



CITY OF NORTH POLE *Alaska*

REGULAR CITY COUNCIL MEETING **Monday, February 1, 2016**

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

Kevin McCarthy- Mayor Pro Tem	590-0800
Preston Smith – Dep Mayor Pro Tem	488-8824
Elizabeth Holm – Alt Dep Mayor Pro Tem	488-6125
Santa Claus	388-3836
Elyse Dawson	520-221-1340
Thomas McGhee	455-0010

1. **Call to Order/Roll Call**
2. **Pledge of Allegiance to the US Flag**
 - National Anthem sung by NPMS Choir:
3. **Invocation**
4. **Approval of the Agenda**
5. **Approval of the Minutes**
6. **Communications from the Mayor**
Proclamations
 - Student of the Month – Lindsey Daml, NPHS
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 16-02, an Ordinance of the City of North Pole amending the 2016 budget to transfer necessary funding from the General Fund to the Public Works fleet fund to purchase a snowplow.
- b. Ordinance 16-03, an Ordinance of the North Pole City Council amending Title 4 Chapter 4.08, Sales Tax, by adding marijuana taxes.
- c. Ordinance 16-04, an Ordinance of the North Pole City Council amending Title 5, Business Licenses, Taxes and Regulations, and adding Chapter 5.09, Marijuana Establishment Regulations.

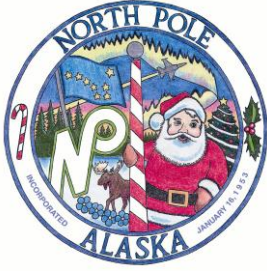
12. New Business

- None

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, January 19, 2016 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

CALL TO ORDER/ROLL CALL

Mayor Ward called the regular City Council meeting of Monday, January 19, 2016 to order at 7:00 p.m.

There were present:

**Mr. McCarthy – Mayor Pro Tem
Mr. Smith – Deputy Mayor Pro Tem
Ms. Holm – Alt. Deputy Mayor Pro Tem
Ms. Dawson
Mr. McGhee
Mr. Claus
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, January 19, 2016 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 January 19, 2016

Seconded by Mr. Claus

Discussion

None

Mr. McGhee moved to amend by pulling item:

b. Ordinance 16-01, An ordinance of the North Pole City Council amending Title 3, Elections, Chapter 3.16.020, Declaration of Candidacy and 3.16.080, Filling of Vacancies

and by consenting the following items under New Business:

- a. Approval of liquor license renewal for Oaken Keg Spirit Shop, Loyal Order of Moose, and Grizzli's

Seconded by Ms. Holm

Discussion

None

On the Amendment to the Agenda

PASSED

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0

Absent: 0

On the agenda as amended

PASSED

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0

Absent: 0

APPROVAL OF MINUTES

Mr. Claus *moved to* approve the minutes of January 4, 2016

Seconded by Ms. Holm

Discussion

None

PASSED

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0

Absent: 0

COMMUNICATIONS FROM THE MAYOR

Proclamation – Martin Luther King Day

Mayors Report

Muffins with the Mayor will be cancelled for the month of February as the Mayor will be in Juneau with the Fairbanks Chamber of Commerce.

Mayor will be traveling to Juneau with the Fairbanks Chamber of Commerce for their Legislative Fly-in and will be gone February 16th to the 19th.

Mayor will be giving opening remarks at the winter tourism conference hosted by Explore Fairbanks on January 27th at the Westmark Hotel.

Last Friday was the third Friday art show at the North Pole Grange. The artist was Makara who runs Painting with Pigments, a business that does art parties. After the art show at the Grange she did a class and my wife and I were able to join and painted our own paintings. I highly recommend this wonderful opportunity to explore your creativity.

Tomorrow FMATS is considering a resolution in support of the State's effort to break the PM2.5 non-attainment area into two pieces. The Mayor is not in favor of this as he believes it will cost the State more and will not address the issues relevant to fixing the problem

COUNCIL MEMBER QUESTIONS OF THE MAYOR

None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Fire Dept., Deputy Coon

- None

Finance, Tricia Fogarty

- None

Police Department, Chief Dutra

- 1) Guys Read – Fisher and I
- 2) Ofc. McCumby decided to back out due to personal reasons.
- 3) Ofc. Lindhag will be starting Feb 1.
- 4) We currently have an open position. We are advertising.
- 5) New car is in Anchorage being outfitted. Should be delivered next week.
- 6) Fuel ran out at NPPD. Apparently we were left off refill list.
- 7) Asset Forfeiture has been suspended until further notice.
- 8) Lt. Rathbun is in Anchorage on DHS dime for AK Shield 2016.

