



City Council Minutes
March 20, 2007 ~ 5:00PM

Regular Meeting
City Hall, Delta Junction, Alaska

The regular meeting of the Delta Junction City Council was held on Tuesday, March 20, 2007 at City Hall in Delta Junction, Alaska. Mayor Mary Leith-Dowling called the meeting to order at 5:02pm.

Council members present: Mayor Mary Leith-Dowling, Mayor Pro tem Lou Heinbockel
JW Musgrove, Pablo Martinez

Council members excused: Mike Jenkins, Mike Tvenge, Leslie Feilner

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

Three members from the community were present.

AMENDMENTS TO AGENDA ~ APPROVAL OF AGENDA

Mayor Leith-Dowling reported two items to add to *New Business*:

- ✓ Resolution 2007-04, A Resolution of the City of Delta Junction Authorizing the City Administrator to Prepare and Execute an Amendment to the City of Delta Junction Participation Agreement with the Public Employees' Retirement System (PERS) to Participate in the Conversion Option of the Public Employees' Defined Contribution Retirement Plan Effective April 1, 2007
- ✓ PO#011628 to Lamar Cotten for 6 months of work on the Deltana Borough

Hallgren reported one item to add to *Unfinished Business*:

- ✓ BLM (Donnelly Dome) Communications Use Lease

Heinbockel moved to approve the March 20, 2007 agenda as amended; Martinez seconded. Motion carried.

APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Heinbockel asked to change wording on page 2 that read, "...a client who could not afford to pay for the service." He asked to refer to the client as "...a pet whose owner..."

Heinbockel moved to approve the March 6, 2007 minutes as amended; Martinez seconded. Motion carried.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

Leith-Dowling called for public comments on non-agenda items with none being offered.

COUNCIL COMMENTS ON NON-AGENDA ITEMS

Leith-Dowling called for Council comments on non-agenda items.

Martinez stated Council established policy that charged equally for use of city facilities. He questioned the fairness of offering the old fire station to Heart Fur Animals at the March 6, 2007 meeting and charging nothing to use it. He also asked if the LEPC area, known as the Emergency Operations Center (EOC), was part of that offer or if the agreement was restricted to the bay areas.

Heinbockel said the decision was based on providing a public service and it has been done historically. There is no schedule set up to rent the old fire hall at this time.

Hallgren said sewer drains (that are located away from the heat tape) in the LEPC section are presently frozen. A vent may be cut into the adjoining (furnace room) wall to correct the problem.

Mike Paschall, Managing Editor of Delta Wind (local newspaper), said no official action was taken at the last meeting regarding Heart Fur Animals using the facility. He asked if there was a decision made.

Leith-Dowling stated the subject would require further discussion and because of the frozen lines nothing has been scheduled yet.

Heinbockel said Council members did receive correspondence from the local vet that offered some very good points. He said it is typical to help out one group and aggravate another.

Hallgren stated the subject would be brought back for discussion before allowing use of the building.

Discussion followed regarding potential competition with the local veterinarian service, the need to manage pet population, and being fair to all users, requiring everyone to pay the same.

CORRESPONDENCE - March 12, 2007 letter from Morley Electric, Inc.

White stated Chris Morley, President of Morley Electric, delivered a letter offering his company services to mow the park, including the ball fields and the Richardson Highway frontage in downtown Delta Junction. He also offered to mow the ball fields, which user groups maintain. Morley said he did not want to take work away from anyone but would like to offer his services.

Leith-Dowling suggested Morley speak with the user groups that maintain the ball fields.

Heinbockel said to accept Morley's offer, saying it was a very nice offer.

Discussion followed regarding use of the string mower on the islands to prevent throwing stones and breaking windows from passing vehicles.

Heinbockel said to offer the string mower to Morley.

Hallgren stated he would provide guidance to Morley regarding mowing the Richardson Highway section.

REPORTS

Personnel – Mary Leith-Dowling reported:

- Funeral services for City employee Dave Boadwine were held on March 17, 2007 at the Community Center. Boadwine was injured on March 2 and died at home on March 11. She said Boadwine would be missed very much. He was a valuable employee and the extent of his services to this community will continue to be discovered for a long time.
- Butch Ellis agreed to accept Boadwine's position. Ellis was previously second in command and spent most of his time at the landfill. He will be guaranteed his old position should he opt out after a probation period as Equipment Supervisor.

