



CITY OF NORTH POLE *Alaska*

REGULAR CITY COUNCIL MEETING **Monday, June 15, 2015**

Work Session/Healthcare – 5:30 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
Thomas McGhee- <i>Deputy Mayor Pro Tem</i>	455-0010
Preston Smith – <i>Alt. Deputy Mayor Pro Tem</i>	488-8824
Elizabeth Holm	488-6125
Sharron Hunter	978-5591
Kevin McCarthy	590-0800

1. **Call to Order/Roll Call**
2. **Pledge of Allegiance to the US Flag**
3. **Invocation**
4. **Approval of the Agenda**
5. **Approval of the Minutes**
6. **Communications from the Mayor**
 - Presentation by Water & Soil Conservation on Elodea
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 15-07, An Ordinance Of The City Of North Pole, Alaska To Amend Title 2, Personnel System, Chapter 36, Section.480 Insurance And Disability Benefits
- b. Ordinance 15-09, an Ordinance of the City of North Pole, Alaska to amend the 2015 budget to authorize purchase o a replacement pickup truck for the public works department
- c. Ordinance 15-10, an Ordinance of the City of North Pole, Alaska to amend Title 13, Public Services, and adding Chapter 32 – General provisions for drilling water wells, to update ordinance, and establish process for permitting the installation of water wells

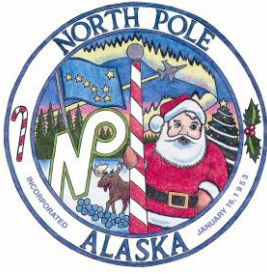
12. New Business

- a. Renewal of 2015-2016 City of North Pole Health Insurance with AW Rehn
- b. Fairbanks North Star Borough and City of North Pole Emergency Medical Services and Ambulance Contract
- c. Ordinance 15-11, an Ordinance of the North Pole City Council to amend Title 5, Chapter 5.08 – Liquor Regulations, and introduce Section 5.08.030 – Council review of license issuance, renewal, transfer, relocation, or continued operation
- d. Resolution 15-12, a Resolution establishing the water treatment plant emergency system improvements project as the City of North Pole’s priority capital project for the municipal matching grant program in State fiscal year 2017

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 \$10.00 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, June 1, 2015 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, June 1, 2015 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

CALL TO ORDER/ROLL CALL

Mayor Ward called the regularly scheduled meeting of the North Pole City Council to order on Monday, June 1, 2015 at 7:00 p.m.

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 June 1, 2015

Seconded by Mr. Welch

Discussion

None

Mr. McGhee moved to amend the agenda to consent as follows:

Old Business

- a. *Ordinance 15-06, An Ordinance Of The City Of North Pole, Alaska To Amend Title 4, Revenue And Finance, Section 20.010, Sale Of City Property*

New Business

- b. Ordinance 15-07, An Ordinance Of The City Of North Pole, Alaska To Amend Title 2, Personnel System, Chapter 36, Section.480 Insurance And Disability Benefits*
- d. Ordinance 15-09, an Ordinance of the City of North Pole, Alaska to amend the 2015 budget to authorize purchase of a replacement pickup truck for the public works department*

Seconded by Mr. McCarthy

On the amendment

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

On the Agenda as Amended

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

APPROVAL OF MINUTES

Mr. Welch moved to Approve the minutes of May 18, 2015.

Seconded by Mr. McGhee

Discussion

None

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

COMMUNICATIONS FROM THE MAYOR

The Mayors Report for the June 1st, 2015 City Council Meeting

We are seeking donations for the Trooper Park, if you are interested in donating your time or resources please talk to me or Chief Dutra with the Police Dept. We had a great contractor meeting today and look forward to starting work when the road weight restrictions are lifted.

The 4th of July festival “A Patriots Christmas” is only 5 short weeks away. If you are interested please contact me or Katy Englund for details. Flint Hills Resources has graciously agreed to come on as title sponsor again this year, Thank YOU! The next meeting will be here at City Hall tomorrow evening at 6:15pm.

I was pleased to see 4 of our council members at the multi-jurisdictional meeting last Wednesday at Pioneer Park in regards to the cannabis zoning ordinance that will eventually be submitted to the assembly by Mayor Luke Hopkins.

Wednesday June 3rd is a FNSB workshop on fire service areas and the issues in regards to service areas and their contacting with the local INC's to provide the fire service. I plan on attending and participating in the discussion.

This Friday from 12-1pm is the IGU ground breaking ceremony. The ceremony will be held between the Mall and the Hotel North Pole. Governor Walker will be in attendance along with the local mayors. Please come celebrate the ground breaking of the IGU distribution system!

Starting Friday, June 5th, the Governors transition team will be meeting at UAF. The meeting is scheduled to take place over the weekend and discuss issues such as; the right size of government, revenue options, and where we want the state to look like in the future. The three mayors are going to be present and we are looking forward to a productive meeting.

The FNSB is also considering in Committee of the Whole, a vote in mailing ordinance for the Borough. Ordinance 2015-25 is sponsored by Assemblymen Lance Roberts and Karl Kassel. I would encourage the council to look into the ordinance for possible consideration.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Police Department, Chief Dutra

- Attended the annual Chena Lakes opening luncheon.
- Officer Bruce Milne was selected to replace Officer Kvittem in drug unit.

- The position that is vacated in July-August will be held open for Captain Phillip McBroom who is due to end his military commitment in November.
- Stats are in front of you, no major issues

Fire Department, Chief Lane

- None

Finance, Tricia Fogarty

- KSH is done with the field work for the audit. They will have preliminary reports ready for the Mayor late this week or early next week.
- The City handled the audit process differently this year; we opened up our records to the field auditors in addition to that I set them up in MyViewPoint so they could access our General Ledger from their office. Our department heads made themselves available to answer any questions from KSH. I thank my staff and all the department heads and the Mayor for their participation in the audit. KSH will present the audit to the council on the meeting of June 15th.

Director of City Services, Bill Butler

Building Department

- Preliminary discussion with Petro Star Refinery about the construction of an asphalt plant

Public Works

- All three summer staff on-board
- Landscaping work beginning in earnest—grass cutting, flowers, planters, etc.
- FMATS 2014 repaving project scheduled to begin this week:
 - 3rd and 4th Avenues by the Elementary School;
 - West 6th Avenue
 - Manley Street
 - Owens Street
 - Blanket Boulevard

Utility Department

- Complaints about odor from wastewater plant
 - Permitted treatment process relies on natural processes—microbes consume the waste
 - Possible contributing factors:

- * Rapid temperature increase—record temperatures in May
- * Flow into the plant is half what it was two years ago—loss of discharge from Flint Hills and significant reduction in groundwater inflow from sewer lining project
- Utility's responses
 - * Increasing aeration in lagoon 1
 - * Diluting concentration of wastewater in lagoon 1 with treated wastewater from lagoon 4
 - * Flushing sewer force main from industrial park
 - * Postponing annual lift stations cleanings
- Flow in the Tanana River at the sewer discharge site is increasing.
- Submitted grant application for \$1.9 million Sewer Lift Station Rehabilitation Project
 - Funds for the grant are still in the 2016 Capital Budget
 - ADEC wanted the Utility's application in-hand
- Utility 2014 Annual Report mailed last week

Natural Gas Utility Board

- Gas pipeline installation is approximately 1000 to 1,500 feet/day (Baker & North Star Subdivisions)
- The linear feet installed per day are likely to slow as begin installations in vicinity of buried utilities

Mr. Smith asked about the amount of trees that are being taken down for the gas line.

Mr. Butler stated that IGU didn't know where the lines would be going and where they would be actually trenching. The City has asked to not tear up asphalt and driveways.

Borough Representative

- Mail in voting will be on the agenda this Thursday.
- Meeting on Wednesday at 5:30 in FNSB regarding fire service areas.

City Clerk, Kathy Weber

- PERS Counselors were here on May 21st to meet with employees on their retirement and benefits from Tier 1 – Tier 4.
- The FNSB is considering an ordinance for the conduction of elections through voting by mail. This could possibly save the borough and the cities thousands of dollars and have a larger voter turnout. I have made copies of the ordinance for you to look at and we will be putting something forward in the near future for council to consider.
- Reminder that there will be a work session on Monday, June 15th at 5:30 p.m. to go over the healthcare renewal before the meeting.

ONGOING PROJECTS

ABC Board was petitioned by Tammy Wilson for a liquor license for Pagoda. The only thing holding them back now is the easement from GVEA.

CITIZENS COMMENTS

Chief Steve Dutra –

Chief Dutra spoke on Ordinance 15-07, An Ordinance of The City of North Pole, Alaska to Amend Title 2, Personnel System, Chapter 36, Section.480 Insurance and Disability Benefits. He gave a power point presentation and spoke on various topics concerning the Healthcare Renewal.

Sgt. Bill Bellant –

Sgt. Bellant continued with the power point. See attached.

Mr. McGhee asked if the council was being asked to raise the sales tax.

Mr. Welch asked if the employees always felt as if they felt they were being squeezed.

Ms. Holm asked if Mr. Dutra had faith that with the strategic planning that the City can raise revenue without raising taxes if the program is successful.

Mr. Smith asked if the fire department had the same kind of questions.

Lance Roberts,

Mr. Roberts said that a city resident made a complaint about the basements that flooded last year because of the beavers.

NEW BUSINESS

APPROVAL OF STRATEGIC PLANNING CONTRACT WITH AGNEW:BECK

Shelly Wade with Agnew;Beck consulting, introduced herself as the people who will be working with the City of North Pole over the next 18 months. Ms. Wade gave an overview of what they will be working on and reporting to council to come up with a draft plan/stakeholder plan.

Public Comment

None

Mr. McGhee *moved to* approve the Strategic Planning Contract with Agnew;Beck Consulting

Seconded by Mr. McCarthy

Discussion

None

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

Ms. Holm moved to suspend the rules for 2 minutes

Seconded by Mr. Welch

Passed Unanimously

Mayor Ward brought the meeting back to order at 8:17 p.m.

**ORDINANCE 15-08, AN ORDINANCE OF THE NORTH POLE CITY COUNCIL
INTRODUCING CHAPTER 5.10 MARIJUANA, SECTION .010 PROHIBITING
RETAIL SALES**

Ms. Hunter introduced the ordinance. She stated that the North Pole area defeated Ballot Measure 2. Another consideration was that the City of North Pole's motto is "Where the spirit of Christmas lives year 'round" along with the fact that this could severely reduce or exceed the revenue from the marijuana sales tax. She asked the council to let this ordinance stand until they could see what the State put in place and that there are a lot of things still up in the air.

Public Comment

Jeff Spohn - 3417 Baker Rd.

Mr. Spohn spoke against the ordinance and stated that this could help to raise revenue for the City.

Lance Roberts, PO Box 83449 Fairbanks, AK

Mr. Roberts stated that he lived here when he was younger and spoke in favor of the Ordinance. He spoke on the zoning issues and regulating the type of businesses. He agrees with the statements of the image of North Pole and everything the City does is based on that fact. He asked if the City of North Pole wants to be known as the City that sells marijuana. He asked the council to go further and ban all of it and make it a safe place.

Mr. McGhee asked Mr. Roberts many questions regarding the use of marijuana and selling of marijuana.

Ms. Holm said that there is a stigma in North Pole about being the meth center of the Interior.

Mr. Welch asked if North Pole would ever overcome the stigma when it encompasses the 99705 zip code.

Mr. Roberts said that the stigma is around the name North Pole not around the zip code and that the City could change that stigma if they are proactive

Mr. McGhee said that this is a FNSB issue and that not all the meth houses are inside the City limits.

Santa Claus, 350 S Santa Claus Lane

Mr. Claus said that meth is different from marijuana and as the former Special Assistant to the Deputy Police Commissioner of New York City and has some experience and educated about law enforcement and marijuana in particular. He doesn't see that having a dispensary in North Pole would be much different than using alcohol. As far as image, Santa Claus is jolly, and is a medical marijuana patient and would like to be able to have it located in North Pole. He spoke against the ordinance.

Ms. Holm moved to Introduce and Advance Ordinance 15-08, An Ordinance of the North Pole City Council introducing Chapter 5.10 Marijuana, Section .010 Prohibiting Retail Sales

Seconded by Ms. Hunter

Discussion

Ms. Holm stated that children are a huge concern of hers and what we are setting up for ourselves for future generations. She said that there was a quote by Ronald Reagan; We are never more than one generation away from losing our freedoms. She said we are living in a generation that is fighting for its freedom, a freedom that makes drugs more accessible, that makes for more drug addicts that makes them look lazy, unmotivated, unambitious, forgetful, and unable to think clearly, unable to communicate properly and makes its users lose track of time. Ms. Holm said that doesn't apply to all drug users as some are high functioning alcoholics and high functioning marijuana users. She wants to create a future for North Pole that is not going to last 5 years to g. keep us stable but keep us stable for 500 years and a future generation who we want to be mayors. She is asking for everyone to vote no to retail marijuana and vote in favor of this ordinance. If you want marijuana there are other places to buy it. Personal use is still legal and something we can do is say no retail stores.

Ms. Hunter said that we do have our budget problems and an example today of the dissatisfaction we are looking at for health care. She said it was important to look at the issue from beyond the money that it can bring the City. If we are going to rely on easy money it seems similar to communities that have gambling and looks temping and quantity of money that you

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can make but it is a false promise and the message of what we are willing to do is not a good message to give our citizens. Many people have said that they would be willing to pay the ½ cent to have a city that does not have retail stores within its city limits.

Mr. McCarthy stated that in a workshop back in December he brought up this issue of having a ban in North Pole was going to depend on how we were going to finance the police end of things. The North Pole Police Department is going to need additional costs and resources. If we ban marijuana in North Pole they will go out and buy it somewhere else and we will not have that money to use in the City for education and training. It is OK, we sell alcohol and cigarettes, guns, ammo, and where do you draw the line on what you will or will not have. He is shocked that this is coming back and he will not support it. Marijuana is coming into the state. We can't raise taxes here and he is against it.

Mr. McGhee is surprised it came up again. There are a number of reasons he can't support this. He is amazed by a hand full of people who are afraid of marijuana coming to our community. Sales are here and is insulted by the attitude of some council members who have degraded individual users when he knows hundreds of law abiding business owners who have been using during the majority of their adult lives. There are people out there that use alcohol and there are community programs out there to help them. He said it is going to be more difficult to identify a retail marijuana store than a liquor store advertising Corona and Tequila body shots. As Mr. McCarthy said, the City of North Pole has liquor, drugs, legal drug stores, alcohol stores, gun stores and now you're worried about the image of North Pole. We barely have one third of the registered voters come out and vote – 239 voted yes on Ballot Measure 2 and 288 voted no and all of a sudden that 288 say they didn't vote for it and therefore they don't have to abide by it. The yes vote people have spoken.

The tax dollars and study the zoning, he is impressed and pleased with it, there are already guns and alcohol within it. It's still going to cost your police department and you have chosen to get an imaginary image. The new law will not allow anyone under 21 years old and should focus on not banning but educating their children and parents to be more responsible. When this was voted in there were more kids showing up to school with marijuana. He said we are being fiscally irresponsible if we ban marijuana and if being truly responsible in this ordinance, are you sure you don't want to expand it because if you saw the zoning plan, testing and cultivating are within the city limits. He doesn't understand it. He asked what we are waiting for. To see that Fairbanks brought in \$2.4 million in tax dollars based on retail sales because they're going to add it in the same line item as alcohol and tobacco tax. The state voters have voted and would love to see the City of North Pole Council respect that vote and honor it and be fiscally responsible. If they want to support the FNSB with the zoning then that is what we should do. He cannot support this ordinance.

Mr. Smith said he has been an athlete his entire life. He sees both sides of the story. He stated that the voters have said yes to marijuana and he said we have guns, alcohol. He asked if the owners of buildings are going to let vendors in their area smoke inside the hotel rooms. He felt the ordinance needed a little more work on it.

Mr. Welch said there are so many aspects to this ordinance. He looks at it from an education that they got from the FNSB meeting and we do not know where the FNSB or the state is going and he could not support it at this time. It is nebulous at this time but for most people it is an idea of not knowing what the outcome will be.

