23,025	\$18,230	\$2,729	\$43,983	\$60,707	72%	\$0
October	\$25,781	\$18,230	\$2,729	\$46,739	\$60,707	77%	\$0
November	\$8,972	\$18,433	\$2,757	\$30,161	\$61,353	49%	\$0
December	\$37,930	\$18,433	\$2,757	\$59,119	\$61,353	96%	\$0
January	\$45,128	\$18,433	\$2,757	\$66,318	\$61,353	108%	\$0
February	\$11,947	\$18,433	\$2,757	\$33,137	\$61,353	54%	\$0
March	\$57,239	\$17,917	\$2,729	\$77,884	\$59,674	131%	\$0
April							
May							
June							
Total	\$266,762	\$164,971	\$24,726	\$456,459	\$549,209	83%	<b>\$</b> 0

# CITY OF NORTH POLE GROUP HEALTH PLAN ACTUAL COST COMPARED TO MAXIMUM COST PLAN YEAR: JULY 1, 2013 THROUGH JUNE 30, 2014 Claims in excess of the Specific Stop Loss of \$35,000 EXCLUDED

Month	Total Paid Health Claims	Stop-Loss	Admin & U/R	Actual Cost	Maximum Cost	SURPLUS (deficit)	Ratio	Amounts Over \$35,000
July	\$11,686	\$18,433	\$2,757	\$32,875	\$71,395	\$38,519	46%	\$0
August	\$45,054	\$18,433	\$2,757	\$66,244	\$71,395	\$5,151	93%	\$0
September	\$23,025	\$18,230	\$2,729	\$43,983	\$70,644	\$26,661	62%	\$0
October	\$25,781	\$18,230	\$2,729	\$46,739	\$70,644	\$23,905	66%	\$0
November	\$8,972	\$18,433	\$2,757	\$30,161	\$71,395	\$41,233	42%	\$0
December	\$37,930	\$18,433	\$2,757	\$59,119	\$71,395	\$12,275	83%	\$0
January	\$45,128	\$18,433	\$2,757	\$66,318	\$71,395	\$5,077	93%	\$0
February	\$11,947	\$18,433	\$2,757	\$33,137	\$71,395	\$38,258	46%	<b>\$</b> 0
March	\$57,239	\$17,917	\$2,729	\$77,884	\$69,432	-\$8,452	112%	\$0
April								
May								
June	_							
Total	\$266,762	\$164,971	\$24,726	\$456,459	\$639,088	\$182,628	71%	<b>\$0</b>

### VII. Alternative Funding Options

# 1. Increase Employee Contributions – Maintain Grandfather Status

 Employer contributions can not be decreased more than 5% for any level of coverage:

_	Employer	Employer Contrib.		Contrib.	Increase in EE
	Current	New	Current	New	Monthly Cost
Employee only	100%	95%	<b>\$</b> 0	\$41.09	\$1,643.60
Dependents Only	82%	77%	\$100	\$286.05	\$5,039.05

#### **Annual Change in Employee Contributions \$ \$84,468.60**

These rates are based on Maximum Cost. Rates could be set at Expected Cost.

## 2. Increase Employee Contributions - Loose Grandfather Status

 Cost of employee only contributions can be increased to 9.5% of the lowest wage earners salary. (\$35,000 per year, 9.5% =\$3,325/yr or \$277.08 per month.

You would need to modify the plan to provide all of the required PPACA Changes.

Preventative Care
Essential Health Benefits
Clinical Trials

Women's Health Care External Review

## 3. Fully Insured Options

AETNA Poli-Sub Unit \$500 Annual Deductible 80%- \$106,424.82 Monthly Cost \$750 Annual Deductible 80% - \$86,451.33 Monthly Cost

The City of North Pole's plan costs have averaged 95% of Expected costs over the last 6 years.

Based on the 2014-2015 Expected Costs of \$714,799.56, 95% would be \$679,059.58. Including PPACA Fees & Taxes.

### 4. Drop Coverage

Marketplace rates are age rated – If you exchange coverage for salary older higher paid employees would require higher salary to cover the cost of Marketplace rates.

Premera - Marketplace Plan

Gold - \$1,000 Annual Deductible - 80% in network benefit Estimated total employee cost \$51,000 (non-smokers) - \$54,000 (smokers) per Month

Assuming you will replace coverage with salary increase you will also need to consider an increase in Payroll Taxes to the City, increased Pension cost, increased Workers Compensation cost, potential loss of employees, retraining cost, and employee moral.

