



City Council Minutes
June 16, 2015 ~ 5:00PM

Regular Meeting
City Hall, Delta Junction, Alaska

The regular meeting of the Delta Junction City Council was held on Tuesday, June 16, 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, Lonny Meeks, JW Musgrove, Freda Degnan
Corey Vanden Boom (telephonically 5:28pm/6:58pm), Audrey Brown

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

Six members from the community were present during the meeting and it was broadcast over KDHS 95.5 FM.

AMENDMENTS ~ APPROVAL OF AGENDA

Brown moved to adopt the June 16, 2015 agenda as presented; Meeks seconded. Motion carried.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING

Musgrove moved to approve the minutes of the June 2, 2015 meeting; Brown seconded.

Motion passed on a roll call vote with six in attendance (Leith, Musgrove, Meeks, Degnan, Brown, and Hallgren).

REPORTS

Emergency Services – Audrey Brown reported a burn suspension is in effect. (Open burning is prohibited. Campfires and burning in approved burn barrels is legal, but people are advised to refrain from using them during the burn suspension.) Discussion followed regarding sparks caused from lawnmowers or chainsaws and current firefighting efforts on the Sockeye Fire near Willow and the Tanana Slough Fire near Dot Lake.

City Clerk – Pat White reported:

- Diane Sam from the Alaska Division of Community and Regional Affairs (DCRA) has been in contact with City staff recently regarding community mapping. Conversation began in June 2013 when Ruth St. Amour explained efforts to create new community profile maps for small communities in Alaska. DCRA hoped the City would match half of the \$175,000 cost to map Delta Junction, Big Delta, and Deltana. More recently the Corps of Engineers offered to submit a proposal to pay half of the funds. Diane Sam was to address the City Council at tonight’s meeting, but opted to wait until after budget discussions. She will share updates about the progress of the project later this summer.

- Emily Angel from the DNR Division of Parks and Outdoor Recreation requested help in updating the *Statewide Comprehensive Outdoor Recreation Plan*, which provides direction and priorities needed for strong outdoor recreation programs at all levels of government and the private sector. The study is often used by special interest groups to seek funding for outdoor recreational projects. White said she would gather information as a local contact and complete the survey identifying area playgrounds, campgrounds, ski areas, cabins, etc.

City Administrator – Mike Tvenge reported:

- The Department of Environmental Conservation (DEC) Solid Waste Program will conduct the annual Class II landfill inspection on June 17, which will include the current permit adhering to the City’s operation plan: methane gas monitoring requirements, financial assurance, record keeping, and special waste handling of vehicles, refrigerants, and sewage. Last year’s compliance score was 98%.

- Partners for Progress in Delta, Inc.’s academy graduation will be held at the fairgrounds on June 18.

Discussion followed regarding the success of the heavy equipment academy, the program’s tenth year, and past graduates currently working on the Richardson Highway project.

- Tonnage is down, but customers and revenue have increased at the landfill.

Discussion followed regarding comparisons (tonnage and revenue) between now and last year, landfill records based on a calendar year and the landfill budget based on a fiscal year, almost 100 more customers in May 2015 compared to May 2014, and reducing the deficit of the landfill operation (\$67,000 to \$30,000).

- The landfill sign on the Richardson Highway was removed by the State Department of Transportation. Tvenge said he would contact one of DOT's local offices, set up for the road construction project, to repost the sign at the landfill's entrance.

Library - Mary Leith reported:

- About 150 people attended the Stevens Puppets Show on June 3. The Delta Library Association used more than \$600 of the (April 25) Open House proceeds toward the cost of the performance.
- More than 50 elementary students and 25 middle school students enrolled in summer reading programs at the library. Readers in both programs will receive one free book each week for the entire six-week program, courtesy of the Delta Library Association.

McCombs reported Delta Medical Transport planned to show an ambulance to the summer readers today, but because of being busy, paramedic Kaylee Watson presented a short question-and-answer. An ambulance visit will be rescheduled.

- Dave Zimmerman, Ann Rasmussen, and Amber Glynn are new lifetime members of the Delta Community Library and a memorial donation was received in memory of local resident Bette Nistler.

- The Western Governor's University (WGU) will now pay \$15 for all tests that Distance Education students have proctored at the library. There are currently four students enrolled in this program.

- Library Director Joyce McCombs was recently elected to the board of the Alaska Library Network (ALN), a statewide library advocacy and non-profit group that includes member libraries, the Alaska State Library, and the University of Alaska Consortium Library. ALN coordinates the Listen Alaska project in which member libraries are able to access online downloads. They also negotiated a reduction in the cost of service for its members in FY2016, so the Delta Library's fee dropped from \$1500/year to \$1189.

