



City Council Minutes
November 15, 2005 ~ 5:00PM

Regular Meeting
City Hall, Delta Junction, Alaska

The regular meeting of the Delta Junction City Council was held on Tuesday, November 15, 2005 at City Hall in Delta Junction, Alaska. Mayor Gilbertson called the meeting to order at 5:03PM.

Council members present: Mayor Roy Gilbertson, Mayor Pro tem Mary Leith-Dowling,
Mike Tvenge, Lou Heinbockel, Leslie Feilner, Lynnetta Marcellus

Council member excused: John Sloan

City employees present: Pete Hallgren, Dave Zimmerman, Butch Ellis
Joyce McCombs, Lamar Cotten, Pat White

Eight members from the community and two out-of-town guests were also present.

AMENDMENTS TO AGENDA ~ APPROVAL OF AGENDA

Mayor Gilbertson reported five purchase orders (010406 through 010410) to add to *New Business*. Heinbockel moved to approve the agenda as amended; Leith-Dowling seconded. Motion carried.

APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Leith-Dowling moved to approve the minutes from the November 1, 2005 meeting as presented; Feilner seconded. Motion carried.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

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

COUNCIL COMMENTS ON NON-AGENDA ITEMS

Tvenge distributed State of Alaska Constitution booklets that he brought back from the AML Conference in Anchorage.

CORRESPONDENCE – Receipt of City Park Quitclaim Deed

Hallgren reported the State provided funding for the City to purchase the park.

Heinbockel said the City initially leased the park from the State of Alaska. The State Legislature then allowed Alaska Mental Health Trust to select property that they owned and basically gave ownership of the park to Mental Health, who became the leaseholders. The State provided the money to purchase the property from Alaska Mental Health Trust.

REPORTS

Fire Department – Carin Bear reported half of the University Fire and Safety training program was complete. Bear stated problems with the building doors were not yet resolved.

Airport – Leslie Feilner reported contact with members of the Pilot's Association who have confronted individuals in their vehicles who were crossing the runway from Rapids Street to access the road near the airport lots. It is an ongoing problem that includes snow machines and four-wheelers. Feilner said she asked the State troopers for assistance. Vehicles on the airstrip are a public hazard and possible liability issue for the City. She proposed installing a gate to block the road entrance and issue keys to select individuals who have airplanes that require access to the runway. A photo was displayed of the proposed gate. Feilner said she did not know the cost of constructing and installing the gate but said the locks would be vandal proof and the keys would be non-duplicable. Should the gate be involuntarily left open privileges would be stopped. It would be a firm decision in which the situation could be controlled. Feilner said the Department of Forestry posted a no-public-access-on-this-road sign that blocked the "bottom road" that runs parallel to the airstrip and accesses the Richardson Highway. Patrons wishing to access the body shop business simply cross the airstrip when technically they should be using the Clinic Road.

Hallgren said the State owns a sliver of property that runs diagonally at the end of the runway toward the south. Also most of the ad-hock road is not on City property. The City owns a portion of the heliport that DNR uses.

Heinbockel said members of the Pilot's Association who have welding skills could possibly construct the gate. Possibly the City could furnish the materials or there could be a trade for services in partial payment of the Pilot's Association annual premium fees. History has proven that even privately owned gates and fences have been destroyed.

Feilner said the problem has escalated and the City can no longer do nothing. Fencing the area is two-fold. Moose, snow machines and four-wheelers cause problems in maintaining the fences. The gate would prohibit vehicle traffic only (not snow machines and four-wheelers) but may resolve the hazardous situation.

Discussion followed regarding contact with airport lot owners and funneling the traffic through Clinic Road.

Heinbockel said \$30,000 was spent to improve the Clinic Road but the City should not be responsible for maintaining the road beyond the clinic because it is privately owned. It has not been maintained except for snow removal.

Hallgren said the road could be improved if more lots were developed to sell. The proceeds from selling subdivided lots could be used toward road improvement.

Feilner said to resolve the problem before adding to it. She asked that there not be anymore sale of lots until the runway issue is resolved.

