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**City Council Minutes**  
**March 23, 2004 ~ 6:00PM**

**Special Meeting**  
**City Hall, Delta Junction, Alaska**  
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The special meeting of the Delta Junction City Council was held on March 23, 2004 in the City Hall Conference Room in Delta Junction, Alaska. Mayor Gilbertson called the meeting to order at 6:01PM.

Council members present: Mayor Roy Gilbertson, Mayor Pro tem Mary Leith-Dowling, Lou Heinbockel, Robert Miller, Mark Weller and Susan Kemp-Sandy (telephonically)

Council members excused: Will Pecchia

City employees present: Pete Hallgren and Pat White

Additionally three members from the community were present.

Intent to Award Dozer Bid

Hallgren explained the landfill track dozer bid. Only one bid was received with an alternate bid for a repair contract. It is the exact piece of equipment needed although it is more expensive than anticipated, quoted at \$291,500. One requirement is for the bidder to supply it with synthetic oil, needed for cold weather starting. The equipment will be housed in heated storage, eliminating the need for that type of oil and thus, reducing the price by \$4,700. The total price without synthetic oil would be \$286,800. The maintenance/repair alternate (\$97,250) covers 5,000 hours of operation or 5 years (60 months), whichever comes first. MACTEC has given their verbal recommendation to accept the alternate bid of \$97,250 but to delete portions of the repair work to reduce the cost between 0 and \$97,250. NC Machinery states delivery will be 157 days from the date the order is received, instead of 120 days. Therefore, the dozer would not be available to use at the landfill this summer. Once the machinery is ordered a cancellation will not be accepted. Richard Bonwell has recommended approval of the bid with these exceptions. Hallgren stated the maintenance/repair agreement does not need to be accepted at the same time the dozer is ordered. Hallgren said he needed to review options for the maintenance agreement with MACTEC, Mayor Gilbertson and Equipment Operator Dave Boadwine. He said all maintenance can be done in-house and it would be charged toward landfill operating costs. If it is pre-funded through an agreement with the equipment company the first 5 years of maintenance will be covered. Boadwine feels he is capable to do the work himself and NC Machinery is willing to work out a variety of scenarios that would lower the cost of that portion of the bid. He asked Council to approve MACTEC's recommendation to accept both the base bid for the dozer and the bid for maintenance/repair, authorize him to send out the Notice of Intent to Award (NOIA), allow him to substitute the type of oil and then negotiate a maintenance agreement in the City's best interest.

Discussion followed about negotiating maintenance options and bid specs.

Hallgren said his intent would be to negotiate omitting the synthetic oil clause in the maintenance agreement and to purchase the caterpillar dozer once the protest period ended. He reported another company offered their brand but Bonwell/MACTEC considered it not equal. This model dozer is highly

specialized for work at the landfill. The workload in Delta will not be the same as in Fairbanks even though the equipment specs used were the same as the Fairbanks North Star Borough's.

Discussion followed regarding backup equipment and past history involving a 22 year old grader and an 18 year old loader that are still in operation.

Hallgren said if part of the public bid is rejected, it might have to go back out to bid. By deleting part of the required specs to achieve a lower price will affect the bid process. If Boadwine completed the oil changes it would drop the price by \$10,000. Other options need to be negotiated. Hallgren said MACTEC recommends approving up to \$97,000 but not actually awarding it. He said nothing would be awarded until he reports back to Council.

Miller moved to find that NC Machinery Company is the responsive low bidder on the Landfill Track Dozer (IFB No.: 04004) and that 1) a Notice of Intent to Award the landfill track dozer be issued to NC Machinery Company up to the sum of \$291,500.00 and 2) that the City Administrator be authorized (upon expiration of the bid protest period without receipt by the City of any timely and sufficient protest) in his discretion, to issue an award of the bid in the name of the City to NC Machinery Company and 3) that the City Administrator, in his discretion, be authorized to delete the requirement for synthetic oil if that will reduce the dozer price to \$286,800.00; Leith-Dowling seconded.

Hallgren said if a maintenance contract were needed, it would have to go back out to bid.

Gilbertson said he would like the cost of the maintenance agreement or a lesser amount be put into a controlled maintenance account. He would like the State involved in the process.

Hallgren stated 30 days is allowed to deal with the maintenance agreement. He would ask the State about a maintenance account and if they would allow in-house maintenance and repair.

Motion passed unanimously on a roll call vote.

Intent to Award Landfill Bid

Hallgren reported a number of arithmetic errors were found in the initial landfill bids but even after they were corrected UNIT/SKW, LLC remained the low responsive bidder. MACTEC recommended awarding the base bid with only Alternate A (the septic scales, buildings, south cell and trenching in the south cell). Alternate A is everything but the north cell and its trenches. The change was due to learning that Ft. Greely would be putting in their own incinerator. Construction of the base bid and alternate A would allow 25 to 35 years of use. The north cell would be available to construct at a later date. Hallgren said he had a conference call with some of the environmental folks from Huntsville and discussed Ft. Greely putting in an incinerator. They apologized for blind-siding the City and stated the incinerator is not necessarily a long-term proposition. MACTEC feels the landfill could handle Ft. Greely's garbage for a number of years.

Hallgren reported all three bids (landfill, library and fire station) are within the funds available.

Leith-Dowling moved to find that UNIT/SKW, LLC is the responsive low bidder on the Solid Waste Landfill and Septage Disposal Facility (IFB No.: 04003) and that 1) a Notice of Intent to Award the Base Bid plus Alternate A be issued to UNIT/SKW, LLC in the full sum of \$2,936,912.30 and 2) that the City Administrator be authorized (upon expiration of the bid protest period without receipt by the City of any timely and sufficient protest) in his discretion, to issue an award of the Base Bid and Alternate A in the name of the City to UNIT/SKW, LLC; Miller seconded.

Motion passed on a roll call vote with four (Leith-Dowling, Miller, Kemp-Sandy, Gilbertson) voting in favor and two (Weller, Heinbockel) voting against.

General City Land Sale Policies

Delta Industrial Services, Inc. - Request for Survey and Auction of Property

Hallgren, referring to the 1975 Community Plat Map, identified what parcels are available to sell over-the-counter and what has not yet been auctioned. Parcels were last appraised by Chilton-Hines in August 2001.

The lots that Delta Industrial are interested in are Lots 5 through 12 of Block 12. Most are valued at \$1,500/lot. They must be auctioned first before they can be available over-the-counter.

Heinbockel said current over-the-counter properties are being sold at 200% of the last appraisal.

Gilbertson stated property is being sold for \$1,500/lot, which is three times less than what it is worth.

Heinbockel said that area was intended to be commercial development 30 or 40 years ago even though it was never zoned. Over a year ago it was decided to increase property by 200% of the last appraisal (initially 150%), understanding then that the value had increased.

Heinbockel moved to auction the property at 200% of the last appraised evaluation done by E. Chilton Hines, Inc. in 2001; Weller seconded.

Hallgren said Delta Industrial recently purchased Lots 3 and 4. They wish to have access off Shaw Avenue. West Fourth Street is not presently constructed so that it connects with Shaw Avenue. Hallgren asked if Delta Industrial could build access streets and if they must build to certain standards. Delta Industrial requested the City survey and place markers for a right-of-way.

Weller asked to leave coordination of the survey up to the discretion of the City Administrator, making sure the project is completed within 30 days.

Hallgren asked if the rest of West Fourth Street and one block of Shaw Avenue and at least one block or all of West Sixth Street could be built with the cost of building them taken from the proceeds of the lot sales.

Heinbockel stated he agreed to pay the cost of the survey so the lines are known. Much of the community was constructed by way of "pioneer" access ways (cat trails). Funds were later found to bring the streets up to standards. He said he was uncomfortable in using funds from the sale of the lots when it should be deposited into the permanent fund. He suggested selling the property at the inflated amount, putting the money into the City's permanent fund, complete the survey and allow the property owners to access their own property via their own pioneer access.

Hallgren said Alaska Statutes state the City is not required to maintain a road simply because it owns it. He explained past experience of maintaining City streets and how it applies to property owners.

Crouch asked if other lots/blocks could be included in the auction.

Heinbockel said if there is still land available he would be in favor to do whatever is needed to get property out to the public.

Discussion followed regarding using proceeds from property sales and abiding by existing ordinance.

Hallgren stated some of the property has never been appraised. He said the least expensive issue would be to put the appraised lots up for auction. What does not sell with a minimum opening bid at an auction then goes over-the-counter at the same price.

Motion passed unanimously on a roll call vote.

Discussion followed regarding other City properties and what should be done regarding them.

Hallgren distributed a draft survey from 1993. He said the State indicates new instructions will be issued to the surveyor and the City must absorb that cost.

Discussion followed regarding the draft survey.

Hallgren suggested upon researching he would proceed with getting the property surveyed and recorded so that it could be put into the City's name and then Council can make decisions as to dispose of them.

Crouch asked to address Block 11 and 13.

Hallgren stated he would report back once he knows what property the City owns in that general area. The property would then need to be appraised if the City does own it.

Adjournment

Heinbockel moved to adjourn at 7:19PM; Miller seconded.