



February 4, 2003 - City Hall
Delta Junction City Council
5:00pm Regular Meeting

MINUTES

CALL TO ORDER

A Regular Meeting of the Delta Junction City Council was held on February 4, 2003 in the Conference Room at City Hall, Delta Junction, Alaska. Mayor Gilbertson called the meeting to order at 5:05pm.

Council members present: Roy Gilbertson, Presiding
Susie Kemp
Lou Heinbockel
Mark Weller

Council members excused: Mary Leith-Dowling
Henry Summers

Also in attendance: Pete Hallgren, City Administrator
Lamar Cotten, City Consultant
Dave Zimmerman, Finance Officer
Dennis Dooley, City Planner
Pat White, City Clerk

Additionally, there were 14 community members in attendance.

AMENDMENTS TO AGENDA - APPROVAL OF AGENDA

Hallgren explained two additions:

- ✓ Purchase Order #07662 to Lamar Cotten for January services
- ✓ Discussion of a seismic survey permit for Evergreen Resources Alaska Inc.

Kemp moved to approve agenda as amended; Weller seconded. Motion carried.

APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Heinbockel informed of minor corrections discussed with the Clerk.

Heinbockel moved to approve minutes from the January 21, 2003 regular meeting with the changes/corrections as discussed; Weller seconded. Motion carried.

PUBLIC COMMENTS ON AGENDA ITEMS

Mayor Gilbertson called for public comments with none being offered.

COUNCIL COMMENTS ON AGENDA ITEMS

Heinbockel reported that former Mayor and Councilman Frank Geiger passed away Sunday. Heinbockel requested flowers be sent from the City to the memorial services in Fairbanks.

White said she would send flowers.

REQUEST TO SPEAK

Hallgren reported a meeting, related to a new military firing range on the Donnelly Training Area, is scheduled for February 6. He stated the City received a copy today of the handout that will be distributed at this meeting. Public comments and presentations will take place between noon and 8:00pm. Information is that training areas and range areas will be built for the new Stryker Brigade on the east side of Jarvis Creek along the 33-mile loop area. There is question about live fire in the drop zone area. He quoted from the handout, "The community north of the Donnelly Training Area (DTA) East will receive guidance on how to prepare their homes for potential wildfire."

Ed Sheehan introduced himself. He said that he and Creig Sharp managed the range control for approximately 40 years. He stated he is very concerned with the new range between the Richardson Highway and Alcan Highway, east of Jarvis Creek, stating it is unsafe. The publication distributed "says nothing." There are no boundaries explained. The community must go into the attack phase. This area in discussion has never been used for live fire of any kind. The United States Army Alaska does not control the private, the federal, the state land or the air space in this area. Sheehan stated he has serious doubts that it can be accomplished safely. Legally, under regulations, the area is not big enough...period. Sheehan stated the minimum the City Council could do is to demand a full Environmental Impact Statement (EIS). The current EIS draft is invalid based on information provided. Sheehan stated that he has worked with every EIS that has ever been presented on Ft. Greely as well as the two public land audits that have existed. He knows the contents. This range is in violation with the basic intent of both regulations. An EIS involves at least one year. The City should be concerned with range safety implications. What are the rules of the game? What are the regulations involved? They must tell us how and what they are planning. They must be specific to include ricochet distance. A laser alone could blind at 17 kilometers (11.3 miles). The range then must go beyond 17 kilometers. Only a major commander can change anything to those regulations. Are the vehicles going to move and shoot? Each item brings up range distance. Other major concerns have to do with fire suppression and watershed from a standpoint of both flooding and drinking. This proposed training range is the last area open to the public. People use that area for trapping and berry picking. Another big issue is that the auto-range control must be in agreement. What weapons will be used? Explosive smoke, gas, air strikes, seasonal access must be identified up front.

Sheehan proposed Council select a committee that he can work with. He offered to represent the City by attending the meeting and reporting back. "The City must take the offensive position or this will be stuffed down your throat." He added, "Don't think that anyone is looking out for you." He said he "doesn't feel this project is doable but it will be done unless you stop them."

Discussion followed.

Heinbockel said the City should oppose any range development on the east side of the Richardson Highway that does not have any existing impact zones.

Sheehan stated there are unanswered questions. What is the long-range plan that we will have to deal with in the future? How much of that will be cleared? Regardless of where clearing is done the dust bowl will be extreme.

Discussion followed including interaction with community members in the audience.

Kemp moved to approve Ed Sheehan to represent the City at the February 6 meeting and to present a statement on the same day; Weller seconded.

Hallgren said he was told last week that the actual documentation will be out next weekend and there will be a 30-day public comment period. The Council should review this document when it is published.

