



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, AUGUST 10, 2015  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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The City Council convened at 7:00 p.m. on the above date, following a 6:00 P.M. Work Session on the Interior Gas Utility (IGU), 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:        Renee Staley, Seat A (telephonic, joined at 8:15 p.m.)  
   Perry Walley, Seat B  
   Bernard Gatewood, Seat C  
   Jim Matherly, Seat D  
   Jerry Cleworth, Seat E  
   David Pruhs, Seat F

Absent:                                None

Also Present:                        Ernie Misewicz, Assistant Fire Chief  
   Paul Ewers, City Attorney  
   D. Danyielle Snider, City Clerk  
   Jim Williams, Chief of Staff  
   Carmen Randle, Controller  
   Pat Smith, Development Manager  
   Randall Aragon, Police Chief  
   Verg Scott, Public Works General Foreman  
   Bob Pristash, City Engineer  
   Amber Courtney, Director of Communications

**INVOCATION**

The Invocation was given by City Clerk Danyielle Snider.

**FLAG SALUTATION**

Mayor Eberhart led the Flag Salutation.

**CITIZEN'S COMMENTS**

Scott McCrea, 2965 Westgate Place, Fairbanks – Mr. McCrea spoke on behalf of Explore Fairbanks and gave an update on the growing China tourism market. Mr. McCrea stated that the travel trade industry in China is growing by leaps and bounds due to a strong economy and leniency in Visa regulations in China. Mr. McCrea shared information relating to the many travel trade shows that he has attended. Mr. McCrea stated the Chinese people have a strong desire to see the Aurora Borealis and that Explore Fairbanks is working hard to tap into that

industry. Mr. McCrea stated that Condor Air has been flying to Fairbanks for 15 years and that they will add two additional flights to Fairbanks in the coming year.

**Mayor Eberhart** asked how the tourism season this year compares to last year. Mr. McCrea stated there are more than 1000 people per day visiting the Morris Thompson Cultural Center but that the actual numbers will not be compiled until the season is over.

Gary Schikora, 865 Capricorn Street, Fairbanks – Mr. Schikora thanked the City and the City Council for doing a good job and for the beautiful landscaping in front of City Hall. Mr. Schikora shared his concern for the old dairy being dilapidated and that he would like the City to do something about it. Mr. Schikora stated he would also like an update on the Polaris Building. Mr. Schikora shared his concern for the lack of crosswalks on First Avenue where the busses drop off tourists. Mr. Schikora stated he is a tax-paying property owner and that he would like his issues to be addressed.

**Mr. Cleworth** asked Mr. Schikora if he could stay until the end of the meeting to hear the Council address some of his issues during Council Members Comments.

Donna Gilbert, 2223 South Cushman Street, Fairbanks – Ms. Gilbert addressed her concern pertaining to Mayor Eberhart's comp time earnings. Ms. Gilbert stated that she was happy to report that the Alaska Public Offices Commission (APOC) fine issue has not exceeded \$16,000.00 in cost to the City. Ms. Gilbert stated that she called Mr. Cleworth and asked him how much comp time he accrued as Mayor and she reported that he said he did not claim any comp time. Ms. Gilbert stated that Mayor Eberhart has been out traveling for three months of his 18 months in office.

**Mr. Cleworth** asked Ms. Gilbert who provided her with the information she reported. Ms. Gilbert stated that Finance and the Mayor's Office provided her the information.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney shared his disappointment that Ms. Staley was again not in attendance. Mr. Turney spoke to Mayor Eberhart's travel and questioned if it was official business or if it was an example of extravagance. Mr. Turney stated that the Police Department should have trained detectives on staff all the time looking into unsolved murders. Mr. Turney stated Rex Fisher passed away after a bout with cancer and that he was an instrumental influence at the Clay Street Cemetery. Mr. Turney stated he spoke with the Director of Anthropology at the UAF regarding the remains that were exhumed in 2004. Mr. Turney stated the Ketzler family did not wish to have additional testing done on the remains. Mr. Turney stated the politics that are involved in the old dairy is what is holding up the abatement of the building.

Victor Buberger, P.O. Box 58192, Fairbanks – Mr. Buberger stated that Mr. Turney covered a lot of what he was planning to speak to regarding unsolved murders. Mr. Buberger thanked Chief Randall Aragon for doing the right thing for the community. Mr. Buberger stated that the police officers get paid too much money and that they do not need a raise. Mr. Buberger stated that the potholes that Public Works filled earlier in the summer have already deteriorated. Mr. Buberger stated he did not agree with Mr. McCrea's invitation for Chinese tourists to travel to the Interior.