Assuming an increase in payroll of \$51,000 per month (non smokers) Taxes, Pension and Workers Comp would increase \$14,509.50 per month

Monthly Cost	\$65,509.50	\$786,114.00
Taxes, Pension & WC	\$14,509.50	<u>\$174,114.00</u>
Health Plan Cost	\$51,000.00	\$612,000.00
	Monthly	Annual

Assuming an increase in payroll of \$54,000 per month (smokers) Taxes, Pension and Workers Comp would increase \$15,363.00 per month

<b>Monthly Cost</b>	\$69,363.00	\$832,356.00
Taxes, Pension & WC	\$15,363.00	\$184,356.00
Health Plan Cost	\$54,000.00	\$648,000.00
	Monthly	Annual

### **Employee Impact:**

**Taxable income is increased** by the cost of the salary increase to cover the cost of the marketplace benefits. This coverage was previously a pre tax benefit to employees and will now be an after tax benefit. Employees could shift into a higher tax bracket.

#### Other Considerations:

- Higher Deductible and Out of Pocket Costs
- Less Network Choices may result in more out of pocket cost to employees
- Out of Network Costs increased No annual maximum.
- Further reduced benefits No adult dental & Vision is included
   Dental Replacement costs average \$60/EE & \$150/Family per Mo.
   Vision Replacement Costs average \$11/EE & \$18/Family per Mo.

# City of North Pole Plan Comparison

## Highlighted areas show reduced benefits.

			r		
	City of North Po	ole - Current Plan	Excha	nge Plan - Premer	a Gold
Monthly Cost	Effective 7/1/2	014 - 6/30/2015	Effectiv	re 7/1/2014 - 6/3	0/2015
Benefit	In-Network	Out-of-Network	In-Network	Participating	Non Participating
Annual Deductible	\$300 Individu	al / \$900 family	\$1,000 Individual / \$2,000 Family	\$2,000 Individua	1 / \$4,000 Family
Out-of-Pocket - Includes Deductible	\$3,300 Individu	al / \$9,900 Family	\$5,000 Individual / \$10,000 Family	Unlir	nited
Lifetime Maximum	Unli	imited		Unlimited	
Coinsurance	80%	80% Providers 60% Hospital	80%	80% Providers 60% Hospital	80% Providers 40% Hospital
Precertification Penalty	\$250 per Service	\$250 per Service	\$400 per Service	\$400 per Service	\$400 per Service
Preventative Services	80%	80%	100%	100% Physician 60% Hospital	100% Physician 40% Hospital
Physician Office Visit	80%	80%	\$30 Copay	\$30 Copay	\$30 Copay
Office Surgery	80%	80%	80%	80%	80%
Physician Office Service	80%	80%			
Anesthesia	80%	80%	80%	80%	80%
Lab & X-Ray	80%	80%	80%	80%	80%
Urgent Care	80%	80%	80%	80%	80%
Ambulance	90%	90%	80%	80%	80%
Non Emergency Air	90%	90%	80%	60%	40%
Emergency Room	80%	80%	80%	80%	80%
Non Emergency	80%	80%	80%	60% Hospital	40% Hospital

	City of North Po	ole - Current Plan	Excha	nge Plan - Premera	a Gold
Outpatient Facility Service	80%	60%	80%	60% Hospital	40% Hospital
Anesthesia	80%	60%	80%	60% Hospital	40% Hospital
Lab & X-Ray based on	80%	60%	80% Deductible	60% Hospital	40% Hospital
Facility Network status			waived	·	3 3 3 3 3
MRI, MRA,PET, CT-Scan &	80%	60%	80%	60% Hospital	40% Hospital
Nuclear Medicine					
Inpatient Hospital Service	90%	\$250 Per Admission	80%	60% + \$500 Per	40% + \$500 Per
		Deducitble, after		Admission	Admission
		Annual Deductible		Deducitble, after	Deducitble, after
	200/	60%		Annual Deductible	
Anesthesia		60%	80%	60% Hospital	40% Hospital
Lab & X-Ray based on		60%	80%	60% Hospital	40% Hospital
Facility Network status					
MRI, MRA, PET, CT-Scan &		80%	80%	60% Hospital	40% Hospital
Nuclear Medicine		000/	000/	000/	000/
Durable Medical Equip.	80%	80%	80%	80%	80%
Skilled Nursing Facility	80% Max 100 Days	80% Max 100 Days	80% Max 100 Days	80% Max 100 Days	80% Max 100 Days
Hospice Care	80%	80%	80%	60% Hospital	40% Hospital
Home Health Care	80% Max 100 Days	80% Max 100 Days	80% Max 100 Days	80% Max 100 Days	80% Max 100 Days
Organ Transplant	80%	Not Covered	80%	Not Covered	Not Covered
Physician Services	80%	Not Covered	80%	80%	80%
Mental/Nervous & Substance					
Physician Service	80%	80%	80%	80%	80%
Inpatient Facility	80%	\$250 Per Admission	80%	60% + \$500 Per	40% + \$500 Per
		Deducitble, after		Admission	Admission
		Annual Deductible		Deducitble, after	Deducitble, after
		60%		Annual Deductible	Annual Deductible
Office Visit	80%	80%	\$30 copay	\$30 Copay	\$30 Copay
Outpatient	80%	80%	80% deductible	80% deductible	80% deductible
			waived	waived	waived

