



CITY OF NORTH POLE
Regular Meeting August 17, 2020
North Pole Council Chambers
125 Snowman Lane, North Pole, Alaska
www.northpolealaska.com

Monday, August 17, 2020

Workshop to review City Clerk/HR Manager Applicants 5:30PM

Committee of the Whole: 6:30 p.m.

Regular City Council Meeting: 7:00 p.m.

MAYOR

Michael Welch
488-8584

CITY CLERK

488-8583

COUNCIL MEMBERS

Perry Walley – Mayor Pro Tem	347-0135
Santa Claus – Deputy Mayor Pro Tem	388-3836
Aino Welch – Alt. Deputy Mayor Pro Tem	488-5834
DeJohn Cromer	347-2808
David Skipps	750-5106
Thomas McGhee	455-0010

- 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**
 - a. August 3, 2020**
- 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 20 – 18 An Ordinance of the City of North Pole, Alaska to Amend 2020 Operating Budget and Other Funds
- b. Ordinance 20 – 19 An Ordinance to Appropriate Cares Act Funds for City of North Pole, Healthcare, Businesses/Non-Profits and Individuals/Families

12. New Business:

- a. Recommendation for acquiring office space for the City Services that include the Building, Public Works and Utility Departments administrative functions.

13. Council Comments

14. Adjournment

Detailed information and copies of agenda documents may be obtained at the Office of the City Clerk, 125 Snowman Lane or on the City website www.northpolealaska.com . Notice of Council Action is available at City Hall and on the City website following the meeting.

How to Offer Public Testimony at Council Meetings

In response to the COVID-19 pandemic and local/state regulations requiring residents to stay at home, practice social distancing, and limit gatherings, the City of North Pole has created a process for citizens to stay connected with the Council regarding agenda items.

Written testimony is encouraged. You may submit your comments by calling the Clerk's Office at 488-8583 or by sending an email to arhoades@northpolealaska.org prior to 1:00 p.m. the day of the meeting. Please indicate which agenda item you are providing written testimony for. Examples: Ordinance or Resolution number, agenda item#, or description of subject.

To sign-up for **telephonic testimony** call the Clerk's Office at 488-8583 or email arhoades@northpolealaska.org prior to 1:00 p.m. the day of the meeting. Please indicate that you wished to be called, for what item you will provide testimony on, and what number you can be reached at.

Council Meetings are aired **live via audio streaming** from the City's website at <https://www.northpolealaska.com/citycouncil/page/council-meeting-audio-stream>.

Inquiries concerning ADA compliance or accommodations should be directed to the City Clerk.



NORTH POLE CITY COUNCIL
REGULAR MEETING MINUTES, Aug 3, 2020
NORTH POLE CITY COUNCIL CHAMBERS
125 SNOWMAN LANE, NORTH POLE, ALASKA

Mayor Welch called the regular City Council meeting of Monday, Aug 3, 2020 to order at 7:02 p.m. with the following Council Members in attendance:

Council Members Present: Santa Claus
Thomas McGhee
David Skipps
Aino Welch
DeJohn Cromer – Attending Via Zoom
Perry Walley
Mayor Welch

Absent:

Excused:

Also Present: William Butler, Director of City Services
Tricia Fogarty, Chief Financial Officer
Steve Dutra, Police Chief
Aaron M. Rhoades, Temporary City Clerk/HR Manager
Geoff Coon, Fire Chief

PLEDGE OF ALLEGIANCE TO THE FLAG

Mayor Welch asked everyone to join him in the Pledge of Allegiance.

INVOCATION

The Invocation was given by City Council Member Mayor Welch.

APPROVAL OF AGENDA

Mr. Walley *moved to* approve the agenda of August 3, 2020.

Seconded by Mrs. Welch.

