



CITY OF NORTH POLE *Alaska*

REGULAR CITY COUNCIL MEETING **Monday, June 2, 2014**

BUDGET WORKSHOP – 6:00 P.M.

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- <i>Mayor Pro Tem</i>	488-5834
Sharron Hunter- <i>Dep Mayor Pro Tem</i>	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**
 - Interior Gas Utility presentation by Bob Shefchik

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 14-07, An Ordinance of the City of North Pole amending Title 4, Revenue and Finance, establishing procedures to collect delinquent debts owed to the City

12. New Business

- a. Resolution 14-11, A Resolution granting Mayor Bryce j. Ward authority to enter into a short-term line of credit loan for \$500,000 with Mt. McKinley Bank to facilitate City cash flow during the summer 2014 construction season.
- b. Resolution 14-12, A Resolution establishing the Gabe Rich & Scott Johnson Memorial Park on a City property; Block 1 Lot 9 in the Morning Star Subdivision, to honor Fairbanks North Star Borough residents who have died in the line of duty while serving their country, state or municipality.

13. Council Comments

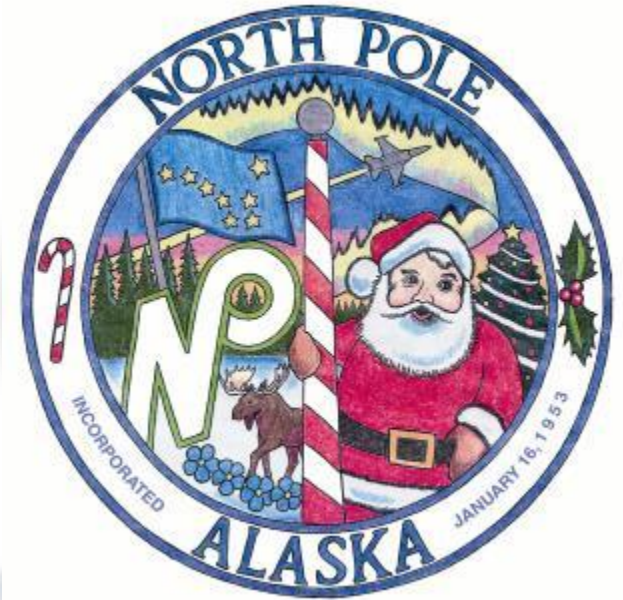
14. Adjournment

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.

City of North Pole Budget Workshop

Mayor Bryce J. Ward

6-2-14





Budget Workshop 2014-2015

- Review revenue and expenditure projections for 2014 and 2015
- Determine policy direction for revenues and expenditures
- What level of service do we want from our City departments



Current Status

- Big announcements since last budget session
 - Closure of Flint Hills Refinery
 - Eielson AFB listed as possible bed down location for F-35 Aircraft
 - Interior Gas Utility chooses North Pole as Ground Zero for Gas Distribution
 - State Filed Suit against Flint Hills and Williams for cleanup of sulfolane
 - Discussion of annexation of areas affected by sulfolane
 - (NEW) McDonalds demolition and reconstruction



Current Status cont.

- What does this mean to the City of North Pole?
 - Closure of the Flint Hills Refinery compromises property tax revenues and sales tax revenues for 2015.
 - Closure of the refinery also compromises the utilities revenue derived from sewer treatment of the refinery's processed water.
 - F-35's at Eielson would result in an increase of more than 4000 people into the Fairbanks North Star Borough.
 - A natural gas distribution system would lower energy cost for space heating by almost 50%. Access to Natural gas is a important component for commercial development.
 - The City of North Pole is perusing expansion of a the Utilities piped water system to all areas affected by sulfolane and possibly annexation of affected properties outside the City boundary's



Issues and Resolutions

- How much of a loss in revenues can we expect with the Closure of Flint Hills. What kind of timeframe will losses be realized?
- When will we know about F-35 Basing and when would the plan be realized?
- How much will the City and our residents save with a 50% reduction in space heating cost due to Natural Gas and what is the timetable?
- What would expansion of our water system mean to the Utility and what would annexation mean to the city.

