



~~~~~  
**City Council Minutes**  
**June 21, 2016 ~ 5:00PM**

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

The regular meeting of the Delta Junction City Council was held on Tuesday, June 21, 2016 at City Hall. Mayor Pete Hallgren called the meeting to order at 5:04pm.

City Council members present: Mayor Pete Hallgren, Mayor Pro tem JW Musgrove
Freda Degnan, Lou Heinbockel, William Brennan (until 5:52pm)

City Council members excused: Sebastian Saarloos, Audrey Brown

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

Two members from the community were present at the start of the meeting. The meeting was broadcast over KDHS 95.5 FM radio.

AMENDMENTS ~ APPROVAL OF AGENDA

Musgrove moved to approve the June 21 agenda as presented; Heinbockel seconded.

Heinbockel moved to amend the agenda to discuss the budget after approving the agenda; Musgrove seconded.

Discussion followed regarding Brennan needing to exit early, whether to hold a special meeting in order to pass the budget with a full Council, and carrying over surpluses each year while pulling savings to balance the budget.

Hallgren said a special meeting will be held on June 28 if the budget is not adopted before Brennan leaves.

Motion passed on a roll call vote to amend the agenda with five in attendance.

NEW BUSINESS

Second Reading, Public Hearing, and Adoption of Ordinance 2016-04, An Ordinance for the City of Delta Junction, Alaska Providing for a Budget for the Fiscal Year 2017

Heinbockel moved to hold the second reading, open the public hearing, and adopt Ordinance 2016-04, using the revised budget, titled Estimate 2C and dated June 20, 2016; Musgrove seconded.

Hallgren called for public comments with none being offered.

Heinbockel moved to close the public hearing portion of Ordinance 2016-04; Musgrove seconded.

Motion passed on a roll call vote with five in attendance.

Hallgren said he approved of the June 20 draft budget showing a \$77,757 deficit and he recommended transferring additional funds from Pogo AMLIP (Alaska Municipal League Investment Pool) reserves to total \$214,878, which includes \$137,121 for the airport subdivision development.

Discussion followed regarding changes to the draft budget since the June 15 work session: approximately \$21,000 savings on health insurance because of another "holiday" in July, budgeting for \$7,000 instead of taking \$15,000 from reserves for new computers at City Hall, recouping money invested in the airport subdivision, adding \$18,000 for crack sealing, not budgeting to contract replacing already-purchased boards at the rink and leaving the responsibility to the school district and Skating Association, adding a line item for the Delta-Greely Youth Baseball League, Prestwich researching a new audit firm and reducing its expense from \$45,000 to \$40,000, reducing Visitor Center revenue from \$5,100 to \$1, and adding line items for *Landfill Closure Fund* and *Landfill Equipment Sinking Fund*.

Musgrove suggested reducing the \$2,500 budgeted for airport roads and grounds to \$1,000 because he felt the runway could get by without major upgrades for another year.

Musgrove moved to amend the budget to include cutting spending at the airport by \$1,500.00; Brennan seconded.

Motion passed on a roll call vote with four in favor (Musgrove, Brennan, Heinbockel, Hallgren) and one opposed (Degnan).

Musgrove moved to amend the budget to include transferring \$213,378.00 (\$76,257 + \$137,121) from Pogo AMLIP reserves; Brennan seconded.

Motion passed on a roll call vote with five in favor (Brennan, Degnan, Heinbockel, Musgrove, Hallgren).

Motion passed to adopt Ordinance 2016-04, the FY17 budget, on a roll call vote with five in favor (Heinbockel, Brennan, Degnan, Musgrove, Hallgren).

Brennan was excused at 5:52pm.

Hallgren said the City has lost nearly \$200,000 in revenue annually for the past two years, but he is hopeful the Pogo AMLIP reserves will not be needed, similar to FY16 when funding was also pulled from savings to balance the budget. He stressed reaching a sustainable budget and to stop continually drawing from reserves. He also asked to obtain employee input to find more affordable health coverage by November.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING

Heinbockel moved to approve the June 7 minutes as presented; Musgrove seconded.

Motion passed on a roll call vote with four in attendance.

COMMENTS FROM THE AUDIENCE

White read an email from Dawn Grossmann, Legislative Aide to Representative Jim Colver, inviting Council members to a reception at the Delta Community Library on June 23 at 4:00pm. Rep. Colver planned to present the local Pee Wee Hockey State Champions with a "Legislative Citation."

McCombs reported Senator Mike Dunleavy would present a citation to the Delta Twirlers also.

UNFINISHED BUSINESS

Visitor Center Lease Agreement

Hallgren said he did not have a final draft lease agreement to present, but he invited Chamber of Commerce President Debbie Joslin to share information about operating the Visitor Center. He said the FY17 budget reflected a \$1.00/year fee for the Chamber to rent the Visitor Center and he asked to address the \$5,100/year line item in the FY16 budget.

Musgrove moved to reduce the *Visitor Center Revenue* line item by \$5,099.00 and to accept a one-dollar bill from Chamber President Debbie Joslin for yearly rent of the Visitor Center; Heinbockel seconded.

Motion passed on a roll call vote with four in attendance (Musgrove, Degnan, Heinbockel, Hallgren).

Heinbockel asked Prestwich to research records of when the Chamber did not pay the \$1.00/year rent.

Joslin said there were 13,000 visitors in 2015 and there was discussion about closing the Visitor Center a couple years ago because the numbers were so low. A significant number of visitors come from tour buses and some buses stop only at Rika's where they serve meals. Joslin said the Chamber stopped doing pull tabs in December 2015 because of changing times, similar to Rural Deltana Fire Department stopping Bingo at the Community Center (2006). She reported income from merchandise sold at the Visitor Center was \$39,174.28 in 2015 and expenses were \$25,965.51. Their current balance is \$23,677. Joslin said the Chamber is interested in promoting the 75th anniversary of the construction of the Alaska Highway next summer, 2017 (as discussed at the May 3, 2016 meeting).