- 9) I attended with Lt. Rathbun and Ofc. Fisher LEO Terrorists response.
- 10) We are \$3400.00 away from our goal for Memorial Park pavilion

Questions

Mr. Claus thanked him for the update on the situation in Colorado.

Mr. Smith said that he had been told about a house that has a rather large amount of traffic that comes and goes from it and if the police had something in the works or if anyone was watching that residence, also he was told by a local business that some drug paraphernalia was found in their parking lot and there was a concern for safety cause they have a lot of women that frequent that business.

Chief Dutra said that he was aware of the break-ins but not of any recent paraphernalia being found.

Borough Representative

- There is an open seat on the Planning Commission. If anyone knows of anyone that would like to serve in that capacity, they do meet twice a month and you have to do a financial disclosure as part of the requirements for that.

Director of City Services, Bill Butler

Building Department

- No new building permits issued since December 7 Council report.

Public Works

- Streetlight repairs in progress—we were waiting on the delivery of spare parts.
- Request before Council this evening to transfer funds to Public Works to purchase a snowplow for the new pickup truck
 - Request based upon Public Works being conservative and returning approximately \$40,000 to General Funds at end of 2015.

Utility Department

Notice of Violation Update

- Submitted information to Senator Coghill as part of legislative request updating him on the status of the NOV and costs associated implementing solution.
- Engineering firm scheduled to begin initial laboratory testing as first step in generating engineering design.

- Begun work on an Alaska Clean Water Fund (ACWF) loan as one of the sources to finance construction of extended sewer main.
 - Part of the process to demonstrate to ADEC that the Utility is actively working to resolve the NOV.
 - Will submit resolution at next Council meeting seeking Council's support for the application.
 - Submitting an application is NOT accepting a loan or any associated debt. Accepting a loan offer would come later and accepting debt would still require approval by the voters.
 - Loan request is for \$2 million (20-year term at 1.5% with estimated annual payments of \$116,500).

Mild winter is having a positive impact upon the Utility

- Have not yet had to heat the water—represents a savings of 150 gallon per day of heating oil at the water treatment plant.
- Early snow cover helps retain heat in the ground and protects water mains and customer service lines.
- No reports to date of frozen customer water or sewer lines.

Natural Gas Utility Board

IGU waiting on AIDEA to announce selected natural gas provider.

- IGU retains its commitment to \$15 per MCF (thousand cubic feet) at the customer meter.

IGU has received applications for General Manager position (prior finalist withdrew and search reopened).

Questions

Mr. Smith asked if there was any kind of update on the candy cane lights that are out in the city.

Mr. Butler told him that they had ordered parts for them. One issue they were having was that those lights are on the Boroughs circuit and they have a higher voltage which makes the correct ballasts extremely hard to find.

Mr. McGhee commented by saying thank you for keeping the Christmas trees lit throughout the night. Many people are out and about during the dark hours and they are a nice site to see.

Mr. Butler gave kudos to Cody Lougee for putting the trees together. The color arrangement is extraordinary this year.

City Clerk, Kathy Weber

- Please contact us at 488-8583 or email us at Kathy.weber@northpolealaska.org or aaron.jacobson@northpolealaska.org if you have anything that you would like to have included in the North Pole Newsletter. We are also on Facebook at www.facebook.com/cityofnorthpole, Twitter, @cityofnorthpole, and are in the process of creating an Instagram account, ie photo's.
- Have received 970,000 documents that need to be archived from FHR & Williams.
- Working with Police Department to bring them onboard with archiving their records.

ONGOING PROJECTS

- Festival Committee Presentation – See slide show -Howard Rixie, Katy Englund, Dawn Murphy, Larnetia Skipps, Ricki Homchick
- Strategic Planning Update – Shelly Wade

CITIZENS COMMENTS

- Chief Dutra asked the council for \$3500.00 in funding for the Memorial Park.

