Call to Order/Roll Call

Pledge of Allegiance to the US Flag

Invocation

Approval of the Agenda

Approval of the Minutes
  a. August 3, 2020

Communications from the Mayor

Council Member Questions of the Mayor

Communications from Department Heads, Borough Representative and the City Clerk

Ongoing Projects Report

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](http://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](https://www.northpolealaska.com/citycouncil/page/council-meeting-audio-stream).

Inquiries concerning ADA compliance or accommodations should be directed to the City Clerk.
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.
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.
  o 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.
  o 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.
  o 243 (51%) of new account applicants' services have been installed in Zones 3 & 4.

Moose Creek Water System Expansion Project.
  o Areas with deep excavations are still a have problems when in PFAS contaminated area related to contaminated ground water.
  o Requesting EPA & DEC to approve alternative means to dispose of de-watering water.
  o Water tank is epoxy coated inside and out.
  o 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 BUSINESS
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
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 Foundation’s 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 Carroll 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).

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

Shelley D. Ebenal, CEO
Foundation Health Partners

Jeffry Cook, Board Chair
Foundation Health Partners

cc: Governor Mike Dunleavy
Commissioner Adam Crum
Interior Delegation
# Foundation Health Partners

## 2020 Costs of COVID-19 Preparedness

<table>
<thead>
<tr>
<th></th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budgeted Net Healthcare Revenues 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fairbanks Memorial Hospital</td>
<td>20,452,518</td>
<td>20,302,394</td>
<td>20,389,318</td>
<td>19,785,537</td>
<td>19,906,730</td>
<td>100,836,497</td>
</tr>
<tr>
<td>Denali Center</td>
<td>1,817,509</td>
<td>1,758,878</td>
<td>1,817,509</td>
<td>1,758,878</td>
<td>1,817,507</td>
<td>8,970,281</td>
</tr>
<tr>
<td>Tanana Valley Clinic</td>
<td>3,612,917</td>
<td>4,031,813</td>
<td>3,860,746</td>
<td>3,260,541</td>
<td>3,786,796</td>
<td>18,552,813</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>25,882,944</td>
<td>26,093,085</td>
<td>26,067,573</td>
<td>24,804,956</td>
<td>25,511,033</td>
<td>128,359,591</td>
</tr>
<tr>
<td><strong>Actual/Projected Net Healthcare Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fairbanks Memorial Hospital</td>
<td>15,806,335</td>
<td>10,083,421</td>
<td>13,211,118</td>
<td>18,590,022</td>
<td>18,463,610</td>
<td>76,154,486</td>
</tr>
<tr>
<td>Denali Center</td>
<td>1,765,339</td>
<td>1,667,911</td>
<td>1,735,774</td>
<td>1,518,249</td>
<td>1,326,196</td>
<td>8,013,469</td>
</tr>
<tr>
<td>Tanana Valley Clinic</td>
<td>2,091,137</td>
<td>1,594,863</td>
<td>2,382,349</td>
<td>2,868,034</td>
<td>3,774,386</td>
<td>12,710,769</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>19,662,811</td>
<td>13,346,195</td>
<td>17,329,241</td>
<td>22,976,285</td>
<td>23,564,192</td>
<td>96,878,724</td>
</tr>
<tr>
<td><strong>Lost Net Healthcare Revenues 2020</strong></td>
<td>(6,220,133)</td>
<td>(12,746,890)</td>
<td>(8,738,332)</td>
<td>(1,828,671)</td>
<td>(1,946,841)</td>
<td>(31,480,867)</td>
</tr>
<tr>
<td><strong>Total Expenses 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fairbanks Memorial Hospital</td>
<td>20,611,976</td>
<td>19,372,386</td>
<td>20,589,644</td>
<td>19,808,826</td>
<td>19,149,566</td>
<td>99,532,398</td>
</tr>
<tr>
<td>Denali Center</td>
<td>1,538,976</td>
<td>1,298,168</td>
<td>1,378,823</td>
<td>1,203,845</td>
<td>1,502,092</td>
<td>6,921,905</td>
</tr>
<tr>
<td>Tanana Valley Clinic</td>
<td>4,479,486</td>
<td>4,325,382</td>
<td>4,467,982</td>
<td>4,128,410</td>
<td>4,980,562</td>
<td>22,381,822</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>26,630,438</td>
<td>24,995,936</td>
<td>26,436,449</td>
<td>25,141,081</td>
<td>25,632,221</td>
<td>128,836,125</td>
</tr>
<tr>
<td><strong>Net Healthcare Income/(Loss)</strong></td>
<td>(6,967,627)</td>
<td>(11,649,741)</td>
<td>(9,107,208)</td>
<td>(2,164,796)</td>
<td>(2,068,029)</td>
<td>(31,957,401)</td>
</tr>
<tr>
<td><strong>Grants Received</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>(6,967,627)</td>
<td>(5,961,259)</td>
<td>(9,107,208)</td>
<td>(11,024,535)</td>
<td>(1,552,764)</td>
<td>(9,458,795)</td>
</tr>
</tbody>
</table>
ORDINANCE NO. 20-18
AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO
AMEND 2020 OPERATING BUDGET AND OTHER FUNDS

