

City Council Minutes
Regular Meeting
June 18, 2019 ~ 5:00PM
City Hall, Delta Junction, Alaska



The regular meeting of the Delta Junction City Council was held on Tuesday, June 18, 2019 at City Hall. Mayor JW Musgrove called the meeting to order at 5:00pm.

City Council members present: Mayor JW Musgrove, Deputy Mayor Freda Degnan

Pete Hallgren, Alan Levinson, Charles Lester, Lou Heinbockel, Audrey Brown (telephonically)

City staff present: City Administrator Mary Leith, Finance Officer Stephanie Erickson

Administrative Assistant Flower Cole, Library Director Joyce McCombs, City Clerk Pat White

Seven local residents and two out-of-town auditors were present at the start of the meeting. Michael Prestegard monitored radio equipment while the meeting was broadcast over KDHS 95.5 radio.

AMENDMENTS ~ APPROVAL OF AGENDA

Brown moved to approve the June 18, 2019 agenda as presented; Degnan seconded.

Motion passed unanimously on a roll call vote.

AMENDMENTS ~ APPROVAL OF MINUTES FROM PREVIOUS MEETING

Brown moved to approve the June 4, 2019 minutes as presented; Lester seconded.

Leith referenced the *Library Report* on page 3 of the June 4 draft minutes and said “the Adult Book Club meets at the library on Mondays year-round” was incorrect.

Discussion followed regarding the adult book club, Junction Readers, meeting on the third Monday of each month, except in July and when temperatures are minus 30 or colder, and allowing Brown to abstain from voting, so she could listen to the recording of the June 4 meeting.

Motion passed on a roll call vote to approve the amended minutes with six voting (Degnan, Lester, Heinbockel, Levinson, Hallgren, Musgrove) and one abstaining (Brown).

COMMENTS FROM THE AUDIENCE

Michael Paschall, speaking as a representative of the Local Emergency Planning Committee (LEPC), said they are experiencing changes: 1) City staff will no longer do secretarial duties for the LEPC, effective June 30, and 2) it is unlikely that the legislature will fund the LEPC in the upcoming fiscal year. Lack of funding will impact local attendance at the annual preparedness conference, whether a conference is even scheduled, and most importantly, the local House Identification Project (residence signs). Paschall said LEPC is working on alternate sources to continue funding the project and they are not interested in changing procedures, specifically charging for the service. He referenced recent reports that LEPC is unable to meet because of failure to get a quorum. Their quorum is structured in such a way that, even though enough members may be present, they do not count toward a quorum. LEPC continues to function, relying on individual membership and organizations they represent. Their purpose is to bring members together to discuss emergency preparedness for the local area. See additional discussion under *Ordinance 2019-05, FY20 Budget* (pages 3+4).

REQUEST TO SPEAK

Kara Moore, Cook & Haugeberg – FY18 Audit

Kara Moore, representing Cook & Haugeberg Certified Public Accountants, presented the FY18 audit. She briefed Council on highlights, starting with a three-page audit opinion and she explained sampling 25 to 40 transactions, i.e. expenses from the check register or payroll or cash receipts, and the process of testing them to ensure proper handling. Moore said financial statements were presented fairly in all material respects. A clean opinion was determined in 2017 also but done by a different audit firm (BDO). More data is reflected in the new audit because of new GASB (Governmental Accounting Standards Board) requirements. Moore reported an old building had never been removed as a capital asset, even though it had been demolished years ago. One reoccurring material weakness is segregation of duties, which is not uncommon in smaller municipalities that do not have an employee pool to draw from. Having others review the Finance Officer’s work, approve timecards and payroll checks, etc. are ways to mitigate control. Efforts to resolve the problem have steadily improved

since 2016. Delayed reporting was another finding. It was related to research necessary from Cook & Haugeberg, as the City's new auditors, and implementing the new GASB standard. Moore said she anticipated the next audit report will be delivered before it is presented at a public meeting, to allow ample time for review. There have been significant strides already in preparing the FY19 audit and Moore said she expects it to be finished by early December. She explained recommendations: to consider expanding investment policies, establish a capitalization threshold to track assets, use caution when purging assets that are related to grant funding, and periodically review employee personnel files to ensure they are up to date.

