



~~~~~  
**City Council Minutes**  
**April 21, 2015 ~ 5:00PM**

**Regular Meeting**  
**City Hall, Delta Junction, Alaska**  
~~~~~

The regular meeting of the Delta Junction City Council was held on Tuesday, April 21, 2015 at City Hall. Mayor Pete Hallgren called the meeting to order at 5:00pm.

City Council members present: Mayor Pete Hallgren, Mayor Pro tem Mary Leith, Audrey Brown
JW Musgrove, Sherman Stebbins, Lonny Meeks, Corey Vanden Boom

City employees present: City Administrator Mike Tvenge, Finance Officer Stephanie Prestwich, Acting City Clerk Letha Burcham
Library Director Joyce McCombs

Seven members from the community were present. The meeting was broadcast over KDHS 95.5 FM.

AMENDMENTS ~ APPROVAL OF AGENDA

Leith moved to approve the April 21, 2015 agenda as presented; Musgrove seconded. Motion carried.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING

Meeks moved to approve the minutes from the April 7, 2015 regular meeting; Musgrove seconded. Brown abstained since she was excused from meeting. Motion carried with six voting and one abstention.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

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

COUNCIL COMMENTS ON NON-AGENDA ITEMS

Meeks said he would like the council to consider coming up with ways of partnering with Fort Greely on certain things. The Federal Government has instituted an Intergovernmental Services Agreement policy in which military installations can partner with the local governments and combine services to help reduce the costs of things for contracts or items that are purchased such as gravel for winter. Partnering would benefit both agencies and get reduced costs. He encourages the Council to think about things that both Greely and the City may benefit from. He also feels the City could partner with Golden Valley Electric Association to find ways of support for a better power plant or system here. It would benefit area residents with possible job opportunities and we should consider leading the way as a community effort to support the natural gas issue.

CORRESPONDENCE

U.S. Army Garrison Fort Wainwright-Gerstle River Test Site

Hallgren read a letter from U. S. Army Garrison Fort Wainwright Public Works Department aloud for the radio audience. The letter requests public participation at a scheduled April 27, 2015, 7:00 PM meeting in the Community Center for the Gerstle River Test Site environmental restoration activities. Topics of discussion will be the schedule for this summer at the test site, well closure requirements, underground storage tank closures and proposed 2016 activities.

Leith said that many have said the Gerstle River site had not been closed properly. This is happening due to the data gap analysis conducted last year.

Brown said she was on the Gerstle River Expansion Area Restoration Advisory Board (RAB) in the 1990s when they surveyed a certain gridded area to search for unexploded ordnance and metal fragments.

Hallgren stated that there is likely a lot of misinformation out. The Gerstle River RAB was closed a long time ago. The Ft. Greely RAB and the State have brought up potential concerns over the years. He was unaware that work was being done in the area and he plans to attend the meeting to see exactly what is being done.

REPORTS

Emergency Services – Audrey Brown reported:

- She attended the Department of Homeland Security Emergency Services preparedness conference April 6 – 10, 2015 and benefited from it.
- She will be implementing a campaign for people to put together emergency kits. She learned about a Red Cross program for schools called the Pillow Case Program, Walt Disney provides the pillow cases, emergency preparedness ingredients are listed on them and will be presented to kids by the Red Cross.

Hallgren said that there is a real possibility that Delta could be completely cut off from Fairbanks for up to a week and although he feels most are prepared there could be some who aren't.

Brown distributed Individual & Family Preparedness Guides explaining that the guide contains easy to understand, step by step instruction for families. She also presented Hallgren with an Emergency Management for Small Community Leaders booklet.

- The fire department responded to one small fire in a pump house along the Richardson Highway.

Mayor – Pete Hallgren reported:

- That he, Leith and Tvenge met with Deputy Commander Abare and discussed the happenings at Ft. Greely as well as the Richardson Highway development between 4th Street in town and the landfill.

Leith reported she that attended the open house on April 16 and she learned that both DOT and contractors will have offices in Delta so anyone can get up to date information. The offices will be located in the IGA mall and in Gartz's old Norton Tire building. The current bridge over Jarvis Creek will be staying in place until the new bridge is completed. Eight foot wide shoulders will be added and the road straightened. The portion of road from Greely to the landfill will be ground up and graveled before starting the rest. They will evaluate traffic flow and will adjust shift changes, etc. to help reduce congestion.