Discussion

Mr. Walley *moved to* consent the following items:

Old Business:

- a. Ordinance 20 – 14 An Ordinance of the City of North Pole, Alaska to Amend the 2019 Water Utility Operating Budget

New Business:

- b. Ordinance 20 – 18 An Ordinance of the City of North Pole, Alaska to Amend 2020 Operating Budget and Other Funds

Remove:

Old Business:

- b. Ordinance 20 – 15 An Ordinance of the City of North Pole, Alaska Amending Title 2, Chapter 2.36 Personnel Code, Section. 470 Pay

New Business

- a. Ordinance 20 – 17 An Ordinance of the City of North Pole, Alaska Amending Title 2, Chapter 2.36 Personnel Code, Section. 470 Pay

Seconded by Mrs. Welch

Discussion

None

On the amendment.

PASSED

YES: 7 – Mr. McGhee, Mr. Skipps, Mr. Claus, Mrs. Welch, Mr. Cromer, Mr. Walley Mayor Welch

NO: 0

ABSTAIN:

Mayor Welch declared the MOTION CARRIED

On the Agenda as amended.

Discussion

None

PASSED

YES: 7 – Mr. McGhee, Mr. Skipps, Mr. Claus, Mrs. Welch, Mr. Cromer, Mr. Walley Mayor Welch

NO: 0

ABSTAIN:

Mayor Welch declared the MOTION CARRIED

APPROVAL OF MINUTES

Mr. Walley *moved to approve the Minutes of July 20, 2020.*

Seconded by Mrs. Welch

Discussion

None

PASSED

YES: 7 – Mr. McGhee, Mr. Skipps, Mr. Claus, Mrs. Welch, Mr. Cromer, Mr. Walley Mayor Welch

NO: 0

ABSTAIN:

Mayor Welch declared the MOTION CARRIED

COMMUNICATIONS FROM THE MAYOR

- a. Cares Act Committee met at North Pole Hotel July 29, 2020 Finished up Committee work.
- b. AML Virtual Meeting anyone who wants to participate get with City Clerk.
- c. Contracts Officer on EAFB died in an accident.
- d. Out of Office starting Aug 6, 2020 until August 21, 2020.
- e. Clerk –HR Manager applicants is 1 interviewing should start towards end of August.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

- Councilman McGhee asked for the May Marsh report that he had requested.
 - Mayor Welch responded the report has to be requested by the whole City Council and then it can be viewed/discussed in Executive Session.

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Fire Department, Deputy Chief Heineken

- Fire danger is low and burning is allowed with a permit.
- We have gone on 791 emergency calls this year. We are averaging 3.6 calls per day.
- Alaska has had 3,341 Covid-19 cases with 946 total recovered and 25 deaths.
- The FNSB area has had 410 cases total.
 - These numbers are sent out daily from Alaska Department of Health and Social Services.

- Please continue to work on those three ICS classes. Instruction sheet attached.
- The new Command truck is scheduled to be done in August.

Training:

- No change from last report.

Maintenance Report:

- Captain's Hamlin and McGilvary have been working on electrical problems with Platform 21 and Engine 21. These problems are small and annoying but does not keep either apparatus from service.

Pay Scale Project and Recommendation:

- Deputy Chief Heineken has been working with the Police Department and Councilman Walley on the Pay Scale recommendations since last Council meeting. I urge the council to take action on this as there are a lot of Firefighter positions currently open in the interior and all over Alaska. These positions are very competitive and our current pay scale puts us at a disadvantage for recruitment and retention.

Building Department, Bill Butler

Building Department

- Starting to issue permits for the North Pole Veterinary Clinic expansion.
- Received two additional residential building permit applications.

Public Works

- City Hall sign damaged by vandalism. Public Works will replace.
- Repaired a streetlight cable along Barbara Lee Drive that intermittently failed during the winter.
- John Linnell's work is being recognized by businesses along Santa Claus Lane. Businesses are showing their appreciation by thanking him, providing him free lunches and drinks.

Utility Department

- Utility Department is engaged in routine summer maintenance-lift station cleaning, exercising valves.
- Utility Department staff are routinely supporting Moose Creek project activities.