Hallgren said City Hall would advertise for a part-time equipment operator with emphasis on grader skills. More than 2 employees are needed in Public Works and in operating the landfill. He said he, Leith-Dowling, and Heinbockel met with Ellis to discuss filling the position. Chad Morris will possibly move into full-time employment with his needed mechanical skills. Grave digging at the cemetery will also continue as a community service.

- Librarian Joyce McCombs celebrated her 20th anniversary of employment with the City on March 9, 2007 and Leith-Dowling wished to congratulate her.
- Councilman Mike Jenkins will undergo another chemotherapy treatment in Seattle tomorrow and he is expected to stay outside for up to another 2 weeks.

Hallgren said interviews would be conducted tomorrow to fill the building maintenance position.

Rescue Squad – Jill Longnecker reported Alaska State Trooper Tim Tuckwood requested medical personnel on site at the Arctic Man weekend at Summit Lake in April. She explained the need for on-site medical personnel and referenced last year's experiences. Longnecker stated she spoke with race coordinators and determined requirements (what level of EMTs needed) for the planned event, which happens to be in Delta's coverage area. Longnecker asked to take Medic I and furnish an EMT II and an EMT III, which will be supplemented by Ft. Greely personnel. She asked for \$300 as payment for the

three-day period and that it be put toward purchase of another motorized gurney or a LifePak. MAST requested \$3,000/day payment but race coordinators would not pay that amount. Longnecker said they would be available for emergencies and to assist troopers with blood alcohol level testing. She said it would be a learning experience and the squad could possibly have a contract next year.

Paschall asked why the Rescue Squad would provide an ambulance and medical services for only \$300 when private individuals are being paid for other services.

Discussion followed regarding the advantage of stationing an ambulance near race activity, radio communications, drawing blood (to assist troopers or for medical purposes), HIPPA laws, and consequences of drinking compared to other crimes.

Heinbockel said he thought having trained medical personnel at Arctic Man was a good idea.

Fire Department – Carin Bear reported the department was trying to regroup after losing Dave Boadwine. She said it was encouraging to see the numbers that traveled for his memorial service.

Airport – JW Musgrove presented Mayor Leith-Dowling with a check from the Delta Pilots' Advisory in the amount of \$4,000.00, which is part of the airport insurance premiums. He said the committee was restructuring for the new-year to be more aligned with what the State of Alaska charges. Musgrove explained some of the airport user fees and said everyone is expected to do a certain amount of volunteer work (placing cones, mowing grass, etc.) and everyone pays the same, except for the one person who drags the airstrip of snow.

City Clerk – Pat White reported City Hall received notice on March 12, 2007 that routine 6-week passport processing now takes 10 weeks and the 2-week expedite service now takes 3 to 4 weeks. She said the State Department hopes to have an additional 400 passport adjudicators hired by the end of next year because they are presently processing more than 1 million passport applications each month.

City Administrator – Pete Hallgren reported:

- A special meeting is tentatively scheduled for 2:00pm on March 26, 2007 to discuss 90% rink drawings with M2C1. Copies of the 65% drawings were distributed on March 16 and 90% drawings will be delivered on March 23.

Discussion followed regarding attendance and the time was changed to 5:00pm.

- Hallgren and Letha Burcham traveled to Anchorage March 5 through 9. They spent 2 days with AML/JIA working on insurance and then 2 days of OSHA training.

Finance – Dave Zimmerman referenced an interim 8-month budget report, dated March 19, 2007, which he created. The report showed 72% of the budget has been spent through February 2007. He said the Rescue Squad was close to the end of their budget and noted that \$94,000 had been collected from ambulance transports.

Discussion followed regarding other departments and preparing for next year's budget.

Library – Mary Leith-Dowling reported the annual Library Open House is scheduled for April 28, 2007 and that the Library Board and staff were preparing for it. New book bags have been ordered and will be sold for \$10 each (normally \$12) during the event. Leith-Dowling reported the Susan Grace concert on March 9 was well attended.

Public Health & Safety – Pablo Martinez reported LEPC was finishing an after-action review of the wildland tabletop exercise from February 13. The Mayor, Mayor Pro tem and Council members will be invited to future exercises.

