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**City Council Minutes**  
**June 17, 2008 ~ 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 Tuesday, June 17, 2008 at City Hall in Delta Junction, Alaska. Mayor Mary Leith-Dowling called the meeting to order at 5:01pm.

Council members present: Mayor Mary Leith-Dowling, Mayor Pro tem Lou Heinbockel
JW Musgrove, Pete Hallgren (telephonically), Pablo Martinez, Mike Murphy, Leslie Feilner
City employees present: City Administrator Mike Tvenge, Finance Officer Dave Zimmerman,
Library Director Joyce McCombs, Administrative Assistant Letha Burcham
In addition there were ten members from the community present.

AMENDMENTS TO AGENDA ~ APPROVAL OF AGENDA

Heinbockel moved to approve the June 17, 2008 agenda as presented; Musgrove seconded. **Motion carried** unanimously.

APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Murphy reported four changes to the draft minutes of the June 3, 2008 meeting.

- He referred to the *School Liaison Report* on page 3 and said Superintendent P.J. Ford Slack, City Administrator Mike Tvenge, and the mayor are discussing a MOA between the school and the City. Finance Officer Dave Zimmerman is not involved.
- Referring to *Prioritize Additional Roads to Pave* under *New Business* on page 7, he asked to change a sentence structure, "...expertise is needed in painting roads" to read, "Murphy said expertise is needed in painting stripes on the roads."
- One line below that sentence, he asked to change, "Hammond said striping is included in the base bid contract. The estimate was generated off the State..." to read, "...striping is not included in the base bid contract, but is included in the proposed additional street estimates, which were generated off the State..."
- Also on page 2, *Request to Speak*, that the statement "...seniors should sign up by the age of 65" should be changed to read, "...seniors should sign up at the age of 65."

Leith-Dowling reported two changes to the draft minutes of the June 3, 2008 meeting.

- She asked to change the next to the last line in *Prioritize Additional Roads to Pave* under *New Business* on page 7 to read, "Hallgren was excused at 8:00pm."
- Also, the last line in *Remainder of Impact Funds* on page 5, should read, "Heinbockel said he disagreed, and that \$300,000 isn't needed in the landfill sinking fund."

Heinbockel moved to approve the minutes of the June 3, 2008 meeting as amended; Feilner seconded. **Motion carried.**

PUBLIC AND COUNCIL COMMENTS ON NON-AGENDA ITEMS

P. J. Ford-Slack, Superintendent of the Delta/Greely School District, addressed the council to explain that she had met with the Department of Education and Early Development Facilities Committee to clarify issues around the \$9,500,000 the school district was awarded for the weatherization project on the Delta High School complex. She wanted to clarify that there is a 2% match and asked if there may be some funds available. They received the first check this morning from John & Linda Sloan in the amount of \$1,000 which was very exciting. They have two years to get the matching 2% funds by way

of a local contribution in the amount of \$193,897 before project completion. This is a good time for Delta to be able to say that there are ways that we can maintain our schools without necessarily being a borough. Because we are a Regional Educational Attendance Area (REAA) we are required to have local contribution. She urged the Council to consider contributing. She appreciates support. She also thanked the Council for the working relationship that has been established, first with Pete Hallgren and carried forward to Mike Tvenge and the Mayor.

Murphy asked if the matching funds had to be in hand before the project begins and what would happen if the matching goal were not reached.

Ford-Slack said they are expected to have the funds, she had guaranteed that to Representative Harris. She went on to say that there is a clause that says they can have in-kind donations, but, they only have 30 days to detail the grant and they have no way of knowing what the in-kind would be.

Hallgren asked about personal donations. He suggested that since approximately one quarter of the REAA population lives inside the city limits, perhaps the City should pay that portion or \$50,000 to give some benefit to those who live inside city limits. That would leave the balance to come from the population outside the city limits. He asked for Council thoughts on that idea.

Discussion followed.

Hallgren felt that it should be considered. He asked how personal donations should be made.

Ford-Slack said he could send it to the school district, which will issue a receipt. The money will be deposited into a construction sub account of the general account to be designated for the 2% match. Checks should be made payable to the Delta/Greely School District and mailed to P. O. Box 527, Delta Junction, AK 99737. The check should be designated donation for 2% construction.

Musgrove said with the amount of windfall cash this state has it is amazing that they would require this match.

Heinbockel said it was amazing to him that to his knowledge this is the first time he has heard that a REAA having to come up with a portion of anything.

Ford-Slack said it was actually in the statutes and other REAA's have had to come up with funds too.

Heinbockel asked what the plans were for promoting this in the community. He said he specifically wondered about the businesses having a willingness to contribute; such as Teck Pogo.

Ford-Slack agreed, but said they are not the easiest corporation to get a hold of. She has had far more luck talking to local businesses and going out on the base. She would like to ask Teck Pogo for support.

Leith-Dowling stated that Teck Pogo would be here in town on June 27 to give their annual report. It would be an opportunity to ask questions about support.

Heinbockel stated that he had no doubt that this community can raise that money.

Ford-Slack agreed.

Leith-Dowling reminded everyone how the community stepped forth and donated money to the Library in order to meet requirements of the Rasmuson Foundation grant.

Ford-Slack said there are interesting ways to acknowledge donations given.