North Pole Expansion Project

- Of the 480 possible connections in Zones 3 & 4, 436 (91%) have applied for

service.

- 243 (51%) of new account applicants' services have been installed in Zones 3 & 4.

Moose Creek Water System Expansion Project.

- Areas with deep excavations are still have problems when in PFAS contaminated area related to contaminated ground water.
- Requesting EPA & DEC to approve alternative means to dispose of de-watering water.
- Water tank is epoxy coated inside and out.
- Pump house pumps and piping beginning to be installed.
- Installing water mains in the northern and southern sections of Moose Creek. HC is pushing to install all water mains by end of 2020 construction season
- Environmental covenant paperwork has been sent to Moose Creek residents. 36 signed covenants have been submitted paperwork to date.
- Contractor has found two cracked pipes after the pipes were installed and pressurized. The cracked pipes were "owner purchased." Will be working with City Attorney to identify City's options.

City Services Office Space

- Bid submission date changed to August 6 to give contractors more time to prepare proposals.
- Goal remains to make a recommendation to Council on August 17.

Finance, Tricia Fogarty

- Working on Payroll update to Caselle
- 4 Applications for City Clerk – HR Manager
- Discussion about holding interviews Aug 20, 2020.

Police Department, Chief Dutra

- Video of Memorial Park – 15k views as of Sunday. Thanks to Evidence Custodian Rachel wing and Councilwomen Welch for collaborating on this video. Amazing job.
- New Officer will be starting on the 17th. This puts us 2 down but just in time for 2-3 vacations due to maxed out Vacation banks.
- Our sign was damaged out in parking lot. This was a stolen vehicle from Fairbanks recovered by our department. Suspect arrested after short pursuit and standoff.

Borough Representative

- Liquor licenses
- Groundwater protection

- Ordinance 20-24 Oneil and Sanford requiring apprenticeship participation with FNSB Contractors working on FNSB projects.

City Clerk

- Monday at Noon is the new deadline for Council Agenda items.

ONGOING PROJECTS

- CARES Act Committee Chair Mike Miller made final report on Committee work.

CITIZEN'S COMMENTS – (Limited to Five (5) minutes per Citizen)

Shelley Ebenal, CEO Foundation Health Partners

Jeff Cook, President, Emeritus of The Greater Community Hospital Foundation

- Both leaders spoke about the impact of the Covid 19 Pandemic on the hospital's finances and the need for grants to replace those losses to ensure and strong healthcare system (See FHP Attachments at end of minutes).

Meeting Suspended for 5 minutes at 8:43pm

Meeting resumed at 8:48PM

OLD BUSINESS

- c. Ordinance 20 – 16 An Ordinance of the City of North Pole, Alaska to Oppose Passage of Legislation that Would Restrict Individual Rights Protected by the Second Amendment of the United States Constitution and Declaring the City of North Pole a Second Amendment Sanctuary

MOTION TO ADVANCE ORDINANCE 20 – 16 AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO OPPOSE PASSAGE OF UNLAWFUL OR UNCONSTITUTIONAL LEGISLATION THAT WOULD RESTRICT INDIVIDUAL RIGHTS PROTECTED BY THE SECOND AMENDMENT OF THE UNITED STATES CONSTITUTION AND DECLARING THE CITY OF NORTH POLE A SECOND AMENDMENT SANCTUARY

Mr. McGhee moved to Approve Ordinance 20-16.

Seconded by Mrs. Welch.

Mr. McGhee moved to Amend Ordinance 20-16 in 3 places.