Charter Commission – Lou Heinbockel reported the State of Alaska Local Boundary Commission (LBC) made their decision regarding acceptance of the Deltana Borough Petition. He said he felt it was a good decision and “as a community, we will have a chance to vote.” Heinbockel said incorporation has been addressed twice during his residency in Delta Junction but the petitions had never advanced as well as this one. He said he felt the City Council needed to take a position on the issue, as it gets closer to a vote. He discussed the Permanent Fund Dividend and that “over the years, we as a community have done quite well.” LBC accepted the boundary changes and a funding scenario outlined in the petition and he said he believed that they will work for this community, even if Delta is forced to incorporate.

Discussion followed regarding presentations made during the public hearings on March 16 and 17.

Department of Transportation (DOT) Liaison – Mary Leith-Dowling reported she spoke with DOT regarding moving the 35mph sign further north on the Richardson Highway. She said local troopers would monitor the highway near Deborah Street more often because of increased motorist speed.

Heinbockel asked to lobby to reduce the speed limit on the Alaska Highway near the bus barn and also on the Richardson. He said the 55mph should not start until after the Jarvis Creek Bridge, not at the corner south of town.

UNFINISHED BUSINESS

Purchase Policy

Hallgren referenced the draft procurement policy and copies of City Code of Ordinances (Chapter 1.41, pages 28/34). He asked Council to review the draft policy, which is consistent with ordinance. Anything between \$1,000 and \$10,000 requires approval by Council members and/or department heads. It is advance knowledge prior to purchasing. Hallgren quoted from the draft, stating formal quotes of items less than \$1,000 are not necessary “but the City Council desires that some reasonable cost comparison be made and also desires that purchases be made from Delta area businesses where the delivered price is competitive with outside vendors.”

Heinbockel asked about sharing purchases within the community.

Hallgren said it was an unwritten policy but could easily be written into the procurement policy. Sharing would mean not using one local vendor exclusively, but to alternate between businesses whenever possible. He said the policy fits within the current code and changes are unnecessary. He quoted a portion of the draft policy: “The Finance Director is experienced in this complicated area. For example, purchases above \$10,000 may fall within the exemptions from formal bid requirements (City Code 1.41.035) but those decisions must be made by either the full City Council or the Finance Director (1.41.050). Additionally, the Mayor may make emergency purchases deemed by the Mayor or the City Council to be in the public interest (1.41.030) in any amount with notice to the City Council.” Hallgren, referring to recent transactions regarding the grader, quoted Code 1.41.030, Emergency Contracts, and said the Mayor or Council members can choose to declare an emergency without a formal bidding process. He referenced 1.40.450, Approval of Contracts, and said Council approves all spending even though contracts of less than \$1,000 do not need approval.

Discussion followed regarding formal and informal bid processes, grant writing when a shared portion is required, and shopping locally.

Leith-Dowling stated discussion would continue at the next meeting.

Minimum Lot Size Policy

Heinbockel reported discussion would be postponed to the next meeting on April 3, 2007.

Street Signs in Subdivisions

Hallgren said the City approves a number of subdivisions without requiring the streets to be constructed. He asked if the developer should pay for street signs before they build the streets, when the streets may never be built. Platting the subdivision does not necessarily mean streets will be constructed. He said Deltana Community Corporation (DCC) has paid for street signs.

Heinbockel said Boadwine had previously estimated \$300 to install one street sign. He referenced November 1, 2005 minutes in which street signs in the Torba Subdivision were discussed.

Leith-Dowling said other communities require large fees to approve subdivision plats. She said this is another example of expecting services without having to pay for them.

Heinbockel said in the near future Council should require approving subdivision plats with streets that meet minimum standards established by the City of Delta Junction. Developers who make profit off of subdividing their property should be required to meet street standards.

Hallgren said the Code currently requires streets be constructed and built to City standards. He suggested requiring a fee when plats are submitted for approval and upon construction of the street, the developer

would be obligated to install the sign. Hallgren stated if fees are to be associated with the platting process it must be written into ordinance or the *Over the Counter City Land Sales Rules*. The procedure should also identify how street signs are dealt with, as they are necessary for emergency responders.

