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**City Council Minutes**  
**March 17, 2015 ~ 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, March 17, 2015 at City Hall. Mayor Pro tem Mary Leith called the meeting to order at 5:05pm.

City Council members present: Mayor Pete Hallgren (telephonically), Mayor Pro tem Mary Leith, Audrey Brown  
JW Musgrove (telephonically until 7:04pm), Sherman Stebbins, Corey Vanden Boom

City Council member excused: Lonny Meeks

City employees present: City Administrator Mike Tvenge, Finance Officer Stephanie Prestwich (excused at 7:42pm)  
City Clerk Pat White

Three members from the community and two guest speakers were present. The meeting was broadcast over KDHS 95.5 FM.

**AMENDMENTS ~ APPROVAL OF AGENDA**

Leith acknowledged changes to the title of *Ordinance 2015-03* under *New Business*, which was altered after the agenda was posted on Friday, March 13.

Brown moved to approve the March 17, 2015 agenda as amended; Stebbins seconded. Motion carried.

**AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING**

White reported Lonny Meeks was excused, not absent, from the March 3, 2015 meeting. He left a recorded message on Tuesday morning, but it was not found until the following morning.

Vanden Boom moved to approve the minutes from the March 3, 2015 regular meeting; Brown seconded. Motion carried.

**PUBLIC AND COUNCIL COMMENTS ON NON-AGENDA ITEMS**

Brown said she would miss the next Council meeting because she will be attending the Spring Conference on Emergency Preparedness in Anchorage for the Delta-Greely Local Emergency Planning Committee (LEPC).

**REQUEST TO SPEAK**

**Community Cleanup – Saturday, May 23, 2015**

Lori Hollett introduced herself and said she is employed by North Haven Communities, which has a presence at Fort Greely and Fort Wainwright. She also co-chairs as the Events Coordinator for the Delta Chamber of Commerce. She and Katie Behrens are coordinating the annual Community Cleanup on May 23. She asked the City to partner with the Chamber by reducing rates and extending business hours at the landfill as done in the past. Hollett said the Buffalo Drive-In will open on May 11, the Farmers Market will open on May 23, and she is hoping for a great turnout.

Leith said the City Council supports the annual Community Cleanup because it is well worth the investment.

Hollett presented a list of the Chamber's 2015 Board of Directors and asked to contact them with input or suggestions.

Brown moved to partner with the Chamber for Community Cleanup Day on May 23, 2015 and 1) reduce landfill rates by 50% with a \$5 minimum on all household garbage delivered to the landfill, excluding fees for appliances (\$25) and non-covered loads (\$10), 2) extend business hours (9:00am-5:00pm), and 3) waive landfill tipping fees for all yellow-bagged garbage delivered to the Triangle on Community Cleanup; Stebbins seconded.

Tvenge said an extra employee will be added at the landfill to help with the increased traffic during Community Cleanup.

Motion passed on a roll call vote with six in attendance (Vanden Boom, Stebbins, Hallgren, Musgrove, Brown, Leith).

[Credit/debit card capabilities go into effect on March 20. See Prestwich's *Finance Report* on page 3.]

**Briefing from Fairbanks Forestry**

Paul Maki introduced himself and said he retired from the Division of Forestry after 35 years, but returned last May to fill the Northern Region Forester position that had been vacant since February and sub-filled by other employees. He coached the new hire that filled the position in August and has been the Fairbanks Area Forester since September. Maki repeated information that was presented at the March 3 City Council meeting about Delta Forestry consolidating with Fairbanks, he

explained meetings with local agencies about burning ag lands, personal-use firewood, if/how firefighting services would change, and that their goal is to make the consolidation as seamless as possible. The timber management program was almost defunded statewide in recent legislative discussions, except for the programs in the Interior, Southcentral, and Kenai, a few positions were lost as well as drastic cuts made in the Southeast, and the legislative budget deliberations have not yet been finalized. Four positions in the Southeast, three in Ketchikan, and one in Juneau were restored as well as \$400,000 in timber sale receipts. The largest timber sales come from the southeast and some Interior positions are partially funded from them. The only position that will not be filled is Edgren's. Maki said the intent is to continue the fire management program; that it will not dwindle at least for the upcoming fire season. Edgren's valuable talent, experience, and local knowledge will be lost once he leaves his position, but a project team was created last summer to ensure continued success of the timber sale program. The team is centered in Fairbanks, but has done a lot of work in Delta. He explained logging projects that have salvaged wood from burn areas over the winter, difficulty in filling the Fire Management Officer position, and backup plans in place should the current advertisement not produce a qualified applicant.