8	City of North Po	ole - Current Plan	Excha	nge Plan - Premer	a Gold
Prescriptions					
Out of Pocket Max	N	one			
Generic					
	\$10 / 30 day supply		\$10 / 30 day supply	Same as In Network	Same as In Network
	\$30 / 90 day Mail Order		\$30 / 90 day Mail Order	N/A	N/A
Preferred Brand	\$20 / 30 day supply	Member pays 100% at the time of purchase then	\$40 / 30 day supply	Same as In Network	Same as In Network
	\$60 / 90 day Mail Order	reimbursed 50% after the applicable co-pay Retail Only	\$120 / 90 day Mail Order	N/A	N/A
Non-Preferred Brand	\$40 / 30 day supply		\$80 / 30 day supply	Same as In Network	Same as In Network
	\$120 / 90 day Mail Order		\$240 / 90 day Mail Order	N/A	N/A

	City of North Pole - Current Plan	Exchange Plan - Premera Gold
Dental		
Benefit	In or Out of Network	In or Out of Network
Deductible	\$50 / \$150	Pediatric Dental Only (under age 19)
Waived For Preventive	YES	None
Type A Expenses	100%	90%
Type B Expenses	80%	80%
Type C Expenses	50%	50% (Orthodontia Medically Necessary Only)
Calendar Year Max	\$1,000	None

Vision		
Benefit	In or Out of Network	In or Out of Network
Deductible	None	Pediatric Vision Only
Eye Exams	Plan pays 100% up to \$60	\$30 Copay
Lenses, Contacts and Frames	Plan pays 100% up to \$120	100%
Benefit Period	Exam & Lenses 24 Months	Exam & Lenses Per Calendar Year
	Frames 24 Months	Frames Each 2 Calendar Years

# **Expected Health Care Cost for Calender year 2014**

\$ 697,202	1
\$ 12,153	
\$ 34,797	
\$ 744,152	1
	1
\$ 364,240	ł
\$ 358,347	
\$ 12,154	
\$ 734,741	]
\$ 744,152	
\$ 734,741	
\$ 9,411	(Estimate
	\$ 12,153 \$ 34,797 \$ 744,152 \$ 364,240 \$ 358,347 \$ 12,154 \$ 734,741 \$ 744,152 \$ 734,741

(Estimated Savings)

<sup>\*</sup> includes PPACA and Reinsurance Fees on 110 lives on plan (affordable health care fees)

<sup>\*</sup>The City of North Pole is self insured and only pays actual expenses. Budgets are compiled using a estimate of expected cost based on previous years experience and current years base charges.

May 13, 2014

On behalf of Christmas In Ice, Inc. (CII), I formally request 4<sup>th</sup> quarter 2013 and 1<sup>st</sup> quarter 2014 Bed Tax from the City of North Pole.

See attached fiscal year-to-date detailed financial reports for the organization.

Bed tax revenue for the 3<sup>rd</sup> quarter 2013 was received near the end of November 2013. It was a welcome infusion of funds to get our ice park finished and ready for guests. These funds allowed us to have chainsaw chains sharpened for use at the ice harvest. We also increased our supply of light boxes located around the park to beautify the sculptures and illuminate the slides. The remaining funds were used to pay an independent contractor for an ice slide in the kid's park, re-order CII postcards, and place a down payment on dumpster rental. We also purchased Flex One folding chairs and indoor floor mats for the comfort and safety of our park guests. In previous years, we relied on volunteers to haul garbage to the dump, and we borrowed cold, metal folding chairs from the North Pole Grange. We were able to keep the park looking much cleaner this past season with an on-site dumpster, and we heard many compliments about our new chairs used in the warm-up area of the building.

Bed tax revenue received for 4<sup>th</sup> quarter 2013 and 1<sup>st</sup> quarter 2014 will be used by our organization to continue to rent storage space for supplies and equipment. That is our largest summer expense. We also have at least two summer projects lined up: build additional light boxes, and design and build more permanent and weather-resistant ice sculpture display boards.