CORRESPONDENCE

Invasive Plant Management July through September 2019

Toni Smith, Salcha-Delta Soil and Water Conservation District (SWCD), explained efforts to prevent invasive plants from moving into agricultural areas and asked the City to partner with them, so they can treat sites around the cemetery, Jack Warren/Tanana Loop Extension intersection, and Mil-Tan Road. Herbicides were applied last year, but White Sweetclover was not totally eradicated. SWCD is working with the Department of Transportation to treat Bird Vetch along Jack Warren Road. Signs are posted at both ends of application areas and trail heads for 24 hours, even though the herbicide is only toxic while wet (about four hours).

Heinbockel moved to approve the request to apply Milestone herbicide around Rest Haven Cemetery and in ditches along Mil-Tan Road; Degnan seconded.

Brown questioned flagging where herbicide is sprayed.

Smith said toxicity is specific to plants, not mammals. Once applied, plants wither and die within 14 days.

Potential for exposure to Milestone while picking berries would be low and areas that are treated are typically small, a few feet max. Pocket-size pamphlets about invasive plants are available at the district office, Deltana Fair, and online (Alaska Weeds ID app). Smith said Milestone is effective for roadsides, but not gardens.

Motion passed unanimously on a roll call vote.

UNFINISHED BUSINESS - none

NEW BUSINESS

City Purchases over \$1,000

CK# 220125 to Aetna in the amount of \$13,197.86 for June group health insurance

CK# 220126 to GVEA in the amount of \$3,526.47 for May electricity

CK# 220127 to Buffalo Center Services in the amount of \$1,469.50 for equipment and vehicle fuel

CK# 220128 to Delta Transport Services in the amount of \$1,501.52 for heating and equipment fuel

CK# 220129 to ACS in the amount of \$1,685.03 for May phones and Internet

CK# 220130 to Airport Equipment Rentals in the amount of \$1,232.50 to rent excavator for cemetery and dozer for use at airport subdivision

CK# 220131 to Wells Fargo Credit in the amount of \$1,650.57 for miscellaneous credit card charges

Heinbockel moved to approve checks #220125 through 220131; Lester seconded.

Discussion followed regarding credit card charges to buy flowers that were planted outside City Hall and a window curtain for an office in City Hall (CK# 220131).

Motion passed unanimously on a roll call vote.

Adopting 2018 CPI-U

Musgrove reported the Cost of Living Allowance (COLA), based on the previous calendar year's Consumer Price Index (CPI) from the U.S. Department of Labor, must be reviewed every year before adopting the Salary / Step Schedule (*Resolution 2019-05* – page 3) and the new budget (*Ordinance 2019-05* – pages 3+4). Discussion followed regarding the 2018 CPI average (3%) for Urban Alaska (CPI-U), previously called Municipality of Anchorage (CPI-W), already calculated into the FY20 proposed budget.

Heinbockel moved to adopt the 2018 CPI-U for FY20, effective July 1, 2019; Hallgren seconded.

Motion passed unanimously on a roll call vote.

Resolution 2019-05, A Resolution Amending Employee Salary / Step Schedule A and Adopting Employee Salary / Step Schedule B for the City of Delta Junction, Alaska

Musgrove explained that the symmetric flow of the salary/step schedule was erred when it was instituted (Resolution 2016-01 adopted July 7, 2015), affecting two employees with incorrect grade and pay steps.

Resolution 2019-05 will correct the anomaly. One hourly employee retired. One Grade-5 employee will follow Employee Salary Schedule A, which won't limit pay increases and it will ensure he does not make less income in later years because of the erred pay scale. All remaining employees and any new hires will follow Employee Salary Schedule B.

Erickson explained that the pay scales were designed similar to what Fort Greely and the School District used. The 3% and 7% step increases were copied from federal guidelines. Numbers in Grades 3 and 4 in Step 1 were swapped and the 10% gap in Grade 5 was fixed.

Hallgren said implementing the salary/step schedule was highly contentious, but it eliminated employees asking for pay raises each year. Errors were found upon adopting it and he was surprised with still dealing with errors.

Musgrove reported a newly found typo, Grade 3 (\$16.10) and Grade 4 (\$15.97) in Step 2 of Salary Schedule B hourly wage increases, would be reversed.

Hallgren moved to adopt Resolution 2019-05 as presented; Heinbockel seconded.

Hallgren referred to the note on the bottom of Salary Schedule B, "Any new-hire above Step 1 will be limited in the number of step increases available to them," and said hourly employees would not go above Step 20.

Musgrove said Grade 5 employee receives a slight increase in wages, which was reason to retain Schedule A.