Flint Hills Shutdown

- The Shut down of the refinery will result in a loss of 80 Jobs. 30 employees will remain to operate the terminal (fuel loading and unloading). 50 employees are leaving the state.
- The Flint Hills Refinery is valued at about \$115,000,000
- Devaluation of Crude Unit #3 was a decrease of \$26,000,000 in value
- Flint Hills Refinery has 3 Crude Units. Assuming a complete devaluation of the existing 2 crude units would result in a devaluation of \$52,000,000. The remaining assets would be worth \$63,000,000
- Flint Hills officials have said that they are shutting down the refinery in a manner so that it can be easily restarted and have no intention to dismantle the Crude units. (ruling out complete devaluation)
- Realistic devaluation of Crude unit 1-2 is more likely to be 30%-40% (devaluation of \$15,600,000-\$20,600,000)
- A 40% devaluation of Crude Units 1-2 would be a loss of approximately \$74,000 in property tax revenue for 2015.
- Assuming all 50 employees that are leaving the state live in North Pole, and assuming our sales tax revenue is based on a population of 10,000 shopping consumers the annual loss in sales tax would be \$13,000
- Total Loss of Property Tax and Sales Tax: $\$74,000 + \$13,000 = \textbf{\$87,000 in losses in 2015}$ over 2014 revenue projections.
- 2014 property tax collections are already set and thus are not compromised, most employees are in the process of leaving, assuming all of the 50 employees have moved by the 1st of June you would have an approximate loss of **\$6,500 for 2014** in Sales tax revenues over projected.



Air Force F-35's

- The F-35 basing selection process has narrowed the selection for the bed down to one of 5 locations, of which Eielson is one.
- The US Air Force base selection will result in 48 new F-35s to the prospective location bringing with it over 4,000 personnel and families.
- The economic impact of F-35s to the North Pole area is in the 100's of millions.
- Based on the reductions used for losses due to Flint Hills shutdown, the economic impact of only 2000 consumers in North Pole is equal to over 500,000 a year in sales tax revenue.
- F-35s are set to be based in 2018.



Natural Gas

- Assuming we have about 850 properties in the City of North Pole and Assuming (including businesses) the fuel usage is 750 gallons a year that equals 637,500 gallons of Fuel a year.
- Current Price of Heating Fuel is 3.90 a Gallon multiplied by 637,500 gallons equals \$2,486,250. If Natural Gas is half of Fuel then the net savings to city residents would be \$1,243,125.
- The City Spends \$63,000 PY in heating General Government building and the Utility Spends \$110,500 PY in heating cost. For a total cost of \$173,500 PY and potential savings of \$86,750.
- Gas is expected to be turned on in 2016.



