



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, NOVEMBER 21, 2016
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 Jim Matherly presiding and with the following Council Members in attendance:

Council Members Present: Joy Huntington, Seat A
June Rogers, Seat B
Valerie Therrien, Seat C
Jerry Norum, Seat D
Jerry Cleworth, Seat E
David Pruhs, Seat F

Absent: None

Also Present: Paul Ewers, City Attorney
D. Danyielle Snider, City Clerk
JB Brainerd, Deputy City Attorney
Margarita Bell, Controller
Stephanie Johnson, Dispatch Center Manager
Carmen Randle, Chief Financial Officer
Angela Foster-Snow, HR Director
Brad Johnson, Deputy Police Chief
Jim Styers, Fire Chief
Mike Meeks, Chief of Staff
Jeff Jacobson, Director of Public Works

INVOCATION

The Invocation was given by City Clerk Danyielle Snider.

FLAG SALUTATION

Mayor Matherly led the Flag Salutation.

CITIZEN'S COMMENTS

Brittany Smart, 907 Terminal Street, Fairbanks – Ms. Smart stated that the Borough Assembly approved a manager position for the proposed recycling center. She stated that an RFP was released with proposals due back by December 1, 2016.

Helen Renfrew, 1915 Central Avenue, Fairbanks – Ms. Renfrew stated she is in attendance to speak on behalf of Explore Fairbanks. She stated that Fairbanks hosted the AFN Conference in October which brought 3500 to 4000 visitors into the City. She spoke to other hosting opportunities for Fairbanks over the winter and spring. Ms. Renfrew stated that 2016 was a great

year for meetings and conventions in Fairbanks, and she thanked the City Council for reinvesting into destination marketing.

Mr. Cleworth asked if AFN is on a three-year cycle. Ms. Renfrew stated that at the previous year's board meeting, AFN set a schedule by resolution. She stated that they have asked both Fairbanks and Anchorage to bid on the 2018 convention.

Ms. Rogers asked Ms. Renfrew if she has a feeling as to whether Fairbanks will be able to host the convention in 2018. Ms. Renfrew stated she has a good feeling about it coming back in the next three years but that she is unsure whether it would be 2018 or 2019.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney thanked his neighbor Brenda Riley for giving Sergeant Allen Brandt help after he was gunned down near his house. He stated that Sgt. Brandt was courteous and professional and offered condolences to the Brandt family. Mr. Turney stated he had lunch with Randall Aragon before he moved to Arkansas and that they discussed the letter written to the editor by Dan Hoffman. Mr. Turney stated that if the City had to hire an attorney for the PSEA appeal they likely would not fight it.

Kathleen Boyle, P.O. Box 341, Fairbanks – Ms. Boyle stated that she is not a City resident but that she is a member of the community at large. She spoke in support of the City funding the police contract and stated that they put their lives on the line every day. She stated that it is time for the City Council to end the dispute because it has gone on for far too long.

BC Rigdon, 911 Cushman Street, Fairbanks – Officer Rigdon thanked Mayor Matherly for all the support he has given to the Fairbanks Police Department (FPD) since taking office. He spoke against the City Council non-funding the PSEA contract. He stated that, as a police officer, he is expected to do his job with integrity and moral and ethical behavior; he added that the Council should behave in the same way. Ofc. Rigdon stated that he was disturbed to hear a Council Members say at the last meeting that they would vote to non-fund the PSEA contract if the City lost or decided not to move forward with the appeal. Ofc. Rigdon stated that every time a contract has gone to arbitration and has been in favor of the City, the Council would fund the contract. He stated that every time arbitration falls in the favor of the PSEA, the Council chooses to non-fund. Ofc. Rigdon stated that the City uses non-funding as a tool to get exactly what they want and it is not fair to the PSEA employees because they cannot strike. He urged the Council to fund the contract.

Kris Wilson, 1197 Choctaw Road, North Pole – Mr. Wilson expressed his displeasure with the City Council's decision not to fund the PSEA contract. He stated that when a contract is agreed upon, the terms of the contract should be abided by. He spoke to officers around the nation being shot, and he called for unity. Mr. Wilson stated that he has a concealed carry license but that he cannot detain someone he catches on his property stealing from him. Mr. Wilson encouraged the City Council to stop fighting the PSEA and fund the contract.

