



CITY OF NORTH POLE *Alaska*

REGULAR CITY COUNCIL MEETING **Monday, December 5, 2016**

MAYOR

Bryce Ward – Borough Rep
888-4444

CITY CLERK

Kathy Weber, MMC
488-8583

COUNCIL MEMBERS

Kevin McCarthy- Alt Dep Mayor Pro Tem	590-0800
Avery Thompson	388-5351
David Skipps	750-5106
Santa Claus	388-3836
Thomas McGhee – Mayor Pro Tem	455-0010
Doug Isaacson - Deputy Mayor Pro Tem	322-3133

- 1. Call to Order/Roll Call**
- 2. Pledge of Allegiance to the US Flag**
- 3. Invocation**
- 4. Approval of the Agenda**
- 5. Approval of the Minutes**
- 6. Communications from the Mayor**
- 7. Council Member Questions of the Mayor**
- 8. Communications from Department Heads, Borough Representative and the City Clerk**
- 9. Ongoing Projects Report**
- 10. Citizens Comments (Limited to Five (5) minutes per Citizen)**

11. Old Business.

- a.** Ordinance 16-28, an Ordinance of the City of North Pole, Alaska to amend Title 13, Public Services
- b.** Resolution 16-27, a Resolution of the North Pole City Council establishing the 2017 Operating and Capital Budget and levying the mill rate, 3rd and final reading

12. New Business

- a.** Appeal by Lazerwash/Detroit Hot Spring Car Wash for the late fee charge of \$25.88
- b.** Approval of the North Pole Planning Commission Representative, David Brandt
- c.** Approval for the appointment of Bill Butler for the Interior Gas Utility Board Seat
- d.** Resolution 16-16, A Resolution establishing the 2017 City of North Pole Bed Tax Grant Distribution
- e.** Resolution 16-17, A Resolution supporting local control in the issuance of Liquor Licenses within first class and home rule Cities.

13. Council Comments

14. Adjournment

The City of North Pole will provide an interpreter at City Council meetings for hearing impaired individuals. The City does require at least 48 hours' notice to arrange for this service. All such requests are subject to the availability of an interpreter. All City Council meetings are recorded on CD. These CD's are available for listening or duplication at the City Clerk's Office during regular business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m. or can be purchased for \$10.00 per CD. The City Clerk's Office is located in City Hall, 125 Snowman Lane, North Pole, Alaska.



**Committee of the Whole – 6:30 P.M.
Regular City Council Meeting – 7:00 P.M.**

A regular meeting of the North Pole City Council was held on Monday, November 21, 2016 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

CALL TO ORDER/ROLL CALL

Mayor Ward called the regular City Council meeting of Monday, November 21, 2016 to order at 7:03 p.m.

There were present:

Mr. McCarthy – Alt Dep Mayor Pro Tem
Mr. Isaacson - Deputy Mayor Pro Tem
Mr. Thompson
Mr. McGhee - Mayor Pro Tem
Mr. Claus
Mr. Skipps
Mayor Ward – Borough Rep

Absent/Excused

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Ward

INVOCATION

Invocation was given by Councilman McGhee

APPROVAL OF AGENDA

Mr. McGhee *moved to approve the agenda of November 21, 2016*

Seconded *by Mr. Claus*

Discussion

None

Mr. McGhee *moved to amend by consenting under Old Business the following items:*
Old Business

- a. Ordinance 16-25, An ordinance of the City of North Pole, Alaska to modify Chapter 4.25, Designated Funds, by reinstating a funding mechanism to General Fund for Capital and Fleet expenditures

New Business

- c. Heating fuel bid recommendation to accept the lowest bidder, Sourdough Fuel, for the delivery and supply of heating fuel in 2017
- d. Ordinance 16-28, an Ordinance of the City of North Pole, Alaska to amend Title 13, Public Services
- f. Resolution 16-15, establishing the 2017 Capital Project Priority for the City of North Pole

Seconded by Mr. McCarthy

On the amendment

Discussion

None

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

On the main motion as amended

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

APPROVAL OF MINUTES

Mr. Isaacson moved to approve the Minutes of November 21, 2016

Seconded by Mr. McGhee

Discussion

None

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

COMMUNICATIONS FROM THE MAYOR

- Agnew Beck has scheduled an implementation meeting for November 29th at 6pm here at City Hall. This is an opportunity for the City to decide which items from the strategic plan we want to begin to implement. Please mark your calendars for this meeting, and agenda will be going out soon.
- December 2-5 is Winterfest put on by the North Pole Chamber of Commerce. Winterfest is a fun filled weekend that starts with a Bazaar at the North Pole Safeway Mall. It is then followed up by the Candle lighting ceremony at the North Pole High School Sunday at 2pm. Please mark your calendars for this North Pole Tradition.
- Last week was the Alaska Municipal League meeting in Anchorage. I would encourage anyone interested in the ALM's resolutions and position statements to go to their website. The conference was dominated by discussions of the State of Alaska's budget issues or as many people coined "Crisis" and how we can fix the problems. One thing is for sure, the longer we wait the less options we have.
- I will be doing a TV and audio commercial with the FNSB in regards to the air quality issues tomorrow. I will be asking people to be courteous of their neighbors and monitor there burning to ensure they are doing it properly with the proper materials (dry wood). Folks should also be paying attention to the Air quality stages and ensure they know what they mean and when they are allowed to bum and not bum.
- The Food drive brought in 355 lbs. of food for donation. The Police Department was the winner.
- Thankfully Delicious Baking contest winner was, Reba Fansler. Big thank you to Jamie for putting all of this together.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

- None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Police Department, Chief Dutra

- None

Fire Dept., Deputy Chief Coon

- Congratulations to the Police Department for the win with the Food Drive.

- They have tested out their Firefighter 1 students and that went really well.
- We announced our Deputy Chief last meeting, Chad Heineken. Chad is in charge of hiring a Captain.
- I will be out of town this week visiting family and then I go to the National Fire Academy next week and will be back in town by the next Council meeting.

Mr. McCarthy thanked the Fire Department EMT's for doing a fantastic job.

Mr. McGhee asked when the Christmas Truck will start traveling around town.

Deputy Chief Coon stated that they normally start about a week before Christmas.

Finance, Tricia Fogarty

- We received our payment of property tax in the amount of \$370,000. That is close to what we asked for in the budget and we are prepared to go over the 2nd reading of the budget.

Director of City Services, Bill Butler

Building Department

- Developers continue to express interest in new construction in the City.
 - Developers met with Mayor to discuss a multi-property development.

Public Works

- Heating fuel bid before Council this evening.
- Other than snowplowing, most Public Works activities are moving indoors.
 - Equipment maintenance and repair and interior building maintenance projects expected through the end of 2016.

Utility Department

- Utility rate increase ordinance before Council this evening.
 - Requesting an increase only for the sewer charge.
 - 2017 Utility budget is based upon this rate increase.
 - Rate increase is part of the ongoing effort to respond to loss of sewer revenue after Flint Hills stopped oil refining at the Flint Hill North Pole Refinery.
- Frost is penetrating much more quickly this years compared to last year.
 - Already have begun water dumps down manholes to keep sewer lines open.
 - Utility uses wastewater that has passed through the treatment process compared to the past practice when we used drinking water. Current practice saves energy and water.

Natural Gas Utility Board

- There appears to be growing momentum for the Interior Energy Project.
 - AIDEA has a goal to resolve transfer of PENTEX to IGU by December 31, 2016.
 - Jim Whitaker to be point person in Governor's Office for major projects, including Interior Energy Project

Borough Representative

- Mayor Ward was not able to attend the Borough meeting as he was sick.

City Clerk's Office, Kathy Weber

- None

ONGOING PROJECTS

- None

CITIZENS COMMENTS

Dawn Murph, 2644 Diamul St. North Pole

I presented the new 2017 Visitors guide for Explore Fairbanks. There is also an article in the guide from the Alaska Airlines magazine, October issue. The article is about Ice Fishing at Chena Lakes. I also provided Council with their 2016 through September Hotel Tax. North Pole is up over 5% from last year and borough wide we are over 8% over last year. Scott McCray their director of tourism just came back from a Taiwan, China sales mission. Scott and some industry partners were able to speak with about 400 travel trade representatives. There is a lot of interest in Alaska and the Interior. We did have to work with Brand USA because of the reduction in State funding. We headed that sales mission. On Decemebr 7th is our Annual Membership at the Carlson Center meeting luncheon will be at noon and just prior to that at 10:30 am our Communications Department is going to unveil our new website. We have been working on this all year and it's been a very creative process. Last time I was here I told you that we had just started our wi chat which is China's version of Facebook. We are one of the 1st destination marketing organizations to do a wi chat. We will have a sign put up at Hilltop in Chinese that has road condition warnings.

Mr. McGhee asks what Explore Fairbanks extranet is.

Dawn Murph states that the extranet is where you log into the Customer Relationship Management Module, within that you can see detailed reports on the work that they've done. You can also upload packets. They also post media articles and Travel Trade representatives. She encourages the Council to be at the Annual Membership meeting on December 7th.

Chief Steve Dutra, 125 Snowman Lane

Thanks the Council members for showing up and supporting the unveiling of the archway last week. There were at least a 100 or more people there. It was covered well by the newspaper and a couple news stations. It was phenomenal the amount of support we had. There is another group that is putting on another presentation they will be doing soon.

Jim William, 1125 Cloverleaf

Air quality update as of right now, the borough issued a stage 3 air quality alert for North Pole so the use of solid fuel burning devices is prohibited in the North Pole non-attainment area unless the temperature is -15 or colder and only certified EPA devices can be used. The monitoring plan we discussed at our working group meetings that plan is going forward. We are deploying our first set of 10 monitors in about a 10 block area in one of the neighborhoods in the Hurst area. The monitors will display air quality information on a 15 minute timer. Enforcement officers will be watching the monitors and will get a hold of air quality issues as they develop and engage citizens before it begins a problem. An engagement could be a knock on the door, a note, a comment or anything including a citation. The intention is to engage the citizens before it turns into a problem. Recycling is moving forward and they have approved the ordinance to fund the Recycling Management Position. The next step is getting the building lease together to operate the central recycling facility. Our goal is to consolidate all the recycling waste stream into one centralized facility by end of July. December 7th from 5:30-8 pm we will have an open house to look at the facilities and art from schools we have on display. Our Community Planning Department ran the house at the AML banquet and took 4 awards. The planning department did very well.