Mayor Ward said he appreciated Ms. Hunter for bringing this forward. He is not in favor of marijuana use and the commercialization of it. There are certain amounts that are legal by law and people have the right of freedom and choice. If you don't want to use it, don't use it. If it is something that people don't want in a community then they won't shop there. He is not in favor of the ordinance. He said that by letting the market dictate where that goes is by far a more appropriate setting in the country that we live in versus us as a government trying to regulate morality.

Mr. McCarthy said he was 26 years in the Coast Guard and was dealing with drugs and doing anti-drug operations. What changed his mind on marijuana was when his mother was diagnosed with cancer and they had to go out on the street and get marijuana for her so she would be able to have an appetite. He doesn't see a ban working in North Pole and it being extremely detrimental more people on the road who will be getting marijuana from somewhere else. We could use the additional income.

Mr. Smith said he like how it's written but would like to see it better written.

Ms. Hunter said in response to a comment made to guns, alcohol, and ammo; they are items found in any community in the U.S. The sale of marijuana in general, is one of three states, it is still a new thing and still something that people are going to notice as something distinguishing the community. People that voted against it, they don't know what the reasons were. However, what did pass was this Ballot Measure gave us the right to ban marijuana. We are not creating that, it was what everyone voted for.

Ms. Holm said that Mr. McCarthy is concerned about not having enough revenues to cover the costs. She realized that it costs for the departments is going to increase with marijuana whether or not we allow it in the City limits. She asked what we stand to gain; \$20,000 - \$50,000 maybe, and that isn't going to cover an officer. We are risking the youth of this community to send a message out to all the residents because this will make national news, someone will pick it up, "North Pole Alaska, with the Santa Claus House has Santa's special bake shop". She didn't feel it was worth it for the possible return revenue. Being a dispensary free city isn't an attack on user but sending a message that drugs do lead to a life of hardship. She stated that she grew up with hundreds of foster kids. It's unbelievable that councilmembers think that there are parents out there that think that it's just awesome to smoke pot and teach responsible use for your children. You should never smoke pot with your kids. Do you know how many children are up for adoption in Alaska; the last number she heard was 253. She doesn't know how many are pot users but guaranteed that if they grew up like she did and met and knew these kids, they are drop

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outs and struggle through life. Santa Claus made a comment that marijuana was not a gateway drug but she in her experience it does go on to harder things. She is concerned that we are going to be sellouts as a community and that we're going to say it's okay to go over on Santa Claus Lane and open up a marijuana dispensary and letting kids know that drugs are safe. Not the message. Do we really want to be a doped up community or do we want to be vibrant. Sign up with Agnew;Beck to bring us resources and revenues to prohibit the use of retail stores. There is no shutting the barn door and we need to put a stop and postpone it to the best of our ability.

Mr. Welch commented on someone who had bought marijuana for his ailing wife from an undercover agent and lost his career. He doesn't feel anyone knows what it would bring the city if we legalized it here but as he mentioned earlier it has so many aspects to it. While we are waiting for was the FNSB and State will do, he can't support it.

Mr. McGhee thanked the mayor for bringing up the freedom to choose. When the state passed medical marijuana, what they failed to do was to provide any avenue for those people to access marijuana other than what was under raven law. People that are ill don't have the ability to start growing their own. This is an avenue for all people that want to indulge in that recreational drug to be able to access it legally. The provision was put there for the municipalities. He grew up in the 60's. He's seen it all, and its society not the people. This is better than alcohol and people are standing up and accessing it. Many other countries are coming on board. When the law passed the sky didn't fall, illegal use has gone down, and because law enforcement isn't going after them like they were. As far as closing the alcohol establishments, the City of Fairbanks shut them down and it's not something that can't be done. We've shut down the Boys and Girls Club for fighting and drugs. We should be advocating for a Boys & Girls Club. He said this is being responsible and by having a responsible retail store. Unlike a bar, on today's ruling, there are not any smoke easy establishments. 90% of people who go into bars come out under the influence. There are a lot of sad stories when it comes to drugs and dysfunctional families but blaming it on a plant isn't the answer, its society. He feels that being responsible to the voters who want legal access to a retail store are who he is supporting. People who are kind enough to share with him their needs are.

FAILED

Yes: 2 – Hunter, Holm

No: 5 – Welch, McGhee, McCarthy, Smith, Ward

Absent: 0

ORDINANCE 15-10, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND TITLE 13, PUBLIC SERVICES, AND ADDING CHAPTER 32 – GENERAL PROVISIONS FOR DRILLING WATER WELLS, TO UPDATE ORDINANCE, AND ESTABLISH PROCESS FOR PERMITTING THE INSTALLATION OF WATER WELLS

Mr. Butler introduced the Ordinance along with comments from Mayor Ward.

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Public Comment

None

Mr. McGhee moved to Introduce and Advance Ordinance 15-10, An Ordinance of the City of North Pole, Alaska to Amend Title 13, Public Services, and Adding Chapter 32 – General Provisions for Drilling Water Wells, To Update Ordinance, and Establish Process for Permitting the Installation of Water Wells

Seconded by Mr. Welch

Discussion

None

Mr. McGhee moved to Amend Ordinance 15-10, an Ordinance of the City of North Pole, Alaska to amend Title 13, Public Services, and adding Chapter 32 – General Provisions for drilling water wells, to update ordinance, and establish process for permitting the installation of water wells as follows:

WHEREAS, the EPA has determined that the regional screening level for sulfolane should be 16 PPB; and

WHEREAS, the EPA is the environmental agency tasked with regulating safe exposure levels of contaminants on the federal level; and

WHEREAS, the State of Alaska's cleanup level was remanded on April 4th 2014 by the DEC commissioner and therefore, the state has no effective cleanup standard at this time; and

WHEREAS, the North Pole City Council wishes to aid in the implementation of institutional controls to help create an effective and responsible offsite cleanup plan for the North Pole sulfolane plume; and

WHEREAS, the North Pole City Council is dedicated to the health and wellbeing of all of our residents and believes in reasonable regulation to aid in achieving this goal.

Seconded by Mr. Welch

Discussion

Mr. McGhee thanked the Mayor for giving it more clarification.

Mr. Smith thanked the Mayor for being proactive with the clean drinking water.

On the amendment

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

On the main motion as amended

Discussion

Ms. Holm wanted clarification on the ordinance.

PASSED

Yes: 7 – McGhee, Holm, Welch, Smith, Hunter, McCarthy, Ward

No: 0

Absent: 0

COUNCIL COMMENTS

Ms. Hunter – wished everyone a good week and to enjoy the summer.

Ms. Holm – have a great night.

Mr. Welch – congratulated the North Pole Racing Lions and said they had over 80 cars that entered. It was a good thing to see and he would like to see more things like that.

Mr. McGhee – thanked the constituents who came out and thanked Santa Claus for his candidness. He thanked the council for their diverseness. It's a beautiful summer and lots of frustration with drivers and asked everyone to be patient. Be grateful for what the construction is doing and be safe.

Mr. McCarthy – surprised the work they are doing on the railroad tracks.

Mr. Smith – thanked everyone for a great evening and for constituents coming in and speaking. He appreciates the council's diversity. Be careful BBQ'ing and have a great evening.

Mayor Ward – over Memorial Day weekend we lost Mr. Woster. There will be a funeral mass on Tuesday. He is looking forward to a productive summer.

ADJOURNMENT

Mr. Welch adjourned the meeting at 9:35 p.m.

Seconded by Mr. McGhee

The regular meeting of June 1, 2015 adjourned at 9:35 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, June 15, 2015.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

CITY OF NORTH POLE

ORDINANCE 15-07

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO
AMEND TITLE 2, PERSONNEL SYSTEM, CHAPTER 36, SECTION.480
INSURANCE AND DISABILITY BENEFITS.**

WHEREAS, changes to the practices, regulations 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; and

WHEREAS, The City of North Pole continues to see an increase in health care cost, reflective of the market; and

WHEREAS, the City Council recognizes budgetary constraints and desires to make changes to the plan to continue to be able to offer health care coverage; and

WHEREAS, the City of North Pole desires to maintain grandfather status of our health care plan; and

WHEREAS, requiring a 5% match on premiums from employees is a reasonable expectation; and

WHEREAS, the City's health care plan, even with proposed changes, is still a competitive plan when compared with other plans of like sized organizations.

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 2 - Administration and Personnel, Chapter 2.36 - Personnel System, Section 2.36.480 – Insurance and disability benefits, is amended in the North Pole Code of Ordinances as follows [new text in underlined italicized red font; deleted text in ~~striketrough~~ font]:

2.36.480 Insurance and disability benefits.

A. Medical and Hospital Insurance. The city shall make available employees' health and life insurance for family members. All permanent employees and dependents, may at their option, participate in the city's group health care and life insurance benefits programs. ~~The city shall pay the employee's and dependent's monthly premium for the group health care program.~~ Employees shall pay a *\$45 monthly premium for coverage, and a* ~~for \$100~~ *\$175* monthly premium for dependent coverage. A Flexible Spending Account is available to those employees who wish to participate in the program.

Section 3. Effective Date. This ordinance shall be effective on June 28, 2015..

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 15th day of June, 2015.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

PASSED/FAILED Yes: No: Absent:

ORDINANCE NO. 15-09

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO
AMEND THE 2015 BUDGET TO AUTHORIZE PURCHASE OF A
REPLACEMENT PICKUP TRUCK FOR THE PUBLIC WORKS
DEPARTMENT**

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, and

WHEREAS, the Public Works Department has an aging 1995 pickup truck that has recurring maintenance cost and is increasingly becoming a safety issue, and

WHEREAS, the Public Works Department has a current balance of \$12,247.49 in the Public Works Fleet Fund and will receive an additional \$9,675.00 transfer to its fleet funds in 2015, and

WHEREAS, the Public Works Department is transferring ownership of its 1995 Skid Steer Loader to the Utility Department for \$7,500.00 and this \$7,500.00 will be added to the Public Works Department's Vehicle Fleet Fund.

NOW, THEREFORE, BE IT ORDAINED the Council of the City of North Pole approves the purchase of a Ford F350 4x4 Regular Cab pickup truck and options for a total of \$27,400.00 using the State of Alaska Department of Administrative Services Vehicle State Contracts for use by Political Subdivisions Invitation to Bid.

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

Section 2. Effective date. This ordinance shall become effective at 5:00 PM on the first City business day following adoption.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 15th day of June, 2015.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

PASSED/FAILED

Yes:

No:

Absent:

**CITY OF NORTH POLE
ORDINANCE 15-10**

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND TITLE 13,
PUBLIC SERVICES, AND ADDING CHAPTER 32 – GENERAL PROVISIONS FOR
DRILLING WATER WELLS, TO UPDATE ORDINANCE, AND ESTABLISH
PROCESS FOR PERMITTING THE INSTALLATION OF WATER WELLS**

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.

WHEREAS, the EPA has determined that the regional screening level for sulfolane should be 16 PPB; and

WHEREAS, the EPA is the environmental agency tasked with regulating safe exposure levels of contaminants on the federal level; and

WHEREAS, the State of Alaska's cleanup level was remanded on April 4th 2014 by the DEC commissioner and therefore, the state has no effective cleanup standard at this time; and

WHEREAS, the North Pole City Council wishes to aid in the implementation of institutional controls to help create an effective and responsible offsite cleanup plan for the North Pole sulfolane plume; and

WHEREAS, the North Pole City Council is dedicated to the health and wellbeing of all of our residents and believes in reasonable regulation to aid in achieving this goal.

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 13 is amended in the North Pole Code of Ordinances as follows:

13.32.010 General provisions for drilling water wells

A. Compulsory connection to City of water utility.

1. No water wells shall be permitted within the city limits for properties located within the sulfolane contaminated groundwater plume with a sulfolane level of 16 parts per billion (ppb) or greater or for properties projected to be within the plume with a sulfolane level of 16 parts per billion (ppb) or greater within the next 10 (ten) years. It is the

responsibility of the land owner to submit substantiating documentation, establishing by a preponderance of the evidence, that the sulfolane plume will not contaminate a new water well.

- a. Unless otherwise specified, all determinations under this section shall be made by the Mayor or his designee in writing, subject to an appeal, on the record, to the City Council of the City of North Pole. Any appeal shall be filed with the City Clerk no later than 20 days after the written decision is mailed to the water well permit applicant at the address provided on the application. Then notice of appeal shall include all grounds for the appeal and any grounds for appeal not set forth in the notice of appeal shall be deemed waived.
2. No residential water wells shall be permitted within the city limits when municipal water is available to the property as defined in A.3 below.
3. Connection to North Pole Utilities water system shall be mandatory within a voter-approved special assessment district or whenever the property has direct access to the municipal facilities and the structure on the property is within two hundred feet of the municipal water facility. Also see *North Pole Ordinance 13.12.090- Compulsory connection to City water and sewer utility*.
- B. No person shall cause or permit the construction of a surface or subsurface water source for human consumption without holding a valid permit issued by the City in the name of the property owner for the specific property and construction proposed. The well drilling contractor shall have a copy of the valid permit at the site of the drilling operation.
- C. No person shall cause or allow the placement of any refuse, trash, waste, or contaminated or hazardous substance into any existing or abandoned well or domestic water source.
- D. No person shall cause or allow the construction of a domestic water source violating the laws or regulations of the state or the City.
- E. No person may cause the construction, installation or use of a cross connection between a domestic, active or decommissioned water well and the public water system.
- F. No person shall allow the waste of water by free-flowing wells, whether by surface discharge or into the lower strata underground, without putting it to beneficial use.

13.32.020 Permitting of water wells

A. Permit to drill.

1. An application to drill a new or replacement well shall be submitted to the City by the property owner or his/her authorized agent prior to the commencement of drilling operations.
2. A permit for domestic water source shall not be issued if there is no existing or permitted on-site wastewater disposal system or connection to public sewer service for the property available, scheduled and approved. A variance may be issued for non-drinking water

wells constructed in accordance with the standards of this chapter; for example, landscaping, construction, water sampling, etc.

3. A permit for a domestic residential water well shall expire one year from the date of issuance, but may be renewed for one additional year.

B. Application. The application shall be on a form provided by the City and shall be signed by the property owner or property owner's agent attesting the well shall be sited, drilled and completed in accordance with standards and provisions of Alaska State Statutes and regulations.

1. The applicant shall submit a site plan signed by the property owner or property owner's agent drawn on an 8½ by 11 inch sheet (or larger if necessary to comply with this chapter) to a scale not smaller than one inch to 50 feet. The site plan shall show the:
 - a. Legal description of the lot or parcel;
 - b. Location of the proposed well;
 - c. Lot lines, roads, rights-of-way and easements on or adjacent to the lot;
 - d. Location of all existing structures on the lot;
 - e. Measured distance to all existing water supply wells within 50 feet of the proposed well site and the approximate location of all wells within 200 feet on the subject and adjacent properties;
 - f. All applicable protective well radii; and
 - g. The location or proposed location of all components shown in Table A-I, and areas containing hazardous waste or other potential pollutants within 150 feet of the proposed well.

C. Revocation, suspension and restriction of permits. The mayor or his designee may revoke, suspend, or otherwise restrict a permit, issued under this chapter upon any of the following grounds:

1. Any false statements set forth in the application.
2. Any violation of the express terms or provisions of the permit.
3. The commission of any act or omission violating the requirements of chapter 13.32; or
4. Failure to comply with state and federal regulations.

13.32.030 General standards for water wells.

A. Prohibited wells. Well pits are prohibited.

B. Well location and minimum setbacks. The location of a well shall be at a site readily accessible year round for testing, repair or maintenance purposes. The minimum separation requirements between wells and other specified facilities or areas are listed in Table A1. Whenever there is a conflict between State and City minimum separation requirements, the most conservative standard shall apply to provide the greatest protection of public health and safety.

