



**City Council Minutes
June 20, 2017 ~ 5:00PM**

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

The regular meeting of the Delta Junction City Council was held on Tuesday, June 20, 2017 at City Hall. Mayor Hallgren called the meeting to order at 5:00pm.

City Council members present: Mayor Pete Hallgren, Deputy Mayor JW Musgrove, Lou Heinbockel
Freda Degnan, William Brennan – arrived at 5:34pm and left at 7:01pm)

City Council members excused: Audrey Brown, Jennifer Brant

City employees present: City Administrator Mary Leith, Finance Officer Stephanie Prestwich, City Clerk Pat White

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

AMENDMENTS ~ APPROVAL OF AGENDA

Hallgren reported changes to the agenda:

- ✓ Add *Purchase Current Version of iPrism* to New Business
- ✓ Add *CK# 218955 to Purchases over \$1,000* to New Business
- ✓ Add *Increase Address Fees* to New Business
- ✓ Add *Include Airport Address Fees to Airport Subdivision Lot Prices* to New Business

Heinbockel moved to approve the June 20, 2017 agenda as amended; Musgrove seconded. Motion carried.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING

Hallgren moved to amend the motion adopted at the June 6, 2017 meeting to approve the minutes from the previous meeting, May 16, 2017; Heinbockel seconded.

White explained adding more details to the *Emergency Preparedness* report in the May 16 minutes (page 3), striking through what was previously approved.

Motion failed on a roll call vote with three opposed (Musgrove, Degnan, Heinbockel) and one not (Hallgren).

Heinbockel moved to approve the minutes from the June 6, 2017 regular meeting as presented; Musgrove seconded. Motion passed on a roll call vote with four in attendance (Heinbockel, Degnan, Musgrove, Hallgren).

UNFINISHED BUSINESS

Delta Airport Subdivision Phase II Report

Hallgren reported researching development of Airport Subdivision I. Three lots sold at the outcry auction on November 18, 2002 and the other six sold over-the-counter between May 2003 and October 2004. All nine lots sold for minimum bids; four for \$7,000, four for \$8,000, and one for \$9,000. Hallgren said he thought the ultimate costs to install electricity and construct roads slightly exceeded \$25,000.

Leith reported a GVEA engineer sketched out a diagram showing placement of 22 electric poles for the new section, 21 lots in Airport Subdivision II, which she felt is excessive.

Discussion followed regarding difficulty in finding records on Airport Subdivision I, surveyors currently resetting corner markers that were removed during the land clearing last winter, and deciding the width of subdivision roads and whether to remove stumps or reduce them to ground level.

Hallgren said they are working off rough estimates that were compiled by Mike Tvenge two years ago. The lots would be appraised once the final subdivision plat is approved.

NEW BUSINESS

Discussion - Park Grant Paving

Leith reported paved pathways inside the park were part of the (2014) grant that paid for installation of new handicap accessible outhouses on Kimball Street and Aurora Avenue (2015). She referenced a diagram and explained Stephen

Hammond, M2C1, and Amy Cummings' recent design to put in paved paths from the gate on Kimball Street to the pavilion in the center of the four ball fields. They would be 12-foot wide with two inches of D-1 and ten-foot wide paths. Discussion followed regarding correcting soft spots inside the park, pumping outhouses over the fence without driving on the paths, and existing entrance gates designed to keep four-wheelers out.

Brennan arrived at 5:34pm.

Heinbockel questioned establishing parking near Deborah Street because it is the driest and closest to the pavilion and handicap accessible restrooms that have running water. He expressed reluctance to pave by the outhouse near Kimball Street because a leach field may be a consideration sometime in the future.

Hallgren disagreed with the Deborah Street side because it lacked enough space for parking, but also noted that there is no designated parking for handicapped visitors on Kimball either.

Discussion followed regarding paving as narrow as possible to accommodate the width of wheelchairs and to pave as much distance as possible, if six feet would be wide enough, paving to the pavilion's handicap accessible restrooms and the Kimball Street handicap accessible outhouse, installing park pathways at the same time cracks in city streets are sealed, and grant life expiring June 30, 2018.

Leith reported the Ruby Creek bridge project is scheduled for paving in September.

Preliminary Discussion – City Investment Policy

[The City of Delta Junction's Permanent Fund was previously discussed at the March 21 and April 18 Council meetings.]

Hallgren reported the City's \$1.5 million Permanent Fund investment is getting very little return. He recommended asking Steven McSharry, financial advisor and Vice President of Morgan Stanley, to present a package using Model 3 that has minimal risks, but potential for gain.