Leith said area residents are concerned about continued logging, access to firewood, fire threat, and whether Delta Forestry will be as effective as in the past.

Discussion followed regarding the timber sales program in Delta being different from Fairbanks' operation, using Capital Improvement Project (CIP) funds to build roads to access timber, raising more revenue off sales in Delta because of the CIP investment, and possibly requiring contractors to build the roads in the future.

Maki said it is their intent for area loggers to continue making a living buying and selling timber.

Brown asked about fires that start on military land; whether there are any new protocols to prevent them.

Maki said additional oversights have been put in place by the Federal government to examine last year's control burn that escaped onto State land.

Discussion followed regarding concerns about munitions being fired during extreme fire conditions, Delta Forestry called upon by the Alaska Fire Service for initial attacks, the Federal government reimbursing the State for fighting military fires, prorating costs on non-manmade wildfires according to land ownership, area residents dependent on summer firefighting jobs, and a Red Card training class at the Community Center (May 18 through May 22).

Maki said initial fire attacks will come from Delta Forestry, additional help will come from Fairbanks or Tok, a helicopter will be available in Delta, and Fort Greely has a new source of water (retardant).

## REPORTS

**Airport** – JW Musgrove reported the Delta wind has blown snow and drifts off the runways, so the airport looks good.

**Cemetery** – Mary Leith reported 27 plots are available for purchase in the older section of Rest Haven Cemetery, but only one pre-dug is available between now and May, when more graves can be dug.

**City Administrator** – Mike Tvenge reported:

- He attended the Floodplain Management Seminar, a federal emergency management course for the National Flood Insurance Program (NFIP), March 2/6 in Anchorage. It focused on community outreach, risk determination, base flood elevations, regulations, permitting, substantial damage, insurance, legal issues, elevation certificates, and solving floodplain management problems. The City of Delta Junction has been enrolled in the NFIP since 1983.
- He met with Bristol Engineering while in Anchorage to discuss design plans for the future north cell at the landfill. Bristol expects to physically inspect and confirm the design model this month and be at the 35% design stage by the end of March.
- Delta Sanitation has not delivered solid waste to the landfill since February 13. Their current tipping fee balance is \$4,531.25 plus two non-sufficient funds (NSF) fees.

Discussion followed regarding \$24 NSF charges associated with two bounced checks, concerns with where area residents' garbage is being taken, and the Regulatory Commission of Alaska's involvement.

- Landfill Manager Richard Mitchell and Equipment Operator Corey Groppe took the Mine Safety Health Administration (MSHA) 8-hour refresher course at Partners for Progress in Delta, Inc. last week.
- The Air Force is hosting a scoping meeting March 26, 6:00 to 8:00pm, at the Alaskan Steakhouse, to address the environmental impact statement in locating Pacific-region F-35 aircraft at Eielson Air Force Base. (Other meetings are scheduled in North Pole on March 24 and Fairbanks on March 25.)
- Partners for Progress in Delta, Inc. applied with the Department of Natural Resources to lease 22.09 acres of State land for the construction and operation of the Delta Career Advancement Center expansion facility. A municipality may hold a hearing within 30 days of notice, which began March 5th. Additionally the City was notified because of being a holder of an avigation and hazard easement located partially in the lease request, but it appears the easement is located

well away from the proposed building expansion. Tvenge asked if a letter of non-objection should be issued to the DNR Commissioner.