Meeks stated that there will be flaggers for 12 hours a day.

Hallgren also reported:

- Ft. Greely has another project that coincides with the road construction. They are building new entry facilities at the main gate which will require a separate gravel road from the highway past the guard shack.
- He and Tvenge counted stumps in the new airport subdivision roadways.
- He said that on Wednesday, April 22 he will be listening in on a teleconference of the Municipal Attorneys Association regarding local marijuana regulation.

City Clerk – Letha Burcham reported that a National Day of Prayer service will be held in the large City Hall conference room on May 7 from noon to 1pm; everyone is invited to attend.

City Administrator – Mike Tvenge reported:

- Bristol Engineering has submitted 50% design drawings for the landfill expansion to DEC for review. Excavation should begin late summer or early fall.
- He and the mayor came across a dead moose calf near Harper Avenue here in town. Fish and Game looked at it today, but weren't able to take samples as it had been dead too long. They asked if the City would remove it. It is on private property. He wants Council opinion on the City doing the removal.

Tvenge said that the City crew looked it over and they feel they could get the skid steer in to remove it.

Musgrove moved that the City Administrator oversee the removal of the dead moose. Brown seconded. **Motion passed.**

- Tvenge said he was a proponent of having a wet park restroom, but bringing it up again as he knew not all Council members were in favor. It would simplify matters to have two dry restrooms without a septic system and leach field. Complicating matters is that there is not much room to work with when considering the position of the well. The motion for the outhouses was made up to a certain dollar amount and dry ones would be less costly. He asked if the Council wants to pursue the wet house or go dry.

Hallgren asked if the Little League had been consulted.

Tvenge said they would be happy with dry toilets and a water fountain close to the concession area.

Discussion ensued regarding why the issue was now being revisited after authorization was made, what the user groups want, the ease of installation of dry outhouses, available space for a septic system, changing the plan without additional public input, availability of a well, and placing the issue on the May 5 agenda.

- George Sandlin started bringing garbage to the landfill today. He paid the outstanding balance using his personal credit card and for the current loads he brought in. Delta Sanitation (DSI) still has a lot of trash that needs to come to the landfill. Sandlin had stated he was not going to buy DSI, but since had spoken with the owner and changed his mind. He is concerned about the customers and the garbage left in the containers.

Hallgren explained that arrangements had been made in conjunction with Department of Environmental Conservation (DEC) and the Regulatory Commission of Alaska (RCA). The City does not care who brings the garbage to the landfill, our concerns are that residents have garbage collection services and that the City gets paid. He agreed with DEC on April 17 that DSI must pay in full before they could bring more loads to the landfill. He also agreed that once the balance was brought current, the landfill would accept no more than 3 loads without payment; every 3 loads the balance must be brought back to zero again.

Musgrove asked about the previous agreement signed by Sandlin; would DSI be bringing another dumpster to City Hall? Hallgren said the previous agreement was superseded and a new agreement has been reached. The City is no longer a customer of DSI. We are customers of Delta Environmental Services (DES) for garbage pick-up. Both DEC and RCA are still in the works as far as DSI is concerned. We are not in cahoots with anyone; we are only concerned with running our landfill and getting paid for what is brought in.

Musgrove said that as a member of the general public he is personally thanking George Sandlin for stepping up to the plate.

Finance – Stephanie Prestwich reported:

- She has submitted all quarterly grant reports and completed the City quarterly reports.
- She and Tvenge are working on the FY 2016 budget.

School District – Corey Vanden Boom reported the school district has asked if they could use the ice rink for a sale of Ft. Greely School surplus on May 17 and asked if there were any Council objections.

Tvenge said he could see no problems with the request.

Brown stated that we should accommodate them if we could.

Library – Mary Leith reported that the Library Board and staff are getting ready for the annual Library Open House which is April 25, 10 am - 4 pm. There are lots of baskets for the silent auction as well as raffle items. Everyone is encouraged to attend.

Musgrove asked if any further consideration had been given to an endowment fund.

Leith asked to wait until after Open House.

Park / Recreation – Corey Vanden Boom reported softball and baseball seasons have started. A game scheduled for today was cancelled due to the recent snow.

