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**City Council Minutes**  
**June 6, 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, June 6, 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, Jennifer Brant
City Council members excused: William Brennan, Freda Degnan, Audrey Brown
City employees present: City Administrator Mary Leith, Finance Officer Stephanie Prestwich, 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

Musgrove moved to approve the June 6, 2017 agenda as presented; Brant seconded. Motion carried.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING

Brant moved to approve the minutes from the previous meeting, May 16, 2017; Hallgren seconded.

Hallgren reported Brown indicated she will request several changes to the minutes. Due to her absence, he asked to postpone approving them until the next meeting (June 20) or to approve them with the understanding that the motion might be reopened when Brown is present.

Discussion followed regarding how detailed the minutes must be, minutes to serve as a record of actions taken at meetings, upgrading from audio tape recordings to digital recordings in 2007, and Hallgren hopeful in finding information in old recordings about the development of the 2002 airport subdivision.

Motion passed on a roll call vote to approve the May 16, 2017 draft minutes with four in attendance (Musgrove, Brant, Heinbockel, Hallgren).

CORRESPONDENCE

Nominations for Infrastructure Projects under Federal Program

Hallgren referenced a letter from the State of Alaska Office of the Governor, Deputy Chief of Staff and Local Government Liaison John Hozey, dated May 19, 2017, in which he explained "President Trump has made investment in national infrastructure a priority for his new Administration. As a result, jurisdictions all around the country have been assembling their wish lists of projects for possible consideration. Governor Walker recently sent an initial list of Alaskan infrastructure projects for consideration by the Trump Administration. However, the Governor also provided notice that additional projects may be nominated by the State for qualifying municipal projects." Hallgren reported nominations are due by June 30, 2017, but he recommended not putting forth time and effort on a municipal project that would compete with others communities that have greater needs.

Musgrove agreed with Hallgren because the local community "is rewarded handsomely with PILT."

Discussion followed regarding whether any projects on the CEDS (Comprehensive Economic Development Strategy) would meet criteria, be shovel-ready, or have qualifying matching funds, and updating the CEDS.

Delta Lions Club Membership Drive

Hallgren referenced a notice in which the Delta Lions Club is soliciting new members. Dinner will be provided at 6:00pm on June 9 at the fairgrounds in the Lion's Den. Dana Mock was quoted in the advertisement, "Our club gives members an opportunity to advance worthy causes, serve with friends, and become leaders in the community. The club means a lot to our Lions, but it means so much more to the people we serve."

UNFINISHED BUSINESS – none

NEW BUSINESS**Resolution 2017-07, A Resolution Requesting State FY18 Payment in Lieu of Taxes (PILT) Funding from the Department of Commerce, Community, and Economic Development (DCCED)**

Musgrove moved to approve Resolution 2017-07 as presented; Heinbockel seconded.

White reported submitting a resolution to receive funding from the PILT program for cities in the unorganized borough occurs each year, but this year's eligibility requirements changed. Submitting a current budget and an audit from the preceding fiscal year are no longer necessary and the resolution format was revised. Notice was received after Resolution 2017-04 was approved on May 2, 2017. The Division of Community and Regional Affairs (DCRA) Grants Administrator advised using the newest resolution format. Resolution 2017-07 would replace Resolution 2017-04.

Discussion followed regarding federal funds appropriated to PILT (\$465 million per May 24, 2017 DCRA letter).

Hallgren moved to approve Resolution 2017-07, requesting FY18 PILT from DCCED; Heinbockel seconded.

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

Amendment #2 – Delta Medical Transport (DMT) Contract for Professional Services

Hallgren reported the *Contract for Professional Services* with Delta Medical Transport (Ordinance 2015-04, dated June 16, 2015) can automatically be renewed for two additional years or two one-year periods. Thereafter it would be renegotiated.

Leith stated City Administration and Tony White, DMT owner, agreed upon another two-year extension. The first amendment, which allows DMT to use the two Delta Rescue Squad ambulances, was adopted on November 22, 2016.

City Attorney Jim DeWitt drafted it and the second amendment, which extends the contract to June 30, 2019.