Sulfolane and Annexation

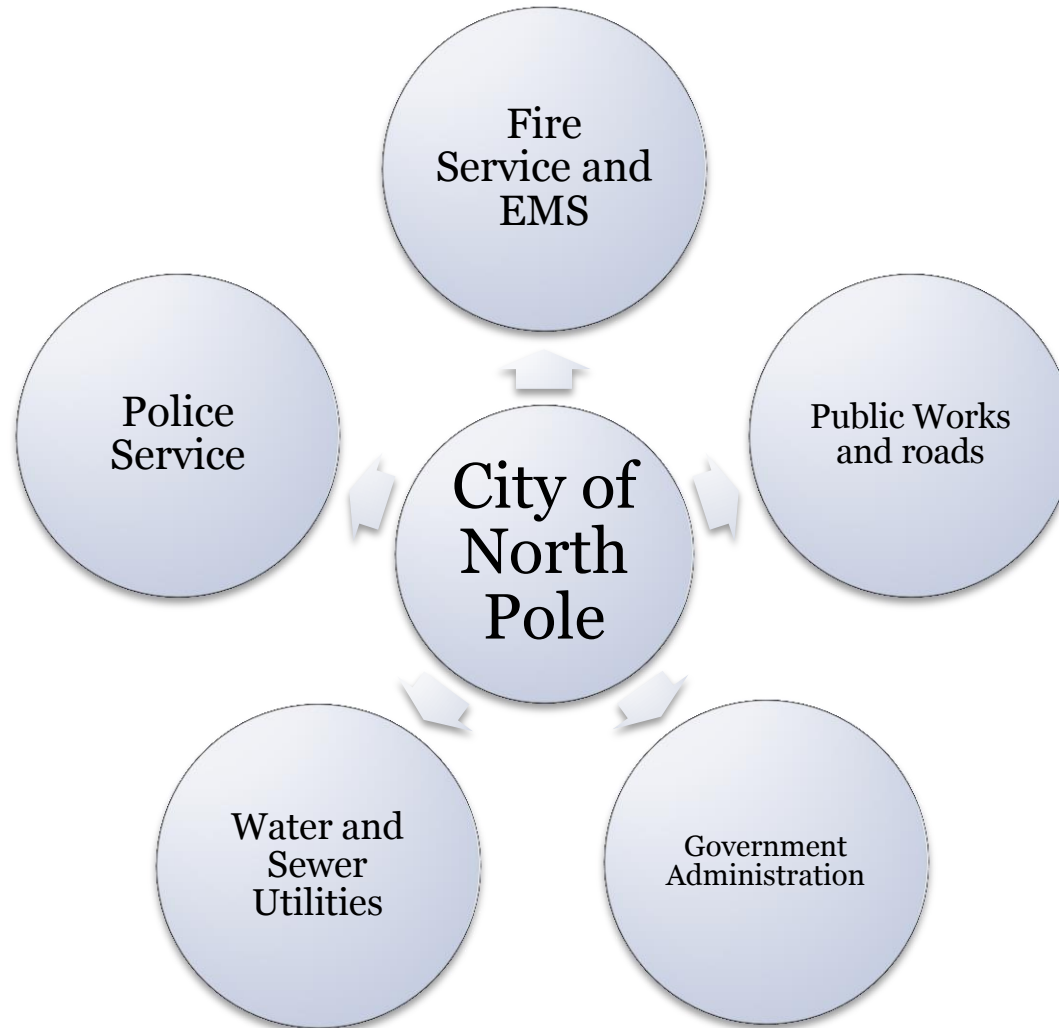
- Expansion of our water main into the undeveloped areas of the City does not immediately affect our tax base, however it could encourage development, resulting in higher property tax revenues and more economic activity.
- Annexation of properties has the potential to add to the tax base, however annexation is not without cost, primarily in public works and transportation.
- Upgrading roads and additional maintenance cost will consume a majority of any funds acquired through annexation.



Overview

- What function or purpose does the City serve?
- What services do we provide?
- Do we want to provide these services?
- How can we best provide these services?
- Do we have a central vision and mission for the City of North Pole?
- What can we do to encourage development and economic activity?
- What can we do to curb cost?
- How can we do our job better?

City Functions






Setting Expenditure Policy

In order to make budget cuts what will be our strategy

- Cut number of employees
- Cut benefits:
- Cut operational expenses
- Cut services?
- **Known risks and issues:**
- We have no union or workforce representation
- We have obligations as identified by code and charter.
- Do we risk potential future development by cutting services?





Hiring Freeze – Current Cuts

We had a Hiring Freeze from February to mid May

- We are down one position in the Utilities
- We are down one position at the Police Department
- We are only hiring 2 summer hire instead of 3
- In utilities we are cutting operation expense to meet shortfall



Projected budget shortfalls

General Government

- (\$6,500) in Sales tax for 2014 and no impact to property tax.
- (\$13,000) in Sales Tax for 2015 and (\$74,000) in property tax for a total of \$87,000.

Water sewer utility department

- (\$150,000) in water-sewer revenue for 2014
- (\$220,000) in water-sewer revenue for 2015



Projected Revenues

- Sales tax revenues over the last 4 years have averaged an increase of 3.13% PY.
- In the approved 2014 budget we have approved only a 1% increase in sales tax revenues
- if we brought revenue to average increase it would add \$53,253 to the General Fund revenues (assuming we meet average)
- If we had a increase like last year (4.95%) that would be \$110,400 over projected revenues. (unlikely?)
- What is realistic for budget projections, $\frac{1}{2}$ of average? (1.565%) (\$22,844 increase)



Strategy

- Promote local businesses and encourage economic development.
 - Shop local initiatives (Shop North Pole)
 - Radius Study
- Encourage development of visitor industry
 - Visitor center
 - Embrace a theme district (encourage development of North Pole)
- Cut budget to maintain competitiveness in marketplace
 - Maintain grandfather status for Health Care
 - Cut staffing levels to meet objectives if needed
- Build consistency between budget cycles
 - Move to a multi-year budget
 - Establish reserve funds to buffer ebb's and flows in revenue



Where do we go from here?