Musgrove appreciated the community showing up for meetings. He said it is good to see this turnout.

Murphy said he thinks that there is a need to protect the edge of the pavement to prevent future maintenance cost. He wants to ask the administration to ask M2C1 to prepare amendments to the contract or the contractor come back with a change order to protect intersections and driveway approaches; even if it would cost 10% more to the contract to do it.

Heinbockel asked by what method this is done.

Murphy replied paving.

Tvenge said to just turn in a little distance on the driveway or approach.

Murphy said the highway department typically goes 15', we could do as little as 5'. If you go too far then you need culverts and drainage. Just a little bit is all we need.

Musgrove asked about current specs.

Tvenge explained that specs are for just a straight road. It does not address what Murphy is talking about. It was talked about during design, but as it was where the bids would go it was left off. As it looks now it's a good idea.

Murphy asked for concurrence from the council.

Tvenge asked for clarification on which roads/approaches; for instance on Emmaus Road, there are some side roads that are not used very often.

Heinbockel said we need to know the cost factor.

Feilner said she and Leith-Dowling have suggested a bike path.

Discussion followed.

Murphy asked who wants to maintain the bike path.

Leith-Dowling said one from Delta High School to the Richardson had been there for many years and has taken very little maintenance and keeps kids off of the street.

Heinbockel said maybe we should ask the state for bike paths as a separate entity. A lot of communities have miles and miles of bike paths.

Tvenge will get pricing for approaches and extension of a bike path down Nistler to the hockey rink. If we are going to add any new paving we need to get that buttoned down so we can go out to bid June 30 to keep on time line.

Heinbockel asked to have M2C1 include that number in the second go around bids.

Tvenge said they would want to do that in the first phase. Approach pricing can be a change order but bike paths are a new project, which should be included in the second phase bid.

Heinbockel said we have authorized the expenditure of "X" numbers of dollars for "X" streets. We will have to eliminate streets to add any.

Tvenge said we have only approved the base bid. We are going to put the new roads, Hayes, etc. on a street by street pricing so we can authorize as much as we have money for. That will be the contract that will go out June 30th.

Hallgren commented that he would greatly prefer to see streets paved. The streets get a lot more use with the exception of the bike path from the school to the hockey rink. Site prep would have to be done but it would be very useful to the school. There has been no maintenance on the bike trails and in the winter they do not get plowed, but they do get trodden down pretty well.

Feilner clarified that extension of the path by the school to the hockey rink is the only one being considered.

Leith-Dowling asked if Council wanted to get pricing on the bike paths.

Murphy said no.

Martinez said he would like to include the circle around the fair grounds main gate, the fairway.

Leith-Dowling said we would get all the prices so the council can make decision of paving of roads or more bike paths.

Hallgren asked if Rasmuson monies could be used to pave the library parking lot and if the Deborah St. approach to the Community Center could be considered.

McCombs said she had not yet received a decision regarding using Rasmuson funds to pave the library parking lot.

Tvenge said we have an engineer's estimate on it.

Hallgren would like to have the library paved if we could use the Rasmuson money, but would still like to see the cost of doing the community center driveway.

Tvenge agreed to get the pricing on the whole City Hall campus.

Leith-Dowling clarified that the \$500,000 actually is labeled to include bike path paving and lighting. The \$1,500,000 is for street paving only.

Discussion followed regarding paving the library parking lot, the Community Center entrance and speed bumps on neighborhood roads.

REPORTS

Rescue Squad – Pablo Martinez reported that they are working on a July expenditure budget and trying to get information on the new ambulance.

Fire Department – Letha Burcham reported that Chief Bear called just prior to the meeting. She wanted the council to know that she had an informal quote on the tanker of \$25,000-\$26,000 and the specs ready for going out to bid.

Heinbockel said that some might not want the tanker repaired. It is a 1975 vehicle. We may not want to spend \$26,000 to fix the tank.

Leith-Dowling said we would have it on the agenda for the next meeting if she brings it in.

Cemetery – Mary Leith-Dowling said Matthew Joslin is doing his Boy Scout project to build a little building for people to use for having services in.

Feilner added that the crews will be working Friday, 4-7pm and Saturday from 10am-3pm and that the project may encompass 2 weekends.

City Clerk – Letha Burcham reported in Pat White's absence:

- White attended passport training in Fairbanks on June 12, from 8:30 to 3:30pm. She issued a memo dated June 17, 2008 to the Council regarding what she learned.

Discussion followed regarding charges and costs of processing passports.

Martinez moved to charge the appropriate fees to compensate for the expense of mailing the passport applications; Murphy seconded.

Hallgren asked if a response was received from the feds whether we can charge for the postage. He asked that the motion be amended to include "with authorization by the Federal Government".

Leith-Dowling asked if the ones who made and seconded the motion agreed and they did.

Burcham asked what happens if we do not get a reply as that is what generally happens. We try to get answers and never hear from them. So, that would mean that we could not charge unless we do.

Martinez said to give them 45 days for reply and then bring it back before the council.

Motion carried unanimously.

City Administrator – Mike Tvenge reported notice to proceed was issued to HC Contractors for the Rapids, Emmaus and South Clearwater. When we get authorization from the Department of Commerce a change order will be made to add Harper, North Clearwater, Deborah and Kimball.

