



**City Council Minutes  
July 5, 2017 ~ 5:00PM**

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

The regular meeting of the Delta Junction City Council was held on Wednesday, July 5, 2017 at City Hall, postponed one day because of the 4th of July holiday. Mayor Hallgren called the meeting to order at 5:00pm.

City Council members present: Mayor Pete Hallgren, Deputy Mayor JW Musgrove, Lou Heinbockel, William Brennan  
City Council members excused: Audrey Brown, Jennifer Brant, Freda Degnan  
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**

Hallgren reported CK# 218993 would be added to *New Business, City Purchases over \$1,000*  
Musgrove moved to approve the July 5, 2017 agenda as amended; Brennan seconded. Motion carried.

**AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING**

Heinbockel moved to approve the minutes from the June 20, 2017 regular meeting as presented; Brennan seconded.  
Motion passed on a roll call vote with four in attendance.

**COMMENTS FROM THE AUDIENCE**

Tatyana "Tanya" Osipchuk said she owns property on Phillips Road off Jack Warren Road and has tried to get electricity (for the past ten years). She asked if the City could intervene on her behalf.  
Discussion followed regarding the first mile of property on both sides of Phillips Road owned by the University of Alaska or Mental Health Trust, whether another route would be more feasible, Osipchuk's purchase of the property on Phillips under the assumption that she would eventually have electricity, Golden Valley Electric Association (GVEA) not installing electric poles without a return on the investment, potential to share the most recent installation quote (\$85,000) between multiple homes on Phillips Road, and recovering a rebate once others connect to existing electrical lines.  
Heinbockel suggested contacting GVEA and State legislators for possible sources of funding or forming a group to collect enough money to afford the electrical poles.

**CORRESPONDENCE**

Hallgren reported Representative George Rauscher and officials from the Division of Natural Resources and the Division of State Parks will host a meeting at City Hall on July 6 to discuss recent closure of area parks.  
Heinbockel expressed discontent with the State of Alaska's neglect of rest areas and he encouraged attendance at the meeting. He visited Donnelly Creek Campground, which was closed on June 27, and said the access road was in poor condition and toilet paper is piled behind the locked outhouse. He explained a similar situation that played out in New Jersey.

**UNFINISHED BUSINESS – none**

**NEW BUSINESS**

**City Purchases over \$1,000**

CK# 218988 to Arctic Fire & Safety in the amount of \$2,791.52 for magnets and sign posts for addresses (LEPC project)  
CK# 218989 to Alaska Municipal League in the amount of \$1,656.00 for FY18 membership  
CK# 218990 to Wells Fargo Credit in the amount of \$10,733.13 for credit card purchases (postage – \$666.43, dues and fees – \$39.00, office supplies – \$752.09, outdoor flowers – \$277.46, 75th anniversary – \$2,282.04, two fire truck registrations from DMV – \$20, latches for library windows – \$50, library materials – \$731.50, Google emails – \$35, GVEA – \$5,664.67, AED holder at Community Center – \$361.29, auto-flush for urinal at Community Center – \$242.49, plus \$388.84 in cash back)

CK# 218991 to BDO USA LLP in the amount of \$3,100.00 for final FY16 audit bill

CK# 218992 to White's Trailer Court in the amount of \$2,200.00 to thaw City landfill septic pits

CK# 218993 to Delta Medical Transport in the amount of \$12,500.00 per ambulance contract, 1 of 2 FY18 payments

Musgrove moved to approve purchases over \$1,000, checks 218988 through 218993, as presented; Heinbockel seconded. Motion passed on a roll call vote with four in attendance (Heinbockel, Musgrove, Brennan, Hallgren).

### **FY16 Audit**

Prestwich reported the FY16 audit was clean with internal weaknesses caused from conversion of the accounting software, resulting in financial activity documentation submitted in an untimely fashion, and the need for more than one person to review timesheets/payroll. Both problems have been rectified. City Administrator Mary Leith reviews spreadsheets and payroll, followed by the Mayor and Deputy Mayor when they sign the checks. Also, more detailed written explanation is needed in journal entries, so that a second set of eyes understands why an entry was made. (Entries were incorrectly documented between plow and motor grader grants. Correcting those errors required better explanation.) Brennan suggested creating a standard form to use each time a correction is made.

Hallgren explained the two audits; the standard audit of City finances and the single audit, which addresses State and federal grant funds. Not enough grant funds will warrant a single audit in the upcoming FY17 year.