- **In the Title adding “Unlawful or Unconstitutional”**
- **Line 44 adding “WHEREAS, The City Council encourages all citizens whether for sport, hunting or self-protection to take a certified firearms safety class: and”**
- **Section 2. Adding “That has been enacted unlawfully or unconstitutionally.” Removing “and consider such law to be unconstitutional.”**

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE 20-16 AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO OPPOSE PASSAGE OF UNLAWFUL OR UNCONSTITUTIONAL LEGISLATION THAT WOULD RESTRICT INDIVIDUAL RIGHTS PROTECTED BY THE SECOND AMENDMENT OF THE UNITED STATES CONSTITUTION AND DECLARING THE CITY OF NORTH POLE A SECOND AMENDMENT SANCTUARY:

YES: 5 – Mr. McGhee, Mr. Skipps, Mr. Walley, Mrs. Welch, Mayor Welch

NO: 2 – Mr. Comer, Mr. Claus

ABSTAIN:

Mayor Welch declared the MOTION CARRIED

Discussion

- Mr. Claus stated that an Ordinance is a law and had a concern that this should be a Resolution not and Ordinance per the City’s Attorney and in his opinion.
- Mr. McGhee stated that the City Attorney and Mr. Claus have given their opinions and asked if anyone on the Council would stand with him and the 2nd Amendment.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE 20-16 AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO OPPOSE PASSAGE OF UNLAWFUL OR UNCONSTITUTIONAL LEGISLATION THAT WOULD RESTRICT INDIVIDUAL RIGHTS PROTECTED BY THE SECOND AMENDMENT OF THE UNITED STATES CONSTITUTION AND DECLARING THE CITY OF NORTH POLE A SECOND AMENDMENT SANCTUARY:

YES: 5 – Mr. McGhee, Mr. Skipps, Mr. Walley, Mrs. Welch, Mayor Welch

NO: 2 Mr. Claus, Mr. Cromer

ABSTAIN:

Mayor Welch declared the MOTION CARRIED

NEW BUISNESS

- C. Ordinance 20 – 19 An Ordinance to Appropriate Cares Act Funds for City of North Pole, Healthcare, Businesses/Non-Profits and Individuals/Families

MOTION TO AMEND ORDINANCE 20-19, AN ORDINANCE TO APPROPRIATE CARES ACT FUNDS FOR CITY OF NORTH POLE, HEALTHCARE, BUSINESSES/NON-PROFITS AND INDIVIDUALS/FAMILIES

Mr. McGhee moved to Amend Ordinance 20-19

Seconded by Mr. Walley.

Mr. McGhee moved to Amend Ordinance 20-19 in 2 places.

- **Line 29 from \$10,000 to \$15,000**
- **Line 32 removing “that the remainder” replacing it with “\$500,000”**

Discussion

- Discussion was held regarding the request to approve Amendments.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE 20-19, AN ORDINANCE TO APPROPRIATE CARES ACT FUNDS FOR CITY OF NORTH POLE, HEALTHCARE, BUSINESSES/NON-PROFITS AND INDIVIDUALS/FAMILIES:

YES: 7 – Mr. McGhee, Mr. Skipps, Mr. Walley, Mr. Claus, Mrs. Welch, Mr. Cromer, Mayor Welch

NO: 0

ABSTAIN:

Mayor Welch declared the MOTION CARRIED

MOTION TO ADVANCE ORDINANCE 20-19, AN ORDINANCE TO APPROPRIATE CARES ACT FUNDS FOR CITY OF NORTH POLE, HEALTHCARE, BUSINESSES/NON-PROFITS AND INDIVIDUALS/FAMILIES

Mr. McGhee moved to Advance Ordinance 20-19.

Seconded by Mr. Walley.

Discussion

- Discussion was held regarding the request to approve.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE 20-19, AN ORDINANCE TO APPROPRIATE CARES ACT FUNDS FOR CITY OF NORTH POLE, HEALTHCARE, BUSINESSES/NON-PROFITS AND INDIVIDUALS/FAMILIES

YES: 7 – Mr. McGhee, Mr. Skipps, Mr. Walley, Mrs. Welch, Mayor Welch
NO: 0 - Mr. Claus, Mr. Cromer
ABSTAIN:
Mayor Welch declared the MOTION CARRIED

Mr. McGhee *moved to adjourn the meeting at 8:24 p.m.*

Seconded by Mr. Walley.

The regular meeting of Monday, July 20, 2020 adjourned at 9:48 p.m.