Our board of directors plans to meet regularly throughout the summer. We are using social media, especially Facebook, to keep the public informed of activities, ice harvests, opening dates, etc. Our website is dormant for now, although we have added a Donate button for prospective donors. We will be personally soliciting for donations throughout the summer, adopting our fiscal year budget, and looking ahead to the park's opening day, November 30<sup>th</sup>.

As always, we welcome volunteers from near and far. The 8<sup>th</sup> annual ice park is still six months away, but we know that North Pole is always where the Spirit of Christmas lives year 'round.

Respectfully requested,

Betsy A. Jones, Treasurer Christmas In Ice, Inc.

P.O. Box 57250 North Pole, Alaska 99705 www.christmasinice.org 3:27 PM 05/13/14 Accrual Basis

## Christmas In Ice, Inc. Balance Sheet As of May 13, 2014

	May 13, 14
ASSETS Current Assets Checking/Savings Checking	20,054.09
Total Checking/Savings	20,054.09
Total Current Assets	20,054.09
Fixed Assets Furniture and Equipment Accumulated Depreciation	10,427.17 -630.99
Total Fixed Assets	9,796.18
TOTAL ASSETS	29,850.27
LIABILITIES & EQUITY  Equity  Unrestricted Net Assets  Net Income	9,413.86 20,436.41
Total Equity	29,850.27
TOTAL LIABILITIES & EQUITY	29,850.27

3:27 PM 05/13/14 Accrual Basis

# Christmas In Ice, Inc. Profit & Loss

July 1, 2013 through May 13, 2014

	Jul 1, '13 - May 13, 14
Ordinary Income/Expense	
Contribs, gifts, grants, other	
Bed Tax-CNP	4,840.60
Corporate Contributions	65,417.50
Individ, Business Contributions	11,003.99
In-Kind Contributions	14,950.04
Total Contribs, gifts, grants, other	96,212.13
Program Service Revenue	
Ice Revenue	400.00
Event Income	
Carving Competition Fees	1,675.00
Gate Entry	47,771.00
Merchandise Sales	4.00
Batteries	1.00
Lapel pins	48.00
Handwarmers	408.00
T-shirts	2,006.80
Sleds	1,200.00
Knlt cap	513.73
Sunshine Cottage - 100% profit	139.00
Fleece gloves	299.50
Stamps for postcards	52.00
Sculptures	1,305.25
Sweatshirts	1,482.50
Program	22.00
Post card	363.00
Concessions	2,425.00 0.00
Merchandise Sales - Other	10,265.78
Total Merchandise Sales	59,711.78
Total Event income	
Total Program Service Revenue	60,111.78
Total Income	156,323.91
Cost of Goods Sold	
Cost of Sales	
COS Handwarmers	94.82
COS Sleds	1,023.20
COS Fleece gloves	562.15
COS Stamps	59.40
COS Sweatshirts	2,012.40
COS Postcards	190.77
COS Concessions	1,470.49 759.32
Cost of Sales - Other	
Total Cost of Sales	6,172.55
Total COGS	6,172.55
Gross Profit	150,151.36
Expense	4.00
Reconcillation Discrepancies	4.00
Contract Services	
Day Labor	9,400.00
Accounting	1,000.00
Ice Carving Labor	40,774.20
Total Contract Services	51,174.20
Advertising	1,106.99

3:27 PM 05/13/14 Accrual Basis

# Christmas In Ice, Inc. Profit & Loss

July 1, 2013 through May 13, 2014

	Jul 1, '13 - May 13, 14
Office exp Printing and Copying Membership Dues Licenses & Permits Postage, Mailing Service Office exp - Other	1,584.11 470.00 115.00 209.80 0.00
Total Office exp	2,378.91
Telephone, Internet, Webcams Occupancy Rent - Facilities Sanitation	525.03 3,275.54 1,630.70
Total Occupancy	4,906.24
Food & Beverage Insurance Park Operations	4,925.64 3,667.00
Special events Competition Awards Miscellaneous Supplies	2,500.00 10,000.00 2,120.49 8,186.06
Total Park Operations	22,806.55
Donations Facilities and Equipment Equip - Rent, Repair & Mainten Fuel Lighting Supplies	1,500.00 33,774.89 203.26 1,965.03
Total Facilities and Equipment	35,943.18
Bank fees	933.56
Total Expense	129,871.30
Net Ordinary Income	20,280.06
Other Income/Expense Other Income Proceeds from sale of assets TILL OVER	100.00 194.35
Total Other Income	294.35
Other Expense TILL SHORT	138.00
Total Other Expense	138.00
Net Other Income	156.35
Net Income	20,436.41

CITY OF NORTH POLE
BED TAX - Ordinance 09-14
GL Acct: 01 00 00 5817
Quarterly Disbursements
For the Year Ended December 31, 2014

Amts are booked in the month they are received. At year, end the taxes received in January are accrued back to December, in accordance with GAAP.

