



City Council Minutes
October 19, 2005 ~ 5:00PM

Regular Meeting
City Hall, Delta Junction, Alaska

The regular meeting of the Delta Junction City Council was held on Wednesday, October 19, 2005 at City Hall in Delta Junction, Alaska. Mayor Gilbertson called the meeting to order at 5:05PM.

Council members present: Mayor Roy Gilbertson, Mayor Pro tem Mary Leith-Dowling, Leslie Feilner
Mike Tvenge, Lou Heinbockel, Lynnetta Marcellus (excused at 6:34PM)

Council members excused: John Sloan

City employees present: Pete Hallgren, Dave Zimmerman, Butch Ellis, Pat White

Five members from the community and Teck-Pogo Manager Karl Hanneman were also present.

AMENDMENTS TO AGENDA ~ APPROVAL OF AGENDA

White reported two purchase orders to add to *New Business*:

- ✓ PO#010348 to Delta Building Supply in the amount of \$1,500.00
- ✓ PO#010349 to Alaska Mental Health Trust in the amount of \$122,019.95

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

APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Leith-Dowling moved to approve the minutes from the October 5, 2005 meeting as presented; Feilner seconded. Motion carried.

ELECTION RESULTS AND CERTIFICATION

White reported results from the October 4, 2005 City Municipal Election. She stated 69 ballots were cast at the polls and 8 voters submitted absentee ballots. Results were as follows:

Seat C – Lou Heinbockel	65 votes
Seat E – Lynnetta Marcellus	66 votes
Seat F – Art Keaster	6 votes
Seat G – Michael Tvenge	61 votes

White reported all incumbents ran unopposed except for Seat F (three-year term), which was open to write-ins. Art Keaster received the most ballots but he declined to accept office. John Sloan was the second top vote getter and he also declined. The vacancy would be advertised and would be filled by appointment.

Hallgren stated John Sloan would continue to serve in Seat F until a replacement is sworn in or if he submits a letter of resignation and Council accepts it. The decision of appointing a new member to the Council would be totally up to the Council body.

White said Sloan's personal commitments would not allow him to attend a meeting before December. He would submit a letter of resignation if it were necessary.

Discussion followed regarding the filing process and filling the vacancy by appointment.

Heinbockel moved to certify the results of the October 4, 2005 election as presented; Feilner seconded.

Motion passed unanimously on a roll call vote with six (Leith-Dowling, Feilner, Marcellus, Tvenge, Heinbockel, Gilbertson) voting.

OATH OF OFFICE

White administered the Oath of Office to re-elected official Lou Heinbockel and newly elected Lynnetta Marcellus and Michael Tvenge, whom had both previously served as Council members since their appointments on June 21, 2005.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

COUNCIL COMMENTS ON NON-AGENDA ITEMS

Mayor Gilbertson called for public and Council comments with none being offered.

REQUEST TO SPEAK

John Lewis introduced himself. He said he was temporarily appointed as the Local Emergency Planning Committee (LEPC) Interim Chair, replacing John Sloan as City Council representative and Steve Fields, Deltana Community Corporation (DCC) representative. He asked Council members to meet for a work session with a LEPC subcommittee to discuss their purpose and future as a service organization. He hoped for City officials and members of the planning committee to be "on the same page" to make sure they are providing necessary insight to the community as well as clearly understanding the expectations required of them.

Hallgren stated renovations to turn the old fire station offices into an Emergency Operations Center (EOC) were stopped at the request of the LEPC.

Lewis said investing City funds into renovations was a concern and because of that Council input was needed. Lewis said 1 or 2 hours with a few Council members should be adequate.

White stated she would schedule a work session.

REPORTS

City Administrator – Pete Hallgren reported:

- The new library failed its latest well water test on October 11 when samples tested positive for coliform bacteria. The Community Center dealt with the same problem, which was eventually resolved after a series of chlorine bleach treatments. Hallgren said previous tests at the library passed. The problem was not yet known, but possibly related to when the contractor welded additional height onto the well casing two months ago. It may be as simple as replacing water system filters.
- The new fire station failed a surprise boiler inspection on October 13. It is apparent the boiler was lacking a high-heat shutoff, which would not be a major cost to install.
- The new library continued to have air-handling problems that were still under investigation. Siemen's had presented several possibilities and MACTEC was conducting that research.
- The State issued instructions on October 12 to subdivide the property from the School Road to the airport tie-down area. That State-owned land would be subdivided into parcels and given freely to the City and school district. Hallgren said the City paid for the survey last March. Should a second recreation facility be constructed near the Liewer-Olmstead Skating Arena the State has indicated they do not want it straddling the property line north of the existing building.
- The State of Alaska issued a letter on October 6 reporting (real estate and personal) property value within the City of Delta Junction was estimated at \$47 million dollars.