Michael W. Welch, Mayor

ATTEST:

Aaron M. Rhoades, City Clerk



(907) 452-8181 Phone
 (907) 458-5324 Fax
www.foundationhealth.org
 1650 Cowles Street
 Fairbanks, AK 99701

August 2, 2020

City of North Pole
 Mayor Welch & Council Members
 125 Snowman Lane
 North Pole, AK 99705

Dear Mayor Welch and Councilmembers,

We appreciate the challenges you face as you deliberate the equitable distribution of the Federal CARES Act funds you have received from the State of Alaska. These are tough times and we appreciate your service to the City of North Pole and the Interior.

Foundation Health Partners (FHP) is a local non-profit corporation and the backbone of the healthcare system for Alaska's vast Interior region. FHP took on the cost of COVID preparedness to protect the residents of Fairbanks and North Pole while relying on the Foundations' reserves to cover lost revenues, payroll costs, and COVID expenses. During this time FHP ceased all non-emergent and elective procedures by Alaska Mandate #5. As a result, FHP has experienced a **\$31,807,795 million loss** from March through July 2020. We are hopeful that gradual community confidence in the safety of health care delivery through FHP services will return, however, *future revenues will not cover our losses and the cost of Covid-19 preparedness.*

As CEO and President of FHP, we are here today to inform you of the financial strain the pandemic has had on the stability of our healthcare system; FMH, TVC, Denali Center, Porter Heart Center, and the J. Michael Carrol Cancer Center. As you consider Ordinance 20-19 disbursing CARES Act funds, we ask for your support in providing financial assistance to FHP to help fill the gap in lost revenue and payroll costs totaling **\$9,458,795** March through July (monthly detail attached).

August through December COVID-19 financial implications are unpredictable given the continued impact of the pandemic, lost revenues, and the slow return of residents seeking healthcare services.

We have spent considerable time since March working with our U.S. Congressional Delegation, State Interior Delegation, Governor Dunleavy and the Department of Health & Social Services, City of Fairbanks, and the Fairbanks North Star Borough. The State of Alaska has asked that we also seek aid through our municipalities' CARES Act funding pass through grants. We are currently pursuing assistance from the FNSB and the City of North Pole.

Listed below is a summary of Government grants received by FHP to date (nearest million).

<u>Fund Source</u>	<u>Amount</u>	<u>Purpose</u>
US. Dept Health & Human Services Grants	\$9,896,000	payroll & lost revenue costs
State of Alaska COVID Pass through Grant	\$7,500,000	payroll & lost revenue costs
City of Fairbanks COVID Pass through Grant	<u>\$4,953,000</u>	costs of COVID Activities, Services & PPE
Total	\$22,349,000	Total Grants Received to date
Remaining Payroll & Lost Revenue	<u>9,458,795</u>	
Total Cost of COVID Preparedness to FHP to date	\$31,807,795	

FHP has likely exhausted all other sources of financial aid from the Federal, State and City of Fairbanks. Both FNSB and City of Fairbanks Ordinances required at least \$5million in annual revenue for applicant eligibility which we qualified for.

Fairbanks Memorial Hospital and most FHP physicians and healthcare services remained open for COVID-19 preparedness. It is important to note that unlike other businesses, FHP was not eligible for funds through the Federal Payroll Protection Program due to the 500-employment base limit. FHP employees 1960 employees in Fairbanks and North Pole.

Thank you for your consideration of this request. We appreciate the challenges of your task at hand.

Sincerely,

Handwritten signature of Shelley D. Ebenal in cursive script.

Shelley D. Ebenal, CEO
Foundation Health Partners

Handwritten signature of Jeffery Cook in cursive script.

