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**City Council Minutes**  
**March 21, 2017 ~ 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, March 21, 2017 at City Hall. Deputy Mayor JW Musgrove called the meeting to order at 5:00pm.

City Council members present: Deputy Mayor JW Musgrove, Lou Heinbockel, Jennifer Brant, Freda Degnan
William Brennan (until 6:49pm), Audrey Brown (telephonically)

City Council member excused: Mayor Pete Hallgren

City employees present: City Administrator Mary Leith, Finance Officer Stephanie Prestwich, City Clerk Pat White
Ten people were present, including three out of town guests. The meeting was broadcast over KDHS 95.5 FM radio.

AMENDMENTS ~ APPROVAL OF AGENDA

Musgrove explained that an Executive Session may not be necessary during discussion about the *Airport Subdivision II Land Clearing – Final Contract Payment* (first item under *New Business* – page 4)

Degnan moved to approve the March 21, 2017 agenda as presented; Brant seconded. Motion carried.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING

Brown moved to approve the March 7, 2017 minutes as presented; Brennan seconded. Motion carried.

REQUEST TO SPEAK

Division of Homeland Security & Emergency Management (DHS&EM) – April 1, 2017 Exercise

John Lewis introduced Kathy Cavyell, Lead Exercise Planner, and Jared Woody, Lead Facilitator from Anchorage.

Kathy Cavyell said they are occasionally mistaken for Homeland Security, but their main mission is emergency management. She becomes Lead Plans Section Chief during a statewide catastrophe when the State Emergency Operation Center becomes active. Their goal is to coordinate resources, act as resources, and help with recovery, i.e. helping Galena recover from the (2013) flood. Between statewide exercises, now every three years, DHS&EM personnel work with communities to prepare for potential risks that they face. A mass care and sheltering exercise, aka facilitated discussion, will be held on April 1 at the Community Center. The scenario will involve a truck hitting a tour bus in downtown Delta Junction while hotels are full and the Tanana Bridge is closed off. The incident would be managed by the Alaska State Troopers and Fort Greely's HAZMAT team (due to chemicals on the truck), but who addresses sheltering, feeding, and providing medical care for 50 to 70 displaced people? Where shelters are and how many people can they handle? How many seriously injured patients can local medical facilities take on? Three, five, or one? What about walking wounded? How does a bus company track passengers? When and how does the manifest get handed off? How are fatalities handled?

Jared Woody said practicing with partners is important in understanding expectations from all entities.

Cavyell said the goal is to exercise a plan, not test those that are attending. The April 1 facilitated discussion will identify what resources participants bring to the table. It will be used to help update Delta's existing Emergency Operations Plan (EOP). An after-action report will identify how the plan can be improved to ensure its success. It can then be used to apply for State grants for equipment, to bring in professional trainers, and to pay for a full-scale exercise. Cavyell said their mission is for communities to be aware of potential threats that could become a reality. Emergencies always start at the local level. The State Emergency Operations Center only dispatches resources if/when necessary.

Discussion followed regarding reviewing and updating the existing EOP, the accompanying SCERP (Small Community Emergency Response Plan - a customized flip book with essential, community-specific information for responding to a disaster), understanding how to run an Emergency Operations Center (EOC), and the importance of tracking costs associated with an incident.

Lewis said the intent of an exercise is to demonstrate a catastrophic event that could happen. What if winds picked up after a chemical spill? Could an evacuation take place? Would the plan successfully protect citizens?

Craig Cugini reported Fort Greely personnel will participate in the April 1 exercise and they will bring a mobile command post.

Potential Project to Build Bridge across the Delta River

Steven Selvaggio referenced his March 14, 2017 letter to the City Council, requesting support in nominating construction of a bridge across the Delta River to the Statewide Transportation Improvement Program (STIP). There are three established winter crossings along 13 miles of the Delta River between Fort Greely and the Tanana River. Ice roads are constructed each winter; the Arkansas Crossing is built and used by the Department of Defense (DoD), the Remington Crossing is usually built by the Division of Forestry, and the Whitestone Crossing is built by the Whitestone community. "All three of these seasonal crossings are difficult to build, dependent on snow and cold weather, and can be very risky to cross during times of extended warm weather." Fish & Game, Forestry, the military, the general public (hunters, trappers, fishermen, loggers, recreationalists), and the Whitestone community are interested in building a permanent bridge, however the project is entirely conceptual at this time as the STIP process generally takes five to ten years. Selvaggio asked for a letter or resolution supporting a permanent bridge across the Delta River. He anticipates completing paperwork between April and September.

Discussion followed regarding federal cuts resulting in no STIP nominations in the past six years and the proposed bridge potentially improving value of Kettle Lakes development (remote recreational cabins) on the west side of the Delta River, between the Remington Crossing and Whitestone community.

Heinbockel said he strongly supported bridging the Delta River, but preferred the Arkansas Crossing near Jarvis Creek because of its military influence on the proposed railroad. The DoD would terminate the railroad on military land, south of Jarvis Creek.

