



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, MARCH 9, 2015
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

The City Council convened at 7:00 p.m. on the above date, to conduct a Regular Meeting of the Fairbanks City Council at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor John Eberhart presiding and with the following Council Members in attendance:

Council Members Present: Perry Walley, Seat B
Bernard Gatewood, Seat C
Jim Matherly, Seat D
Jerry Cleworth, Seat E
David Pruhs, Seat F

Absent: Renee Staley, Seat A

Also Present: Warren Cummings, Fire Chief
Ernie Misewicz, Assistant Fire Chief
Paul Ewers, City Attorney
D. Danyielle Snider, Deputy City Clerk
Jim Williams, Chief of Staff
Ben Barrio, IT Director
Jim N. Soileau, Chief Financial Officer
Randall Aragon, Police Chief
J.B. Brainerd, Deputy City Attorney
Amber Courtney, Communications Director/PIO

INVOCATION

The Invocation was given by Deputy City Clerk Danyielle Snider.

FLAG SALUTATION

Mayor Eberhart led the Flag Salutation.

APPROVAL OF AGENDA AND CONSENT AGENDA

Mr. Matherly, seconded by Mr. Walley, moved to APPROVE the Agenda and Consent Agenda.

Mr. Cleworth pulled Resolution No. 4661 from the Consent Agenda.

Mayor Eberhart called for objection and, hearing none, so ORDERED.

Deputy City Clerk Snider read the Consent Agenda, as Amended, into the record.

CITIZEN'S COMMENTS

Jomo Stewart, 1153 Coppet Street, Fairbanks – Mr. Stewart stated that he is the Energy Project Manager for the Fairbanks Economic Development Corporation (FEDC). He spoke in favor of Resolution No. 4661 and stated that FEDC sent a letter to the Resources Committee that was heard earlier in the day regarding HB 105 and SB 50. Mr. Stewart stated that the bills would advance the Interior Energy Project by expanding Alaska Industrial Development and Export Authority's (AIDEA) ability to source gas from other places besides the North Slope. Mr. Stewart stated that he has had the pleasure to work with Deputy Clerk Danyielle Snider and indicated that she is a benefit to the City of Fairbanks.

Mr. Pruhs asked Mr. Stewart if he believes it was important for the Borough to unanimously support their resolution to support AIDEA's continued commitment to the Interior Energy Project.

Mr. Stewart stated that he believes it is important for unanimous support to come from any governing body. He expressed his belief that the legislation regarding the Interior Energy Project faces some fairly substantial headwinds.

Bob Shefchik, 557 Grandview Court, Fairbanks – Mr. Shefchik stated that he is currently the Interior Energy Project team lead working for AIDEA and spoke in favor of Resolution No. 4661. He listed the various components of the project: supply, transportation, liquefaction, distribution, storage, and conversion. He stated that AIDEA is looking seriously at a South Central supply chain as well as the northern supply. Mr. Shefchik spoke to the importance of community support.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger spoke to the drug traffic and drug deals that he has observed in the South Side of Fairbanks near 23rd and Rickert Street. He stated that many of the problems in Fairbanks stem from addiction. He spoke to the need for public restroom facilities in Fairbanks.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney reminded everyone that J.P. Jones was a civil rights activist in Fairbanks whose biggest complaint was that the police harassed black and native individuals. He spoke to the recent Community Policing meeting where he brought up the issue of self-defense within citizens' homes. Mr. Turney stated that people do not have to retreat when they are invaded in their own home under Second Amendment rights. Regarding marijuana, Mr. Turney stated that the drug stays in the human body for up to 30 – 60 days. He stated that he knows professional people in all levels of government that smoke marijuana. He stated that the City's Police Department employees should be drug tested and expressed hope that the City could soon reach an agreement with the Public Safety Employee Association (PSEA). He stated that if the labor issue results in litigation, it will put a burden upon Fairbanks taxpayers. Mr. Turney stated that he received an email from an elected official in the room with an empty room, implying that no one is listening to what he has to say. He stated that people do listen to him, whether they are in low places or high places.

Hearing no more requests for public comment, **Mayor Eberhart** declared Public Testimony closed.

APPROVAL OF PREVIOUS MINUTES

- a) Regular Meeting Minutes of December 1, 2014.

APPROVED on the CONSENT AGENDA

- b) Regular Meeting Minutes of December 8, 2014.

APPROVED on the CONSENT AGENDA

SPECIAL ORDERS

- a) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Appeal of Denied Application for a New Chauffeur License:

Appellant: Brian K Corty

Mr. Matherly, seconded by **Mr. Gatewood**, moved to GRANT the Appeal of Denied Application for a New Chauffeur License.