Jeffery Cook, Board Chair
Foundation Health Partners

cc: Governor Mike Dunleavy
Commissioner Adam Crum
Interior Delegation



Foundation Health Partners 2020 Costs of COVID-19 Preparedness	March <i>Covid</i>	April <i>Covid</i>	May <i>Covid</i>	June <i>Covid</i>	July <i>Projected</i>	Totals <i>March- July</i>
Budgeted Net Healthcare Revenues 2020						
Fairbanks Memorial Hospital	20,452,518	20,302,394	20,389,318	19,785,537	19,906,730	100,836,497
Denali Center	1,817,509	1,758,878	1,817,509	1,758,878	1,817,507	8,970,281
Tanana Valley Clinic	3,612,917	4,031,813	3,860,746	3,260,541	3,786,796	18,552,813
Subtotal	25,882,944	26,093,085	26,067,573	24,804,956	25,511,033	128,359,591
Actual/Projected Net Healthcare Revenues						
Fairbanks Memorial Hospital	15,806,335	10,083,421	13,211,118	18,590,002	18,463,610	76,154,486
Denali Center	1,765,339	1,667,911	1,735,774	1,518,249	1,326,196	8,013,469
Tanana Valley Clinic	2,091,137	1,594,863	2,382,349	2,868,034	3,774,386	12,710,769
Subtotal	19,662,811	13,346,195	17,329,241	22,976,285	23,564,192	96,878,724
Lost Net Healthcare Revenues 2020	(6,220,133)	(12,746,890)	(8,738,332)	(1,828,671)	(1,946,841)	(31,480,867)
Total Expenses 2020						
Fairbanks Memorial Hospital	20,611,976	19,372,386	20,589,644	19,808,826	19,149,566	99,532,398
Denali Center	1,538,976	1,298,168	1,378,823	1,203,845	1,502,093	6,921,905
Tanana Valley Clinic	4,479,486	4,325,382	4,467,982	4,128,410	4,980,562	22,381,822
Subtotal	26,630,438	24,995,936	26,436,449	25,141,081	25,632,221	128,836,125
Net Healthcare Income/(Loss)	(6,967,627)	(11,649,741)	(9,107,208)	(2,164,796)	(2,068,029)	(31,957,401)
Grants Received						
Subtotal	(6,967,627)	(5,961,259)	(9,107,208)	11,024,535	1,552,764	(9,458,795)

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Aaron Rhoades, Acting North Pole City Clerk

PASSED/FAILED Yes: No: Absent:

**MEMORANDUM OF AGREEMENT
BETWEEN THE FAIRBANKS NORTH STAR BOROUGH AND THE CITY OF NORTH POLE
FOR LOCAL CARES ACT FUNDING RELIEF PROGRAMS**

Purpose

The Fairbanks North Star Borough ("Borough" or "FNSB") and the City of North Pole ("City") hereby enter into this agreement in order to streamline the application process for local Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") relief programs as established by FNSB Ordinance No. 2019-20-1Z and to authorize the joint administration of these programs.

Background

The CARES Act was signed into law by President Trump on March 27, 2020 and established a \$150 billion Coronavirus Relief Fund ("CRF") for payments to states, tribal governments, and local governments, with \$1.25 billion in funding for the State of Alaska. The Alaska State Legislature allocated \$24,684,398 of this funding to FNSB and \$4,063,980 to the City.

The FNSB Assembly has approved various grant programs ("FNSB CARES") that includes a program to help small businesses, including non-profit agencies, mitigate the economic impact of the COVID public health emergency:

- Business Interruption Grant ("BIG"): \$10 million allocated, maximum award per recipient \$15,000

The City wishes to implement this program for City businesses (businesses located within the City and holding a City business license), using the payment thresholds, eligibility criteria, and review criteria established for the FNSB BIG program. The City has accepted Coronavirus Relief Funds from the State of Alaska through City Resolution No. 20-06.

It is anticipated that there will be minimal additional work to verify an applicant's eligibility for the City program. The solicitation documents to administer this program advised potential contractors that additional funds may be available for dispersal through the FNSB CARES program, and that a contract amendment could be made if necessary.