Mr. McGhee asks about the air attainment areas being so generalized and will the new monitors be more specific.

Jim Williams responds that the air quality control zones are formed around the EPA certified monitoring sites and there are only two of them in the borough. One is downtown by the borough and the other is by the fire station on Hurst Rd.

Mr. McGhee states that this containment area includes areas where people don't live. Areas that don't really have a problem are then being required to obey the rules of the area.

Jim Williams states that this can go either way. Unfortunately because of DEC & EPA rules this is how it is set up. That is one of the areas that we will be targeting.

Mr. McGhee thanks Jim Williams for all the meetings he attends.

Mr. Isaacson responds to the Recycling Manager position and concerns that the borough is doing away with any private efforts. He asks how the boroughs tax payer money is either hindering or helping the private efforts in recycling.

Jim Williams states his feedback is that most people in the borough want to do recycling. Every year plop borough tax dollars into private industries to develop recycling. We put an RFP out last year to a private firm to take on that recycling referral and not a single bid came in on that RFP.

Mr. Isaacson asks how do we know the majority of the public wants it and if it doesn't pencil out in the private sector, is it an indicator that we don't have the population to support it and will tax dollars be going to a worthwhile cause.

Jim Williams stated that his role is to execute the task that has been given to him by the Assembly and the Mayor so whether or not it is viable that is for the public to decide.

OLD BUSINESS

ORDINANCE 16-26, AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO AMEND TITLE 4, REVENUE AND FINANCE, CHAPTER 08 - SALES TAX

Mayor Ward introduced the Ordinance. He stated that they are proposing to raise the sales tax from 4 – 5% and from an \$8 - \$10 cap. There are other changes that are being considered and he informed council on those changes.

Discussion

- None

Citizens comments

- None

Mr. McGhee *moved to* adopt Ordinance 16-26, an Ordinance of the City of North Pole, Alaska to amend Title 4, Revenue and Finance, Chapter 08 - Sales Tax

Seconded by Mr. Isaacson

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

ORDINANCE 16-27, AN ORDINANCE OF THE NORTH POLE CITY COUNCIL ESTABLISHING THE 2017 OPERATING AND CAPITAL BUDGET AND LEVYING THE MILL RATE.

Mayor Ward introduced the 2017 operating and capital budget and levying the mill rate. He went over all sections of the budget. He explained that the City is presenting the budget on a program level.

Public Comment

- None

Mr. McGhee *moved to advance the 2nd reading of Ordinance 16-27, an Ordinance of the North Pole City Council establishing the 2017 Operating and Capital Budget and levying the mill rate to the 3rd reading for adoption.*

Seconded by Mr. McCarthy

Discussion

Mr. McGhee would like to see the breakdowns of each category in the budget at the Budget sessions.

Mayor Ward states that the intention are to provide the Council with the program level and category level at those meetings.

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

NEW BUSINESS

Approval to purchase laptops from Government Computer Sales IT Solutions with DHS & Emergency Management grant funds.

Chief Dutra asked approval to purchase Laptops - Grant #20SHSP-GY16

The North Pole Police Department received a grant for \$59,250 from the Department of Homeland Security and Emergency Management (DHS&EM) this year for the purchase of Police Laptops.

I sought and received a sole source approval from the DHS&EM to buy laptops from Government Computer Sales IT Solutions because they are a NASPO Contractor MNWNC- 108 AK2015PC008 and they are the Dell distributor for our area. The NASPO or National Association of State Procurement Officials contract exceeds our procurement requirements as lined out in NPMC 4.16.030.

The bid from GCSIT is \$44,761.00. This would include 10 laptops, 11 desktop docking stations and 8 car docking stations. This will be sufficient for us to outfit all the desks and patrol cars as well as issue laptops to all the police officers.

I would like to ask that you approve this purchase and allow me to order these laptops and supporting equipment. Thank you for your time.

Public Comment

- None

Mr. Isaacson *moved to* approve to purchase laptops from Government Computer Sales IT Solutions with DHS & Emergency Management grant funds. Grant #20SHSP-GY16

Seconded by Mr. McCarthy

Mr. McCarthy *moved to* increase the amount by \$244.30 per laptop (10 each, \$2, 443) for better video cards. Nvidia GeForce GT 720 M, 2 GB (or equal). This would make pictures, documents, map images & video sent to laptops, play better, faster and with clearer resolution.

Seconded by Mr. Isaacson

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

Motion *to* approve to purchase the laptops as amended.

PASSED

Yes: 7 – Thompson, McGhee, McCarthy, Claus, Isaacson, Skipps, Ward

No: 0

Absent: 0

COUNCIL COMMENTS

- None

Appeal by Lazerwash of Fairbanks for the late fee charge of \$25.88

Introduced by Bill Butler – Jamie Duncan, Utility Billing/AR received a call from Shirley Glaudo on 11/9/2016. Shirley was inquiring about a delinquent notice that she received for account 5683.01. She stated that she did not receive the original statement in the mail and therefore should not have to pay a late fee. I assured her the statement was indeed sent in the mail and explained that each month

there is an obligation to pay for the services they are using, whether the statement is received or not. I also stated that I can always send a new statement to her via mail or email if she requests one as I have done twice for her since my start here due to her stating that she did not have the statement for Polar Plaza (9/30/16 and 11/2/16). Additionally she was informed that the bill could be looked up online in Xpress Bill Pay at any time.

Shirley responded stating that she didn't agree with what I said and that the late fee should be removed. I explained that the only way to remove a late fee is to petition the council. After our conversation, she immediately called Kathy and stated the same things she stated to me and Kathy also explained that she can petition the council and request to remove the late fee.

On 11/10/16, I received in the mail her check for the current and delinquent amounts owed along with a letter petitioning the council to waive the late fee.

PUBLIC COMMENT

None

Mr. Isaacson *moved to* **approve the appeal for the late fee for account #5683.01**

Seconded by **Mr. McGhee**

DISCUSSION

Mr. Isaacson states that we should allow every now and then for something to go wrong, call it human error and if someone does not have a record of being late, that we should forgive that. He believes we should bring these up case by case. This is unusual for this customer. I urge the Council to say yes.

Mr. McCarthy responds that he does not agree. He is on autopay and has lots of warning when his bill is due and when auto pay will be initiated. If we are going to excuse this bill based on it's a one-of-a kind nature, I would have this person or others sign up for autopay before giving them clemency.

Mr. McGhee states he is not in favor of forgiving it. There are policies and procedures in place and just because you are a good customer does not mean we will forgive it. The billing was done and was sent to the customer and even though she did pay it she was still late. The customer does have a history of calling and being re-informed when her bill is due.

Mr. Isaacson urges the Council to forgive the late fee no matter how many times a customer has called to find out when their account is due.

Mr. McGhee states that he believes if the late fee was that important to the customer that they would be here for the appeal and present the case to us. We have lost hundreds to thousands of dollars to delinquent accounts and I'm only considering the facts before me, not that I know her

or that she is a good person. The fact is we have a late bill and there is a late charge.

Mr. McCarthy states that we have before us a list of delinquencies some of which are going into foreclosure. Mr. McCarthy states that he believes others will try and take advantage of late fee forgiveness if this is forgiven.

Mr. Thompson states that the code is pretty cut & dry. Mr. Thompson is discussing where this would be in the code. Making an appeal would be hard to apply to this section of the municipal code.

Mayor Ward states that regardless if you received a bill or not, you did receive the service and are aware of that. The City has a policy that if you are late, you pay a late fee. It is unfortunate that they were not able to make the payment on time but there are many different ways for folks to access that information and make a payment. If the Council wants to forgive late payments to customers with a good history then the Council needs to make those changes in the code.

Mr. McGhee asks for clarification of the bill date & due by date. Mr. McGhee asks if the customer had in fact paid the bill and the late fee.

Mr. Thompson asks for clarification on the late fee.

Mr. Isaacson moved to suspend the rules for 5 minutes

Seconded by Mr. Claus

Back to order at 8:19 pm

Bill Butler stated that she over-paid her account, resulting in a credit on her account that was used to pay the late fee. Shirley is asking for the late fees to be forgiven from what she has paid.

Mr. Isaacson and Mr. McGhee ask for clarification discrepancies on Shirley's bill.

Mr. Isaacson asks Mayor Ward if Ms. Fogarty and Mr. Butler could examine this and get back to us at another time and get another answer at the next meeting. There is confusion on the bill of what she has paid and/or owes. There may be an error in the billing.

Mr. McGhee states that he objects to postponing it. Right now the Department not only charged the customer the late fee but has also credited her the late fee and the overcharge according to this bill so I see a complication here that would indicate our problem not hers. I'm willing to change my vote and forgive her the late fee.

Mr. Isaacson moved to divide the question

- 1) **Move tonight on the request to forgive the late fee**
- 2) **Have the Department explain apparent billing discrepancy to determine if there is a math error in the billing system and report at the next meeting**

Motion dies *for* lack of second

Mr. Thompson *moved to* postpone this till the next meeting

Seconded *by* McCarthy

DISCUSSION

Mr. McGhee does not see the point to postpone till next meeting. He sees a discrepancy in the billing and the City has already given her, according to the credit she has showing on the bill of \$45.10. The customer paid the amount asked on her bill. The Cities system credited her a overpayment of \$45.10 which the \$51.53 does not include a late payment. So in fact the customer has not paid a late payment and instead has a credit in the system for over paying the bill. According to the system it's an over payment.

Ms. Fogarty and Mr. McGhee discuss the late payment and credit on the customer's account.

Mr. Thompson states there is confusion on what was actually paid by the customer. He states that more information is needed and would like to postpone till the next meeting.

McCarthy called the question
McGhee objected

Vote to Call the question

Yes: 6 - Claus, McCarthy, Isaacson, Thompson, Skipps, Mayor Ward

No: 1 - McGhee

Vote to postpone the meeting

Yes: 6 – Claus, McCarthy, Isaacson, Thompson, Skipps, Mayor Ward

No: 1 – McGhee

Postponed till the next meeting

RESOLUTION 16-14, ESTABLISHING THE CITY OF NORTH POLE LEGISLATIVE PRIORITIES FOR THE 30TH LEGISLATURE 2017 SPRING SESSION

Mayor Ward introduced Resolution 16-14, establishing the City of North Pole legislative Priorities for the 30th Legislature 2017 Spring Session. He went over the Priorities.

