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**City Council Minutes**  
**July 5, 2016 ~ 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, July 5, 2016 at City Hall. Mayor Pete Hallgren called the meeting to order at 5:01pm.

City Council members present: Mayor Pete Hallgren, Mayor Pro tem JW Musgrove, Lou Heinbockel
William Brennan, Sebastian Saarloos

City Council members excused: Freda Degnan, Audrey Brown

City employees present: City Administrator Mary Leith, City Clerk Pat White

Four members from the community were present and the meeting was broadcast over KDHS 95.5 FM radio.

AMENDMENTS ~ APPROVAL OF AGENDA

Heinbockel moved to adopt the July 5, 2016 agenda as presented; Musgrove seconded.

Hallgren reported a motion to authorize a settlement and release would be added directly after the *Executive Session*.

Motion passed by unanimous consent.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

Musgrove moved to approve the June 21, 2016 minutes; Heinbockel seconded.

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

EXECUTIVE SESSION

Public Works Building - Allied Steel Settlement – Attorney Advice

Hallgren reported the need to discuss City Attorney Jim DeWitt's recommendation concerning a potential settlement with Allied Steel (over the defective metal staircase that was part of the 2014 Public Works contract).

Saarloos moved to enter into an Executive Session to discuss the Public Works building settlement; Brennan seconded.

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

Pete Hallgren, JW Musgrove, Lou Heinbockel, William Brennan, Sebastian Saarloos, and Mary Leith exited to the City Administrator's office at 5:07pm and returned at 5:15pm.

Heinbockel moved to end the Executive Session and reconvene the regular meeting; Brennan seconded.

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

Brennan moved to authorize the mayor to execute a settlement of \$12,703.19 in which Allied Steel Buildings would pay \$5,795.19 to the City and surrender \$6,278.00 in retained funds held by the City; Saarloos seconded.

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

UNFINISHED BUSINESS

Road Maintenance Contract

Leith reported bid opening for the road maintenance contract was held on June 29 and one responsive bid was received.

Musgrove moved to award the 2016-2017 Seasonal Street Maintenance Contract to Delta Concrete Products, Inc.;

Saarloos seconded.

Discussion followed regarding small increases between Delta Concrete's 2013 and 2016 bids, contract terms expiring on June 30, 2017 with options to extend for two additional one-year periods, contract including pre-winter preparation (grading and compacting), and Heinbockel commending Delta Concrete for excellent, timely service to the community.

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

NEW BUSINESS

Possibly Reschedule August 16, 2016 Council Meeting

Hallgren asked to reschedule the regular meeting on August 16 due to City Administrator and Council absences.

Discussion followed regarding concern with a potential three-week gap between meetings, Musgrove chairing the August 16 meeting, and cancelling the meeting only if there is no quorum.

Delta Medical Transport Proposal – Use Delta Rescue Squad Ambulance

Hallgren referenced discussion with Delta Medical Transport representatives who indicated interest in a lease-to-own agreement for one of the two ambulances that are owned by the City and are not being used.

Leith said State of Alaska grant administrators advised that an agreement can be made for the City-owned, grant-purchased ambulance, but the proceeds must be saved and spent on ambulance needs and repairs.

Heinbockel said he favored DMT using the ambulances and establishing an arrangement to reduce the City's annual \$25,000 subsidy payment, which he felt should be used toward people who are unable to pay for medical services. It is already being done. He said he did not support a lease-to-own arrangement because, if nothing else, the ambulance(s) needed to be turned over to another community in Alaska, not to a private enterprise. The grant-funded ambulance(s) must serve the general public. He suggested DMT insure the ambulances, maintain them, and pay the City one dollar for every mile, so they can be utilized and replaced in the future.

Discussion followed regarding unbillable transport miles, insurance companies paying the insured and the insured not paying ambulance bills, City mileage reimbursement (currently 56¢/mile), paying approximately \$10,000/year for insurance on ambulances that are not in use, whether leasing an ambulance would change the contract terms, DMT listing the City as additionally insured, and grant funds recently used to restock medical supplies in DMT ambulances.

Saarloos said he would support a monthly rental fee, but not relinquishing ownership of the ambulance(s) because of no guarantee that DMT would not move or close their business once the contract expires.

Musgrove questioned the excessive cost to insure idle ambulances.

City Purchases over \$1,000

CK# 218453 to Buffalo Fuel in the amount of \$4,265.95 for fuel

CK# 218454 to Bill's Small Tractor Service in the amount of \$4,300.00 for lawn maintenance contract, payment 1 of 3

CK# 218455 to Delta Concrete in the amount of \$11,733.40 for gravel used to construct West Second Street

CK# 218456 to Airport Equipment Rental in the amount of \$1,695.00 to rent pickup for Public Works crew

CK# 218457 to Dell, Inc. in the amount of \$10,000.00 for new library computers

CK# 218458 to Alaska Municipal League in the amount of \$1,627.00 for annual membership dues

CK# 218459 to GFOA in the amount of \$1,100.00 for Finance Officer training in Chicago, August 1-5

CK# 218460 to Alaska Division of Administrative Services in the amount of \$50,000.00 for prison settlement, #12

CK# 218461 to Delta Medical Transport in the amount of \$12,500.00 for contract payment FY17, 1 of 2

Heinbockel moved to approve check numbers 218453 through 218459 and 218461 as presented; Musgrove seconded.