133 TABLE A-1

SEPARATION OF WELL FROM:	MINIMUM SEPARATION DISTANCE IN FEET
Property line	10
Private sewer line	25
Curtain drain	25
Petroleum Hydrocarbon storage tank	25
Sewer trunk line	75
Any other source of potential contamination	75
Holding tank	75
Septic absorption field	100
Sewer manhole or cleanout	100
Septic tank	100
Animal containment areas	50
Manure/animal excreta storage areas	100

- 134
135 A. Well identification. All wells shall be labeled with a durable form of construction
136 information upon completion or stamped upon the exposed well casing the following
137 information:
138 1. The name of the drilling contractor.
139 2. The date the well was completed.
140 3. Classification of well.
141 4. The total depth of casing.
142
143 B. Well logs. The well driller shall provide a well log to the City within 30 days of completion
144 of the well. The well log shall include at least the following pertinent information:
145 1. The property owner's name.
146 2. The legal description and street address of the well.
147 3. The name of the drilling contractor.
148 4. The date the well was completed.
149 5. Classification of well.
150 6. The total depth of casing.
151 7. Picture of the information attached or stamped upon the casing that clearly document the
152 required information is affixed to the casing.
153

154 **13.32.040 Well driller certification requirements.**
155

- 156 A. It shall be a violation of City of North Pole Municipal Code for any person or company to
157 engage in the business of drilling or deepening a water well unless the person or company
158 holds a general or subcontractor's license issued by the State of Alaska and a City of North
159 Pole Business License.
160

13.32.050 Violations—Penalties.

One or more remedies of this section may be used against violators of this chapter:

Violation of the provisions of this chapter shall constitute an infraction. Upon first conviction for a violation of this chapter, a person shall be fined not more than two hundred fifty dollars. A person convicted for the second and succeeding violations, may be punished by a fine of not more than five hundred dollars. Each thirty days a violation continues shall be considered a separate offense.

Any person affected may institute an action or proceeding to prevent, restrain, correct and/or abate the unlawful uses, conduct, business or acts prohibited by this chapter.

Violations of this chapter on properties within the city limits, and which violations continue in excess of sixty days after notice to the owner or occupant of the property are declared a public nuisance and may be ordered abated by the council. The designee shall report the cost to abate the violation to the council. After notice to the alleged violator and an opportunity to be heard, the council, by written order, shall determine the monetary amount, if any, to be charged to abate the violation. The owners and occupants of the property shall be jointly and severally liable to the city for the amount determined by the council as required to abate the nuisance and that amount shall be collectable against the violator(s) as a final judgment pursuant to Alaska law.(Ord. 72-10 §9, 1972)

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

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 15th day of June 2015.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

PASSED/FAILED

Yes:

No:

Absent:



CITY OF NORTH POLE 2015 RENEWAL MEETING

**125 Snowman Lane
North Pole, AK 99705**

May 4, 2015

Presented by:
Craig Kestran
Employee Benefits Manager

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

**AlaskaUSA
Insurance Brokers**

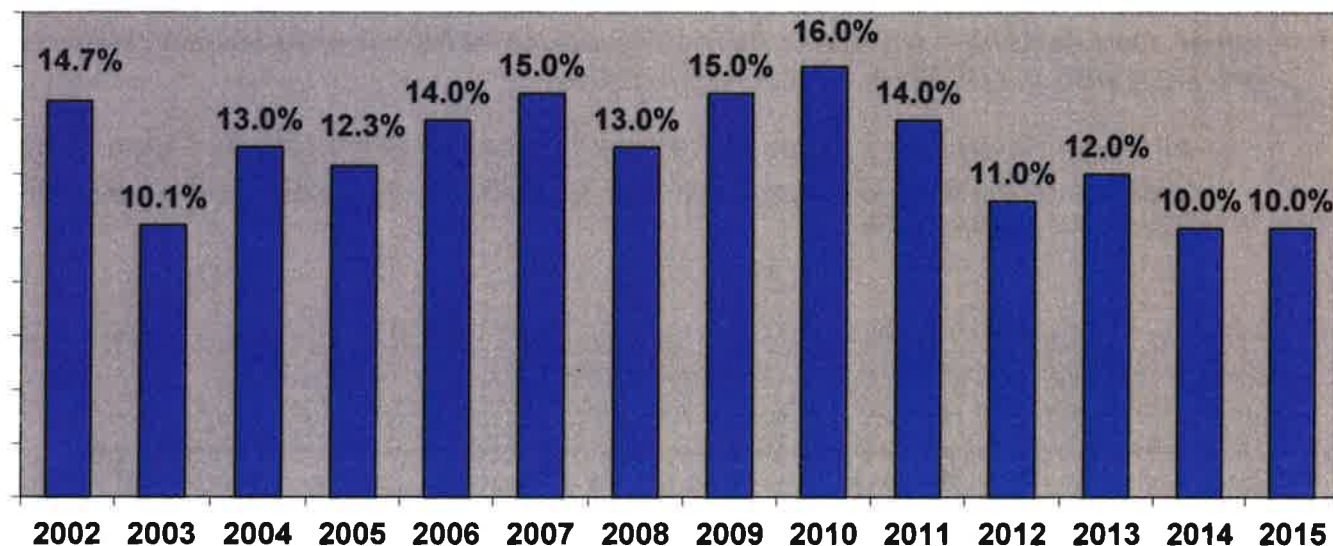
City of North Pole Attendees:	Alaska USA Insurance Brokers Attendees:
Bryce Ward	Craig Kestran
Kathy Weber	

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

II. Current Trends in Healthcare

2002-2014 Trends

This year is expected to be another double digit rate increase. This is the 14th 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.

Consumer-Directed Health Plans (CHDs):

CHDs represent a philosophical shift from the traditional managed care programs to one that gives employees greater financial decision-making power. The premise is that making employees more accountable for their healthcare expenses, they will make more informed decisions and reduced healthcare utilization. The benefits of CHDs include:

- When the employee better understands the cost implications, they will make more informed decisions
- The employee communicated better with healthcare providers and share in the decision making process
- The employee demonstrates self-care – seeks how and when to manage their health problems
- Manages one's chronic conditions more closely and takes advantage of disease management programs available
- Practices prevention
- Pursues a healthy lifestyle
- Makes appropriate plan and provider selections
- Seeks healthcare information

CHDs utilized a combination "High Deductible Health Plan" (HDHP) and a Healthcare Savings and/or Reimbursement Account. Currently a HDHP is defined as:

2015 High Deductible Health Plan (HDHP)		
Type of Coverage	Minimum Annual Deductible	Maximum Annual Out of Pocket Expenses
Individual	\$1,300	\$6,600
Family	\$2,600	\$13,200

Except for some preventive care, a HDHP may not provide benefits for any year until the deductible for that year is met. Where a HDHP is using a network of providers, the plan does not fail to be an HDHP solely because the deductible and out-of-pocket expense limits for services provided outside the network exceed the amounts listed above. Prescriptions drug co-pays are permissible once the annual deductible has been met.

III. PPACA – Taxes and Fees

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, 2015 will be \$214.**

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 was \$63 per life for a total of \$6,930 and the 2015 fee will be \$44 per life **estimated at \$4,224.**

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 beginning in 2014.

Employer Shared Responsibility Reporting – Forms 1094 & 1095 B&C

Employer reporting under Internal Revenue Code Sections 6055 and 6056 will begin in January 2016 based on 2015 plan enrollment. The Affordable Care Act requires ALE's (Applicable large employers, generally those with 50 or more FTE's), self funded plans and health coverage providers (carriers) to report information about the health coverage they offered or provided during the year to covered employees (full and part-time employees), beginning for coverage offered or provided in 2015.

The IRS will use this information to administer the employer shared responsibility provisions and the premium tax credit. ALE's must provide employees a statement (1095) that includes the same information provided to the IRS.

All reporting is based on a calendar year data regardless of the employer's plan year. ALE's must file form 1095-C (Employer Provided Health Insurance Offer of Coverage) and form 1094-C (Transmittal of Employer Provided Health Insurance Offer and Coverage) information returns with the IRS annually, no later than February 28th (March 31 if filed electronically). This is the same filing schedule as other information returns commonly filed by employers, such as W-2 and 1099's.

Each covered individual is required to be furnished with a statement (From 1095-C) that includes the same information provided to the IRS by January 31.

Employers must file their first information returns with the IRS and furnish statements to their full-time employees and covered individuals in 2016 for the 2015 calendar year. This means the first statements to employees must be furnished by January 31, 2016, and the first information returns to the IRS must be filed by February 29, 2016 (March

of health plan costs for employees that exceed in 2018 the following amounts: **\$10,200 for single coverage** and **\$27,500 for family coverage**, with higher amounts for certain retirees and employees in high-risk professions. These thresholds for 2018 will increase if the cost of coverage in a specified option in the Federal Employee Health Benefits Program goes up by more than 55 percent between 2010 and 2018.

Total value is calculated by including both employer and employee premium contributions and any funds put into flexible spending and health savings accounts. According to the law, adjustments to the thresholds can be made for plans with a disproportionate share of women and older workers.

Adjustments to the thresholds for plans that have pre-Medicare retirees or have the majority of workers employed in high-risk jobs also increase by \$1,650 for the individual plan and by \$3,450 for the family plan (to \$11,850 and \$30,950, respectively). The limits are also linked to inflation and would increase as the US inflation rate rises. Specifically, in 2018 and 2019 they're indexed to the Consumer Price Index (CPI) plus 1 percentage point. In 2020 and beyond they're linked to CPI alone, which grows more slowly than medical spending. The excise tax is expected to raise \$32 billion over the 10-year period of 2018-28.

However, Cadillac plans' high cost is not always or fully explained by their unusually generous level of health benefits. **Other major reasons for their high costs include the health status, age, and gender of the workforce covered by the plan as well as enrollees' work industry or the geography (higher medical costs in some regions versus others)** represented. To account for variation in plan costs that may result from these differences, the excise tax thresholds were adjusted in the health reform law, although the details of the adjustments have yet to be announced.

Therefore, high-cost plans that are more expensive, for example, because they cover a large number of older workers; women; or people in high-risk jobs, such as law enforcement, firefighting, construction, or mining, will have higher thresholds and be protected from any disproportionate impact of the excise tax

Reason for the rule, part of the federal Affordable Care Act, is intended to slow growth in health care spending by cutting down on expensive health plans that proponents say encourage excessive spending on health care. The provision targets plans with the most robust sets of benefits that often require little employee contribution. The tax would likely require employees who previously had this type of plan to pay for more of their own health care, which puts a significant burden on sicker employees who rely on those plans to cover big health expenses.

However, the Cadillac Tax, is not based on benefit design, but on cost. The cost basis of this tax is also not limited to the Employer cost, but includes the amounts employees contribute to the plan through Flexible Spending Accounts and Health Savings Accounts to cover their cost share as well as required employee premium contributions.

IV. Summary of Current Programs

	Carrier	Renewal Date
Health	Self Funded - AW Rehn/HCC Life	7/1/15
Dental	Self Funded – AW Rehn	7/1/15
COBRA	AW Rehn	7/1/15
FSA	Eflex Group	1/1/15
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

Note: Detailed plan information is located in the **Renewal Presentation** section of this report.

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 Guaranteed Issue \$100,000
AD&D	All Employees working 30+ hrs	5 x annual salary to a maximum of \$500,000 Guaranteed Issue \$100,000

Plan: Voluntary Short Term Disability

		Benefit
STD	All Employees working 30+ hrs	60% of weekly earning to a maximum benefit of \$500 per week for 52 weeks

During this plan year 4 claims which have exceeded the \$35,000 Individual Specific Deductible for a total of \$62,034 to date, of which \$47,034 is currently eligible for reimbursement under the Aggregating Specific Policy currently in place.

Due to the overall increase in claims, the increase in the number of Stop Loss Claims this year and general medical inflation, HCC has offered to renew the Stop Loss Policy with an overall increase of 9.5%. This is an increase of \$1,623.78 per month or \$19,485.36 annually.

Aggregate Stop Loss Premium: HCC has also increased the Aggregate premium from \$18.06 per employee to \$18.81 per employee for a monthly increase of \$30 and an annual increase of \$360.

These combined changes create an overall increase in fixed costs of 8.4% resulting in a monthly increase of \$1,776.78 and an annual increase of \$21,321.40.

Claim Factors: Due to the overall increase in claims this past year and expected medical inflation HCC has increased the claim factors for the 2015-2016 plan year by 12.5% resulting in a monthly increase of \$5,510.70 and an annual increase of \$66,128.40 at maximum claim.

The maximum claim factor is set 25% above expected claims. With the Maximum claims at \$595,940 the expected claims for the plan year are \$476,752.13.

When the claim factors are combined with the Fixed Costs the overall increase to the plan is 11% resulting in an annual increase of \$87,449.80 at Maximum Cost or \$74,224.12 at Expected cost.

Claims are currently running at 103% of expected for the 2014-2015 plan year. There are 3 months remaining in the plan year and experience is expected to come down as the 4 large claims appear to be tapering off. Based on current utilization we have determined that the increase in claim factors is appropriate.

Recommended Plan Changes:

It is our understanding that the City would like to retain their Grandfather Status of the health plan. There are several changes that can be made within the current Grandfathered Plan that would assist in reducing the cost to the City;

Increase the Annual Deductible and Out of Pocket, PPACA allows for a maximum increase of 29.3%. This results in an increase of \$85 in Individual Deductible and \$850 in the Individual Out of Pocket. The new Annual Deductible and Out of Pocket Maximum will be:

Annual Deductible: Individual \$375 / Family \$1,155

Out of Pocket Maximum: Individual \$4,235 / Family \$12,705

Raising the Specific Deductible:

The Specific Deductible of the plan can also be increased while still retaining Grandfather Status. We have requested an alternative quote from HCC Life for a \$40,000 Individual Specific Deductible utilizing the same \$15,000 Aggregating Specific Policy. This quote reduces the fixed costs by \$17,672.88 annually.

When you increase the Specific Deductible you trade fixed cost savings for possible claim cost as the group assumes an additional \$5,000 of liability on any large claims. The fixed cost savings in this proposal is equal to the liability 3.2 large claims, which is a reasonable transfer of risk. The City of North Pole averages 1.5 large claims per year.

While this option reduces fixed costs the savings can be easily offset in claims. At this time we would not recommend the City increase the Specific Deductible.

Durable Medical Equip.	80%	80%
Skilled Nursing Facility • 100 visits PCY	80%	80%
Hospice Care	80%	80%
Home Health Care • 100 visits PCY	80%	80%
Organ Transplant	90%	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

City of North Pole
Areas of Allowable Benefit Changes

7/1/2015

Employee Contribution Changes				
	Current EE Contribution		New Employee Contribution	
Employees	\$0.00	\$0.00	\$45.00	\$1,800.00
Dependents	\$100.00	\$2,600.00	\$175.00	\$4,550.00
Total Monthly		\$2,600.00		\$6,350.00
Total Annual		\$31,200.00		\$76,200.00
Employee Contribution Increase to Premium				\$45,000.00

Deductible Change				
47 Participants Exceeded the \$300 Individual Deductible during 2014. Raising the Individual Deductible to \$385 would reduce claims: 47 x \$85				\$3,995.00
Out of Pocket Change				
9 Participants exceeded the \$3,000 Out of Pocket limit during 2014. Increasing the Out Of Pocket Maximum to \$3,850 would reduce claims: \$850 x 9				\$7,650.00
RX Change				
	Current Co-pay	Current Employee Cost	New Co-pay	New Employee Cost
516 Generic	\$10.00	\$5,160.00	\$10.00	\$5,160.00
165 Brand	\$20.00	\$3,300.00	\$28.00	\$4,620.00
68 Non Pref Brand	\$40.00	\$2,720.00	\$50.00	\$3,400.00
		\$11,180.00		\$13,180.00
Total Rx Change				\$2,000.00
Combined Total Annual Potentital Claim Dollar Savings.				\$13,645.00
Combined Annual Premium & Claim Dollar Savings.				\$58,645.00

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City of North Pole
Areas of Allowable Benefit Changes

7/1/2015

Employer Contribution Change Allowed.

As dollar value of Employer Cost increases the dollar value of Employee Contributions can also increase.