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

### **APPROVAL OF AGENDA AND CONSENT AGENDA**

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

**Mr. Gatewood** pulled Resolution No. 4684 from the Consent Agenda.

**Mr. Walley** pulled Resolution No. 4683 from the Consent Agenda.

**Mr. Cleworth** pulled Resolution No. 4685 from the Consent Agenda.

**Mr. Gatewood** pulled Ordinance No. 5989 from the Consent Agenda.

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

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

### **APPROVAL OF PREVIOUS MINUTES**

a) Regular Meeting Minutes of April 6, 2015.

APPROVED on the CONSENT AGENDA.

b) Regular Meeting Minutes of April 20, 2015.

APPROVED on the CONSENT AGENDA.

c) Regular Meeting Minutes of May 11, 2015.

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 New Chauffeur License.

Applicant: David E. Button

**Mr. Cleworth**, seconded by **Mr. Matherly**, moved to GRANT the Chauffeur's License Appeal.

David Button, P.O. Box 56359, North Pole – Mr. Button stated he did not realize that there was a 30-day residency requirement when he applied for his Chauffeur's License. Mr. Button stated the company in town needs help now and that he needs the work.

**Mr. Pruhs** stated that because Mr. Button has lived in the Fairbanks North Star Borough (FNSB) before and knows the area, he sees no reason to deny the Chauffeur's License.

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

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO GRANT THE CHAUFFER LICENSE APPEAL AS FOLLOWS:

YEAS: Gatewood, Walley, Pruhs, Matherly, Cleworth

NAYS: None

ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED.

### **MAYOR'S COMMENTS AND REPORT**

**Mayor Eberhart** stated that the work session with the IGU was informative and thanked Nick Simoneak for being present. **Mayor Eberhart** stated he did not know how to respond to Ms. Gilbert's allegations and that any travel he billed for was for the direct benefit of the City.

**Mayor Eberhart** requested that Controller Carmen Randle come forward. He presented her with the Government Finance Officers Association award for Distinguished Budget Presentation for the City of Fairbanks Finance Department.

**Mayor Eberhart** requested Mr. Buberger come forward. He read a proclamation recognizing him as an outstanding citizen for keeping the City of Fairbanks on their toes.

**Mayor Eberhart** spoke to the new application process at the Fairbanks Police and Fire Departments. **Mayor Eberhart** stated that the Mayor's Office has been very busy and listed the many meetings and events he has attended since the last Council Meeting.

**Mayor Eberhart** requested he be excused from the Regular Council Meeting of August 24, 2015.

**Mayor Eberhart** called for objection to his request to be excused on August 24, 2015 and, hearing none, so ORDERED.

### **NEW BUSINESS**

- a) Resolution No. 4681 – A Resolution Increasing a Contract to Exclusive Paving, Inc. for the Helmericks Avenue Extension and Bentley Trust Road Upgrade Project. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4682 – A Resolution Supporting Fairbanks, Alaska, as the United States’ Host Community for Arctic Meetings and Conferences. Introduced by Mayor Eberhart and Council Member Pruhs.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 4683 – A Resolution Authorizing the City of Fairbanks to Accept Funds from the Alaska Division of Homeland Security for the FFY2015 Emergency Management Performance Grant. Introduced by Mayor Eberhart.

**Mr. Matherly**, seconded by **Mr. Gatewood**, moved to APPROVE Resolution No. 4683.

**Mr. Walley** requested a Staff Report from Assistant Fire Chief Ernie Misewicz. Mr. Misewicz stated that the money is grant money that is coming from the State and is used to pay wages for emergency management. He stated the in-kind match from the City is already budgeted. **Mr. Walley** stated that he wanted to be reassured that there is no cost to the City.

**Mr. Cleworth** stated that at a glance of the fiscal note, it looks like there is a cost to the City. He suggested reporting in a different manner to make it easier to understand.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4683, AS FOLLOWS:

YEAS: Walley, Matherly, Gatewood, Pruhs, Cleworth

NAYS: None

ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED and Resolution No. 4683 APPROVED.

- d) Resolution No. 4684 – A Resolution Declaring the City of Fairbanks’ Interest in Becoming the Local Control Entity (LCE) for a Combined Fairbanks North Star Borough Natural Gas Utility and Directing City Administration to Form a Task Force to Evaluate LCE Feasibility. Introduced by Council Member Pruhs.