Hallgren stated that he lives on one of the roads and since change orders must be approved by the City Council he again will abstain from voting on that issue.

Hammond added that the next City Council meeting will be right at the 60 day estimate window, if that is missed the estimate will no longer be valid.

Library – Mary Leith-Dowling reported that the summer reading program started with 30 elementary and 16 middle school students and more have been picking up packets. They have butterflies and ladybugs growing in the library to go with the theme and everyone can watch the whole thing. It will be great fun. The storage building will be moved to the library tomorrow.

Park – Leslie Feilner reported that the concrete benches would also be moved tomorrow. She urged everyone to go by and see them. She wished to thank Gary Hall and his students and Delta Concrete for the hard work that was done for these handsome new additions to the park. The wooden tables and benches are being painted. Unfortunately one of the newly painted wooden benches has been vandalized and it is now sitting out behind City Hall. Troopers have been notified.

Recreation – Lou Heinbockel reported that the canopies are completed at the hockey rink.

Tvenge says city employees will paint what is left to be painted.

Heinbockel asked that bushes be trimmed around the foundation of the building while the personnel are over there.

Public Health & Safety – Pablo Martinez reported the Local Emergency Planning Committee (LEPC) is working with the state to see what needs to be done to get the emergency alert system together. Also, Rural Deltana is working on house numbers. He stated that the Council needs to complete the 700 and 800 portions of the NIMS.

Leith-Dowling asked if they were going to organize a weekend to complete it like they did before.

Martinez will check on it.

Heinbockel asked for clarification on the house numbering.

Martinez explained that Golden Valley Electric Association (GVEA) at one time issued them and no longer doing it.

Burcham interjected that she had transferred all the known addresses from the Alaska Communications Systems (ACS) maps into our mapping system and rural Deltana will be going out into the areas where we do not have house numbers established and getting GPS coordinates and then we will inserting those onto the maps for the first responders so that those with no addresses will be identified on our maps.

Public Works – Lou Heinbockel reported having received a good report from DEC. The landfill inspection was held on June 6, 2008. DEC Environmental Program Specialist James Spiers reported in his June 10, 2008 letter that, “The landfill received an overall compliance rating of 96%, up from 85% in 2007.” The only place we don’t do well is for the wind blown trash in the trees. At some point fencing may be necessary. The report is available to the public.

Musgrove asked what type of fence is needed.

Heinbockel explained that the perimeter fencing is out beyond the trees. Everything that blows out of our pit gets caught in the trees. It doesn’t get to the fence. We need another kind of fencing immediately around the pit to catch debris so it can’t get out.

Leith-Dowling said the wind blows out there even when it is calm in town.

Heinbockel said the roads are holding up great except in those areas where the kids gather with their 4-wheelers. Last night it was by the park.

Tvenge wanted to add that if the fencing were closer to the road and trash didn’t get back into the trees, then theoretically they could simply walk along and pick it up and keep a handle on it. Right now you have to wander around in the woods to pick up the bags. It is a mess; it is a landfill issue statewide, nationwide.

Heinbockel said it is a really good example why those plastic bags should be banned.

Tvenge said that we have a stack of T-Posts to get started on the fence should we decide to go that route. We would just need some type of barrier fencing and a few more posts, but some supplies are on hand already.

Heinbockel said that Butch is on vacation for 3 weeks.

Tvenge reported that the D8 is still at landfill. The council approved month rental has passed so we researched a replacement. No D6’s were available anywhere locally or in Fairbanks/North Pole area. The construction season has them all in use. Our D6 repair is not completed yet. All parts are not received yet. So the decision was made to continue with the D8 for a 12% discount reduced expense of \$33,000 of which the insurance company will reimburse \$18,600. They will only reimburse us for the use of the D6; they will not pay for interim transport, only initial and return. That was also weighed in the cost of getting a D6. So we determined to keep the D8.

Heinbockel asked what the daily rate is.

Tvenge said it is \$15,840 for the additional month which can be used for up to 200 hours a month.

Musgrove asked how many hours were put on the machine.

Tvenge answered that the last count was 70 hours. Low hours are because part of the time we have had the D8 we had been scheduled to do some roadwork by putting in a culvert which drew the men away from the landfill.

Musgrove said we should sublet it out.

Tvenge said they looked at that too. No one was interested.

UNFINISHED BUSINESS

Remainder of Impact Funds

Leith-Dowling said there was a June 13th memo, which lays out the facts more clearly than the one that we had at the last meeting.

Tvenge said that the last spreadsheet was unclear to some so we came up with a language idea.

He further explained that we have three funds right now. All are in money market accounts. \$95,000 in one account. The original landfill #1 sinking fund, \$270,000 and the new landfill equipment closure fund \$225,000. That is the account that we put the remainder of the impact funds into. We have \$116,000 in contracts committed. If we would deplete the \$95,000 we need to balance out the committed contracts with another \$20,000. He and Zimmerman proposed that be done out of the original sinking fund (the \$270,000 fund). He said one council member wanted to increase our new closure fund to \$300,000 and to do that we have given you options A, B or C. You have to decide which way to do it. (A) Transfer \$50,000 from the Pogo Pilt, which is already in our budget and add another \$25,000 from the original fund to make the \$300,000 or (B) Transfer \$75,000 from the original fund which is \$270,000 (our own monies) and \$50,000 from our budget or (C) Pull \$25,000 from the Pilt account, half of our budget and \$50,000 from the original fund.