Sheehan said he would report back, identify what the City does not agree with and then go back to the Army and request they justify their reasoning. "Put the ball in their court. Right now it's in your court and they are winning."

Motion passed unanimously on a roll call vote, asking Ed Sheehan to attend the range meeting as a representative of the City.

Ernie Wyrick, Assistant Fire Chief for Rural Deltana Volunteer Fire Department, reported an update since the teleconference on January 9 having to do with the Alaska Land Mobile Radio (ALMR) Project that the State is presently involved with. It will provide radio communication state wide when fully completed. In March 2003 there will be a Homeland Security Exercise in Valdez. They will test radio communications between Fairbanks and Valdez during this exercise. The reason Delta is included is because of our proximity to Missile Defense. Fairbanks received a grant for \$1,700,000 to purchase 20 radios (\$5,000 each). The State is using many different radio frequencies to make this system work. However, at this time, they feel that our frequencies would not be used, so we should be able to keep our frequencies here in our local area for our use. Delta may be forced in the future to use this system in order to communicate. The Northern region will include Fairbanks and Delta, the Richardson Highway to Paxson and a small area down the Alaska Highway. Considering the cost of each radio and the number that would be needed, grants will be the only way to purchase them. Mayor Gilbertson requested Wyrick keep the Council informed.

Al Edgren, Delta Division of Forestry, reported they are planning a workshop in May in Fairbanks. *Fire-wise* is a community planning effort on how to protect your home from wildfire. Edgren offered to arrange a presentation for the Council. It would cover a brief rundown of what the Fire-wise workshop is about.

After discussion, Council agreed to schedule a half-hour presentation on March 4.

CORRESPONDENCE

- **Invitation from Delta Mine Training Center (DMTC) to join Pogo Round Table discussion**

Hallgren reported he and several others from the City will attend the DMTC meeting on February 5, from 7:00-9:00pm.

▪ **News Release regarding minimum wage increase, effective 1-1-03**

Hallgren said even if the wage increase does not apply to the City, he authorized temporary-hires at the library to receive a 15-cent raise so that they will now make \$7.15/hour. Discussion followed and wages will be re-visited closer to July 1.

▪ **Invite from FNSB to join planning session on the Richardson Highway**

Hallgren said it might be worth sending someone to attend this meeting on February 21. Convoys would tie in with the Stryker Brigade even though the plan is to move them by rail. It appears MD will use Allen Army Airfield to fly missiles in and out rather than transport them via the highway.

REPORTS

Rescue Squad - Bethe Ellis requested a letter (written documentation) from Council stating they do not need to go through the bid process to purchase the new ambulance. Hallgren stated City Attorney is on vacation and the request has been e-mailed to him. Upon his return negotiations will begin to purchase the ambulance.

Ellis stated the Rescue Squad would like to initiate their drug testing policy as soon as Council approves it.

Hallgren reported he approved of the written policy and recommended Council implement it. He said the City Fire Department is also investigating a drug testing policy.

Kemp moved to approve the request for the drug testing policy; Heinbockel seconded.

Motion passed unanimously on a roll call vote.

Cemetery - Roy Gilbertson stated Mary Leith-Dowling is home and recovering from her postponed surgery. She is to rest for a couple of months and then have a re-evaluation in July.

City Clerk - Pat White stated APOC (Alaska Public Official Disclosure) packets were put in Council boxes. These are due back in the clerk's office by March 15.

White reported she attended a clerk's conference in Fairbanks January 29 through February 2. The training was exceptional and very helpful.

Dept of Economic Development - Pete Hallgren reported the new loader bid packets would be out by Friday, February 7 and the bid opening date is to be February 28. He described packet details.

Hallgren reported on last night's meeting with DREDC, stating the Library/City Hall/Recreation Center was the topic of discussion. He said PDC and Bettisworth need more guidance before they start designing. The immediate problem revolves around whether or not funds are available. Presently there is \$1,200,000 for all the projects. Around March '04 it is estimated the City will receive another \$1,300,000 along with \$500,000 that was zeroed out by DOD from the business loans/impact funds. Not until the middle of 2004 will it be known what the surplus is for the landfill and fire hall. Presently, it is expected to be \$2,000,000 to \$3,000,000 more. It is difficult to plan and put out for bid if money is not available. The multi-purpose building is way under funded. DREDC met last month and determined that there is not enough money to build a swimming pool. Their recommendation is to expand the existing buildings (Library and City Hall), expand the meeting space at the Community Center and expand the existing hockey rink, making it a community recreation center. DREDC recommended to 1) design

the library addition using the current building - for bid this summer 2) design the community center addition using the current building - for bid this summer 3) prioritize and build the first phase design to improve the present Liewer/Olmstead Center (hockey rink) and 4) prepare a rough design for City Hall expansion for future needs, but not to build. PDC/Bettisworth said this could be accomplished within the \$1,200,000 that is available. This would accomplish the majority of the goals under that line item and allow all the funds received in the future to be available for the recreation center. Hallgren asked Council to agree and allow PDC/Bettisworth to come up with conceptual ideas, to find out what we can build right now and get the best use out of our existing structures.