Heinbockel said the Permanent Fund is "locked up" permanently because he believed the residents of Delta Junction will not vote to spend any of it, no matter what the crisis may be. The City has lost a huge amount of purchasing power since the Permanent Fund was established and is reason why he tends to be more liberal and favor spending the revenue that is generated from it. If it is never going to be spent, of what value is it?

Hallgren said much of the \$2.5 million in undedicated funds are in Alaska Municipal League Investment Pool (AMLIP), which is a money market and also offers little return. He questioned dividing the undedicated reserves into two federally-insured CD accounts and choosing a maturity plan, either one year at 1.4% growth, two years at 1.65%, or three years at 1.8%. Funds would be available and reinvested if not used.

Hallgren said the goal is to earn \$75,000 or more in interest, so it can be used toward the annual budget.

Heinbockel said he wanted funds accessible and to invest \$1.5 million.

Musgrove questioned whether the authorized 90% interest from the Permanent Fund could be used toward a CD account for the landfill equipment sinking fund. He said the topic was a no-brainer because he felt the money should be moved.

Hallgren said he felt strongly against risking undedicated reserves. He preferred using reserves as an endowment, investing it at a reasonable risk, while receiving a return that can be used toward the annual budget.

Discussion followed regarding City Code related to the City's Permanent Fund (Code of Ordinances, Chapter 1.37), currently earning half of what it could, and scheduling a work session upon scheduling with Steven McSharry.

Purchase Current Version of iPrism

Prestwich explained the need to purchase the iPrism (CK# 218955 – top of page 3), a \$5,509.60 Internet filter.

Brennan moved to approve purchasing the current version of iPrism for the library's Internet; Musgrove seconded.

Discussion followed regarding consequences if the iPrism were not updated and adding it to the FY17 budget reconciliation in August.

Heinbockel expressed concern with depleting surplus funds that were intended for the landfill equipment sinking fund (\$50,000).

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

City Purchases over \$1,000

CK# 218947 to Graphic North in the amount of \$1,171.63 to print and mail VFD donation letters

CK# 218948 to ACS in the amount of \$1,733.13 for May phone and Internet

CK# 218949 to ULIN in the amount of \$3,046.08 for ten new trash cans at park

CK# 218951 to Delta Environmental in the amount of \$1,163.60 for dumpsters at park for three months and City Hall for one month

CK# 218952 to Buffalo Center Service in the amount of \$1,585.29 for equipment fuel during April and May

CK# 218953 to Wells Fargo Credit in the amount of \$17,882.18 for credit card charges (GVEA – \$11,202.21, library - \$1,664.74, LEPC - \$1,074.10, postage - \$288.80, backflow tester - \$1,103.75, headache rack for pickup truck - \$526.00, hotel accommodations for

Letha Burcham to attend AML/JIA Safety conference in Anchorage - \$332.64, contracted services - \$449.28, key engraving for 75th anniversary presentations - \$33.75, lights at City Hall - \$385.00, gear for streets - \$299.00, and City Hall supplies - \$522.91)

CK# 218954 to Aetna in the amount of \$18,181.79 for employee health insurance in June

CK# 218955 to Edgewave in the amount of \$5,509.60 for iPrism, Internet filter at library

Musgrove moved to approve check numbers 218947 through 218949 and 218951 through 218954 (218955 approved – see *Purchase Current Version of iPrism* - page 2); Brennan seconded.

Heinbockel said he would not support paying check #218948 because of Internet costs.

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

Discussion followed regarding collecting \$10,000+ to date in Fire Department donations, soliciting donations from the public, whether to publicize names of donors, no longer providing a suggested amount or requesting square footage from residences, and not charging for fire responses (CK# 218947).

Increase Address Fees

Musgrove moved to approve increasing address fees from \$75.00 to \$100.00, effective July 1, 2017; Heinbockel seconded.

Discussion followed regarding the \$75 address fee not changing since 2004 and the increase included in the FY18 budget that was adopted on June 6.

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

Include Airport Address Fees in Airport Subdivision Lot Prices

Heinbockel moved to include airport address fees (\$100.00) in each airport lot price; Musgrove seconded.

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

Brennan was excused at 7:01pm.

REPORTS

Mayor – Pete Hallgren reported the FY16 audit will be on the July 5 agenda.

City Administrator – Mary Leith reported:

- City Attorney Jim DeWitt is working to resolve the issue with the Airport Subdivision I patent.
- The Alaska Court System will host a lunch at the Delta Junction Courthouse on June 21 to encourage local residents and those from surrounding communities to help evaluate and improve delivery of court services.
- Partners for Progress in Delta's Heavy Equipment Academy graduation will be held on June 22.