DISCUSSION

Mayor Ward discusses the priorities. He states that it does mean a lot when you go to your legislatures and the governor with the things that are important to the community that you feel need addressing.

PUBLIC COMMENT

- None

Mr. Isaacson *moved to adopt* Resolution 16-14, establishing the City of North Pole Legislative priorities for the 30th Legislature 2017 Spring Session

Seconded by Mr. McGhee

DISCUSSION

Mr. Isaacson states that we should encourage the State to use its oil resources to develop more manufacturing of oil production as in Priority #5. Oil refineries and production help bring more wealth to the state treasury than simply oil production on the North Slope. He states for this reason he would like to switch #5 with #3.

Mr. McGhee states that the priority of North Pole is not so much oil production and refining for the State but the high cost of energy and for North Pole the high cost of energy is one of the largest downfalls. Local businesses struggle with the high cost of heating. For the City of North Pole the high cost of heating should be a high priority and actually should be #1.

Mayor Ward states that natural gas has the potential to make the biggest impact to the City of North Pole. If North Pole were able to have gas piped in to North Pole benefits the residents, businesses and commercial development. He states this may even need to be priority #1. Mayor Ward also states that all of these are of equal importance and priority to the City of North Pole and the State and maybe we should not even have these priorities numbered.

Mr. Isaacson agrees all the items are important. He understands how important the IGU is to the local community. It isn't that reducing the high cost of energy isn't important but that it is already in play. The idea about #5 encouraging oil production is to the City of North Pole. Royalty oil sales generate the State a lot of money and they are trying to fix their problems with revenue. If they could fix their problems with oil refinery in the Interior of Alaska that helps us. That's why he argues that we do prioritize these and as much as it's difficult for us to figure out what the biggest priority is for us, we have to keep in mind that it's even tougher for the legislature to determine what is most important and what they spend more time on. These could be renumbered differently.

Mr. Isaacson *moved to amend by renumbering priorities #5 to #3 and #3 to #5*

Seconded by Mr. McGhee

PASSED

Yes: 5 – McGhee, McCarthy, Isaacson, Skipps, Ward

No: 2 – Thompson, Claus

Absent: 0

DISCUSSION

Mayor Ward asks the Council if they wish to keep the numbers there or would it behoove us if we feel it's important to keep the numbers prioritized and also ask if any of the Council members would like to sponsor these.

Mr. Isaacson, Mr. Thompson, Mr. McGhee and Mr. Claus asked to be added as co-sponsors on Resolution 16-14.

Mr. McGhee *moved to remove the numbers in sequence*

Seconded by Mr. Isaacson

DISCUSSION

Mr. Isaacson suggests keeping the numbering to say there is some thought by us as to what we want to pursue first.

FAILED

Yes: 2 – McGhee, Ward

No: 5 – Skipps, Claus, McCarthy, Isaacson

Absent: 0

Priorities stay

On the main motion *as amended*

PASSED

Yes: 7 – Claus, McGhee, McCarthy, Isaacson, Thompson, Skipps, Mayor Ward

No: 0

Absent: 0

Mr. McGee *moved to recess into Executive Session to discuss confidential settlement negotiations in the North Pole vs. Flint Hills resources litigation and to provide settlement authority for alternate settlement options.*

Seconded by Mr. Thompson

Called the regular City Council meeting of Monday the 21st of November back to order at 9:59 pm.

Mr. Isaacson *moved to suspend the rules for 30 minutes in order to conclude the Executive Session and finish business.*

Seconded by Mr. Thompson

DISCUSSION

- None

Yes: 6, Isaacson, Thompson, Skipps, Claus, McGhee, Mayor Ward

No: 1 – Mr. McCarthy

Absent: 0

Mr. Isaacson *moved to suspend the rules to go back into Executive Session for the purpose stated on the agenda.*

Seconded by Mr. Thompson

Regular City Council meeting back in at 10:23 pm

Mr. McGhee *moves to authorize our attorney to proceed with the settlement agreement as discussed in our Executive Session.*

Seconded by Mr. Isaacson

DISCUSSION

PASSED

Yes: 7 – Thompson, Skipps, Claus, McGhee, McCarthy, Isaacson, Mayor Ward

No: 0

Absent: 0

Mr. McGhee *moved to adjourn the meeting at 10:30 p.m.*

Seconded by Mr. Isaacson

The regular meeting of Monday, November 21, 2016 adjourned at 10:30 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, November 21, 2016.

Bryce J. Ward, Mayor

ATTEST:

Sally Terch
Acting City Clerk

1 **CITY OF NORTH POLE**

2 **RESOLUTION 16-27**

3 **A RESOLUTION ESTABLISHING THE 2017 CAPITAL PROJECT PRIORITY**
4 **FOR THE CITY OF NORTH POLE**

5 **WHEREAS**, changes in the flow of the Tanana River have resulted in a periodic loss of river flow where
6 the City of North Pole discharges treated wastewater, causing the City to be in violation of its wastewater
7 discharge permit; and,

8 **WHEREAS**, in November of 2014 the Alaska Department of Environmental Conservation City issued
9 the City of North Pole a Notice of Violation (NOV) for its discharge permit; and,

10 **WHEREAS**, the City of North Pole is seeking funding from the State of Alaska and the Federal
11 Government for a wastewater discharge sewer main extension; and

12 **WHEREAS**, the City of North Pole operates its Utility as an enterprise fund to provide water and sewer
13 services to City residents; and

14 **WHEREAS**, the City of North Pole seeks to provide its utility customers with a quality level of service
15 and charges a per gallon rate to cover the cost of operations; and

16 **WHEREAS**, utility customers pay a Facility Repair and Replacement fee (FRR) to repair and replace the
17 utility infrastructure when in need; and

18 **WHEREAS**, utility customers pay a base charge for water and sewer services that also is dedicated to
19 facility repair and replacement; and

20 **WHEREAS**, the City Utility will be able to contribute up to \$1,000,000 raised through FRR and base
21 charge fees by the end of 2018; and,

22 **WHEREAS**, the City Voters approved up to two million dollars of debt to pay for the proposed project;
23 and,

24 **WHEREAS**, the City of North Pole's capital project priority for 2017 is as follows:

25 **TITLE: Wastewater discharge main design and construction**

26 **Project Cost: \$4,326,300**

27 **City Contribution: \$3,000,000**

28 **Total Legislative Request: \$1,326,300**

29 **Description and Justification:** Changes in flow of the Tanana River have resulted in periodic loss of
30 river flow where the City of North Pole Utility discharges treated wastewater. The Alaska Department of
31 Environmental Conservation (ADEC) permits the Utility to discharge treated wastewater to the Tanana
32 River. Part of the permit requires a mixing zone to disperse the treated wastewater. The periodic loss of
33 river flow, an act of nature, has caused the Utility to be in violation of its discharge permit resulting the
34 ADEC issuing the City a Notice of Violation (NOV) in November 2014. The NOV requires the Utility
35 resolve the situation. The Utility used a \$500,000 legislative award to assess solutions to the NOV. In

36 conjunction with its consulting engineer, the Utility determined that the most reasonable and cost
37 effective approach is to extend the treated wastewater discharge main to a more active channel of the
38 Tanana River. The estimated cost to resolve the NOV if it were built in 2015 is \$3.77 million, escalating
39 to \$4.5 million if it were built in 2020. The estimated cost includes engineering, construction
40 management, permitting, wetlands mitigation and construction. The Utility will use the balance of its
41 legislative award to complete the engineering of the project, but it will need additional funding to
42 construct the extension of the sewer main. The sooner the project is constructed, the lower the estimated
43 cost.

44 **NOW THEREFORE BE IT RESOLVED**, that the North Pole City Council endorses and requests
45 consideration by the Governor and the Alaska State Legislature for the project herein.

46 **PASSED AND APPROVED** by a duly constituted quorum of the North Pole City Council this 21st day
47 of November, 2016.

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Bryce J. Ward, Mayor

51 ATTEST:

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Kathryn M. Weber, MMC
North Pole City Clerk

PASSED/FAILED Yes: No: Absent:

**CITY OF NORTH POLE
ORDINANCE NO. 16-28**

**AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO
AMEND TITLE 13, PUBLIC SERVICES**

WHEREAS, changes to the public services practices and policies is a continually changing requirement; and

WHEREAS, the City of North Pole Municipal Code should be amended to conform to the requirements of the City.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of North Pole:

Section 1. This ordinance is of a general and permanent nature and shall be codified.

Section 2. Title 13 is amended in the North Pole Code of Ordinances as follows in the attached table:

Section 3. Effective date.
This ordinance shall become effective January 1, 2017.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 5th day of Decemer, 2016.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

PASSED/FAILED Yes: No: Absent:

Title 13

PUBLIC SERVICES

Chapters: 13.24 Utility Rates

13.24.020 Metered Water and Sewer Utility Rates

Monthly water and sewer utility rates beginning January 1, 2016, 2017 shall be the following:

Customer class	Per gallon water	Monthly base water charge	Per gallon sewer charge ¹	Monthly base sewer charge	FRR ² - Water per gallon charge	FRR ² - Sewer per gallon charge	FRR ² Significant industrial discharger, sewer
Single-family residential	\$0.01705	\$5	\$0.1340 \$0.01645	\$5	\$0.0025	\$0.0025	--
Senior single-family residential	\$0.008525	\$5	\$0.0067 \$0.00823	\$5	\$0.0025	\$0.0025	--
Multifamily residential	\$0.01705	\$25	\$0.134 \$0.01645	\$25	\$0.0025	\$0.0025	--
Senior multi-family residential	\$0.01705	\$25	\$0.134	\$25	\$0.0025	\$0.0025	--
Commercial	\$0.01705	\$25	\$0.134 \$0.01645	\$25	\$0.0025	\$0.0025	--
Commercial/significant industrial discharger	\$0.01705	\$25	\$0.134 \$0.01645	\$25	--	--	\$0.003911
Bulk water charge	\$0.03						
Fire Hydrant Meter	\$0.03	\$500 deposit ³					

1. The monthly sewer charge for the months of May, June, July and August will be capped at an amount not to exceed the average of the water usage during the months September through April for Single Family and Senior Single-Family residential customers only.