We have six months to make changes for the 2015 year. What changes do we want to make, what are our goals

- Move forward with Strategic Planning to help establish goals?
- Encourage efficient economic development activity?
- Begin to make cuts to meet projected losses?

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 19, 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 19, 2014 to order at 7:00 p.m.

There were present:

Ms. Holm
Ms. Hunter
Mr. McCarthy
Mr. McGhee
Mr. Smith
Mr. Welch
Mayor Ward

Absent/Excused

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Ward

INVOCATION

Invocation was given by Councilman McGhee

APPROVAL OF AGENDA

Mr. McGhee moved to Approve the Agenda of May 19, 2014

Seconded by Mr. Welch

Discussion

None

Mr. McGhee moved to amend the agenda to consent the following items:

Old Business

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

New Business

- b. Recommendation to award Wastewater Treatment Plant Renovation to Ghemm Company in the amount of \$2,275,000

Discussion

None

On the amendment

PASSED

YES – 7 –Smith, McGhee, Welch, McCarthy, Holm, Hunter, Ward

NO – 0 –

Absent – 0 –

On the main motion as amended

PASSED

YES – 7 –Smith, McGhee, Welch, McCarthy, Holm, Hunter, Ward

NO – 0 –

Absent – 0 –

APPROVAL OF MINUTES

Mr. Welch *moved to* Approve the minutes of May 5, 2014

Seconded *by* Mr. McGhee

Discussion

None

PASSED

YES – 7 –Smith, McGhee, Welch, McCarthy, Holm, Hunter, Ward

NO – 0 –

Absent – 0 –

COMMUNICATIONS FROM THE MAYOR

The City is in need of volunteers for the annual 4th 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. The Festival is slated to start at 10am and run till 5pm. For vending information please contact North Pole City Hall. Meetings are as follows Wednesday May 28th, Monday June 9th, Monday June 23rd, Monday June 30th

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

We are moving forward with design of the memorial park located off of the Beaver Spring slough in the Morning Star Subdivision. The property was donated to the City by Augie Hebert almost 10 years ago to be turned into a park. I will be bringing a resolution to the next meeting stating a name for the park and establishing a committee to oversee design and construction. If you would like to be a part please contact me (Mayor Ward) or if you would like to donate to the cause.

The North Pole sulfolane surveys have been tallied. We were able to get over a 26% return rate on the surveys (not including Return to senders) some of the highlights 52% wanted a water system, 25% did not and 23% were unsure. Also out of the total 34% wanted a private water system and 32% wanted the municipal option. We will send out the raw data and a synopsis later this week.

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 1/3rd) 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 has been completed and we are ready to paint.

I will be taking some time off this summer (Thursdays and Fridays) If you would like to stop in please call and make an appointment to ensure I am here at City Hall. I do always carry my phone if there is a need to immediately reach me.

The Mayors Art Awards will be this Friday at 7pm at the Pioneer Park cake building.

I have been putting together a budget workshop for the council and would like to meet sometime during the week of the 27th-31st. I have outlined the challenges we face and projected changes to our budget as well as policy decisions for the council to determine. Please let me know what day works and if there are any items of particular interest I should include.



COUNCIL MEMBER QUESTIONS OF THE MAYOR

Mr. McGhee informed the Mayor that there was a community member who had been trying to get ahold of him to volunteer for the July 4th celebration.

Mr. Welch asked if there could be another workshop to meet with council members because of the many issues the City is facing.

Ms. Holm asked if there were tickets for the Mayor's Art Awards.

Mr. McGhee asked about the North Pole Mayor's Art Show. He also asked if they needed any donations for the F-35 mock-up.