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

WHEREAS, the City of North Pole budget should be amended to conform to the requirements of the City; and,

WHEREAS, adjustment in the budget are necessary to remain compliant with council approved authorizations and budget management rules, and,

WHEREAS, fiscal notes are the method prescribed by the code to amend a budget; and,

WHEREAS, fiscal notes have been reviewed by the Accountant and Mayor for accuracy and recorded as amendments to the budget upon approval to move $10,459.00 from Police Department Wages to Police Department Equipment Outlay.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of North Pole that approves changes as listed in the fiscal note to be attached to this ordinance for the purpose managing the City budget.

Section 1. This ordinance is of a general nature and shall not be codified.

Section 2. Effective date.
This ordinance shall become effective immediately upon passage.

Advanced by a duly constituted quorum of the North Pole City Council this 3rd day of August 2020.

ATTEST:

Michael W. Welch, Mayor

Aaron Rhoades, Acting North Pole City Clerk

PASS/FAIL
Yes:
No:
Absent:
ORDINANCE NO. 20-19
AN ORDINANCE OF THE CITY OF NORTH POLE, ALASKA TO
APPROPRIATE CARES ACT FUNDS FOR DISTRIBUTION

WHEREAS, the City of North Pole has been notified by the State of Alaska, Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs, that the City of North Pole has been allocated Coronavirus Relief Funds through the Federal CARES Act; and

WHEREAS, the City of North Pole has been allocated Coronavirus Relief Funds in the amount of $4,063,980.00 for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID – 19); and

WHEREAS, the City of North Pole plans to recover allowable expenditures and to provide funds to local businesses and individuals within the City through partnerships with local financial institutions and organizations.

WHEREAS, The City of North Pole will partner with the Fairbanks North Star Borough CARES Act Program with the guidance of the North Pole Cares Act Committee’s actions approved by the North Pole City Council.

WHEREAS, The North Pole Cares Act Committee has proposed that $500,000 dollars should be set aside for Foundation Health Partners for a Health Integration Grant;

WHEREAS, they further propose $2,250,000 be distributed to the Business Interruption Grant per the guidelines of the FNSB.

FURTHERMORE, they propose $750,000 for Individuals and Families in the amount of up to $15,000 each.

FINALLY, $500,000 of the funds be spent on behalf of The City of North Pole for all of its Departments.

NOW, THEREFORE, BE IT ORDAINED by the City Council of North Pole that approves these Appropriations for the distribution of CARES Act Funds.

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

Section 2. Effective date.
This ordinance shall become effective immediately upon passage.

Advanced by a duly constituted quorum of the North Pole City Council this 3rd day of August 2020.

Michael W. Welch, Mayor

ATTEST:
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
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 awaking 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.

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<th>Company name</th>
<th>Base bid</th>
<th>Alt #1: Paving</th>
<th>Alt #2 Generator</th>
<th>Base + Alt #1</th>
<th>Base + Alt #2</th>
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<td>$60,000</td>
<td>$1,059,000</td>
<td>$1,057,000</td>
<td>$1,119,000</td>
</tr>
</tbody>
</table>

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.