Mayor Eberhart called for Public Testimony.

Brian Corty, PO Box 1054, Delta Junction – Mr. Corty stated he has lived in Delta Junction for ten years. He stated there are many services available in Fairbanks that are not available in Delta Junction. He indicated that his primary reason for seeking a City Chauffeur License is to help individuals on public assistance make it to their medical appointments in Fairbanks. Mr. Corty stated he sought employment with a licensed Fairbanks cab company so that he would not have to start the process from scratch. He explained that the Fairbanks General Code does not allow for a Chauffeur's License to be issued to an individual residing outside of the Fairbanks North Star Borough. He stated that is why he is appealing the denied application.

Mr. Matherly asked Mr. Corty if he plans to provide services to the general public.

Mr. Corty indicated he would likely provide services to others, but stated his primary work would be in transporting individuals to and from Fairbanks for medical appointments. He stated according to his research, the Municipality of Anchorage, the City of Fairbanks and the City and Borough of Juneau are the only local governments in Alaska that regulate the commercial transport industry.

Victor Buberger – Mr. Buberger expressed his opinion that the City of Fairbanks should get out of the appeal business and leave it to the court.

Frank Turney – Mr. Turney expressed concern with the fees to get from Fairbanks to Delta Junction. He spoke in support of having meters in taxicab-type transportation so that the rate is fair to customers.

Hearing no more requests for public comment, **Mayor Eberhart** declared Public Testimony closed.

Mr. Cleworth asked the City Attorney to speak to the reasoning behind the residency requirement.

City Attorney Ewers surmised that the residency requirement was related to a person knowing their way around town. He stated that when the rule was written, GPS satellite location on cell phones and computers was not available.

Mr. Cleworth stated he believes Mr. Corty has a legitimate case and that he is happy the City has an appeals process. He stated since Mr. Corty is already operating under a licensed cab company and he will be in compliance with the color requirements, he will be voting in his favor.

Mr. Pruhs echoed Mr. Cleworth's thoughts and used the example of someone from Nenana wanting to do the same thing working under an existing licensed cab company. He stated it is a good service that brings people into the city of Fairbanks.

Mr. Matherly stated he thought the appeal was interesting as Mr. Corty qualifies in every way except residency. **Mr. Matherly** suggested that it maybe time to update the regulation to reflect people's ability get around better due to modern day technology.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO GRANT THE APPEAL OF DENIED APPLICATION FOR A NEW CHAUFFEUR LICENSE AS FOLLOWS:

YEAS: Pruhs, Gatewood, Cleworth, Matherly, Walley

NAYS: None

ABSENT: Staley

Mayor Eberhart declared the MOTION CARRIED.

b) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Liquor License Applications for Renewal:

Lic #	Establishment Name	License Type	Premise Location	Owner Name
77	300 Club	Beverage Dispensary	940 Cowles St	Karen A. Meadows-Sours
426	Frontier Club	Beverage Dispensary	No Premises	Boulder Investments, Inc.
617	K & L Distributors	Wholesale General	945 Elizabeth St	K & L Distributors, Inc.
1377	Rock N Rodeo Bar & Grill	Beverage Dispensary	600 Old Steese Hwy	Scruff-N-Pork's, Inc.
1912	Gold Rush Saloon	Beverage Dispensary	3399 Peger Rd	Downriver, Inc.
1966	Loyal Order of Moose #1392	Club	98 Tenth Ave	Fairbanks Lodge #1392

Lic #	Establishment Name	License Type	Premise Location	Owner Name
2124	Los Amigos	Beverage Dispensary	636 28 th Ave (upstairs)	Two Amigos, LLC
2512	2 Go Mart #114	Package Store	2110 Peger Rd	Tesoro Northstore Company
2847	Bojangles	Beverage Dispensary	1351 Cushman St	Scruff-N-Pork's, Inc.
3050	Gambardella's Pasta Bella	Restaurant / Eating Place	706 2 nd Ave	Gambardella's II, Inc.
3336	Soapy Smith's Pioneer Restaurant	Restaurant / Eating Place	543 2 nd Ave	Nicholas V. Stepovich
3965	K & L Beverage Company	Wholesale General	945 Elizabeth St	K & L Beverage Company, LLC
4216	2 Go Mart #115	Package Store	99 College Rd	Tesoro Northstore Company
4314	Gallo's Mexican Restaurant	Beverage Dispensary	60 College Rd	Northern Lights Business, Inc.
4465	Roundup Steak House	Beverage Dispensary	2701 S Cushman St	The Last Roundup, LLC
4504	Gold Rush Deli	Beverage Dispensary	3399 Peger Rd #C	Upriver, Inc.
4547	Chilli's Grill & Bar	Beverage Dispensary	No Premises	Duke Investments, LLC
4548	Brewsters	Beverage Dispensary	354 Old Steese Hwy	Restaurant Concepts, LLC
4565	2 Go Tesoro	Package Store	3569 S Cushman St	Tesoro Northstore Company
4763	Bobby's Downtown	Beverage Dispensary	609 Second Ave	Delta Epsilon, Inc.
4880	Friar Tuck's Hoagie House	Restaurant / Eating Place	427 Merhar Ave, Unit 2	Joshua Roach & Stafford Roach
5262	Aha Oriental Kitchen	Restaurant / Eating Place	996 Blair Road	Moonstone, LLC