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

City Accountant

None

Police Department, Chief Dutra

- I attended the 2014 Crime Conference sponsored by the Farthest North APOA chapter. Excellent speakers covering topics related to officer survival, active shooter lessons learned and leadership.
- Some of the officers attended Emergency Vehicle Operations course and Firearm courses. Each class had excellent feedback.
- Our department has been grieving the loss of our fellow officers and has attended vigils, services and police memorial ceremony. Our thoughts and prayers are with their families. I also want to remind everyone that in America we lose a police officer every 52 hours. It is a dangerous profession and we send out prayers to all those affected.
- We had the Alaska State Troopers inside the city over the weekend conducting exercises. I know we received some calls on this but it was just annual cert training.
- Chena Lakes contract is being filled by Officer Fisher.
- We have received the final plans for the HVAC system at the PD. It involves 3 phases 1st being the repairs to the heating system and 2nd is the HRV, and last the cooling.

- The estimates for the entire project have come in well above what we were granted by the legislative grant so we will choose those parts we can complete.
- I rode the department motorcycle in the procession for our fallen Officers and the Law Enforcement Torch Run for Special Olympics. Everyone loved the bike and many people came up to me and wanted to see the bike. It gave us great PR and people are excited to see us participating in community events.
- We received 2 more checks from Asset Forfeiture in the amount of \$854.83 and \$1,542.33. These cases were related to drug seizures.

Fire Department, Chief Lane

- Scheduling Open House for June 14th.
- Hose testing started and the live in project is also started.
- Going down on June 9th for the last inspection on the ladder truck.
- 3rd Annual Preparedness Expo will be held October 4th
- Grant paid 50% of Chiefs payroll for Emergency Preparedness Plan.
- June 30 – Jul 2nd will be with FNSB
- Chief Dutra, Lt. Rathbun, and Deputy Chief Coon will travel to Anchorage for the after EOP discussion.
- Chief Dutra, Chief Lane, and Kathy Weber talked about annual employee day have softball game and potluck.

Director of City Services, Bill Butler

Building Department

- No new permits issued since last council meeting

Public Works

- Exercise trail and dog park article in Saturday newspaper
 - Article spawned an offer from REI to contribute volunteer labor to help develop the exercise trail
 - Working with the contractor for the Saint Nicholas Drive pedestrian project (Great Northwest) to donate clean fill for the exercise trail and dog park
- Street sweeping on city streets was completed on Saturday
- Exploring development of park off of Doughchee Avenue on donated land

- Soil and Water Conservation Service has expressed interest in applying some of a \$50,000 legislative award help develop the park
- Fish and Game has also expressed interested in supporting development of the park
- In 2004 the FNSB transferred park authority for the site to the City
- Plan to start installing the benches on Santa Claus Lane this week and next
- Will be replacing street lamp bulbs in candy cane lights along Santa Claus Lane this week

Utility Department

- Request to approve Ghemm Company as the construction contractor for the Wastewater Treatment Plant Renovation project is before the Council this evening
- City's application for a Municipal Matching Grant for lift station rehabilitation missed the funding cut in this year's state budget due to less money in the budget for utility capital projects (missed the cut by 25 points)
- City's request for a ACWF loan for the sewer outfall was eligible for funding, but the Utility should not need the loan because \$500,000 is in the capital budget for this project
- ADEC encouraged the City to make a special request for an ACWF loan for lift station rehabilitation to capture the \$500,000 ACWF that the Utility will not need for the sewer outfall
- ADEC reopened the application process for 24 hours so the City could submit this revised application
- Concept is if we are approved as eligible for the ACWF loan for lift station rehabilitation, the City can get additional points on its next grant application for lift station rehabilitation making the City more competitive next year—could have earned between 50 and 75 additional points last year
- Flow has not yet returned to the sewer outfall channel

Natural Gas Utility Board

I missed the last IGU meeting to attend the community meeting on sulfolane held at City Hall on May 6.

Borough Representative, Mayor Ward

- The FNSB last meeting was final reading of their budget. They will see a 10,000 grant to the fire department for vehicle replacement and a 3% increase for the EMS contract.

City Clerk

- Lots of interesting things happening at City Hall.