Discussion followed regarding the location of the property (between the existing Career Center and City property at the end of the airstrip), and Partners already conducting soil testing.

Hallgren asked to keep the area open because the four-wheeler/ski/mushing trail is heavily traveled by recreational users. Leith said the trail runs in the 20 acres, but not in the four acres around the new Career Advancement Center construction. Sebastian Saarloos, local surveyor, said the east-west trail (North Clearwater Avenue through woods to the pipeline) does cross the northern portion of the 20-acre parcel, but it is not in the four acres that is proposed for development. The easement is not shown on any plat and he recommended acknowledging it.

Tvenge said he would draft a letter of support as long as the trail remains open.

Stebbins moved to draft a letter showing no objection to Partners for Progress, Inc. leasing State of Alaska land with the caveat that the trail system is not destroyed and trails remain accessible to the public; Vanden Boom seconded.

Motion passed unanimously on a roll call vote with six voting (Musgrove, Vanden Boom, Stebbins, Brown, Hallgren, and Leith).

- CXT Inc. is the only company that could meet standards for outdoor toilets as designed by Alaska State Parks engineers. After five years of purchasing and installations, the State Parks has chosen CXT as the standard design. Tvenge said he will use the State's template for the City's project this summer. The Denali Flush costs \$81,519.05 and the Double Rocky Mountain model costs \$60,420.52 delivered to the site, not including site preparation and installation. A large crane must be used to install the single structures. Tvenge thanked the Council for approving the purchase of the outhouses (during the March 3, 2015 Council meeting).

**Finance** – Stephanie Prestwich reported:

- Credit/debit card machines will be installed at City Hall, the library, and landfill scale house on March 20.
- Landfill rates changed on March 16 and putting the new fees (8¢ per pound) into the system was successful.

**Library** – Mary Leith reported:

- Over 200 people attended the African Guitar Summit Concert at the Fort Greely Community Activity Center on March 14. It was well attended, casual, and a fun event.
- The Library Board is preparing for the annual Open House that will be held on April 25.
- The Delta Library Association celebrates their 55th anniversary this year.
- Library membership forms are available (\$25 for individuals and \$40 for families) at the library.

**Park / Recreation** – Corey Vanden Boom reported the High School Softball Team will host a tournament May 22/23.

**Personnel** – Pete Hallgren reported Mike Zastavskiy will be leaving his maintenance position to pursue his own business. Tvenge said Zastavskiy oversees maintenance of buildings, assists with burials at the cemetery, cuts brush, plows and operates equipment, shovels sidewalks, changes lightbulbs, etc. He will continue full time employment for two weeks and then part time for the following two weeks.

Hallgren said Zastavskiy deserves kudos for his work with the City.

**Community Outreach** – Mary Leith reported the new Web site has been launched.

Discussion followed regarding the ease in which staff can manage the new site independently, capabilities to link to KDHS radio while City Council meetings are broadcast live, Prestwich creating a Facebook page for the City and linking it to the new site, and establishing policy to manage the Facebook page.

## UNFINISHED BUSINESS

### Covenants – Airport Subdivision II

White reported emails were sent on February 27 to (23) prospective buyers of lots in Delta Airport Subdivision Phase 2, asking for feedback on the proposed covenants that were discussed at the January 27 and February 3 meetings. Seven responded. One expressed opposition to the Boundary Crossing Access Fee, stating he preferred \$100/year instead of \$500. Another buyer is interested in purchasing three lots, but said he felt the \$500/year fee would drive off other buyers. At this time it appears there might be enough buyers for half of the 21 lots in the new subdivision.

Musgrove said the Boundary Crossing Fee is for pilots that cross onto City property from private property to use the airport. Fees are not collected from pilots that land at the airport because they are not crossing to/from private property. Fees for using the tie-down area are different from boundary crossing fees. If \$500 is too much, it could possibly be reduced, but he favored collecting a user fee to contribute to the expenses associated with keeping the airport open. Currently commercial businesses pay \$500 and individual pilots pay \$250, roughly mirroring what the State of Alaska charges in smaller airports like Tok. He asked to keep it simple and charge each lot owner a flat \$500 fee.

