



**City Council Minutes
June 2, 2015 ~ 5:00PM**

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

The regular meeting of the Delta Junction City Council was held on Tuesday, June 2, 2015 at City Hall. Mayor Pete Hallgren called the meeting to order at 5:03pm.

City Council members present: Mayor Pete Hallgren, Mayor Pro tem Mary Leith, Corey Vanden Boom
Lonny Meeks, JW Musgrove (telephonically until 6:13pm)

City Council member excused: Audrey Brown

City employees present: City Administrator Mike Tvenge, Finance Officer Stephanie Prestwich
Administrative Assistant Letha Burcham, Library Director Joyce McCombs, City Clerk Pat White

Twelve members from the community and one guest speaker were present during different parts of the meeting and it was broadcast over KDHS 95.5 FM.

AMENDMENTS ~ APPROVAL OF AGENDA

Hallgren stated *Oath of Office* would follow directly after *Appointment to Fill Seat D*.

Meeks moved to approve the June 2, 2015 agenda; Leith seconded. Motion carried.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING

Leith moved to approve the minutes of the May 19, 2015 meeting as presented; Vanden Boom seconded.

Motion passed on a roll call vote with five in attendance (Meeks, Vanden Boom, Leith, Musgrove, and Hallgren).

APPOINTMENT TO FILL SEAT D VACANCY AND OATH OF OFFICE

White reported three letters of interest were received, but Lou Heinbockel withdrew his on June 1, stating he was grateful others are willing to serve on the City Council.

Hallgren referenced the other two letters and asked the two candidates to introduce themselves.

Freda Degnan said she graduated from high school in Delta Junction, returned for a second "term" in 2010, and plans on staying. She asked to be considered for the temporary seat because she wants to be more involved, contribute her ideas, and depending on whether she is a "good fit," she would decide on running in the upcoming municipal election at a later date. Degnan said she majored in accounting at Davenport University in Lansing, Michigan, volunteered as an EMT with the Delta Rescue Squad (2011/2012), and served as a volunteer firefighter and various other interests while living in Michigan. She has been employed with Delta Industrial Services' purchasing department since July 2011.

Christopher Valiante said he moved to Eielson in 2006 while in the Air Force, he has worked at Fort Greely as a Firefighter / Fire Inspector since April 2010, and he relocated to Delta Junction in October 2013. He has a fire service administration background, is a member of the Rural Deltana Fire Department, and is pursuing a political science degree.

Hallgren called for a vote with four favoring Degnan (Musgrove, Leith, Vanden Boom, and Hallgren) and one for Valiante (Meeks).

Musgrove expressed appreciation for the two parties stepping forward and, referring to Vanden Boom's expected resignation (due to moving out of state), he asked Valiante to stay interested in serving on the City Council.

White administered the Oath of Office and Degnan took her seat at the Council table.

COMMENTS FROM THE AUDIENCE

Eileen Williams, Delta Chamber of Commerce President, referenced discussion about the City's proposed budget, which included requiring the Chamber to pay rent for the Visitor Center, and said their 2016 budget does not include paying \$425/month rent. She said the Chamber has operated the Visitor Center per an arrangement. (A November 25, 1986 letter signed by City Administrator Bill Mandeville stated, "The City, as owner of the Visitor Information Center, agreed to lease it to the Chamber of Commerce for a nominal rent of \$1/year. The Chamber agreed to maintain the building and pay the building's expenses. The Chamber and the City have been operating according to this arrangement for the past eighteen months.") Williams said the Chamber has maintained the building and its utilities, maintained insurance

coverage, and staffed the Visitor Center. They are a non-profit organization that operates on a very minimal budget and their intent is to support local businesses and operate both the Sullivan Roadhouse and the Visitor Center. The cost of insurance and utilities for the Visitor Center is over \$5,000/year. Additional rent would exceed \$10,000/year. The Chamber moved out of the Jarvis West Building the end of 2012 and operated an office in the Visitor Center in 2013, but stopped staffing it in 2014. They will staff the Visitor Center only during the summer season, May 15 through possibly mid-September.

Discussion followed regarding reviewing the rent during budget discussion and passing the City's FY16 budget by July 1.

REQUEST TO SPEAK

Hallgren reported Ken Hudson from the Division of Community Regional Affairs (DCRA) was asked to speak about the National Flood Insurance Program (NFIP). The program is free and the City of Delta Junction has been a member for many years, but the concern is enforcing the required NFIP standards and staffing the program with a paid employee, which would be a major budgetary concern.