Discussion followed regarding inability to maintain the runway.

City Clerk – Pat White reported the one-day clerk's conference in Anchorage was worth attending. The guest speaker was Deb Sofield, a City Council member from Greenville, SC, who teaches speaking skills to people across the country.

City Administrator – Pete Hallgren reported Governor Murkowski was a guest at the AML Conference in Anchorage. He planned to introduce legislation that would increase money for borough formation. The bill would encourage borough formation by paying out \$2.5 million. \$1 million would be paid in the first year, \$1 million the second year and \$500,000 the third year. It is a \$1.9 million increase of the current statute. The Governor committed to one year of PERS cost relief but was against major pay-down on the un-funded liability. Hallgren said the governor was also committed to the small community fuel program in which Delta received \$47,000 last year. If Delta were a borough it would not have been considered for the payment. Governor Murkowski wishes to make municipal assistance permanent rather than on an ad-hoc annual basis. His two proposals address POMV (percentage of monetary value

on the permanent fund) or using Amerada Hess earnings that would provide \$20 or 30 million annually to municipalities on an on-going basis.

School Liaison – Lynnetta Marcellus reported the Little Dribblers program would be extended. Both music and art programs were brought back into the elementary curriculum after many years.

Hallgren stated Superintendent Dan Beck reported the student count was short 60 to 80 students from what was estimated.

DREDC – Mike Tvenge reported DREDC met on November 14. They plan to re-advertise and fill the recreation coordinator position that was not successful earlier this year. Application deadline will be January 31, 2006. He said Midge Clouse addressed a letter to DREDC regarding hiring of the last VISTA worker and thanked them for their handling of the situation. Clouse is the Local Government Specialist with the Department of Commerce, Community & Economic Development (DCCED). Tvenge stated DREDC recommended approval of Social Service Grant applications that would be discussed later in the meeting.

Library – Mary Leith-Dowling reported the furnace issues and problems with the library doors were still matters of concern. A solution for the doors would be discussed later in the meeting.

Personnel – Pete Hallgren reported seven applicants had applied for the scale house operator position and he planned to review them on November 18. Selection would be difficult because the job was so generic.

Recreation – Mike Tvenge reported the Delta Skating Association raised \$18,000 at their annual fundraiser on November 5. The funds would be used for operating throughout the year. Tvenge said he was very thankful for the community support. He reported the concrete at the rink was poured. Mats were yet to be laid but the surface was now smooth with a heavy broom finish. Tvenge, “as the president of the Skating Association” thanked Council for funding the improvement. He stated the sign foundation and electrical rough-in were also prepared and ready for the sign placement when it arrives. The shipping date is December 5 and the sign installation would hopefully be completed by Christmas.

Hallgren said he met with representatives from Missile Defense and the Department of Community & Economic Development (DCEDE) for the Quarterly Impact meeting on November 3. The final project discussed was the recreation center. The delay has been because of conceptual drawings for the add-on building that would provide heat and water for restrooms, dressing rooms and a zamboni room. Hallgren said he would request MACTEC review the drawings to determine if they were functionally adequate and also provide a quote for preliminary ideas.

Discussion followed regarding engineers with experience in rink design and requesting review versus hiring for the actual construction.

Tvenge said Ken Cole, Community Impacts Program Manager, requested progress by the end of the month.

Hallgren said he would request MACTEC review the Skating Association’s drawings to determine if they meet basic sense. MACTEC is familiar with the existing structure and it would require some expense to bring another engineering firm up to speed. Search for a turnkey design firm can come later.

Heinbockel asked to make a decision regarding an engineering firm and not delay any longer. Too many years have been spent without water or a zamboni room. At this point it was only conceptual. “Will this work? What will it cost to construct the building?”

Hallgren said he would request information from MACTEC, USKH and M2C1.

Public Works – Lou Heinbockel reported the sander was repaired and intersections have been sanded. He questioned whether the material needed to be heavier. He said the Skating Association maintains the rink facility by paying all the utility costs. He asked Council to consider assisting the program by using some of the governor’s \$40,000+ grant that was given to the community to pay the increased costs for fuel and electricity that was over last year’s expenses.