- Library Statistics for May 2015 and [2014] are: number of patrons - 3,610 [3,629] including one day when the library was closed for carpet cleaning, new patrons - 43 [23], items circulated - 3,886 [3,552], library computer users - 455 [546] not including laptop / Wi-Fi users, and library averages - 150 people a day plus 161 items checked out daily. McCombs will compile the annual report for the State Library in late July and share a statistical snapshot at that time.

Vanden Boom joined the meeting telephonically at 5:28pm.

Park/Recreation – Mike Tvenge reported progress on the park outhouses, which are due to be completed in mid-August.

Community Outreach – Lonny Meeks reminded audiences to go to the City's website (ci.delta-junction.ak.us) and also Facebook (City of Delta Junction), courtesy of Finance Officer Stephanie Prestwich.

UNFINISHED BUSINESS - none

NEW BUSINESS

Purchase Orders

PO#018058 to ACS in the amount of \$1,080.63 for June phone and Internet services

PO#018059 to ATT & Alascom in the amount of \$672.62 for E9-1-1 power for June

PO#018060 to Airport Equipment Rentals in the amount of \$8,849.45 for equipment rentals

PO#018061 to Bank of America in the amount of \$5,198.56 for credit card charges (Mike Tvenge flight to attend AML conference in Ketchikan in August, replacement of lowering device for cemetery burials, recyclable bags used at the landfill, park supplies, and flowers purchased for City Hall and the Library)

PO#018062 to Delta Environmental Services in the amount of \$810.60 for dumpster service for June

PO#018063 to Delta Professional Development in the amount of \$797.92 for fuel

PO#018064 to Delta Building Supply in the amount of \$1,761.34 for park pavilion repairs

PO#018065 to GVEA in the amount of \$3,176.85 for May electricity

PO#018066 to Guess & Rudd in the amount of \$2,375.00 for legal services (USARAK, Airport II Subdivision, and Delta Medical Transport contract renewal)

PO#018067 to Joslin Enterprises in the amount of \$4,700.00 for 2015 lawn contract #1

PO#018068 to NC Machinery in the amount of \$539.28 for Skid Steer repair

PO#018069 to Outlierled c/o LED Supply Company in the amount of \$46,750.00 for Liewer-Olmstead Ice Arena LED lights

PO#018070 to Interior Hardware in the amount of \$1,146.88 for material used on park pavilion repairs and supplies used on streets, at the landfill, and at the cemetery

Musgrove moved to approve purchase orders 018058 through 018070 as presented; Leith seconded.

Motion passed unanimously on a roll call vote.

Award Public Works Septic Line Replacement

Tvenge briefed the Council about the ongoing problem with the Public Works septic line freezing in the wintertime. One section of the septic line was removed near the facility restroom when the new Public Works building was built (2014), but it did not fix the problem. Tvenge explained the scope of work and reported two quotes were received to replace the

existing septic line with a four-inch insulated pipe that will include a heat-tape. Heritage General Contracting quoted \$14,640 and Delta Concrete quoted \$6,450. Tvenge recommended awarding to Matt Walker (Delta Concrete). Discussion followed regarding installation warranty and Walker being a certified septic system installer.

Musgrove moved to award the Public Works septic line replacement contract to Delta Concrete Products, Inc. in the amount of \$6,450.00; Brown seconded.

Motion passed unanimously on a roll call vote.

Award Motor Grader

Tvenge referenced photos of the motor grader and the 12-page specs for a new, unused, all-wheel drive motor grader. He reported five sealed bids were received for the bid opening on June 4. Yukon Equipment offered two bids, one for an in-stock model and one for a factory-built. CMI's bid was for a used 2011 Volvo. The lowest bid from NC Machinery (\$326,569.92) was considered non-responsive because of failure to submit a company letterhead with the purchase price, delivery price, and delivery date. City Attorney Jim DeWitt agreed that the letterhead might be immaterial, but the delivery date was not.

Leith moved to award purchase of the motor grader to Airport Equipment Rentals in the amount of \$357,749.62 with a 60-day delivery; Brown seconded.

Musgrove and Brown questioned a three-year extended warranty instead of a one-year or 18-month warranty.

Chuck Creamer reported everything in the one-year warranty package has the option to extend three additional years. The other benefit is that the warranty work would be done locally. He said the hydraulic all-wheel drive has proven itself in the northern climates and the bid price is actually for a bigger motor grader than what the specs required, but because of a John Deere promotional, it offered a better price than the smaller one. Its actual price is \$500,000.