Stebbins said he supported the concept and also asked to possibly waive fees due to loss of a pilot's license or other hardship or circumstance. He compared fees, charged to a specific group of users, to taxing the general public. Discussion followed regarding adding covenants to the plat and deeds and charging by the calendar year or prorating fees. Tvenge suggested a due date of January 1 whether the property is developed or not. Sebastian Saarloos asked if previous discussions considered farm animals, dog mushing teams, operational vehicles, possibly limiting inoperable vehicles to not more than two, and minimum/maximum square footage to prevent little shacks or eight-bedroom mansions. Saarloos said he would provide samples of covenants from other subdivisions. Leith said the topic would be brought back within the next two Council meetings, April 7 or April 21. Hallgren said the airport subdivision is not necessarily residential. It can allow commercial businesses such as air cargo, air taxi, or aircraft repair shops.

## **NEW BUSINESS**

### **Fuel Bid Award**

Tvenge reported the bid opening for the City's three-year fuel contract was held on March 12, 2015. Quoting *Section 16* of the bid document, "Alterations or modifications to the terms or conditions of the Fuel Oil and Gasoline Bid Specifications shall be considered non-responsive and therefore rejected from qualification," Tvenge said one of the three bidders, CPD Alaska, LLC (Crowley), was deemed non-responsive for striking two terms from their bid submittal. He recommended awarding the unleaded gasoline and equipment fuel/diesel contract to Delta Professional Development and the heating fuel contract to Buffalo Fuel. He said the base bid price will increase or decrease as the market fluctuates. Stebbins moved to award the delivered fuels contract (\$2.91 per gallon for Diesel #1 and #2, \$2.85 per gallon for 87 Octane unleaded gasoline, and \$3.08 per gallon for equipment fuel/diesel) to Buffalo Fuel, Inc. and at-the-pump fuels (\$3.099 per gallon for 87 Octane unleaded gasoline and \$3.599 per gallon for equipment fuel/diesel) to Delta Professional Development; Vanden Boom seconded. Discussion followed regarding Crowley's lower bids for pump sales, Tvenge's extensive conversations with Crowley's legal office prior to the bid opening, the City's insurance provider, Alaska Municipal League Joint Insurance Association (AML/JIA), not insuring the City for non-performance of contract, and neither Buffalo Fuel or Delta Professional Development having issues with the bid specifications. Motion passed unanimously on a roll call vote with six voting (Stebbins, Vanden Boom, Hallgren, Musgrove, Brown, and Leith).

### **ASLS 2010-13 (Rifle Range) Preliminary Plat Approval**

Tvenge reported he and Letha Burcham reviewed and approved the Preliminary Plat Submittal Application pertaining to the "rifle range." Tract 8A (14.634 acres west of the Richardson Highway) and Tract 10A (4.567 acres northeast of the Richardson Highway) total 19.2 acres and is part of the last municipal entitlements to the City of Delta Junction from the State of Alaska. Tract 8B (8.957 acres between the Delta River and Tracts 8A and 8C) was where an old landfill was located. Tract 8C (12.432 acres) will remain in State ownership for general public use. Tract 10B (6.095 acres) is where the ARCS television and radio reception tower is located. Sebastian Saarloos explained that Burcham and Tvenge caught a high water mark error through the platting checklist process. The error does not show on the preliminary plat or the Mylar, but "Ordinary High Water (2013) (OHW)" was handwritten in two spots on the 24" x 36" copy. The City will sign off as both the applicant and the platting authority once the final plat is approved at the April 7, 2015 meeting. Thereafter the Director of Lands will sign it, it will get recorded, and the Division of Natural Resources can start the process of issuing a patent to the City for the two parcels, 8A and 10A. Tvenge said Delta Surveys was previously paid \$5,600 for the survey work. Brown moved to approve the preliminary plat for ASLS 2010-13 as presented; Stebbins seconded. Motion passed unanimously on a roll call vote with six voting (Brown, Hallgren, Musgrove, Stebbins, Vanden Boom, and Leith).