Hallgren said the governor’s fuel assistance grant was already spent and/or budgeted. It could be a consideration only if the City is given additional funding this year.

Heinbockel said the State has made windfall profits and they are willing to share it with communities but not with individuals. Many will suffer from increased energy rates. He said he felt very little is spent on the 200+ participants that use the rink and assisting them with operating costs was appropriate.

Tvenge reported the youth teams hoped to participate in four tournaments but because of the increased fuel costs each group was asked to cut back to three.

Discussion followed regarding the increased rates and efforts made to conserve energy.

Charter Commission – Lou Heinbockel reported the Charter Commission would meet at 4:00PM on November 16.

UNFINISHED BUSINESS

Adoption of Ordinance 2006-04, An Ordinance Adopting an Agreement for Payment in Lieu of Taxes with Teck-Pogo, and Providing for an Effective Date

Heinbockel asked to continue the tabled discussion from the November 1 meeting:

Heinbockel moved to adopt Ordinance 2006-04, An Ordinance Adopting an Agreement for Payment in Lieu of Taxes with Teck-Pogo, and Providing for an Effective Date; Leith-Dowling seconded.

Marcellus said her opinion was that the PILT agreement was too convoluted and it would be a mistake to vote it in. She said questions early on still exist. “Pogo is pinning us down to issues that we will regret later. We need to force Pogo to give us a better deal.” She said she did not like what they were presenting. She also did not like the escrow account. “What is their ulterior motive in holding back from paying more?”

Feilner said she agreed with Marcellus. She said a company appraised at over \$370 million could afford to pay more. “\$1.2 million is ludicrous. It’s not enough.” She said she was also unhappy with the escrow account because it was being used as a “carrot” to entice the City into creating a borough. “If there is no borough formation the money in the escrow is returned to Pogo. They are trying to force our hand.”

Tvenge said he was thankful for postponing voting on the issue because it allowed more feedback from the community. He heard a lot of public opinion in favor and some against adoption of the PILT. He expressed appreciation to the local paper for getting the public involved.

Feilner said those that provided concerns to her stood firm against both the PILT and any borough formation. The feedback she received has been negative and she felt the public hearing on November 1 was not based on fair representation of the public’s opinion.

Heinbockel said he agreed with Feilner but has not heard from anyone, aside from public testimony on at the last meeting, who was not in agreement that the City should accept the PILT. He said there were some issues about the agreement that he did not approve of. However, the PILT provides a way to fund a borough if one is created. The only way a borough will be created is if we choose to do it to ourselves. “If we don’t someone else will do it to us.” The \$1,250,000 is a gift from Pogo. We are in no position to negotiate with Pogo because we have nothing to offer them. Our City boundaries are too small and we cannot protect Pogo. As a borough we could, but a borough is not likely to pass public vote. The PILT would fund a borough without a property tax and without a sales tax. The public that spoke during the public hearing agreed with adopting the PILT even though a number of the people are adamantly opposed to a borough. We, as Council members, represent the City, not the Charter Commission or those supporting a borough. He intended to vote in favor of approving the PILT agreement.

Leith-Dowling said she worked on the Charter (Finance) Subcommittee and intended to vote in for it also.

Gilbertson said he voted against it twice because he felt the public needed to be involved. After speaking with individuals he felt the community was in support of the PILT. The whole community would have the chance to vote on a borough issue providing the State does not impose it. The City has no power to create a borough.

Feilner said the annexation issue is a gamble. Nothing guarantees being annexed tomorrow if the PILT is not adopted. She said Delta is one of about 20 communities who are not organized into a borough and that was part of the discussion and concern. She said fear should not be a factor when making decisions.

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

Heinbockel invited the public to attend the Charter Commission meeting to offer their opinion. Submitting a petition to the Local Boundary Commission was separate from City business.

Cotten said submitting a charter petition was irrespective of how the vote went on the PILT agreement. No government body can prevent anyone from introducing a petition to LBC.