Park Lawn Maintenance Contract

White reported she spoke with Jay Frazier of Alaska Alpine Flora about mowing the park more often between June and July. He agreed but also asked to be allowed to use his own judgment because of times when the grass is too wet to mow or too dry to bother. White said Council member Leslie Feilner suggested adding to the contract wording, "... mow lawn every two weeks or sooner if required, throughout the entire park, excluding ball fields."

Discussion followed regarding contract wording for additional cuttings.

Hallgren said the contractor would be required to mow 7 times. If the weather cooperates, cuttings could increase to 10 times during the season, resulting in additional payment for each of them.

Heinbockel moved to approve the 2007 lawn maintenance contract to Alaska Alpine Flora in the amount of \$4,429.00 with up to 3 additional cuttings at \$632.71 each; Martinez seconded.

Motion passed unanimously on a roll call vote.

White clarified that Alpine Flora's one-year contract (with option to extend for 2 additional years) began in 2006 and Joslin Enterprise's began in 2005.

BLM (Donnelly Dome) Communications Use Lease

Hallgren reported the Donnelly Dome lease permit (for the TV / radio translator site) arrived yesterday. He referenced a March 16, 2007 letter from Nichelle W. Jacobson, Manager, Central Yukon Field Office, Bureau of Land Management (BLM) and said the only problem he could identify is where the military refers to a wooden structure and it is actually metal. He said he would clarify that with them. Otherwise he stated he would recommend that it is in the City's best interest to sign the agreement. There is no charge for the 25-year lease and the City agrees to maintain the area where the towers are located.

Discussion followed regarding electricity at the site, if there was any possible environmental contamination, possible wind damage, and destroying the wooden building.

Heinbockel moved to approve authorizing the Mayor to sign the lease agreement; Martinez seconded.

Motion passed unanimously by consent.

NEW BUSINESS

Resolution 2007-04, A Resolution of the City of Delta Junction Authorizing the City Administrator to Prepare and Execute an Amendment to the City of Delta Junction Participation Agreement with the Public Employees' Retirement System (PERS) to Participate in the Conversion Option of the Public Employees' Defined Contribution Retirement Plan Effective April 1, 2007

Hallgren explained the State of Alaska has changed policy in regards to PERS. The new statute states that, upon City approval, any non-vested PERS employee has the privilege of leaving the current (Tier III) program and opting for the new (Tier IV) one that went into affect on July 1, 2006. If the City approves the conversion it will cost money up front and the City must also offer the same right to all non-vested City employees, who will have one year to convert to the new plan or before they vest into the old (Tier III) plan. Hallgren said only one employee wished to convert to the new plan. Tier III guarantees a pension for the employee's lifetime based on a formula and Tier IV offers that similar to a 457 Plan. The City is required to contribute to either plan. Administrative Assistant Letha Burcham will vest within the next 2 months but wishes to convert because she will not need an additional pension plan due to her husband's federal retirement and medical coverage. She does not plan to work for the 10 years needed to vest in the PERS health plan. Hallgren said if and when Burcham leaves employment in the next few years she would likely want to cash out her PERS investment. She would only be able to take her contribution plus the 4.25% interest if she stayed in the Tier III plan. If she transfers and cashes out

from the new plan she would get more money, her contribution plus the City's contribution (\$8,979.52). Hallgren said he could not guarantee it but when the legislature drafted the new plan they made it so a municipality would pay up front for an employee who opted to convert to the new plan. Ultimately the City would come out less expensive because of getting rid of our unfunded liability should that person vest because that unfunded liability would most likely be larger than a cash-out contribution. Hallgren recommended passing the resolution, which would have the affect of allowing all city employees (Zimmerman, Burcham, McCombs, Ellis, White) who are presently covered by PERS, but not yet vested, to have the option of converting plans. He said Burcham is the only employee likely to take that option and it would be to her advantage financially. He said she did not plan to leave within the year.

Zimmerman said presently the City contributes 14.4% as the matching portion in Tier III. The matching portion in Tier IV is 10.8%.

Heinbockel moved to approve Resolution 2007-04 as presented.

Zimmerman said the legislature would be dealing with the State contributing 65% of the PERS deficit with each individual district contributing the remaining 35%. Money already in the Tier III PERS would be to the City's credit against that 35% that the City may have to match. Zimmerman said there is potential legislation for a statewide uniform rate of 16.8%.