Discussion followed regarding DMT insuring Delta Rescue Squad ambulances, the City named as additionally insured (paying \$5,000/year to cover both ambulances), and whether coverage is valid when ambulances are leased to an outside company.

Musgrove moved to approve Amendment #2 to the *Contract for Professional Services*; Brant seconded.

Musgrove said he was skeptical about contracting ambulance services in the beginning (2013), but he feels it has proven good for the community and the 24/7 coverage is a good use of federal PILT.

Heinbockel agreed with Musgrove and said the service has turned out to be excellent, but he questioned the real cost to subsidize it because it is not just the City's financial support (\$25,000/year) and shared utilities at the fire station. He expressed concerns with sole-sourcing the ambulance service without looking for competitive bids. He asked who will take on the financial burden when a transmission must be replaced. Heinbockel said he preferred to bank the \$25,000 for people who cannot afford to pay for ambulance transports.

Discussion followed regarding negotiations with DMT, keeping transactions separate for bookkeeping purposes (not deducting \$500/month lease payments to use ambulances from the City's \$25,000 contribution), and whether DMT is tracking maintenance of ambulances.

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

City Purchases over \$1,000

CK# 218934 to NC Machinery in the amount of \$2,087.57 for Skidsteer repairs

CK# 218935 to Delta-Greely Youth Baseball League in the amount of \$1,000.00 for annual donation of support

CK# 218936 to BDO USA LLP in the amount of \$10,020.00 for FY16 audit

CK# 218937 to Buffalo Fuel in the amount of \$1,563.50 for heating fuel

Musgrove moved to approve check numbers 218934 through 218937 as presented; Heinbockel seconded.

Discussion followed regarding spending \$49,287.28 to date for the FY16 audit, not yet receiving the printed report, and locating a less expensive firm to conduct the audit (CK# 218936).

Prestwich said increased audit fees were because of \$750,000 State of Alaska grant projects, some as far back as July 2015, and new accounting software.

Musgrove asked about Skidsteer repairs (218934).

Leith reported there were problems with digital commands and belts needed tightening.

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

Allocate FY17 Budget Surplus to Landfill Equipment Sinking Fund

Heinbockel complimented City personnel for not overspending last year's budget, which resulted in a surplus. He asked to allocate \$50,000 to a landfill (equipment replacement) sinking fund during reconciliation of the FY17 budget and to create a new line item in the FY18 budget.

Hallgren guessed there would be a surplus of \$100,000 to \$125,000 in the FY17 budget, which includes Heinbockel's (\$50,000) request.

Discussion followed regarding financial standing and discussing it in depth at the June 20 meeting.

Heinbockel moved to allocate \$50,000 in the FY17 budget to a landfill equipment sinking fund; Hallgren seconded.

Heinbockel said the sinking fund would be used for major repairs as well as replacing landfill equipment.

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

Second Reading, Public Hearing, and Adoption of Ordinance 2017-03, An Ordinance for the City of Delta Junction, Alaska Providing for a Budget for the Fiscal Year 2018

Musgrove moved to hold the second reading and open the public hearing of Ordinance 2017-03; Brant seconded.

Hallgren reported a new draft (*FY18 Budget Estimate 2*, dated June 2, 2017) would replace the budget draft from the introduction and first reading on May 16 (*FY18 Budget Estimate 1*, dated May 11, 2017) and the work session on May 22.

Hallgren called for public comment with none being offered.

Heinbockel moved to close the public hearing portion of Ordinance 2017-03; Musgrove seconded. Motion carried.

Heinbockel moved to adopt Ordinance 2017-03, providing for a budget for the Fiscal Year 2018; Musgrove seconded.

Musgrove moved to amend the motion to substitute *FY18 Budget Estimate 2*, dated June 2, 2017, with the draft budget that was presented on May 16, 2017; Heinbockel seconded.

Motion passed on a roll call vote - to replace *Budget Estimate 1* with *Budget Estimate 2* - with four in attendance (Musgrove, Heinbockel, Brant, Hallgren).