Feilner said the PILT agreement provided the economic base to submit the petition.

Salary Discussion (continued from September 6)

Hallgren stated salary discussion was based on a request for wage increase from the community librarian. He referenced his September 16 memo in which he recommended not increasing wages and he said it had nothing to do with McCombs' performance.

Leith-Dowling said pecking order or not, job descriptions have changed. The librarian position has grown more demanding. McCombs is expected to be skilled in grant writing and employee supervision. Leith-Dowling said she researched positions across the State and felt by approving the wage increase McCombs would still be below others who perform the same duties in other communities. She said McCombs' request for a 15% increase was valid for the size of our community and the public she serves. Heinbockel said it should have been addressed when the budget was discussed in June. He would have voted in favor for the wage increase then. He asked to review it next spring. If not, he asked to maintain the hierarchy in positions and wages. If the librarian receives a wage increase, the finance and clerk positions should be given the same.

Leith-Dowling moved to increase McCombs' wages by 15%; Tvenge seconded.

Tvenge said McCombs was deserving of the wage increase. The Council continues to pay large sums of money to others around the State (with allocated funds) but he thought it unfair that Council had to question the salary of a local employee. He asked if the budget could cover the increase.

Feilner asked to also consider equipment operator and maintenance positions.

Leith-Dowling explained the history of McCombs' employment and her dedication.

Heinbockel said he would vote in favor only if the motion included increases for all three positions, the Finance Director, City Clerk and Librarian, so that the differential remained between positions.

Hallgren said the wage increases would be covered but only because the PILT was approved. However, the long-term financial implications of the agreement would have to be viewed extremely close. He referred again to his September 16 memo and said funding for his position, the Administrative Assistant and the Finance Director positions would be gone by the end of 2006. Next year the PILT agreement pays only \$250,000. Council may opt to continue subsidizing the landfill for \$100,000 also. The PILT money does not solve all of the City government problems. It does get though a number of years before a very dramatic downsizing.

Feilner asked to withhold voting until funding was clear.

Leith-Dowling amended the motion to include 15% wage increase for the Finance Director, City Clerk and Librarian; Tvenge seconded.

Motion passed with five (Leith-Dowling, Tvenge, Feilner, Heinbockel, Gilbertson) voting in favor and one (Marcellus) opposed.

NEW BUSINESS

Appointment of New Council Member

Hallgren said the council seat did not need to be declared vacant. Sloan continued to serve until a successor qualifies and is appointed even though Sloan's term has ended. Two residents, Pablo Martinez and Stormie Mitchell, submitted letters of interest. Hallgren said either person would need four votes to be appointed to the Council.

Private ballots were distributed and Hallgren and White tallied the vote.

Hallgren announced Pablo Martinez would be sworn into office at the next Council meeting on December 6. (His letter of interest stated he would be out of town for two weeks, his reason for not being present.)

Public Hearing and Second Reading of Ordinance 2006-05, An Ordinance Amending Chapter I, Section 1.10.060, Filling a Vacancy

Hallgren said the change in the ordinance clarified the procedures for filling vacancies. It allows the abbreviated procedure that has been followed in the past and eliminates the full petition and filing process as in declaring candidacy prior to an election. The City Attorney provided the language. Heinbockel moved to open the public hearing and second reading of Ordinance 2006-05, An Ordinance Amending Chapter I, Section 1.10.060, Filling a Vacancy; Leith-Dowling seconded.

Gilbertson asked for public comment with none being offered.

Heinbockel moved to close the public hearing of Ordinance 2006-05; Feilner seconded.

Heinbockel moved to adopt Ordinance 2006-05, An Ordinance Amending Chapter I, Section 1.10.060, Filling a Vacancy; Leith-Dowling seconded.

Motion passed unanimously on a roll call vote.

GVEA Easement Request – Lots 5 & 6, Block 12, Buffalo Center Townsite

Hallgren said he was concerned with signing the 5-foot easement to property in which ownership was not clear. He had no problem in granting quitclaim easement. It would require inserting wording, “Grantor makes no covenant or warranty of title whatsoever and issues this easement without warranty of any sort.”