- ACS will be here tomorrow to install jacks for telephone, computer & internet for the new workstation. TekMate will be out on Thursday to put the computer together with the scanner which will then in turn allow Laserfiche to remotely install the scanning program.
- Laserfiche software is installed on the server and we are in the process of developing the database for our documents.
- Training for Laserfiche will take place the week of June 10th.
- Ad has gone out for the position of Records Preparation Clerk. This is a temporary position and is fully funded by the North Pole Archival Grant. I hope to have this position hired soon.
- Last week Renee, Tricia, and I went into spring cleaning mode and cleaned out the records room in City Hall and re-organized files. We then moved on the archive room located in the Police Station and made strides there as well. Shredway came out on Tuesday and took the canisters and other boxes that we had. There is still a lot of work to do and we hope to be able to finish it up by the end of the month.
- I will be actively looking to upgrade the sound system in the council chambers and would welcome any advice from those who have some knowledge with this issue.
- I will be out of the office on Wednesday, May 28th and Friday May 30th.

ONGOING PROJECTS

- None

CITIZENS COMMENTS

- None

NEW BUSINESS

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

Mayor Ward gave an overview of the healthcare renewal.

Public Comment

Chief Dutra – spoke in favor of the healthcare renewal and urged council to pass it. He spoke against any increase to employees and that this is the last good benefit the City offers.

Chief Lane – spoke in favor of the healthcare renewal and urged council to pass it. He also spoke against any increase to employees.

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 said he didn't feel this was something that could be done in one meeting. His biggest concern is that council will stick with this benefit for City employees and not change it. He wants to keep the healthcare plan as it is. As a council they have to be sure that there is no change.

Mr. Welch thanked Mr. Kestran for putting together a great package. He said after listening to Chief Dutra and Chief Lane, he could vote for this plan.

Ms. Hunter appreciated the fact that it was postponed to make sure the council could vote on this as a whole and that she felt it was important to support the employees.. She is in favor of approving this.

Mr. McCarthy said there is solidarity here and employees are the City's greatest asset and hopes council will toe the line when we have financial issues like this in the future.

Ms. Holm spoke about employees and the country's crisis with health care. She was in favor of raising the deductible to \$360 will vote no on this. She felt the council should investigate more and that the City may be looking at job losses and apologized if it hurt their feelings.

Mayor Ward said that it is the administrations job to bring forth a plan and maintaining grandfather rights is in the best interests of the City. He said that we do have lower wages and makes it challenging for our employees and that they may move on to where they could make more money and have salary increases. He felt that it Alaska USA Insurance did a very good job at coming in at 3.5% and there is a \$10,000 savings to the City in the budget.

PASSED

YES – 6–Smith, McGhee, Welch, McCarthy, Hunter, Ward

NO – 1 – Holm

Absent – 0 –

REQUEST FROM CHRISTMAS IN ICE FOR BED TAX FROM CITY OF NORTH POLE FOR 4TH QUARTER 2013 AND 1ST QUARTER 2014

Rikki Homchick updated the council on Christmas in Ice and requested 4th quarter 2013 and 1st quarter 2014 bed tax.

On behalf of Christmas In Ice, Inc. (CII), I formally request 4th quarter 2013 and 1st 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 3rd 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 4th quarter 2013 and 1st 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 30th.

As always, we welcome volunteers from near and far. The 3th annual ice park is still six months away, but we know that North Pole is always *where the Spirit of Christmas lives year 'round*.

Public Comment

None

Mr. McGhee moved to Approve Request From Christmas in Ice for the Bed Tax From City of North Pole For 4th Quarter 2013 and 1st Quarter 2014

Seconded by Mr. McCarthy

Discussion

None

PASSED

YES – 7 –Smith, McGhee, Welch, McCarthy, Holm, Hunter, Ward

NO – 0 –

Absent – 0 –

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

Mr. Welch and Mr. Butler presented this to council and updated them on the ordinance and the need for it.

Public Comment

Chief Lane needed clarification as to how this would affect the ambulance billing.

Mr. Welch *moved to* Introduce and advance 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

Seconded by Mr. McGhee

Discussion

Mr. Welch spoke to the ordinance and the need for this ordinance to collect a debt from users.

Ms. Holm asked if there should be additional wording and that there should be an amendment.

Ms. Holm *moved to* Amend Ordinance 14-07 to strike out on line 33“via US mail”

Failed for lack of a second

Mayor Ward said he had difficulty with the 30 days.

Mayor Ward *moved to* Amend Ordinance 14-07, line 37, strike to 60 to 90 to read, debts 90 days delinquent.