Hallgren amended the motion to change Grade 3 and 4 in Step 2 as discussed; Heinbockel agreed.

Motion passed on a roll call vote to amend and adopt Resolution 2019-05 with six in favor (Heinbockel, Levinson, Lester, Degnan, Hallgren, Musgrove) and one opposed (Brown).

Second Reading, Public Hearing, and Adoption of Ordinance 2019-05, An Ordinance for the City of Delta Junction, Alaska Providing for a Budget for the Fiscal Year 2020

Brown moved to hold the second reading and public hearing of Ordinance 2019-05; Lester seconded.

Hallgren said *Budget Draft 1* and *Budget Draft 1 – Mayor* were presented on May 21 when Ordinance 2019-05 was introduced. *Budget Draft 2* was presented during the work session on June 10. Changes during the work session resulted in *Budget Draft 3*, which was presented for the second reading, public hearing, and possible adoption of Ordinance 2019-05.

Hallgren moved to amend the motion to substitute *Budget Draft 3*, dated June 12, 2019; Brown seconded.

Motion passed unanimously on a roll call vote to use *Budget Draft 3*.

Hallgren moved to open the public hearing portion of Ordinance 2019-05.

Motion passed unanimously on a roll call vote to open the public hearing.

Mike Paschall referenced \$1,000 allocated as *House Identification* under Administration and a note that limits House Identification Program (HIP) signs to City residents, but also requires them to pay 50% of the sign cost. He said the LEPC represents the entire district, not just those inside the city limits. Limiting the number of homes will make the program more difficult to administer and it will result in less participation. Volunteers verify GPS coordinates for each address and install posts and signs. Paschall asked why E-911 funds could not be used to fund the project.

Erickson said the 911 budget no longer has a surplus.

Discussion followed regarding benefits of identifying homes in the community, City staff administering LEPC funds and the HIP (accepting applications, ordering signs, and paying for them), Deltana Community Corporation (DCC) interested in partnering, whether to charge (\$29 for sign and \$75 for two posts) and accept donations, and 172 signs installed to date out of approximately 1,800 residences in the area.

Paschall suggested encouraging people to pay, if they can afford it, to stretch funds for those who can't.

Andrew Morton, DJVFD Assistant Fire Chief, questioned cutting \$5,000 from the Fire Department supplies and new equipment and said their SCBA (self-contained breathing apparatus) air packs are close to expiring and will need to be replaced in the near future. They cost \$4,500 each. All 14 will cost \$63,000. Replacing 10-year old bunker gear has been a priority and most firefighters wear the new gear, but Morton said he needs to outfit

four more this year (\$2,500 each). Three volunteer firefighters are slated for Firefighter I and Firefighter II training, which would cost \$12,000 total.

Discussion followed regarding whether firefighters are required to volunteer for a year or two once they receive their training certification, committed firefighters typically recruiting more volunteers, Morton handing a written proposal to Mayor Musgrove, and making effort to reach out to departments early in the budget cycle.

Hallgren moved to close the public comment portion of Ordinance 2019-05; Brown seconded.

Musgrove called for objection with none being offered.

Brown moved to eliminate the line entry to charge residents 50% for house signs and to welcome donations from the community to support the House Identification Program; Hallgren seconded.

Heinbockel asked to still encourage residents to pay 50% of the sign cost.

Motion passed unanimously on a roll call vote to remove the line entry and leave \$1,000 earmarked for the HIP.

Degnan moved to increase the DJVFD new equipment line from \$8,000 to \$12,000; Hallgren seconded.

Motion passed on a roll call vote with five in favor (Hallgren, Degnan, Heinbockel, Levinson, Musgrove) and two opposed (Lester, Brown).

Discussion followed regarding \$2,700 estimated to repair burnt electrical lines to street lights on Nistler Road (motorhome fire on June 17), Musgrove's goal to utilize the vandalized facility at the old landfill on Tanana Loop Extension, and Rural Deltana making plans to remove their belongings (vehicle, parade float, etc.).

Heinbockel suggested disposing of the old landfill building as surplus material.

Hallgren reported revenue from reserves can be added and the budget can be amended by ordinance at any time.

Degnan moved to adopt Ordinance 2019-05 with the amended Budget Draft 3; Lester seconded.

Heinbockel questioned \$100,000 budgeted for Contracted Services under Land Sales.

Erickson said \$65,000 was spent on development of Airport Subdivision II as of May 31. Work is still being done on the French drain. Five electric poles (\$25,000) will not be installed until after fiscal year 2019 ends.