OLD BUSINESS

ORDINANCE 16-02, AN ORDINANCE OF THE CITY OF NORTH POLE AMENDING THE 2016 BUDGET TO TRANSFER NECESSARY FUNDING FROM THE GENERAL FUND TO THE PUBLIC WORKS FLEET FUND TO PURCHASE A SNOWPLOW

Bill Butler gave introduction on purchasing a snowplow for Public Works Department.

Mr. McGhee asked what happened to the vehicle and the snowplow that this purchase will replace.

Mr. Butler said that we are not getting rid of anything to replace. The City replaced the old orange truck with the new truck at the end of 2015. Public Works is planning on selling the old orange truck but don't expect to get much as it is a failing vehicle.

Mr. McGhee said he heard that Public Works had a plow that won't retrofit and asked if that was true.

Mr. Butler said the plow that is on the red truck that they have now is made only for that type and size of vehicle so we cannot just take it off and stick it on the new truck.

Mr. McGhee asked if the red truck we have now is not adequate enough to do what this new truck will do.

Mr. Butler stated that we would be able to do more with snow plows for each of the vehicles and we plan on keeping and using both vehicles and plows. It will make work easier for the Public Works department.

Public Comment

None

Mr. McGhee *moved to* Introduce and advance Ordinance 16-02, an Ordinance of the City of North Pole amending the 2016 budget to transfer necessary funding from the General Fund to the Public Works Fleet Fund to purchase a snowplow

Seconded by McCarthy

Discussion

Mayor Ward said that the city was under budget and they would probably not have to transfer from fund balance. Departments have done a good job keeping their budgets down.

Mr. Smith asked if we could save it for a future budget season.

Ms. Holm asked if these extra funds were discussed in budget workshops.

Mayor Ward responded with that there was no previous discussion about the snowplow and that is why it is being brought before the council tonight.

PASSED

Yes: 6 –Holm, McGhee, Dawson, Claus, McCarthy, Ward

No: 1- Smith

Absent: 0

ORDINANCE 16-03, AN ORDINANCE OF THE NORTH POLE CITY COUNCIL AMENDING TITLE 4 CHAPTER 4.08, SALES TAX, BY ADDING MARIJUANA TAXES

Mayor Ward gave an introduction on this ordinance about adding marijuana sales tax.

Public Comment

None

Mr. McGhee *moved to* Introduce and advance Ordinance 16-03, an Ordinance of the North Pole City Council amending Title 4 Chapter 4.08, Sales Tax, by adding marijuana taxes

Seconded by Mr. McCarthy

Discussion

Ms. Holm wanted to clarify who will be taxed the 6%.

Ms. Holm *moved to* Amend Ordinance 16-03, an Ordinance of the North Pole City Council amending Title 4 Chapter 4.08, Sales Tax, by adding marijuana taxes

Discussion

Mr. McGhee commented that he thought that over taxation would make the people go back to buying it on the street.

Ms. Dawson wondered if we should only increase to 8%

Mayor Ward said he thought 6% is a satisfactory number.

Mr. McCarthy stated that he agrees with the Mayor and Mr. McGhee.

Ms. Dawson said if they want it bad enough they will be willing to pay whatever price.

Mr. McGhee said that consumers are going to always go with the cheaper option.

Ms. Holm said that if we leave it at 6% they will be paying only \$18.00 in sales tax per ounce. The small increase in sales tax should not be an issue. It is easier to bring the tax down at a later date then it would be to increase it.

FAILED

Yes: 2 –Holm, Dawson

No: 5 – Smith, McCarthy, McGhee, Claus, Mayor Ward

Absent: 0

Discussion on the main motion

Mr. Claus asked if the city wanted to enforce the sales tax on the “made from hemp” items.

PASSED

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0
Absent: 0

**ORDINANCE 16-04, AN ORDINANCE OF THE NORTH POLE CITY COUNCIL
AMENDING TITLE 5, BUSINESS LICENSES, TAXES AND REGULATIONS, AND
ADDING CHAPTER 5.09, MARIJUANA ESTABLISHMENT REGULATIONS**

Mayor Ward gave the introduction to this ordinance about adding marijuana establishment regulations.

Ms. Holm asked how Mayor Ward came up with the 50% of the fee being refunded if denied.

Mr. Claus pointed out a typo on line 28.

Mr. McCarthy said it does not prohibit the use of water which is much safer.

Mr. Smith asked how they came up with the permit fees.

Mr. McGhee said that they were trying to come up with a fair and affordable amount for the businesses.