The key is that the % of Employer Contribution can not DECREASE more than 5% below what it was in March 2010

3/23/2010 - BASE - ER Cost and EE Contributions					Max 5% ER Contribution Decrease			
	Plan Cost	EE Contrib	ER Contrtib	ER %	ER	ER Contrib	EE	EE Contrib
Employee	\$645.93	\$0.00	\$645.93	100.0%	95%	\$613.63	5%	32.30
Dependents	\$1,330.37	\$100.00	\$1,230.37	92%	87%	\$1,157.42	13%	172.95
Family	\$1,976.30	\$100.00	\$1,876.30			\$1,771.06		205.24

2015-2016 Rates \$35,000 Specific Deductible (at maximum cost)					Max 5% ER Contribution Decrease			
	Plan Cost	EE Contrib	ER Contrtib		ER %	ER Contrib	EE	EE Contrib
Employee	\$918.80	\$0.00	\$918.80		95.0%	\$872.86	5%	45.94
Dependents	\$1,370.64	\$100.00	\$1,270.64		87%	\$1,192.46	13%	178.18
Family	\$2,296.58	\$100.00	\$2,189.44			\$2,066.92		229.66

			Monthly	Annual
Employee	\$45	40	\$1,800.00	\$21,600.00
Dependents	\$175	26	\$4,550.00	\$54,600.00
Combined			\$6,350.00	\$76,200.00

2015-2016 Rates \$40,000 Specific Deductible (at maximum cost)					Max 5% ER Contribution Decrease			
	Plan Cost	EE Contrib	ER Contrtib		ER %	ER Contrib	EE	EE Contrib
Employee	\$928.62	\$0.00	\$928.62		95.0%	\$882.19	5%	46.43
Dependents	\$1,386.63	\$100.00	\$1,286.63		87%	\$1,206.37	13%	180.26
Family	\$2,322.39	\$100.00	\$2,215.25			\$2,088.56		233.83

25

City of North Pole
Areas of Allowable Benefit Changes

7/1/2015

Copayment Changes Allowed

Allowed Co-pay increase is limited to the GREATER of:

-OR- Medical inflation +15%
\$5 (adjusted for medical inflation since March 2010) or medical
inflation +15%
(\$5 *1.143) = \$5.72 (March 2015)

					Max Increase at %	Max Allowable Increase	New Amount
Prescription Drug - Retail							
Generic	\$10.00	15.0%	14.3%	29.3%	2.93	\$5.72	\$15.72
Brand	\$20.00	15.0%	14.3%	29.3%	5.86	\$8.79	\$28.79
Non Preferred Brand	\$40.00	15.0%	14.3%	29.3%	11.72	\$11.72	\$51.72
Specialty	\$60.00	15.0%	14.3%	29.3%	17.58	\$17.58	\$77.58

Prescription Drug - Mail Order							
Generic	\$20.00	15.0%	14.3%	29.3%	5.86	\$5.86	\$25.86
Brand	\$40.00	15.0%	14.3%	29.3%	11.72	\$11.72	\$51.72
Non Preferred Brand	\$80.00	15.0%	14.3%	29.3%	23.44	\$23.44	\$103.44

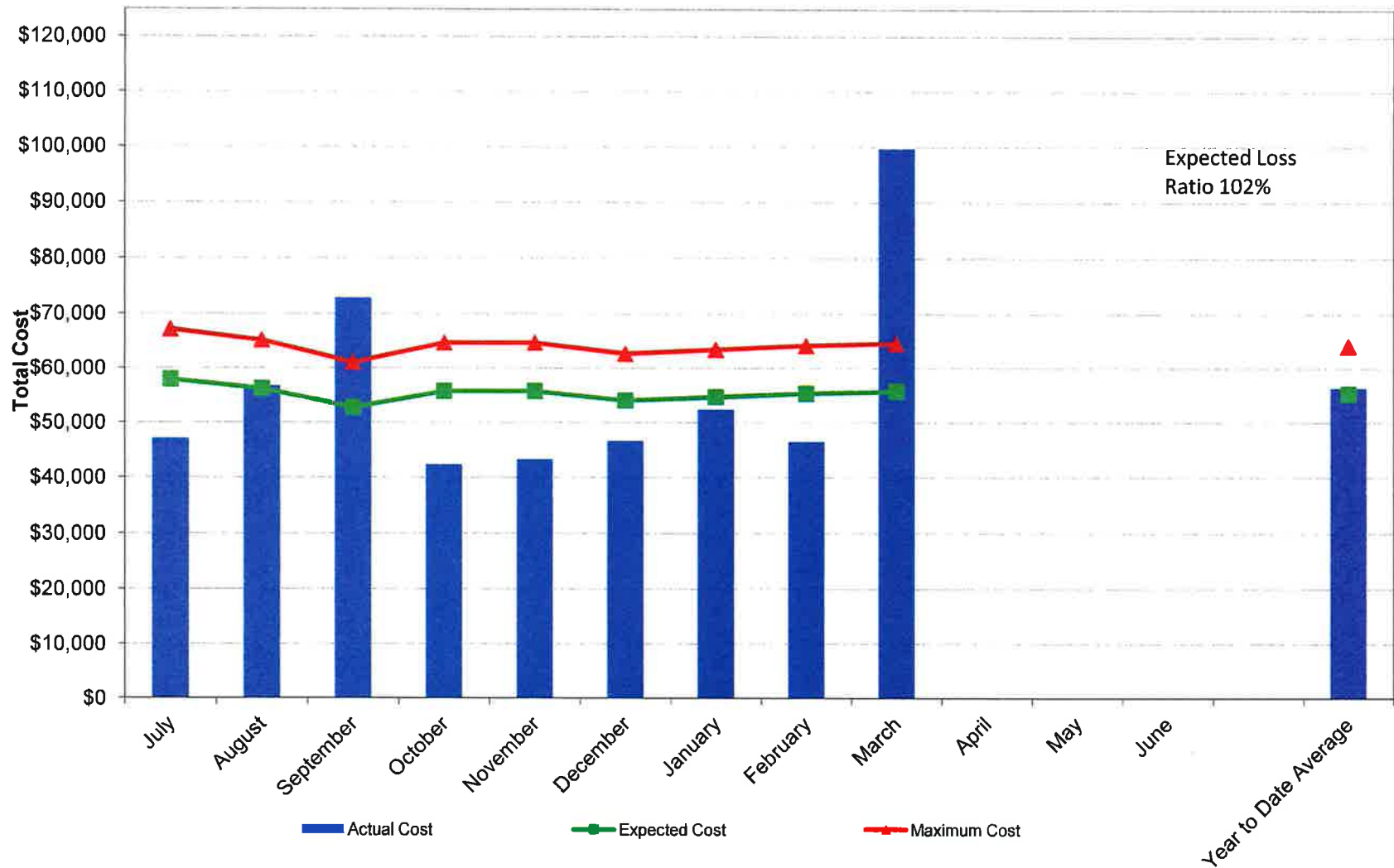
		Current Co-pay	EE Cost	New Co-pay	New EE Cost
Generic Rx Filled	516	\$10.00	\$5,160.00	\$10.00	\$5,160.00
Brand Rx Filled	165	\$20.00	\$3,300.00	\$28.00	\$4,620.00
	68	\$40.00	\$2,720.00	\$50.00	\$3,400.00
Total Employee Spend			\$11,180.00		\$13,180.00
Annual Increase in RX Copay's					\$2,000.00

Comparison of Plan Options

Plan Design	Deductible & Out of Pocket Cost	Monthly Cost	Annual Cost
Current Benefits \$35,000 Specific Deductible	\$375 /\$1,125 Indiv. \$4,225/\$12,675 Fam.	\$72,465 @Max \$62,532 @ Exp	\$869,582 @ Max \$750,394 @ Exp
Current Benefits \$40,000 Specific Deductible	\$375 /\$1,125 Indiv. \$4,225 /\$12,675 Fam.	\$73,274 @Max \$62,885 @ Exp	\$879,285 @ Max \$754,622 @ Exp
Premera Small Group	\$500 /\$5,000 Indiv. \$1,000/\$10,000 Ind Unlimited out of network. 80% In network 40% out	\$70,463	\$845,567 Premium \$ 88,300 SF Run-out \$933,867 Total Cost
MODA Small Group	\$500 /\$5,000 Indiv. \$1,000/\$10,000 Ind 80% in network 50%Out	\$61,726	\$740,717 Premium \$ 88,300 SF Run-out \$829,017 Total Cost
AETNA Poli Sub	\$500 / \$1,500 Indiv. Family X 2 80% In network	\$77,040	\$ 946,866 Premium \$ 88,300 SF Run-out \$1,035,166 Total Cost
Individual Plan Options			
Premera Individual	\$1,000 /\$4,500 Indiv. \$2,000/\$9,000 Ind Unlimited out of network. 80% in Network 40% Out	Age Rated \$69,570	\$834,843 The City will still need to fund the SF Run-out claims of \$88,300
MODA Individual	\$750 /\$4,750 Indiv. \$1,500/\$9,500 Ind Unlimited out of network. 85% in network 50% out	Age Rated \$59,271	\$711,252 The City will still need to fund the SF Run-out claims of \$88,300

***PPACA Fees: Include PICORI (107 lives) & Reinsurance Fees (96 lives) prorated to a monthly fee per employee.**

**City of North Pole
Group Health Plan
July 1, 2014 to June 30, 2015**



**CITY OF NORTH POLE
GROUP HEALTH PLAN
AVERAGE COST PER EMPLOYEE
PLAN YEAR: JULY 1, 2014 THROUGH JUNE 30, 2015
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	\$18,841	\$4,401	\$2,713	\$25,955	\$18,501	\$2,672	\$47,128	40	1178.20
August	\$30,957	\$3,428	\$1,729	\$36,114	\$17,935	\$2,644	\$56,693	39	1453.66
September	\$48,016	\$4,958	\$466	\$53,440	\$16,803	\$2,588	\$72,831	37	1968.41
October	\$14,794	\$5,695	\$1,403	\$21,892	\$17,812	\$2,672	\$42,376	40	1059.40
November	\$15,460	\$2,318	\$5,106	\$22,884	\$17,812	\$2,672	\$43,368	40	1084.21
December	\$21,528	\$3,625	\$1,730	\$26,882	\$17,246	\$2,644	\$46,772	39	1199.28
January	\$26,526	\$4,273	\$1,486	\$32,285	\$17,468	\$2,672	\$52,425	40	1310.62
February	\$22,978	\$2,086	\$1,173	\$26,237	\$17,689	\$2,700	\$46,627	41	1137.24
March	\$74,181	\$3,753	\$1,332	\$79,266	\$17,812	\$2,672	\$99,750	40	2493.75
April									
May									
June									
Total	\$273,280	\$34,537	\$17,138	\$324,955	\$159,078	\$23,937	\$507,970	356	\$1,426.88

**CITY OF NORTH POLE
GROUP HEALTH PLAN
ACTUAL COST COMPARED TO MAXIMUM COST
PLAN YEAR: JULY 1, 2014 THROUGH JUNE 30, 2015
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 Claims	Maximum Cost	SURPLUS (deficit)	Ratio	Amounts Over \$35,000
July	\$25,955	\$18,501	\$2,672	\$47,128	\$45,950	\$67,123	\$19,995	70%	\$0
August	\$36,114	\$17,935	\$2,644	\$56,693	\$44,531	\$65,110	\$8,417	87%	\$0
September	\$53,440	\$16,803	\$2,588	\$72,831	\$41,694	\$61,085	-\$11,746	119%	\$0
October	\$21,892	\$17,812	\$2,672	\$42,376	\$44,151	\$64,635	\$22,259	66%	\$0
November	\$22,884	\$17,812	\$2,672	\$43,368	\$44,151	\$64,635	\$21,267	67%	\$0
December	\$26,882	\$17,246	\$2,644	\$46,772	\$42,732	\$62,623	\$15,851	75%	\$0
January	\$32,285	\$17,468	\$2,672	\$52,425	\$43,252	\$63,392	\$10,967	83%	\$0
February	\$26,237	\$17,689	\$2,700	\$46,627	\$43,771	\$64,160	\$17,534	73%	\$0
March	\$79,266	\$17,812	\$2,672	\$99,750	\$44,151	\$64,635	-\$35,115	154%	\$47,034
April									
May									
June									
Total	\$324,955	\$159,078	\$23,937	\$507,970	\$394,383	\$577,398	\$69,427	88%	\$47,034

**AUIB Renewal Projection for:
CITY OF NORTH POLE
Effective July 1, 2015**

Latest 12 Months April 14 - March 15			
<u>Months</u>	<u>Employees</u>	<u>Med/Rx/Vis</u>	<u>Dental</u>
April	41	51055	2879
May	41	30652	3540
June	41	50722	1680
July	41	23242	2713
August	39	34335	1729
September	37	52974	466
October	40	20489	1403
November	40	17778	5106
December	39	25153	1730
January	40	30799	1486
February	41	25064	1173
March	40	77934	1,332
Total	480	440,247	25,237
Monthly Average	40	36,687	2,103

Latest 12 Months April 13 - March 14			
<u>Employees</u>	<u>Med/Rx/Vis</u>	<u>Dental</u>	
42	21225	1494	
42	28083	2413	
44	47762	1494	
43	9157	2529	
43	42431	2623	
42	21744	1281	
42	25417	364	
43	7069	1903	
43	35355	2575	
43	41090	4038	
43	8498	3449	
42	52872	4,367	
512	340,703	28,530	
43	28,392	2,378	

	<u>Med/Rx/Vis</u>	<u>Dental</u>
Ave. Claims Per EE Per Month	917.18	52.58
Weighted Average (Med & Rx)	985.55 (.75) + 665.44 (.25) =	854.24
Trend 10% Annually over 14 mos	x 1.116	
Exp. Clm. Factor (Med & Rx)	953.34	
Weighted Average (Dental)	56.50 (.75) + 55.72 (.25) =	53.36
Trend 6% Annually over 14 mos	x 1.07	
Exp. Clm. Factor (Dental)	57.10	

	<u>Med/Rx/Vis</u>	<u>Dental</u>
Expected Claims	665.44	55.72
Projection for 2015 - 2016		
		<u>Projected</u>
Medical & Rx		953.34
Dental		57.10
Total		953.34
Maximum Claims		
(125% of Exp.)		
Medical & Rx		1191.67
Dental		57.10
Total		1,191.67

**City of North Pole
2014-2015 Renewal**

SMALL GROUP DESIGNS

				Current City of North Pole Self Funded Plan		Option 1 Premera Gold Select Plus \$500 Deductible			Option 2 MODA Health Be Prosperous Gold \$500 Deductible		Option 3 AETNA POLI SUB Plan II \$500 Deductible	
Emergency Care & Ambulance												
Emergency Room			80% (after deductible)		80% (after deductible)			\$200 copay + 80%/visit		80% (50% non emergency)		
Ambulance (air & ground)			90% (after deductible)		80%	Emergency 80% Non emergency Air 60%/40%		80%		80%	80%	
Hospitalization												
	Inpatient			90%	\$250 copay 60%	80%	60%	40%	80%	50%	80%	60% \$500 Copay
	Transplant			90%	None		Not Covered	Not covered		Not covered	80%	Not covered
		Donor Cost		\$10,000		\$75,000			\$75,000		80%	
		Travel		\$10,000		\$7,500			\$7,500		80%	
Maternity & Newborn Care				90%	60%	20%	60%	40%	80%	50%	80%	60%
	Birthing Center			90%	60%						80%	
Mental Health & Substance											80%	
	Office Visit			80%		\$25	60%	40%	80%	50%	80%	60%
	Inpatient Hospital			90%	60%	80%					80%	
	Outpatient			80%		80% Deductible Waived					80%	
Prescription Drugs			Mail order 2 x Retail		Retail	Mail Order				Out Of Pocket \$1,000 Ind/\$3,000 Family		
	Deductible			None	None	None	None		None		None	
	Value (Generic)			\$10	50% Reimburse- ment	\$10			\$2		100%	Mail Order
	Select					\$10			\$10		100%	\$10
	Preferred Brand			\$20		\$25			\$30		80%	\$30
	Non Preferred Brand			\$40		45%			\$60		70%	
	Specialty					80% Deductible Waived	Not Covered	Not Covered	65% (deductible waived)	Not Covered	70%	Not Covered