2. Facility Repair and Replacement: Funds generated to repair and replace utility capital infrastructure.

3. Fire Hydrant Meter deposit: The deposit is returned if the equipment is returned in good working order with no damages. Any damages to the equipment are deducted from the deposit. Any damages in excess of the deposit are added to the customers bulk water charges invoice.

125 Snowman Lane
North Pole, Alaska 99705
(907) 488-8593
(907) 488-3002 (fax)
bill@northpolealaska.com

City of North Pole
Director of City Services

Memo

To: North Pole City Council
From: Bill Butler
Date: November 29, 2016
Subject: Recommendation to disapprove request to forgive late utility charges

Detroit Hot Springs Car Wash billing was accurate as presented to the Council on November 21. The bill presented to Council showed the balance that was a total of September's unpaid usage charges = \$2,957.26; PLUS October's usage charges (\$2,170.62) with the addition of the late fee for September's unpaid bill (\$25.88) for a total due by the end of October of \$5,153.76. If this bill became delinquent, additional late fees would be applied and these potential late fees are reflected in the "Due after" amount: \$5,198.86 ($\$5,153.76 + \$45.10 = \$5,198.86$).

Car Wash over paid the October bill, they did not need to pay the "Due after" amount to pay the current charges due to the Utility (September usage + October usage + \$25.88 late fee). This caused the account to have a credit of \$45.10. The credit on the Car Wash's account reflects payment of late fees not applied because the October bill had not yet become delinquent. The \$45.10 credit will be applied to the November bill.

See attached summaries of Utility charges for September and October 2016 and previous materials provided to the Council.



City of
North Pole Utilities
 125 Snowman Lane
 North Pole, AK 99705-7708
 907-488-6111

BILLING DATE: 09/30/2016

ACCOUNT NO: 5683.01

SERVICE ADDRESS:
 471 SANTA CLAUS LN
 NORTH POLE PLAZA

DETROIT HOT SPRINGS CAR WASH
 ATTN: SHIRLEY
 PO BOX 70021
 FAIRBANKS AK 99707

September

Total Due if Paid BY
 10/31/2016 2,957.26

Total Due if Paid AFTER
 10/31/2016 2,983.14

Utility Billing Cycle from 09/01/2016 to 09/30/2016

READ DATE	PREV READ	CURR READ	DAYS	USAGE	CODE	AMOUNT
-----------	-----------	-----------	------	-------	------	--------

					PREV BAL	3,616.27
					PAYMENTS	3,616.27 CR
09/30/2016	625327	633528	30	82010	Water Base	25.00
					Water Usage	1,398.27
					FRR Water	205.03
					Sewer Base	25.00
					Sewer Usage	1,098.93
					FRR Sewer	205.03
					Late Fees	.00

One Prior Period	100600	GAL
Two Prior Periods	62570	GAL
Three Prior Periods	99220	GAL
Four Prior Periods	153420	GAL
Five Prior Periods	140850	GAL
Six Prior Periods	0	GAL
Seven Prior Periods	0	GAL
Eight Prior Periods	0	GAL
Nine Prior Periods	0	GAL
Ten Prior Periods	4000	GAL
Eleven Prior Periods	56250	GAL
Twelve Prior Periods	77990	GAL

[Contract Billing
 ADJUSTMENTS: .00
 CURRENT CHARGES: 2,957.26
 TOTAL AMOUNT DUE: 2,957.26
PAY THIS AMOUNT: 2,957.26

30+ days past due: the maximum rate allowable by law .00875 will be added to the balance.

60+ days past due: the maximum rate allowable by law .00875 will be added to the balance. If your account remains 60+ days past due or falls 60+ days past due again the deposit is non-refundable.

90+ days past due: the maximum rate allowable by law will be added to the unpaid balance; and a disconnect/lien notice will be served.

You Can Pay Your Bill On Line At northpolealaska.com,
 Click On Pay My Utility Bill.

North Pole Utilities

125 Snowman Lane
 North Pole, AK 99705

Please detach and return LOWER portion with payment.

ACCOUNT NO	DUE DATE
5683.01	10/31/2016

DETROIT HOT SPRINGS CAR WASH
 PO BOX 70021
 FAIRBANKS AK 99707

Pay \$ 2,957.26 if by 10/31/2016
 Pay \$ 2,983.14 after 10/31/2016



City of
North Pole Utilities
125 Snowman Lane
North Pole, AK 99705-7708
907-488-6111

BILLING DATE: 10/31/2016

ACCOUNT NO: 5683.01

SERVICE ADDRESS:
471 SANTA CLAUS LN
NORTH POLE PLAZA

DETROIT HOT SPRINGS CAR WASH
ATTN: SHIRLEY
PO BOX 70021
FAIRBANKS AK 99707

October

Total Due if Paid BY
11/30/2016 5,153.76

Total Due if Paid AFTER
11/30/2016 5,198.86

Utility Billing Cycle from 10/01/2016 to 10/31/2016

READ DATE PREV READ CURR READ DAYS USAGE CODE AMOUNT

10/31/2016 633528 639510 31 59820

PREV BAL 2,957.26
PAYMENTS .00
Water Base 25.00
Water Usage 1,019.93
FRR Water 149.55
Sewer Base 25.00
Sewer Usage 801.59
FRR Sewer 149.55
Late Fees 25.88

One Prior Period	82010	GAL
Two Prior Periods	100600	GAL
Three Prior Periods	62570	GAL
Four Prior Periods	99220	GAL
Five Prior Periods	153420	GAL
Six Prior Periods	140850	GAL
Seven Prior Periods	0	GAL
Eight Prior Periods	0	GAL
Nine Prior Periods	0	GAL
Ten Prior Periods	0	GAL
Eleven Prior Periods	4000	GAL
Twelve Prior Periods	56250	GAL

Contract Billing
ADJUSTMENTS: .00
CURRENT CHARGES: 2,196.50
TOTAL AMOUNT DUE: 5,153.76
PAY THIS AMOUNT: 5,153.76

You Can Pay Your Bill On Line At northpolealaska.com,
Click On Pay My Utitily Bill.

30+ days past due: the maximum rate allowable by law .00875 will be added to the balance.

60+ days past due: the maximum rate allowable by law .00875 will be added to the balance. If your account remains 60+ days past due or falls 60+ days past due again the deposit is non-refundable.

90+ days past due: the maximum rate allowable by law will be added to the unpaid balance; and a disconnect/lien notice will be served.

North Pole Utilities

125 Snowman Lane
North Pole, AK 99705

Please detach and return LOWER portion with payment.

ACCOUNT NO DUE DATE
5683.01 11/30/2016

DETROIT HOT SPRINGS CAR WASH
PO BOX 70021
FAIRBANKS AK 99707

Pay \$ 5,153.76 if by 11/30/2016
Pay \$ 5,198.86 after 11/30/2016

Memorandum

To: City Council Members
CC: City Clerk
From: Jamie Duncan
Date: 11/10/2016
Re: Appeal of Late fee for Account #5683.01

I received a call from Shirley Glauco on 11/9/2016. Shirley was inquiring about a delinquent notice that she received for account 5683.01. She stated that she did not receive the original statement in the mail and therefore should not have to pay a late fee. I assured her the statement was indeed sent in the mail and explained that each month there is an obligation to pay for the services they are using, whether the statement is received or not. I also stated that I can always send a new statement to her via mail or email if she requests one as I have done twice for her since my start here due to her stating that she did not have the statement for Polar Plaza (9/30/16 and 11/2/16). Additionally she was informed that the bill could be looked up online in Xpress Bill Pay at any time.

Shirley responded stating that she didn't agree with what I said and that the late fee should be removed. I explained that the only way to remove a late fee is to petition the council. After our conversation, she immediately called Kathy and stated the same things she stated to me and Kathy also explained that she can petition the council and request to remove the late fee.

On 11/10/16, I received in the mail her check for the current and delinquent amounts owed along with a letter petitioning the council to waive the late fee.

Attached to this memorandum :

- Copy of the letter petitioning the Council
- A confirmation email from our billing company with the code showing that the bill was sent.
- Copy of City Code 13.12.1110: Appeal of Utility Billing
- The delinquent statement attached to the payment stub showing payment received on 11/10/16.

Thank you,



Jamie Duncan-Utility Billing Clerk

CONFIDENTIAL

LAZERWASH OF FAIRBANKS

G & L PROPERTIES. INC.
P.O. Box 70021
Fairbanks, Alaska 99707

November 7, 2016

City of North Pole
City Council Members
125 Snowman Lane
North Pole, Alaska 99705

Re: Account 5683.01

To Whom It May Concern:

Today I received a delinquent notice for the October billing cycle on this account.

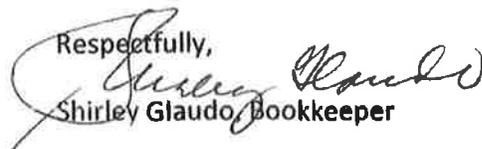
I hereby appeal the late fee charged (\$25.88) for this event in as much as I have never received notice of this billing prior to the due date or it would have been promptly paid.

Obviously one is aware that there is a monthly obligation but depend upon receiving

Notice of the amount due.

Payment for the notice of delinquency was paid by check 4992 on 11/7/2016.

Thank you for your consideration.

Respectfully,

Shirley Glauco, Bookkeeper

13.12.110 Appeal of utility billings.

- A. Any North Pole Utility customer who believes his utility billing is unjust and inequitable as applied to his property may make written application to the City **Council** requesting a review of his utility billing. The application shall include the facts and data upon which the **appeal** is based.
- B. While awaiting **Council** review of his **appeal**, the customer shall pay the amount of the disputed bill to the City within thirty days from the mailing date to avoid becoming delinquent. Subsequent bills shall be paid in full within the prescribed time limit.
- C. Payment of disputed bills as required by this section shall not be deemed to prejudice an otherwise valid contest.
- D. Review of the request shall be made by the City **Council** who shall determine if it is substantiated or not, including recommending further study of the matter by a designated representative.
- E. If the request is determined to be substantiated, the charges for the customer shall be recomputed based on the **Council** approved terms, and the new charges thus recomputed shall be applicable retroactively up to one year.
- F. In instances where a utility customer billing **appeal** relates to a situation limited to forgiveness of sewer service and associated charges where the customer can document the water upon which the charges are calculated was not discharged into the sewer system, the Mayor or his **designee** may waive these charges without the **appeal** proceeding to the City **Council** for approval. Should such an **appeal** be granted by the Mayor or his designee, he shall report the waiver of these charges to the City **Council**. (Ord. 16-16 § 2, 2016; Ord. 12-02 § 2, 2012; Ord. 00-16 § 2, 2000; Ord. 82-8 § 2.L, 1982)

LAZERWASH OF FAIRBANKS

G & L PROPERTIES, INC.
P.O. Box 70021
Fairbanks, Alaska 99707

November 7, 2016

City of North Pole
City Council Members
125 Snowman Lane
North Pole, Alaska 99705

Re: Account 5683.01

To Whom It May Concern:

Today I received a delinquent notice for the October billing cycle on this account.