**Mr. Pruhs**, seconded by **Mr. Walley**, moved to APPROVE Resolution No. 4684.

**Mr. Pruhs** stated that he met with City Attorney Paul Ewers and Chief of Staff Jim Williams to discuss the possibility of the City of Fairbanks purchasing Fairbanks Natural Gas (FNG). **Mr. Pruhs** stated that FNG and Titan signed a contract that will never allow affordable natural gas to come to Fairbanks. **Mr. Pruhs** questioned the level of participation the City should have in the IGU; he asked if the City should be an investor or an advisor on the board. **Mr. Pruhs** stated he could not be part of the board because his brother is the Chairman for Alaska Industrial Development and Export Authority (AIDEA) and it would be a conflict of interest for him. He suggested that Mr. Cleworth, Mr. Walley, Mr. Williams, Mr. Soileau and Mr. Woolf would be good advisors.

**Mr. Gatewood** asked if the task force would be qualified enough and suggested that there should be a few individuals that have operational experience, not just a financial background. **Mr. Gatewood** stated he did not have anyone particular in mind.

**Mr. Pruhs** stated he appreciated **Mr. Gatewood's** suggestion and requested that recommendations be made for the Task Force.

**Mr. Cleworth** stated he agreed with **Mr. Gatewood's** suggestion to invite someone with operational experience as well. **Mr. Cleworth** asked City Attorney Paul Ewers if a loan would have to be approved by the voters. **Mr. Ewers** confirmed that to be correct. **Mr. Cleworth** stated there is no way to make a timely decision on the matter because of the need to get voter approval.

*\*Ms. Staley rejoined the meeting telephonically at 8:15 p.m. She stated that she could hear the meeting all along but could not be heard up to this point.\**

**Mr. Pruhs** stated he would like to amend Resolution No. 4684 to reflect the possibility of adding another Permanent Fund Committee member. **Mr. Gatewood** stated he did not agree that the opening should be limited to a Permanent Fund Committee member.

**Mr. Pruhs**, seconded by **Mr. Cleworth**, moved to AMEND Resolution No. 4684 by adding the language, "or other available" after **Jeff Johnson's** name on page two.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND RESOLUTION NO. 4684 BY ADDING THE LANGUAGE, "OR OTHER AVAILABLE" AFTER JEFF JOHNSON'S NAME, AS FOLLOWS:

YEAS: Cleworth, Pruhs, Matherly, Eberhart  
NAYS: Walley, Staley, Gatewood  
**Mayor Eberhart** declared the MOTION CARRIED.

**Mr. Gatewood**, seconded by **Mr. Matherly** moved to AMEND Resolution No. 4684, as Amended, by adding another member to the task force (to be identified later) who has particular utility experience.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND RESOLUTION NO. 4684, AS AMENDED, BY ADDING ANOTHER MEMBER TO THE TASK FORCE (TO BE IDENTIFIED LATER) WHO HAS PARTICULAR UTILITY EXPERIENCE, AS FOLLOWS:

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

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4684, AS AMENDED, AS FOLLOWS:

YEAS: Staley Matherly, Gatewood, Pruhs, Cleworth, Walley



NAYS: None

**Mayor Eberhart** declared the MOTION CARRIED and Resolution No. 4684, as Amended, APPROVED.

- e) Resolution No. 4685 – A Resolution Awarding a Contract to [Contractor] for the Public Works Fuel Tank Project RFP-15-27 in the Amount of \$XXX,XXX.XX. Introduced by Mayor Eberhart.

**Mr. Walley**, seconded by **Mr. Gatewood**, moved to APPROVE Resolution No. 4685.

**Mr. Walley**, seconded by **Mr. Gatewood**, moved to SUBSTITUTE Resolution No. 4685, as Amended, for Resolution No. 4685.

**Mr. Cleworth** requested Development Manager Patrick Smith to come forward to provide a report on the Fuel Tank Storage Project. **Mr. Cleworth** asked Mr. Smith if he was surprised that only two contractors bid on the project. Mr. Smith stated that three contractors submitted bids but that one was considered non-responsive because they did not submit a complete bid. Mr. Smith stated the two contractors that submitted acceptable bids are both highly qualified contractors. **Mr. Cleworth** asked Mr. Smith if there was any way the numbers could be shaved down. Mr. Smith stated that it is his desire that the Council fund the whole project this year in order to keep costs down. Mr. Smith stated he worked closely with Public Works General Foreman Verg Scott to come up with some other ideas for finishing the project but that there is no way around the project's cost.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO SUBSTITUTE RESOLUTION NO. 4685, AS AMENDED, FOR RESOLUTION NO. 4685, AS FOLLOWS:

YEAS: Matherly, Cleworth, Walley, Staley, Gatewood, Pruhs

NAYS: None

**Mayor Eberhart** declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4685, AS AMENDED, AS FOLLOWS:

YEAS: Gatewood, Walley, Pruhs, Matherly, Staley, Cleworth

NAYS: None

**Mayor Eberhart** declared the MOTION CARRIED and Resolution No. 4685, as Amended, APPROVED.

- f) Ordinance No. 5987 – An Ordinance Amending Fairbanks General Code Sections 2-260 and 2-261 Regarding the Authorized Investment Selections of the City Permanent Fund Investment Policy. Introduced by Council Member Gatewood.