Meeks added that soccer was starting earlier this year.

Public Works – Sherman Stebbins reported that in the past the City has asked for capital improvement funds to build a covered building to store materials at the landfill. The steel frame from the old public works building is at the landfill; he proposes that Tvenge get cost estimates for a concrete footing and re-erect the structure, add a roof and use it for dry sand and gravel storage.

Hallgren said Tvenge should get estimates and put it on an agenda in the future.

Community Outreach – Lonny Meeks reported he would like to thank Prestwich for putting the City information on Facebook.

Additional Reports by Council

Hallgren asked for additional reports by Council with none being offered.

UNFINISHED BUSINESS

Land Clearing at Delta Airport Subdivision Phase 2 discussions

Tvenge explained that there are two methods to clear the land. We could mulch it down similar to what was done on the highway south of town by using a hydro-axe type machine or by cutting and decking trees and only mulching the smaller stuff. Costs range from \$1,000 to \$3,000 an acre to grind and leave all the mulch on site. City ordinance 4.55.020(c) – Street Construction says “all trees will be hand cut. All trees, bush, limbs and berms removed or, if equipment is used, all excess dirt, berms, roots, stumps, brush and trees must be hauled away.” There could be potential problems like some of our other streets such as clay or silt pockets. We need to decide if we want to look at it long term or short term as we do not intend to immediately pave the gravel streets.

Leith asked about the land clearing being done without our permission.

Tvenge said he and Hallgren walked it yesterday and confirmed the number of trees that were cut; about 200 substantial trees were cut. He brought a tape measure and the trees were larger than he first estimated. Our attorney is drafting a letter to the individual.

Vanden Boom asked if the trees were gone.

Tvenge said almost all are gone with some in stacked piles waiting to be removed. The individual was told not to go back onto the property.

Discussion continued regarding timber theft, state statutes allowing for treble (triple) damages, the size of trees cut, when the theft occurred, the estimated amount of wood taken, it being a commercial operation, and pending charges.

Tvenge said an eighty foot tree clearance was decided upon for road construction. Most of these streets are beyond 100' in length. Ordinance says minimum 20' clearance each side of centerline. A minimum of 4 inches of gravel doesn't make much of a road. You need to put down good pit run and D-1 then more money to make it better. We have a budget and we will have a sub-par road.

Hallgren said primary use will be aviation related which entails wing clearances and possibility of semi truck traffic.

Tvenge said it would be best to clear and then take some soil samples to see what would be needed for road structure. He has not gotten a price to cut and log.

Musgrove said that even if the lots were just residential, you would need to have cement trucks in. He asked if there be a contract for trees separate from road construction.

Tvenge said it could go in one contract, but should go in two phases. There should be an intermission between the grubbing and street building.

Brown asked about timber sales.

Tvenge said just one tree cleared area was 40 cords of wood. There could easily be six times that amount.

Hallgren feels that since the City is spending its own money (no grant money); we need to build the best project we can for the least amount of money.

Discussion continued regarding what type of clearing is appropriate, different types of proposals or contracts, timber sales, how to proceed with the project, making a return on our investment and recent additional illegal cutting along a State section line.

Tvenge said he would draft a RFP for Council review.

NEW BUSINESS

Award Lawn Maintenance Contract

Tvenge said only one proposal was submitted for the lawn maintenance contract. J & D Lawn Care had our lawn contract last year and he rebid for \$11,100.00. He recommends the contract be awarded to J & D Lawn Care.

Leith moved to award the 2015 Lawn Maintenance Contract to J & D Lawn Care; Meeks seconded.

Hallgren asked if the contract provided for extension to up to three years.

Tvenge said the contract is for one year, and may be extended on an annual basis for up to two additional years at an annual 3% cost increase without bidding, if both the City and the contractor are in agreement.

Brown asked if they have the required insurance coverage.

Tvenge said that they did last year and they will be required to submit copies again this time. **Motion passed** unanimously on a roll call vote.

ACS Request for Conduit Bore Crossing at Kimball Street

Tvenge explained that the new owners of Interior Hardware erected a tower on their property just west of Aurora Street and asked Alaska Communication Services (ACS) to provide a line. ACS asked to cross Kimball Street either by cutting the road or by boring underneath. Boring would be painless for us, but at an increased cost to ACS. They plan to bore if the Anchorage office agrees. If the street has to be cut, it would mean a possible road closure of five days.