2,439.98

					1	MOUNTS APPLIC	CABLE TO EACH O	RGANIZATION	
Month	Amou	nt	0.15 Retention	0.85 Distribution	01 02 00 7204 NP Economic Development 50%	01 02 00 7201 NP Chamber 30%	01 02 00 7203 Christmas In Ice 15%	01 02 00 7205 FCVB 5%	Total
January	-		Retention	Distribution	3070	3070	1370	370	Total
February	1,840.58								
March	1,029.98								
Total 1st Quarter	2,870.56	2,870.56	430.58	2,439.98	1,219.99	731.99	366.00	122.00	2,439.98
April	술								
May	=								
June									
Total 2nd Quarter		120	:=:	\ <b>₽</b> :	· ·	-		ě	3
July	_								
August	2								
September	-								
al 3rd Quarter		~	(*)	36			: <del>1</del>		(=)
ess: Overpay on 1st	Q)								
October	별								
November									
December	_								
YE Accrual	ω.								
Total 4th Quarter			·			6	10.55		550
TOTALS	2,870.56	2,870.56	430.58	2,439.98	1,219.99	731.99	366.00	122.00	2,439.98

2,439.98

CITY OF NORTH POLE BED TAX - Ordinance 09-14 GL Acct: 01 00 00 5817 Quarterly Disbursements

Year End Accrual

For the Year Ended December 31, 2013

Amts are booked in the month they are received. At year, end the taxes received in January are accrued back to December, in accordance with GAAP.

						MOUNTS APPLI	CABLE TO EACH O	RGANIZATION	
			0.15	0.85	01 02 00 7204 NP Economic Development	01 02 00 7201 NP Chamber	01 02 00 7203 Christmas In Ice	01 02 00 7205 FCVB	
Month	Amou	unt	Retention	Distribution	50%	30%	15%	5%	Total
January	*								*
February	3,873.71								
March	1,531.38								
Total 1st Quarter		5,405.09	810.76	4,594.33	2,297.16	1,378.30	689.15	229.72	4,594.33
April	4,833.74								
May	1,188.13								
June	3,733.12								
Total 2nd Quarter		9,754.99	1,463.25	8,291.74	4,145.87	2,487.52	1,243.76	414.59	8,291.74
July	7,197.62								
August	8,816.51								
September	12,196.38								
Total 3rd Quarter Less: Overpay on 1s	t Q)	28,210.51	4,231.58	23,978.93	11,989.47	7,193.68	3,596.84	1,198.95	23,978.93
				2					
October	3,775.57								
November	3,781.43								
December	2,181.27								
YE Accrual									
Total 4th Quarter		9,738.27	1,460.74	8,277.53	4,138.76	2,483.26	1,241.63	413.88	8,277.53
TOTALS	53,108.86	53,108.86	7,966.33	45,142.53	22,571.27	13,542.76	6,771.38	2,257.13	45,142.53
				45,142.53		·			45,142.53

125 Snowman Lane North Pole, Alaska 99705 (907) 488-8593 (907) 488-3002 (fax) bill@northpolealaska.com

# City of North Pole Director of City Services

# Memo

To:

North Pole City Council

From:

Bill Butler

Date:

February 16, 2012

Subject:

Wastewater Treatment Plant Renovation Project bid recommendation

#### Recommendation

I recommend that the Council approve Ghemm Company's base bid of \$2,275,000, the lowest responsive bid. The Utility does not have sufficient funds to recommend including any of the four added alternatives that were part of the invitation to bid.

#### **Background**

The City received three bids on May 12, 2012 for the Wastewater Treatment Plant Renovation Project. Of the three bids, all submitted the required documents. A review of the bid submitted by Ghemm Company, the low bidder, by the Utility's contract engineering firm, USKH, determined that Ghemm's bid was response and acceptable. The remaining two bids were not reviewed any further when Ghemm's bid was determined to be responsive. The engineer's recommendation to accept Ghemm's bid is attached.

The base bid for all three submitters where within the range of the construction cost estimate; however, the added alternates that the Utility hoped to include in the project could not be funded with the Utility's available funds. The funds to finance the project—engineering and construction—were approved by the Council in Ordinance 14-04 (see attached).

The invitation to bid did not include the replacement emergency generator. The Utility will release a separate invitation to bid for this piece of equipment and the construction contractor will install the generator for the Utility. The Utility purchasing the generator will reduce the Utility's cost by not having to pay the contractor's overhead to purchase the equipment. The Utility will use its Alaska Clean Water Fund loan that total's \$302,500 to purchase the generator. I hope to submit a recommendation to the Council in June or July 2014 for the generator.