Ken Hudson said he retired after 21 ½ years (1986/2007) as the Chief of Code Compliance for the Matanuska Susitna Borough and he explained how they evolved from having very little rules and not enforcing the ones they did have. Flood damage prevention was a small part of his career and as land manager he oversaw 260,000 acres, experienced large floods, and worked on flood ordinances for Wasilla, Palmer, and Houston. He said local governments, not just in Alaska, adopted minimum standards for floodplain management in the 1970s as a condition to make flood insurance available and reduce costs when floods do occur. However, the national standards were designed for bigger cities, not for communities the size of Delta Junction. Hudson explained 100-year flood (1% chance of being covered by a flood in any given year), 500-year (.2% chance), other flood terminology and experiences, difficulty in recovering from floods because of no management, and redirecting water, but not being able to stop it. Throughout history people have chosen to live near water for various reasons and they dealt with the consequences of flooding. Insurance did not exist until the middle of the 20th century when loans became available and, according to national statistics, it was determined that people would more likely experience a flood in the life of their mortgage than they would a fire. Thereafter flood insurance became very expensive and private insurance companies eventually priced themselves out of the market. Insurance companies' goal is to make money and, because insuring homes in flood hazard areas is a bad business decision, they agreed to do business as long as standards were set and the government agreed to insure them (the insurance companies). The NFIP was adopted in 1968 and it worked well until Hurricane Katrina, Hurricane Sandy, and other disasters wiped out reserve funds. Eighty-five percent of all FEMA claims are flood related; 15% are from fire, earthquake, and tornado. Different types of aid are available to homeowners after a flood, but only in communities that are in compliance with the NFIP. Mitigating the risk of flooding is part of the NFIP's attempt to regain its financial footing and reduce its cost to national taxpayers. Local governments have the responsibility to reduce the amount of damages caused from flooding by enforcing the minimum federal standards set out in the ordinances.

Discussion followed regarding residents inside the City limits being affected by the City's participation in the NFIP and Hudson encouraging all residents, inside and outside the city limits, to assess individual flood risks by searching the Internet (FEMA, Division of Community & Regional Affairs, and other municipalities).

Musgrove excused himself at 6:13pm.

Hallgren questioned what it would cost to manage the program and what the risks are of non-compliance.

Hudson said individuals must obtain necessary permits and comply with local code. Consequences of non-compliance would be inability to qualify for a loan and being ineligible for certain types of response aid. There will always be humanitarian aid, but not necessarily aid to rebuild or repair homes in a floodplain area, particularly if there are no records proving that NFIP requirements were met.

Discussion followed regarding enforcement of flood regulations at the local level and the State of Alaska possibly implementing regulations in the unorganized borough and/or flood-proven areas.

Leith asked if another map exists beyond the floodplain map; if one flows beyond the City's borders into the Deltana area.

Hudson said there are probably not any connecting maps, but there are various agencies that have watershed-based mapping and upstream analysis was obviously done before the City's floodplain map was produced.

Vanden Boom asked about existing homes, if homeowners must "put their homes on stilts" to become compliant.

Hudson said grandfather rights have been severely reduced and the aim is to remove them entirely because of the expense of rebuilding in the same location where they flooded (repetitive flood loss). Premium rates will increase (25% each year for the next four years) on homes that predate the flood ordinance.

Vanden Boom asked whether it would be more difficult to get all homes in compliance or to exit the program and address the one policyholder who has federal flood insurance.

Hudson said there are likely others that would be affected should the City opt out, particularly commercial structures and public development built to federal standards because base flood elevation estimates are included in projects that have state or federal assistance, i.e. roads, clinics, municipal buildings, post offices. The applicant/homeowner would be required to hire a surveyor and engineer. And the City could privatize the requirements (permitting, documentation) and only be responsible for maintaining records. Hudson explained the process that starts with the City enforcing the NFIP rules and it could end with the federal government suspending a homeowner from the program and restricting aid after a disaster. Non-compliant, suspended communities receive substantially less funding because of not playing the game. Hudson said, "The federal government is not telling you where to build your house. They are telling you that they will not bail you out when a flood occurs unless you are compliant with the NFIP."

Vanden Boom asked if homeowners can still buy flood insurance if the City is not in the NFIP.

Hudson said theoretically flood insurance is available, but in reality it is not affordable. Insurance agents do not have to issue a policy, particularly in a community that is already suspended because the risk factor gets multiplied. Insurance companies will charge more because risks are uncertain; less certain risks increase cost.