Heinbockel moved to approve Golden Valley Electric Association (GVEA) right-of-way easement request to Lots 5 & 6 of Block 12 of the Buffalo Center Townsite as recommended; Marcellus seconded.

Motion passed unanimously on a roll call vote.

DREDC Recommendation for Approval of Social Service Grant Applications

Hallgren said regardless of how Council votes, the final step in approving the Social Service Grant applications must pass Department of Defense (DOD) approval.

Hallgren excused himself at 6:30PM.

Gilbertson called for a break and then called to reconvene at 6:40PM.

Ruth St. Amour, Department of Community & Economic Development (DCED) Development Specialist, reported the Social Service Grants Program is an element of Missile Defense (MD) impact funds. Money from DOD is used to mitigate impacts from missile installation at Ft. Greely. Employed by the State of Alaska, St. Amour has worked with the City for two years assisting in grant administration of the impact funds, particularly in the Social Service Grants program. The program is intended to meet some social needs of the community. Areas of focus are counseling services, youth programs and recreation for all ages. There was a need for services that were not already present in the community and that need would likely increase with activity at Ft. Greely. Delta Regional Economic Development Council (DREDC) was delegated by the City Council to become involved in selecting the sub-grantees to deliver services aimed toward counseling, youth programs and recreation. There are remaining funds available for an additional two years but the goal has been for the service providers to become self-sufficient so that their programs continue once the subsidy from MD funds is gone. DREDC introduced a requirement, in the next to the last year of the sub-grant process, for grantees to match the grant, a way to start the transition process to self-sufficiency. Two months ago this round of Social Service Grants were advertised. Proposals were reviewed by DREDC last month and applicants made presentations before the committee. Many were repeats and a couple were new applicants. St. Amour said the grant administrators from the State of Alaska then reviewed the proposals and recommendations. Their comments were presented to DREDC at the November 14 meeting and now, the final recommendations are complete and ready for consideration from City Council.

Tvenge distributed a summary showing recommendations by DREDC.

St. Amour said \$150,000 was allocated last year (year 2 of the 3-year program). A year from now \$75,000 will remain to be awarded. The total amount in proposals this year did not exceed the \$150,000 and the remainder will be extended into next year's allotment. St. Amour explained each of the applicants and their histories.

Discussion followed regarding applications and proposals.

Tvenge said he personally had no vested interest in applications that were presented by the Skating Association except the satisfaction that both kids and adults are given opportunities.

Heinbockel moved to adopt DREDC recommendations regarding Social Service Grant applications as presented; Leith-Dowling seconded.

Motion passed unanimously on a roll call vote.

Fee Waiver Request – LEPC – NIMS training – December 6

Fee Waiver Request – Alpha Omega – Children's Christmas Party - December 10

Leith-Dowling moved to waive fees associated with renting the Community Center to LEPC on December 6 for the purpose of a National Incident Management System (NIMS) training session and to Alpha Omega on December 10 for the annual Children's Christmas Party; Feilner seconded.

Motion passed unanimously on a roll call vote.

Liquor License Renewal – Northern Liquors (Al Gartz)

Liquor License Renewal – Trophy Lodge (Randy Wood)

Heinbockel moved to show no opposition to liquor license renewals for both Northern Liquors and the Trophy Lodge; Leith-Dowling seconded.

Motion passed unanimously on a roll call vote.

Final Plan Submittal of Sunrise Subdivision

Leith-Dowling moved to approve the final plat submittal of Sunrise Subdivision as presented; Tvenge seconded.

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

Delta Lock & Key Proposal to Repair Library Doors

Leith-Dowling said Delta Lock & Key presented a proposal that should resolve the entrance door issues. It has come to the point of locking the building from the inside with a chain. She asked to approve the work order.

Glenn Wright, owner of Delta Lock & Key, suggested leaving the hardware on the door and dismantling the magnetic lock setup and replacing it with a key box. Replacing hardware would estimate \$1,800 per door. The difference in hardware can easily be seen by comparing the library doors to those at the new elementary school. Quality hardware was used on the school doors. He said his proposal would provide the necessary security the library needs. It did not cover certified electrician fees. If power fails the security system will have a 72-hour battery backup. Wright explained the breakdown in charges by line item.

