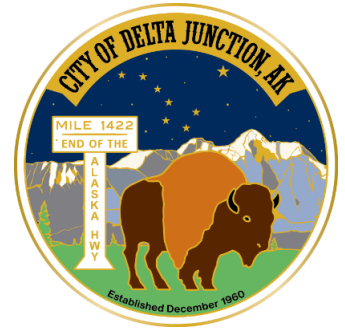


City Council Minutes
Regular Meeting
November 6, 2018 ~ 5:00PM
City Hall, Delta Junction, Alaska



The regular meeting of the Delta Junction City Council was held on Tuesday, November 6, 2018 at City Hall. Mayor Musgrove called the meeting to order at 5:01pm.

City Council members present: Mayor JW Musgrove, Lou Heinbockel

Pete Hallgren, Alan Levinson, Charles Lester

City Council members excused: Deputy Mayor Freda Degnan, Audrey Brown

City employees present: City Administrator Mary Leith, Administrative Assistant Flower Cole

Finance Officer Stephanie Erickson, City Clerk Pat White

Six members from the community and two guest speakers were present at different times during the meeting. The meeting was broadcast over KDHS 95.5 radio.

AMENDMENTS ~ APPROVAL OF AGENDA

Musgrove reported talk about postponing *Hayes Circle* (page two). He asked to not postpone it because City Administrator Mary Leith has information that may “shed light at the end of the tunnel.”

Hallgren said he would favor an amicable resolution. If not, discussion should be moved to the next meeting.

Heinbockel moved to approve the November 6, 2018 agenda; Lester seconded.

Motion passed on a roll call vote with five in attendance.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING

Heinbockel asked to revise two statements in the *Hayes Circle* discussion (page 2 of October 16 draft minutes).

White reported two small edits that did not alter any context.

Hallgren moved to approve the October 16, 2018 minutes as amended; Heinbockel seconded.

Motion passed on a roll call vote with five in attendance.

REQUEST TO SPEAK

Jeff & Tammy Head – UBS Financial Services Inc.

Musgrove welcomed Jeff and Tammy Head, financial advisors at UBS Financial Services, Inc., to present their proposal to manage the City’s long-term Permanent Fund.

Jeff Head introduced himself as Branch Manager at UBS and his wife, Tammy, as Senior Vice President and Institutional Consultant. He knew about Morgan Stanley’s decision to get out of handling funds for small governments and municipalities after speaking with Steven McSharry from Morgan Stanley in Anchorage. He provided a brief history of both his and Tammy’s 35 years of experience in the financial services industry, including his 21 years as financial advisor at Morgan Stanley. UBS is one of the largest wealth managers in the world, with offices in every major city. They have been in business for 150 years and have over 900 investment professionals worldwide. Their portfolio performance is focused exclusively on wealth management.

Tammy Head distributed a bound portfolio and said they tried to match Morgan Stanley’s discretionary managed portfolio. She touched on several investment scenarios and what UBS would charge (1.25% of account value on a quarterly basis compared to Morgan Stanley’s 1.5%).

Discussion followed regarding details about UBS’s proposal, 91% of returns based on how funds are allocated, option to use 90% of interest earned from previous fiscal year for operating expenses (City Code §1.37.050), a goal to subsidize City expenses off interest from the Permanent Fund, the City’s limited sources of revenue (landfill, library, cemetery, airport), and another firm scheduled to present their proposal on November 20.

UNFINISHED BUSINESS

Hayes Circle

Musgrove briefly described ongoing discussions about discrepancies with Hayes Circle.

Leith reported she sent letters to the four landowners about the failed vote at the October 16, 2018 meeting. She received no response from three of them. Referring to a memo that detailed expenses to resolve issues, she said

the title agency and a couple realtors agreed that closing services (\$1,573) and title insurance (\$2,475) were not necessary. The recent survey was \$2,500 and legal fees to date were \$1,500. Four to six more hours are needed for legal services (\$1,500 estimate), including drafting an ordinance. Recording fees (\$200) and plat certificate (\$1,000) are also pending.

Discussion followed regarding total fees to resolve Hayes Circle without title insurance and closing fees (\$6,700), the four landowners committing \$1,000 each, and the City not committing to rebuild the road.

Hallgren moved to commit up to \$3,500.00 to resolve Hayes Circle, excluding title insurance and closing services, contingent upon the four landowners paying \$1,000.00 each; Lester seconded.

Motion passed on a roll call vote with four voting in favor (Hallgren, Levinson, Lester, Musgrove) and Heinbockel recusing himself.

Cyber Security

Leith referenced John Johnston's nine-page *Summary of IT Security Assessment and Recommendations as of October 25, 2018*. She said he spent half a day assessing computers at City Hall and provided two options to upgrade to a more secure environment. A Firewall would be required for either option and to also "procure insurance ... in the case of a data breach." Leith added, "the more secure, the better the insurance rates."