Selvaggio explained the debacle over the \$130-million bridge in Salcha that is extremely narrow and intended for railroad use. He said the proposed 3,000-foot wood or steel-deck bridge across the Delta River is projected to cost \$10 million, but he believes it could be up to \$20 million.

Brennan moved to draft a resolution or letter of support to build a bridge across the Delta River; Brown seconded.

Musgrove said it is understood that years may pass before a bridge is ever built, but Council support is on record.

Motion passed on a roll call vote with six in attendance (Brown, Brennan, Brant, Heinbockel, Degnan, Musgrove).

Permanent Fund

Steven McSharry introduced himself as one of 200 vice presidents out of 17,000 that specialize in government investment portfolios for Morgan Stanley, the largest wealth management firm in the United States and the second largest in the entire world. McSharry is based out of Morgan Stanley's Anchorage office. Using the State of Alaska's Permanent Fund as an example, McSharry said a 62-page investment policy drives the success of the PFD, resulting in payouts each year from its investments. The City of Delta Junction's permanent investment fund is not maximizing tax payer dollars; 68% of Delta Junction's savings is in cash and the other 32% is in bonds or fixed income government debt. The account had \$897,000 in July 2003, \$272,000 was added, growth in that timeframe was \$309,000, and the account has annualized only 1.79% per year. Interest rates are rising and bonds are falling. In the past five years, the City's Permanent Fund account has averaged .61%, whereas the general market has averaged 13.5%. McSharry reviewed the City's investment and is confident that the \$1.5 million could've grown to \$13 million had it been invested differently. Also, the Permanent Fund cash is FDIC-insured, but only to \$250,000, so the money was moved into two bank accounts. Still only half of it is protected though. McSharry said it is critical to determine a direction, a goal, so Morgan Stanley can establish a plan with an appropriate lineup of investment to match a target rate of return.

Musgrove asked Hallgren, Leith, and Prestwich to recommend options for the Council to vote on and to continue discussion at the April 4, 2017 Council meeting.

Discussion followed regarding five suggested models of investment, Morgan Stanley taking the role of selecting stock options, and fees associated with managing the City's Permanent Fund.

Heinbockel said the City Council was very conservative when the Permanent Fund was established (1987); never thinking it could lose a potential \$11 million. His attitude now is to spend the money while it still has value.

McSharry said the Permanent Fund can grow to \$10 million if it is invested properly and left alone. Investor's definition of "safe" is not outliving your money.

Craig Cugini said Morgan Stanley will select different levels of stocks in whichever diversified plan the City chooses. Built-in risk depends on the target goal. The length of the target goal is based on how the money will be used. The current plan, which is extremely conservative, appears to be executed as if the Permanent Fund would never be spent.

CORRESPONDENCE

Community Cleanup – May 13, 2017, 9:00 – 4:00

John Lewis, representing the Chamber of Commerce, asked the City Council to 1) waive the landfill tipping fees for garbage that the public delivers to the Triangle during Community Cleanup Day on May 13 and to 2) reduce the fees at the landfill to coincide with the Chamber-hosted event.

Discussion followed regarding changing “garbage” to “refuse” in the draft advertisement, not discounting tipping fees at the landfill gate in 2010, and not extending business hours at the landfill in 2011.

Heinbockel moved to offer a 50% discount on tipping fees for all household refuse delivered to the landfill, excluding the \$5.00 minimum and fees on appliances (\$25) and non-covered loads (\$10), extending landfill hours to 9:00-5:00 (instead of normal Saturday hours, 9:00-3:00), and to waive tipping fees from local haulers on all yellow-bagged refuse delivered to the Triangle during Community Cleanup on May 13, 2017; Musgrove seconded.

Brown asked that the advertisement be translated for Russian-speaking residents.

Motion passed on a roll call vote with six in attendance (Degnan, Brant, Brennan, Brown, Heinbockel, Musgrove).

Brennan was excused at 6:49pm.

UNFINISHED BUSINESS

Changes to Employee Policy Plan [Five proposed changes were presented in the agenda packet.]

- **Day meals**

Brown said employees should pay for their own lunch when they are working in Delta or driving to Fairbanks.

Heinbockel suggested compensating employees \$15/meal when they work out of town.

Musgrove said reimbursement for meals is included in per diem, but it becomes taxable income otherwise.

Heinbockel supported enforcing current rules regarding the length of the work day with an hour off for lunch. Employees have altered the established 8:00-to-5:00 hours, but he agreed that employees need time away from the job.

Discussion followed regarding addressing the eight-hour workday and overtime at another time, emergency personnel exempt from IRS ruling for day meals, and why it is not a concern to auditors.

- **Work at Home**

Heinbockel moved to approve the *Work-at-Home* policy as presented; Brant seconded.

Brown said taking City-owned computers home is a risk.

Musgrove said the City Clerk is exempt from the policy when working on public documents. Finance Officer Stephanie Prestwich would be required to obtain authorization whenever traveling or working from home.