Vanden Boom asked how homeowners in the outskirts of Delta Junction are able to get flood insurance.

Hudson said there is no mapping in rural Deltana. Should the area ever flood, it will get mapped as a flood hazard area. Until then the federal government will continue to use the outdated floodplain map because it is the best available data.

Hallgren said Delta Junction does not have a tax base and it has no control over its limited sources of income. Flooding has not been a problem in the past, so there is no repetitive flood history. He questioned what the cost would be for the City to operate the program, what the City would face to drop out of it, and what the chances were of the federal government revamping the 1982 map.

Hudson said maps have stayed the same for over 30 years. Areas that have repetitive flood loss get studied. Galena's flood in 2013 was 3 ½ feet higher than its base flood elevation and the old studies did not adequately address the ice jam that caused it. Its one-percent risk actually turned out to be 25-percent, so flooding in Galena is more likely every four years instead of every 100. Should the City rescind its participation in the NFIP, the federal government will issue a notice of suspension and cancel all flood insurance policies within the City's designated flood hazard areas. It would also make all properties ineligible for flood insurance and restrict federal funds being used on construction or rehab projects in flood hazard areas. Loans would be denied or recalled. Suspended communities receive post-disaster aid, but it is substantially less compared to a community that is in the NFIP. Hudson encouraged implementing at least the minimum NFIP standards by requiring permits for development within the flood hazard area, prohibiting development within the floodways (where velocity is more likely to cause damage than flood elevation), and keeping track of development and efforts to implement the program. He suggested publicizing the checklist of the national standard requirements and to schedule public service announcements acknowledging the existing land use regulations, "Before you buy or build, check with the City."

Vanden Boom asked if there is a deadline when the City must make a decision to stay in the program or get out.

Hudson said the key is to develop procedures, establish what level to accomplish, and start working toward a viable program. The City of Delta Junction is presently at risk of being found in violation. All communities receive an inspection. The City already had one (August 2012) and should receive another visit within three years. If no action is taken to actively enforce NFIP requirements, to show effort and improvement of working toward flood damage prevention, the City will receive a notice of conditional suspension.

Discussion followed regarding Hudson unable to identify any homeowner that successfully made a claim against a municipality for dropping out of the program and Kenai Peninsula Borough and the City of Kenai dropping out and then flooding in 1986.

Hallgren called for a recess at 7:07pm and reconvened at 7:16pm.

REPORTS

City Administrator – Mike Tvenge said some people believe what they read and others believe what they hear. He quoted Daniel Patrick Moynihan who said, "Everyone is entitled to his own opinion, but not his own facts." Frustrated with ongoing local reporting, Tvenge disputed articles pertaining to the City in a recent Delta Wind newspaper, dated May 28. He argued that "Purchase Ignores City Ordinances" was wrong and that purchase of the LED lights for the Liewer-Olmstead Ice Arena did in deed follow City Code. They are sold through professional lighting manufacturer representatives and they are not sold in the State of Alaska. Tvenge said the second story reported the first draft of the FY16 budget was presented to a full Council at the May 26 work session, but only four of seven Council members were present. The same paper reported another work session would be scheduled at the June 6 meeting. June 6 is a Saturday and not typically a day in which the Council meets. He said a prudent reporter would maintain credibility by publishing facts and not make such misleading, elementary mistakes.

Tvenge reported:

- KTVF / Channel 7 (NBC) had transmission issues the past several days due to a faulty cooling fan and Thomas Bohnet, Tanana Valley Television Chief Engineer, repaired it today. New channels, CBS and FOX, will be broadcast later this month from the Donnelly tower.
- Motor grader bids are due on June 4 and award is expected at the June 16 meeting.

Finance – Stephanie Prestwich reported it was decided at the May 19 meeting to introduce an ordinance to amend the FY15 budget to cover fence upgrades at the City Park (repairs and installation of a softball regulation fence). She said it is not necessary because there are available funds in the FY15 *Parks Department* budget.

School District – Corey Vanden Boom reported the 2015/2016 school year starts on August 25, 2015.

Tvenge reported Superintendent Laural Jackson donated a large conference table and three basketball backboards and poles to the City after the school district's auction on May 22/23.

Library – Mary Leith reported:

- The Delta Library Association and the Alaska State Library will sponsor the Stevens Puppets (7:00pm June 3) at the Community Center. Admission is free and they will perform *Aladdin* for their third tour of Alaska libraries.
- Summer Readers begins next week and will run for six weeks. Library Clerk Angie Barnard will run the elementary program, which will be held on Tuesdays at 2:00pm starting June 9. Library Aide Linda Nebeker will run the Middle School program on Thursdays at 2:00pm starting June 11.