City of North Pole 2014-2015 Renewal

Individual Coverage Policies

				Current City of North Pole Self Funded Plan	Option 1 Premera Gold Plus PCP \$1,000 Deductible	Option 2 MODA Health Beneficial Silver \$1,000 Deductible			
			Count	At Expected Cost					
	Employee	14		794.97	Age Rated	Age Rated			
	Employee + Spouse	4		1970.25					
	Employee + Child(ren)	9		1970.25					
	Employee + Family	13		1970.25					
Estimated Monthly Premium (Medical)				\$62,356.08	\$69,570.30	\$59,271.00			
Estimated Annual Premium				\$748,273	\$834,843.60	\$711,252.00			
Percentage Change									
Annual Dollar Change									
				In-Network	Out-of-Network	In-Network	Out-of-Network		
						Non-Preferred	Non-Participating		
Deductible									
	Individual			\$300	\$1,000	\$2,000	\$750	\$1,500	
	Family			\$900	\$2,000	\$4,000	\$1,500	\$3,000	
Coinsurance				80%	80%	60%	40%	85%	50%
Out-of-Pocket Max				Includes Deductible	Includes Deductible		Includes Deductible		
	Individual			\$3,300	\$4,500	No Maximum	\$4,750	\$9,500	
	Family			\$9,900	\$9,000		\$9,500	\$19,000	
Lifetime Maximum Benefit				No Lifetime Maximum	No Maximum		No Lifetime Maximum		
Ambulatory Patient Services									
	Outpatient Services			80%	80%	60%	40%	85%	50%
	Primary Care Dr. Office Visit				\$10			\$15	
	Specialits				\$40			\$15	
	Spinal Manipulation				\$10			\$15	
	Acupuncture				\$10			\$15	
Emergency Care & Ambulance									
Emergency Room				80% (after deductible)	80%		85%		
Ambulance (air & ground)				90% (after deductible)	80%	Emergency 80% Non emergency Air 60%/40%		85%	
Hospitalization									
	Inpatient			90%	\$250 copay 60%	80%	60%	40%	85%
	Transplant			90%	None				Not Covered
	Donor Cost			\$10,000		\$75,000	Not Covered	Not covered	

**City of North Pole
2014-2015 Renewal**

Individual Coverage Policies

		Current	Option 1			Option 2
		City of North Pole Self Funded Plan	Premera Gold Plus PCP \$1,000 Deductible			MODA Health Beneficial Silver \$1,000 Deductible
Pediatric Dental		\$50 Ind./\$150 Family deductible \$1,000 Annual Benefit Prev 100% Basic 80% Major 50%	Prev 100% Basic 80% Major 50%	Prev 70% 60% 50%	Basic Major	Included for members under age 19

ADULT DENTAL AND VISION ARE NOT INCLUDED ABOVE AND CAN BE PURCHASED SEPARATELY.

This is not a complete explanation of covered services, exclusions, limitations, reductions or the terms of these programs. This is not a contract. For complete coverage provisions, including descriptions of waiting period, limitations and exclusions please refer to the specific contract/policy.

**City of North Pole
Group Health Plan**
July 1, 2014 to June 30, 2015

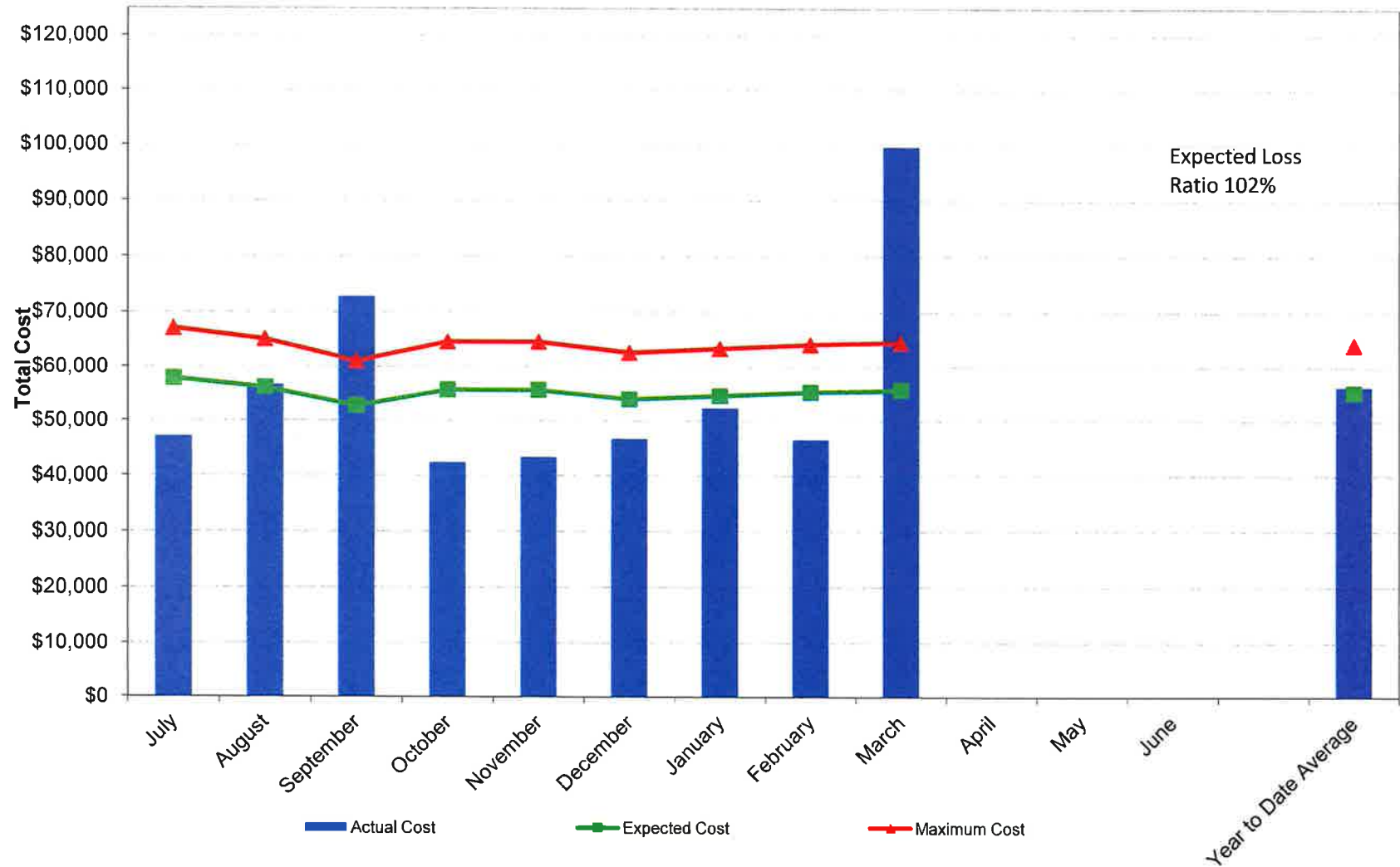


EXHIBIT 1

**CITY OF NORTH POLE
GROUP HEALTH PLAN
ELIGIBILITY REPORT
PLAN YEAR: JULY 1, 2014 THROUGH JUNE 30, 2015**

**PPACA
covered lives**

<u>Month</u>	<u>Single Employees</u>	<u>Employees with Dependents</u>	<u>Total Employees</u>	<u>Total Covered lives</u>
July	12	28	40	101
August	12	27	39	97
September	12	25	37	92
October	14	26	40	96
November	14	26	40	96
December	14	25	39	93
January	15	25	40	94
February	16	25	41	95
March	14	26	40	96
April				
May				
June				
Total	123	233	356	860
Average	14	26	40	96

EXHIBIT 2

**CITY OF NORTH POLE
GROUP HEALTH PLAN
AVERAGE COST PER EMPLOYEE
PLAN YEAR: JULY 1, 2014 THROUGH JUNE 30, 2015
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	\$18,841	\$4,401	\$2,713	\$25,955	\$18,501	\$2,672	\$47,128	40	1178.20
August	\$30,957	\$3,428	\$1,729	\$36,114	\$17,935	\$2,644	\$56,693	39	1453.66
September	\$48,016	\$4,958	\$466	\$53,440	\$16,803	\$2,588	\$72,831	37	1968.41
October	\$14,794	\$5,695	\$1,403	\$21,892	\$17,812	\$2,672	\$42,376	40	1059.40
November	\$15,460	\$2,318	\$5,106	\$22,884	\$17,812	\$2,672	\$43,368	40	1084.21
December	\$21,528	\$3,625	\$1,730	\$26,882	\$17,246	\$2,644	\$46,772	39	1199.28
January	\$26,526	\$4,273	\$1,486	\$32,285	\$17,468	\$2,672	\$52,425	40	1310.62
February	\$22,978	\$2,086	\$1,173	\$26,237	\$17,689	\$2,700	\$46,627	41	1137.24
March	\$74,181	\$3,753	\$1,332	\$79,266	\$17,812	\$2,672	\$99,750	40	2493.75
April									
May									
June									
Total	\$273,280	\$34,537	\$17,138	\$324,955	\$159,078	\$23,937	\$507,970	356	\$1,426.88

**CITY OF NORTH POLE
GROUP HEALTH PLAN
ACTUAL COST COMPARED TO EXPECTED COST
PLAN YEAR: JULY 1, 2014 THROUGH JUNE 30, 2015
Claims in excess of the Specific Stop Loss of \$35,000 EXCLUDED**

Month	Total Claims	Stop-Loss Premium	Admin & U/R	Actual Cost	Expected Claims	Expected Cost	Loss Ratio	Amounts Over \$35,000
July	\$25,955	\$18,501	\$2,672	\$47,128	\$36,760	\$57,933	81%	\$0
August	\$36,114	\$17,935	\$2,644	\$56,693	\$35,625	\$56,204	101%	\$0
September	\$53,440	\$16,803	\$2,588	\$72,831	\$33,355	\$52,746	138%	\$0
October	\$21,892	\$17,812	\$2,672	\$42,376	\$35,321	\$55,805	76%	\$0
November	\$22,884	\$17,812	\$2,672	\$43,368	\$35,321	\$55,805	78%	\$0
December	\$26,882	\$17,246	\$2,644	\$46,772	\$34,186	\$54,076	86%	\$0
January	\$32,285	\$17,468	\$2,672	\$52,425	\$34,601	\$54,741	96%	\$0
February	\$26,237	\$17,689	\$2,700	\$46,627	\$35,017	\$55,406	84%	\$0
March	\$79,266	\$17,812	\$2,672	\$99,750	\$35,321	\$55,805	179%	\$47,034
April								
May								
June								
Total	\$324,955	\$159,078	\$23,937	\$507,970	\$315,506	\$498,521	102%	\$47,034

EXHIBIT 4

**CITY OF NORTH POLE
GROUP HEALTH PLAN
ACTUAL COST COMPARED TO MAXIMUM COST
PLAN YEAR: JULY 1, 2014 THROUGH JUNE 30, 2015
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 Claims	Maximum Cost	SURPLUS (deficit)	Ratio	Amounts Over \$35,000
July	\$25,955	\$18,501	\$2,672	\$47,128	\$45,950	\$67,123	\$19,995	70%	\$0
August	\$36,114	\$17,935	\$2,644	\$56,693	\$44,531	\$65,110	\$8,417	87%	\$0
September	\$53,440	\$16,803	\$2,588	\$72,831	\$41,694	\$61,085	-\$11,746	119%	\$0
October	\$21,892	\$17,812	\$2,672	\$42,376	\$44,151	\$64,635	\$22,259	66%	\$0
November	\$22,884	\$17,812	\$2,672	\$43,368	\$44,151	\$64,635	\$21,267	67%	\$0
December	\$26,882	\$17,246	\$2,644	\$46,772	\$42,732	\$62,623	\$15,851	75%	\$0
January	\$32,285	\$17,468	\$2,672	\$52,425	\$43,252	\$63,392	\$10,967	83%	\$0
February	\$26,237	\$17,689	\$2,700	\$46,627	\$43,771	\$64,160	\$17,534	73%	\$0
March	\$79,266	\$17,812	\$2,672	\$99,750	\$44,151	\$64,635	-\$35,115	154%	\$47,034
April									
May									
June									
Total	\$324,955	\$159,078	\$23,937	\$507,970	\$394,383	\$577,398	\$69,427	88%	\$47,034

City of North Pole Large Claims Report

CIGNA	No. of Claims	Med/Rx 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	457,805	230,882	226,923	245,509	30,000	94.0%
2012/2013	1	\$98,180	\$0	\$98,180	\$0	\$35,000	Runout Claims

IISI

2012/2013	2	\$384,809	\$214,066	\$170,743	\$200,769	\$35,000	106.6%	1 Laser at \$100,000
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HCC Life

2013-2014	1	\$376,063	\$16,148	\$359,915	\$217,173	\$35,000	7.4%
2014-2015	4	\$307,817	\$47,034	\$260,783	\$159,078	\$35,000	29.6%

TOTAL	13 years 1.5	2,876,200	744,908	2,131,292	1,389,841		53.6%
		Average Spec Claims per year					

**AUIB Renewal Projection for:
CITY OF NORTH POLE
Effective July 1, 2015**

Latest 12 Months April 14 - March 15			
<u>Months</u>	<u>Employees</u>	<u>Med/Rx/Vis</u>	<u>Dental</u>
April	41	51055	2879
May	41	30652	3540
June	41	50722	1680
July	41	23242	2713
August	39	34385	1729
September	37	52974	466
October	40	20489	1403
November	40	17778	5106
December	39	25153	1730
January	40	30799	1486
February	41	25064	1173
March	40	77934	1,332
Total	480	440,247	25,237
Monthly Average	40	36,687	2,103

Latest 12 Months April 13 - March 14			
<u>Employees</u>	<u>Med/Rx/Vis</u>	<u>Dental</u>	
42	21225	1494	
42	28083	2413	
44	47762	1494	
43	9157	2529	
43	42431	2623	
42	21744	1281	
42	25417	364	
43	7069	1903	
43	35355	2575	
43	41090	4038	
43	8498	3449	
42	52872	4,367	
512	340,703	28,530	
43	28,392	2,378	

	<u>Med/Rx/Vis</u>	<u>Dental</u>
Ave. Claims Per EE Per Month	917.18	52.58
Weighted Average (Med & Rx)	$985.55 (.75) + 665.44 (.25) =$	854.24
Trend 10% Annually over 14 mos	$\times 1.116$	
Exp. Clm. Factor (Med & Rx)	953.34	
Weighted Average (Dental)	$56.50 (.75) + 55.72 (.25) =$	53.36
Trend 6% Annually over 14 mos	$\times 1.07$	
Exp. Clm. Factor (Dental)	57.10	

Expected Claims

Maximum Claims
(125% of Exp.)