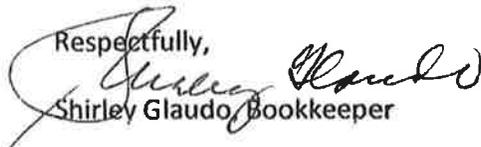
I hereby appeal the late fee charged (\$25.88) for this event in as much as I have never received notice of this billing prior to the due date or it would have been promptly paid.

Obviously one is aware that there is a monthly obligation but depend upon receiving Notice of the amount due.

Payment for the notice of delinquency was paid by check 4992 on 11/7/2016.

Thank you for your consideration.

Respectfully,


Shirley Glauco, Bookkeeper

125 Snowman Ln
North Pole, Alaska
99705
907-888-4444
907-488-8584

**City of North Pole
Office of the Mayor**

Memo

To: North Pole City Council
From: Mayor Ward
cc:
Date: November 28, 2016
Re: Planning Commission Seat

Council,

Please see attached nominations for the North Pole Planning Commission seat. Per FNSB Code 4.80.010 (A) which states “The appointments of members from the cities shall be selected from a list of recommendations submitted to the borough mayor by the city councils”.

I recommend David Brandt to serve as the North Pole representative on the Fairbanks North Star Borough Planning Commission. I have personally spoken with Mr. Brandt and feel he would do a good job representing the City’s interest and represent us well.

Sincerely,

Mayor Bryce J. Ward

Committee Volunteer Application



Contact Information

Name	DAVID BRANDT
Street Address	██████ 850 TURNER DRIVE
City ST ZIP Code	NORTH POLE, AK 99705
Home Phone	(907) 322-1839
Work Phone	
E-Mail Address	NAILBENDER99@HOTMAIL.COM

Interests

Tell us in which Committees you are interested in volunteering

- Strategic Planning Committee
- Finance and Audit Committee
- Itadori Sister City Committee
- Festivals Committee
- Other BOROUGH PLANNING COMMISSION

Special Skills or Qualifications

Summarize special skills and qualifications you have acquired from employment, previous Committee work, or through other activities, including hobbies or sports.

BOROUGH RESIDENT FOR OVER 45 YEARS
JOURNEYMAN CARPENTER WITH EXPERIENCE IN CONSTRUCTION AND PROPERTY
MANAGEMENT

Agreement and Signature

By submitting this application, I affirm that the facts set forth in it are true and complete. I understand that if I am accepted as a Committee member, any false statements, omissions, or other misrepresentations made by me on this application may result in my immediate dismissal.

Name (printed)

Signature

Date

DAVID BRANDT
David Brandt
8/1/16

Our Policy

It is the policy of this organization to provide equal opportunities without regard to race, color, religion, national origin, gender, sexual preference, age, or disability.

Thank you for completing this application form and for your interest in serving the City of North Pole.

125 Snowman Ln
North Pole, Alaska
99705
907-888-4444
907-488-8584

City of North Pole
Office of the Mayor

Memo

To: North Pole City Council
From: Mayor Ward
cc:
Date: November 28, 2016
Re: Interior Gas Utility Board Seat

Council,

Please see attached nominations for the Interior Gas Utility Board Seat. Director of City Services Bill Butler has done a outstanding job representing the City of North Pole while serving on the board for the past 3 years. Mr. Butler has provided timely and critical information to the council regarding the IGU and the state of the Interior Energy Project (IEP). Mr. Butler has also been one of the motivating members of the board to ensure the IEP continues in a direction that best exemplifies the priorities established by the community of 15\$ and MCF to as many people as fast as possible.

I am asking for the council to ratify my appointment of Bill Butler to another 3 year term on the IGU

Sincerely,



Mayor Bryce J. Ward

CITY OF NORTH POLE

RESOLUTION 16-16

A RESOLUTION ESTABLISHING THE 2017 CITY OF NORTH POLE BED TAX GRANT DISTRIBUTION

WHEREAS, the purpose of the Bed Tax Grant is to aid in community efforts to contribute significantly to the growth and promotion of the City of North Pole; and

WHEREAS, The Bed Tax Grant is to supplement an ongoing program or aid in a new program that meets the grant guidelines; and

WHEREAS, the City Council has created a competitive process for disbursing bed tax grant monies; and

WHEREAS, 207 applicants have requested \$147,061 in disbursements; and

WHEREAS, the 2017 allocation for disbursement is \$62,325; and

WHEREAS, all organizations presented to the North Pole Bed Tax Committee on November 22nd 2016; and

WHEREAS, all individual allocations were averaged against the whole to derive the 2017 award; and

WHEREAS, the applicants have been awarded the following amounts for 2017 based on calculations determined by North Pole Municipal Code.

North Pole Chamber of Commerce \$18,697.50

Explore Fairbanks \$14,023.13

North Pole Christmas in Ice \$29,604.38

NOW THEREFORE BE IT RESOLVED, that the North Pole City Council allocates disbursement of the 2017 bed tax grant to be available January 1st 2017.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 5th day of December, 2016.

Bryce J. Ward, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

PASSED/FAILED Yes: No: Absent:
--

33 Grant Award Criteria

34 a. Show how use of the funds will contribute significantly to the growth and promotion of the
35 City of North Pole.

36 b. Show how the grant monies will be used to supplement a successful ongoing program of
37 activities or a new program that needs initial support to accomplish its stated goals.

38

2017 APPLICATIONS FOR BED TAX GRANT PROPOSALS
 2017 Disbursement: \$62,325 - Subject to Final Approval

#	2015 Amount Requested	Name of Organization	Thomas Mchee	Joe Geese	Jeff Jacobson	Larnita Skipps	Avery Thompson			Organization total	% of remaining amount
1	\$43,236.00	Explore Fairbanks	X	\$ 12,465.00	\$ 18,697.50	\$ 9,348.75	\$ 15,581.25			\$ 14,023.13	22%
2	\$62,500.00	Christmas in Ice	X	\$ 31,162.50	\$ 24,930.00	\$ 34,278.75	\$ 28,046.25			\$ 29,604.38	47%
3	\$41,325.00	North Pole Chamber of Commerce	X	\$ 18,697.50	\$ 18,697.50	\$ 18,697.50	\$ 18,697.50			\$ 18,697.50	30%
		Explore Fairbanks	X	20%	30%	15%	25%				
		Christmas in Ice	X	50%	40%	55%	45%				
		North Pole Chamber of Commerce	X	30%	30%	30%	30%				
			\$ -	\$ 62,326.00	\$ 62,326.00	\$ 62,326.00	\$ 62,326.00			\$ 62,325.00	
	\$147,061.00	must equal above column									
										\$ 62,325.00	
										\$ 249,300.90	
										all member totals	\$ 249,300.90

Equation to figure new amounts:

organization totals /	=	Percentage	X	=	New award amount
all member totals					

[(organization totals) Divided by (all member totals)]multiplied by \$62,325 = New Award Amount

CITY OF NORTH POLE

RESOLUTION 16-17

**A RESOLUTION SUPPORTING LOCAL CONTROL IN THE ISSUANCE OF LIQUOR
LICENSES WITHIN FIRST CLASS AND HOME RULE CITIES**

WHEREAS, the Alaska Municipal League position statement on Local Control is that
“... it is imperative that, unless prohibited by law, municipalities closest to the electorate
be able to provide their constituents with the laws, services, benefits, and taxation that the
local populations, through their local elected officials, feel is appropriate.”
; and

WHEREAS, Article X of the Alaska State Constitution references the intent of “maximum local
self-government”; and

WHEREAS, the issuance of liquor licenses within organized municipalities is solely regulated
by Title 4 of the Alaska State Statutes with only minimal input by the local municipality; and

WHEREAS, limitations on the number of liquor licenses based upon population has had little to
no effect on alcohol related illnesses and crimes within first class and home rule cities which
have adequate law enforcement and health providers; and

WHEREAS, businesses such as restaurants and grocery type stores in which the sale of alcohol
related products is a component of their retail operation but is not the primary focus of their
overall business plan have not been proven to be a material factor in the rise of alcohol related
illnesses and crimes; and

WHEREAS, the adopted marijuana initiative provides for “maximum local self-government”,
and at this juncture of its development has proven to be an effective form of oversight for the
number and types of marijuana establishments; and

WHEREAS, the current system of issuing liquor licenses based upon ratios of population has no
basis in science as it relates to the effect of alcohol related illnesses and crimes; and

WHEREAS, local control is the preferred method of regulating, controlling and managing
socially affected economic issues; and

WHEREAS, first class cities and home rule cities which have effective law enforcement and
health facilities are better suited to determine the number and types of alcohol industries within
its borders, and the affects and impacts thereof; and

WHEREAS, by being better suited to determine the number and type, can more readily increase
of decrease the number and type of establishments based upon the local affects and impacts of
alcohol distribution within its borders.

44 **NOW THEREFORE BE IT RESOLVED**, that the North Pole City Council supports a re-write
45 of Title 4 of the Alaska State Statutes to provide for maximum local self-government of the number and
46 types of liquor licenses, especially in those municipalities which have adequate law enforcement and
47 health related facilities..

48 **PASSED AND APPROVED** by a duly constituted quorum of the North Pole City Council this
49 5th day of December, 2016.