Murphy suggested "B" as it reads, not they way it was said.

Tvenge said this is only if we want to increase it to \$300,000, that is the real question.

Musgrove stated that we have two questions. One is do we want to make it \$300,000; the other is how best to do it. He wanted to know if the Council ever decided to make the increase to \$300,000.

Leith-Dowling said no.

Martinez asked why did we keep going back to the original \$270,000.

Tvenge explained that we are required to have a closure fund. So we have established a new closure fund.

Martinez said we have a new fund with \$225,000 in it to complete the hockey rink.

Tvenge said we had to put the remainder of the impact funds (\$225,000) into an impact project; therefore it was put into the new fund. We had to close the impact grant out. We had committed projects, which were allowed due to the weather. But we could not hold on to the rest of the impact money.

Heinbockel said we were allowed to put the rest of the impact money in the sinking fund.

Martinez asked if \$45,000 of the original fund could be transferred to the new fund? Which would give us \$270,000 which leaves us \$225,000 in the original. We will have \$270,000 when it is all done.

Hallgren explained: Impact grants needed to be closed out in December. At that point we had about \$95,000 on hand and that left \$225,000 that needed to be allocated and missile defense said we could allocate it to a landfill sinking fund (#2). We made it clear to missile defense and the state that we had our own money \$270,000 landfill sinking fund (#1). We might pull our money from landfill fund #1 and only continue to go with landfill sinking fund #2 because we can't pull the \$225,000 of missile defense impact funds. So, \$225,000 is the minimum that we have to have in the one and only final landfill sinking fund. It frees up all our money in landfill sinking fund #1, \$270,000 that becomes our money to do with what we want. By July 1st, he wants #2 to increase to \$300,000. And close out landfill sinking fund #1 increasing landfill sinking fund #2 to \$300,000. By his way of thinking that would leave \$205,000 of the \$225,000 (since we have already spent \$20,000 more in committed contracts) should be left to be spent for hockey rink. He likes option A. All options would work. But, the choice can impact how much money is left for the skating rink.

Feilner asked if there was a reason that the fund had to have so much in it so far out from the closure. Can we not add gradually each year instead of so much at once.

Hallgren replied that we have been gradually adding, for at least two years we have put in \$100,000 each year and it earns interest, last year we put in \$50,000. An annual amount of at least \$50,000 should be added to the sinking fund to cover new equipment and closure.

Tvenge said the closure fund is on schedule; the equipment fund is the bigger factor. The depreciation factor can be as little as ten years. Costs of running equipment are high.

Martinez asked about the committed funds.

Tvenge explained that the rink canopies are just getting done now, that was a \$60,000 project. So, we want to use the \$95,000 to partially fund that and we need a balance of \$21,000.

Murphy said let's deal with that.

Murphy moved to take \$21,000 out of the original landfill sinking fund #1 to complete the funding of committed contracts. Hallgren seconded.

Motion carried on a roll call vote with 6 (Heinbockel, Murphy, Musgrove, Hallgren, Feilner and Leith-Dowling) for; 1 (Martinez) against.

Hallgren stated we have \$225,000 remaining impact money, if you subtract the \$20,000 of impact funds, which we just funded, then we have \$205,000 left to spend on impact grant projects. If we spend more than \$205,000 from this point on the skating rink, we are going to be over and above what was supposed to be for the rink.

More discussion ensued regarding the increase of landfill sinking fund #2 to \$300,000 and what remains for the hockey rink.

Martinez moved to approve Option A, transfer \$50,000 from the Pogo PILT fund into the '09 Budget and \$25,000 from the original landfill sinking fund, Hallgren seconded.

Motion carried on a roll call vote with 4 (Musgrove, Hallgren, Martinez and Leith-Dowling) for and three (Heinbockel, Murphy & Feilner) against.

Heinbockel says he is voting no because he does not agree with the concept of the sinking fund having to be \$300,000.

Tvenge said he would request bids on the rest of the projects.

Musgrove asked that the finance officer and administrator give a tally sheet of final totals in each account this week.

Hallgren says by his tally there is \$225,000 left in sinking fund #1 and we should rename it to whatever we want and ultimately close it out. We have approximately \$205,000 left in missile defense dollars in there and an additional \$20,000 of our own money to do with whatever we choose.

Feilner asked that Hallgren explain once more how the \$300,000 amount was arrived at.

Hallgren explained that he felt that the City should be putting at least \$50,000 a year into the fund. Not everyone agrees. The interest we earn will hopefully keep us from losing ground as the costs of equipment goes up.

Leith-Dowling added that it was known from the beginning that this would need to be done in case there was an emergency.

Heinbockel said that we were also under the assumption that we would generate some excess funds at the landfill, which we are not.

Rifle Range

Heinbockel said we had an offer at the last meeting from a businessman in this community to clean up the rifle range and shut it down, which is an interesting concept if we want to pursue it. He personally wants it to happen. He said he was a defender of that rifle range for years and it is now hazardous to life and limb.

Murphy said that he thought that he read in the paper a couple years ago that the City Council divorced itself from the rifle range.

Heinbockel said that it is true.

Murphy said he didn't understand why now the crusade to do anything.