	<u>Med/Rx/Vis</u>	<u>Dental</u>
Projection for 2015 - 2016		
		<u>Projected</u>
Medical & Rx		953.34
Dental		57.10
Total		953.34
Medical & Rx		1191.67
Dental		57.10
Total		1,191.67

EXHIBIT 7

**City of North Pole
2014-2015 Renewal**

SMALL GROUP DESIGNS

				Current City of North Pole Self Funded Plan	Option 1 Premera Gold Select Plus \$500 Deductible			Option 2 MODA Health Be Prosperous Gold \$500 Deductible		Option 3 AETNA POLI SUB Plan II \$500 Deductible		
			Count	At Expected Cost								
	Employee		14	801.21		\$930.83			\$815.41		1168.74	
	Employee + Spouse		4	1976.50		\$1,861.66			\$1,630.82		2166.01	
	Employee + Child(ren)		9	1976.50		\$1,722.04			\$1,508.51		2629.81	
	Employee + Family		13	1976.50		\$2,652.87			\$2,323.91		3626.32	
	Total Children											
Estimated Monthly Premium (Medi				\$62,532.85		\$70,463.93			\$61,726.44		\$78,905.52	
Estimated Annual Premium				\$750,394		\$845,567			\$740,717		\$946,866	
Estimated Self Funded Runout 2.5 Months of Expected Claim						\$88,300			\$88,300		\$88,300	
Premium and Runout						\$933,867			\$829,017		\$1,035,166	
				In-Network	Out-of-Network	In-Network	Out-of-Network		In-Network	Out-of-Network	In-Network	Out-of-Network
							Non-Preferred	Non-Participating				
Deductible												
	Individual			\$300		\$500	\$1,000		\$500	\$1,000	\$500	\$500
	Family			\$900		\$1,000	\$2,000		\$1,000	\$2,000	\$1,500	\$1,500
Coinsurance				80%		80%	60%	40%	80%	50%	80%	60%
Out-of-Pocket Max				Includes Deductible		Includes Deductible			Includes Deductible		Includes Deductible	
	Individual			\$3,300		\$5,000	No Maximum		\$4,000	\$8,000	2000	No Maximum
	Family			\$9,900		\$10,000			\$8,000	\$16,000	6000	
Lifetime Maximum Benefit				No Lifetime Maximum		No Maximum			No Lifetime Maximum		No Lifetime Maximum	
Ambulatory Patient Services												
	Outpatient Services			80%		80%	60%	40%	80%	50%	80%	60%
	Primary Care Dr. Office Visit					\$25			\$15		80%	60%
	Specialits					\$25			\$30		80%	60%
	Spinal Manipulation					\$25			\$15		80%	60%
	Acupuncture					\$25			\$15		80%	60%

**City of North Pole
2014-2015 Renewal**

SMALL GROUP DESIGNS

				Current City of North Pole Self Funded Plan		Option 1 Premera Gold Select Plus \$500 Deductible			Option 2 MODA Health Be Prosperous Gold \$500 Deductible		Option 3 AETNA POLI SUB Plan II \$500 Deductible	
Emergency Care & Ambulance												
Emergency Room			80% (after deductible)		80% (after deductible)			\$200 copay + 80%/visit		80% (50% non emergency)		
Ambulance (air & ground)			90% (after deductible)		80%	Emergency 80% Non emergency Air 60%/40%		80%		80%	80%	
Hospitalization												
	Inpatient		90%	\$250 copay 60%	80%	60%	40%	80%	50%	80%	60% \$500 Copay	
	Transplant		90%	None		Not Covered	Not covered		Not covered	80%	Not covered	
	Donor Cost		\$10,000		\$75,000			\$75,000		80%		
	Travel		\$10,000		\$7,500			\$7,500		80%		
Maternity & Newborn Care			90%	60%	20%	60%	40%	80%	50%	80%	60%	
	Birthing Center		90%	60%						80%		
Mental Health & Substance										80%		
	Office Visit		80%		\$25	60%	40%	80%	50%	80%	60%	
	Inpatient Hospital		90%	60%	80%					80%		
	Outpatient		80%		80% Deductible Waived					80%		
Prescription Drugs			Mail order 2 x Retail		Retail	Mail Order				Out Of Pocket \$1,000 Ind/\$3,000 Family		
	Deductible		None	None	None	None		None		None		
	Value (Generic)		\$10	50% Reimbursem ent	\$10			\$2		100%	Mail Order	
	Select				\$10			\$10		100%	\$10	
	Preferred Brand		\$20		\$25			\$30		80%	\$30	
	Non Preferred Brand		\$40		45%			\$60		70%		
	Specialty				80% Deductible Waived	Not Covered	Not Covered	65% (deductible waived)	Not Covered	70%	Not Covered	

**City of North Pole
2014-2015 Renewal**

SMALL GROUP DESIGNS

			Current City of North Pole Self Funded Plan		Option 1 Premera Gold Select Plus \$500 Deductible			Option 2 MODA Health Be Prosperous Gold \$500 Deductible		Option 3 AETNA POLI SUB Plan II \$500 Deductible	
Rehabilitative Services											
	Inpatient		90%	60%	80%	60%	40%	80%	50%	80%	60%
	Physical, speech, Occ.		80%	80%				\$30		80%	60%
	Durable Medical Equip		80%	80%				80%		80%	60%
Laboratory Services											
	Incl. Lab, X-Ray & Imaging										
	Inpatient		90%	60%	80%	60%	40%	80%	50%	80%	60%
	Outpatient		80%	80%						80%	60%
	Major Imaging - Precert Req.		80%	80%						80%	60%
Preventive Care				80% (deductible waived)	100%	60%	40%	100%	50%	100%	60%
Pediatric Vision											
	Exam		100% to \$60		20%			85%	50%	100%	100%
	Hardware		100% to \$120		100%					80%	80%
Pediatric Dental											
	Annual Exam & Preventative C		\$50 Ind./\$150 Family Ded \$1,000 Annual Benefit Prev 100% Basic 80% Major 50%		\$33.55 for members under age 19			Included for members under age 19		Dental Coverage for all participants is included	

ADULT DENTAL AND VISION ARE NOT INCLUDED ABOVE AND CAN BE PURCHASED SEPARATELY.

This is not a complete explanation of covered services, exclusions, limitations, reductions or the terms of these programs. This is not a contract. For complete coverage provisions, including descriptions of waiting period, limitations and exclusions please refer to the specific contract/policy.

**City of North Pole
2014-2015 Renewal**

Individual Coverage Policies

			Current		Option 1			Option 2		
			City of North Pole Self Funded Plan		Premera Gold Plus PCP \$1,000 Deductible			MODA Health Beneficial Silver \$1,000 Deductible		
			Count	At Expected Cost						
	Employee		14	801.21	Age Rated			Age Rated		
	Employee + Spouse		4	1976.50						
	Employee + Child(ren)		9	1976.50						
	Employee + Family		13	1976.50						
Estimated Monthly Premium (Medical)				\$62,532.85	\$69,570.30			\$59,271.00		
Estimated Annual Premium				\$750,394	\$834,843.60			\$711,252.00		
SF Runout Claims					\$88,300			\$88,300.00		
Premium and Runout					\$923,143.60			\$923,143.60		
				In-Network	Out-of-Network	In-Network	Out-of-Network		In-Network	Out-of-Network
							Non-Preferred	Non-Participating		
Deductible										
	Individual			\$300		\$1,000	\$2,000		\$750	\$1,500
	Family			\$900		\$2,000	\$4,000		\$1,500	\$3,000
Coinsurance				80%		80%	60%	40%	85%	50%
Out-of-Pocket Max				Includes Deductible		Includes Deductible			Includes Deductible	
	Individual			\$3,300		\$4,500	No Maximum		\$4,750	\$9,500
	Family			\$9,900		\$9,000			\$9,500	\$19,000
Lifetime Maximum Benefit				No Lifetime Maximum		No Maximum			No Lifetime Maximum	
Ambulatory Patient Services										
	Outpatient Services			80%	80%	60%	40%	85%	50%	
	Primary Care Dr. Office Visit		\$10		\$15					
	Specialits		\$40		\$15					
	Spinal Manipulation		\$10		\$15					
	Acupuncture		\$10		\$15					
Emergency Care & Ambulance										
Emergency Room				80% (after deductible)		80%			85%	
Ambulance (air & ground)				90% (after deductible)		80%	Emergency 80% Non emergency Air 60%/40%		85%	

**City of North Pole
2014-2015 Renewal**

Individual Coverage Policies

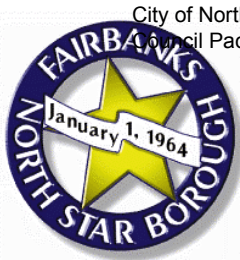
			Current		Option 1			Option 2	
			City of North Pole Self Funded Plan		Premera Gold Plus PCP \$1,000 Deductible			MODA Health Beneficial Silver \$1,000 Deductible	
Hospitalization									
	Inpatient		90%	\$250 copay 60%	80%	60%	40%	85%	Not Covered
	Transplant		90%	None		Not Covered	Not covered		
	Donor Cost		\$10,000		\$75,000			\$75,000	
	Travel		\$10,000		\$7,500			\$7,500	
Maternity & Newborn Care			90%	60%	20%	60%	40%	85%	50%
	Birthing Center		90%	60%					
Mental Health & Substance Abuse									
	Office Visit		80%		\$40	60%	40%	85%	50%
	Inpatient Hospital		90%	60%	80%				
	Outpatient		80%		80% deductible waived				
Prescription Drugs			Mail order 2 x Retail		Retail	Mail Order			
	Deductible		None	None	None	None		None	
	Value (Generic)		\$10	50% Reimbursement	\$10	\$30		\$2	
	Select				\$10	\$30		\$10	
	Preferred		\$20		\$40	\$120		65%	
	Brand		\$40		50% Deductible Waived				55%
	Specialty				20%	Not Covered		55% (deductible waived)	Not Covered
Rehabilitative Services									
	Inpatient		90%	60%	80%	60%	40%	85%	50%
	Physical, speech, occupational		80%	80%				\$15	
	Durable Medical Equip		80%	80%				85%	

**City of North Pole
2014-2015 Renewal**

		Individual Coverage Policies						
		Current City of North Pole Self Funded Plan		Option 1 Premera Gold Plus PCP \$1,000 Deductible			Option 2 MODA Health Beneficial Silver \$1,000 Deductible	
Laboratory Services								
	Includes Lab, X-Ray & Imaging							
	Inpatient	90%	60%	80% Deductible Waived	60%	40%	85%	50%
	Outpatient	80%	80%					
	Major Imaging - Precert Required	80%	80%					
Preventive Care			80% (deductible waived)	100%	60%	40%	100%	50%
Pediatric Vision								
	Exam		100% to \$60	\$40			85%	50%
	Hardware		100% to \$120	100%				
Pediatric Dental			\$50 Ind./\$150 Family deductible \$1,000 Annual Benefit Prev 100% Basic 80% Major 50%	Prev 100% Basic 80% Major 50%	Prev 70% Basic 60% Major 50%	Basic Major	Included for members under age 19	

ADULT DENTAL AND VISION ARE NOT INCLUDED ABOVE AND CAN BE PURCHASED SEPARATELY.

This is not a complete explanation of covered services, exclusions, limitations, reductions or the terms of these programs. This is not a contract. For complete coverage provisions, including descriptions of waiting period, limitations and exclusions please refer to the specific contract/policy.



FAIRBANKS NORTH STAR BOROUGH AND CITY OF NORTH POLE EMERGENCY MEDICAL SERVICES AND AMBULANCE CONTRACT

Section 1. Parties

The parties to this Contract are the FAIRBANKS NORTH STAR BOROUGH ("Borough"), and the CITY OF NORTH POLE ("Contractor").

Section 2. Duties of the Contractor

A. General. The Contractor shall provide pre-hospital emergency medical and ambulance services within its Borough-assigned response area. The Contractor shall have a primary ambulance response area that includes the majority of the North Star Fire Service Area with the exception of the areas north of the Little Chena River.

Within their capabilities, the Contractor may respond outside its assigned ambulance response area at the request of any other ambulance service within the Borough, including providing mutual aid.

The Contractor shall provide these services 24 hours per day, 7 days per week. The Contractor shall maintain a valid state of Alaska EMS Provider Certification (AS 18.08) throughout the contract period.

B. Contractor's Duties.

1. Employee Relations. The Contractor is responsible for employee hiring and promotion, employee discipline, and all other policies concerning employer and employees. The Contractor is solely responsible for recruiting, training, and other policies toward volunteers or paid staff. The Contractor is responsible for payment of wages and salaries to its employees, for timely and accurate submission of W-4 Forms and other information to the Internal Revenue Service, for payment of the Social Security employer's contribution, and for compliance with all other state and federal wage, hour, and tax laws.

2. Privacy Laws. Contractor shall agree to use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule") (45 C.F.R. Parts 160 and 164) under the Health Insurance Portability and Accountability Act of 1996 and any other relevant state and federal privacy laws.

3. Dispatching. The Contractor shall be fully responsible for securing their emergency and non-emergency dispatch needs. The Contractor shall maintain the capability to be in radio communications with the emergency rooms of Fairbanks Memorial Hospital and Basset Army Hospital.

4. Training and Level of Service.

a. The Contractor shall ensure no individual operating under its authorization performs any medical care or stabilization techniques on any patient unless the Contractor's personnel have received the appropriate medical training. All Emergency Medical Technicians, under the control of the Contractor, will be trained as specified in the Alaska Administrative Code.

b. The Contractor shall ensure that its initially responding ambulance is staffed to the advanced life support level as defined in 7 AAC 26.230(b)(2)(i.e., must have an EMT-II or EMT-III, mobile intensive care paramedic, or other medical personnel certified or licensed to provide advanced life support (e.g., registered nurse, physician's assistant, or physician), and at least one other person trained to at least the EMT-I level when using a surface transportation vehicle, available to respond to emergency calls 24 hours a day). Likewise, the Contractor shall operate their ambulances under all response and medical protocols established by Alaska Administrative Code.

c. The Contractor shall maintain a professional affiliation with a state-licensed local physician as its individual medical director under whose medical protocols it functions. The Contractor shall ensure that their medical director reviews their emergency medical responses periodically.

d. Within limitations of appropriations, the Borough shall coordinate initial and recertification training of the Contractor's EMT I + II + IIIs. The Contractor, or student, shall be responsible for all class books, lab fees, credit fees, National Registry fees, test fees and other miscellaneous costs.

e. If the Contractor requests additional EMT training beyond what the Borough is financially able to provide or if the Contractor requires any additional medical training to fulfill the requirements of this contract, such additional medical training and related costs will be the sole responsibility of the Contractor.

f. The Contractor shall submit to the Borough, with their annual contract fee requests, their EMT training needs and justifications for the following year.

g. The Contractor shall maintain accurate records of the training certifications of all its personnel, including, but not necessarily limited to, driver's training, initial and recertification at the appropriate EMT level, and Contractor-approved continued medical education classes. An annual summary of personnel training qualifications will be provided to the Borough.

h. When necessary, the Contractor may summon the assistance of the closest fire department that is authorized to perform such duties as may be required

at the emergency scene. The contract amount is inclusive of all amounts necessary to reimburse any such fire department for these services.

Section 3. Duties of the Borough

The Borough shall monitor the Contractor's compliance with this contract; however, the Borough shall not otherwise supervise or direct the Contractor. The Contractor is an independent contractor of the Fairbanks North Star Borough.

The Borough shall pay the Contractor for this contract the sum of \$419,750.00, inclusive of amounts necessary to compensate for the use of fire assets required in the course of EMS response.

Section 4. Contract Term, Renewal, Termination, Integration

A. Term. This contract shall cover a period from July 1, 2015, unless otherwise notified by the Borough and shall terminate on June 30, 2016. The contract shall become effective on the date of signing.

B. Renewal. This contract may be extended for four (4) additional one (1) year periods by mutual consent of the parties. Five (5) months prior to the annual termination date, the Borough and Contractor shall confer on the feasibility of exercising a renewal option. Contract amounts shall be negotiated annually in accordance with procedures found in Section 6.

C. Termination. This contract may be terminated by:

1. Mutual written consent of the Borough and Contractor;
2. Written request by either party based on non-performance of the other party, after sixty (60) calendar day notice. This notification time shall permit resolution of any disagreements.
3. Abandonment by Contractor. If the Borough terminates this contract for nonperformance or abandonment, the Borough may have the services provided by another Contractor and may use funds originally allocated to the Contractor under this agreement. The Contractor under this agreement is responsible to return to the Borough any unused or unencumbered funds. Likewise, the Borough will retain any undistributed contract funds should abandonment by the Contractor occur.
4. Upon termination of this contract all assets owned by the Borough as part of this contract will be inventoried and returned to the physical control of the Borough.

D. Failure to object not a waiver. The failure of either party to object to non-performance of or to seek to complete performance of, any duty under this contract

shall not constitute a waiver of any subsequent breach of the same, or of any different duty.

E. Integration. This contract, its appendices, and the map of the primary response area constitute the entire agreement between the Borough and the Contractor and supersede all previous representations and agreements between the parties. This contract shall be binding upon the successors and assigns of each of the parties.