50
51

Bryce J. Ward, Mayor

52 ATTEST:

53
54

Kathryn M. Weber, MMC
North Pole City Clerk

55
56
57
58
59

PASSED/FAILED Yes: No: Absent:
--

3 AAC 304.156 Application by first class cities and home rule cities. An application to the Alcohol Beverage Control Board under AS 04.11.260 shall include

- a. the name and contact information of the person authorized by the city to file such application; and
- b. the name and contact information of the building official charged with approval of building permits and enforcing the building code; and
- c. the name and address of the mental health facility that is responsible for addressing mental health and alcohol dependency issues within the city; and
- d. the number of residents in the city according to the most recent census; and
- e. the name and contact information of the police chief, along with the total number of officers currently employed by the city.
- f. the following attachments:
 2. Materials supporting the city serving as a “center for commercial activity”, which may include
 3. Materials supporting the population outside the city within a ten mile radius being threefold the population within the city, which may include
 4. A proposed city application for such licenses which shall include the requirements set forth in AS 04.11.260 and 3 AAC 304.105.
 5. A defined public notice process for any license application which shall include the requirements of AS 04.11.310 and 3 AAC 304.125.
 6. A copy of its latest comprehensive plan document and citation reference of zoning code.
 7. Certified resolution from the governing body requesting the ability to issue licenses under AS 04.11.260 (b) and/or (c).
 8. Certified copy of adopted written procedure required under AS 04.11.260(a)(9)

3 AAC 304.157 Application Review by Alcohol Beverage Control Board. Upon the filing of an application by a city under 3AAC 304.156, the board shall decide whether to grant or deny the application within 90 days of receipt of the application at the main office of the board. The board may review the application without affording the city applicant notice or hearing, except if the application is denied, the notice of denial shall be furnished immediately in writing to the city applicant stating the reasons for denial in clear and concise language as to why the granting of the application would not be in the public interest. The notice of denial shall inform the city applicant that it is entitled to an informal conference with either the director or the board, and that, if not satisfied by the informal conference, the city applicant is then entitled to a formal hearing conduct at the office of administrative hearings (AS 44.64.010) and under the same provisions as a hearing conducted under AS 04.11.510.¹

¹ I copied 04.11.510 for most of this paragraph

Section 04.11.260 First Class or Home Rule Cities.

(a) A first class city under AS 29.04.030(4) or a home rule city organized under AS 29.10.010 may apply¹ to the Alcohol Beverage Control Board for the city to issue, monitor and enforce certain non-transferable² alcohol beverage licenses as set forth in subsections (b) and (c) below, provided the first class city or home rule city meets the following criteria:

1. The city serves as a center for commercial activity within and outside its city boundary.³
2. The population of the area outside the city and within a ten mile radius of the city boundary is significantly more than the population within the city by at least threefold differential.⁴
3. The governing body of the city has requested the ability to issue licenses under this provision citing findings to support the request.
4. The city has created a five member local control board and has adopted guidelines to review and approve permits or licenses to be issued under this section. The local control board shall not be the governing body of the first class or home rule city. The board shall have at least one member affiliated with mental health and one member from the alcohol beverage industry. Nothing in this section shall prevent no more than two governing board members from servicing on the board.⁵
5. There exists within the city mental health facilities to address alcohol abuse and/or dependency related issues.
6. The city maintains a law enforcement department within the city consisting of a chief and at least 1 police officer per 500⁶ residents within the city limits.
7. The city has adopted a comprehensive plan and a zoning code.
8. The city has a building official charged with approval of building permits and enforcing an adopted building code.
9. The city has adopted a written procedure for issuance, monitoring and enforcement of any license issued under this section, including but not limited to an application and review process, public notice and hearing, a

¹ I think this is the most logical way to handle the authorization. The only other option is giving every first class and home rule city the ability, but I think all would balk at that option. This provides some litmus test and oversight.

² The purchaser will need to re-apply to the city.

³ Need to establish a criteria that is defensible in Administrative Code.

⁴ Trying to address Cynthia's concern of having to actually count heads. Heads should not have to be over 21 as the existing population requirements do not. It is based on the total residents of city.

⁵ This can be eliminated. Threw it in as a discussion point. Defining the local control board make up and governance issues may be better placed in Administrative Code

⁶ Number is a placeholder for discussion.

fee schedule, an inspection process, an audit process and an enforcement process.

(b) A first class city or home rule city which has met the criteria set forth in subdivision (a) above may issue to a restaurant or eating establishment business a license to dispense alcohol if the restaurant or eating establishment continually meets the following criteria:

1. Gross receipts of alcohol is less than thirty five (35%) percent of the total gross receipts of the food service and alcohol related consumption, which total shall exclude receipts of merchandise and other non-food related products; and⁷
2. The business does not maintain a separate room or area with a fixed counter or service bar at which alcoholic beverages are sold or served to members of the public for consumption; and⁸
3. The business
 - i. Meets the definition of a “bona fide restaurant or eating place” under 3 AAC 304.305⁹; and
 - ii. Is classified and permitted by the State of Alaska Department of Environmental Conservation as a Food Establishment, Food Service, Restaurant [FF-1] under 18 AAC 31.010 (e) Table A.¹⁰
4. The holder of a license issued under AS 04.11.100, with the consent of the Alcohol Beverage Control Board may apply to the city to convert its restaurant or eating establishment license to a license issued under this section.¹¹

(c) A first class city or home rule city which has met the criteria set forth in subdivision (a) above may issue a package store license as defined in AS 04.11.150 to a retail business if the retail business continually meets the following criteria:

1. The square footage of the area designated for the sale of alcohol comprises less than fifteen (15%)¹² percent of the overall square footage of the retail business; and

⁷ Thinking of a Cracker Barrel type restaurants where they have a separate retail store.

⁸ This differentiates this type of business from a restaurant holding a BD license. My only thought on differentiating the two so they don't raise an objection.

⁹ the principal activity is the consumption of food and a variety of types of food items appropriate for meals is available for sale as shown on a menu provided to patrons

¹⁰ This eliminates bars/taverns that sell food, mobile vendors, etc. The FF-1 application Fee is based upon seating. Unfortunately the Alaska Food Code does not have a definition section but I believe this covers it.

¹¹ This could also apply to PC's but they may converted to 4.11.100 under separate provisions of this legislation.

¹² Place holder only until actual percentage is defined. For Walgreens it is 11.9%

2. The gross receipts of alcohol sales is less than ten (10%)¹³ percent of the overall receipts of the retail business; and
 3. The retail business is primarily engaged in the sale of household groceries, apparel, housewares, personal care products, and/or dispensing of pharmaceuticals, and not primarily engaged in the dispensing of gasoline or diesel fuel to the traveling public.¹⁴
- (d) Notwithstanding the provisions in this section, Alaska Statutes Title 4 and Alaska Administrative Code Title 3, Part 19, Chapter 304 shall apply to each license holder under subsection (b) or (c).
- (e) A first class or home rule city that has been authorized to issue permits under this section shall obtain at least annually from each license holder proof that the requirements of subsection (b)(1) in the case of a restaurant or eating establishment and subsections (c)(1) and (c)(2) in the case of a retail business with a package store license are met. The city shall annually file with the Alcohol Beverage Control Board written documentation of compliance.¹⁵
- (f) A first class city or home rule city who has met the requirements of subsection (a) above may apply to the Alcohol Beverage Control Board to have the number of population based licenses and permits issued under AS 04.11.130, AS 04.11.135, and AS 04.11.140 increased to a number reflective of the population within the city and within a five¹⁶ mile radius of the city boundary. Proof of population outside the city shall be in a form prescribed by the board.¹⁷ The application shall be based upon additional findings made by the governing body that such issuance is in the best interests of the city and the area surrounding the city.

¹³ Ditto. Walgreens is 9%

¹⁴ Eliminating gas stations per my after meeting discussion with Jeff Jesse.

¹⁵ This section might be better placed in Administrative Code

¹⁶ I know two and ten have been discussed so I split the difference for discussion purposes.

¹⁷ Are there defensible, measurable and objective standards that can be utilized and defined in Administrative Code?

September 26, 2016

Dear Senator Micciche:

Thank you for your work to re-write Alaska's Title 4, our State Statutes regulating alcohol. We commend the Alcohol Control Board and agency staff, numerous stakeholders, and others who have devoted countless hours to this re-write process, and appreciate an opportunity to provide our comments on the draft.

The purpose of this letter is to highlight how the State's current population-based system of allocating liquor license breaks down in a small municipality like ours. We hope the re-write of Title 4 can incorporate a system to provide additional flexibility to local municipalities in determining the appropriate number of licenses their community should be granted. We understand the primary goals of the Title 4 re-write are to promote a fair business climate while protecting public health and safety – especially limiting youth access to alcohol and reducing overconsumption, and we share these goals. Thank you for your consideration.

Limiting licenses by population sometimes misses the mark.

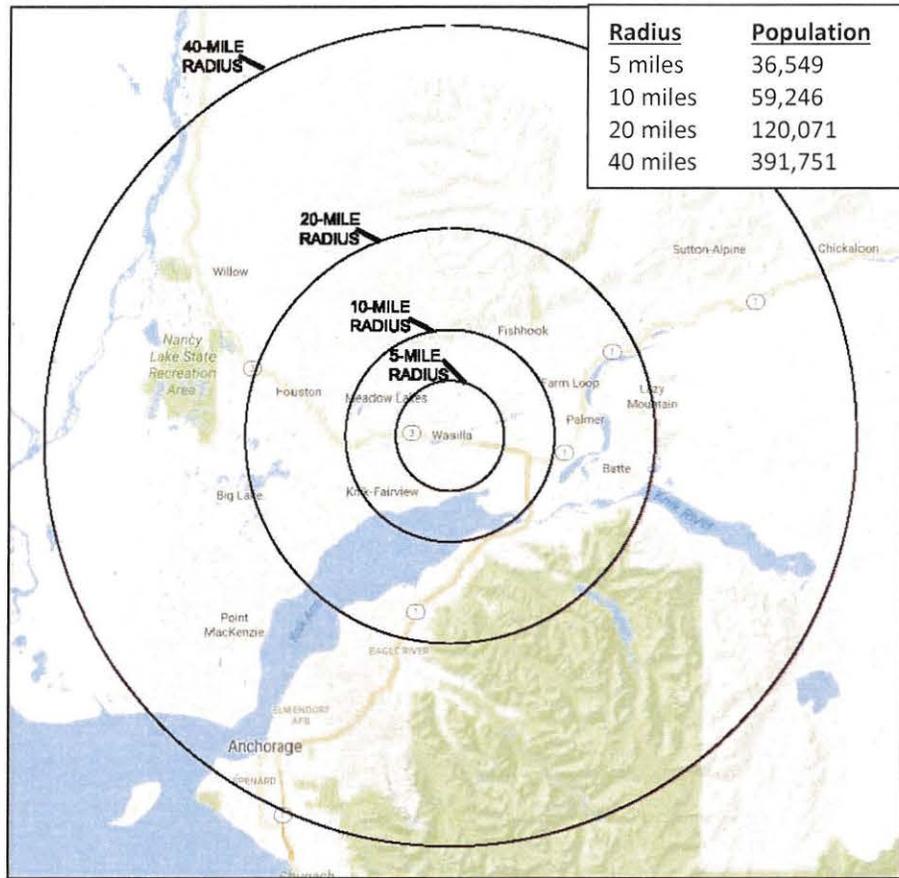
Wasilla is a city of approximately 8,468 residents living in approximately 13.6 square miles, per the 2016 State of Alaska Department of Commerce, Community, and Economic Development population determination. On paper, we are quite small (the fourth largest city in the state), but in reality our city serves a much broader regional population of borough residents who work, attend school, shop, and recreate in our community every day.