Public Comment

Chief Dutra said that in the Lower 48 they make enough revenue to pay for their high taxes so they don't have to worry about the price of the fees

Mr. McGhee *moved to* Introduce and advance Ordinance 16-04, an Ordinance of the North Pole City Council amending Title 5, Business License, Taxes And Regulations, and adding Chapter 5.09, Marijuana Establishment Regulations.

Seconded by Mr. McCarthy

Discussion

Ms. Holm said she thinks that the fees listed in 5.09.030 are too low.

Ms. Holm *moved to* Amend line 106a : In the case of vertically integrated business, permit fees will be capped at \$3000.00

Seconded by Ms. Dawson

Ms. Holm *moved to* Rescind

Seconded by Ms. Dawson

Ms. Holm moved to Amend Ordinance 16-04 as follows:

Line 106: strike through \$1500.00 and make it \$3000.00

Line 120: strike through \$1000.00 and make it \$2000.00

Line 123: strike through \$500.00 and make it \$1000.00

Line 126: strike through \$500.00 and make it \$1000.00

Line 129: strike through \$500.00 and make it \$1000.00

Seconded by Ms. Dawson

Discussion

Mr. McCarthy stated that we have a really good police department and that he doesn't want us to over price the fees to the point there will be more illegal activity outside the city limits

Ms. Dawson asked if we make these fees low then should we lower the fireworks permit fees.

Mayor Ward said Ms. Dawson had a good point but if you want to encourage business then we should keep things simple.

Ms. Holm said that all this money is going to go into the general fund which will be going right back into the city.

Mr. McGhee said that he thinks they had put together a good ordinance.

On the Amendment

FAILED

Yes: 2 –Holm, Dawson

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

Absent: 0

Discussion on the main motion

None

PASSED

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0

Absent: 0

**RESOLUTION 16-01, A RESOLUTION ESTABLISHING CITY OF NORTH POLE
LEGISLATIVE PRIORITIES FOR THE 29TH LEGISLATURE 2016 SPRING SESSION**

Mayor Ward introduced the Resolution and updated council on what he was going to put together to take to Juneau in February.

Public Comment

None

Ms. Holm *moved to* Introduce and adopt Resolution 16-01, A Resolution establishing City of North Pole Legislative Priorities for the 29th Legislature 2016 spring session.

Seconded by Mr. Claus

PASSED

Yes: 7 –Holm, Smith, McGhee, Dawson, Claus, McCarthy, Ward

No: 0

Absent: 0

COUNCIL COMMENTS

Ms. Dawson – she stated it was late and wished everyone a good evening.

Ms. Holm – thanked everyone for their debate this evening.

Mr. Claus – delighted to be a part of the council that has such a diverse point of view.

Mr. Smith – be safe and drive careful.

Mr. McCarthy –really enjoyed the debate this evening.

Mr. McGhee – awesome meeting tonight. Great presentations. Thanked the Mayor for reading the MLK proclamation.

Mayor Ward – We do have a community that loves North Pole. There is always room for improvement and would definitely love to see more involvement from folks. He encouraged the council to participate in the strategic planning.

ADJOURNMENT

Mr. McGhee *moved to adjourn the meeting at 10:00 p.m.*

Seconded by Mr. Claus

The regular meeting of January 19, 2016 adjourned at 10:00 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, February 1, 2016.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

WHEREAS, Lindsey Daml is a senior at North Pole High School and is the daughter of JoAnne Murrell and Bill Daml of North Pole; and

WHEREAS, Lindsey maintains a high grade point average while participating in basketball, volleyball, flag football and as a hockey manager; and

WHEREAS, Lindsey is a member of the National Honor Society, is on the honor roll and received the Wendy's High School Heisman award; and

WHEREAS, Lindsey is noted as a strong willed individual who defies the odds and continues to excel. She is a hard worker and strives to ensure she does her best at whatever endeavor she is involved; and

WHEREAS, Lindsey consistently displays a genuine disposition to help others. She constantly works hard to engage underclassmen and makes them feel welcomed; and

WHEREAS, the City of North Pole desires to recognize the outstanding students in the community.