Prestwich explained differences between *Budget Estimate 1* and *Budget Estimate 2*:

- \$100 was added for library postage
- \$500 was taken from the landfill equipment repair
- Heat and electricity were divided between Delta Medical Transport and the Delta Junction Fire Department

She questioned increasing address fees (\$75), which have not changed since the City took on the mapping project in 2004.

The computer program costs \$1,500/year and E-911 funds no longer cover the cost of providing the service.

Discussion followed regarding raising address fees to \$100 and including airport lot addresses in the purchase price.

Hallgren asked if the heat problem at the landfill scale house affects the FY18 budget.

Leith reported Heritage was unable to locate a leak. They were unable to find a leak in 300 feet of copper tubing for another business also. Because that project cost \$30,000, Heritage recommended installing electric baseboard heat. The other option, a Toyo stove, would present a problem in placing an above-ground fuel tank.

Prestwich suggested moving \$10,000 from what was set aside to repair the leak at the scale house (\$14,500) to the line item for scale house electricity.

Discussion followed regarding the cost to heat the scale house (\$416 to \$826 in December and January of the past two years), baseboard heat more efficient than portable heaters, and cost of using heat tapes on the water lines between the landfill shop and the scale house.

Musgrove asked for more research to resolve the heating problem at the scale house. He questioned glycol leakage and whether remediation is necessary.

Musgrove moved to amend *FY18 Budget Estimate #2* by decreasing Landfill Building Repair/Maintenance from \$14,500 to \$10,500 and increasing the landfill electricity line item from \$7,500 to \$11,500; Brant seconded.

Motion passed on a roll call vote - to move \$4,000 between line items in Landfill - with four in attendance (Heinbockel, Musgrove, Brant, Hallgren).

Hallgren explained revenue line items (Pogo AMLIP funds to use toward developing Airport Subdivision II, recovering those funds upon selling the airport lots, and hopefully putting the \$4,942.58 Permanent Fund earnings back into its principal) and he said the June 2, 2017 draft is an honest balanced budget.

Heinbockel said the budget for next year's landfill operation equates to its total revenue this year. He is proud of its success and that it is the only service to the community that is breaking even.

Leith said Heinbockel tasked the library to raise \$10,000 in donations several years ago. They now raise approximately \$30,000 in donations and grants.

Motion passed on a roll call vote - to adopt Ordinance 2017-03 and *FY18 Budget Estimate #2* - with four in attendance (Brant, Heinbockel, Musgrove, Hallgren).

REPORTS

Mayor – Pete Hallgren reported:

- He enjoyed participating in the Alaska Highway 75th anniversary celebrations at Fort Greely on June 3 as well as accompanying Mr. Leonard Larkins, Sr., 96-year old World War II veteran, and three of his sons to Craig Lake, near Robertson River on June 2, where original alignment of the Alaska Highway still exists.

Heinbockel said that remnant of the Alaska Highway is a true example of how tough it was to build the road. The bridge that crosses the Gerstle River was installed in 1944. It was renamed the Black Veterans Memorial Bridge in 1993 as a tribute to African American soldiers who contributed to constructing the Alaska Highway in 1942.

Discussion followed regarding multiple newspaper articles covering the Larkins' visit and dignitaries that participated in the June 3 ceremony (Governor Bill Walker and his wife, Donna, Senator Mike Dunleavy, Representative George Rauscher, Chaplain Major Ernest Ibango, and Fort Greely Garrison Commander Lt. Col. Michael Foote).

- The City Council authorized spending up to \$15,000 to purchase 75th anniversary memorabilia (t-shirts, hooded sweatshirts, and hats) at the May 2 City Council meeting. The ultimate bill was \$20,337. All expenses are expected to be recouped, but not before June 30 of this fiscal year. Heinbockel picked up and delivered the boxes from Fairbanks on June 2. Leith, Prestwich, and John Lewis sold over \$3,000 worth at the June 3 event.

Discussion followed regarding continued sales at City Hall and possibly selling 75th memorabilia at the Farmers Market and Deltana Fair.

Leith reported Mr. Larkins was given a sweatshirt, he and his sons were given hats, and they took 75 City of Delta Junction end-of-the-Alaska-Highway lapel pins for members of their family who will gather on June 8 upon their return.