Leith moved to amend the motion to include a \$5,000.00 three-year extended warranty; Brown seconded.

Hallgren moved to make a finding that CMI and NC Machinery were non-responsive; Leith seconded.

Motion passed unanimously on a roll call declaring CMI and NC Machinery non-responsive.

Discussion followed regarding history about the existing 32-year-old grader, the Code of Ordinances requiring six days to issue a Notice of Intent, and standard procedure of waiting seven days.

Hallgren called for the motion to award the motor grader bid to Airport Equipment Rentals in the amount of \$357,749.62 plus an additional \$5,000 for a three-year extended warranty.

Motion passed unanimously on a roll call vote.

Second Reading, Public Hearing, and Adoption of Ordinance 2015-04, an Ordinance Renewing the Franchise Agreement with Delta Medical Transport, LLC for Emergency Medical Services

Leith moved to open the public hearing and second reading of Ordinance 2015-04 to renew the franchise agreement with Delta Medical Transport for emergency medical services; Brown seconded.

Hallgren said adoption of Ordinance 2015-04 would extend the franchise agreement, which is due to expire on June 30, to a two-year contract or two one-year extensions. He called for public comment with none being offered.

Leith moved to close the public hearing portion of Ordinance 2015-04; Hallgren seconded. Motion carried.

Brown moved to adopt Ordinance 2015-04; Musgrove seconded.

Discussion followed regarding changes from the 2014 contract (extending the contract with an annual review, increasing utility usage at the fire station from 15% to 25%, and reducing the City's financial contribution from \$52,000 to \$25,000), changes to the contract draft: modifying 5(e) on page 4, #2 on page 2, and 2(a) on page 3, making "Franchisee" or "The Franchisee" consistent, inserting language about term extensions in 5(a) on page 4 and a non-exclusive clause in 7(e) on page 6, and considering getting rid of one of the Delta Rescue Squad ambulances.

Motion passed unanimously on a roll call vote.

Lauren Morton expressed appreciation for Council's support, on behalf of herself and Tony White, owner of DMT. She said for a brief period today all were in use. DMT paramedics responded to a call at Summit Lake and they are providing support at the Dot Lake Fire, but would have called upon mutual aid with Fort Greely had it been necessary.

Introduction and First Reading of Ordinance 2015-05, an Ordinance for the City of Delta Junction, Alaska Providing for a Budget for the Fiscal Year 2016 – Budget A

Meeks moved to introduce Ordinance 2015-05 and hold the first reading; Vanden Boom seconded. Motion carried.

Hallgren explained the need for a special meeting to hold the second reading, public hearing, and adoption of Ordinance 2015-05 (Budget A) or 2015-06 (Budget B) before July 1. The Council could pass one of the two draft budgets, but the ordinance would require a third reading if major changes were made. He said he would not support Budget A because of its 18% increase in employee costs. He would support Budget B, 9% increase in employee costs, because it is a

compromise to Budget A. Both budgets implement the salary schedule and step increases for employees per the committee's recommendation (Council members Mary Leith, Lonny Meeks, and Corey Vanden Boom). Discussion followed regarding whether to hold a special meeting on June 18 to address the employee salary schedule and another special meeting on June 23 for the public hearing and adoption of the budget, 24 hours required for written or oral notice, and a five-day requirement to advertise public hearings.

Prestwich clarified that the 18% increase in employee costs (Budget A) is an overall change in the budget; it is not an 18% increase per employee. The same holds for the 9% increase (Budget B).

Hallgren said both budgets must be approved to move into the public hearing. He asked to set the date.

Meeks said to set the public hearing date for June 23, 2015; Vanden Boom agreed.

Motion passed on a roll call vote with five in favor (Degnan, Meeks, Leith, Vanden Boom, Hallgren) and two opposed (Musgrove, Brown).

Introduction and First Reading of Ordinance 2015-06, an Ordinance for the City of Delta Junction, Alaska Providing for a Budget for the Fiscal Year 2016 – Budget B

Meeks moved to introduce Ordinance 2015-06, hold the first reading, and set the public hearing date for June 23, 2015; Brown seconded.

Motion passed on a roll call vote with four in favor (Brown, Degnan, Musgrove, Hallgren) and three opposed (Meeks, Leith, Vanden Boom).

Leith asked to put the salary schedule on the June 23 agenda and that it be the first topic of discussion, so it can be formally adopted.