Mr. Pruhs, seconded by **Mr. Matherly**, moved to WAIVE PROTEST on all the Liquor License Applications for renewal except Soapy Smith's Pioneer Restaurant and Frontier Club.

Mayor Eberhart called for Public Testimony and, hearing none, declared Public Testimony closed.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON ALL THE LIQUOR LICENSE APPLICATIONS FOR RENEWAL EXCEPT SOAPY SMITH'S PIONEER RESTAURANT AND FRONTIER CLUB AS FOLLOWS:

YEAS: Gatewood, Walley, Pruhs, Matherly, Cleworth
 NAYS: None
 ABSENT: Staley
Mayor Eberhart declared the MOTIION CARRIED.

Mr. Pruhs, seconded by **Mr. Gatewood**, moved to PROTEST Soapy Smith's Liquor License Application for Renewal.

Mayor Eberhart called for Public Testimony.

Nick Stepovich, 543 2nd Avenue, Fairbanks – Mr. Stepovich stated he was the owner of Soapy Smith's. Mr. Stepovich stated the main means of his business was to show off Alaska's history and serve good food. He discussed how tough it is to have a small business in the City of Fairbanks with all of the inspections and permit fees. He stated he has been in business for over 20 years and this year he was shocked by the amount of violations he was marked with by the Fire Marshal. Mr. Stepovich stated many of the violations he has been marked with have been in place since before he purchased the restaurant and never caused violations before; he expressed his belief that the Fire Marshal is being heavy handed. Mr. Stepovich stated he believes the scope of the violations went outside of his restaurant and wanted to know why two inspectors were sent when typically only one comes.

Mr. Cleworth thanked Mr. Stepovich for coming to the meeting and asked which of the violations on the list were giving him the most grief. **Mr. Cleworth** stated he understands the hood in the kitchen will take some time.

Mr. Stepovich stated that the exit signs, the sprinkler system and the hood over the food equipment are posing the most problems. He shared his disbelief that the violations are truly infractions as they have not been listed on prior inspections. He stated that remodeling the hood would force him to consider closing his business and that he does not see a need to change it. He stated violations in the basement do not relate to the restaurant as no beer or wine is sold from the basement. He stated that the issues with the basement should not close down his restaurant they and those violations should be shouldered by his landlord not himself.

Mr. Pruhs clarified that Mr. Stepovich was not the building owner; Mr. Stepovich confirmed. **Mr. Pruhs** cited the original fire inspection report stating Mr. Stepovich had someone living in his basement. **Mr. Pruhs** asked why having a person living in the basement is a violation. Mr. Stepovich stated he did not understand it either because he does not own the building and he feels that the inspector overstepped his boundaries since the basement is not related to the restaurant or the beer and wine license. **Mr. Pruhs** cited the plumbing violation on the report and asked if that violation had been on-site from the time the building was constructed and Mr. Stepovich confirmed. **Mr. Pruhs** asked if he had ever been cited on that violation and Mr. Stepovich confirmed he had not.

Mr. Matherly stated that he understood Mr. Stepovich's frustration and that he understands the service he is trying to provide the community. **Mr. Matherly** stated when his father owned the Dairy Queen he had to go thru the same reports. He stated that sometimes things get old and may need updating. **Mr. Matherly** asked Mr. Stepovich which of the sixteen items on the list what have already been fixed. Mr. Stepovich stated he fixed items two through nine but 10-16 were basement issues and he did not believe them to be his problem. He stated he would have a sprinkler system guy come in and take a look at item 1.