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

- **Vacation Buy Back**

Musgrove explained researching policies from other Alaskan municipalities and he argued that accrued leave is meant to be used for vacations or paid time off; not as additional income. Cashing in vacation time becomes an increased cost to the City and an unplanned expenditure.

Discussion followed regarding current policies regarding accumulated leave and overtime.

Brown moved to approve the *Vacation Buy Back* as presented; Degnan seconded.

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

Heinbockel moved to cap accumulated leave at 320 hours (two months) and to impose a use-it-or-lose-it policy, that any unused accrued leave over the approved cap would be forfeited at the end of each calendar year; Brant seconded.

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

- **Pay Day**

Prestwich explained a schedule designed to issue payroll every other Friday, beginning June 16, 2017.

Heinbockel moved to approve the *Pay Day* policy as presented and to incorporate the pay schedule.

Discussion followed regarding time needed to implement direct deposit and discussing Prestwich’s pay schedule at the April 4 meeting.

Heinbockel withdrew his motion.

Brown moved to approve the *Pay Day* policy as presented; Brant seconded.

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

- **Weather Day**

Heinbockel moved to approve the *Weather Day* policy as presented; Brown seconded.

Musgrove said an hourly worker gets paid for hours worked. A salaried exempt employee gets paid for a full week per the *Fair Labor Standards Act*, even if they only perform five minutes of work during a calendar week. If they do not work and stay home because of cold weather, the City can ask them to use leave hours, but if they have no accrued leave, they would be paid for the entire day anyway. The call to close the office when temperatures are minus 40 or colder begins with the City Administrator. An hourly employee can opt to work on a cold weather day by doing inside work; not subjecting equipment to the cold temperatures.

Prestwich said salaried employees are readily available the rest of the week, even if they only work five minutes. Overtime is not an option for salaried employees, so they have the option to not work and take a personal day, particularly if they do not want to drag their kids out at negative 50 to drive them to daycare while being worried about their car. Discussion followed regarding “work at home” (making business calls or checking work emails from home) and paying exempt employees even when they do not have any banked leave time.

Heinbockel withdrew the motion; Brown seconded.

NEW BUSINESS

Executive Session - Airport Subdivision II Land Clearing – Final Contract Payment

Heinbockel moved to approve paying Talus Enterprises for the balance of the airport subdivision clearing contract (\$24,000.00) plus an additional \$2,400.00 change order; Brown seconded.

Musgrove distributed photos of the completed project and said he, Leith, and Heinbockel agreed that the additional \$2,400 was justified.

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

[Council members elected not to go into an Executive Session.]

Extend Length of Meeting

Heinbockel moved to extend the meeting for 15 minutes; Musgrove seconded.

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

City Purchases over \$1,000

CK# 218827 to Wells Fargo Credit Card in the amount of \$4,204.56 for credit card purchases - batteries for Fire Department radios (\$779.84), avalanche equipment (\$2,203.47), oversize permit for plow (\$330.00), passport postage (\$30.94), library materials (\$760.32), City Hall supplies (\$99.99)

CK# 218828 to ACS in the amount of \$1,417.38 for phones and Internet

CK# 218829 to Buffalo Center Service in the amount of \$1,553.01 for tire for dump truck (\$487.50) and fuel for equipment (\$1,065.51)

CK# 218830 to The Pin Center in the amount of \$1,829.50 for new lapel pins and keys-to-the-city using the 2015 logo

Brown moved to approve check numbers 218827 through 218830 as presented; Heinbockel seconded.

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

REPORTS

City Administrator – Mary Leith reported:

- Pogo Mine will host their annual public meeting sometime in April.
- Ownership of the snowmobile, sled, and four-wheeler transferred from the Delta Rescue Squad (defunct volunteer ambulance service) to the Delta Junction Volunteer Fire Department instead of being turned over to the Interior Region Emergency Medical Services (IREMS). Resusci Annie, the mannequin used in CPR training, will be given to IREMS who will find her a new home with another volunteer service.

- Almost all the Automated External Defibrillators have been upgraded, thanks to Tony White for upgrading them.
- Two soldiers, ages 93 and 102, who worked on the construction of the Alaska Highway have been located. The 75th anniversary committee wants to purchase airline tickets to bring one soldier and his son from New Orleans to Alaska. The committee hopes to share the expense with Anchorage. Keys-to-the-city will be engraved and presented to both soldiers; one will be presented during a June 3 ceremony and one will be mailed to Richmond, Virginia.

Park / Recreation – Jennifer Brant reported a first-ever regional fast-pitch softball tournament will be held in Delta over Memorial Day weekend.

LEPC / Emergency Preparedness – Audrey Brown reported four members from the Local Emergency Planning Committee (LEPC) will attend the DHS&EM Emergency Preparedness Conference in Anchorage April 4/7.

Public Health – Audrey Brown reported the pharmacy at Interior Alaska Medical Clinic officially opened (March 13).

Public Works – Lou Heinbockel reported the wing blade is on the grader and being used to clean street ditch lines.

ADJOURNMENT

Degnan moved to adjourn at 8:14pm; Brown seconded.