Motion passed on a roll call vote with four in favor (Degnan, Levinson, Hallgren, Musgrove) and three opposed (Lester, Heinbockel, Brown).

REPORTS

Public Health – Freda Degnan – no report

Library – Freda Degnan reported:

- More than 100 children are participating in the five summer reading programs. The Library Board finances arts and crafts projects, incentives, the reward party, and books that every child takes home each week.
- The Library Board donated six hanging baskets for the Sally Young Memorial Walkway. Board members water and maintain the flowers and will notify the City if any baskets are stolen again this year.
- The Library Director position has been posted on local, state, and national websites, and in several newspapers. The position requires a college degree and supervisory experience.

Leith reported they received one application from Sitka and another person picked up an application.

- Joyce McCombs will share annual statistics, due to the State Library after June 30, at a later date.

Schools – Freda Degnan – no report

Degnan was excused at 7:44pm.

Mayor – JW Musgrove reported a library patron expressed concern with difficulty in opening the front doors. According to Ben Greenleaf, it would be relatively easy to motorize the library doors for \$5,000 each. The existing doors cost \$30,000 and were courtesy of a Capital Improvement Project grant from the State of Alaska. Discussion followed regarding posting a sign with the library phone number for assistance or an electric doorbell and inspecting doors in all City facilities.

City Administrator – Mary Leith reported:

- The Council approved the Better Opportunities for Single Soldiers (BOSS) project to upgrade the milepost marker next to the Visitor Center (on October 2, 2018). It was to be completed before the Chamber opened the Visitor Center in May, but it will remain on hold until fall.

- She is expecting a letter of instructions from the Environmental Protection Agency (EPA) to resolve violation of the Safe Drinking Water Act associated with the Public Works / fire station and landfill leach fields. The penalty will not be paid before the new fiscal year starts in July.

City Clerk – Pat White reported:

- Jeremy Johnson, Region III Election Supervisor, requested the City provide absentee / early voting during the two weeks prior to State-run elections. It will be a topic on the July 2 Council agenda.
- Normally passports require four to six weeks to process. It now takes six to eight weeks. Anyone traveling within eight weeks is required to pay additional fees to expedite the process, cutting time to two to three weeks. People traveling within two weeks or those who need a foreign visa and traveling within four weeks should schedule an appointment with the Seattle Passport Agency.
- Renovating the Betty Crocker fire truck has been brought up multiple times in the past, either to put on display at the triangle and/or drive through town during the fair parade. The 1974 Ford Class A 1,000-gallon pumper truck made history because it was purchased with 6,960,000 Betty Crocker coupons that were collected between June 1970 and July 1972. It arrived in March 1973 but was totaled in March 2001 in an accident that killed Assistant Fire Chief Chris Kobierowski. White said she was researching feasibility to restore the historic fire truck.

Finance – Stephanie Erickson reported auditors will continue work on the FY19 audit tomorrow.

LEPC – Audrey Brown – no report

Emergency Preparedness – Audrey Brown – no report

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

Motion passed by unanimous consent.

Airport – Alan Levinson reported:

- More work was done on Airport Subdivision II roads and the French drain.
- Part of the Golden Eagle Outfitters' operation has been removed from the airport.

Public Works – Charles Lester reported the Public Works crew attempted to grade several roads and clean up trees and brush along roadsides.

Musgrove said he spoke with Chris Morley about sealing cracks in City streets.

Park / Recreation – Lou Heinbockel – no report

Cemetery – Mary Leith reported one new grave was dug for a burial and four more were prepared for winter burials.

At Large – Pete Hallgren reported:

- He, Alan Levinson, Freda Degnan, and Flower Cole attended the Change of Command Ceremony at the Fort Greely Community Activity Center on June 13.
- He attended a 1 1/2-hour teleconference on June 11 with Alaska Permanent Capital Management (APCM) representatives, Mayor Musgrove, Mary Leith, and Stephanie Erickson to discuss revisions to the Permanent Fund City Code of Ordinances (§1.37). [Note: Ordinance 2019-04 was voided and replaced with 2020-01, which will be introduced on July 2, 2019.]

Additional Reports – no report

ADDITIONAL PUBLIC AND COUNCIL COMMENTS

Musgrove called for additional public and Council comments with none being offered.

ADJOURNMENT

Heinbockel moved to adjourn at 8:05pm; Lester seconded.