Mr. William Butler Director of City Services City of North Pole 125 Snowman Lane North Pole, AK 99705

Project: Wastewater Treatment Plant Rehabilitation Project Phase 1

Subject: Review of Construction Bids

Dear Mr. Butler:

The bids for the subject project were opened at 2:00 PM, Monday, May 12, 2014. The following bids were received and analyzed:

CONTRACTOR	CONTRACTOR BASE BID		#2 Contact Chambers #3 SCADA		#4 Doors & Windows	TOTAL
MARSH CREEK	\$2,307,996	\$56,555	\$171,067	\$253,150	\$53,994	\$2,842,762
GBC, INC	\$2,291,000	\$65,100	\$277,500	\$264,000	\$50,500	\$2,948,100
GНЕММ CO.	\$2,275,000	\$65,000	\$299,000	\$268,000	\$64,000	\$2,971,000
ENGINEERS ESTIMATE	\$2,210,000	\$16,000	\$60,000	\$162,800	\$32,000	\$2,480,800

Three bids were received. The bids were relative close to each other, within 5% overall. There does not appear to be any obvious collusion, and all of the bids appear to be competitive. While the various base bid figures are close to the engineers estimate, the prices for the bid alternates are significantly higher than the engineers estimate. We inquired with GHEMM Company as to possible reasons for this. They indicated 1) potentially costly efforts required to dry existing concrete prior to coating the Contact Chambers; and 2) higher than expected quotes for the SCADA systems.

We understand the City's budget for construction of this project is approximately \$2,310,000. Within this funding limitation, it will not be possible to award any of the alternates. Given that stipulation, GHEMM Company has the lowest base bid, and is the lowest responsive bidder and only the base bid is awarded.

USKH reviewed all of the bidding documents submitted by GHEMM Company. All required bid schedules, bonds, forms and other supporting documents where provided and appear correct, with one minor exception. GHEMM Company submitted qualifications for their electrical subcontractor and control installer, but did not submit qualifications for a Control Panel Fabricator. GHEMM was questioned about this, and responded that their expectation was that control panels would be obtained as OEM equipment with the various pumps, blowers, drives, etc.; in the event that OEM panels were not available, CCI Inc. would fabricate the controls. CCI Inc. is known to both USKH and the City, so we believe this is an acceptable response.

Bill Buttler City of North Pole May 13, 2014 Page 2 of 2

At this time, USKH recommends award of the Base Bid to GHEMM Company. We will prepare the construction Agreement upon your approval.

Should you have any questions or wish to discuss the bid further, please contact me at 907-276-4245, or by email at dsyta@uskh.com.

Sincerely, USKH Inc.

Dean E. Syla, P.E.

Principal

c: Devan Currier, USKH

Work Order: WO# 1302900

DES/des i://1302900/comes/1302900 bid results.doc

#### CITY OF NORTH POLE ORDINANCE 14-04

AN ORDINANCE OF THE CITY OF NORTH POLE TO ACCEPT A GRANT INCREASE OF \$706,529.89 FROM THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION FOR MUNICIPAL MATCHING GRANT #63323 FOR THE WASTEWATER TREATMENT PLANT REHABILITATION PROJECT AND TO AMEND THE ENGINEERING CONTRACT WITH USKH, INC. BY \$237,620 TO PROVIDE BIDDING AND CONSTRUCTION MANAGEMENT SERVICES FOR THE WWTP REHABILITATION PROJECT

WHEREAS, the cost to finance the WWTP Rehabilitation Project is estimated to cost \$2,754,279.00; and

WHEREAS, the Alaska Department of Environmental Conservation (ADEC) originally awarded the Utility Municipal Matching Grant (MMG) #63323 in the amount of \$1,075,140.00 for the Wastewater Treatment Plant (WWTP) Rehabilitation Project; and

WHEREAS, the ADEC has offered a supplemental award of \$708,529.89, bringing the total MMG #63323 award to \$1,783,669.89; and

WHEREAS, the Utility received Alaska Clean Water Fund #633031 for \$302,500.00 for emergency generators for the wastewater utility, approximately \$206,182.00 of which will be used for the WWTP Rehabilitation Project; and

WHEREAS, MMG #63323 requires a minimum 30% match equaling \$558,247.95; and

WHEREAS, the funds available from the MMG, ACWF and 2014 Utility Capital Budget funds total \$2,691,617; and