Hallgren said the biggest concern is loss of data. He favored Option One because of both backing up at regular intervals and off-site storage.

Musgrove reported cyber security is not budgeted, so whatever is decided, Option One or Option Two, must be part of next year's reconciliation. He asked to create a line item for IT support in the upcoming budget cycle.

Hallgren moved to approve Option One as presented, not to exceed \$8,500.00; Heinbockel seconded.

Discussion followed regarding the one-time expense to secure computers, Johnson available to provide IT support, why a procedure was not implemented before, and Matanuska-Susitna Borough's recent cyber-attack.

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

Hallgren suggested contacting Alaska Municipal League (AML) about insurance recommendations.

Visitor Center Septic System

Leith reported the pipe between the Visitor Center and the septic tank needs repaired according to Danny James. Joel Wiggins believes the problem is the leach field. Glacier Point Services, a Fairbanks business, charges a minimum of \$1,300 to conduct an inspection with a camera.

Heinbockel said he would support running a camera. When it comes time to pay for septic repairs, he would hold out for a 50% match from the Chamber. He'd like to establish an arrangement with the Chamber or whoever occupies the Visitor Center, so that savings can eventually cover maintenance issues, similar to leasing Rescue Squad ambulances to Delta Medical Transport for \$500/month.

Discussion followed regarding putting off repairs to spring, whether to build a new leach field because of its age (installed around 1986), and the Chamber's intent to utilize the Visitor Center throughout the winter.

Heinbockel moved to inspect the septic system at the Visitor Center with a camera, not to exceed \$2,000.00;

Levinson seconded.

Hallgren agreed to inquire with the Chamber about establishing a sinking fund for the Visitor Center.

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

NEW BUSINESS

Roberts Replat

Musgrove reported Lot 3, a 0.1-acre piece of land, was removed from Sipes Subdivision on October 16 and added to Lot 1, Block 2, Riverview Subdivision.

Discussion followed regarding Sebastian Saarloos, Delta Surveys, representing Donald and Marilea Roberts, owners of Lot 1, Block 2 of Riverview Subdivision and Lot 3 of Sipes Subdivision, two lien holders yet to sign off on Lot 1, and finalizing Roberts Replat on November 20.

Hallgren moved to approve the preliminary plat of Roberts Replat; Heinbockel seconded.

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

City Purchases over \$1,000

CK# 219789 to Aetna in the amount of \$14,255.57 for November group health insurance

CK# 219790 to Airport Equipment Rentals in the amount of \$2,460.00 to rent lift for ice arena and dozer for Airport II

CK# 219791 to Delta Surveys Associates in the amount of \$1,400.00 for landfill survey for permit renewal

CK# 219792 to Delta Concrete Products in the amount of \$18,263.36 for leach rock and pit run at Airport II

CK# 219793 to ProComm Alaska LLC in the amount of \$3,233.44 for new 911 repeaters and installation on AT&T tower

CK# 219794 to John Johnston in the amount of \$1,282.25 to assess municipal computers and develop a Standard Operating Procedure

CK# 219795 to ARS Aleut Analytical, LLC in the amount of \$1,695.75 for annual water testing at City facilities

CK# 219796 to Delta Transport Services, LLC in the amount \$3,380.02 for heat and vehicle fuel

CK# 219797 to Emulsion Products in the amount of \$3,780.00 to cold patch city streets

CK# 219798 to Morley Electric, Inc. in the amount of \$6,400.00 to install exterior lights on back wall of library and electric heater at landfill scale house

CK# 219799 to ESRI, Inc. in the amount of \$1,523.00 for mapping software renewal

Levinson moved to approve checks #219789 through 219799 as presented; Hallgren seconded.

Discussion followed regarding the E911 account paying ProComm and repeaters shared by emergency responders and Alaska State Troopers who use the Alaska Land Mobile Radio frequency (CK# 219793), asphalt used on streets and a sink hole at the Triangle (219797), water testing now billed annually instead of quarterly (219795), and an alarm at the landfill scale house to warn against freezing up during a cold spell.

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

REPORTS

Mayor – JW Musgrove reported City Hall will be short staffed November 12/16 because of staff (Leith, White) and Council (Hallgren, Lester, Brown) attending the Alaska Municipal League conference in Anchorage.

Hallgren said the City will pay his registrations to attend the mayor's meeting and the AML business meeting at the conference and four nights at the hotel, but he will pay registration for the manager's meeting and his travel.

City Administrator – Mary Leith reported:

- Bristol Engineering is working on the three-year landfill permit renewal, which is due December 30.
- Television reception is intermittent.