Heinbockel said we have sort of been threatened by the division of lands over that issue because the City originally established it. It has been voluntarily taken care of including rebuild of the backstop a few years ago.

Musgrove stated we could be held liable for all the lead deposits.

Murphy said people are going to shoot; they shoot there because there is a backstop and a place to shoot. If it is destroyed, they are going to move south a couple hundred yards and start shooting the dike.

Heinbockel said the division of lands would not let them shoot at the dike, as it is state property. He hopes they will move out of the City Limits.

Murphy stated that he felt it was a concentrated public nuisance that will spread out if it is not there.

Heinbockel said that the City offered the old landfill property on Raven Road to the Delta Rifle Association to develop a range but for whatever reason they did not want to do that.

Feilner asked if the suggestion was to close it but not offer an alternate source.

Heinbockel said he tried to work on an alternate source. Anyone can join the Delta Sportsman's Association and have access to all their facilities. No one polices the current range.

Tvenge said he had confirmed with the business owner and has talked with the Dept. of Natural Resources. DNR could clean it up; however we might have a swifter move. DNR said that we could fill out a land use application, which we have in hand, then we could at least clean it up. If we decide to close it, that is another issue. This range site adjoins another area of over 45 acres, which is a land allocation to which the City is entitled and we have been working through that process. There is also another 10 acres across the highway that is all part of this one entitlement. That should be a consideration also. We are responsible for it, it is not our land, but it is adjacent to the land that we will be receiving by entitlement. We can clean it up or close it down.

Feilner asked if it would be safer by cleaning it up

Tvenge said hazard wise, probably so, but you would have to close it to really make it safer. It is in the traffic pattern of the airstrip and a local business just to the north that feels it is a risk to his employees.

Heinbockel said the users are deliberately shooting to cut down trees.

Heinbockel moved to solicit the land use permit and to take advantage of the offer of the business owner to clean it up and shut it down, Hallgren seconded.

Murphy stated that as soon as it is shut down, those machine gunners will be out in other areas doing the same thing.

Zimmerman commented that in the future the Alaska Railroad would be crossing the river in just about that area. We might as well be proactive now instead of waiting until the Railroad comes.

Hammond cautioned a use of words in that there is a different meaning when you are dealing with firing ranges and lead contamination. There is a difference between taking it out of service and cleaning it up. I do not know if the owner of Delta Concrete has offered to clean it up in other words doing all the testing required to identify the lead concentrates and then treat the soil accordingly and dispose of it out of state. Is he talking about the cleaning up or just knocking the berm down?

Heinbockel said he will do a Delta Junction clean up and that is fine.

Tvenge said the land use permit will define some of that.

Murphy said we do not have enough money to do the closure.

Musgrove said the longer it goes, the more it is going to take. He thinks it should be gotten rid of as soon as possible.

Motion carried on a roll call vote with 6 (Heinbockel, Musgrove, Hallgren, Feilner, Martinez and Leith-Dowling) for and 1 (Murphy) against.

NEW BUSINESS

Public Hearing, Second Reading, and Adoption of Ordinance 2009-01, An Ordinance for the City of Delta Junction, Alaska Providing for a Budget for the Fiscal Year 2009

Heinbockel moved to open the public hearing of Ordinance 2009-01, An Ordinance for the City of Delta Junction, Alaska Providing for a Budget for the Fiscal Year 2009; Murphy seconded. Motion carried unanimously.

Laurel Jackson asked that the Council consider using the part of the \$230,000 for Ford-Slack's request of a commitment of money for the project at the Delta High School.

Heinbockel said that he would agree, but he would like to see what the community is going to do first. The City Council is always the first and easiest touch.

Jackson said that she feels that is why Ford-Slack did not request a certain amount. She does not expect the city to come up with "the" amount. She is very committed that the community needs to come forward.

Margie Mullins asked about the budget listing of 2009 Pogo monies.

Tvenge explained that it was a remaining amount. We haven't spent all the monies. This is a cumulative balance of all of it.

Mullins asked how much is left.

Zimmerman answered that there is a schedule and referred to P-1. This reflects the current balance of the Pogo funds and how we will use it for the next three years.

Hallgren interjected that basically a quarter million dollars a year is being spent out of it and we will run out of Pogo money sometime in 2011.

Mullins then stated that she was comparing this year's proposed budget to the last couple of budgets and noticed that Mike Tvenge has a PERS added. Some people have called her and had asked about it. She said that his contract did not include the PERS and why is it being added now without a motion from the council to give him what amounts to a \$15,000 raise. That was not in his contract and she can find no motion to authorize that, it is just slipped into the budget.

Heinbockel said it is not just slipped into the budget; it is put in the budget for consideration just like everything else.

Leith-Dowling said we only need a motion when we go to spend it, not just for putting it in the budget.

Mullins said this is an alteration of the contract; the purpose of a contract is to enable the public to know what they can expect in performance and payments of employees.

Heinbockel asked what she considered the terms of the contract.

Mullins asked was it not for 2 years; is there not one year left to go on it.

Tvenge said one year.

Mullins asked if it had been renewed.

Tvenge said no.

Mullins asked if we are still in that one year.

Leith-Dowling replied that this budget starts July 1.

Mullins asked if the new contract begins July 1.

Tvenge answered that it starts July 5th.

Mullins said then that this new contract would include this amount.