Musgrove said he considered the salary schedule to be a deficient study because it completely ignored local, non-governmental agencies, it is based on salaries from two extremely bankrupt groups, the federal government and the State of Alaska, and he strongly objected to taking \$100,000 from savings for employee wages. Musgrove asked that the committee's findings be presented and to include research for wages of managers at local banks, Airport Equipment Rentals, and Crowley Petroleum.

Vanden Boom said Fort Greely and the Delta-Greely School District are the only two local entities that have comparable job descriptions and everybody that has a job can expect some sort of pay raise, even if they are 15 years old.

Brown said sustainability is her main concern given the decreased revenue that is expected in the future.

Meeks said for the first time in the City's history employees would have a salary schedule. He said "not to speak is to speak" and he asked for public input to support wage adjustments for City employees.

Leith explained implementing the step increase, based on experience and years of employment, to eliminate random guessing every year during the budget cycle.

Hallgren said the salary steps are implied with adoption of either budget and he would support Budget B, but would vote against the step increase if it were to be a separate topic. The Employee Policy Plan could be updated to include the steps or it could get passed by resolution in the upcoming year.

Discussion followed regarding difficulty in accomplishing tasks, particularly reviewing the employee handbook, extreme opposition in approving a budget and the proposed salary schedule in one meeting, the budget cycle being drawn out each year without a salary schedule in place, and maintaining a surplus every year since 2007.

Musgrove said when a job is advertised and an employee is hired, a willing buyer and a willing payer come together in an open market and agree upon the wages, so the employee should not feel cheated or underpaid. City employees are required to pay a very small match toward health insurance premiums and, until the Affordable Care Act (Obamacare), most businesses in Delta did not offer any insurance options to their employees. He said integral parts of both budgets relate to the proposed steps and performance appraisals. He questioned separating the budget from the salary schedule and wage increases; if a 9% increase were approved for 2016, would additional increases follow in subsequent years. He also questioned step decreases and reducing wages should the City's finances wind down.

Degnan said pay freezes are an option if the City cannot adhere to its plan during an economic crisis.

Hallgren reported Budget A draws approximately \$250,000 from reserves, \$105,000 from AMLIP (savings) and \$140,000 to develop the airport subdivision, which is expected to be recovered sometime in the future when lots sell. There is enough float to afford Budget A because it results in a theoretical surplus of close to \$50,000. Hallgren said he is concerned with decreased revenue in future years, he feels City employee wages are fair, and he recommended formalizing the personnel policy in the next several months because a step grade will be instituted when either budget, A or B, is approved.

Vanden Boom excused herself at 6:58pm.

ADDITIONAL PUBLIC AND COUNCIL COMMENTS

Hallgren reported Alaskan resident Bob Prunella passed away on May 26. Prunella was a teacher and principal in Wrangell (1958/1985) before getting into municipal management (nine years as Wrangell's City Manager and several years as interim city manager in Petersburg, Hoonah, and Whittier).

Tim Castleberry, Fire Chief of Rural Deltana Volunteer Fire Department, asked why they were cut out of the City's budget. He explained their involvement in the community; why RDVFD is an asset in to the community.

Meeks reported Pogo's contribution to the City was cut in half. The other half would be left to an advisory committee to decide what requests are funded. He suggested Castleberry approach the advisory committee to ask for funds.

Hallgren said Pogo did not reduce their contribution to the community. They kept it at the same level with half of it designated toward community needs. As a member on the advisory committee, he said he believed \$10,000 was already approved for RDVFD.

Castleberry said the money is from Pogo, which is part of rural Deltana. It is not from the City, and based on the automatic aid agreement with the City, he felt the City should also make a financial contribution to them. Deltana Community Corporation (DCC) contributes about half of their \$85,000 operating budget, but the majority of revenue comes from community donations. Castleberry said they average eight firefighters per call out and RDVFD represents the bulk of responding firefighters on all fires in the Delta/Deltana areas.

Steve Baugh, RDVFD Board of Directors member, questioned PILT, in which the City budgeted \$900,000 and received \$990,000. He said the City is an important source of revenue and Deltana firefighters appreciated the financial support. Discussion followed regarding Deltana firefighters cross-training on City equipment (as discussed November 15, 2011, September 18, 2012, and October 9, 2012).

Tvenge reported City Hall and the library will be closed Friday, July 3, but the landfill will be open (11:00-4:00). The library and landfill will be closed Saturday, July 4.

ADJOURNMENT

Musgrove moved to adjourn at 7:39pm; Brown seconded. Motion carried.

Pat White, City Clerk

Approved: July 7, 2015