City Administrator – Mary Leith reported:

- A work session will be necessary to make decisions on the airport subdivision. Surveyor Ralph Mathews is redoing survey markers that were removed when the land was cleared.

Musgrove reported GVEA will wait until the plat is completed before starting right-of-way work. He agrees with scheduling a work session to prepare rudimentary specifications for roads and to determine if the project is feasible.

Discussion followed regarding finishing the road past the clinic and renting a dozer to remove stumps.

- Block 1 of Airport Subdivision I is split between Tract B and Tract C of land that was deeded to the City in the 1990s. The four southernmost lots in Tract C are affected by a clause in the patent that has created a problem with financial lenders. City Attorney Jim DeWitt will issue a letter to the State Division of Lands requesting cooperation to resolve the matter.

- The Delta Junction Trails Association (DJTA) will meet with the Parks Service and an architect about possible plans to build the River Walk Trail on the 14 acres that is in the process of being deeded to the City. The trail would connect the dike area, bike paths, campgrounds, and numerous places in the town.

Musgrove asked to make sure the rifle range (old dump) has closure before people utilize trails in that area.

Leith reported a subcontractor for Brownfield Assessment is scheduled to gather samples next month.

- Diane Sam, Local Government Specialist with DCCED, issued a letter on May 16, 2017, stating sufficient funds were available to complete community profile mapping in Eastern Alaska and that the 50-percent match was unnecessary. On May 26 she issued an email stating all mapping projects would be discontinued without the 50-percent match and community support.

- Stephen Hammond, M2C1, requested more time for the landfill landscaping project to “green up” before submitting Storm Water Pollution Prevention Plans (SWPPP) documentations.

- The old park outhouses were decommissioned.

Heinbockel said the steel holding tanks were made from 48-inch pipeline pipe that Alyeska modified and donated. He hauled them to Delta in 1990 or 1991. The Public Works crew recently removed the outhouses and Matt Walker, Delta Concrete, removed the tanks. Had he known about it, he would have preferred to dispose of them because of their potential value.

Leith said Delta Concrete donated gravel to fill the empty holes.

City Clerk – Pat White reported:

- The first Tuesday in July is the 4th of July. She asked to reschedule the regular meeting on Wednesday, July 5.

- Liquor licenses are renewed every two years. Municipalities are notified and given opportunity to weigh in on all license renewals that fall within the City's jurisdiction. Two licenses were recently renewed without local input: Jack's Liquor and the Loyal Order of Moose #911.

- The Marijuana Control Board recently approved a regulation change that lifts the 10-mile buffer around communities that have instituted a commercial marijuana ban. That regulation change has not yet been approved by the Department of Law or signed by the Lt. Governor, so the current regulation and buffer still stand.

Finance – Stephanie Prestwich reported she successfully tested direct deposit on two paychecks, hers and Leith's. All but one employee will participate in direct deposit.

Library – Mary Leith reported summer reading programs begin tomorrow and the Steven's Puppet Show will perform at the Community Center on June 8.

Park / Recreation – Jennifer Brant reported the park is in full swing with two 10-and-under fast-pitch softball teams, a 14-and-under baseball team, Frisbee golf, and lots of kids using the playground.

Discussion followed regarding unsecured soccer equipment near the t-ball fields, installing regulation fencing for baseball similar to what was done for softball in 2015, baseball coaches to build another new dug out, removing wood and nail debris from old dug outs, new metal mesh garbage cans on order, designating an area for volunteers to dump grass clipping, mulching grass instead of bagging it, and weed-killing chemicals successful on the fence lines.

Personnel – Pete Hallgren reported Stefan Skovrinski was hired to fill the summer hire position and Valerie Krepel was rehired to help with Story Hour at the library during the summer.

Public Works – Lou Heinbockel recommended purchasing electric weed whackers when the time comes to replace equipment. They are a bit more expensive, but easier to operate.

Leith reported the Public Works crew cleaned out the Community Center garage.

ADJOURNMENT

Musgrove moved to adjourn at 7:55pm; Hallgren seconded.

Pat White, City Clerk

Approved: June 20, 2017