ADVANCED on the CONSENT AGENDA.

- g) Ordinance No. 5988 – An Ordinance to Amend Ordinance No. 5986, as Amended, an Ordinance Enacting a Retail Sales Tax on Marijuana and Referring the Ordinance for Ratification at the Next General Election. Introduced by Council Member Pruhs.

ADVANCED on the CONSENT AGENDA.

- h) Ordinance No. 5989 – An Ordinance Amending the 2015 Operating and Capital Budgets for the Sixth Time. Introduced by Mayor Eberhart.

**Mr. Gatewood**, seconded by **Mr. Walley**, moved to ADVANCE Ordinance No. 5989.

**Mr. Pruhs**, seconded by **Mr. Walley**, moved to SUBSTITUTE Ordinance No. 5989, as Amended, for Ordinance No. 5989.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO SUBSTITUTE ORDINANCE NO. 5989, AS AMENDED, FOR ORDINANCE NO. 5989 AS FOLLOWS:

YEAS: Staley, Matherly, Gatewood, Pruhs, Cleworth, Walley

NAYS: None

**Mayor Cleworth** declared the MOTION CARRIED.

**Mr. Cleworth** stated that the only difference between the two ordinances is the Capital amount.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 5989, AS AMENDED, AS FOLLOWS:

YEAS: Walley, Matherly, Gatewood, Pruhs, Cleworth, Staley

NAYS: None

**Mayor Eberhart** declared the MOTION CARRIED.

## **DISCUSSION ITEMS**

### Committee Reports

Permanent Fund Review Board (PFRB) – **Mr. Gatewood** stated the PFRB met and that they are hoping the City Council will allow the Committee to make recommendations on changes to investments. **Mr. Gatewood** stated the fund is performing okay; he stated there are ups and downs in investments. **Mr. Gatewood** stated that on July 23, the Fund was at \$124,000,000.00 but that as of August 7, the Fund had dropped to \$123,443,000.00. **Mr. Gatewood** stated that the City has not received revenue sharing from the State and that the Finance Department intends to take a draw from the Fund in November 2015.

**Mr. Cleworth** stated that the equity markets are at an all-time high and that based on the cyclical data, soon they will hit a low. **Mr. Cleworth** stated that selling shares at such a high would be profitable for the City.



**Mr. Gatewood** stated he has asked the question regarding selling at a high and that the PFRB was encouraged to consider the long term projection. **Mr. Gatewood** stated that small adjustments are made but that they have been encouraged to ride out the peaks and valleys.

**Mr. Pruhs** stated that 53% of the fund is in equity markets and that the possibility of cashing some of it out should be addressed.

**Mr. Walley** spoke to the pattern and frequency of peaks and valleys and shared his concerns that it takes longer to reach a peak than it does to reach the bottom of the valley.

### COMMUNICATIONS TO COUNCIL

- a) Re-appointment to Hotel/Motel Discretionary Fund Committee

APPROVED on the CONSENT AGENDA

- b) Permanent Fund Review Board Meeting Minutes of May 6, 2015.

ACCEPTED on the CONSENT AGENDA

- c) Clay Street Cemetery Committee Meeting Minutes of July 1, 2015.

ACCEPTED on the CONSENT AGENDA

- d) Memo Regarding Write-off for Comfort Inn Hotel/Motel Tax.

APPROVED on the CONSENT AGENDA

### COUNCIL MEMBERS' COMMENTS

**Ms. Staley** apologized for the issues she had earlier with her phone connection and encouraged everyone to attend the Golden Heart Parking Services (GHPS) meeting the following Wednesday.

**Mr. Matherly** spoke to Gary Schikora's requests to address both the old dairy and the Polaris Building. He shared that Marc Marlow has applied for a tax benefit to remodel the property. **Mr. Matherly** stated Mr. Marlow has a conference call to discuss the possibilities of receiving federal funding. **Mr. Matherly** stated he appreciated the work session about the IGU. **Mr. Matherly** encouraged everyone to go to the fair.