Frank Turney 329 6th Avenue, Fairbanks – Mr. Turney reported that when his family comes to town he tells them all to go to Soapy Smith's for the great food and the quality local history that is on display. Mr. Turney stated that he believes there is a political game going on with the

reported violations at Mr. Stepovich's restaurant. He requested the Council give him a break on some of the violations.

Hearing no more requests for public comment, **Mayor Eberhart** declared Public Testimony closed.

Mayor Eberhart requested a department report of Chief Cummings and Mr. Misewicz. Chief Cummings stated the Fire Department's concern is first the safety of the public and second the safety of the buildings surrounding it. Mr. Misewicz stated that initially the Fire Department received the request to do an inspection for the purposes of reissuing the Liquor License. Mr. Misewicz stated prior to going onsite he looked back in the file to see if prior violations had been corrected. He stated the sprinkler system and the kitchen hood were both in violation on the last inspection and that neither of those violations had been corrected. Mr. Misewicz stated he has a new inspector and that the new inspector was present at the time of the inspection. He reported that the Sprinkler System is a requirement in the building and they had to inspect the basement because the controls to the sprinkler system are located there. He explained that upon entering the room where the controls are located, they found a person sleeping; he stated that the violation was because the basement is not designed as a living space. He stated that items 10-16 were listed because they affect the safety of the whole building. He indicated that the Protest is requested until such time the safety issues are corrected. He stated the safety of the building and the people in it is the issue. He added that the sprinkler system and kitchen hood servicing was requested in prior inspections but compliance never occurred.

Mr. Walley asked Mr. Misewicz about the previous inspection and whether the City followed up to verify the corrections were made. Mr. Misewicz replied that he had gone back several times to check for corrections and that each time he was told they were working on it. He explained that follow-up letter was sent but the corrections were not made. He reported the procedure that was used was no different than any other inspections. **Mr. Walley** asked Mr. Misewicz what timeline he expected the items on the deficiency list should be corrected. He answered he expects corrections should begin immediately. He stated he also understands that on occasion the corrections cannot be done immediately because of access to tools and equipment but that he expects to see some kind of progress.

Mr. Matherly asked Mr. Misewicz if he had spoken to the owner of the building to address the concerns on the deficiency list. He responded by saying he typically notifies the responsible person at the time of the inspection and then they make the determination if it is a landlord or tenant issue. He cited that when he does inspections at Wal-Mart he deals with the store manager and the manager then deals with corporate to correct any issues. He stated that up until this meeting he was never informed that he needed to deal with a landlord at the Soapy Smith building. **Mr. Matherly** asked if they had to go into the basement as part of their inspection. Mr. Misewicz replied that they had to access the sprinkler controls that are located in the basement. He stated the controls are in a store room in the basement and that is where they found the person sleeping; he stated that if the person had been in another room they may not have seen him and they would not have known he was living down there. Mr. Misewicz stated the other issues on the deficiency list were on the way to the sprinkler controls but that they did not inspect the entire basement.

Mr. Cleworth asked Mr. Misewicz if the fire department has the same appeals process for inspections as the building department does. Mr. Misewicz stated the process is the same.

Mr. Pruhs referred to the photos Mr. Misewicz provided in his report. He asked if the overloaded electrical outlet was in the kitchen; Mr. Misewicz replied yes. **Mr. Pruhs** asked if the last two pictures were in the basement, Mr. Misewicz replied yes. **Mr. Pruhs** questioned if the deficiency relating to the cook appliances not being under the hood had been on previous inspection reports; Mr. Misewicz replied it had been brought up several times and that it has been a code requirement for several years. **Mr. Pruhs** referred to the photo of the hood vent and directed Mr. Stepovich to get it cleaned. **Mr. Pruhs** referred to the pictures of the painted sprinkler head and the loaded sprinkler head and asked where they were located. Mr. Misewicz stated they were on the restaurant level in the hallway. **Mr. Pruhs** questioned why there is an issue with a person living in a restaurant. Mr. Misewicz said it is not an issue relating to living in a restaurant but that the area does not comply with the code for a living space.

Mr. Cleworth asked Ms. Snider when the ABC Board Hearing will be; Ms. Snider stated it will be held March 31, 2015. He asked Mr. Ewers if Mr. Stepovich could be granted a conditional approval while he works on the issues. Mr. Ewers replied the former Clerk Ms. Hovenden did not like conditional approvals as there is no way to monitor the corrections once it gets passed by the ABC Board.