Hallgren said if that "bailout" legislation passes, the City would end up paying more than what our unfunded liability would warrant, but only by a few percentages.

Musgrove seconded the motion to approve the resolution.

Discussion followed regarding postponing voting until a full Council is present, consequences if the motion failed, and the timeframe of when other City employees reached vestment dates.

Motion passed unanimously on a roll call vote.

Purchase Orders

PO#011576 to ACS in the amount of \$1,858.11 for March '07 telephone services

PO#011577 to ATT & Alascom in the amount of \$803.54 for March '07 911 phones/power

PO#011578 to Big Brothers / Big Sisters in the amount of \$3,000.00 for Dec '06 to Feb '07 Social Services Grant, 1st quarter payment

PO#011579 to Delta Chamber of Commerce in the amount of \$8,300.00 for Dec to Feb '07 Social Services Grant, 1st quarter payment

PO#011580 to Delta Fuel Company in the amount of \$6,924.89 for Feb '07 heating oil

PO#011581 to Delta Lock & Key in the amount of \$653.80 for lock repair on City Hall door and replacement of combination lock on rear door at new Fire Station

PO#011582 to Delta Sanitation, Inc. in the amount of \$567.14 for March '07 dumpster services

PO#011583 to Delta Skating Association in the amount of \$8,569.64 for Dec to Feb '07 Social Services Grant, 1st quarter payment

PO#011584 to GVEA in the amount of \$2,903.23 for Feb '07 electricity

PO#011585 to Guess & Rudd in the amount of \$2,494.41 for legal services (Donnelly Range, Deltana Charter, City Hall, M2C1 construction contract)

PO#011586 to Hope Counseling Center in the amount of \$12,082.64 for Dec to Feb '07 Social Services Grant expenses and advance on 2nd quarter

PO#011587 to Interior Building Supply, Inc. in the amount of \$517.75 for pipe materials used at new Fire Station, florescent light bulbs at City Hall, cleaning bucket and supplies for the old Fire Hall (Emergency Operations Center)

PO#011588 to L.N. Curtis & Sons in the amount of \$694.50 for materials used at new Fire Station for overhead water-fill piping into tanker trucks

PO#011589 to Mikunda, Cottrell & Company in the amount of \$943.96 for final payment of FY06 City Audit

PO#011590 to NC Machinery Company in the amount of \$1,557.48 for heavy equipment repair parts

PO#011591 to Rainer Equipment Transport, Inc. in the amount of \$1,015.00 to transport grader to

Fairbanks

PO#011592 to State of Alaska, DEC Solid Waste Program in the amount of \$2,906.00 for landfill wastewater annual permit fees

PO#011628 to Lamar Cotten in the amount of \$5,730.60 for Oct to March '07 consulting services

Heinbockel moved to approve purchase orders 011576 through 011592 plus 011628 as presented; Martinez seconded.

Heinbockel said he had a problem with purchase order 011592, paying fees for an annual landfill wastewater permit. He said it is a "Catch 22" in dealing with State requirements, but "it really doesn't matter because we're unable to raise any revenue locally anyway."

Motion passed unanimously on a roll call vote.

ADDITIONAL PUBLIC AND COUNCIL COMMENTS

Paschall asked if Council members would provide or pose for individual photos that he could use for the Delta Wind newspaper when he features reports on Council meetings. Paschall asked Council to consider item #2 of the Draft Procurement Policy when reviewing and preparing for discussion at the next Council meeting. He quoted, "Items costing between \$1,000 and \$10,000 shall not be ordered or purchased without prior consultation with the Finance Director and the appropriate City Council Liaison" and said it differs from City Code, Ordinance 1.41.050 that states all contracts awarded require approval by the City Council.

Discussion followed regarding proper wording, formal bid requirements and formal purchase requirements.

Hallgren stated he would revise wording for better clarification.

Heinbockel stated increasing landfill security is being considered because of untimely reporting from septic waste haulers. A policy may be created to penalize those who fail to comply with the rules.

ADJOURNMENT

Martinez moved to adjourn at 7:30pm; Musgrove seconded. Motion carried.

Pat White, City Clerk

Date of approval: April 3 , 2007