WHEREAS, the 2014 Utility Capital Budget contains \$701,766 available for the WWTP Rehabilitation Project, but the Utility estimates it will lose \$38,511 of Industrial Facility Repair and Replacement (FRR) income resulting from the planned closure of the Flint Hills Resources North Pole Refinery; and

WHEREAS, the Utility needs to transfer \$101,766.00 from Utility Retained Earnings to the Utility Capital Budget to offset the expense associated with the purchase of the land adjacent to the WWTP and the estimated loss of FRR income to fully fund the \$2,754,279.00 WWTP Rehabilitation Project; and

WHEREAS, the Utility engaged in a professional services agreement with USKH, Inc. fully funded with grants from the USDA and ADEC for to conduct a comprehensive assessment of the WWTP and to provide engineering and design for the WWTP Rehabilitation Project; and

WHEREAS, USDA's funding restrictions did not allow its grant funds to be used for bidding or construction management services; and

Sponsored by: Mayor Bryce J. Ward Introduced and Advanced: March 17, 2014 Adopted: April 7, 2014

WHEREAS, USKH has proposed to provide bidding and construction management services for the construction phase of the WWTP Rehabilitation Project at a cost of \$237,620.00, which is included in the total \$2,754,279.00 estimated cost of the WWTP Rehabilitation project; and

NOW. THEREFORE, BE IT RESOLVED, by the North Pole City Council of the City of North Pole that the City agrees to the following:

- Accepts the Alaska Department of Environmental Conservation supplemental award to MMG #63323 in the amount \$708,529.89
- Accepts the conditions contained in the grant amendment (attached)
- Accepts responsibility to operate and maintain the improvements at the WWTP funded with MMG #63323
- Approves a cash match to MMG #63323 totaling \$764,429 drawn from Utility Department funds as indicated in the attached fiscal note
- Approves the professional services agreement amendment with USKH totaling \$237,620.00 to provide bidding and construction management services for the WWTP Rehabilitation Project (attached)

NOW, THEREFORE, BE IT ORDAINED by the North Pole City Council:

Section 1. Classification. This ordinance is of a special nature and shall not be included in the North Pole Code of Ordinances.

Section 2. Amending the 2014 Utility Budget. See attached fiscal note:

Section 3: Effective Date. This ordinance shall be effective at 5:00 p.m. of the first City business day following its adoption.

**PASSED AND APPROVED** by a duly constituted quorum of the North Pole City Council this  $\mathcal{T}^{\text{th}}$  day of April, 2014.

ATTEST

SEAL S

Kathryn M. Weber, MMC

North Pole City Clerk

PASSED/FAILED

Yes: 6 - Holm, Hunter, Welch, McGhee, Smith, Ward

No. 0

Absent: 1 - McCarthy

Dept Account Description	Account #	Debit	Credit	Description
27 FRR Industrial Sewer	27-12-00-5805	38,511.00		Reduction in FRR monies due to Flint Hills Shut down
27 Transfer from Retained Earnings	27-12-00-5900			Transfer in monies from retained earnings to offset shutdown
27 Fransfer out to Fund 3	27-12-00-7091	35,500.00		Pauline Build as manufacturing and the same being
27 Transfer out to Fund 55	27-12-00-7091	33,300.00		Sewer Backhoe monies moved into capital projects Sewer Vehicle Replacement funds reduced (no backhoe purchase)
25 Transfer out to Fund 3	25-10-00-7091	35,500.00	1	water Backhoe monies moved into capital projects
25 Transfer out to Fund 55	25-10-00-7091	33,300.00	The state of the s	water backnoe monies moved into capital projects water Vehicle Replacement funds reduced (no backhoe purchase)
27 Transfer out Fund 3	27-12-00-7091	62,663.00	1	Francisco Bonn Parvas sacratura, da Praides Berghande (1994).
27 Transfer from Retained Earnings	27-12-00-5900	02,003.00		Transfer from Sewer reserves to Capital Projects utility  Transfer from retained earnings amount needed to do WWPT rehab
The state of the s			02,005.00	transfer from recamed earnings amount needed to do www rehab
			02,003.00	Transfer from recained earnings amount needed to do www1 renab
55 Transfer from Fund 27 Sewer reserve (operator Truck)		2 500 00		Transfer from recained earnings amount needed to do wwwp renab
55 Transfer from Fund 27 Sewer reserve (operator Truck)	55-00-00-5900	2,500.00		Transfer from recained earnings amount needed to do wwwp renab
55 Transfer from Fund 27 Sewer reserve (operator Truck) 55 Transfer from Fund 25 Water reserve (operator Truck) 55 Transfer from Fund 27 sewer reserve (Backhoe)	55-00-00-5900 55-00-00-5900	2,500.00		
55 Transfer from Fund 27 Sewer reserve (operator Truck) 55 Transfer from Fund 25 Water reserve (operator Truck) 55 Transfer from Fund 27 sewer reserve (Backhoe)	55-00-00-5900 55-00-00-5900 55-00-00-5900	2,500.00 33,000.00		Reduce transfer into Fund 55 because monies moved to Capital Projects
55 Transfer from Fund 27 Sewer reserve (operator Truck) 55 Transfer from Fund 25 Water reserve (operator Truck)	55-00-00-5900 55-00-00-5900 55-00-00-5900 55-00-00-5900	2,500.00 33,000.00 33,000.00		Reduce transfer into Fund 55 because monies moved to Capital Projects Reduce transfer into Fund 55 because monies moved to Capital Projects
55 Transfer from Fund 27 Sewer reserve (operator Truck) 55 Transfer from Fund 25 Water reserve (operator Truck) 55 Transfer from Fund 27 sewer reserve (Backhoe) 55 Transfer from Fund 25 water reserve (Backhoe)	55-00-00-5900 55-00-00-5900 55-00-00-5900	2,500.00 33,000.00		Reduce transfer into Fund 55 because monies moved to Capital Projects