F. Amendments. Any modifications, changes or additions to this contract shall be sequentially numbered and dated amendments with signatures of both the Borough and Contractor, specifying the scope of any changed duties and any monetary changes required by said amendments.

G. Interpretation. This contract shall be governed by the laws of the State of Alaska with venue in the Fourth Judicial District, Fairbanks, Alaska. All parties have been afforded the opportunity to review this contract prior to signing with the assistance of counsel. This contract shall not be interpreted against the drafter.

H. Assignment. No benefit under this contract may be assigned, nor may any duty under this contract be delegated, without the prior written consent of the other party which shall not be unreasonably withheld.

Section 5. Contract Representatives - Notices

A. The Borough's representative for this contract shall be the Borough Emergency Operations Director.

B. The Contractor's representative for this contract shall be the North Pole City Mayor.

C. Any notices under this agreement shall be in writing, personally delivered, mailed or faxed, and addressed to the respective contract representative. Either party may change its contract representative or its address for notices by written notice to the other.

BOROUGH Emergency Operations Director
Fairbanks North Star Borough
P.O. Box 71267
Fairbanks, Alaska 99707
Tel: 459-1481 Fax: 459-1119

CONTRACTOR North Pole City Mayor
125 Snowman Lane
North Pole, AK 99705
Tel: 488-2281 Fax: 488-3002

Section 6. Budgets, Contract Fees, and Financial Matters

A. The Contract price shall be determined by annual negotiations between the Borough Emergency Operations Director and the Contractor, subject to approval by the Borough Mayor and funding by the Borough Assembly. This Contract is subject to appropriation of the contract amount by the Borough Assembly and ratification by the North Pole City Council.

B. On or about December 31st, the Contractor shall present to the Borough Emergency Operations Director a proposed Operating Budget for the following fiscal year. The proposal shall identify all expenses of providing the contract services.

After negotiations, the Borough Emergency Operations Director will forward his recommendation to the Borough Mayor for approval and inclusion in the Borough's annual budget submittal to the Borough Assembly.

C. The Borough will make semi-annual contract payment to the Contractor in two equal amounts, on or about July 15 and January 15.

D. The Contractor shall maintain its internal financial records in accordance with generally accepted accounting principles. As with all government records, all such Contractor financial records, including any audit reports, shall be available upon reasonable request and at reasonable times for inspection by representatives of the Borough.

Section 7. Purchasing and Reporting Requirements

A. The Contractor will be responsible for obtaining its own disposable medical supplies and Hepatitis B vaccine for its personnel.

B. The Contractor will adhere to all reasonable billing and response accountability procedures as requested by the Borough Emergency Operations Director, including complying with electronic reporting standards. Patient care reports (PCRs) are to be complete and legible and will contain the following required billing information prior to submittal:

- Date of Service
- Agency Incident Number
- Agency Vehicle Identifier
- Patient Name
- Patient Address
- Patient Birth date
- Patient gender
- Patient Social Security Number
- Patient contact telephone number
- Patient Insurance information (if available)
- Transported miles calculation

Level of service code (BLS, ALS1, ALS2)
Written documentation to substantiate level of service code
Name of medic in charge
Receiving hospital face-sheet
Signed AOB form

An administrative fee of \$25 may be collected by the Borough from the Contractor for each incomplete PCR or for a PCR submitted more than two weeks after date of service.

C. The Contractor shall provide the Borough Emergency Operations Director or designee, by the 10th day of the subsequent month, a written monthly summary of all run activities. In lieu of providing a written monthly summary, the Contractor agrees to allow access to the Contractor's ePCR system by the Borough for the purpose of accessing monthly run activity reports.

D. The Contractor shall submit an annual report by January 31st that summarizes for the preceding calendar year the types of medical emergencies to which the Contractor has responded and training programs, together with the numbers of Contractor personnel attending, and other such pertinent information that may be requested by the Borough.

E. The Contractor shall submit to the Borough on an annual basis, or update annually, the following:

1. Statistical review of activity: for example (but not limited to) number and types of emergency responses, average personnel on scene, and the number and type of community and/or school activities.

2. Operational Profile: to include the department's mission statement, operation overview (what they do and how), and staffing.

Section 8. Insurance Requirements

A. During the term of the contract, the Contractor shall obtain and maintain in force the insurance coverage specified in this section with an insurance company rated "Excellent" or "Superior" by A. M. Best Company or specifically approved by the Borough's risk manager.

- Commercial General Liability coverage, written on an occurrence basis, with limits of not less than \$1,000,000 per occurrence to include terrorism coverage.
- Automobile Liability coverage with a combined single limit of not less than \$1,000,000 per occurrence applying to all owned, non-owned, or hired vehicles used in conjunction with this contract.

- Workers' Compensation coverage including Employer's Liability with limits of not less than \$1,000,000. All workers' compensation policies shall contain a waiver of subrogation clause in favor of the Borough.
- Professional Liability Medical coverage with limits not less than \$2,000,000 per occurrence.
- Umbrella/Excess Liability coverage, written on an occurrence basis, with limits of not less than \$3,000,000 combined single and aggregate limit.

B. The insurer shall send the Borough thirty (30) days written notice before it cancels, refuses to renew, or materially alters coverage required by this contract. The Contractor shall assure that the insurance policies include a provision requiring this prior notice.

C. During the contract term, the Contractor shall add and maintain the Borough as an additional insured in the Contractor's commercial general liability policy. This policy will provide primary coverage for the Borough, and it will provide that the policy treats each additional insured as though the insurer had issued separate policies.

D. Before providing any services under this contract, the Contractor will provide the Borough with a certificate of insurance showing the coverage specified in this section in a form acceptable to the Borough.

E. The aforementioned insurance requirements can be met through any combination of primary and excess/umbrella policies that fulfill the stipulated coverage as cited above.

Section 9. Ownership of Records

All records kept by the Contractor in support of this contract shall be the property of the Contractor, but shall be made available to the Borough upon reasonable notice and at reasonable times and places. This power to review records continues for six (6) years after the termination of this contract, whether the contract is terminated by the parties or ends by its own terms.

Section 10. Indemnification

A. The Contractor shall indemnify and defend the Borough against any claim arising from any wrongful act or negligence of the Contractor to use such skill, prudence, and diligence as other members of the Contractor's profession commonly possess and exercise. The Contractor's duty to exercise a professional standard of care applies to both intentional acts and failures to act. The Contractor has no duty to defend or indemnify the Borough against any claim or action alleging, arising from or based, on a wrongful or negligent act by the Borough. The duty of the Contractor to indemnify and defend the Borough extends to

1. Claims for death, or for damage to persons or property,
2. Claims for economic loss, and
3. Claims for costs, expenses, and attorney's fees.

B. The Borough shall indemnify and defend the Contractor against any claim arising from any wrongful act or negligence of the Borough to use such skill, prudence, and diligence as other similar governmental agencies would commonly possess and exercise. The Borough's duty to exercise a professional standard of care applies to both intentional acts and failures to act. The Borough has no duty to defend or indemnify the Contractor against any claim or action alleging a wrongful or negligent act by the Contractor. The duty of the Borough to indemnify and defend the Contractor extends to

1. Claims for death, or for damage to persons or property,
2. Claims for economic loss, and
3. Claims for costs, expenses, and attorney's fees.

**CITY OF NORTH POLE
EMERGENCY MEDICAL SERVICES/AMBULANCE CONTRACT**

SIGNATURE PAGE

APPROVED: _____

Mayor
City of North Pole

DATE: _____

APPROVED: _____

Luke T. Hopkins, Mayor
Fairbanks North Star Borough

DATE: _____

ATTEST: _____

Nanci Ashford-Bingham
Fairbanks North Star Borough Clerk

DATE: _____

REVIEWED: _____

Fairbanks North Star Borough Legal Department

DATE: _____

ORIGINALS FILED WITH: Contractor, Clerk's Office and Emergency Operations Department

ORDINANCE 15-11

**AN ORDINANCE OF THE NORTH POLE CITY COUNCIL TO AMEND TITLE 5,
CHAPTER 5.08 – LIQUOR REGULATIONS, AND INTRODUCE SECTION 5.08.030 –
COUNCIL REVIEW OF LICENSE ISSUANCE, RENEWAL, TRANSFER,
RELOCATION, OR CONTINUED OPERATION**

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

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

WHEREAS, the City of North Pole desires to give clarity to the North Pole Municipal Code:

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

Section 2. Title 5 - Business Licenses, Taxes and Regulations, Chapter 5.08 – Liquor Regulations, Introducing Section 5.08.030 Council review of license issuance, renewal, transfer, relocation, or continues operation is hereby amended as follows [new text in *italicized red font*; deleted text in ~~strikethrough~~ font]:

5.08.030 Council review of license issuance, renewal, transfer, relocation, or continued operation.

A. The council may protest the issuance, renewal, transfer, relocation, or continued operation of an alcoholic beverage license as provided in state law. The protest shall cite any of the following criteria which the council determines to be pertinent:

- 1. The character and public interests of the surrounding neighborhood;*
- 2. Actual and potential law enforcement problems, including the proximity of the premises to law enforcement stations and patrols;*
- 3. The concentration of other licenses of the same and other types in the area;*
- 4. Whether the surrounding area experiences an unacceptable rate of alcohol abuse or of crime or accidents in which the abuse of alcohol is involved;*
- 5. The adequacy of parking facilities;*
- 6. The safety of ingress to and egress from the premises;*
- 7. Compliance with state and local fire, health and safety codes;*

39 8. *The degree of control the licensee has or proposes to have over the conduct of the*
40 *licensed business;*

41 9. *The history of convictions of the applicants and affiliates of the applicants for:*

42 a. *Any felony involving moral turpitude;*

43 b. *Any violation of AS Title 04; and*

44 c. *Any violation of the alcoholic beverage control laws of another state as a*
45 *licensee of that state;*

46 10. *Whether the applicant or the applicant's affiliates are untrustworthy, unfit to conduct a*
47 *licensed business or constitute a potential source of harm to the public;*

48 11. *Any other factor the council determines is generally relevant or is relevant to a particular*
49 *application.*

50 B. *The council may also protest the issuance, transfer, renewal, relocation, or continued*
51 *operation of a license as provided in state law if it determines any of the following conditions*
52 *exist:*

53 1. *The business operated under the license is, on the date the council considers the license,*
54 *delinquent in the payment of any sales tax or penalty or interest on sales tax arising out of the*
55 *operation of the licensed premises;*

56 2. *There are delinquent water & sewer or penalty or interest thereon arising out of the*
57 *operation of the licensed premises;*

58 3. *There is a delinquent charge or assessment owing the City of North Pole by the licensee*
59 *for a municipal serviced provided for the benefit of the business conducted under the license or*
60 *for a service or an activity provided or conducted by the municipality at the request of or arising*
61 *out of an activity of the business conducted under the license;*

62 4. *If the license requested is for a beverage dispensary and is requested under AS*
63 *04.11.400(d)(1), unless the tourist facility will contain 30 or more rooms;*

64 5. *The business operated under the license is, on the date the council considers the*
65 *application, in violation of state or local fire, health, or safety codes. A criminal conviction of*
66 *the violation is not a prerequisite for a protest under this section.*

67 C. *If the council recommends protest of the issuance, renewal, transfer, relocation, or continued*
68 *operation of a license it shall state the basis of the protest and the applicant shall be afforded*
69 *notice and an opportunity to be heard at an abbreviated informal hearing before the council to*
70 *defend the application. For the purposes of the subsection, notice shall be sufficient if sent at*
71 *least ten days prior to the hearing by certified first class mail to the address last provided by the*
72 *applicant to the City Clerk. At the conclusion of the hearing, the council decision to protest the*
73 *application shall stand unless the majority of the council votes to withdraw the protest.*

74 **Section 3. Effective Date**

75 This ordinance shall become effective at 5:00 p.m. on the first City business day following its
76 adoption.

Sponsored by: Mayor Ward
Introduced and Advanced: June 15, 2015
Possible Adoption: July 6, 2015

77 **PASSED AND APPROVED** by a duly constituted quorum of the North Pole City Council this
78 6th day of July, 2015.

79

80

81

Bryce J. Ward, Mayor

82 ATTEST:

83

84

85 Kathryn M. Weber, MMC
86 North Pole City Clerk

PASSED/FAILED

Yes:

No:

Absent:

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

City of North Pole
Director of City Services

Memo

To: North Pole City Council
From: Bill Butler
Date: June 8, 2015
Subject: Utility Department Capital Improvements Priority Project for State Fiscal Year 2017

Each year the Alaska Department of Environmental Conservation (ADEC) releases a request for applications for utility capital projects as part of the Municipal Matching Grant Program (MMG). Communities throughout the state submit applications on standardized forms for water and sewer utility projects. A panel reviews the applications and awards points to the applications based upon established criteria. The applications are ranked based upon their scores. The Commissioner of ADEC uses these rankings and funding requests to generate the Department's MMG budget request to the Governor's office. The amount of funding proposed by the Governor and approved by the State Legislature determines how many of the applications receive grant offers.

One of the categories for which a community's grant application can receive points is inclusion of a resolution from the community's governing body identifying its priority capital project for that year. A small number of points can separate an application from being considered for funding from one not eligible for funding. This is especially critical considering the challenges facing the state budget. The Utility was successful this year and it is only one of three projects considered for MMG funding in the SFY 2016 MMG capital budget. The trend of reduced funding for utility capital projects is likely to continue for years into the future and all the points the Utility can earn on its MMG applications will help make our applications as competitive as possible.

An engineering and design project jointly funded by the USDA and ADEC produced a comprehensive analysis of the Utility's water system and generated a list of recommended improvements. The Utility consulted with PDC and rank ordered the projects and grouped individual projects into a series of phases. The projects included in Phase 1 are those that have the most significant impact upon the functioning of the water system, thus the project is labeled Water Treatment Plant Emergency System Improvements Project. The project is "shovel ready"—we have in hand complete engineering drawings and a set of bid specifications.

The Utility used the engineering analysis and design conducted by PDC to submit an Alaska Drinking Water (ADWF) loan application in 2014. The Utility scored well on its loan application for the Water Treatment Plant Emergency System Improvements Project and it was included in the ADWF Funding Priority List for Fiscal Year 2016 as eligible for \$2,363,600. (See attached SFY 2016 Funding Priority List.) Having been recommended for an ADWF loan will strengthen a MMG application for the Water Treatment Plant Emergency System Improvements Project.

**CITY OF NORTH POLE
RESOLUTION 15- 12**

**A RESOLUTION ESTABLISHING THE WATER TREATMENT PLANT
EMERGENCY SYSTEM IMPROVEMENTS PROJECT AS THE CITY OF NORTH
POLE'S PRIORITY CAPITAL PROJECT FOR THE MUNICIPAL MATCHING
GRANT PROGRAM IN STATE FISCAL YEAR 2017**

WHEREAS, the City of North Pole created its water and sewer utility system to provide residents with the sanitation, protection and convenience afforded by a municipal water and sewer utility system and to promote an improved community environment; and

WHEREAS, the City of North Pole desires to receive funding from the State of Alaska, Federal Government and other external funding sources for local Utility projects; and

WHEREAS, the City of North Pole's number one priority capital project for the State of Alaska Fiscal Year 2017 Municipal Matching Grant Program (MMG) managed by the Alaska Department of Environmental Conservation (ADEC) is the Water Treatment Plant Emergency System Improvements Project.

WHEREAS, the project is "shovel ready"—the Utility has a complete set of engineering drawings and bid specifications for the project, and

WHEREAS, ADEC recognized the need for the project by scoring it as eligible for an Alaska Drinking Water Fund (ADWF) loan valued at \$2,363,600 as documented in 2016 Priority Funding List, and

WHEREAS, the project would address critical improvements to the water treatment plant to ensure that the Utility Department is able to continue providing potable water and fire protection to the residents of the City.