Discussion followed regarding Prestwich attending accounting software training in Alabama, government accounting in Chicago, and how the State of Alaska will handle PERS (Public Employee Retirement System) in Juneau.

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

Saarloos moved to approve check number 218460; Musgrove seconded.

Discussion followed regarding over one quarter of a million spent to fight the Allvest lawsuit, half of the \$1.2 million judgement remaining, consequences of withholding services should the City stop its \$50,000/year payments, Community Revenue Sharing steadily decreasing, and Heinbockel and Hallgren adamant that the debt was dumped on the City.

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

REPORTS

Airport – JW Musgrove reported a spike in activity over the holiday weekend, similar to increased motorhome traffic.

Emergency Services – John Lewis, representing himself as a citizen and Co-Chair of the Local Emergency Planning Committee (LEPC), expressed concerns about an average of four and five buses that travel through Delta on a daily basis, each carrying 45 to 50 passengers. He asked the Council to commit to a four-hour training session followed by an exercise with Homeland Security officials and about 15 other local entities to prepare for a bus-related catastrophe, which could be a reality. Lewis also referenced recent power outages and suggested outfitting City Hall with capabilities to hook up a generator to carry on daily business and to operate an Emergency Operation Center (EOC).

Discussion followed regarding selecting a date (Saturday, August 27), bus company's responsibility during an emergency, a portable generator stored at Delta Forestry that was purchased with Homeland Security funds, requesting \$250,000 in CIP (Capital Improvement Project) funding for a housed generator to serve the City Campus (City Hall, Community Center, and Community Library) in the event of an emergency, comparable backup systems ranging between \$4,000 and

\$10,000, and Craig Cugini cautioning the Council in its role because of local firefighters and Alaska State Troopers already being tasked to provide lifesaving measures for all highway incidents.

City Administrator – Mary Leith reported:

- Department of Environmental Conservation (DEC) approved the City landfill accepting wag bags (as discussed at the June 21 meeting) during military training.

Discussion followed regarding Fort Wainwright delivering garbage, except asbestos and coal dust, to Fairbanks North Star Borough's landfill and inability to make similar arrangements with Fort Greely.

- FY17 PILT (payments to cities in the unorganized borough) will be \$20,223 more than budgeted (\$987,000).
- West Second Street required more gravel than anticipated, but it is finished and total cost was \$15,000, not yet including installation of no-outlet or dead-end signs.
- Bid opening for the new/unused crew cab, long bed pickup truck is 4:00pm, Thursday, July 14.
- School Superintendent Laural Jackson reported the school district would pay the remaining \$800 on the North Clearwater lighting project (Pogo contributed \$10,000 of the \$10,800 quote as discussed at the June 21 meeting).

Discussion followed regarding Jackson requesting help in moving bleachers from the City Park to the school soccer field, the school fence constructed 15 feet into the North Clearwater Street right-of-way, fines associated with building permanent structures in State of Alaska highway rights-of-way, and Brennan requesting documentation (City light poles installed on school property and the school fence in the City street right-of-way) because of future turnover in City Council and school administration.

Library – Sebastian Saarloos reported:

- The library had 4,554 visitors in June who checked out 3,967 items. Forty-four new patrons registered, bringing the total to 6,333.
- New computers, courtesy of Pogo Mine's \$10,000 donation, have started to arrive. The total cost was \$14,000, but Dell waived \$4,000 when they found out the computers were for a public library.
- Heavy traffic is expected during mid-afternoons on July 12, 13, and 14 when summer reading programs end.
- The Delta Library Association, Alyeska Pipeline Service Company, and Fairbanks Summer Arts Festival will sponsor a Bluegrass concert on Monday, July 18 at the Community Center, 7:00pm.

Public Works – Lou Heinbockel reported there is tremendous overgrowth in the older, unused septic pond and, because of it, he recommended using the current pit immediately after it is drained and solids are removed. Heinbockel said removing the overgrowth will undoubtedly destroy the rubber liner.

Discussion followed regarding leaving standing water in the rubber liner, researching why chemicals were used on Fourth Avenue because of obvious fluid buildup on the gravel road, State rules against using chemicals on public property, replacing a stop sign on Fourth, the faulty turn lane at the Nistler/Richardson intersection, and Heinbockel's suggestion to purchase a riding lawnmower, so volunteers can mow highway medians even though it is a DOT responsibility.

ADDITIONAL PUBLIC AND COUNCIL COMMENTS

Hallgren called for additional public comments with none being offered.

Saarloos explained the need for communities to support the State administration's position on balancing the budget and he asked if there was interest in introducing a resolution of support at the next meeting.

Discussion followed regarding Alaska Municipal League's efforts to protect municipalities, local legislators, Senator Mike Dunleavy and Representative Jim Colver, supporting more cuts, but not Governor Walker's plan to tap into the Permanent Fund Dividend, and whether to submit a letter to the Legislature insisting they finalize a balanced budget in a timely manner.

ADJOURNMENT

Musgrove moved to adjourn at 7:18pm; Saarloos seconded. Motion carried.