Discussion followed regarding Joslin forming a committee to organize events, a time when the Club Evergreen catered to eight or more buses per day, and tourism picking up in Delta, but not as much as in the past (30,000+ each season).

NEW BUSINESS continued

North Clearwater Lighting

Leith reported North Clearwater, a City-maintained street in the middle of the school campus, is too dark in the mornings when rink lights are not on for students who walk between school facilities. The proposed plan is for the City to extend two LED light poles on North Clearwater from existing poles on Nistler Road and for the school district to mount one light on a school building. Morley Electric was the only local business to offer a quote (\$10,800).

Hallgren reported the Pogo Community Advisory Board approved \$10,000 for the project and he suggested the City manage the grant and the school district pay the remaining \$800.

Musgrove recommended installing electric poles in the street right-of-way; not inside the fence on school property and, if the school district puts a light fixture on their building, they should pay for it. The project is equivalent to a CIP (Capital Improvement Project) and, because the school district has a larger budget, they should be able to front the \$800.

Heinbockel moved to award the North Clearwater Lighting Project to Morley Electric for \$10,800 and to take \$800 from the FY16 *Public Works Contracted Services* before June 30, 2016; Hallgren seconded.

Discussion followed regarding history of the school district building facilities on both sides of North Clearwater and moving forward with the base project (not including \$3,700 additive alternate to mount light fixture on school building) if the school district does not agree to pay the \$800.

Heinbockel and Hallgren agreed to remove the motion.

Heinbockel moved to award the project to Morley Electric for the base bid as long as the school district agrees to pay \$800.00 above Pogo's \$10,000.00 grant; Musgrove seconded.

Motion passed on a roll call vote with four in attendance (Heinbockel, Musgrove, Degnan, Hallgren).

Discussion followed regarding Morley Electric going out of their way to provide a good bid price, appreciation for many volunteer hours to the community on multiple occasions, and getting something in writing from the school district regarding the street lighting, particularly because of future turnover in administration.

Delta Medical Transport Proposal – Use Delta Rescue Squad Ambulance(s)

Hallgren said Delta Medical Transport's proposal would be postponed to July 7.

City Purchases over \$1,000

CK# 218427 to Delta Library Association in the amount of \$6,133.00 to reimburse funds collected from using library credit card machine during Library Open House on April 23

CK# 218428 to Fairbanks Concert Association in the amount of \$2,000.00 for donation from Fort Greely shared expenses

CK# 218429 to GVEA in the amount of \$3,326.11 for electricity

CK# 218430 to ACS in the amount of \$2,440.79 for phone service

Musgrove moved to approve check numbers 218427 through 218430; Heinbockel seconded.

Motion passed on a roll call vote with four in attendance (Heinbockel, Musgrove, Degnan, Hallgren).

REPORTS

Airport – JW Musgrove reported members of the Delta Pilots Advisory Committee leveled gravel that gets piled up during snow removal on Rapids Street. They are mowing the airstrip and will do it again in the fall.

Mayor – Pete Hallgren reported:

- Work on West Second has required more gravel than expected, but is projected to be done by the end of the week.

Hallgren moved to spend up to, but not more than \$25,000.00 to complete the construction of West Second Street before the end of the Fiscal Year 2016; Musgrove seconded.

Discussion followed regarding Delta Concrete hauling in gravel, whether overburden was decent topsoil and could be used for cover material at the cemetery, and posting no-exit signs on the newly developed road.

Motion passed on a roll call vote with four in attendance (Degnan, Heinbockel, Musgrove, Hallgren).

- Two new line items were added to the FY17 budget, so that any savings from the “big dig” (new landfill cell development) can be added to the *(Landfill) Closure Fund* or the *(Landfill) Equipment Sinking Fund*. Hallgren explained that the remaining funds from the landfill project will be deposited in the Closure Fund.

Hallgren moved to deposit proceeds from the sale of the 1982 Caterpillar motor grader (\$27,000 from Silent Auction on May 27) into the Equipment Sinking Fund and to ratify it during reconciliation of the FY16 budget in August; Heinbockel seconded.

Motion passed on a roll call vote with four in attendance (Degnan, Heinbockel, Musgrove, Hallgren).

City Administrator – Mary Leith reported:

- Partners for Progress will host a graduation ceremony at the fairgrounds for heavy equipment trainees on June 23.
- She and Hallgren are working on small changes to the Employee Personnel Policy, i.e. no smoking in City vehicles and random drug testing for employees.

Hallgren said he will stress zero tolerance for marijuana, no different than drinking alcohol on the job.

- She is working with U.S. Army Alaska (USARAK) and the Department of Environmental Conservation (DEC) about accepting wag (toilet) bags at the landfill.

Discussion followed regarding military maneuvers expected to impact the area, USARAK advertising scheduled convoys as a courtesy to the public, and the landfill operation finally showing a profit (\$175,000 budgeted for FY16 and \$270,357 collected as of June 20).

Library – Joyce McCombs reported:

- The Knitting Circle enjoyed their fourth year participating in the World Wide Knit in Public Day on June 18.
- Summer readers participated in lawn bowling and a “smell-a-rama” bingo game today.
- The library broke a record today with a \$100 transaction on copies, fax, notary, and voluntary overdue penalties.
- A small revenue stream is expected when three more library employees begin providing notary services in July.
- The Library Association is working with the Foraker Group on a strategic plan for the Endowment Fund.

ADJOURNMENT

Musgrove moved to adjourn at 7:45pm; Heinbockel seconded. Motion carried.