NOW, THEREFORE, I, Bryce J. Ward, Mayor of the City of North Pole, do hereby proclaim Lindsey Daml the:

*North Pole City Council
High School Student of the Month
For January 2016*

*Bryce J. Ward,
North Pole City Mayor*

ATTEST:

*Kathryn M Weber, MMC
North Pole City Clerk*

ORDINANCE NO. 16-02

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO
AMEND THE 2016 BUDGET TO TRANSFER NECESSARY FUNDING
FROM THE GENERAL FUND TO THE PUBLIC WORKS FLEET FUND
TO PURCHASE A SNOWPLOW**

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, at the end of 2015 the Public Works Department had operating fund expenditures more than
\$40,000 under its authorized budget, and

WHEREAS, the Public Works Department purchased a model Ford F350 4x4 pickup truck in 2015 with
the intention that it could accommodate a snowplow, and

WHEREAS, the Public Works Vehicle Fleet Fund balance at the end of 2015 was \$432, and

WHEREAS, with a limited Public Works staff of two full-time employees, two vehicles will improve the
efficiency of the staff clearing snow from pedestrian paths and City property, and

WHEREAS, Public Works as solicited quotes and the cost of the snowplow that will best meet the
Department's needs cost \$7,800.00

WHEREAS, to purchase the snowplow will require the transfer \$7,400.00 from the General Fund to the
Public Works Vehicle Fleet Fund and the attached fiscal NOTE details the fund transfer.

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

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 its adoption.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 1st day of
February, 2016.

ATTEST:

Bryce J. Ward, Mayor

Kathryn M Weber, MMC
North Pole City Clerk



City of North Pole, Alaska

Fiscal Note Year: 2016

Accompanying Ordinance/Resolution: Budget transfer for Public Works snowplow

Originator / sponsor: Bill Butler

Date: 1/13/2016

Does the Ordinance or Resolution have a fiscal impact? ☒ yes ☐ no

FUND	Account Description	Account #	Debit	Credit
01	General Fund	01-00-00-1000	\$7,400	
53	Public Works Vehicle Fleet	53-00-00-5900		\$7,400.00

Summary: (Brief description of proposed alterations as defined by accompanying ordinance or resolution. Where did the money come from and how will it be used).

Requesting to transfer funds from the General Fund to the Public Works Fleet Fund. Public Works had a budget balance in excess of \$40,000 at the end of 2015, but there was no means to transfer funding to the Fleet Fund at the end of the 2015 fiscal year without Council approval.

Prepared By: Bill Butler Date: 1/13/2016

Finance Approval: [Signature] Date: 1/13/2016

NOTE- Fiscal notes attached to an ordinance are considered amendments to the budget and do not require an additional approval for insertion into the budget document.

CITY OF NORTH POLE

ORDINANCE 16-03

**AN ORDINANCE OF THE NORTH POLE CITY COUNCIL AMENDING
TITLE 4 CHAPTER 4.08, SALES TAX BY ADDING MARIJUANA TAXES**

WHEREAS, changes to the North Pole Municipal Code is a continually changing requirement; and

WHEREAS, the City of North Pole wishes to establish clear tax regulations for the operation of marijuana establishments; and

WHEREAS, the personal use of marijuana as described in Alaska Statute 17.38.020 will not be affected by this ordinance; and

WHEREAS, the City of North Pole desires to make changes to the Sales Tax Code of the North Pole Municipal Code to raise revenues.

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

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

Section 2. Title 4, Chapter 4.08, Sales Tax, is hereby amended in the North Pole Code of Ordinances as follows: [new text in italicized *red font*; deleted text in ~~strikethrough~~ font].

Chapter 4.08
SALES TAX

Sections:

[4.08.005](#) Purpose and intent.

[4.08.010](#) Definitions.

[4.08.015](#) Business licenses required.

[4.08.020](#) Imposition of rate.

[4.08.030](#) Obligations of seller.

[4.08.040](#) Taxed transactions.

[4.08.045](#) Sales of bingo, lotteries and pull-tabs.

[4.08.050](#) Exemptions.

[4.08.055](#) Repealed.

- 40 [4.08.060](#) Promulgation of forms.
- 41 [4.08.070](#) Confidentiality of sales tax returns.
- 42 [4.08.080](#) Recordkeeping.
- 43 [4.08.090](#) Submittal of forms and remittance.
- 44 [4.08.100](#) Delinquency, fees, penalties, interest and application of payment.
- 45 [4.08.105](#) Estimated taxes.
- 46 [4.08.110](#) Exemptions, exceptions and refunds.
- 47 [4.08.120](#) Lien for tax, interest and penalties.
- 48 [4.08.130](#) Criminal liability.
- 49 [4.08.140](#) Sale of business, final tax returns, liability of purchaser.
- 50 [4.08.150](#) No cause of action against the City.
- 51 [4.08.160](#) Severability.