Heinbockel said if the budget passes, it will.

Hallgren interjected that there really is no contract. Mike was hired under certain terms a year ago; he is a continuing employee who serves at the pleasure of the council. He can leave anytime he wants, the council can replace him anytime they want. So there is no written contract, there's never been a two-year contract. He is a regular employee of the city under the terms by which he was hired and the city can change those terms anytime they want. This budget contains a proposal, which if passes, would change things. People often get raises from year to year. There is no written contract and there was definitely no two-year contract.

Mullins said there was a contract in terms of what he would be paid. So, a job description or agreement, whether by month to month or whatever is a contract. She said that she is bringing this up because the city is getting lower and lower on funds. The projects are dwindling that we are able to fund, she is very concerned when what amounts to \$15,000 raise when our administrator has less and less to do. Our military impact funds are dwindling, Pogo is not coming in any more. She stated she was relaying info from citizens who say they will never appear before council again due to the way they were treated. Those people think that this is quite an ostentatious raise and in light of the far less burden on the administrator than in the past, an unnecessary raise.

Tvenge wanted to clear up that it is not \$15,000.

Mullins apologized.

Al Edgren said he was looking at the skating rink budget and thanks city for support.

Musgrove said it is nice to know that when we spend money on things that it is appreciated.

Hammond stated that with 5%-20% inflation, value of dollar is 40% lower in the past five years. The city savings accounts are not even keeping up with inflation, much less the value of the dollar. Is there somewhere else safer some of the savings can be put?

Heinbockel says we have close to a million and a half dollars in our City Permanent Fund, which is doing nothing but losing value; maybe it is time we consider spending that.

Mullins states the economy is far worse than stated in papers and we should watch projects to minimize maintenance in future.

Heinbockel moved to close the public hearing portion of Ordinance 2009-01; Martinez seconded.

Motion carried unanimously.

Leith-Dowling then asked for council comment on the 2nd reading of the budget.

Murphy asked if he had the entire budget in hand.

Tvenge verified that he had.

Murphy moved to delete from the budget, on C-1 of 16, from line #717 - PERS, \$6936.81 that is the amount attached to the City Administrators position, Feilner seconded.

Hallgren asked if the intent was to delete the retirement account for the administrator but still give him the 4% raise.

The consensus was yes.

Murphy said that this was a specific amount.

Much discussion followed regarding the administrator PERS and it was suggested that perhaps if the administrator is not entitled, then perhaps it should be taken from all the employees.

Martinez concurred. He said that we are spending a whole lot of money in providing the PERS, about \$56,000 a year excluding medical. Everywhere else in this world you would have a 401K and the employer matches dollar for dollar up to 6%. The employee doesn't contribute that much to PERS. The City does not have the money to support it. We need to find a better medical plan as it is costing more and more.

Heinbockel said we have the money until around 2012. He said he has been on the council on and off since 1975 and he has heard that we couldn't afford it since then. We have done a heck of a nice job with limited resources while on the dole and we are going to continue to be on that dole.

Martinez said we started to move toward the borough so we could get taxes so we could support some of this stuff.

Musgrove said he disagreed with Heinbockel on some of it. He said he agrees that PERS exists and should be made available. He said his understanding is that a year ago a willing buyer and a willing seller sat down in a free market economy and they decided that they would take this much money. If the administrator wanted PERS, he should have asked for it then. It represents an increase of this baseline budget. The other city employees are getting a 4% raise, and this person is getting 15%. It must be a slap in the face to the other employees. Everyone is working the same, and one person is taking a cut in pay overall. I don't look at it as wages and then PERS, it is a complete package. The over all picture is an increase in the wage and benefit package.

Heinbockel said it isn't an increase we can't afford.

Musgrove said we give money to Deltana and the school it doesn't mean that we shouldn't do it in a responsible manner and it doesn't mean that we shouldn't say what exactly it is. Some people are concerned that this is a hidden item, the 4% is shown but the rest is shown as if it is a normal everyday event. There are those who are disturbed that it may look like it is something it is not. In the past something pops up like the \$12,000 motorized gurney and it irritates people. We shouldn't get blindsided with new things.

Leith-Dowling said it had been talked about at every work-session on the budget.

Musgrove said it appears on the budget as an obscure line. It makes the city council look like they have done something wrong by not offering this when he was originally hired.

Tvenge said that this item has always been on the comment page, which is the very first page of the budget. It includes the line that there is a 4% raise for the administrator, plus the \$6936.81 for the retirement account.

Musgrove said that some council members are saying that you have been denied and he wants to be sure that it is clear that the council is not at fault in some way.

Tvenge said he just wanted to make it clear that it has never been hidden.

Murphy said that he was surprised to see it on the first budget document he saw as he said he read that the administrator's position was remove from PERS in 2005, but was covered by Social Security. He feels like the 15% amount is excessive.

Feilner said that two council members did not make the first budget meeting due to the date being changed.

Heinbockel said he is coming from the perspective that all State employees get a retirement plan of some sort with their employment. He thinks it is very important that everyone should get the same benefits as everyone else in the State gets. He further stated that he had not received any negative calls

regarding this issue and his number is in the book and it was even headlined in the paper. The word has gotten out, but apparently they speak through the editor of the paper, but not to him.

Musgrove said he did have a call regarding it from a former council member.