Kemp moved to accept DREDC recommendation to allow PDC/Bettisworth to design; Weller seconded.

Hallgren explained suggested improvements and changes. He stated Bob Morley has recently been upgrading the Community Center by installing wainscoting and repainting the walls in the main meeting room.

Heinbockel said there is not enough money or the need to expand City Hall office space. He would like that removed from the motion. He said we would spend the majority of the funds for design and have nothing to show for it.

Hallgren said if you build it, government would fill it. He is not an advocate to build space that we do not need. However, the office space would be needed if a borough were to use the City Hall facility. MD likes the idea of a regional government. It is one of the requirements, to investigate it. If totally zeroed out, it would take a lot of explaining to the federal government who are funding the MD. He said the design would be a rough design.

Heinbockel said the money would come out of any potential building we build. We continually spend money on design and we have nothing to show for it.

Weller said if the City becomes a borough; let taxpayers pay for the needed facilities.

Heinbockel says the rhetoric (to organize a borough or be forced to be a borough, that the MD would look more kindly on a governmental entity) comes out of Fairbanks. The political reality is that the Delta Junction area is not at this time nor is it in the foreseeable future ready to organize a borough.

Hallgren said legislature passed a statute last year ordering the Local Boundary Commission (LBC) to conduct a study of areas that are potentially ripe for borough formation.

Heinbockel said he fully understood the mandate. However, he said "they would have to force it down the people's throats" but he would not help them.

Discussion followed.

Hallgren reported the LBC would be in Delta this coming Saturday for a meeting with the public at the LIO.

Gilbertson said the library is a big issue and the community center is a "nightmare." He suggested leaving it as it is and possibly erect a stand-alone building next to it. He would like the City to keep the design-build and parcel it out to smaller contractors. He stated, "We must move as fast as we can and make the best decisions."

Kemp said impact funds are to be used for expansion of the City Hall and the library. MD identified that as a line item to be completed. It is required to accomplish them using the allocated MD impact funds. "We're not building, we are providing what was

requested." She said she agreed with Heinbockel, that she'd rather see the money go directly into construction except that the master plan will provide for expansion in the event that it is needed.

Heinbockel said 1.2 million would not cover any one of the listed four items.

Discussion followed.

Gilbertson said, "We can't sit on the money, we must move ahead." The library is the first project to accomplish.

Discussion followed.

Motion passed unanimously on a roll call vote to approve DREDC's recommendation to authorize consultants, PDC and Bettisworth, to prepare proposals and cost estimates for the four items listed.

Hallgren reported a 25-page report was completed to request \$170,000+ reimbursement from MD. The second request, for advance funds, will be done by Friday or next Monday. He offered Council to review reports. It was agreed that distributing copies is not necessary.

Finance/School - Mayor Gilbertson reported the 2.5 million that was originally earmarked for business development would be put toward the school. This will bring the total (\$15,500,000) to replace the footage of the Ft. Greely School.

Hockey Rink - Hallgren reported on a meeting with hockey representatives who provided a list of 15 or 16 items for improving the rink facility. These items included installing a well, an arctic entryway, a cement floor, bathrooms, six locker rooms, no showers, a locker room for refs, either an attached or a detached Zamboni room, a way of insulating the building. The arctic entry could be used to control access, be a warm area while waiting to be picked up and it could be used for a ticket booth. A teen center was considered, it showing up in the 1999 plans. There is potential for an indoor track on a higher level that could double as a spectator area.

Dooley distributed a memo listing the improvement ideas. He said the biggest part of the meeting was coming to grips with financial limitations. Following this meeting is why Dooley wants to create some sense of user needs for other projects.

Heinbockel said it's obvious all of the ideas will not get accomplished because they exceed \$500,000, what money was allocated for the rink.

Dooley said we are trying to approve funds before making decisions regarding construction, one large or several smaller contractors. Until the funds are accrued we do not have a choice in making decisions.

Dooley also said that DREDC recommended calling the building a recreation center, no longer referring to it as the hockey rink. "Ownership" of the building is associated with the ice hockey group and that has caused some problems in the community.