One way to demonstrate this is amount of traffic driving through our city along the Parks Highway, which exceeds 31,616 vehicle trips per day¹ on average in 2014. This is the highest traffic levels of any road segment in the Matanuska-Susitna Borough, and is essentially the same number of vehicles per day on Tudor Road, Minnesota Drive, and more than the Seward Highway Anchorage.

¹ Alaska Department of Transportation and Public Facilities, 2014

The figure at right shows the population living within 5-, 10-, 20-, and 40-miles of a point in downtown Wasilla. This, we believe, presents a more accurate count of users of various services in our city.

Because state statutes are only concerned with population of a municipality, they provide a mismatch of where licenses are available, versus where the demand is greatest. And while it remains important to allow for licenses to be distributed geographically throughout the borough, we feel the statutes should recognize that cities act as regional hubs of goods and services, in a way that is not reflected in their official populations.



Consequences of our current system

One consequence of the current system has been a proliferation of ‘public convenience licenses’ in small communities². Public convenience licenses have allowed businesses like The Grape Tap, The Last Frontier Brew Pub, 168 E-Lu-Fa Restaurant, Mekong Thai Cuisine, Peking Restaurant, King’s Asian buffet, Tacos Cancun, and Zushi to serve beer and wine in their restaurants. These businesses are important to our communities, and would not have been allowed if the strict population limitations were employed.

Public convenience licenses were a solution for some, but not all existing businesses. When Walmart constructed a new building to expand to a supercenter in 1999, they built the typical store with a liquor store only to learn that no package store licenses were available. That portion of the store remained empty until 2013, when a package store license was transferred from a business that was previously located within the borough but was annexed into the city limits in 2013.

Another consequence of the current system is that it encourages development outside of established cities where local law enforcement, land use controls and infrastructure are available – but no liquor licenses are available.

An additional concern is that Wasilla will lose out on the potential to attract new businesses to our area. Our city currently has one thriving brewery. The proposal under SB99 would only allow one brewery to obtain a retail endorsement in Wasilla (since the ratio is the highest of any license type at one per 10,000 population), and would be a step backward for our community and this industry

² <https://www.commerce.alaska.gov/web/amco/otheralcoholresources.aspx>

since it would prevent any additional breweries within the city limits. Tasting rooms in breweries are a draw for tourists, and an important place where our community comes together. They are not places where we have experienced problems with overconsumption nor minors consuming.

Similarly, we have several locations in Wasilla where restaurants may be interested in locating. We feel that by not allowing any new restaurant to serve beer and wine, we're essentially shutting them out of our community. And like breweries, restaurants are important for our quality of life and are not particularly risky locations for alcohol consumption.

Public Convenience licenses

The current system of issuing public convenience licenses based on collecting signatures within a 1-mile radius of the business is difficult to administer, produces very uneven results, and we agree has got to go. But at the same time, we believe it served a valid purpose by allowing some measure of flexibility to the otherwise rigid population ratios. Though some consider it a loophole that has been exploited, we feel that it allowed additional businesses to establish and thrive in our community, and that it provided additional licenses where there exists a valid demand.

After the 'public convenience' license type goes away, as proposed in SB99, all existing public convenience licenses will eventually be phased out over time. They will have the option to convert to a seasonal license, or will otherwise be allowed a single transfer of ownership at the same location.

The Title 4 re-write document states that visitor counts for individual communities would be used as a modified population for calculating seasonal licenses.

Since Wasilla currently has eight of the 63 public convenience licenses in the state (with two additional businesses currently going through the application process now), businesses will feel the impact of this change significantly. We question the logic of trying to close these existing businesses over time, when the state recognizes there have been no significant enforcement issues with them to date³.

The proposal to allow public convenience licenses to convert to Seasonal Tourism Restaurant Licenses would not be an appropriate solution for our year-round businesses. The stakeholder report issues information on how visitor statistics collected by the State of Alaska Department of Commerce, Community and Economic Development would be used to calculate the number of seasonal licenses allowed. Unfortunately, annual visitor data by community does not exist. The eight year-round public convenience licenses operating in our area would be eliminated over time and only allowed to operate six months out of the calendar year. We feel this approach deserves more consideration.

Encouraging Responsible Growth

The state of Alaska is experiencing a boom in the craft brewing industry, and Wasilla has definitely benefitted. As a City, we've embraced our local brewery as a key component of our economic development strategy. They provide local jobs, produce a product and atmosphere that tourists and residents appreciate, and further our goal of being a great place to live and work.

³ "To date, Public Convenience licensees have not been associated with significant enforcement problems, but circumvent the population limitation." (Alaska Title 4 Review Stakeholder Report, February 2015)

Tourism remains a bright spot for our state economy, and our eating and drinking establishments are important in attracting visitors to our area.

But quality of life isn't just for tourists, it's also a way Wasilla and other communities can retain talented Alaskans, and attract new talent. We continue to invest in parks and programming, public safety, and infrastructure. But having good options for eating and drinking is important too.

Our Solution – Enhanced Local Control

Alaskans know that one size does not often fit all in a state as diverse as ours. We believe that local municipalities are the best suited to understand a community's unique attributes, and balance community health concerns, public safety, economic and community development. We know that raising the limits for additional licenses indiscriminately across the state does not make sense. But we also believe that population alone is not always an accurate metric for a community's capacity or demand, though the method is appealing for its simplicity.

We propose that the updated Title 4 include a mechanism to allow local municipalities to petition for additional licenses, if certain criteria are met. This would put critical decisions about public health and safety, and a community's goals about growth, with local decision-makers, law enforcement, business owners, and community members, which is consistent with AK Statutes 29.35 and 29.40 that require that first and second class boroughs and/or cities provide for planning and land use regulations. The state has adopted a system of maximum local control when it comes to regulating commercial marijuana, and we feel it is appropriate for municipalities to also be provided an opportunity to assist in regulating alcohol.

For example, Section AS 04.11.400 could be amended to include an additional section similar to the following:

An incorporated first class city within an organized borough may apply for additional licenses to be issued within its city if:

- a. The incorporated city is a primary provider of goods and services to the population residing outside the corporate boundary;
- b. The incorporated city maintains a law enforcement agency and no such law enforcement agency is provided by the organized borough;
- c. The city has a comprehensive zoning and land use code;
- d. The city has established findings that it is in the best interest of the public to site additional licensees within the city limits.

The exact wording deserves to be thoughtfully debated, and of course opportunity exists to craft the specific test criteria either in the statutes or the administrative code. Our hope is that we are able to engage the stakeholders in a dialogue about opening up additional licenses in limited instances. Thank you for your consideration, and please let me know if it would be appropriate to attend a future workshop of the committee to continue the discussion.

Respectfully,



Mayor Bert L. Cottle
City of Wasilla



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www.soldotna.org

September 12, 2016

(via email)

Dear Senator Micciche and ABC Stakeholder Group:

Thank you for your work to re-write Alaska's Title 4, our State Statutes regulating alcohol. We commend the Alcohol Control Board and agency staff, numerous stakeholders, and others who have devoted countless hours to this re-write process, and appreciate an opportunity to provide our comments. The purpose of this letter is to highlight how the State's current population-based system of liquor license allocation breaks down in a small municipality like ours, by failing to account for the broader regional population served by our community.

We understand that the current Public Convenience system will be eliminated, but hope that the re-write of Title 4 can incorporate a better system. One that continues to provide additional flexibility to local municipalities, but with more workable and effective controls. In a challenging state economic climate, we want to promote economic growth and opportunity in our community. We also understand the primary goals of the Title 4 re-write are to promote a fair business climate while protecting public health and safety – especially limiting youth access to alcohol and reducing overconsumption. We share these goals, and hope our proposal for enhanced local municipal control in establishing licensing limits is a solution you will embrace. Thank you for your consideration.

Limiting licenses by population sometimes misses the mark

Soldotna is a City of approximately 4,300 residents living in 7.35 square miles. On paper, we are quite small: the third largest city on the Peninsula by population; and a footprint roughly 1/5 the area of nearby Kenai. In reality, our city serves a much broader regional population of borough residents who work, attend school, shop, and recreate in our community every day but aren't tallied as official City residents.