Agency Roles & Responsibilities

It is mutually understood and agreed by and between the parties that:

1. The Borough is finalizing, or has finalized, a contract with a third-party to administer its FNSB CARES programs ("FNSB contractor"). Upon agreement with the City to jointly administer the BIG program, the Borough will seek a contract amendment or modification from the FNSB contractor to process City BIG applications.
2. To maximize efficiencies in program administration for both FNSB and the City, applicants with a City business license may apply for funding from the City via their FNSB CARES application, for a total of \$30,000 of BIG funds. Payments will be funded

evenly between the FNSB and the City until either party exhausts its allocation for the program. After one party's funding is exhausted, the other party will pay up to \$15,000 per BIG.

3. The City will establish a total for funding to be allocated to these programs no later than **August 19**, 2020 and will notify the Borough of that amount.
4. The City will direct all potential applicants to the Borough for application processing.
5. The FNSB contractor will review applications, verify supporting documents, and make recommendations for grant payment amounts.
6. The Borough will process applications for City businesses for the BIG program and provide processed applications to the City with recommendations for disbursement.
7. The City will process accepted applications as provided by the Borough and disburse funds based on local funding availability. The City will provide a weekly report to the Borough on the amount distributed to businesses and organizations.
8. The Borough will cover costs associated with the FNSB contractor's work in processing applications and marketing for the programs. The City will be responsible for all other additional costs associated with the disbursement of funds and associated audits.
9. The City will support and work with the Borough and FNSB contractor to provide information and data in support of the programs.
10. By entering into this agreement and performing the activities specified herein, the Borough assumes no responsibility or liability for the City's obligations to the State of Alaska under the City's Coronavirus Relief Fund Grant Agreement with the State of Alaska, and the City remains solely responsible for those obligations.

Agreement Terms

1. This agreement shall be effective upon signature of all parties and until each party's BIG program allocations are extinguished or lapsed and closed out to include a federal audit requirement, if required.
2. The undersigned municipalities may amend, revise or supersede this agreement only by written agreement signed by both parties.
3. Both parties may agree in writing to terminate this agreement at any time; either party may terminate the agreement if the other party fails to perform in the manner called for in the agreement; the Borough may terminate the agreement for its own convenience on thirty (30) days written notice; and the agreement will terminate if the Borough Assembly or City Council fails to appropriate necessary funds or repeals all or substantially all of the appropriations which fund this agreement.
4. The City may not assign, in whole or in part, the City's duties or interests under this agreement without the prior written consent of the Borough.
5. This contract binds the successors, heirs, personal representatives, and any assigns of the parties.
6. Time is of the essence of this agreement.

- 7. The laws of the State of Alaska will govern the interpretation of this agreement. Any action arising from this agreement will be filed in Fairbanks, Fourth Judicial District, State of Alaska.
- 8. Any provision or part of the agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the parties. The parties agree that the agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- 9. The agreement constitutes the entire agreement between the parties, and supersedes all prior agreements, representations, and negotiations.
- 10. Any terms of this agreement that, by their nature, extend beyond the expiration or termination of this contract shall remain in effect until fulfilled.
- 11. Each party may deliver notices under this agreement to the representative and address listed below:

City Representative: _____

Address: _____

Email: _____

Phone: _____

Borough Representative: _____

Address: _____

Email: _____

Phone: _____

SIGNATORIES

The undersigned hereby agrees to comply with the provisions and terms of this agreement as described above.

 Mayor Bryce Ward, Fairbanks North Star Borough

 Date

 Mayor Michael Welch, City of North Pole, Alaska

 Date

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

City of North Pole
Director of City Services

Memo

To: North Pole City Council
From: Bill Butler
Date: August 11, 2020
Subject: Office space options for City Services—administrative functions of Building, Public Works and Utility Departments

Recommendation

Due to the high costs for the remodel of the Old Water Treatment Plant to serve as office space for City Services administrative functions, authorize the Director of City Services to seek alternative office space options either rental or purchase of suitable space.

