

City Council Minutes
Regular Meeting
June 19, 2018 ~ 5:00PM
City Hall, Delta Junction, Alaska



The regular meeting of the Delta Junction City Council was held on Tuesday, June 19, 2018 at City Hall. Mayor Musgrove called the meeting to order at 5:00pm.

City Council members present: Mayor JW Musgrove, Deputy Mayor Freda Degnan
Alan Levinson, Pete Hallgren, Audrey Brown, Jennifer Brant, Lou Heinbockel
City employees present: City Administrator Mary Leith, Finance Officer Stephanie Erickson
Administrative Assistant Flower Cole, Library Director Joyce McCombs, City Clerk Pat White
Four residents were present during the meeting.

AMENDMENTS ~ APPROVAL OF AGENDA

Musgrove reported *Award Audit Contract* was added to *New Business*.

Brown moved to approve the June 19, 2018 agenda as amended; Heinbockel seconded.
Motion passed unanimously on a roll call vote.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING

Brown moved to approve the June 5, 2018 minutes as presented; Brant seconded.
Motion passed unanimously on a roll call vote.

UNFINISHED BUSINESS – none

NEW BUSINESS

City Purchases over \$1,000

CK# 219536 to GVEA in the amount of \$3,663.08 for May electricity
CK# 219537 to ACS in the amount of \$1,422.22 for May Internet and phones
CK# 219538 to Delta Transport Services in the amount of \$2,113.05 for fuel
CK# 219539 to Construction Machinery Industrial in the amount of \$1,772.96 for loader bucket teeth
CK# 219540 to Aetna in the amount of \$14,693.15 for June group health insurance
CK# 219541 to Buffalo Center Service in the amount of \$1,322.54 for fire department vehicle fuel (\$284.88), lawn mower and weed whacker gas and gas cans (\$151.37), City pickup tire repair (\$17.50), street equipment fuel (\$868.79)
CK# 219542 to Airport Equipment Rentals in the amount of \$2,829.00 to rent loader May 18-22 while City's was repaired

Brant moved to approve checks 219536 through 219542; Heinbockel seconded.

Motion passed unanimously on a roll call vote.

Second Reading, Public Hearing, and Adoption of Ordinance 2018-02, An Ordinance for the City of Delta Junction, Alaska Providing for a Budget for the Fiscal Year 2019 (Introduced May 1, 2018)

Musgrove reported Ordinance 2018-02 was introduced on May 1, 2018 followed by work sessions on May 22 and June 18. The revised draft budget reflects changes from previous discussions.

Heinbockel moved to open the public hearing portion of Ordinance 2018-02; Brown seconded.

Musgrove called for public comments with none being offered.

Heinbockel moved to close the public hearing; Brown seconded.

Motion passed by unanimous consent.

Hallgren moved to amend Ordinance 2018-02 by substituting the June 19, 2018 draft budget with the version that was introduced on May 1; Brown seconded.

Motion passed unanimously on a roll call vote.

Heinbockel moved to approve the budget, dated June 19, 2018, as presented; Degnan seconded.

Hallgren reported the balanced budget reflects a notional surplus of \$12,050. The budget will be reconciled once the current fiscal year ends.

Heinbockel moved to allocate \$6,000 of the FY19 surplus to the new landfill equipment fund; Brant seconded. Discussion followed regarding \$5,000 in the FY19 budget to pay for an electric baseboard at the scale house, purchasing another garbage container, and hauling aluminum cans to Fairbanks.

Motion passed on a roll call vote to move \$6,000 to the new landfill equipment fund with five in favor (Heinbockel, Levinson, Brown, Brant, Musgrove) and two opposed (Hallgren, Degnan).

Motion passed unanimously on a roll call vote to adopt Ordinance 2018-02.