Hallgren said once the street is cut, you end up with a hump forever. He would rather not give permission to do anything but boring so the street does not have to be closed.

Hallgren moved to approve boring on Kimball Street rather than cutting; Stebbins seconded. **Motion passed** unanimously on a roll call vote.

Bed Tax Discussion

Stebbins said that with the idea of the State going broke, he has been thinking of ideas to raise revenue that would not affect the local residents. Our revenue sharing is in jeopardy and the Federal PILT (Payment In Lieu of Taxes) is now getting approval once a year instead of the previous three-year commitment. Generous contributions from companies outside the City limits have helped. Many communities across Alaska have bed taxes and he proposes a 6% bed tax for rentals up to 28 days. This would include all licensed establishments inside the City limits who rent rooms. This tax would not be calculated as profit by the collector nor would we be dipping into anyone's pockets. The money collected in addition to rental costs would be passed to the City and individual financial records would remain private. Only the total bed tax amount paid to the City would be made public, and not itemized by business names. He explained that he wants to share the revenue with the school district by a 60% /40% split. Since the overall administration would be handled by the City, we deserve the bigger share. The City can impose a tax by a vote, whereas the school district cannot. He feels it

is a win-win way to gain revenue by taxing those who pass through our City and use our establishments and infrastructure. This is not a final proposal and it would need legal considerations. He would like to see the Council move forward with this by ordinance and then put it on the local ballot in October to be implemented no later than May 1, 2016. He thanked all the audience members who came to the meeting to hear and discuss this idea.

Hallgren asked to make comments before opening it up to the public. He said we have no need to tax anyone at this time. The City has budgeted and saved money by spending less than we take in. The City has reserves of over five million dollars with the knowledge that the reserves could be used when the tough times come. We would cut back just like the City did after the pipeline days. We have a blessing beyond what most communities have. The Council has not seen the proposed budget for the new fiscal year and we have no emergency at this time. We will be proposing a balanced budget and if needed will subsidize with a small amount from the reserves. He said the school has not asked for this and the majority of the students live outside the City limits. If the Council decides to impose a tax, then we have to have business registrations and a penalty for non-compliance. We must be in a position to demonstrate a real need for this and he feels we are not. He thinks we would destroy the citizen's trust that the City spends their money wisely. Only one-fifth of our income comes as gifts, the other revenue is allotted to all municipalities in Alaska. He feels the proposal is years premature and divisive since it only targets one segment of the business community.

Brown said she had reviewed the Fairbanks ordinances for bed taxes and they are very extensive...eleven pages long. She feels the expense for the business owners as well as the City would also be extensive.

Musgrove said he does not approve of taxing those who have no say in the matter, the school is the States responsibility and sharing with them is an obvious attempt to get them on your side.

Susan Sandy said she represents Kelly's County Inn who has been in business in Delta for 51 years. She appreciates the idea, but she has done research also. When a bed tax was brought before the City Council in the past it was found that there were not enough beds in Delta to generate enough revenue to pay the cost of administering the program. She doubts it has changed. Most of the communities that do collect bed tax use the money to promote the industry that are paying the bed tax. Almost without fail the communities that have bed taxes tax other things, too. Taxes are placed on alcohol, tobacco, sales tax, gravel and fish. Her big concern besides being the only industry targeted is this will lead to more taxation. She agrees with Hallgren in that the City needs to operate like a family not a government. We only need to spend what we have and she asks the Council not to start taxes.

Sherry Decker, representing Diamond Willow Inn, said that she has a lot of State people staying with her and they do not have to pay tax and therefore would be tax exempt.

Meeks added that federal employees are also tax exempt.

Decker went on to say that there will be an added expense for them as well as the City who will have to audit their books. The winter is pretty tough on them already. They make their money in the summer and still have expenses during the winter such as internet, phone, electricity, fuel and insurance is extremely high. All the cities that Stebbins brought up charge a lot more for a room than she does. The government per diem will only pay so much. She may have \$300 rooms, but the state and federal per diem pays less for housing in Delta; higher expenses and yet less money. No one deserves the extra burden that taxation will add. The same amount has to be paid to the secretaries and accountants to keep up with it all. She appreciates that the City has a good reserve. It shows that the City and the Council have budgeted properly enough to save money. If the Council thinks the State has it bad, they should try to run a business in a small town. She appreciates what Stebbins is trying to do, but thanks anyone on the Council who would oppose the bed tax.