52 **4.08.005 Purpose and intent.**

53 The purpose and intent of the tax imposed under this chapter is to raise revenues. The
54 scope of the tax levied shall be broadly interpreted and exemptions shall be allowed only
55 when the rental, sales or service clearly falls within an exemption defined in this chapter.
56 (Ord. 14-26 § 2, 2014; Ord. 99-29 § 2, 1999)

58 **4.08.010 Definitions.**

59 For the purpose of this chapter, the following words and phrases shall have the meanings
60 respectfully ascribed to them by this section:

61 “Buyer, consumer or person” means, without limiting the scope thereof, every individual,
62 assignee, association, business trust, club, company, corporation, estate trust, firm, joint
63 venture, partnership, co-partnership, receiver, society, trustee in bankruptcy, or any group
64 or combination acting as a unit whether mutual, cooperative, fraternal, nonprofit, or
65 otherwise who is a purchaser or renter of tangible or intangible goods or services.

66 “Marijuana” means the seeds, leaves, buds and flowers of the plant (genus) Cannabis,
67 whether growing or not.

68 *“Marijuana product” means any item made from, or that is combined with, the plant*
69 *(genus) Cannabis or any resin or oil extracted from any part of the cannabis plant.*

70 “Mayor” means chief administrative official of the City or the Mayor’s designee.

71 “Property” means any tangible personal or real possession.

72 “Rent” means the conditional use of personal or real property by a consumer for
73 consideration.

74 “Retail sale” means the transfer of any kind of goods or services to consumers, for
75 consideration, regardless of quantity or price.

76 “Sale” means the exchange of any real or personal property, or of any goods or services
77 for consideration including barter, installment credit, conditional sales, and rental
78 transactions for any purpose other than resale in the regular course of business.

79 “Sale for resale (wholesale)” means the act of selling tangible personal or real property to
80 a buyer for reselling in its original form for consideration.

81 “Sales price” means the amount of consideration paid by the buyer in terms of monetary
82 value. The exchange or sale price of real estate is based on the current fair market value.

83 “Sales Tax Administrator” means the Accounts Receivable Clerk or whoever performs
84 the daily operations of administering the sales tax program for the City.

85 “Seller” means all work done or duties performed, provided, or furnished for others for
86 compensation whether in conjunction with the sale of goods or not, but does not include
87 services rendered by an employee to an employer.

88 “Services” means all work done or duties performed, provided or furnished for others for
89 compensation whether in conjunction with the sale of goods or not, but does not include
90 services rendered by an employee to an employer.

91 “Transaction made within the City” means the buyer takes possession of the purchased,
92 rented, or leased property or service provided within the corporate limits of the City.
93 (Ord. 14-26 § 2, 2014; Ord. 99-29 § 2, 1999)

94
95 **4.08.015 Business licenses required.**

96 All sellers shall secure a City business license as required in NPMC 5.02.020 and a State
97 of Alaska business license.

98 A. The City business license must be prominently displayed at the place of business of
99 every seller. Any seller who has no regular place of business shall display such license on
100 request.

101 B. Before issuing a business license to a seller, the City may require the applicant to
102 post a bond, furnish a statement of net worth, or furnish additional security to insure the
103 full and prompt payment of taxes to be collected under this chapter.

104 C. The business license of any seller is automatically suspended when such seller fails
105 to pay delinquent taxes, penalty and interest within thirty days after notice of delinquency
106 is given or mailed. It is unlawful for a seller to engage in sales without a current City
107 business license or to engage in sales when such license is suspended.

D. Each seller who obtains or should obtain a City business license in accordance with NPMC [5.02.020](#) consents to the inspection of their Federal or State business tax returns in order to facilitate the accomplishment of the provisions and objectives of this chapter. (Ord. 14-26 § 2, 2014; Ord. 14-20 § 2, 2014; Ord. 99-29 § 2, 1999)

4.08.020 Imposition of rate.

There is levied a tax equal to four percent of the selling price upon buyers of all retail sales, and rentals made, and all services performed within the corporate limits of the City, unless specifically exempted in this chapter or a different tax rate is specifically set forth in this chapter.