Second Reading, Public Hearing, and Adoption of Ordinance 2018-03, A Declaration of Covenants for the City of Delta Junction Airport II Subdivision (Introduced May 15, 2018)

Musgrove reported most covenants are twice the size of the Delta Junction Airport II Subdivision covenants. Volunteers researched subdivisions across the State of Alaska and the United States; focusing on airport subdivisions, not residential. The final draft addresses concerns that were previously discussed. Any future changes to the covenants will require signatures from property owners of more than 50% of the subdivision lots. Hallgren, concerned with lots not selling, suggested adding “the City is exempt from paying the airport zoning fee for any lot in its ownership” to Article 3, Section 1(a).

Heinbockel moved to open the public hearing portion of Ordinance 2018-03; Brown seconded.

Musgrove called for public comments on the proposed Airport Subdivision II covenants. None were offered.

Heinbockel moved to close the public hearing; Brant seconded.

Motion passed by unanimous consent.

Brown moved to adopt Ordinance 2018-03, declaring covenants, conditions, and restriction for Delta Airport Subdivision Phase II; Brant seconded.

Brant moved to amend the motion to include verbiage that the City is exempt from paying the airport zoning fee for any lots in its ownership; Brant seconded.

Musgrove called for objections with none being offered.

Heinbockel said he took exception to charging airport lot owners an annual fee of \$500. He would support it only if every landowner inside the City limits was charged the same. He would be willing to pay \$500/year to have his street maintained. He said he also disagreed with limiting residential structures to single-family.

Musgrove said the airport subdivision is a residential air park. Lots are connected to airport activity. The covenants were designed for a voting group who would not want intrusive restrictions. Single-family housing restricts height, which is a concern in an airport subdivision. The existing boundary crossing permit (\$500 for commercial and \$200 for private), charged to pilots that access the airport from private property, has been collected for many years to help pay the airport insurance.

Hallgren said limiting two dogs per lot reduces incidents of animals on the runway during takeoff or landing.

Musgrove said lots are a minimum of one acre with neighboring lots, not 20 acres where animals can roam free. Discussion followed regarding Airport Subdivision II lot owners not having direct access to the runway like Airport Subdivision I lot owners, tower structures no greater than 50 feet, not restricting indoor shooting ranges, prohibiting farm animals, livestock, and poultry, requiring all animals be confined or on a leash, enforcement of covenants, and property values expected to improve because of reasonable covenants.

Hallgren explained terms of the covenants, 25 years upon recording and automatically extended for successive periods of ten years unless abolished or changed by most of Airport Subdivision II lot owners.

Brant referred to the \$500 Airport Service Zone fee and asked to reconsider the last sentence in Article 3, Section 1(a), “fee may be adjusted up or down based on Council budget decisions.”

Discussion followed regarding whether to establish a not-to-exceed amount, service zone funds “dedicated exclusively to airport and subdivision maintenance and improvement,” the covenants providing leverage to collect fees, and enticing aviators to operate airport-related businesses.

Heinbockel recalled residents who owned property along Rapids Street and he expressed concern with enforcing restrictions that will guarantee people will never own property in Airport Subdivision II. He suggested dropping the \$500 service zone fee from the covenants.

Hallgren moved to change the annual \$500.00 Airport Service Zone fee to \$250.00; Musgrove seconded.

Musgrove said commercial users pay more and that Airport I and Airport II are treated differently.

Motion passed on a roll call vote to reduce the service zone fee to \$250 with six in favor (Hallgren, Heinbockel, Brant, Levinson, Degnan, Musgrove) and one opposed (Brown).

Brant said she is not concerned with the dollar amount. She is concerned with the statement that “the fee may be adjusted up or down based on Council budget decisions.” As a lot buyer, it would be bothersome not knowing what the annual fee would be year to year.

Discussion followed regarding no guarantee when paying federal income taxes and the Council’s ability to change the boundary crossing permit fee structure or impose a tax within the City limits.

Motion passed on a roll call vote to adopt Ordinance 2018-03 with six in favor (Degnan, Brown, Hallgren, Brant, Levinson, Musgrove) and one opposed (Heinbockel).

Leith said the covenants will be sent to Ralph Mathews to finalize the plat.

Discussion followed regarding finishing development of Airport Subdivision II and whether it will be feasible.