Peyton Merideth, 911 Cushman Street, Fairbanks – Officer Merideth stated that he is a detective at FPD. He encouraged the Council to get rid of the stop sign at Sunset and Ivy Drive. He stated that there will be future problems if the Council does not fund the PSEA contract. Ofc. Merideth stated that FPD recruitment will tank, the applicant pool will shrink, and the money owed in the

appeal will only increase. He spoke to Sgt. Brandt's death and to how personally it has affected everyone at FPD. Ofc. Merideth stated that attitude among the ranks is one of hope after the turnover of the Mayor and Police Chief. He stated that morale will plummet if the appeal goes forward, and he implored the Council to not move forward with the appeal. He stated that if the City appeals, the PSEA will be stuck in court for another 18 months and will be unable to go back to the bargaining table. He encouraged the Council to fund the PSEA contract.

Mr. Pruhs asked if the police cannot or will not negotiate while in litigation. Ofc. Merideth stated that would be a question to ask the PSEA union representative.

Mr. Cleworth asked Ofc. Merideth whether he would negotiate with the City if he was in charge for a day. Ofc. Merideth stated that if the litigation ended there would be no way to not negotiate. **Mr. Cleworth** stated that the judge's ruling was so ambiguous that it did not force anyone to do anything. He asked Ofc. Merideth if the PSEA could negotiate while the case is in the courts hands. Ofc. Merideth stated that everyone wants to go back to the table but that he is not on the negotiating team. He stated that as long as it is hung up in court nothing can happen.

Ms. Therrien asked if Ofc. Merideth was speaking of negotiating the current contract or the next contract. Ofc. Merideth stated that the contract that is in litigation is nearly expired and that if the PSEA was not in court they would be able to negotiate the terms of the next contract.

Darlene Herbert, 906 Woodlawn Road, Fairbanks – Ms. Herbert stated that citizens need to flood City Hall to stand by the Council. She stated that if cops are unwilling to come to the negotiating table they should move somewhere else. She stated that officers get paid enough already, and they should not insist on getting paid more. Ms. Herbert stated that some FPD officers were there when the Fairbanks Four were arrested. She stated that if the contract is funded, the cops will come back next year and ask for more money.

Heather Lambert, 711 Gaffney Road, Fairbanks – Ms. Lambert stated that her spouse is an 11-year veteran of the FPD and that he has always wanted to be an FPD officer. She stated that over time she has watched his feelings go from confusion to anger and distress and finally to distrust. She urged the Council to fund the contract. She stated that the Council can help make FPD a great place to work again, whereby helping make the City of Fairbanks a great place to live.

Kara Carlson, 782 7th Avenue, Fairbanks – Ms. Carlson stated that she is a City resident with no affiliation to law enforcement. She stated that it is time for the City to take care of those who take care of them.

Dave Duncan, P.O. Box 74469, Fairbanks – Mr. Duncan stated that he was a police officer for the City of Fairbanks for nine years and was on the PSEA negotiating team for two contracts. He stated that he left the City because of what the City Council action to not fund the contract. Mr. Duncan stated that insurance was too expensive when he worked for the City, and now he has a job where he does not have to pay for health insurance.

Mr. Therrien asked Mr. Duncan if he was still in law enforcement, and he replied that he is not.

Jessica Lenahan, 911 Cushman Street, Fairbanks – Ms. Lenahan stated that she is a dispatcher for the FPD, and she spoke to the call that came in the night Sgt. Brandt was shot. She stated that the City Council does not do enough for its employees who work in law enforcement. She stated that the City Council makes the PSEA employees jump through hoops when negotiating contracts. Ms. Lenahan asked the Council when the last time was that they put their lives on the line to help a stranger. She stated that she has listened to 9-1-1 calls where a woman is being beaten by her husband and that she has had to tell them that help is more than ten minutes away because there are no officers available to respond. Ms. Lenahan stated that you get what you pay for and now many officers have left the force because of the Council's decision not to fund contracts. Ms. Lenahan reminded the Council of Sgt. Brandt's call for the Council to support City police officers. She stated that many officers and dispatchers have put in applications elsewhere because of the non-funding of the contract.

Victor Buberger, P.O. Box 58192, Fairbanks – Mr. Buberger spoke to the need for public restrooms in Fairbanks. He stated that officers get paid \$10-\$15 thousand dollars per month and that they should quit complaining about wanting more money. He spoke against labor unions. He complained about all the clapping coming from the public during public testimony and spoke poorly of Fairbanks police officers.