- Mayor Gilbertson and Michael Tvenge were working on getting concrete poured at the hockey facility. It could be accomplished for under the authorized \$20,000, would be paid through force accounting and progress was expected next week.
- A meeting was scheduled for October 26 in Delta to discuss the proposed Corps of Engineers private hotel that would possibly be constructed on Ft. Greely. That meeting was rescheduled for mid-November and would be held in Fairbanks instead of Delta Junction. Hallgren said he would provide details as he received them.
- Dave Boadwine was presently posting signs. He needed input on the speed limits on South Clearwater and Emmaus. Both are unpaved streets but major feeders off Nistler Road.

Heinbockel asked to follow State of Alaska standards.

Hallgren said Emmaus would allow 35mph and South Clearwater, 25, because of increasing residential homes.

Heinbockel asked that a letter be written by the administration requesting DOT reduce speed limits to 55mph through the City of Delta Junction boundaries from Alaska 7 Motel on the Richardson Highway to the Trophy Lodge on the Alaska Highway. He said his concern regarded possible school bus situations. 65mph was too fast even on a four-lane highway, much less the two-lane Richardson.

Discussion followed regarding excessive speed limits.

Hallgren stated he would submit a letter from the City.

- Hallgren reminded Council of the Alaska Municipal League (AML) Local Government Conference in Anchorage November 7-11. He recommended the first two days of training for newly elected officials because of the benefits offered.

Discussion followed regarding schedules and attendances.

School Liaison – Lynnetta Marcellus reported the elementary gym floor would be ready to use no later than October 24, advertisement for the superintendent position would be out by the end of the month, the new playground was being used, and a 2006 graduation date had not yet been determined.

DREDC – Mike Tvenge reported Social Service grant applicants were well received at the October 17 meeting. DREDC forwarded applications for approval by the Department of Community & Economic Development (DCED) and Missile Defense.

Hallgren said DREDC needed to make decisions regarding the sub-grant from Missile Defense that funded the Recreation Coordinator position.

Tvenge said it was tabled for discussion at the next meeting.

Library – Mary Leith-Dowling reported the library hosted a pearl party and approximately \$300 was contributed toward the matching Rasmuson Foundation grant. She also reported the Story Hour children were split into three separate groups because of the numbers of participants.

Park – Leslie Feilner reported “no alcohol” signs had arrived and were ready to be posted at the park.

Recreation – Mike Tvenge referred to sample packets of signs for the ice arena (hockey rink). He stated the Skating Association’s preference had both hockey player and figure skater symbols. He explained a proposal for purchasing the sign. If the 5 x 5” steel posts (legs) could be purchased locally it could reduce shipping costs, which were quoted between \$600 and \$1,200. Why this company? Tvenge said J.M. Stewart Corporation built the elementary school’s sign. Are they the only sign company available? Tvenge explained that Kumin & Associates, the architects who designed the elementary school, went through the bidding process and Stewart Signs in Sarasota, FL was the lowest bidder. Tvenge thought the signs having the same color and design would be compatible, especially since they would be positioned on opposite sides of the street (but not directly). The cabinet with lighting would cost \$6,175. Electrical wiring from the rink facility, footing (4-foot hole filled with cement and rebar) and shipping costs would not be included in that sign cost. The sign would need to be located 50-foot from the centerline of Nistler Road which would allow placement anywhere between the hockey rink facility and the pipeline. The 8-foot sign would require legs to be 7-foot apart. Tvenge questioned the proposed road closure of North Clearwater.

Hallgren said he had not been able to combine the school plans (extending Kimball to Nistler Road to allow closing off a section of North Clearwater) with the instructions that were issued last week to the surveyor. Placement of the rink sign must not conflict with the school's plans for their new road.

Discussion followed regarding location of the double-sided sign, cold weather, and direction of winds.

Heinbockel said the colder the weather, the less the fluorescent lights can illuminate.