Hallgren said another \$4 million (of '03 money) will go toward that facility.

Heinbockel said because of the recent warm winds the last home game for the high school hockey team, scheduled for tomorrow, will not happen.

Park - Lou Heinbockel said recent winds are the first test to the park since many trees were removed last summer. As of yet no trees have fallen onto the new fence.

Personnel - Roy Gilbertson stated, hopefully by March 1, a new member will have joined the Council, filling Ron Beck's vacancy.

Public Works - Pete Hallgren reported the least expensive plan is to renovate the existing fire hall/EMS building and leave it exclusively for the fire department. A site has yet to be determined for the new Rescue Squad (three bay) building. A storage or maintenance facility could be attached to this new building and be used to house City equipment.

OLD BUSINESS

Cotten reported that the legislature directed the Local Boundary Commission (LBC) to take a hard look and identify areas in Alaska that could feasibly organize into boroughs. The Commission and its staff have developed a detailed report and have asked public response and input to that report this coming Saturday, February 8. Cotten stated he would make comment at that meeting, stating the City's position of looking at the borough issue but not taking a position at this time. The Commission had a number of options and for simplicity sake they appealed to the model boundary, which would include Eagle and Tok areas with Delta Junction. Cotten said there are boroughs that do not have multiple communities and that they function just fine. LBC will take these (public) comments into consideration, finalize their report, make a presentation to the House and the Senate and have a joint meeting with the Community and Regional Affairs Committee to present their annual report.

- **Select City Representative for the Regional Government Options Study Committee**

Cotten reported five people (Tana Wood, Mike Schultz, Bill Ward, Fred Sheen, Pete Fellman) have expressed interest from the community at large to participate in the committee to study regional government options. He identified representatives from some of the main groups. There will be a final report to this study but the study is not to take a position, advocating forming a borough. It is only to look at government options and understand the issues that the City is faced with. The first meeting is tentatively scheduled for February 18. He will have packets of information and will make extras for public review. Hopefully by June the committee can report to City Council to explain information that was derived, what conclusions were made and how they were found. Cotten asked Council to select someone for the committee who would represent the City. Gilbertson asked Heinbockel to be on the committee.

Heinbockel said he has a very definite bias. After discussion he agreed to be on the committee but stated there will be an undetermined 2-week period that he will be unable to attend. He said the state has made money off this community for years and has yet to pay it back.

Cotten informed Heinbockel that he would work around his schedule to keep him informed.

Hallgren said if a borough is forced upon Delta it would be much worse to have a borough running to the Canadian border to include Eagle and Tok and Mentasta than it would be to have a borough the size of the Delta-Greely REAA. We are looking to have LBC put a marker in their report, stating it would be better to look at a Delta Borough alone. Hallgren said the fear is that a bill will be introduced mandating a model borough boundary rather than allow for formation of a Delta area borough. Provision of service to the Canadian boundary would be nearly impossible. Half or more of the borough population lives within 30 miles of the City Hall. If we were to have a property tax, how

would we provide services to Eagle? With the one man/one vote, required by the US State Constitution, Delta would control the assembly for the foreseeable future. The majority of the assembly members would be from Delta. In order to attend regional meetings or ask simple questions, elected officials from Tok or Eagle would have to travel long distances.

Discussion followed regarding selecting a representative from the community at large.

Weller said he would like a wider representation of people and asked that it be advertised in the local newspaper.

Discussion followed. The letter, addressed to the initial five groups, would be revised and published in the next local newspaper, dated February 13. It was decided that those that have already offered to serve do not need to restate their interest. They will be included on the list. Final selection of representatives will be up to the Council.

- **Select Official Name for Nistler Road/School Road/Tanana Street**

Gilbertson said Tanana Street is what is on the City map.

Weller suggested having a contest for the school kids.

Heinbockel said the road has always been referred to as School Road. The State added a lengthy stretch (5 or 6 miles), which became Nistler Road. The turn (circular section) in front of the school should rightfully be called School Road and the rest should be called Nistler Road.

Heinbockel moved to drop Tanana Street and officially call the rest Nistler Road; Kemp seconded.

Ed Sheehan stated the State names the roads.

Motion passed unanimously on a roll call vote.

Gilbertson requested a recess at 7:04pm. Council resumed at 7:12pm.

NEW BUSINESS

- **Approval of Preliminary Plat of Fred Cook's Property**

Diane M. Schultz, Real Estate Broker for Delta Homes, and Ralph Mathews, Registered Land Surveyor from Fairbanks, presented Fred Cook's Plat.