Tvenge moved to approve the proposal for the new lock system as presented, specifically to use the keyed system instead of the push button, for \$1,550.00; Leith-Dowling seconded.

Discussion followed regarding additional costs associated with hiring an electrician, problems so soon after construction and withholding final payment to contractors.

Motion passed unanimously on a roll call vote.

Purchase Orders

PO#010390 to ATT & Alascom in the amount of \$806.81 for Nov '05 E911 phones and service

PO#010391 to Buffalo Center Auto Parts in the amount of \$629.83 for landfill and street supplies

PO#010392 to Buffalo Fuel Inc. in the amount of \$586.70 for Oct '05 grader fuel used on streets

PO#010393 to Delta Building Supply in the amount of \$1,500.00 for Nov '05 warm storage rent
PO#010394 to Delta Fuel Company in the amount of \$6,237.93 for Oct '05 heating oil
PO#010395 to Delta Industrial Services in the amount of \$1,420.31 for Rescue Squad oxygen, bars for hanging post signs, rebar and bobcat rental used at hockey rink, rotor hammer used at hockey rink, and returned steel tubes not used for shelves for the equipment shop)
PO#010396 to Delta Lock & Key in the amount of \$580.00 to replace crash bar and lock on senior citizen entrance door at Community Center
PO#010397 to Delta Sand & Gravel LLC in the amount of \$900.00 for 150 yards of gravel for sand spreader
PO#010398 to Delta Sanitation in the amount of \$522.48 for Oct '05 dumpsters
PO#010399 to Delta Texaco in the amount of \$1,060.30 for Oct '05 fuel oil
PO#010400 to Delta Wind in the amount of \$530.75 for Oct '05 advertisements
PO#010401 to Delta-Greely School District in the amount of \$18,615.96 for July-September Social Service Grant, Partners for Progress job training program, 3rd quarter payment
PO#010402 to Guess & Rudd in the amount of \$16,729.74 for Oct '05 legal services (election and Council issues, Charter, landfill closeout, Pogo PILT)
PO#010403 to Motorola Inc in the amount of \$51,068.80 for base radio and repeater
PO#010404 to Powerhouse Signs in the amount of \$643.50 for rental of signpost drill and purchase of one post cap
PO#010405 to David Zimmerman in the amount of \$753.38 for reimbursement to attend finance conference in Anchorage
PO#010406 to ACS in the amount of \$997.64 for Nov '05 phone services
PO#010407 to Bank of America in the amount of \$5,526.79 for Oct/Nov '05 credit card charges (Cotten travel to/from Delta, Hallgren travels to Anchorage for Resource Council meeting and AML conference, Hallgren travel to El Paso for US Army seminar, White travel to Anchorage for AML conference, McCombs and King travel to Anchorage for library conference, John Deere tractor parts)
PO#010408 to GVEA in the amount of \$1,143.58 for Oct '05 electricity
PO#010409 to Mike Tvenge in the amount of \$542.48 for reimbursement for AML Newly Elected Officials training in Anchorage
PO#010410 to Weidner Construction in the amount of \$900.00 for pumping septic systems
Feilner moved to approve purchase order 010390 through 010410; Leith-Dowling seconded. **Heinbockel** noted the fuel and utility bills for October were high. He was concerned with future costs. **Motion passed** unanimously on a roll call vote.

ADDITIONAL PUBLIC COMMENTS

McCombs reported Siemen's would stop by the library on November 16 to investigate the 85° temperatures.

Pete Fellman said Representative John Harris requested Council submit this year's list of community projects.

ADDITIONAL COUNCIL COMMENTS

Tvenge thanked Council for sending him to the AML conference because of the education benefits he received.

ADJOURNMENT

Leith-Dowling moved to adjourn at 7:14PM; Feilner seconded. Motion carried.

Pat White, City Clerk

Date of approval: December 6, 2005