Park / Recreation – Corey Vanden Boom reported t-ball started last week and soccer season starts July 7.

Personnel / Lands – Pete Hallgren reported Tvenge is working on a plan for the Public Works crew to build the new landfill cell. They would be paid a higher rate because of grant funding.

Tvenge reported an operation plan depends upon Council approval of Bristol Engineering's design, approval from the Department of Environmental Conservation (DEC), and securing heavy equipment, which is limited because of the busy construction season.

UNFINISHED BUSINESS

Lawn Contract

Tvenge reported a brief history, resulting in this year's lawn contract not being signed. Two separate parties submitted quotes after receiving bid documents and the scope of work for the City Park and Rest Haven Cemetery. Both opted to add fertilizer, which was eliminated from the bid specs. S. Valley Farm LLC quoted \$13,309 for the month of June and Joslin Enterprises quoted \$4,700. Joslin stated they would do July and August for the same price and they would accept the once-a-month payment schedule. Tvenge recommended awarding the lawn contract to Joslin Enterprises.

Discussion followed regarding whether to put the remainder of the summer out to bid or award for the entire season.

Hallgren moved to award the lawn contract to Joslin Enterprise for \$4,700.00 per month for the entire summer on the condition that they sign the contract; Vanden Boom seconded.

Motion passed on a roll call vote with five in attendance (Leith, Vanden Boom, Meeks, Hallgren, and Degnan).

Schedule Budget Work Session #2

Vanden Boom asked to schedule two work sessions to separate discussion about the employee salary schedule and the actual budget.

Discussion followed regarding addressing the increase in employee salaries first, updating the last budget draft because of new information (Pogo contribution \$75,000 less), State retirees receiving 1.732% cost of living adjustment, and Hallgren requesting budget drafts that reflect salary increases of 1.75%, 3.5%, and 4%.

Leith argued with throwing out the salary schedule that she, Meeks, and Vanden Boom worked on (January to May).

Vanden Boom stressed that the committee's intent was to establish a step system based on employee performance.

Hallgren expressed concern with such a large increase under the proposed employee wage schedule. He asked to see the consequences of the three increases (1.75%, 3.5%, and 4%) and to compare the percentage increase of employee expenses (wages and PERS) for FY15 and FY16.

Discussion followed regarding scheduling a work session (5:00-7:00, June 4) and introducing the FY16 budget (June 16).

NEW BUSINESS

Purchase Orders

PO#018033 to Buffalo Fuel in the amount of \$1,483.20 for heating fuel and equipment fuel

PO#018034 to Guess & Rudd in the amount of \$575.00 for legal services (USARAK, trespassing situation at airport subdivision, and motor grader bid)

PO#018035 to Overhead Door Company of Fairbanks in the amount of \$4,110.05 to repair and replace door at Fire Hall, replace overhead door in Park Pavilion, and repair door on Liewer-Olmstead Ice Arena

PO#018036 to Delta Imagination Library in the amount of \$1,000.00 for donation

Meeks moved to approve purchase orders 018033 through 018036 as presented; Leith seconded.

Motion passed on a roll call vote with five in attendance (Meeks, Vanden Boom, Degnan, Leith, and Hallgren).

Introduction and First Reading of Ordinance 2015-04, An Ordinance Renewing the Franchise Agreement with Delta Medical Transport, LLC for Emergency Medical Services

Tvenge reported, after meeting with Delta Medical Transport (DMT) staff on May 29, the proposed changes to the existing agreement between the City and DMT are: 1) to reduce financial support from \$52,000 to \$25,000 per year, 2) to change renewal to a two-year contract with an annual review, 3) change training of “Delta Rescue Squad volunteers” to “Delta area volunteers,” and 4) increase utility use at the fire hall from 15% to 25%.

Leith moved to introduce Ordinance 2015-04, hold the first reading, and set the date for the public hearing and second reading on June 16, 2015; Meeks seconded.

Tvenge said DMT and the Delta Junction Volunteer Fire Department would be utilizing the \$25,000 State of Alaska legislative grant to purchase expendable medical supplies.

Motion passed on a roll call vote with five in attendance (Vanden Boom, Leith, Degnan, Meeks, and Hallgren).

ADJOURNMENT

Vanden Boom moved to adjourn at 8:09pm; Meeks seconded. Motion carried.

Pat White, City Clerk

Approved: June 16, 2015