Discussion followed regarding area residents asked to replace home antennas with newer equipment (Solid Signal Model HDB8X that can be purchased online at solidsignal.com for about \$80) and Hallgren getting good reception from a 20-year old antenna and an amplifier from Radio Shack.

City Clerk – Pat White reported:

- There was a steady voter turnout at the polls in today's statewide General Election. [Clerk note on November 7: Over 1,300 ballots were cast at the local polls, which was 35% turnout from the two precincts, Delta Junction (608) and Deltana (600).]
- The community is invited to a Veterans Day Ceremony at the Delta High School on November 9.

Finance – Stephanie Erickson reported three people from the new audit firm, Cook & Haugebert, were at City Hall for three days last week.

Discussion followed regarding Erickson's budget summary through September 30, 2018, preparing a reconciliation after December, increased trash and septic waste from military activity (\$20,000 in revenue last month), and the exceptional state of the current landfill operation.

LEPC / Emergency Preparedness – Stephanie Erickson reported LEPC did not meet on November 5. They are scheduled to meet the second week in January. Several LEPC members attended the Hale Borealis conference in Anchorage.

Airport – Alan Levinson reported volunteers are compacting snow and one new tie-down was rented out.

Musgrove reported road construction at Airport Subdivision II will resume in the spring.

Public Works – Lou Heinbockel asked about the status of the sander and the auger.

Leith reported dry sand is stored in the dump truck.

Erickson reported a new sander was purchased for the back of the pickup, but it has not arrived yet.

Discussion followed regarding getting rid of the old sander via surplus.

Park / Recreation – Mary Leith reported trash receptacles have not yet been removed from the park, the pavilion was winterized, the outhouse near the Little League field was locked, but the one on Kimball was not. She would make sure all facilities were pumped.

Discussion followed regarding ice in use at the Liewer-Olmstead Ice Arena and installing the new furnace.

At Large – Pete Hallgren reported the Pogo Advisory Board met last week to divvy up the remainder of \$150,000 that they donate to the community. Pogo Mine will present their annual show-and-tell at City Hall on November 14 and more information will be shared about them selling the mine to an Australian firm.

Additional Reports – Tony White, Fire Chief, Delta Junction Volunteer Fire Department (DJVFD), reported:

- 300 to 350 kids attended the annual Halloween Open House at the fire station on October 31. Over 200 cupcakes were distributed in just the cake walk.
- The old engine (pumper) that was donated to DJVFD will be winterized and put in an auction in the spring. If it is transferred to another community, it would need to be recertified as a pumper.
- The Pogo Advisory Board donated \$6,250 to the DJVFD to purchase a second snow machine. They have a sled to transport patients but need another one for additional patients and/or gear.
- A general-purpose vehicle is needed; a truck to pull snow machines or trailers and to respond to accidents and emergencies. He questioned whether money already budgeted (June 5, 2018) could be moved because SCBA equipment and Conexes are no longer needed. He asked for authorization to research a used command truck.

Discussion followed regarding researching vehicles under \$10,000 and presenting a proposal on November 20.

- The DJVFD has increased to over 20 volunteer firefighters, most of them young. White is awaiting certification, so he can offer training locally. Instead of sending firefighters outside for training (\$5,000 each), it will cost \$200 for each textbook. They will also train with Rural Deltana and Fort Greely. White asked if DJVFD could utilize the old Delta Rescue Squad room in the Public Works building.

Musgrove asked White to include the request in his proposal. The Fire Marshal will need to be contacted and insurance coverage will need to be reviewed.

ADDITIONAL PUBLIC AND COUNCIL COMMENTS

Heinbockel recommended giving City employees and volunteers \$50 gift certificates for Christmas.

Discussion followed regarding purchasing them from IGA or the Chamber of Commerce.

Heinbockel reported Veterans Day, originally known as Armistice Day, celebrates the end of World War I. His wife's uncle passed away two weeks ago in Orlando, Florida four months short of his hundredth birthday. Uncle Harry flew a B17 between North Africa and Europe as the pilot, the bombardier, or the navigator for three years in the early 1940s. He retired as a Lieutenant Colonel and was a Silver Star recipient. He is one of the last veterans from that generation.

Craig Cugini, Deputy to the Fort Greely Garrison Commander, speaking as an advisor to the Chamber of Commerce, urged the Council to communicate with the Chamber. Establish a liaison or encourage the Chamber report to the Council. Running the Visitor Center is not a profitable operation. Is the Visitor Center the best location for the restroom or could a small rest stop be more accommodating, especially when the Visitor Center is closed? Could changes be made when septic issues are resolved next spring? Should the parking lot be redesigned? How does the City and the Chamber view the future?

Discussion followed regarding possibly building a new pit toilet, State of Alaska outhouses closed during winter months, and the Chamber being self-sustaining in the past.

ADJOURNMENT

Levinson moved to adjourn at 7:51pm; Lester seconded.