Mr. Cleworth, seconded by **Mr. Pruhs**, moved to POSTPONE the Soapy Smith's Liquor License Application for Renewal to the Regular Meeting of March 23, 2015.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO POSTPONE SOAPY SMITH'S LIQUOR LICENSE APPLICATION FOR RENEWAL TO THE REGULAR MEETING OF MARCH 23, 2015 AS FOLLOWS:

YEAS: Walley, Matherly, Pruhs, Cleworth

NAYS: Gatewood

ABSENT: Staley

Mayor Eberhart declared the MOTION CARRIED.

Mayor Eberhart asked if there was a motion to PROTEST the Frontier Club's Liquor License due to unpaid taxes.

Mr. Cleworth, seconded by **Mr. Matherly**, moved to PROTEST the Frontier Club Liquor License Application for Renewal until all back taxes were paid to the City of Fairbanks.

Mr. Pruhs stated that until the correct owner is known that the Council should not endorse the Liquor License renewal. **Mr. Matherly** stated that he thought Bill Stewart was the owner but the unpaid taxes were the issue. **Mr. Pruhs** agreed.

Mayor Eberhart called for Public Testimony and, hearing none, declared Public Testimony closed.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO PROTEST THE FRONTIER CLUB LIQUOR LICENSE APPLICATION FOR RENEWAL UNTIL ALL BACK TAXES WERE PAID TO THE CITY OF FAIRBANKS AS FOLLOWS:

YEAS: Matherly, Gatewood, Pruhs, Cleworth, Walley

NAYS: None

ABSENT: Staley

Mayor Eberhart declared the MOTION CARRIED.

- c) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Liquor License Application for Transfer of Ownership and Location:

Type: Beverage Dispensary, License #270

To: Franklin Eagle
No premises

From: Comet Club/John H. Moneymaker
208 Gaffney Road, Fairbanks

Mr. Gatewood, seconded by **Mr. Walley**, moved to WAIVE PROTEST on the Liquor License Application for Transfer of Ownership and Location.

Mayor Eberhart called for Public Testimony and, hearing none, declared Public Testimony closed.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE LIQUOR LICENSE APPLICATION FOR TRANSFER OF OWNERSHIP AND LOCATION AS FOLLOWS:

YEAS: Cleworth, Pruhs, Walley, Matherly, Gatewood

NAYS: None

ABSENT: Staley

Mayor Eberhart declared the MOTION CARRIED.

MAYOR'S COMMENTS AND REPORT

Mayor Eberhart reported the past Friday was National Employee Appreciation Day and recognized the City for having many outstanding employees. He reported that he met with Rodney Gaskins regarding proposed cuts to social services grants and that the proposals would have severely impacted the Rescue Mission, Salvation Army, Housing First and the Alaska Center for Non-Violent Living. He stated that he testified at the Legislative Information Office and he is proud to report most of those cuts have now been restored. **Mayor Eberhart** shared the many meetings and gala's he attended since the last Council meeting. He stated negotiations have started with the FFU and that they had reached an agreement on ground rules at the first meeting. He discussed the importance of the F-35's coming to Fairbanks and the impact they will have on the community. He reported he met with Chief Aragon to discuss his first three

months with the City regarding operations and procedures. He reported the FPD had a kickoff party for their community policing program at the JP Jones Community Center. He thanked Chief Aragon and all the officers who were in attendance. He stated the importance of the relationship between police and the community and cited the issues in Ferguson and the lack of trust those communities have with police. He stated the City of Fairbanks does not want to have the same issues as Ferguson and that community policing is a proactive way to avoid such problems.

UNFINISHED BUSINESS

- a) Ordinance No. 5965 – An Ordinance Amending Fairbanks General Code Section 2-118.1 to Add an Additional Public Member to the Council Finance Committee. Introduced by Council Members Matherly and Cleworth.

Mr. Pruhs, seconded by **Mr. Matherly**, moved to ADOPT Ordinance No. 5965.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5965 AS FOLLOWS:

YEAS: Pruhs, Gatewood, Cleworth, Matherly, Walley
NAYS: None
ABSENT: Staley

Mayor Eberhart declared the MOTION CARRIED and Ordinance No. 5965 ADOPTED.

NEW BUSINESS

- a) Resolution No. 4660 – A Resolution Amending the Schedule of Fees and Charges for Services by Adjusting Refuse Collection Rates. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4661 – A Resolution Supporting the Alaska Industrial Development and Export Authority Purchase of PENTEX and Fairbanks Natural Gas. Introduced by Council Members Pruhs and Walley.

Mr. Pruhs, seconded by **Mr. Walley**, moved to APPROVE Resolution No. 4661.

Mayor Eberhart stated public testimony was heard on Resolution 4661 and asked the Council if they had any questions or discussion.