NOW THEREFORE BE IT RESOLVED, that the North Pole City Council endorses the Water Treatment Plant Emergency System Improvements Project as the City of North Pole's number one priority capital project for the Municipal Matching Grant Program in State Fiscal Year 2017.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 15th day of June, 2015.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M Weber, MMC
North Pole City Clerk

**ALASKA DRINKING WATER FUND
Funding Priority List
Fiscal Year 2016**

Rank	Score	Community Or System	Public Water System ID# (Population)	Project Title	Project Description	Assistance Amount ²	Finance Rate	Term (Yrs)	Subsidy ³	Green Project Amount ⁴	Green Project Type ^{5,6}	Estimated Construction Start	Sustainability Policy ⁷
1	211	Cordova ♦	AK2293205 (2,239)	LT2 Compliance Upgrades ■	To meet LT2 compliance requirements, this project will install a UV light system, upgrade the filter system at the Eyak Lake Water Plant, and include other associated appurtenances. (Funding Increase)	\$3,000,000	1.50%	20	\$1,500,000	\$458,500	ENG-BC	9/16/2015	Fix it First
2	205	Homer ♦	AK2240456 (5,003)	Water Distribution/Storage Improvements (Phase I) ■ ¹	Phase I consists of extending water main to future water storage tank, serve lots not currently served by piped water, and improve dependability of water service to hospital and Spit/harbor operations.	\$817,000	1.50%	20	\$269,000	\$817,000	ENG-BC	9/1/2015	Improve TFM
3	185	Ketchikan ♦	AK2120323 (8,050)	Schoenbar Road Water Main Replacement	Install new HDPE water main from Schoenbar Trail intersection to Valley Forge Rd., and other related appurtenances. There is a high public health risk from deteriorating mains which have broken on multiple occasions.	\$864,829	1.50%	20				9/30/2015	Fix it First
4	185	Ketchikan ♦	AK2120323 (8,050)	Chatham Avenue Water Main Replacement	Install new HDPE water main and other related appurtenances in approximately 540 feet of roadway. There is a high public health risk from deteriorating mains which have reached the end of their useful life.	\$2,666,535	1.50%	20				9/30/2015	Fix it First
5	151	Nome ♦	AK2340010 (3,598)	Nome Sclaircore Replacement-Ph III	Water distribution piping is experiencing a high rate of failure and leakage and needs replacement. Failing pipe will be replaced along Division Street, King Place, Warren Place and Spokane Street with new direct-bury pipe.	\$2,920,300	1.50%	20		\$2,910,300	ENG-BC	6/1/2015	Fix it First
6	146	North Pole ♦	AK2310675 (2,117)	Water System Engineering & Design	Design and engineering for a water system expansion to provide potable water to the properties contaminated with the industrial compound sulfolane.	\$1,177,287	1.50%	20				N/A	Planning
7	146	Sand Point ♦	AK2263013 (946)	Russian Town Water Distribution Upgrades	Upgrade water main size to 6" pipe; create a closed loop to allow water circulation; address major system leaks; replace the Reduced Pressure Zone vault; and other improvements to provide adequate flow and pressure.	\$300,000	1.50%	20		\$110,000	WTR-BC	9/1/2015	Fix it First
8	145	Wrangell ♦	AK2120143 (2,369)	Water Plant Ozone Generators Replacement	Replace Ozone System Equipment to refine water quality and treatment performance goals.	\$322,650	1.50%	20				7/15/2015	Fix it First
9	131	North Pole ♦	AK2310675 (2,117)	Water Plant Emergency System Improvements	Upgrades and energy efficiency include new emergency generators; piping modifications; new backwash and fire pumps; new mag meters; new entry door security; and electrical upgrades including voltage monitors.	\$2,363,600	1.50%	20		\$942,920	ENG-BC	6/1/2016	Fix it First
10	126	Anchorage - AWWU	AK2213001 (291,826)	Wesleyan Dr-Checkmate to Queen Water Rehab ■	Rehabilitate or replace approximately 2100 feet of 6-inch diameter cast iron pipe that has had a significant history of breaks and emergency repairs.	\$3,300,000	1.50%	20				7/2/2015	Fix it First
11	126	Anchorage - AWWU	AK2213001 (291,826)	ARRC Yard Rehab ■ ¹	Replace a 16-inch water main on the south side of the ARRC's yard and north of Whitney Road. This existing line has had previous failures and is within an area of known hydrocarbon contamination.	\$3,500,000	1.50%	20				2/4/2016	Fix it First

♦ Disadvantage Community (criteria may be referenced on page 14)

■ Equivalency Project (criteria may be referenced on page 14)

● Extra 50 points for construction start by September 15, 2014⁸

Total Requested Amount: **\$ 21,232,201**

Total Subsidized Amount³: **\$ 1,769,000**

Total Equivalency Amount: **\$ 10,617,000**

Total Green Amount: **\$ 5,238,720**

¹ Subsidy funding for the Homer - Water Distribution/Storage Improvements (Phase I) project is limited to available subsidy funds. Additionally, full project funding of the Anchorage - ARRC Yard Rehab project will be dependent upon remaining available loan funds. The Department will negotiate with Anchorage to provide additional funds as they become available later in the year.

² Total available project loan funding and subsidy under this IUP is \$20,322,668 and \$1,769,000, respectively. Equivalency = \$8,845,000

³ Criteria for being eligible for a loan subsidy may be referenced on page 14 under the narrative section of the IUP.

⁴ Projects which demonstrate adequate criteria for meeting a Green project component will be eligible to receive an additional 25 points.

⁵ Green Project Reserve Category Type: GIF - Green Infrastructure, WTR - Water Efficiency, ENG - Energy Efficiency & EIN - Environmentally Innovative. Green Project Justification Type: BC - Business Case / CAT - Categorical.

⁶ Prior to funding any project shown to have a funding subsidy for Green, a Business Case for project Green eligibility must be found justified.

⁷ Sustainability Policy - "Fix it First" - fix existing critical infrastructure; "Improve TFM" - improve technical, financial and managerial capacity of the system; and, "Planning" - planning and development of alternative projects that reflect the full life cycle cost of infrastructure.

⁸ 50 points are only awarded if plans and specifications have been approved for construction by the end of the of questionnaire solicitation period.

**ALASKA DRINKING WATER FUND
Funding Priority Planning List
Fiscal Year 2016**

Rank	Score	Community Or System	Public Water System ID# (Population)	Project Title	Project Description	Assistance Amount ¹	Finance Rate	Term (Yrs)	Subsidy ²	Green Project Amount ³	Green Project Type, ^{4,5}	Estimated Construction Start	Sustainability Policy ⁶
12	126	North Pole ♦	AK2310675 (2,117)	Distribution Loop Improvements	Replace aging vales and in-line fire hydrants to enable the Utility to reduce health risks and more efficiently respond to water line breaks resulting in water savings.	\$2,300,000	1.50%	20				6/1/2016	Fix it First
13	121	Haines ♦	AK2110619 (2,508)	Small Tracts Water Main Extension	Extend service to approximately 44 parcels on Small Tracts Road, Small Tracts Spur, and Bear Creek Trail Lane, which are currently not served by the utility.	\$1,725,000	1.50%	20				5/2/2016	Improve TFM
14	121	Anchorage - AWWU	AK2213001 (291,826)	Lake Otis 38th-42nd Water Rehab	Upgrade and replace an existing 12-inch cast iron water main with a history of failures. ■	\$2,700,000	1.50%	20				8/4/2016	Fix it First
15	121	Anchorage - AWWU	AK2213001 (291,826)	Northern Lights Wesleyan to Bragaw	Rehabilitate existing water distribution main within Northern Lights Boulevard between Bragaw Street and Boniface Parkway. The main has a history of breaks and may need upsizing to improve flow in the area. ■	\$5,000,000	1.50%	20				3/3/2016	Fix it First
16	121	Juneau	AK2110643 (31,275)	Douglas Highway Water System Replacement	Replace 8,500 ft. of water main from Juneau Douglas (JD) Bridge to Downtown Douglas at Crow Hill pump station. The water main in this area has experienced numerous corrosion related failures in recent years. ■	\$3,000,000	1.50%	20		\$3,000,000	WTR-BC	3/15/2016	Fix it First
17	116	Golden Heart Utilities ♦	AK2310730 (31,535)	Water Main Extension to WWTP	Expand the water system from Peger and Van Horn Rd. to the Fairbanks Waste Water Treatment Facility. The current area is served by poor water quality wells and requires onsite treatment for acceptable usage.	\$1,500,000	1.50%	20				4/30/2016	Improve TFM
18	116	Sitka	AK2130075 (8,881)	Marine Street Water - Osprey to Erler	Replacement of Marine Street water main and services from Osprey Street to Erler Street. Inspection of the pipe removed as part of the repair of the 2014 breaks revealed several corrosion leaks.	\$972,500	1.50%	20				4/1/2017	Fix it First
19	101	Craig ♦	AK2120193 (1,201)	Replace 5.5 miles of Raw Water Main	Replacement of the raw water transmission line from North Fork Lake to the Craig water treatment to ensure uninterrupted water flow to the water treatment and distribution system.	\$2,900,000	1.50%	20				10/3/2016	Fix it First
20	121	Ketchikan Gateway Borough ♦	AK2120323 (13,477)	South Tongass Water System - Phase VI	Construction of booster station, 100,000-gallon steel water tank, and pressure reducing vault in order to provide increased storage capacity to serve the residential uses in the immediate area.	\$1,494,571	1.50%	20		\$750,000	ENG-BC	4/1/2016	Improve TFM
21	121	Haines ♦	AK2110619 (2,508)	Moose Lane Water Main Extension	Extend water system on Moose Lane to bring service to properties currently not served. The extension will provide more reliable water to users with onsite wells, and allow higher density development in the area.	\$158,000	1.50%	20				6/1/2016	Improve TFM
22	121	Golden Heart Utilities ♦	AK2310730 (31,535)	Circ Station Generator Backup Project	Install emergency backup generators in 15 GHU circulation stations throughout the water distribution system to maintain circulation and prevent freeze up during an electrical power failure.	\$1,500,000	1.50%	20				2/28/2015	Improve TFM

♦ Disadvantage Community (criteria may be referenced on page 14)

■ Equivalency Project (criteria may be referenced on page 14)

● Extra 50 points for construction start by September 15, 2014⁷

Total Requested Amount: **\$ 23,250,071**

Total Subsidized Amount³: **\$ -**

Total Green Amount: **\$ 3,750,000**

¹ Total available project loan funding and subsidy under this IUP is \$20,322,668 and \$1,769,000, respectively.

² Criteria for being eligible for a loan subsidy may be referenced on page 14 under the narrative section of the IUP.

³ Projects which demonstrate adequate criteria for meeting a Green project component will be eligible to receive an additional 25 points.

⁴ Green Project Reserve Category Type: GIF - Green Infrastructure, WTR - Water Efficiency, ENG - Energy Efficiency & EIN - Environmentally Innovative. Green Project Justification Type: BC - Business Case / CAT - Categorical.

⁵ Prior to funding any project shown to have a funding subsidy for Green, a Business Case for project Green eligibility must be found justified.

⁶ Sustainability Policy - "Fix it First" - fix existing critical infrastructure; "Improve TFM" - improve technical, financial and managerial capacity of the system; and, "Planning" - planning and development of alternative

⁷ 50 points are only awarded if plans and specifications have been approved for construction by the end of the of questionnaire solicitation period.

**ALASKA DRINKING WATER FUND
Funding Priority Planning List (Continued)
Fiscal Year 2016**

Rank	Score	Community Or System	Public Water System ID# (Population)	Project Title	Project Description	Assistance Amount ¹	Finance Rate	Term (Yrs)	Subsidy ²	Green Project Amount ³	Green Project Type, ^{4,5}	Estimated Construction Start	Sustainability Policy ⁶
23	121	Craig ♦	AK2120193 (1,201)	Spruce Street Storage Tank Upgrade	Upgrades include sealing leaks, installing a VFD output pump, pressure switch, pump controls, and an automated control valve. Improvements will allow better use of the low elevation situated storage tank.	\$200,000	1.50%	20				11/16/2015	Improve TFM
24	116	Unalaska ♦	AK2260309 (4,689)	CT and Water Storage Tank	Design and construct a second 2.6 million gallon Chlorine Contact Tank located by the Unalaska's water treatment plant. The tank will provide needed redundancy to avoid major service disruptions for maintenance.	\$8,250,000	1.50%	20				7/1/2016	Improve TFM
25	111	Anchorage - AWWU	AK2213001 (291,826)	Dowling Rd Water Transmission Main ■	Construct a water main between C Street and Minnesota Drive along the ADOT/PF W Dowling Road Phase II corridor. This main is needed for redundancy in the event that the 260 HGL zone becomes damaged.	\$2,400,000	1.50%	20				1/25/2016	Improve TFM
26	110	Anchorage - AWWU	AK2213001 (291,826)	Dowling Rd PRV and 92nd Ave PRV ■	Construct PRV Vaults near Old Seward and Dowling Road area and the Old Seward and 92nd Avenue area. These vaults are needed to optimize water conveyance from the 347 HGL zone to the 260 HGL zone.	\$1,550,000	1.50%	20				7/2/2015	Improve TFM
27	106	Craig ♦	AK2120193 (1,201)	Add Baffles to Water Plant Contact Chamber	Install baffling in the existing contact and storage tank, and build a new adjacent 30,000 gallon contact tank. Improvements will achieve chlorine contact time more efficiently and better meet seasonal high flow demands.	\$588,200	1.50%	20				2/1/2016	Improve TFM
28	106	Sitka	AK2110619 (2,508)	Water Storage Planning, Surveying and Design	Study and design of a water storage facility on the south side of the roundabout at Sawmill Creek Road and Halibut Point Road. A 2014 water modeling effort revealed as lack of storage on the south end of town.	\$250,000	1.50%	20				N/A	Planning
29	96	ALPAT	AK2211229 (350)	Arsenic Treatment Plant	Construction of an arsenic treatment plant to meet average system demand. Current costs for purchasing offsite bulk water were determined to be excessive versus treatment of onsite water that is high in arsenic.	\$74,500	1.50%	20				7/15/2015	Improve TFM
30	76	Haines ♦	AK2110619 (2,508)	Young Road Waterline Relocation	Construct a new 8" PVC water line in the right-of-way for Barnett Drive and Young Road. This project would abandon the existing water line where it crosses private property.	\$273,200	1.50%	20				5/2/2016	Improve TFM
31	41	Craig ♦	AK2120193 (1,201)	New Water Source Study	Study for finding other local water sources for supplementing the existing water source. This will allow the City of Craig a measure of insurance against an unexpected failure of the existing system.	\$100,000	1.50%	20				N/A	Planning
32	41	King Cove ♦	AK2260244 (905)	King Cove Water System Loan Re-financing Project	Refinancing the USDA/RD portion of the project debt (\$1.1 million of the total debt of \$1.35 million) with a loan through the ADWF, an annual water utility cost reduction of \$30,000 will occur.	\$1,100,000	1.50%	20				N/A	Improve TFM
33	41	Anchorage - AWWU	AK2213001 (291,826)	EWTF Facility Plan	Facility plan for the Eklutna Water Treatment Facility, which will be a guide for rehabilitation and renewal of this almost 30 year old facility. Many components are at or beyond their useful life and need replacement. ■	\$450,000	1.50%	20				N/A	Planning

♦ Disadvantage Community (criteria may be referenced on page 14)

Total Requested Amount: **\$ 15,235,900**

■ Equivalency Project (criteria may be referenced on page 14)

Total Subsidized Amount³:

● Extra 50 points for construction start by September 15, 2014⁷

Total Priority and Planning Amount: **\$ 59,718,172**

Total Green Amount: **\$ -**

¹ Total available project loan funding and subsidy under this IUP is \$20,322,668 and \$1,769,000, respectively.

² Criteria for being eligible for a loan subsidy may be referenced on page 14 under the narrative section of the IUP.

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⁴ Green Project Reserve Category Type: GIF - Green Infrastructure, WTR - Water Efficiency, ENG - Energy Efficiency & EIN - Environmentally Innovative. Green Project Justification Type: BC - Business Case / CAT - Categorical.

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