**Mr. Cleworth** thanked the Finance Department for doing such a good job with the financials of the City. **Mr. Cleworth** stated the abatement of the old dairy is a project that needs attention but that the Building Official did not think that it met the criteria of the abatement code. **Mr. Cleworth** asked City Attorney Paul Ewers to weigh in on the matter. Mr. Ewers stated that the code has certain standards in section 302. Mr. Ewers stated that since the project does not meet the standards the government cannot intrude on private property. Mr. Ewers stated that the building is sound structurally and does not fit under the abatement code. **Mr. Cleworth** stated

he has not given up on the abatement project at the old dairy but that at this time the City cannot tear it down. **Mr. Cleworth** stated it is the number one building he receives complaints about and that the Council should look into revising the Code on abatement projects.

**Mr. Cleworth** requested that Chief of Staff Jim Williams come forward and give a Staff Report on the Student Resource Officers (SRO's). Mr. Williams stated that the contract for the SRO's was only funded through the end of the school year and that the City was to fund the program for the rest of the calendar year. Mr. Williams stated he met with the Chief Financial Officer at the School District and was notified that the program will not continue.

**Mr. Cleworth** asked Verg Scott to have a crew look into the pothole situation at 4th and Cowles. Mr. Scott stated that there was a crew in that area earlier in the day and that the two pothole crews are going through 15 tons of hot mix per day. Mr. Scott apologized for the pothole issue at 4th and Cowles.

**Mr. Cleworth** stated comp time for the Mayor needs to be discussed in the future. **Mr. Cleworth** stated that the Council needs to spend some time coming up with a job description and what should be included in the Mayor's benefit package. **Mr. Cleworth** requested copies of Ms. Gilbert's public information request for him and the Council.

**Mr. Pruhs** thanked Public Information Officer Amber Courtney for the exceptional job that she does for the City. **Mr. Pruhs** stated Ms. Courtney is a wonderful asset to the City and stated he wanted to recognize her for it. **Mr. Pruhs** thanked the Council and the Mayor for approving Resolution No. 4684. **Mr. Pruhs** stated he met with a group to discuss the Polaris Building and the ramifications of knocking it down. **Mr. Pruhs** stated the group's next meeting will be held August 18, 2015 at 2:30 p.m. to discuss the project.

**Mr. Gatewood** stated high school football has started and that means that school is about to start as well. **Mr. Gatewood** encouraged everyone to take interest in children's sporting events.

**Mr. Walley** stated his appreciation to everyone who is serving on the Council; he also thanked Mr. Pruhs for the work he has done in regard to the Polaris Building. **Mr. Walley** thanked Mr. Schikora for coming to the Council meeting and sharing his concerns for the abatement projects he spoke to. **Mr. Walley** stated he appreciated the Work Session on the IGU. **Mr. Walley** stated that there a lot of questions that need to be asked and answered. **Mr. Walley** thanked Mr. Gatewood for his report on the Permanent Fund and he stated that soon the Council will have to address the need to withdraw before a huge loss is posted. **Mr. Walley** stated that he has re-filed for his seat on the Council.

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to go into Executive Session for the purpose of discussing the W. Cummings Workers' Comp Case and Fairbanks Firefighters Union (FFU) Labor Negotiations.

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

**Mayor Eberhart** called for a five minute recess.

**EXECUTIVE SESSION**

- a) Workers' Comp Case (W. Cummings)
- b) Fairbanks Firefighters Union Labor Negotiations

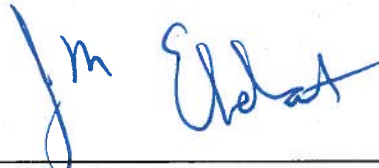
The City Council met in Executive Session to discuss the W. Cummings Workers' Comp Case and FFU Labor Negotiations. Direction was given to staff and no action was taken.

**ADJOURNMENT**

**Mr. Matherly** moved to ADJOURN the meeting.

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

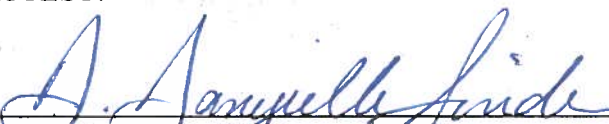
**Mayor Eberhart** declared the Meeting adjourned at 10:53 P.M.



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JOHN EBERHART, MAYOR

ATTEST:



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D. DANYELLE SNIDER, CMC, CITY CLERK

Transcribed by: EB