Mr. Cleworth asked if Mr. Stewart and Mr. Shefchik could come forward. **Mayor Eberhart** asked if there was any objection and, seeing none, he called Mr. Stewart and Mr. Shefchik forward. **Mr. Cleworth** asked Mr. Shefchik if he could refresh his memory on the financing package that was given to them by Governor Parnell. Mr. Shefchik stated there were \$57.5 million in a direct appropriation; \$125 million in SETS funds (sustainable energy transmission system;) and \$150 million in bond authorization that AIDEA could sell bonds to use for the

project. **Mr. Cleworth** asked if IGU had tapped into the funds; Mr. Shefchik replied affirmatively Mr. Shefchik stated that they have borrowed \$8 million to do the design work for the North Pole area and the area outside of the core of North Pole. He stated that IGU has also been approved for \$29 million for which \$16 million will be used for construction in North Pole this summer. He stated that the remainder is set aside for temporary storage and design work for phases two and three. **Mr. Cleworth** asked how the AIDEA board envisions operating the project. Mr. Shefchik stated that it would be a membership LLC purchase; he stated that AIDEA would purchase the membership interest from a hedge fund in Minnesota. He stated that FNG would still be a business but it would be managed by FNG and AIDEA as directing owner. **Mr. Cleworth** asked Mr. Shefchik to clarify whether FNG was or was not going to be bought out; Mr. Shefchik explained that FNG is purchasing PENTEX so AIDEA would own FNG.

Mr. Pruhs asked Mr. Shefchik what estimated drop in gas prices that was given by the Chairman of AIDEA to the Chamber of Commerce. He replied an eight to 14% drop in price.

Mr. Gatewood asked if FNG employees would become State employees if the proposed plan comes to fruition. Mr. Shefchik replied that they would still be FNG employees because AIDEA takes ownership interests in private entities in a majority or minority position, while those entities remain private and separate from the State.

Mr. Cleworth stated there is a complaint among the community that FNG's gas is only 20% cheaper than regular fuel and asked if an ownership change would bring about a bigger discount. Mr. Shefchik replied that ownership changes would create a better discount. **Mr. Cleworth** stated it was his understanding that the energy rates in Anchorage have gone up in the past few years; Mr. Shefchik confirmed. **Mr. Cleworth** asked if the project was considered a failure because the rate of discount does not meet the goal of the 50% savings. Mr. Shefchik stated it was not a failure because one would have to consider the cost of construction and piping to the community so a 30% discount is a good savings.

Mr. Pruhs stated he would like to ask Mr. Stewart a few questions. Mr. Stewart stated that Mr. Shefchik was doing an excellent job but that he wanted to share FEDC's perspective. He stated that FEDC is still standing firm on the savings target and that they are sticking by their originally set goals. He stated the fluctuating price of oil is causing the decline in the percentage of savings. He stated that burning wood as an alternative source of heat is challenging the air quality of residences.

Mr. Pruhs stated Mr. Stewart has been part of the Interior Energy project from ground zero and that he could be considered the architect of the writing of the project. Mr. Stewart stated that was not correct. **Mr. Pruhs** stated the FEDC's two highest priorities in the Interior are making sure that none of the Base Realignment Commission aspects are reduced in the Interior and taking an active interest in energy issues. Mr. Stewart stated FEDC supports the development of the project. **Mr. Pruhs** asked Mr. Stewart if he believed the project would create substantially lower fuel prices. Mr. Stewart stated that he certainly agrees that it would create substantial savings for residents.

Mr. Cleworth stated that energy is a difficult subject in Fairbanks and that he appreciates all the work Mr. Stewart and Mr. Shefchik have done looking into alternative ideas for how to bring gas to Fairbanks.

Mr. Cleworth, seconded by **Mr. Pruhs**, moved to AMEND Resolution No. 4661 by replacing the word "That" in Section 2 of page 2 with "Upon successful completion of the due diligence process"

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND RESOLUTION NO. 4661 BY REPLACING THE WORD "THAT" IN SECTION 2 OF PAGE 2 WITH "UPON SUCCESSFUL COMPLETION OF THE DUE DILIGENCE PROCESS" AS FOLLOWS:

YEAS: Matherly, Cleworth, Walley, Gatewood, Pruhs
NAYS: None
ABSENT: Staley
Mayor Eberhart declared the MOTION CARRIED.

Mr. Walley stated that when he signed up as a FNG customer, he received a 20% savings; but that not too long after signing the rates increased by 6%. He explained that he asked FNG why the rates increased and they explained to him that they were adding a lot of piping and expanding their operation so overhead costs went up. **Mr. Walley** stated it is his belief that we have to get natural gas to Fairbanks.