Tvenge stated the sign could be built and shipped by Christmas or New Year's.

Discussion followed regarding mounting the sign on the building versus leaving it as a stand-alone.

Hallgren reported formal bid process was not necessary because the cost was under \$10,000. Quotes were informally acquired through the school contractor's recent work. It was determined a local business could not provide the sign. The Florida sign manufacturer offers discounts to municipalities. Hallgren said the bid could be awarded without further bidding process.

Heinbockel moved to purchase the skating rink sign for \$6,175.00, cover the costs associated with shipping and electrical work and the concrete foundation, as presented; Leith-Dowling seconded.

Tvenge stated the legs would be shipped separately, possibly on another pallet but he was unsure of the shipping cost.

Gilbertson said he would donate materials to construct the legs, eliminating both costs (material and shipping).

Motion passed unanimously on a roll call vote.

Hallgren said it would be reasonable to pour the sign foundation during the same time the rink flooring is being poured.

Public Works – Lou Heinbockel reported he received another phone call from another very satisfied landfill user. He has never received a complaint about having to pay too much.

Hallgren asked to remind residents to cover their loads when transporting because of high winds.

UNFINISHED BUSINESS - none

NEW BUSINESS

Introduction of Amended Agreement for Payment in Lieu of Taxes with Teck-Pogo, Preparation of Public Hearing and Second Reading of Ordinance 2006-04, An Ordinance Adopting an Agreement for PILT with Teck-Pogo, and Providing for an Effective Date

Hallgren explained the proposed amendment would accompany Ordinance 2006-04. (The draft PILT agreement was first introduced on September 6 and the public hearing and second reading was tabled at the September 21 meeting.) Hallgren said the amendment was signed by Teck-Pogo on October 14. He recommended substituting the newly signed amended agreement with the draft proposal that was introduced on September 6 and hold the public hearing, second reading and possible adoption for November 1. It would allow reasonable time to advertise for public discussion and attendance. Hallgren stated the City Attorney was available by phone if there were questions to resolve tonight.

Heinbockel said he had difficulty with the November 15 deadline because this issue is too major for Council to act upon without public participation. City Attorney Jim DeWitt's letter is a valuable piece of information and the public needs to read it. It is lengthy and may be costly to advertise but he felt it was necessary. Heinbockel said he wanted the entire document published in the local newspaper because he wanted the public's feedback. If that was not possible he wanted it available for the general public to be able to read. Do they agree with it or do they not? He said DeWitt points out the PILT agreement is not an attempt for the City to form a borough.

Discussion followed regarding publishing the City Attorney's letter (explaining the PILT agreement) and the PILT agreement in the local newspaper, on the City's website and distributing hardcopies at City Hall and the library.

Janet Boyer said she doubted a nine-page letter would be read even if it were published. She would highlight points from his letter when she wrote her article.

Heinbockel said the agreement must be viewed by the entire Deltana community, not just the City. The agreement itself is very important. Tying any future borough government to this agreement is even more important.

Hallgren said negotiations were lengthy and in-depth. The Charter Commission focused on funding a borough not dependent on property tax. He explained a borough with a private industry worth \$260 million would be required to contribute 4 mils of that \$260 million value annually toward local schools. That money must be raised somehow and without a PILT there would not be reasonable means to raise 4 mils on the mine property unless there were a property tax.

Heinbockel said 4 mils of \$300 million is \$1.2 million, what this community would have to raise on an annual basis. That alone is a good selling point to not have a borough. However, according to the PILT agreement, if a borough is not formed the funds are returned to Pogo. He said he has been a strong supporter of borough formation for 30 years and he did not want to support the PILT agreement if it is to be “a kiss of death to a borough.” Heinbockel said he wanted to hear from the public.

Hallgren said if a borough were formed, the 4-mil local contribution for schools is not required until the third year. The Pogo PILT does also have a 10-year limit and at that time the assembly, if there were a borough, could renegotiate with Pogo. He said he didn't think any potential borough could be harmed by the PILT agreement with the guaranteed minimum \$2 million per year payment. It was meant to approximate around a 10-mil property tax.

Leith-Dowling moved to approve the Teck-Pogo PILT agreement, signed on October 14, 2005, as amended and hold the public hearing, second reading and adoption of Ordinance 2006-04 on November 1; Feilner seconded.