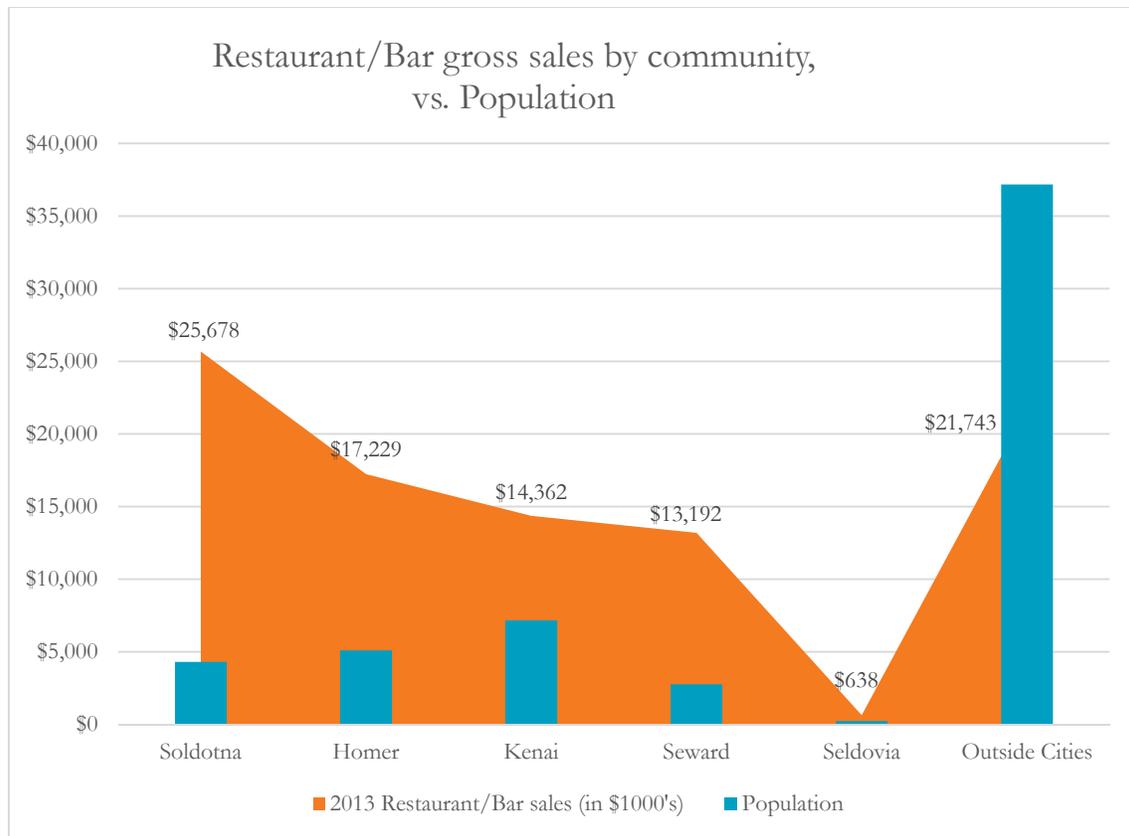
The amount of traffic driving through our downtown, which exceed 22,500 vehicle trips per day on average in 2014, is one way to gauge this situation. The section of Sterling Highway in our downtown core serves local and commuter traffic as well, and has the highest traffic levels of any road segment on the Kenai Peninsula. By comparison, roughly the same number of vehicles per day drive on the Old Seward Highway at Dimond Boulevard in Anchorage¹.

¹ Alaska Department of Transportation and Public Facilities, 2014

The figure below shows the population living within 3-, 5- and 10-miles of a point in downtown Soldotna where the Sterling and Kenai Spur Highways intersect. When we consider users for various city services, we often consider these broader regional populations as a more accurate count in figuring demand.



By examining sales, we can see that demand for goods and services is not necessarily driven by municipal population. The graph on the following page compares the volume of restaurant/bar sales for each city in the borough as well as the combined area outside incorporated cities (in orange), versus each area's population (in teal). It is clear that the two are not correlated.



Though Soldotna has a small population, our businesses within the city limits reported the highest gross restaurant/bar sales of any borough municipality in 2013 at more than \$25 million. The trend is true of other cities in the borough as well, where sales are consistently concentrated within cities, despite the majority of population residing in the unincorporated areas of the borough. **Because state statutes are only concerned with population of a municipality (per AS 04.11.400), there is a mis-match of where licenses are available, versus where the demand is greatest.** And while it remains important to allow for licenses to be distributed geographically throughout our very large borough, we feel the statutes should recognize that cities act as regional hubs of goods and services, in a way that is not reflected by their official populations.

Consequences of our current system

One consequence of the current system has been a proliferation of Public Convenience licenses in small communities – particularly on the Kenai Peninsula². Public convenience licenses have allowed businesses like St. Elias in Soldotna, Two Sister’s Bakery and Fat Olive’s in Homer, and the Tide Pool Café in Seldovia to serve beer and wine in their restaurants. These businesses are important to our communities, and would not have been allowed if the strict population limitations were employed.

² In looking at the database of active licenses in the fall of 2015, approximately half of all Public Convenience licenses in the state were located in the Kenai Peninsula Borough.

Another consequence of the current system is that it encourages development outside of established cities. Though these unincorporated areas of the borough do not have local police presence, land use controls such as zoning, nor the same level of infrastructure development. But that's where the liquor licenses are available. In Soldotna, we see significant development outside but very near the city limits, including restaurants, bars, and package liquor stores.

PC licenses were a solution for some, but not all existing businesses. The owner of Senor Pancho's Mexican restaurant in Soldotna has been unable to achieve the 770 signatures required for his PC license. When Walgreen's expanded to the Peninsula and opened a store at the Soldotna Y, they built their typical footprint without realizing that no package liquor licenses were available. To this day, that square footage of the store remains empty.

An additional concern is that Soldotna will lose out on the potential to attract new businesses to our area. Our city currently has two thriving breweries (one brewery and one brewpub), and have had conversations with an entrepreneur who has purchased land and equipment with the intent of opening a third. The proposal under SB99 would only allow one

brewery to obtain a retail endorsement in Soldotna (since the ratio is the most restrictive of any license type at one per 10,000 population), and would be a step backward for our community and this thriving industry. Tasting rooms in breweries are a draw for tourists, and an important place where our community comes together. They are not places where we have experienced problems with overconsumption nor minors consuming.

Similarly, we have several locations in Soldotna where restaurants may be interested in locating. We feel that by not allowing any new restaurant to serve beer and wine, we're essentially shutting them out of our community. And like breweries, restaurants are important for our quality of life, and not particularly risky locations for alcohol consumption.

Public Convenience licenses

The current system of issuing public convenience licenses based on collecting signatures within a 1-mile radius of the business is difficult to administer, produces very uneven results, and we agree has got to go. But at the same time, we believe it served a valid purpose by allowing some measure of flexibility to the otherwise rigid population ratios. Though some consider it a loophole that has been exploited, we feel that it allowed additional businesses to establish and thrive in our community, and that it provided additional licenses where there exists a valid demand and public need.

After the Public Convenience license type goes away, as proposed in SB99, all existing PC licenses will eventually be phased out over time. They will have the option to convert to a seasonal license, or will otherwise be allowed a single transfer of ownership at the same location. With almost half of all public convenience licenses in the entire state, Kenai Peninsula businesses will feel the impact of this rolling-back significantly, with other areas of the state having little or no impact. We question the logic of trying to close these existing

businesses over time, when the state recognizes there have been no significant enforcement issues with them to date³.

The proposal to allow PC licenses to convert to Seasonal Tourism Restaurant Licenses would not be an appropriate solution for most of our year-round businesses. The stakeholder report issued in February 2015 elaborates on how visitor statistics collected by the State of Alaska Department of Commerce, Community and Economic Development would be used to calculate the number of seasonal licenses allowed. Unfortunately, the annual visitor data described does not exist at the community level. The most recent visitor count at the community level is from 2011, and that report lumped “Kenai/Soldotna” together as a single destination. If we plug in the 2011 statistics and use the formula contained in the Title 4 stakeholder report, the Kenai/Soldotna area would be allowed significantly more liquor licenses under the new seasonal type system than exist now. The four year-round PC licenses operating in our area would be eliminated over time, but then 22 new seasonal licenses would be created, and allowed to operate any 6 months out of the calendar year. **We feel this approach deserves more consideration.**

The most-recent, detailed visitor data from AK DCCED for our community, was from 2011, and the report lumped “Kenai/Soldotna” together as a single destination.

Promoting responsible growth

The state of Alaska is experiencing a boom in the craft brewing industry, and Soldotna has definitely benefitted. As a City, we’ve embraced our local breweries as a key component of our economic development strategy. They employ a lot of people, produce a product and atmosphere that tourists and residents appreciate, and further our goal of being a great place to live and work.

Tourism remains a bright spot for our state economy, and our eating and drinking establishments are important in continuing to attract visitors to our area.

But quality of life isn’t just for tourists, it’s also a way Soldotna and other communities on the peninsula can retain talented Alaskans, and attract new talent. We continue to invest in parks and programming, public safety and infrastructure, and programs to promote a healthy business climate. Facilitating growth and success of our existing businesses, including bars, restaurants and breweries, is something we are focused on.

Our proposal – enhanced local government control

Alaskans know that one size does not often fit all, especially in a state as diverse as ours. We believe that local municipalities are best suited to understand their unique attributes. Local residents can best balance community health concerns, public safety, and economic and

³ “To date, Public Convenience licensees have not been associated with significant enforcement problems, but circumvent the population limitation.” (Alaska Title 4 Review Stakeholder Report, February 2015)

community development needs. We know that raising the limits for additional licenses across the State does not make sense. But we also believe that relying on population alone, without considering a community's broader context, is not always an accurate metric for a community's capacity or demand.

We propose that the updated Title 4 include a mechanism to allow local municipalities to petition the ABC Board for additional licenses, if certain criteria are met. This would put critical decisions about public health and safety, and a community's goals about growth, with local decision-makers, law enforcement, business owners, and community members. The state has adopted a system of maximum local control when it comes to regulating commercial marijuana, and we feel it is appropriate for municipalities to also be provided an opportunity to assist in regulating alcohol within their borders.

Rather than the current system of individual businesses petitioning ABC for a license (through the Public Convenience process), we propose that local governing bodies be given the authority to petition the board. For example, Section AS 04.11.400 could be amended to include an additional section similar to the following:

An incorporated city within an organized borough may apply for additional licenses to be issued within its city if:

- a. The incorporated city is a primary provider of goods and services to the population residing outside the corporate boundary;
- b. The incorporated city maintains a law enforcement agency;
- c. The city has a comprehensive zoning and land use code;
- d. The city has established findings that it is in the best interest of the public to site additional licensees within the city limits; and
- e. The organized borough within which the incorporated city is located does not, upon good cause shown, object to the issuance of additional licenses.

The exact wording deserves to be thoughtfully debated. But I hope we are able to engage the stakeholder group in a dialogue about opening up additional licenses in limited instances. Thank you for your consideration, and I am happy to attend an upcoming meeting of the working group, if this item is added to the agenda for discussion.

Best,



Stephanie Queen, AICP
Director of Economic Development and Planning
City of Soldotna