Discussion followed regarding material weaknesses (page 71) and corrective action (page 76), getting professional help should accounting software change again, and expecting less to conduct the FY17 audit because of less grant funds.

Musgrove said historically change causes problems, but problems should be dealt with before they surface. He questioned changing the accounting software after Zimmerman retired and conforming to deadlines.

Heinbockel reiterated as in past conversations to put the audit out for competitive bid, to bring the cost down (\$38,521 paid for 2015 audit and \$52,387 paid for 2016).

### **REPORTS**

**City Administrator** – Mary Leith reported:

- Ecology and Environment, Inc. will take soil samples of both the EPA-targeted old rifle range and the old landfill the week of July 17. The Delta Junction Trails Association (DJTA) is involved because of their plans to develop the River Walk Trail near the Delta River and the old rifle range.

- The Division of Environmental Conservation (DEC) is sending instructions to deal with the Glycol-contaminated soil at the landfill between the scale house and the shop. Contamination involves at least one 55-gallon drum of Glycol. Heinbockel said electricity will be the safest and cleanest way to heat the scale house.

- The issue about State-imposed restrictions that affect four lots in Airport Subdivision I have not yet been resolved.

Hallgren said it may be a simple wording change on the patent.

- Surveyors were recently in the area, conducting work on the new subdivision, Airport Subdivision II.

**City Clerk** – Pat White reported:

- Passport applications and renewal forms reviewed for customers (54) dropped to half as many as from May (98).

- Flower Cole, new part-time Administrative Assistant, received passport agent certification on June 30. She will receive her notary certification tomorrow. She updated personnel name tags on office phones, upgraded office forms, and has been researching older minutes for information about the development of Airport Subdivision I.

**Finance** – Stephanie Prestwich reported:

- She will start the process to reconcile the FY17 budget toward the end of July and present it in August.

- A small change was made in the direct deposit procedure, but it has not altered it.

- She is still researching the cost of developing lots in Airport Subdivision I that were auctioned in November 2002.

Dave Zimmerman, City Finance Officer (2002-2014), believed all (gross) proceeds went into the Permanent Fund.

Discussion followed regarding whether expenses to install electricity and roads were ever recovered and no intentions to subsidize lot development in Airport Subdivision II.

**Emergency Services** – JW Musgrove reported he was grateful Delta Rescue Squad (DRS) ambulances are being used.

Discussion followed regarding Delta Medical Transport leasing the DRS ambulances for \$500/month.

**Airport** – JW Musgrove reported:

- A telephone agreement was made to utilize the airport, but payment arrangements have not yet been settled.

- The Bureau of Land Management (BLM) is conducting cadastral surveying of section lines between Delta Junction and Black Rapids.

- The mower deck on the John Deere tractor will need to be replaced and, when it does, he asked to get something wider.

Discussion followed regarding purchasing a new mower tractor, which costs \$2,500 to \$3,000.

- Weathered reflective traffic cones, used to light the runway at night, will be replaced with new ones.

Discussion followed regarding Golden Eagle Outfitters plan to move their business (close to Rapids Street / Richardson Highway intersection) and taking off / approaching the runway.

**School District** – Lou Heinbockel questioned why the Fort Greely school closure was not already resolved.

**Public Works** – Lou Heinbockel reported the upper septic pit at the landfill is completely drained.

Discussion followed regarding paying Jay White to thaw it (CK# 218992 – page two) and following the written plan.

#### **ADDITIONAL PUBLIC AND COUNCIL COMMENTS**

Dave Zimmerman recommended that a copy of the FY16 audit report stay in the City Administrator's personal file and one in the Finance Officer's. He asked for a copy, since it is now "a public document."

Heinbockel gave Zimmerman his copy of the FY16 audit.

Brennan asked if trash cans were placed inside park restrooms and outhouses, whether sanitary cleansers were installed, and what the status is regarding maintenance for the Zamboni.

Leith said she is still working with the military about replacing the spare Zamboni and she would inquire about a Zamboni mechanic. She was given a couple names in Fairbanks.

Heinbockel said the Zamboni has a small Volkswagen engine that runs a hydraulic pump. He suggested hauling it to Fairbanks only if a local mechanic cannot do it.

Brennan asked who works on Whitestone's Zamboni.

#### **ADJOURNMENT**

Musgrove moved to adjourn at 6:46pm; Brennan seconded.

Pat White, City Clerk

Approved: July 18, 2017