Stebbins read from a State print out that shows not all communities where bed taxes are imposed have other taxes. Adak, Angoon, and Haines Borough are just a few that only have bed taxes. He asked Hallgren what term he used when he started charging City employees a portion of the cost of health insurance.

Hallgren said he called it a necessity or buy in.

Stebbins asked what harm it would be to have a buy in from the community towards the City budget.

Musgrove said it was not the community who would be paying...only passersby.

Stebbins said everyone goes to other communities and stay in the motels and not complain.

Musgrove said it would be taxation without representation.

Brown said that when looking at the Fairbanks regulations on bed tax, the tax is used to promote tourism.

Stebbins said that he brought the subject up to hopefully have the community contribute something towards the City.

Vanden Boom asked if it would make a difference if the City used the money to promote Delta rather than support the school.

Musgrove moved that a bed tax be instituted in the City of Delta Junction and to have the City Clerk draft an ordinance to be presented to the Council. The ordinance would require a vote by the people before being instituted. Stebbins seconded.

Hallgren clarified that an ordinance would be presented for discussion by the Council and the public would be able to make comment. Wording in the ordinance would provide that the tax would not be imposed without being ratified by the people either yea or nay.

Motion failed with three voting for (Stebbins, Leith & Vanden Boom) and four (Musgrove, Brown, Meeks and Hallgren) against.

Purchase Orders

PO#17956 in the amount of \$1,107.70 to Alaska Communication Systems for April internet & phones

PO#17957 in the amount of \$672.62 to ATT & Alascom for April E911 power

PO#17958 in the amount of \$1,366.00 to Buffalo Fuel for fuel for Landfill equipment & shop

PO#17959 in the amount of \$1,117.03 to Bank of America for airfare, per diem, maintenance equipment repair and annual fee

PO#17960 in the amount of \$5,292.85 to Bristol Engineering Services for billing #2 for Landfill expansion project

PO#17961 in the amount of \$950.00 to Delta Surveys Associates for survey for Landfill expansion project

PO#17962 in the amount of \$3,360.00 to Delta Concrete Products for snow removal on City streets

PO#17963 in the amount of \$915.75 to Delta Building Supply for repair parts for City Hall boiler, shop air compressor and a new cook stove for Fire Hall

PO#17964 in the amount of \$1,005.94 to Guess & Rudd for various emails and phone calls

PO#17965 in the amount of \$4,186.73 to Golden Valley Electric Association for March electricity

PO#17966 in the amount of \$1,185.00 to Heritage General Contracting for cleaning carpets and tile in City Hall, Community Center and Senior Lounge

Musgrove moved to approve purchase orders 17956 through 17966 as presented; Vanden Boom seconded.

Musgrove questioned the amount of electricity used at the ice arena.

Tvenge said the lights were off now so we will see a reduction in the cost; the new lights have not all been installed yet.

Discussion followed regarding the trial basis of the lights, options such as motion detectors and reasons why the lights had not been installed.

Musgrove asked if Heritage General Contractor has an annual contract to do the carpets.

Tvenge said that previously another vendor was used; Heritage offered a much better value. The City Hall, Community Center and Senior Lounge carpets were done as well as the tile in the Community Center. The Library carpet will be done after open house.

Musgrove asked if the seniors had gotten Internet yet.

Tvenge said that no bill has been received from them.

Meeks asked why the airfare was paid for Flower Cole's trip.

Prestwich explained that it was a Local Emergency Planning Committee (LEPC) trip and it is covered with LEPC funds.

Motion passed unanimously on a roll call vote.

ADDITIONAL PUBLIC AND COUNCIL COMMENTS

Vanden Boom said that at the May 5th meeting the salary committee should have the new salary schedule ready.

Brown said she appreciated the public who came to express their concerns as well the press covering the meetings.

ADJOURNMENT

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

Letha Burcham, Acting City Clerk

Approved: May 5, 2015