### **Introduction and First Reading of Ordinance 2015-03, An Ordinance Amending Municipal Code Sections 1.41.015, 1.41.020, and 1.41.025, Acquisition of Supplies, Equipment, or Services Under \$1,000, Under \$10,000, and Over \$10,000 and Adding Sections 1.41.026, Procurement Preferences Imposed by Alaska Law, and 1.41.027, Acquisition of Supplies, Equipment or Services Over \$25,000**

Brown moved to introduce Ordinance 2015-03, conduct the first reading, and set the public hearing date for April 7, 2015; Hallgren seconded.

Tvenge said ordinance (2003-02) was adopted in 2003 to create policy for acquiring property and services. Since then prices have increased and the policy has become petty, particularly while dealing with reasonable numbers. He explained the proposed increases; supplies, equipment, or services under \$1,000 was changed to "under \$5,000" (1.41.015),

supplies, equipment, or services under \$10,000 was changed to “between \$5,000 and \$10,000” (1.41.020), over \$10,000 was changed to “between \$10,000 and \$25,000” (1.41.025), and over \$25,000 was added (1.41.027). Tvenge explained purchasing procedures, additional details that were added and changed to the rewrite, and constraints in recent purchases and ongoing projects. He said a hamburger used to cost \$5.50, but it is now \$11 and it is time to update the procurement code to streamline the purchasing process that can be lengthy and expensive.

Discussion followed regarding proposed changes not affecting how grant projects are handled, improving purchasing capabilities for efficiency, not abusing it, still using quotes and formal bids, and “discretion of the City Administrator, Finance Officer, and Council Liaison (Department Head)” replacing “discretion of the Mayor” for purchases between \$5,000 and \$10,000 (§1.41.020 revision).

Brown asked to leave “Mayor” in the verbiage.

Leith said the mayor works with the City Administrator and is always involved.

Tvenge said the more people involved the better transparency.

Vanden Boom suggested revising it to read, “... may at the discretion of the City Administrator and/or Mayor, Finance Officer, and Council Liaison (Department Head).”

Musgrove was excused at 7:04pm.

Motion passed unanimously on a roll call vote with five voting (Hallgren, Brown, Stebbins, Vanden Boom, and Leith).

Leith called for a break at 7:05pm and reconvened the meeting at 7:12pm.

### **Preliminary Plat – Delta Airport Subdivision Phase 2**

Tvenge said street names were added to the June 19, 2014 preliminary plat. GVEA issued a letter, dated March 12, 2015, showing no objection to the plat, but had provisions regarding adding notes to the final plat, reducing width of Tract B-1 to 50 feet so it does not overlap the existing 30-foot public utility easement, and to see the final plat *before* it is approved. He said preliminary approval is the first step toward developing roads and power in parts or all of the 21-lot subdivision. Tvenge read #14 of the Platting Checklist, which was left open for discussion, “Platting notes must indicate that approval of plat does not obligate the public or any governing body to construct, operate, or maintain improvements.” He said the City will design roads, but questioned maintaining them.

Discussion followed regarding adding #14 to the plat notes to clarify that the City is not obligated to maintain subdivision roads, the \$500 Boundary Crossing Fee, as worded in the subdivision covenants, being a usage fee and not a tax, recovering the cost to install electric poles (\$80,000) in the minimum bid price and when lot owners hook up to electricity, and sometime in the future naming streets after former mayors (i.e. Sam Kelly Street, George Norton Street).

Brown moved to approve the preliminary plat for Delta Airport Subdivision Phase 2, dated June 19, 2014; Stebbins seconded.

Motion passed unanimously on a roll call vote with five voting (Brown, Vanden Boom, Stebbins, Hallgren, and Leith).

### **Renew Certificate of Deposit at Mt. McKinley Bank**

Prestwich referenced the (\$133,808.75) Certificate of Deposit Maturity Notice, due April 13, 2015, that earns .12% interest through Mt. McKinley.