A. There is hereby levied an alcoholic beverage tax on the retail sale of alcoholic beverages equal to six percent times the selling price of all sales made within the City of North Pole.

B. There is hereby levied an excise tax on the distribution of tobacco products brought into the City limits measured at the rate of ten percent times the wholesale price of such tobacco products.

a. A person brings, or causes to be brought, tobacco products into the City limits from outside the City limits for sale; or

b. a person ships or transports cigarettes or tobacco products to a retailer in the City limits for sale by a retailer.

c. retail tobacco sales are subject to the general sales tax rates as outlined in subsection ~~(D)~~ E of this section.

C. There is hereby levied an excise tax on marijuana products brought into the City limits measured at the rate of six percent times the wholesale price of such marijuana products.

a. A person brings, or causes to be brought, marijuana products into the City limits from outside the City limits for sale if a person ships or transports marijuana or marijuana products to a retailer in the City limits for sale by a retailer.

b. Retail marijuana sales are subject to the marijuana sales tax rates as outlined in subsection D of this section.

D. There is hereby levied a marijuana use tax on the retail sale of marijuana and marijuana products equal to 6% percent times the selling price of all sales made within the City of North Pole.

E. The maximum tax on any single transaction shall be \$8 (eight dollars) except on the retail sale of alcoholic beverages, wholesale tobacco products, marijuana, and the hotel-motel room tax, all of which shall not have any maximum tax.

145 F. On all sales except the sale of alcohol and hotel-motel rooms the seller shall add
146 the tax imposed by this section to the sale price in accordance with the following
147 schedule:

Sales	Tax
Under \$0.24	\$0.01
\$0.25 through \$0.50	0.02
\$0.51 through \$0.75	0.03
\$0.76 through \$1.00	0.04
\$1.01 through \$1.25	0.05
\$1.26 through \$1.50	0.06
\$1.51 through \$1.75	0.07
\$1.76 through \$2.00	0.08
\$2.01 through \$2.25	0.09
\$2.26 through \$2.50	0.10
\$2.51 through \$2.75	0.11
\$2.76 through \$3.00	0.12
\$3.00 and over, continue on the same scale up to the maximum.	

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149 Section 2. **Effective Date.** This ordinance shall be effective February 1, 2016.
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151 **PASSED AND APPROVED** by a duly constituted quorum of the North Pole City
152 Council this 1st day of February, 2016.
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ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk:

Bryce J. Ward, Mayor

PASSED/FAILED Yes: No: Absent:

**CITY OF NORTH POLE
ORDINANCE 16-04**

**AN ORDINANCE OF THE NORTH POLE CITY COUNCIL INTRODUCING
CHAPTER 5.09 MARIJUANA ESTABLISHMENT REGULATIONS**

WHEREAS, changes to the North Pole Municipal Code 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 to provide clarification as needed; and

WHEREAS, the voters of Alaska passed Ballot Measure 2, An Act to Tax and Regulate the
Production, Sale, and Use of Marijuana, and which will be codified as Alaska Statute 17.38 *et*
seq.; and

WHEREAS, The State of Alaska is responsible for issuing licenses for marijuana
establishments; and

WHEREAS, Alaska Statute 17.38.210, in subsection (b) provides: “A local government may
enact ordinances or regulations not in conflict with this chapter or with regulations enacted
pursuant to this chapter, governing the time, place, manner, and number of marijuana
establishment operations. A local government may establish civil penalties for violation of an
ordinance or regulation governing the time, place, and manner of a marijuana establishment that
may operate in such local government; and

WHEREAS, the City Council wishes to establish process to be able to protest the issuance,
renewal, transfer, relocation, or continued operation of a marijuana license as provide d in state
law; and

WHEREAS, the City of North Pole will issue permits to marijuana entrepreneurs who meet the
requirements set forth to operate a marijuana establishment as set forth in state law and local
ordinance; and

WHEREAS, the City of North Pole wishes to establish clear and consistent regulations for the
operation of marijuana establishments; and

WHEREAS, North Pole Municipal Code section 8.04.005 prohibits marijuana extraction using
flammable extraction methods; and

WHEREAS, North Pole Municipal Code section 12.03.010 states it is unlawful for any person to
knowingly consume marijuana in a public place, which includes but is not limited to places of
business; and