Hallgren said a draft borough formation petition is ready for signatures and then to be submitted to the Local Boundary Commission (LBC). If LBC accepts it, a State-run election would be set for next spring. Any borough petition must have a three-year pro-forma budget attached to prove its financial feasibility. The PILT would be the major portion of that funding. The public would have opportunity to debate a borough issue prior to any election. Hallgren said irrevocable decisions are not being made. They simply allow the current draft petition to move forward for ultimate public consideration.

Motion passed on a roll call vote with four (Leith-Dowling, Feilner, Tvenge, Marcellus) voting in favor and two (Heinbockel, Gilbertson) against.

Resolution 2006-02, A Resolution Adopting to Participate in the AMLJIA Loss Control Incentive Program for the City of Delta Junction

Hallgren explained AMLJIA offered the City an opportunity to reduce insurance premiums by participating in a pilot program. He said a Safety Committee would need to be organized and there would be some work involved. The effort would save approximately \$4,800 in the first year, 5% of insurance premiums. Hallgren recommended participation in the safety-training sessions and/or teleconferences. Administrative Assistant Letha Burcham would organize the project.

Leith-Dowling said many of the safety issues would be beneficial to employees.

Leith-Dowling moved to adopt Resolution 2006-02 to participate in the AMLJIA Loss Control Incentive Program; Feilner seconded.

Motion passed on a roll call vote with five (Leith-Dowling, Feilner, Tvenge, Marcellus, Gilbertson) and one (Heinbockel) voting against.

Sign for Hockey Rink

See discussion under *Recreation Report*

Fee Waiver Request from Delta Rescue Squad for Blood Drive on December 8

Heinbockel stated the Rescue Squad should not have to request a fee waiver for any community service event.

Hallgren asked to consider a *continuing* approval. If there were conflict with scheduling every 56 days as requested the Blood Drive would be moved from the Community Center to City Hall. The Rescue Squad building would be another alternative.

Discussion followed regarding restricting to public facilities and avoiding Monday night bingo.

Torba Subdivision

Hallgren said the Council is the platting authority for properties within city limits. Any requests for subdividing must be approved.

Tvenge said Torba Subdivision is located inside Jack Subdivision and he questioned whether Jack Subdivision could be subdivided.

Discussion followed regarding easement requirements, naming roads for the E911 addressing project, private streets versus publicly maintained roads, possible covenants attached, and lot size.

Marcellus excused herself at 6:34PM.

Hallgren asked to table discussion for the November 1 meeting to allow time to research.

Purchase Orders

PO#010330 to Airport Equipment Rentals, Inc. in the amount of \$1,387.50 for rent of compactor for two days

PO#010331 to ACS in the amount of \$1,357.12 for Oct '05 phone service

PO#010332 to ATT & Alascom in the amount of \$806.81 for Oct '05 911 phone lines / service

PO#010333 to Bank of America in the amount of \$3,730.22 for Sept credit card charges (City Hall virus software upgrade, laptop battery replacement, two radio license transfer and renewals, Nancy King travel to Ketchikan conference, Lamar Cotten travel from Anchorage to Delta, Pat White travel to Anchorage for clerk conference, snowplow visor and paint overcoat)

PO#010334 to B&A Heating & Service in the amount of \$1,484.35 for new fuel tank hook up at Community Center

PO#010335 to Buffalo Center Auto Parts in the amount of \$592.95 for wire for additional lights on fire engine, brush cutter parts, shop supplies and snowplow set up

PO#010336 to Delta Fuel Company in the amount of \$4,667.45 for landfill and Community Center heating oil and landfill equipment fuel tank

PO#010337 to GVEA in the amount of \$2,204.96 for Sept '05 electricity

PO#010338 to IBS in the amount of \$593.20 for materials used to refurbish old fire hall and materials used to replace rotted well house cover

PO#010339 to Weidner Construction in the amount of \$500.00 for Aug/Sept park porta-potties

PO#010340 to Weidner Construction in the amount of \$700.00 for pumping park septic tank

PO#010348 to Delta Building Supply in the amount of \$1,500.00 for Oct '05 warm storage

PO#010349 to Alaska Mental Health Trust in the amount of \$122,019.95 for City Park payoff

Heinbockel asked about 010334.

Zimmerman stated \$656+ paid for parts and \$800 in labor (\$60/hour for business owner and \$35/hour for his assistant).

