

**City Council Minutes**  
**Special Meeting**  
**June 24, 2025 ~ 5:00PM**  
**City Hall, Delta Junction, Alaska**



**CALL TO ORDER / PLEDGE OF ALLEGIANCE / PRAYER**

Mayor Igor Zarembo called the meeting to order at 5:01pm.

**Council members present:** Mayor Igor ZAREMBA, Deputy Mayor Mary LEITH,  
Michael PRESTEGARD, Pete HALLGREN, Michael PHELAN, Travis RIESNER

**Council present via zoom:** Lance STRICKLIN

**City staff present:** City Administrator Lori Roberts, Finance Officer Kaylee Reiersen

**Public present:** Five people were present during the meeting.

**PUBLIC COMMENTS**

Dusty Wright referenced the large portion of the budget used for employee payroll and suggested employees volunteer like many other organizations. He questioned affording one million for EMS services and \$52,000 for library boiler repair while “on a fixed income.”

Roberts explained Federal Payment in Lieu of Taxes (PILT) according to non-taxable land in service areas and that the City of Delta Junction received \$1,250,000 in PILT income for FY26.

Stricklin reported \$35 million in PILT was divvyed up in Alaska.

Discussion followed regarding underestimating income and overestimating expenses, projects accomplished in the past year, and the prison debt finished in FY28.

Hallgren explained repaying a \$1.2 million no-interest loan to the State of Alaska (\$50,000/year) after they paid off lawsuits with Allvest over the sole-sourced prison debacle. The loan would have been forgiven had area residents incorporated into a borough, but the 2007 State-run election resulted in 91% of voters opposed to borough formation.

Alan Levinson, speaking on behalf of past Councilman Lou Heinbockel, said he opposed paying the \$50,000 prison debt each year.

**Second Reading, Public Hearing, and Adoption of Ordinance 2025-08, an Ordinance for the City of Delta Junction Providing for a Budget for the Fiscal Year 2026**

Motion: Leith moved to hold the second reading of Ordinance 2025-08, using Draft 3, dated June 18, 2025;

Hallgren seconded. Motion carried.

Reiersen explained amendments since the budget was introduced on June 17: *\* removing administrative income from conference room rental (\$1,000 – page 3), increasing administrative interest income (\$110,000 to \$290,000 – page 3), increasing addressing interest income (\$1,500 to \$1,800 – page 10), and increasing landfill interest income (\$3,250 to \$45,000 – page 12).*

Discussion followed regarding whether to put landfill interest (\$45,000) in savings, drawing from savings to pay for large expenses (thermos sensors, cemetery expansion, Fire Department equipment, library boiler and support of EMS), the FY26 remaining balance (\$1,089) not affected by interest income, and reallocating funds to general savings or specific department accounts at the end of FY25.

Hallgren said he favored hiding money into savings.

Motion: Hallgren moved to open for public comments; Prestegard seconded. Motion carried.

Tim Holoday said the appearance of budget drafts not being available to the public “casts a discerning eye” on the budget process. A path needs created for the public to follow. He questioned discrepancies in the FY26 expenditures and income, and how Rural Alaska Emergency Services (RAES) contributions are passed onto Delta Medical Transport. He questioned City involvement in supporting EMS, whether landfill fees will still be allocated toward EMS.

Hallgren reported the City will continue contributing 3¢ per pound from landfill income to support EMS but there is no answer for continuing ambulance services past March 31, 2026.

Discussion followed regarding Holoday’s concerns, not including interest in the budget as useable income, and adding more details to explain EMS income (line item of \$135,000 from RAES).

Stormie Mitchell asked why the City is paying so much (\$5,190) for insurance on the Visitor Center.

Reierson reported \$2,327 covers the building, \$519 covers brokerage services, and \$2,344 covers general liability.

Discussion followed regarding the City owning the Visitor Center and it being a high-traffic facility.

Mitchell asked to break down facility maintenance expenditures, i.e., man hours, materials, and work orders to support \$3,000, why the Visitor Center expenditures (\$207,526) exceed income (\$500 lease), how the Council will adjust the budget to support EMS, why savings were used to expand the cemetery (\$22,000 to survey new plots), not contracting lawn maintenance (done in-house with City employee), and why administration costs so much (salaried employees with health benefits). She suggested Mayor Zarembo assume the City Administrator's duties and cut the position. What is the Council doing to make a dent in the City's deficit to pay for EMS after March 2026? She questioned spending funds to upgrade facilities instead of building savings. She asked if contracts will be finished, i.e., installation of cameras. She asked to see receipts.

Phelan explained taking care of projects while they're manageable, Council members volunteering to pick up tasks, and cutting spending by using employee labor instead of contractors.

Zarembo reported cutting the City Administrator position is not a consideration. Aside from Roberts' administrative duties, her grant-writing skills are beneficial to the City.

Hallgren reported the City does not have a source of revenue to sustain the ambulance service, which will cost \$1,000,000/year, approximately one-third of the City's income. The City cannot cut one-third of its expenditures. He referred to Mitchell's what-are-you-doing-for-next-year question and said there is no solution, but "we're working toward it." Many community-minded individuals and Council members have volunteered countless hours to work toward resolving the situation.

Roberts reported that the ambulance service is a community problem, not just the City's. Three-quarters of the community live outside the City limits. Allocated funding from the landfill (\$218,750 in FY26) and contributions collected from residents could support an ambulance service. Big sponsors do not want to support the EMS if area residents are not invested. She encouraged donations of \$25/month for each family member.

Mitchell asked how much the City could commit to support EMS.

Zarembo reported the City allocates funds from the landfill, but the amount depends on trash volume. The current focus is finalizing the FY26 budget.

Motion: Leith moved to close the public hearing; Stricklin seconded.

Motion passed unanimously on a roll call (Stricklin, Riesner, Phelan, Hallgren, Prestegard, Leith, Zarembo).

Discussion followed clarifying changes between the June 18 and June 25 budget drafts: EMS Expenditures for professional services totaled \$776,324 (page 9), EMS income from RAES pass thru community contributions totaled \$135,000, \$15,000/month for nine months (page 9), total EMS income = \$971,012 (page 9), plus four others (see Reierson's comments \* page one).

Motion: Hallgren moved to adopt the FY26 budget, using Draft 3, dated June 18, 2025 with noted amendments; Stricklin seconded.

Motion passed on a roll call with six voting in favor (Leith, Hallgren, Phelan, Riesner, Stricklin, Zarembo) and one opposed (Prestegard).

**ADJOURNMENT – 7:01pm**

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Igor Zarembo, Mayor

CITY  
SEAL

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Pat White, City Clerk