Seconded by Ms. Holm

Discussion

None

On the amendment

Failed

YES – 2 –Holm, Ward

NO – 5 – McCarthy, Smith, Hunter, Welch, McGhee

Absent – 0

On the main motion

PASSED

YES – 7 –Smith, McGhee, Welch, McCarthy, Holm, Hunter, Ward

NO – 0 –

Absent – 0 –

COUNCIL COMMENTS

Mr. Welch – spoke about the Trooper memorial last weekend. He said it was surreal to see the casket lowered to the ground and was too much for some. He felt that most of the council sees what the cost is for the healthcare and that it costs everyone. He is leaving for Savannah, Georgia and won't be back for the next council meeting.

Mr. McGhee - Goodnight

Mr. McCarthy – congratulated the Mayor on keeping his cool on KFAR with the sulfolane plume and some of the callers. He told the Mayor that he does well on the air, is well spoken and represents the City well.

Mr. Smith – watch for kids out in the streets.

Ms. Hunter – she agreed with supporting employees and Councilman McCarthy's remarks about not wanting to make changes in the insurance. She said our employees, the fire and police department in particular, put their life on the line and that is what a City does, provide services through its employees and it should be our highest priority in budget and support employees whenever possible. It has been brought home what that price can ultimately be and important for Council to act on behalf of the employees. Ms. Hunter Congratulated the graduating class of 2014 and reminded everyone that tonight is graduation at North Pole High School.

Ms. Holm – invited anyone interested to help in the July 4th celebration and to contact her by email or cell phone.

Mayor Ward – said 10 years ago he graduated from high school. He said if a councilmember is passionate about something come forward with an ordinance. There are lots of projects going on this summer and we need volunteers. Last year City Hall was painted by volunteers and if you are interested in helping please contact us.

ADJOURNMENT

Mr. McGhee adjourned the meeting at 9:02 p.m.

Seconded *by* Mr. Welch

The regular meeting of May 19, 2014 adjourned at 9:02 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, June 2, 2014.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

**CITY OF NORTH POLE
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**

WHEREAS, changes to the public services practices and policies is a continually changing requirement; and

WHEREAS, the City of North Pole Municipal Code should be amended to conform to the requirements of the City.

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

Section 1. This ordinance is of a general and permanent nature and shall be codified.

Section 2. Title 4 Revenue and Finance, Section 406 Finance Charges, Subsection 4.06.is amended in the North Pole Code of Ordinances as follows [new text in underlined italicized red font; deleted text in ~~striketrough~~ font]:

4.06.020 Collections of unpaid debts.

a. A debtor to the City of North Pole shall pay, in addition to the debt, interest at the maximum lawful rate, all administrative fees, costs, collections agency fees, and attorney fees incurred by the City of North Pole in the collection of unpaid debts. (Ord. 08-18 § 2, 2008)

b. *Debts 30 days delinquent*

The individual, business or entity with debts owed to the City that include, but are not limited to, assessments, administrative fine or administrative charges that are 30 days past due shall be sent a notice of delinquency via US mail indicating the amount of the delinquent charges. The notification shall indicate that they must pay the delinquent charges immediately to avoid the City assessing additional charges.

c. *Debts 60 days delinquent*

The individual, business or entity with debts owed to the City that include, but are not limited to, assessments, administrative fine or administrative charges that are 60 days past due shall be sent a notice of delinquency via certified mail indicating the amount of the unpaid balance, including a liquidated damages charge of \$50 (fifty dollars). The notification shall indicate the deadline that they must pay the delinquent account balance or by which they must sign a legally binding confession of judgment specifying a 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

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.

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

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 2nd of June, 2014.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M Weber, MMC
North Pole City Clerk

PASSED

Yes:

No:

Absent:

**CITY OF NORTH POLE
RESOLUTION 14-11**

**A RESOLUTION GRANTING MAYOR BRYCE J WARD AUTHORITY TO
ENTER INTO A SHORT-TERM LINE OF CREDIT LOAN FOR \$500,000 WITH
MOUNT MCKINLEY BANK TO FACILITATE CITY CASH FLOW DURING THE
SUMMER 2014 CONSTRUCTION SEASON**

WHEREAS, the City of North Pole seeks to obtain the necessary financial assistance to construct utility system improvements; and