Heinbockel asked about 010339 and 010340.

Hallgren said landfill septic waste charges are a little less than \$50 for 1,000 gallons. \$200 is paid for 4,000 gallons.

Feilner moved to approve purchase orders 010331 through 010340 and 010348 through 010349; Leith-Dowling seconded.

Heinbockel said he was disappointed in the State of Alaska paying the State (Mental Health Trust) for the park.

Motion passed on a roll call vote with four (Feilner, Leith-Dowling, Tvenge, Gilbertson) voting in favor and one (Heinbockel) voting against.

ADDITIONAL PUBLIC COMMENTS

Al Edgren asked Council to address the public with an explanation of the Pogo PILT.

Heinbockel said the City Attorney's letter of explanation made more sense than reading the PILT itself.

Edgren asked Janet Boyer to use language in her article that the public can understand.

Discussion followed regarding public turnout and moving to a larger facility.

Edgren said there is a difference now in having the final draft document.

Heinbockel said the public must be involved.

Gilbertson reported a long-time resident requested the public be allowed to participate in decision-making. The consequences need known of what happens if nothing is finalized. The choice ultimately belongs to the public.

Janet Boyer asked the City to write a letter to the editor to summarize Jim DeWitt's nine-page letter. She asked if there would be a vote to adopt the PILT agreement on November 1.

Hallgren said yes to both.

Boyer asked if purchasing the park would impact the budget in terms of buying insurance.

Hallgren said the park has been covered for the past 27 years while it was leased.

Boyer asked if there was a reason why the Enhanced Use Lease (EUL) meeting was moved to Fairbanks?

Hallgren said there was not, simply that the EUL (hotel) site at Ft. Greely would be moved closer to the Joint Use Airfield as opposed to south of the front gate. He quoted from the October 4 correspondence, stating the forum would be postponed and held with interested developers in Fairbanks and a site visit to Delta Junction and Ft. Greely would be scheduled in mid-November.

Gilbertson said the hotel would be closer to town and the airport.

Boyer asked how much had been spent to date renovating the old fire hall for the LEPC Emergency Operations Center.

Zimmerman said \$1,400 was spent for ceiling lights and approximately \$500 for Bob Morley's labor through the end of September.

Hallgren said reconstruction work would begin in the bay area to insulate sections in the walls and replace the well cover so that temperatures can be reduced as low as possible without freezing the water system.

Zimmerman asked if winter hours at the landfill were approved.

Hallgren said he issued an e.mail the end of September to the local garbage haulers and explained options but had not received a response.

Heinbockel moved to adopt the landfill hours as recommended; Leith-Dowling seconded.

Hallgren said the new hours (Tuesdays 11:00AM-6:00PM, Fridays 11:00AM-3:00PM, Saturdays 11:00AM-3:00PM) still increase the hours offered during the old landfill operation. He or Zimmerman would be available to accommodate Delta Sanitation on days the landfill is not open to the public.

Discussion followed regarding wind conditions and dumping without the ability to spread cover material.

Butch Ellis said he would prefer dumping was limited to emergency situations. He said State scale certification was received on October 17.

Tvenge asked if approving the winter hours would allow hiring of a scale house operator.

Hallgren said the new hours would cut overall operation costs.

Feilner asked when the landfill would close because of wind conditions and cold temperatures.

Ellis said -30° was the cutoff at the old landfill.

Discussion followed regarding setting rules to accommodate the equipment operators, the public, septic haulers and garbage haulers.

Ellis asked to get a scale house operator and a telephone as soon as possible.

Motion passed unanimously on a roll call vote with five (Heinbockel, Leith-Dowling, Tvenge, Feilner, Gilbertson) voting.

Boyer asked when new hours become effective.

Hallgren said the new landfill hours would become effective on November 1.

ADDITIONAL COUNCIL COMMENTS

Heinbockel said the cost of fuel increased but the fire halls alone were slightly less than \$1,000/month for electricity. He said something was seriously wrong.

Hallgren said the fuel cost surcharge increased dramatically in the last three months. It is presently 24% of the electric bill. He would research the new landfill energy costs also.

Heinbockel asked to sell the Waldo property also.

ADJOURNMENT

Feilner moved to adjourn at 7:13PM; Heinbockel seconded. Motion carried.

Pat White
City Clerk

Date of approval: November 1, 2005