Award Audit Contract

Erickson, referencing the June 15 bid opening sheet and her June 18 memo, explained how the three proposals were scored and that all bidders were given audit reports from the past two years.

Discussion followed regarding referrals from other clients, single audits not required when State grant funding is less than \$750,000, and background information about the three firms that submitted proposals.

Heinbockel moved to award the three-year contract to Cook & Haugeberg, LLC; Hallgren seconded.

Erickson said she is most comfortable with Altman, Rogers & Co. and Cook & Haugeberg, but she is concerned with going over the estimated hours and whether she is responsible for the financial statements.

Motion passed unanimously on a roll call vote.

Erickson reported field work will be done in November and the Request for Proposal stipulated that the audit be finalized each year by January 31. State deadline is March 31.

REPORTS

Mayor – JW Musgrove reported:

- He has been working on personnel issues at the landfill, the airport covenants, and Hayes Circle.
- Dennis Burke started work today as the new landfill equipment operator.

City Administrator – Mary Leith reported:

- Partners for Progress will host a luncheon on June 21. Council members were invited to attend.
- The Bureau of Land Management is investigating a piece of land behind the Farmer's Coop that was labeled "municipal reserve" possibly in the 1950's.
- The State of Alaska will conduct a survey in July to clarify property lines near the old rifle range. A Brownfield assessment has yet to be determined. There is talk about hauling contaminated soil to the landfill.

City Clerk – Pat White reported:

- Hannah Hanson, a third-year college student, accrued over 40 hours of a 50-hour internship toward her Political Science degree since volunteering at City Hall on June 5. She attended a Council meeting, a budget work session, and she made small edits to the updated Small Community Emergency Response Plan (SCERP) that was returned (on June 11). Data changes continuously, so small edits, i.e. new fire chief, were expected. Hanson corrected them, reviewed the latest draft to ensure edits were all documented, and she suggested changes to the Division of Homeland Security & Emergency Management's basic template, which is used throughout Alaska.

White asked to use remaining FY18 funds in *Administration–Office Equipment* to replace the 2011 laptop.

Degnan moved to grant replacement of the clerk's laptop; Brant seconded.

Motion passed unanimously on a roll call vote.

White excused herself at 7:22pm.

Library – Freda Degnan reported:

- Nearly 70 children participate in the summer reading programs. Each reader has a "Libraries Rock" t-shirt and they receive a new book each week, courtesy of the Delta Library Association.

McCombs reported summer readers read 2,600 minutes last week.

- Some emergency lights at the library failed during yesterday's power outage. Batteries will be replaced.
- The library recently hosted travelers from Australia, Germany, Japan, Brazil, and Spain, who were all appreciative of clean restrooms, Internet access, picnic tables, and RV parking. The Visitor Center provides bookmarkers that advertise library hours and services.
- The Library Board, Junction Readers, and The Knitting Circle will take a break in July.

Airport – Alan Levinson reported volunteer pilots have kept up with mowing.

Musgrove reported there was some activity at the airport due to fires. The State and Federal government are also tracking animals with radio collars.

Park / Recreation – Jennifer Brant encouraged everyone to drive by the City Park to see the new paved paths between Kimball Street and the park pavilion in the center of the ballfields.

Leith reported Paving Products charged \$1,800 to pave the handicapped access on Kimball and expanded the project because of extra material.

Public Works – Lou Heinbockel reported emergency cones are needed to block off the north septic pond at the landfill.

Discussion followed regarding design of septic pits, base board heat at the landfill scale house, the Department of Environmental Conservation conducting an inspection at the landfill in mid-July, whether removing barriers at the park will continue to be a benefit to the public, dealing with four-wheeler damage to roads.

ADDITIONAL PUBLIC AND COUNCIL COMMENTS

Bill Johnson, lifelong area resident, reported he is running for the Alaska House of Representatives, District 9.

ADJOURNMENT

Brown moved to adjourn at 7:40pm; Degnan seconded.

Pat White, City Clerk

Approved: July 3, 2018