Discussion followed regarding other options (six months at Wells Fargo at .01%, one year with Wells Fargo at .05%, or one year with Mt. McKinley at .18%).

Stebbins moved to renew the Certificate of Deposit with Mt. McKinley Bank for another six months; Vanden Boom seconded.

Motion passed unanimously on a roll call vote with five voting (Vanden Boom, Stebbins, Hallgren, Brown, and Leith).

### **Purchase Orders**

PO#017809 to Heritage General Contracting in the amount of \$88,156.87 for Public Works Building retainage

PO#017912 to Alaska Communications Systems in the amount of \$1,128.34 for February phone & internet

PO#017913 to ATT & Alascom in the amount of \$669.56 for March E911

PO#017914 to Bank of America in the amount of \$1,336.90 for PERMS hotel for Tvenge & Burcham, Floodplain training, airfare for Tvenge, MS office software for clerk’s computer, AVG security software, Library books

PO#017915 to Buffalo Fuel, Inc. in the amount of \$9,741.88 for February heating fuel & gasoline

PO#017916 to Delta Professional Development in the amount of \$960.20 for February equipment fuel and gasoline

PO#017917 to Delta Surveys Associates in the amount of \$1,375.00 for survey for new landfill cell development

PO#017918 to Golden Valley Electric Association in the amount of \$4,323.19 for February electricity

PO#017919 to Guess & Rudd in the amount of \$700.00 for Allied Steel & Forestry legal fees

PO#017920 to Heritage General Contracting in the amount of \$4,950.00 for installation of air lines for public works

Vanden Boom moved to approve purchase orders 017809 and 017912 through 017920 as presented; Stebbins seconded.

Discussion followed regarding the Delta-Greely Clearwater Seniors not yet receiving Internet in the Senior Lounge, the process in which the City will reimburse the Seniors for a portion of it, and it not being part of PO#017912, retainage payment for construction of the Public Works building (017920), and smaller projects that are still being finished: installing an electrical circuit for the air compressor, installing an explosive-proof submersible pump in the oil and water separator pump, and redoing the septic system and paving a pad in the front parking lot next summer.

Motion passed unanimously on a roll call vote with five voting (Hallgren, Brown, Stebbins, Vanden Boom, and Leith).

### **Executive Session – Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect upon the Finances of the Local Government**

Vanden Boom moved to enter into Executive Session to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City; Stebbins seconded.

Stebbins asked the reason for the Executive Session.

Tvenge said the verbiage is sufficient.

Leith called for the vote on whether to go into Executive Session.

Motion passed with four voting in favor (Hallgren, Brown, Vanden Boom, and Leith) and one voting against (Stebbins). The door to the Council Chambers was closed at 7:42pm. Present during the Executive Session were Mayor Pete Hallgren (telephonically), Mayor Pro tem Mary Leith, Sherman Stebbins, Corey Vanden Boom, Audrey Brown, City Administrator Mike Tvenge, and City Clerk Pat White.

Stebbins moved to close the Executive Session and reconvene the regular City Council meeting at 8:14pm; Brown seconded. Motion carried.

### **ADDITIONAL PUBLIC AND COUNCIL COMMENTS**

Vanden Boom said she enjoyed touring Ptarmigan Heights, the newly-built senior housing complex.

Stebbins said three applications have been accepted and other applicants must meet income level guidelines. Changing subjects, Stebbins said he wanted to introduce the idea of establishing a local bed tax to raise revenue for the future. A bed tax would be no cost to business owners and it has proven successful from bed taxes at Denali National Park.

Discussion followed regarding taxing guests (construction workers, tourists, visitors) versus charging a small sales tax, researching a bed tax, and whether there would be enough local business to warrant it.

Hallgren said it can be a complicated matter, but he is interested in the results of Stebbins' research.

### **ADJOURNMENT**

Vanden Boom moved to adjourn at 8:21pm; Stebbins and Brown seconded. Motion carried.

Pat White, City Clerk

Approved: April 7, 2015