Background

The Utility Department abandoned the Old Water Treatment plant as an operational asset in 2011 after the new drinking water wells were approved to operate. Discontinued use of the building as office space occurred in spring 2014 when the Utility Shop was completed. The building has been unoccupied since Spring 2014. Partially due to projected shortage of office space in City Hall, the City used a \$300,000 legislative award plus funds from the Police Department to generate redesign plans for City Hall and the Police Department. The redesign was completed in June 2018. The architect's cost estimate if the project were bid in 2019 was \$2.95 million. The national, state and local economies were in decline at that time and there was no expectation that state or local funds would be available for the remodel of City Hall and Police Station in the near future.

The Utility Clerk's assignment is presently 50 percent Utility Department and 10 percent Building Department with the remainder allocated for administrative responsibilities. With the North Pole Water System Expansion and the Moose Creek Expansion, the Utility Department's plan is for the Utility Clerk's activities to become 90 percent dedicated to the Utility Department and 10 percent for the Building Department. The balance of the Utility Assistant's other activities will need to be transferred to another and possibly new employee. The Accounting Department is in the process of recruiting a new position and there is the potential of splitting the City Clerk/Human Resources position into two positions. This growth represents up to three additional persons working in City Hall.

The proposed remodel of the Old Water Treatment Plant was pursued to free up space in City Hall for the projected growth in its staffing. My thought was the remodel of an existing building could be an economical way to move the administrative functions of City Services out of City Hall and free up space for growth in City Hall. I formulated a concept, had remodel plans generated and released a request for proposals for the remodel. The proposals submitted on August 6 were a rude awakening that the remodel of an old existing building could be done economically—the proposed remodel cost could fund the construction of a new building. The remodel costs would primarily be borne by utility rate payers and building department fees. The proposed costs exceed any amount I can recommend that the City Council approve even if CARES funding were available and could be used for the project. Below is a summary of the proposal costs.

Company name	Base bid	Alt #1: Paving	Alt #2 Generator	Base + Alt #1	Base + Alt #2	Base + Alt #1 & #2
Trost Construction	\$649,350	\$36,750	\$63,850	\$686,100	\$713,200	\$749,950
Alcan	\$769,327	\$22,798	\$39,000	\$792,125	\$808,327	\$831,125
Callahan Construction Company	\$990,000	\$33,000	\$15,000	\$1,023,000	\$1,005,000	\$1,038,000
Wolverine Supply	\$997,000	\$62,000	\$60,000	\$1,059,000	\$1,057,000	\$1,119,000

With the remodel cost exceeding expectations, there are two other options—rental of existing space or purchase existing office/commercial space. There are limited available rental and office spaces available in the vicinity of the City that could meet our needs. An example of a rental option is 203 Santa Claus Lane (office building adjacent to the Post Office directly behind the coffee cart). This building rents for \$0.68 per square foot. For the 3,280 square feet, the rent would be \$2,230 per month, \$26,765 per year. Rent at this rate would cost each of the four departments (Water, Sewer, Public Works and Building) approximately \$6,700 per year not counting utilities. The owner requires a multi-year lease and the tenant is responsible for utilities. The building is close to City Hall and would be easily accessible from City Hall to our customers. The building is almost as old as the Old Water Treatment plant (Old WTP—49 years; 203 Santa Claus Lane 43 years); it is not handicapped accessible and the exterior upkeep appears to have been neglected for years. I am uncertain if CARES funding could be used for office rent and even if it were, the CARES funding will expire December 31, 2020.

Purchase of existing space is another option. There is a facility at 2636 Mistletoe Drive (the Mul Care building adjacent to the Glass Doctor) that is outside of the City limits. The building is relatively new, built in 2017; could be occupied immediately and has the potential to convert the garage space to additional office space as conditions require. One component of the Old Water Treatment Plant remodel was to build storage space for City Services files that presently fill several shelving units in the Police Department and much of my office. This facility has space for storage. The structure is 1,740 square feet and is handicap accessible on an approximate one acre lot. If CARES funding was available for remodel of an existing building, it could possibly be applied for renovations to a recently purchased property. With purchase, the City would have an asset. The asking price is \$334,900.