WHEREAS, the State of Alaska, Department of Environmental Conservation (ADEC) has awarded the City a Municipal Matching Grant (MMG) for \$1,783,669.89 and Alaska Clean Water Fund (ACWF) for \$305,000 to construct the Wastewater Treatment Plant Renovation Project; and

WHEREAS, the City Council approved the bid in the amount of \$2,275,000 from Ghemm Company to construction the Wastewater Treatment Plant Renovation Project in 2014, and

WHEREAS, contractor invoices may be of such magnitude that they could negatively affect City cash flow before the ADEC reimburses Utility Department reimbursement requests; and

WHEREAS, as of May 23, 2014 the Utility Department's capital reserves totaled \$1,440,604 sufficient to pay expected contractor invoices, but large contractor invoices could reduce the overall City revenue balance to an undesirable level; and

WHEREAS, to ensure adequate cash flow for all City departments and operations, the City shall acquire a short-term line of credit; and

WHEREAS, the Utility Department shall not draw on the line of credit after December 1, 2014, and

WHEREAS, the Utility Department will pay all loan associated costs and expenses from its capital project funds for use of the loan when applied to Utility Department expenses; and

NOW THEREFORE BE IT RESOLVED, that the City is authorized to apply to Mount McKinley bank for a short-term line of credit not to exceed \$500,000. If the loan is approved by Mount McKinley Bank, Mayor Bryce J. Ward is authorized to execute any and all documents that may be required by Mount McKinley Bank to reflect the indebtedness, the terms of its repayment, and any security therefore, including but not limited to an agreement for the loan and a promissory note. All loan agreements executed by the Mayor on behalf of the City shall be in accordance with the North Pole City Charter (Chapter XI, Section 11.1) and North Pole Municipal Code (Title 4, Revenue and Finance, 4.16 Purchasing). In addition, the Utility shall not draw from the line of credit after December 1, 2014.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this
2nd day of June, 2014.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

PASSED/FAILED

Yes:

No:

Absent:

CITY OF NORTH POLE

RESOLUTION 14-12

**A RESOLUTION ESTABLISHING THE GABE RICH & SCOTT JOHNSON
MEMORIAL PARK ON A CITY PROPERTY; BLOCK 1 LOT 9 IN THE MORNING
STAR SUBDIVISION, TO HONOR FAIRBANKS NORTH STAR BOROUGH
RESIDENTS WHO HAVE DIED IN THE LINE OF DUTY WHILE SERVING THEIR
COUNTRY, STATE OR MUNICIPALITY.**

WHEREAS, in September 2004 the Fairbanks North Star Borough (FNSB) transferred park authority to the City of North Pole for the operation and maintenance of several parks within the City, including a veterans memorial park at the Morning Star Subdivision; and

WHEREAS, the City owns Block 1, Lot 9 in the Morning Star Subdivision, a parcel of land adjacent to the Beaver Springs Slough donated to the City of North Pole from Augie Hebert for the development of a park; and

WHEREAS, the city along with community partners plan to develop, construct and maintain a memorial park for FNSB residents who have died in the line of duty while serving their county, state or municipality; and

WHEREAS, Trooper Gabe Rich and Trooper Sgt. Scott Johnson died while performing their duties on May 1, 2014 in service to the State of Alaska and will be greatly missed; and

WHEREAS, Trooper Gabe Rich began his public safety career working for the North Pole Police Department; and

WHEREAS, Trooper Gabe Rich is survived by his fiancé, Angie Taylor, and their sons Lenox and Malakai; and

WHEREAS, Trooper Sgt. Scott Johnson is survived by his Brandy and their three daughters; Hayly, Hana and Halene; and

WHEREAS, the city wishes to create a memorial park in remembrance of all local public employees who have lost their lives while in service to others; and

WHEREAS, in honor of the sacrifice of Trooper Gabe Rich and Trooper Sgt. Scott Johnson the City wishes to name the park the Gabe Rich & Scott Johnson Memorial Park.

NOW, THEREFORE BE IT RESOLVED that the City of North Pole establishes the Gabe Rich & Scott Johnson Memorial Park on a City property; block 1 lot 9 in the Morning Star Subdivision, to honor Fairbanks North Star Borough residents who have died in the line of duty while serving their country, state or municipality.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this
2nd day of June, 2014

Bryce J Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

PASSED

Yes:

No:

Absent: