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**City Council Minutes**  
**June 15, 2004 ~ 5:00PM**

**Regular Meeting**  
**City Hall, Delta Junction, Alaska**  
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The regular meeting of the Delta Junction City Council was held on June 15, 2004 in the City Hall conference room in Delta Junction, Alaska. Mayor Gilbertson called the meeting to order at 5:02PM.

Council members present: Mayor Roy Gilbertson, Mayor Pro tem Mary Leith-Dowling, Mark Weller,
Lou Heinbockel, John Sloan, Will Pecchia, Susan Kemp-Sandy (telephonically)

City employees present: Pete Hallgren, Dave Zimmerman, Lamar Cotten, Pat White

Additionally seven members from the community were present.

AMENDMENTS TO AGENDA ~ APPROVAL OF AGENDA

Mayor Gilbertson reported four purchase orders to add to New Business:

- PO#08954 to ACS for June '04 phone service
- PO#08955 to Bank of America for credit card charges
- PO#08956 to Carns General Contractors for street gravel
- PO#08957 to Sunshine Services for street gravel

Leith-Dowling moved to approve the agenda as amended; Pecchia seconded. Motion carried.

APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Sloan moved to approve the minutes from the June 1, 2004 meeting as presented; Pecchia seconded. Motion carried.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

COUNCIL COMMENTS ON NON-AGENDA ITEMS

Mayor Gilbertson asked for public and Council comments on non-agenda items with none being offered.

REQUEST TO SPEAK

- Fred Sheen, Chamber of Commerce President, asked for status regarding previous request for ownership of the Visitor's Information Center.

Hallgren reported the property is owned by the State and the City owns the building. The State is willing to transfer the title of the property to the City upon completion of the unfinished survey. The title will include a reversionary clause requiring it be used only for public purposes.

Sheen asked why the Chamber could not take care of the survey to help with the process.

Discussion followed regarding the Chamber being in direct competition with local vendors.

Sheen stated the income generated from the Visitor's Center has paid for its operation for the past 15 years.

Hallgren said he would continue finishing the survey.

- Mike Tvenge, President of Hockey Association, asked about status of the hockey rink.

Hallgren reported the Fire Marshal's final decision is that the stand-alone rooms inside the rink would constitute substantive modifications that would require the building to be "sprinkled". The whole building would need to have a sprinkler system, not just the additional rooms. Hallgren said he would inquire if additions to the outside of the building would have the same decision. The building met minimum standards according to code at that time it was constructed.

Tvenge said the building could be upgraded. He said building another facility did not seem possible. For several years it was known there were millions of dollars to be spent and to date, nothing has been done. He understood decisions regarding the hockey rink could begin once the bid process was completed for the other (library, fire hall, landfill) construction projects.

Heinbockel said part of the holdup was getting through the construction of the other projects in order to determine how much money remained to be put toward the hockey rink. The other projects may get all the funds because of numerous additional costs that were not anticipated.

Discussion followed regarding FY04 funds and what is presently available.

Hallgren reported the \$63,000+ zamboni would arrive in October. Work on the hockey rink could not be accomplished during the summer months until the other projects were completed and it was known what leftover funds were available. Presently there is no design for either upgrade or a new facility. The cost to upgrade would be equal or more than it would be to construct a new facility.

Discussion followed regarding changes to the current building and the cost of a new facility that would include insulation, heat and possibly refrigerated ice.

Hallgren said he would inquire on MACTEC's estimated cost to upgrade the existing hockey rink roofing, supports and insulation. He believes MACTEC had said such an upgrade would be far beyond \$750,000 in cost and that \$750,000 was an estimate of the cost of a new metal structure loaded on a truck in Seattle. He said every dollar spent on improving the existing hockey rink is less what can be spent on a new facility.

Tvenge asked to finish one building, whether it is the existing one or a new one, so that the community does not have two unfinished ice rinks.

Gilbertson said he shares in the frustration. He explained items that needed completion in order to upgrade the hockey rink and said that other needs were presented, such as the elementary school, which required money to be shifted away from the hockey rink/recreation center. It will be known once the contractors finish the construction projects. Dealing with a multitude of building regulations is frustrating.

Sheen stated proceeds from the sale of the rink building could be used toward a new facility if the hockey rink lot is zoned for commercial use.

Discussion followed regarding ownership and housing of the old zamboni and planning a work session to discuss hockey rink(s).

Hallgren said the design phase must be complete by the end of October to be out for bid by early January.

- Sheen asked to tentatively schedule use of the Community Center on July 9 and to waive the rental fees.

He said the Chamber of Commerce would host a picnic at 6:30PM for the Alaska Highway Legacy Tour. The Alaska Highway International Forum's objective is to meet with community leaders and create a working relationship with everyone that holds interest in the future of the international highway.

Council showed no objection to Sheen's request.

CORRESPONDENCE - None

REPORTS

Airport – Mark Weller reported follow-up on the airport parking issue. He diagramed the area in question and explained the situation, stating possibly a land swap would resolve the issue.

Hallgren said easements to be used for a safety zone are in place. However, there are no easements for the adhoc entry road, which is the reason why access was constructed past the clinic into the airport lots.

Discussion followed regarding possibly extending the access road around the corner, widening it approximately 300 feet and that there was no funding for it.

Cemetery – Mary Leith-Dowling reported gates to north side entrances of the cemetery were being hung.

City Clerk – Pat White reported this year's City Council election is scheduled for October 5. Four seats (B, D and G for 3-year terms and Seat F for one-year) would be on the ballot. One person had shown interest in running. The filing period is between August 24 and September 9. Packets are ready but applications will not be accepted until August 24.

Department of Economic Development – Pete Hallgren reported the public land auction was held on June 14. The auction brought in \$31,500 on the sale of 9 of the 14 industrial lots, all at minimum bid and sold to the one bidder who asked for the property to be auctioned. Lots 1,2, 3, 7 and 8 of Block 5 remain to be sold.

Discussion followed regarding price and demand for property.

Hallgren reported Commissioner Blatchford of the Department of Community & Economic Development (DCED) is scheduled to meet with Council at 10:30AM on June 17, prior to meeting with the Chamber of Commerce at their luncheon. All of the Missile Defense impact funds are funneled through DCED. Commissioner Blatchford, under the Governor's approval, chose three areas in the State of Alaska to assist with economic development and Delta was one of them. DCED provided technical information (aerial maps of the Delta area), assistance regarding the Social Service Grant programs, assistance for Delta Regional Economic Development Committee (DREDC) in completing the Comprehensive Economic Development Strategy (CEDS) report, permission to use impact funds to hire Lamar Cotten for his expertise in guiding the charter commission and they approved the purchase of a used tender for the Fire Department to replace the buried tank. He said it is more attention and assistance than the average community receives.

Hallgren reported he attended the scoping meeting (of which the document is not available) for the Eddy Drop Zone (EDZ) Environmental Impact Statement (EIS). The original document identified numerous areas that needed researched but the EDZ is not a foregone conclusion as they are expanding the area that is under consideration. Hallgren stated he would attend the Fairbanks version of the same meeting on June 16. He said some feel the Tanana Flats area would be chosen because it is a more suitable location.

Finance – Roy Gilbertson reported that proceeds from recent land sales and the FY04 annual investment earnings would not be put toward the Permanent Fund. Instead the income would be used toward paying the prison lawsuit should it not get settled via a veto from the Governor's office.

Hallgren said the total cost of the lawsuit, including our attorney fees, would be over \$1.2 million. The plaintiffs received summary judgment against the City, which means they are ready to turn it into judgment. The loan to the City would be \$50,000/year at 0% interest. Forgiveness of the remaining balance, courtesy of Senator Wilkens, is pending formation of a borough. Hallgren asked to wait on the Governor's response before taking any action. \$100,000, Hallgren's estimate above the \$1.2 million, is available in the general fund. \$28,000 could be pulled from the Permanent Fund by June 30 and transferred to the General Fund if the Governor does not make a decision by then or if he does veto the loan.

Sloan asked if the Governor does not veto, whether those funds would revert back to the Permanent Fund.

Hallgren said he recommended that.

Gilbertson said the loan request was the only item Delta received from the 2005 State fiscal year budget session. Hopefully Governor Murkowski will not veto the request and Delta can move forward. He said an answer is expected by the end of June.

Library – Mary Leith-Dowling reported library staff applied for a \$31,171 grant to cover the cost of a new catalog system, which will assist in locating books area wide. She asked if the old catalog file, which had not been used in over 10 years, could be given to another library that requested it.

Discussion followed regarding ridding of surplus items.

Heinbockel asked to explore selling the file system in view of the same request from the Chamber of Commerce for the million-dollar Visitor's Center facility.

Park – Will Pecchia reported installation of the playground equipment is scheduled for June 17, 18 and 19. Volunteers have committed their labor and some tools and equipment have been donated. Everything is in place. Pecchia stated he went over budget by \$1,500 to cover the cost of the bagged concrete and some rented equipment. IGA and the Park Committee will provide food and beverages. The 2-5 year old equipment, the basketball court and/or the skateboard projects will be pursued after this project is completed.

Public Health & Safety – John Sloan reported the meeting with the volunteer Fire Department on June 8 was worthwhile and well attended by firefighters and Council members.

Charter Commission – Lou Heinbockel reported a decision needed made on compensation of Debbie Heral who was hired to record and transcribe the charter meetings. He recommended paying \$25/hour for the 3-hour meeting and then multiplying it by 2.5, the estimated time to transcribe the minutes. The total cost to the City would be between \$263 and \$350 per meeting. He reported White reached figures by comparing them to that paid in Palmer for detailed planning and zoning minutes.

Council members agreed with Heinbockel's recommendation.

UNFINISHED BUSINESS

Revised MACTEC Engineering Cost Estimates

Council discussed the document provided by MACTEC in detail.

Hallgren stated MACTEC had run out of budget on one of the construction projects.

Heinbockel said a decision needed to be made.

Discussion followed and it was decided to make a decision after the Executive Session.

NEW BUSINESS

Appointment of Carin Bjorn Von Letzendorf (Pastor Bear) as Fire Chief

Sloan moved to appoint Pastor Bear as the Fire Chief for the City of Delta Junction Volunteer Fire Department; Weller seconded.

Motion passed unanimously on a roll call vote.

Gilbertson stated the community at large is fortunate to have such a professional as Pastor Bear in charge.

Second Reading and Adoption of Ordinance 2005-01, An Ordinance for the City of Delta Junction, Alaska Providing for the Budget for the Fiscal Year 2005

Leith-Dowling stated the library budget as presented lacks a pay increase for a library employee. She said the library assistant has worked for over 10 years and is paid only \$10.35/hour. She asked to increase the hourly wage by \$1 to make it more in line with similar jobs that pay \$14/hour.

Discussion followed regarding wages, annual increase and health care benefits.

Weller moved to increase the library assistant wage from \$10.35 to \$11.35 for the next fiscal year; Sloan seconded.

Motion passed unanimously on a roll call vote.

Hallgren reported the current budget estimates a surplus of \$13,793 because of the \$100,000 taken from reserves. He quoted from his final budget memo, dated June 7, 2004, "This budget would probably reduce our working capital (undesignated surplus) to between \$100,000 and \$150,000 as of mid-October when PILT funds arrive. In the past we have needed working capital as high as \$300,000 principally due to the EDA Grant (now expiring), which reimbursed us for eligible expenditures. The missile defense impact grants provide us (on a quarterly basis) monies in advance of expenditure, this lessening the need for working capital. I would strongly advise against letting working capital ever fall below \$100,000." He said the next year's budget would be more interesting.

Heinbockel moved to open the public hearing on Ordinance 2005-01; Weller seconded. Motion carried.

Mike Tvenge, President of the Hockey Association, asked for money to be allocated to the hockey facility so that there is a known dollar amount to work with.

Gilbertson said a work session is needed.

Hallgren reported the rec center operating budget includes \$3,000 to cover repair and maintenance of the hockey rink facility, \$7,990 for insurance on the building and \$1,000 for supplies. He said insurance is covered in the new City budget.

Tvenge said the Hockey Association does not have the funds to pay for the facility insurance. Fundraising events are planned for the Deltana Fair and close to \$500 was collected by recycling cans in which Lynden transported at no expense.

Heinbockel moved to close the public hearing; Weller seconded. Motion carried by consent.

Hallgren reported changes between the first and second budget drafts.

Heinbockel moved to adopt Ordinance 2005-01, An Ordinance Providing for the FY05 Budget, as amended; Pecchia seconded.

Leith-Dowling asked for community support for the new library. Expanding to a larger building was a desire expressed by the community. Missile Defense was content using the present one with maybe enlarging it. She said fundraisers go so far but expectations need to be met and the community is needed to help.

Hallgren stated the library FY05 budget had gone to \$112,000 from the FY04 budget of \$89,000.

Leith-Dowling said there was a need to expand the library hours last year.

Motion passed unanimously on a roll call vote.

Right of Way Easement Request

Hallgren, referring to a memo written by City Planner Dennis Dooley and a request for assistance written by Rodger and Lisa Sturgis, explained that the Sturgis' are attempting to develop their property but are in conflict with adjacent landowners' septic systems. They ask that the City grant them a 10-foot variance from Aurora Road.

Weller moved to approve the variance to the right of way as requested by Rodger and Lisa Sturgis; Kemp-Sandy seconded.

Weller said the request is of little significance. He explained a four-foot bank exists between the leveled lot and the road. There is 10 or 12 feet between the greenhouse and the road. The property was already engineered and surveyed. The neighbor's septic makes it difficult to meet the 200 foot septic/well separation requirement.

Motion passed unanimously on a roll call vote.

Library Drain Field Invoice

Hallgren explained the design for the drain field of the new library was situated (10 feet) too close to the Presbyterian Church well. The contractor estimated it would cost \$55,000 to move the partially completed drain field. The church suggested moving their well. Hallgren stated it would be less expensive to correct the situation by simply giving the church the money to drill a new well. He presented a letter from the Churches in Partnership, dated June 9, agreeing to that. It would be an eligible cost of library construction.

Weller moved to approve up to \$9,800.00 for the Churches in Partnership: Faith Lutheran, ELCA and Delta Presbyterian, PCUSA to cover costs for a well and water lines; Pecchia seconded.

Pecchia asked about language in the letter regarding "our greater costs."

Hallgren said the engineers have already settled on a location and drawings have provided.

Pecchia asked that the church register the well so that the problem is not repeated.

Motion passed unanimously on a roll call vote.

Request for Old Tables

Hallgren stated the Pioneers have requested that the City donate older tables to their organization. Bob Morley identified 10 or 11 that were available. The tables would be used during Pioneer functions and they would provide their own storage space. They also agreed to loan the tables to other non-profit groups.

Weller moved to donate used tables to the Pioneers as requested; Kemp-Sandy seconded.

Discussion followed regarding working condition of the tables.

Hallgren stated new tables had already been purchased to replace the older ones.

Motion passed unanimously on a roll call vote.

GVEA Lease to Power Site

Hallgren read excerpts from a June 10 letter from Golden Valley Electric Association (GVEA). GVEA requested to work with the City to acquire either a land use permit or a 2-year lease with an option to purchase property for possible siting of future local generation that is needed because of increased growth in the Delta area.

Discussion followed regarding Code requirements to auction prior to selling property and if those rules apply in this situation.

Hallgren said limitations could be required for “power generation” to the 6-8 acre parcel. He stated Dennis Dooley suggested leasing the property on an annual basis. The property may need to be appraised before a decision could be made.

Heinbockel said the consensus would be for GVEA to enhance their system and the City would support in whatever manner needed.

Discussion followed regarding renting or purchasing.

Hallgren estimated renting would be \$425/acre per year. Industrial property is worth \$8,400 per acre.

Kemp-Sandy asked how much discount would be given to the City for the needed installs.

Discussion followed regarding three-phase hookups, possible trade-offs and last year’s experience when Delta was without electricity for 6 hours in extreme cold temperatures.

Weller moved to approve the lease of Lots 28 and 29 as requested by Golden Valley Electric Association for air monitoring for the cost of \$400/acre per year; Pecchia seconded.

Discussion followed regarding fees.

Weller amended the motion to lease for \$425/acre per year, based on advice from the City Planner; Pecchia seconded.

Motion passed unanimously on a roll call vote.

Purchase Orders

PO#08935 to AK Dept of Natural Resources in the amount of \$5,000.00 for E911 Imagery License/Support

PO#08936 to Arctic Fire & Safety Company in the amount of \$83,840.00 for 16 MSA air packs (Fire Dept)

PO#08937 to ATT & Alascom in the amount of \$572.00 for June '04 911 service

PO#08938 to Clearwater Construction in the amount of \$1,174.00 for gates for the cemetery

PO#08939 to Coffee Club in the amount of \$545.00 for Homeland planning session including use of their facility

PO#08940 to Construction Machinery in the amount of \$1,600.00 for rent of compactor used on City streets

PO#08941 to Delta Building Supply in the amount of \$1,500.00 for June '04 rent for equipment

PO#08942 to Delta Lawn Care in the amount of \$4,166.67 to June '04 lawn service

PO#08943 to Delta Fuel Company in the amount of \$954.16 for May '04 heating oil

PO#08944 to GVEA in the amount of \$606.88 for May '04 electricity

PO#08945 to Guess & Rudd in the amount of \$3,047.56 for legal service to review 1) USARAK final EIS on Eddy Drop Zone and Donnelly Range Expansion and 2) City ordinance changes for cemetery and Council residency

PO#08946 to Little Tikes Commercial Play Systems in the amount of \$27,623.67 for park playground equipment

PO#08947 to MACTEC Engineering & Consulting, Inc. in the amount of \$12,858.50 for May '04 engineering service on fire station

PO#08948 to MACTEC Engineering & Consulting, Inc. in the amount of \$24,346.12 for April/May '04 engineering service on library

PO#08949 to MACTEC Engineering & Consulting, Inc. in the amount of \$22,186.50 for April '04 engineering service at the landfill

PO#08950 to UNIT SKW, LLC in the amount of \$213,278.20 for May '04 landfill billing #1

PO#08951 to UNIT SKW, LLC in the amount of \$247,040.06 for May '04 library billing #1
PO#08952 to Weidner Construction in the amount of \$967.50 for May '04 park septic pumping
PO#08953 to Whitestone Farms in the amount of \$599.00 for City Hall flower baskets and flower beds
PO#08954 to ACS in the amount of \$899.55 for June '04 phone service
PO#08955 to Bank of America in the amount of \$1,763.77 for credit card charges
PO#08956 to Carns General Contractors in the amount of \$858.00 for street gravel
PO#08957 to Sunshine Services in the amount of \$975.00 for street (D-1) gravel

Pecchia moved to approve purchase orders 08935 through 08957 excluding 08950; Weller seconded.

Weller said he objected to paying for services from a non-tax paying business that does not hire locally.

White explained three quotes were received and Whitestone was the least expensive. In the past flower baskets were hung from the City Hall facility and around the gazebo rails. This year the work also included the flowerbeds on both sides of the front entrance sidewalk.

Discussion followed regarding providers of service.

Sloan asked about purchase order 08949.

Hallgren stated the PO was within the budgeted amounts and is part of what has already been approved. It did not include the additional request for \$102,000.

Heinbockel asked about 08952.

Hallgren reported recent problems with the septic system and leach field at the park pavilion. It is thought the line between the holding tank and the leach field is separated. Hallgren stated he authorized Kel Weidner to fix up to \$1,000.00.

Discussion followed regarding problems with the park septic system and trash. It was decided to have a dumpster positioned.

Motion passed on a roll call vote with five voting in favor and two (Weller, Heinbockel) voting against.

Heinbockel moved to approve purchase order 08950; Sloan seconded.

Discussion followed regarding charges, services provided and involvement from the contractors.

Heinbockel asked to rescind the motion to pay PO#08950; Sloan seconded.

Ray Shannon identified himself as the Superintendent of UNIT for the landfill project as well as a resident of Delta for 32 years. He asked to offer some explanation to questions Council would discuss.

EXECUTIVE SESSION - City Construction Projects

Heinbockel moved to enter into Executive Session at 7:10PM to discuss City construction projects and finances that with immediate public knowledge may prejudice the City; Pecchia seconded. Motion passed by unanimous consent.

Weller asked Shannon to comment on his perception of the conflict so that Council was well informed prior to Executive Session.

Shannon reported his concerns over the new landfill construction

Heinbockel said MACTEC is paid to look out for the City's interests.

Discussion followed regarding conversion to cubic yard versus percentage, the completed survey and further details of the current argument.

Council dismissed at 7:22PM for a five-minute break before entering into Executive Session.

Present during the Executive Session were seven City Council members and three City employees (Hallgren, Cotten and White). Kemp-Sandy was present telephonically.

Pecchia moved to end the Executive Session at 7:56PM and reconvene the regular City Council meeting; Leith-Dowling seconded. Motion passed by unanimous consent.

Revised MACTEC Engineering Cost Estimates – continued

Heinbockel moved to approve the MACTEC estimate of increased engineering costs for no more than \$102,000; Leith-Dowling seconded.

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

Discussion followed regarding asking MACTEC to cover the costs associated with the new well for the church.

Approval of Purchase Orders - continued

Heinbockel moved to approve purchase order 08950 to UNIT SKW, LLC in the amount of \$213,278.20; Weller seconded.

Motion passed unanimously on a roll call vote.

ADDITIONAL PUBLIC COMMENTS

Shannon thanked Council for the opportunity to voice his opinion regarding the landfill issues and for authorizing payment to UNIT. He asked if MACTEC had made the City aware of the landfill situation.

Hallgren stated the matter was discussed during Executive Session and he did not want to discuss it in public. He thanked Shannon for his opinion and comments.

Shannon said construction at the landfill had come to a stop because of a shortage of fill material (estimated to be 30,000 yards).

ADDITIONAL COUNCIL COMMENTS

Pecchia asked about availability of an emergency helicopter.

Heinbockel said an emergency evacuation helicopter was stationed at Ft. Greely when it was an active military base.

Weller asked that future purchases patronize local businesses that are tax paying and contribute to the community, even if the costs are a bit higher.

ADJOURNMENT

Heinbockel moved to adjourn at 8:05PM; Pecchia seconded. Motion carried.

Pat White
City Clerk
City of Delta Junction

Date of approval: July 6, 2004