Murphy said his wife said a lot about it.

Burcham restated the motion.

Motion carried on a roll call vote with 4 (Murphy, Musgrove, Feilner, Martinez) for and 3 (Heinbockel, Hallgren, Leith-Dowling) against.

Musgrove wished to make sure that no one thought they didn't appreciate the job Mike is doing. He has done no less a job than any other of the employees.

Heinbockel says the next motion needing to be considered is to take that benefit away from all the employees.

Feilner asked if that was in this budget.

Leith-Dowling said yes, there is still \$23,000 under the administration PERS and in other areas, too.

Heinbockel says perhaps health should be considered, too.

Hallgren said health insurance will continue to increase.

Murphy referenced C-14 of 16, under the Hockey Rink.

Murphy moved that all line items be deleted except insurance.

Motion failed for a lack of a second.

Murphy moved to increase the city's administration budget for equipment by \$7200.00 specifically for fireproof safes.

Musgrove clarified by saying there had been an earlier note from the City Clerk requesting fireproof filing cabinets.

Feilner asked Zimmerman to address the issue of filing cabinets.

Zimmerman said the current four fireproof cabinets are many years old and the drawers are very hard to pull out and back. The clerk would like to get new ones because the new ones would be lockable and would have a better fire rating. It would be a good deal to change those out.

Feilner asked where the funding would come from in the budget.

Murphy replied on page C-1 of 16, line 795 (Administration-new equipment).

Martinez seconded.

Motion carried on a roll call vote with 5 (Murphy, Musgrove, Hallgren, Feilner, Martinez) for and 2 (Heinbockel, Leith-Dowling) against.

Musgrove asked what would happen to the old ones.

Burcham explained that they would be moved to the fire station for holding old records that wouldn't be needed everyday. Some of the cabinets won't even close all the way, so they are not fireproof anymore.

Heinbockel asked if anyone wanted to consider at this time placing in the budget potential aid to the school district.

Leith-Dowling said we need to wait to see what the community will do first.

Feilner agreed.

Musgrove asked where in the current budget in six months from now we decide to give them money.

Heinbockel said the landfill sinking fund.

Murphy said the Pogo Pilt.

Musgrove said it is a reasonable thing to do.

Leith-Dowling said that she doesn't feel the changes made to the budget warrant a third reading.

Musgrove moved to adopt Ordinance 2009-01, as amended. An Ordinance for the City of Delta Junction, Alaska Providing for a Budget for the Fiscal-Year 2009 as amended; Murphy seconded.

Motion carried on a roll call vote with 5 (Murphy, Musgrove, Hallgren, Feilner, Martinez) for; 2 (Heinbockel, Leith-Dowling) against.

M2C1 Subdivision

Hammond addressed the council to explain the intent of the subdivision to break off a half acre for building his home. M2C1 already owns the property and he has all the separation distances covered

with the ADEC required separation distances. He said he could go ahead and build anyway, but wanted to break it off.

Musgrove said the council prefers a one-acre lot when subdividing.

Hammond explained that is why he gave the additional drawing showing that he had met all the setback distances both with the neighbors and across the road. The piece with the commercial building would remain at an acre; the piece for his house would be one half an acre.

Hallgren said he wanted to comment that it is true that we want one acre lots, but we really need to know on the plat where the well and septic will be, making an attempt not to unfavorably impact the adjoining lots.

Leith-Dowling said that he had just given the council the additional drawing, but since Hallgren was on teleconference, he did not have one.

Hammond promised he would install a legal system. That is why he has measured all the other properties and he is confident that when he builds what is shown on the plan he will meet all the requirements. When they as-built the property, it will show the well and septic placements.

Musgrove said when he bought the airport subdivision property, his plat showed where he had to place his well and septic. This does not show it.

Feilner said that the problem is that it sets a precedent to everyone, essentially eliminating the discussion regarding one-acre lots.

Heinbockel asked why he felt he needed to subdivide.

Hammond explained that he wanted to be close to the business, but that he had a business partner and he wants to own the house separate from the business.

Murphy asked if this falls within the ordinance for subdivision regulations.

Leith-Dowling said Council was not going to approve any lots less than one acre.

Heinbockel added that the thinking was that you couldn't get separation between well and septic in conjunction with the surrounding land on such a small piece of land. Hammond has apparently done that.

Hammond said he measured everything, even across the road. It is actually 30' under the well radius. They have the whole property to do with what they want...he took everyone into account when he decided to do this.

Hallgren said he sees no problem. He feels that the intent of the council was to make sure that lots less than an acre in size would be able to put in the well and septic legally and without impacting the neighbors. He feels he has done it.

Musgrove said that he was concerned that in the future if the property was sold, there would be a problem.

Hammond said that as soon as the system is in, he will file the proper documentation of construction with the DEC and it will be registered legally for both the well and the septic.

Murphy says that the power easement is a floating easement.

Heinbockel moved to show no opposition to the request for the M2C1 subdivision and authorize the mayor and city clerk to sign the plat when it comes back with other signatures; Murphy seconded.

Motion carried on a roll call vote with 5 (Heinbockel, Murphy, Hallgren, Martinez, Leith-Dowling) for; 2 (Feilner, Musgrove) against.