Mayor Eberhart stated that his hesitation in a government-owned utility is that occasionally the utility has to be politically correct and that sometimes it is not in the best interest of the residents. He shared his hopes that due diligence is done and they investigate how the gas will be regulated. He stated he would like to know how it would be regulated and that boards are not political appointments or friends but really talented people who truly have the best intentions to bring gas to Fairbanks.

Mr. Walley stated he shared Mayor Eberhart's concern.

Mayor Eberhart stated he has been to many of the IGU meetings and that Mr. Stewart and Mr. Shefchik have done a great job gathering information and bringing it to the public's attention. He stated he encourages the Council to pass this resolution.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4661, AS AMENDED, AS FOLLOWS:

YEAS: Gatewood, Walley, Pruhs, Matherly, Cleworth
NAYS: None
ABSENT: Staley
Mayor Eberhart declared the MOTION CARRIED and Resolution No. 4661, as Amended, APPROVED.

- c) Ordinance No. 5966 – An Ordinance Approving the Partners for Fish and Wildlife Program Landowner Agreement Between the City, Festival Fairbanks, and the U.S. Fish and Wildlife Service. Introduced by Mayor Eberhart.

ADVANCED on the CONSENT AGENDA.

DISCUSSION ITEMS

- a) Committee Reports – No members reported.

COUNCIL MEMBERS' COMMENTS

Mr. Pruhs thanked everyone for passing Resolution No. 4661; he stated his brother Dana is on the AIDEA board and that he has been very helpful in providing information on the gas project. He thanked Mr. Stewart and Mr. Shefchik for their time and attention to the project. **Mr. Pruhs** reported he will have a disturbing the peace Ordinance regarding marijuana smoke at the next meeting. He indicated he wants to follow suit with what North Pole did and make the production of hash oil illegal as it is a highly combustible substance. He stated his intention to work with the borough based on their zoning to avoid marijuana corridors.

Mr. Cleworth stated he appreciated the Mayor's support on Resolution No. 4661. He stated if government did not require so many permits that take so many years to complete and if government did not set up so many road blocks for the private sector we may have had a gas line already. He stated it takes ten years to build a gas line but in World War II they built a gas line from Haines Junction to Ft. Wainwright in one summer. He stated people can get things done but government has made the process so cumbersome that it is difficult for entities to work with government. **Mr. Cleworth** noted the Fire Department negotiations and stated he would like to know when the Council would be given an Executive Session to review the contract. He stated the Bentley Trust properties are in discussion to create another roundabout north of the railroad tracks to hook to Merhar. He reported his fear that if that new roundabout goes in it will be expected to be maintained by the City. He stated if there is no remuneration for the additional work that he does not believe the City should take it on. **Mr. Cleworth** thanked everyone for the thoughts and prayers for his mother who passed away at the Pioneers Home.

Mr. Matherly reported his excitement for the Iditarod starting in Fairbanks; he stated it was very crowded but it was good to see such a turnout. **Mr. Matherly** congratulated Amber Courtney for her write up in the paper and stated she is doing a great job as the Eye of the City. **Mr. Matherly** thanked Chief Aragon for the meeting he coordinated at the JP Jones Center on community policing; he stated he has heard great feedback as a result of the meeting. **Mr. Matherly** spoke to Chief Cummings and Mr. Misewicz stating he understands why they are doing fire inspections; he expressed his appreciation for them doing thorough investigations. He stated he was sorry Ms. Staley was out sick because it does not feel like a full Council without all the members.

Mr. Walley stated he had no comments.

Mr. Gatewood stated he had no comments.

CITY ATTORNEY'S REPORT

City Attorney Ewers stated he had nothing to report.

CITY CLERK'S REPORT

Deputy City Clerk Danyielle Snider advised that Council members' financial disclosure statements are due by the end of the week.

CITY CLERK APPLICANT INTERVIEW

Mayor Eberhart requested Ms. Snider tell the Council about herself and her background particularly as it relates to her becoming the City Clerk.