WHEREAS, Marijuana clubs or places to consume in public, including a place of business are not listed as a permitted business under this ordinance; and

WHEREAS, the personal use of marijuana as described in Alaska Statute 17.38.020 will not be affected by this ordinance; and

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

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

Section 2. Amend Title 5, Business Licenses, Taxes and Regulations of the North Pole Municipal Code and adding Chapter 5.09, Marijuana Establishment Regulations as follows:

Chapter 5.09 Marijuana Establishment Regulations

5.09.010 Protesting State License Issuances.

A. The Council may protest the issuance, renewal, transfer, relocation, or continued operation of a marijuana 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 marijuana abuse or of crime or accidents in which the abuse of marijuana 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;
8. The degree of control the licensee has or proposes to have over the conduct of the licensed business;
9. The history of convictions of the applicants and affiliates of the applicants for:
 - a. Any felony involving moral turpitude;
 - b. Any violation of AS Title 04; and

c. Any violation of the marijuana control laws of another state as a licensee of that state;

10. The business operated under the license is, on the date the Council considers the license, delinquent in the payment of any sales tax or penalty or interest on sales tax arising out of the operation of the licensed premises;

11. There are delinquent water and sewer charges or penalty or interest thereon arising out of the operation of the licensed premises;

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

13. Any other factor the Council determines is generally relevant or is relevant to a particular application.

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

5.09.020 Marijuana Establishments in City limits

The operation of marijuana establishments as defined by AS 17.38.900, shall be permitted within the corporate boundaries of the city when all state and local regulations and the provisions of this chapter have been complied with.

5.09.030 Marijuana Establishment-Permit Required

Upon issuance of a state license, or concurrently, prospective marijuana establishment may apply for a City permit under the following terms and conditions;

A. Payment of applicable permit fees as identified in Chapter 5.09 Marijuana Establishment Regulation per state license location within the City limits;

a. In the case of vertically integrated business, permit fees will be capped at \$1,500;

b. If an applicant concurrently applies for a permit and their license is denied with the State, then 50% of permit fees paid will be refunded.

- 109 B. Payment of applicable business license fees under Chapter 5.02 Business Licenses
- 110 C. Registration for the collection and payment of sales tax as required by Chapter 4.08 of the
- 111 North Pole Code of Ordinances;
- 112 D. Review by the mayor or his designee(s) of establishments plans for: Security, waste
- 113 disposal, and signage and advertising
- 114 E. Permit applications must be accompanied by a completed Fairbanks North Star Borough
- 115 (F.N.S.B.) Zoning Permit.
- 116 F. A permit issued under authority of this section may not be transferred and shall expire at
- 117 midnight on December 31st of the year of issue;
- 118 G.

119 **5.09.040 Marijuana Retail Sales—Permit Fee.**

120 A prospective retail vendor of marijuana shall pay an annual permit fee of \$1,000 (One thousand

121 dollars) per state license location within the City limits;

122 **5.09.050 Marijuana Cultivation Facilities—Permit Fee.**

123 A prospective marijuana cultivation facility shall pay an annual permit fee of \$500 (Five

124 Hundred dollars) per state license location within the City limits;

125 **5.09.060 Marijuana Product Manufacturing Facilities—Permit Fee.**

126 A prospective marijuana product manufacturing facility shall pay an annual permit fee of \$500

127 (Five Hundred dollars) per state license location within the City limits.

128 **5.09.070 Marijuana Testing Facilities—Permit Fee.**

129 A prospective marijuana testing facility shall pay an annual permit fee of \$500 (Five Hundred

130 dollars) per state license location within the City limits;

131 **5.09.080 Promulgation of forms.**

132 When necessary or appropriate the Mayor or designee shall implement or revise the use of forms

133 for the purpose of efficiency within administration.

134 **5.09.090 Penalty for violation.**

135 A person or corporation violating the provisions of this chapter may be punished by a fine of not

136 more than \$1,500 (one thousand five hundred dollars) per violation, in addition to all other

137 remedies available in law or equity. A separate violation shall be deemed committed on each day

138 during or on which a violation occurs or continues.

139 **Section 3. Effective Date.** This ordinance shall be effective at 5:00 pm on the first City

140 business day following its adoption.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City
Council this 1st day of February, 2016.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

<p>PASSED/FAILED Yes: No: Absent:</p>
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