Summary

Transfer to Fund 3 Expense sewer reserves	27-12-00-7091	549,184.00
Fransfer to Fund 3 Expense water reserves	25-10-00-7091	324,748.00
land purchase		-109,503.00
total availlable funds		764,429.00

Sponsored by: Councilman Michael Welch Introduced and advanced: May 19, 2014 Possible Adoption: June 2, 2014

1 **CITY OF NORTH POLE** 2 **ORDINANCE 14-07** 3 4 AN ORDINANCE OF THE CITY OF NORTH POLE AMENDING TITLE 4 REVENUE 5 AND FINANCE ESTABLISHING PROCEDURES TO COLLECT DELINQUENT 6 **DEBTS OWED TO THE CITY** 7 8 WHEREAS, changes to the public services practices and policies is a continually changing 9 requirement; and 10 11 WHEREAS, the City of North Pole Municipal Code should be amended to conform to the 12 requirements of the City. 13 NOW, THEREFORE, BE IT ORDAINED by the Council of the City of North Pole: 14 15 16 **Section 1**. This ordinance is of a general and permanent nature and shall be codified. 17 18 Section 2. Title 4 Revenue and Finance, Section 406 Finance Charges, Subsection 4.06.is 19 amended in the North Pole Code of Ordinances as follows [new text in underlined italicized red 20 font; deleted text in strikethrough font]: 21 22 4.06.020 Collections of unpaid debts. 23 24 a. A debtor to the City of North Pole shall pay, in addition to the debt, interest at the 25 maximum lawful rate, all administrative fees, costs, collections agency fees, and attorney 26 fees incurred by the City of North Pole in the collection of unpaid debts. (Ord. 08-18 § 2, 27 2008) 28 29 b. Debts 30 days delinquent 30 31 The individual, business or entity with debts owed to the City that include, but are not 32 limited to, assessments, administrative fine or administrative charges that are 30 days 33 past due shall be sent a notice of delinquency via US mail indicating the amount of the 34 delinquent charges. The notification shall indicate that they must pay the delinquent 35 charges immediately to avoid the City assessing additional charges. 36 37 c. Debts 60 days delinquent 38 39 The individual, business or entity with debts owed to the City that include, but are not 40 limited to, assessments, administrative fine or administrative charges that are 60 days 41 past due shall be sent a notice of delinquency via certified mail indicating the amount of 42 the unpaid balance, including a liquidated damages charge of \$50 (fifty dollars). The 43 notification shall indicate the deadline that they must pay the delinquent account balance 44 or by which they must sign a legally binding confession of judgment specifying a 45 repayment plan to prevent the City seeking a civil judgment. Should they not pay the

delinquent account balance in full, including any additional charges, nor sign a legally

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	binding confession of judgment by the deadline, the City shall seek a civil judgment
	against the account holder. The account holder shall be responsible for all charges
	associated with collection of the delinquent charges including, but not limited to, late
	charges, interest, penalties, liquidated damages and attorney fees.
S	Section 3. Effective Date. This ordinance shall be effective at 5:00 p.m. on the first City
b	business day following its adoption.
	PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this
2	2 <sup>nd</sup> of June, 2014.
	Bryce J. Ward, Mayor
P	ATTEST:
_	Z d MW 1 MWC
	Kathryn M Weber, MMC
Γ	North Pole City Clerk
F	PASSED
	Yes:
	No:
	Absent:
-	