Ms. Snider stated she started with the City of Fairbanks in 2009 as the City Clerk Typist/Cashier. Ms. Snider stated she worked in that position for 15 months and left the position for an opportunity in the Building Department where she worked for a year. She stated she returned to the Clerk's Office when the Deputy City Clerk position became available. Ms. Snider stated she has performed all of the duties of the City Clerk in Ms. Hovenden's absence. She stated she assisted Ms. Hovenden each year with Municipal Elections and helped her prepare the Annual Budget for the City Clerk's Office. She stated she is familiar and comfortable with the City Council and its functions. Ms. Snider stated she has ample experience with Public Records and the management and storage of the City's historical documents. Ms. Snider stated she understands the function of each City Department and the role that each one plays in carrying out the mission of the City of Fairbanks. She stated she has a great deal of experience working within the parameters of the City Code and that she does her best to enforce those requirements through her work in the Clerk's office. She reported as the Deputy Clerk she has to fill in the other for the other two office positions whenever it is deemed necessary, performing both positions at the same time on occasion. Ms. Snider stated she is familiar with all the functions of the daily operations in the City Clerk's Office. She stated she received her Certified Municipal Clerk (CMC) designation in July of the past year. She stated she has strong customer service skills which are essential to work in the City Clerk's Office. Ms. Snider stated she is familiar with City staff, the residents of the City and the City Code. She stated she believes she has the support of the City Department heads and has a good relationship with each one. She stated she would offer the City Council and the community consistency and reliability. Ms. Snider stated she has a strong work ethic and strives for excellence in herself and with those she works with. Ms. Snider stated she believes she should be appointed because she has earned the Council's confidence and has proven that she can do the job. She stated she is fully aware of the duties of the City Clerk and that she still wants the job.

Mr. Matherly asked Ms. Snider to speak to some of the things she sees as a challenge but that she is able to push through. Ms. Snider stated that getting other departments on board for projects that the City Clerk's office is tasked with is the most challenging. She stated the City Clerk's Office has to work with every single department, the Council and the public.

Mr. Cleworth asked Ms. Snider how she would handle a difficult situation. He cited an example that several years back, one of the Mayors denied Council access to department heads. He stated the only way Council members could gather information was to go thru the City Attorney's Office or the City Clerk's Office. He stated that it put the Clerk in an awkward position because they had to work with the administration and also for the Council. Ms. Snider replied that she would be able to handle the situation; she stated she works very closely with Mr. Ewers and has faith that the two of them would find a way to make things work. Ms. Snider stated she understood the six Council members and the Mayor would all be her bosses. She stated she understands the situation may be awkward, but ultimately she would do what was necessary to get the job done for all. **Mr. Cleworth** asked Ms. Snider how she would handle a situation if an employee in the City Clerk's Office questioned a citizen who was filing a referendum or other official City business. Ms. Snider replied that she was in the office at the time of the example he was citing. She stated she sent an emergency, all-caps email asking the employee to cease the conversation; she reported that the employee did stop but that the damage was already done. She reported that she spoke with the employee about how the conversation was not appropriate and alerted Ms. Hovenden of the incident so she would not be blindsided upon her return to the office.

Mr. Gatewood asked Ms. Snider if she would implement any restructuring if she were appointed Clerk. Ms. Snider replied by saying she had not identified any issues that would require much change to the office structure. She stated she believed the office to be a well-oiled machine. She said there are projects on the horizon but no major restructuring at this time.

Mr. Walley stated that he has enjoyed working with Ms. Snider that he knows her to be a hard worker. He indicated that if it were up to him he would hire her.

Mr. Cleworth, seconded by **Mr. Pruhs**, moved to OFFER the City Clerk position to Deputy City Clerk Danyielle Snider for a wage of \$80,000 per year.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO OFFER THE CITY CLERK POSITION TO DEPUTY CITY CLERK DANYIELLE SNIDER FOR A WAGE OF \$80,000 PER YEAR AS FOLLOWS:

YEAS: Walley, Matherly, Gatewood, Pruhs, Cleworth

NAYS:None

ABSENT: Staley

Mayor Eberhart declared the MOTION CARRIED.

Ms. Snider accepted the Council's offer.

Mr. Matherly, seconded by **Mr. Pruhs**, moved to go into Executive Session for the purpose of discussing IBEW and FFU Labor Contract Negotiations.

Mayor Eberhart called for objection and, hearing none, so ORDERED.

Mayor Eberhart called for a five minute recess.

EXECUTIVE SESSION

- a) Labor Contract Negotiations – IBEW and FFU

The City Council met in Executive Session to discuss IBEW and FFU Labor Contract Negotiations. Direction was given to staff and no action was taken.

ADJOURNMENT

Mr. Matherly, seconded by **Mr. Walley**, moved to ADJOURN the meeting.


Mayor Eberhart called for objection and, hearing none, so ORDERED.

Mayor Eberhart declared the Meeting adjourned at 11:25 P.M.



JOHN EBERHART, MAYOR

ATTEST:



D. DANYELLE SNIDER, CMC, CITY CLERK

Transcribed by: DS/EB