Purchase Orders

PO#012615 to Airport Equipment Rental in the amount of \$1,999.00 for rent of street compactor for five days

PO#012616 to ACS in the amount of \$1,624.68 for June '08 phone services

PO#012617 to Alaska Wildland Support in the amount of \$4,066.00 for June '08 lawn contracts

PO#012618 to Arctic Fire & Safety Co. in the amount of \$1,740.00 for 20 cans of fire foam for the Fire Department

PO#012619 to ATT & Alascom in the amount of \$640.95 for June '08 911 phones and power

PO#012620 to Crowley Petroleum Distribution in the amount of \$2,469.00 for May '08 diesel used at the landfill

PO#012621 to Delta Lock & Key in the amount of \$846.00 to replace locks at old fire hall
PO#012622 to Delta Professional Development in the amount of \$755.29 for May '08 Rescue Squad and Fire Department vehicle gas
PO#012623 to GVEA in the amount of \$2,796.35 for May '08 electricity
PO#012624 to Guess & Rudd in the amount of \$3,982.52 for legal services regarding fire subscriptions and City Employee Policy
PO#012625 to IBS in the amount of \$928.10 for materials for library storage building.
PO#012626 to L.N. Curtis & Sons in the amount of \$4,365.40 for two firefighter outfits
PO#012627 to M2C1 Construction & Engineering in the amount of \$4,705.14 for engineering services on road paving project
PO#012628 to M2C1 Construction & Engineering in the amount of \$3,888.27 for services (rec/rink project and library canopy design)
PO#012629 to Morley Electric, Inc. in the amount of \$1,665.00 for installation of electricity for landfill gate locks
PO#012630 to NC Machinery Co. in the amount of \$18,000.00 for monthly rent of D8 dozer
PO#012631 to Siemens Building Technologies in the amount of \$982.50 for January '08 inspection of heating systems at library and new fire hall
PO#012632 to University Redi-Mix Concrete in the amount of \$1,720.86 for cover material for landfill operation

Martinez moved to approve purchase orders 012615 through 012632 as presented; Feilner seconded. Murphy asked for clarification on the outcome of #012624 to Guess and Rudd for advice concerning the fire subscription services.

Tvenge answered that it is implied that the fire subscription could be insurance. DeWitt recommended that we do not do the mailings for Deltana, therefore removing ourselves from that. The final decision has not yet come back from a letter of inquiry to the State Division of Insurance.

Murphy said he didn't know why it was even an issue. He thought it was a fee for service in case it happens.

Motion carried on a roll call vote with 6 (Murphy, Musgrove, Hallgren, Feilner, Martinez, Leith-Dowling) for; 1 (Heinbockel) against.

Murphy commented regarding PO#012615, street compactor. He suggested that we not compact the streets anymore and let the traffic take care of it.

Heinbockel said they had decided to do just that. But, they had felt the need to do them at least one time after breakup and not to do it again.

Leith-Dowling stated much of this would not be an issue once the paving is complete.

ADDITIONAL PUBLIC COMMENTS

Edgren commented that as he drives past the hockey rink he thinks to himself how long overdue the arctic entrances were. It makes so much sense to shed the water/ice away from the doors. It looks really good and is serving two purposes one being a safety concern. He is very appreciative of the \$11,000 that was allocated to the skating association.

Heinbockel said something has to be done on the State level to help schools, cities and private individuals this winter.

Mullins commended the council on growth in serving people and giving them time to respond. She has been encouraging people who have been frustrated in past years to come back and give the council a new try.

ADDITIONAL COUNCIL COMMENTS

Murphy said there is still some work to be done at the hockey rink. He suggests the council direct the administration to get it done.

Heinbockel said we also have an outdoor rink to be installed.

Murphy said let's finish the inside.

Edgren said there is a list of several items needed to complete the inside.

Heinbockel said that last fall it was the intent to spend a substantial amount of leftover money at the hockey rink. The complexion of the council has changed to a certain extent since that time. Public entities such as us are sometimes taken to task for their inability to accomplish much. We are getting a little bit of an example of why that is because opinions change, complexions of groups change and the direction in which we go changes. He further commented that the council did invest some \$80,000 in the hockey rink that is being stored here in Delta Junction and it has been the intent to get that installed all along. He is holding out for some cheap paving so that the outdoor rink could be more multi-purpose for in-line skating or basketball in the summer. He has had requests from the community for another basketball court. The one behind the school is not maintained well and is deteriorating. He said not to lose sight of the fact that we have as a community been somewhat committed to doing that. If we are no longer committed, we have a hockey rink for sale. Let us not change horses in mid-stream but finish what we started.

Feilner commented that the council agreed to purchase the outdoor rink, but not to finish it. She suggested that the Skating Association have fundraisers for that expense. She reminded that Hallgren had said at the time it was purchased that it could not be completed without using City funds.

Edgren said they raise \$47,000 annually. He thought there was a gentleman's agreement that the city would put in the base and all the volunteers needed to install will do so. He said Tvenge has a plan to have the pavers lay some extra paving for the outdoor rink to give us a basketball court and whatever else we decide to use it for. Raising the money for the base should have been done a year ago, but is not possible in the next six weeks.

ADJOURNMENT

Heinbockel moved to adjourn at 7:56 pm; Martinez seconded. Motion carried unanimously.

Letha Burcham
Acting Clerk

Approved: June 17, 2008