City Clerk – Pat White reported:

- The FY18 PILT ordinance was incorrectly numbered, but the error was not found until transcribing the June 6 minutes. The agenda listed Ordinance 2017-06, but was corrected to 2017-07 before it was mailed to the PILT Program in Juneau. (2017-06 was the Visitor Center lease, dated May 16, 2017 and has yet to be signed by the Chamber President.)
- Passport processing has slowed down considerably (from 86 in April and 98 in May). Only 30 passports were process in the past two weeks, 16 of them expedited. Another 12 were reviewed for passport renewals.
- Only 500 Delta Junction end-of-the-Alaska-Highway lapel pins are left of the 1,500 that were ordered in January.

Discussion followed regarding turnaround (three weeks) and price breaks for larger quantities.

Hallgren moved to purchase another 500 lapel pins from the FY17 budget; Musgrove seconded.

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

Heinbockel questioned why 5,000 are not ordered, since the pins will be given away to the public for many years.

Emergency Services / Public Safety – Freda Degnan cautioned people to stay alert, particularly because of two recent bear attacks that resulted in deaths in Anchorage and at Pogo Mine. She reported:

- A forestry helicopter had to make an emergency landing at the airport recently.
- Local firefighters seem optimistic about the fire season and they are grateful for rain.
- Delta Petro-Wash held a Military and First Responders Appreciation Day on June 17. It was a nice event even though it rained. The petting zoo was a big attraction. Petro-Wash intends to host a larger event next year.

Library – Freda Degnan reported:

- Ninety readers signed up for four different Summer Reader programs, preschool through 6th grade. The elementary readers read 187 books in the first week.

- The Delta Library Association recently voted to use some funds from Open House proceeds to purchase several items for the library, including this year's Battle of the Books, 18 new cushions for children's programs, \$500 worth of new Alaskan books, and various board games and toys. They also purchased 90 tokens for ice cream from the Buffalo Drive-in, nine \$25 gift cards for Summer Reader prizes, and a Nook E-reader from Barnes and Noble for a grand prize for the Teen Reading Program. The Library Board will also sponsor the July reward party.

- The Library Board is sponsoring the local performance fee for the "Celtic on the Go" concert, July 19 at the Community Center at 7:00pm. The performance, sponsored by the Fairbanks Summer Arts Program, will feature former Fairbanks fiddler, Caitlin Warbelow, who now lives and teaches in New York City and recently performed at the Tony Awards on Broadway. She will be accompanied by bagpipes, a tin whistle, guitar, and drums. A world champion Irish step dancer will perform and children are invited to talk to the musicians and try out instruments before and after the show.

Airport – JW Musgrove reported:

- A BLM helicopter is expected to occupy space at the airport for ten days while they conduct remote survey work. Discussion followed regarding making arrangements and negotiating an agreement based on tie-down fees.

- Members of the Pilots Committee used the John Deere mower to clear brush. The mower deck will require maintenance by the end of the season.

Personnel – Pete Hallgren reported Flower Cole was hired to fill the Administrative Assistant position, which was reduced to part-time. Several applicants qualified for the job, but Flower's involvement in the community gave her a greater knowledge of how the City functions.

Public Works – Lou Heinbockel expressed concern with significant cracks in City streets, potholes that have developed in the radiuses of street corners, and a hole that is developing in the Visitor Center parking lot. He questioned if the hole is from a septic system or steel tank that were installed about 40 years ago, prior to the Visitor Center being built. Discussion followed regarding putting together a proposal to possibly contract crack sealing with the State DOT similar to when they repaired streets in August/September 2011 (\$31,747), Chris Morley repairing the ice rink and smaller road projects, setting cones near the hole in the Visitor Center parking lot, and septic pits not draining properly.

ADDITIONAL PUBLIC AND COUNCIL COMMENTS

Craig Cugini thanked the City Council and City staff for partnering with Fort Greely to host the 75th anniversary of the Alaska Highway and Allen Army Airfield (AAAF). He said 875 people attended the event at Fort Greely on June 3. Framed (April 22, 2017) proclamations were delivered to the Visitor Center and City Hall along with signed photographs of Mr. Leonard Larkins, Sr. as a young soldier. Mr. Larkins and his three sons shared the trip on June 8 with the rest of their family, seven other siblings and 70+ family members, all of whom were very appreciative.

Hallgren expressed appreciation for Cugini's efforts in organizing events. He said he appreciated celebrating both because of the significance of building the Alaska Highway to supply AAAF and other military airfields beyond Delta Junction.

Heinbockel recalled when Armed Forces Day was an annual event. Referring to Memorial Day, which is always a success at the Rest Haven Cemetery, he questioned whether the Veterans Memorial Wall is full to capacity and another one is needed.

ADJOURNMENT

Musgrove moved to adjourn at 7:45pm; Hallgren seconded.

Pat White, City Clerk

Approved: July 5, 2017