Hallgren stated approval is required because the subdivision is within City limits. He reported that DOT is comfortable with the exits/entries onto the Richardson Highway. He said City Planner, Dennis Dooley, reviewed the plat.

Kemp moved to approve plat as presented; Weller seconded.

Heinbockel asked about roads in this subdivision.

Mathews stated there are roads that already exist in the subdivision and the plat creates easements for access to all the new parcels within the subdivision. Fred Cook's property lies on the east and west of both Spengler Road and the Richardson Highway. Sandra is a City street but it is slightly north of the property line. Mathews explained that the intent is to sell the property in large parcels. This plat is anomalous in that there are six lots and the rest are in tracts. He explained its history and why both lots and tracts are in one plat.

Council members reviewed the plat.

Motion passed unanimously on a roll call vote to approve Fred Cook's plat.

- **June 2002 Audit Report** (carried over from 1-21-03 meeting)

Hallgren reported several items are worth looking at and by reading the text, one can gain an understanding of the City's financial standing. He explained the report and the changes that have occurred to reconcile the process. Up until Ron Beck's death reports were provided to him.

Discussion followed.

Weller moved to accept the 2002 Audit Report as presented; Heinbockel seconded.

Motion passed unanimously on a roll call vote.

- **Purchase Orders**

- PO#07637 to Aetna WHO-AAS in the amount of \$4,365.50 for February 03 health insurance
- PO#07638 to AML in the amount of \$1,220.00 for dues for 2003
- PO#07639 to Delta Fuel Company in the amount of \$831.19 for January fuel oil
- PO#07640 to Delta Skating Association in the amount of \$3,632.45 for maintenance at the hockey rink
- PO#07641 to Fairbanks Title Agency in the amount of \$880.00 for new landfill title insurance
- PO#07662 to Lamar Cotten in the amount of \$6,486.61 for January '03 consultant fees

Weller moved to approve purchase orders #07637 through #07662 as presented; Kemp seconded.

Heinbockel asked about PO#07640. "Is this a bill against the \$5,000 that was already authorized to the Hockey Association several weeks ago?"

Hallgren stated the General Fund is being revised to include that authorized amount.

Motion passed unanimously on a roll call vote.

- **Seismic Survey Permit for Evergreen Resources Alaska Inc.**

Hallgren reported that a request for comments was received from the State of Alaska Department of Natural Resources (DNR). Evergreen Resources wishes to conduct a small scale seismic survey on 452,000-acre block of shallow gas leases Northwest of Delta Junction. They will be covering 9 miles of 2D seismic testing using 8 gauge shotgun blanks as the energy source. Comments are due by February 14. If we do not comment, they will assume we have no objections. Hallgren requested authorization to send a letter of approval to the State of Alaska.

Heinbockel moved to have Hallgren send a letter to the State authorizing the seismic survey permit; Weller seconded.

Motion passed unanimously on a roll call vote.

ADDITIONAL PUBLIC COMMENTS

Mayor Gilbertson called for additional public comments with none being offered.

ADDITIONAL COUNCIL COMMENTS

Weller said, regarding the Regional Government Options Study, he would like to look at the cost of paying our way and not just formation of a borough.

Heinbockel reported history of borough studies in Delta. He would like to know how much revenue the State of Alaska receives on a yearly basis from the boundary of the Fairbanks North Star Borough to the school district boundary in the south, the original

boundaries of the original Deltana Borough studied in 1974. There are many forms of taxation. We pay the highest cigarette tax and alcohol tax of anywhere in the nation. However, Alaska does pay the lowest fuel tax of any state in the nation. But how much does Delta receive back? Gary Wilken, Fairbanks - Alaska Senate, says we don't pay our fair share. Gary Wilken does not live in a community that has to pay 39 cents more per gallon for fuel oil. There are a lot of added expenses in rural areas then what he faces in Fairbanks. Those in Anchorage must face an increase in natural gas prices yet they are paying less than anywhere else in the United States.

Weller said Wilken is looking at property tax and the school issue. Heinbockel said it is a very narrow view, a popular political view. We may be paying our own way and maybe we are owed something in return.

Dooley stated a rough estimate of the current value of the pipeline is approximately \$300 million. It generates the State approximately \$6 million dollars in taxes each year.

Heinbockel said the value of the pipeline has been declining. The amount of revenue was part of the argument that LBC used back in the mid-70's. We had a source of tax revenue and could spread it around.

Hallgren said services cannot be spread around.

ADJOURNMENT

With no further business to come before the Council, Mayor Gilbertson asked for a motion to adjourn at 7:33pm. Heinbockel moved to adjourn; Weller seconded. Motion carried.

Respectfully submitted,

Pat White, City Clerk