Allen Wilson, P.O. Box 249, Ester – Mr. Wilson spoke against police officers getting paid more money and stated that they get paid enough. He stated that officers drive behind people and pull them over just to scare them. He stated that when he got pulled over and did not do what the officer wanted he got arrested and put in jail on false charges. He asked the Council to not give the officers anything more.

Leonard Thiltgen, 2263 Bridgewater Drive, Fairbanks – Mr. Thiltgen spoke in support of the City Council funding the PSEA contract. He spoke to the ballot measure that increased property tax exemptions Borough-wide; he indicated that the exemptions would decrease property tax revenues for the City. He questioned by what means the City could fund an increase for police officers, and he stated that the Council must start thinking out of the box. Mr. Thiltgen stated he has spoken in favor of raising hotel/motel taxes, and he spoke to the possibility of creating a sales tax. He stated that the City needs more police officers because he has heard of some people calling for service only to have no law enforcement show up. He spoke against the City tapping into the Permanent Fund to fund the PSEA contract.

Ron Dupee, 911 Cushman Street, Fairbanks – Sergeant Dupee stated that he does not live in City limits but that he is a Fairbanks police officer and the President of the PSEA at FPD. He stated he was born and raised in Fairbanks and that he considers it his home. He gave a history of the contract in dispute and spoke to the labor negotiation process. He stated that when he was a new officer he was told by a field training officer that he could handle anything in police work by asking himself if his actions are reasonable. Sgt. Dupee stated that twice the City has been told it was wrong on the contract issue, and he asked the Council whether continuing the fight is reasonable. He stated that FPD is now in a staffing crisis. He stated he has buried many of his friends who have been killed in the line of duty, most recently Sgt. Brandt. He urged the City Council to honor their obligation and fund the PSEA contract.

Ms. Therrien asked Mr. Dupee how many vacancies there currently are at FPD. Sgt. Dupee replied that there are six vacancies. **Ms. Therrien** asked what the PSEA would do with their appeal if the contract was funded. Sgt. Dupee stated that he believes PSEA members would vote to withdraw the appeal if the contract was funded.

Ms. Huntington asked Sgt. Dupee what the retroactive costs would look like if the contract went from a 36-hour work week to a 40-hour work week. Sgt. Dupee stated that based on current staffing, there is no way that FPD could move to a 36-hour work week. He stated that the 36-hour work week was put in the contract to make FPD more competitive in the hiring process. Sgt. Dupee stated that either side could opt out of the 36-hour work week and negotiate terms to compensate for it. He stated that the contract under dispute expires December 31, 2016, and PSEA should already be negotiating their next contract.

Ms. Huntington spoke to an email that was received that spoke to a meeting between the mayor and the PSEA membership and asked if negotiation was still possible. Mr. Dupee stated that the offer that was given to them did not include any back pay and that the Council needs to pay for what they agreed to. Mr. Dupee stated again that there have been two judgements that have said that the City was wrong and needs to fund the contract.

Jake Metcalfe, 911 Cushman Street, Fairbanks – Mr. Metcalfe stated he is the Executive Director for PSEA and that he is a lifelong Alaskan who lives in Anchorage. He spoke to the police ambushes that are happening all over the country. He stated that PSEA filed an unfair labor practice claim and that the Alaska Law Review Association (ALRA) determined that the City was found to have unfairly bargained. Mr. Metcalfe stated that the Council's oath requires that they uphold the law and that PSEA members want the contract honored and enforced. He stated that Fairbanks is in excellent financial shape. He stated that the City has plenty of reserves to fund the contract.

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

APPROVAL OF AGENDA AND CONSENT AGENDA

Ms. Therrien, seconded by **Ms. Huntington**, moved to APPROVE the Agenda and Consent Agenda.

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

City Clerk Snider read the Consent Agenda into the record.

SPECIAL ORDERS

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

Type: Retail Marijuana Store, License #10278
DBA: GoodSinse, LLC
Licensee/Applicant: GoodSinse, LLC
Physical Location: 2604 Davis Road, Fairbanks, Alaska

Mr. Pruhs, seconded by **Ms. Therrien**, moved to WAIVE PROTEST on the Application for a New Retail Marijuana Store License.

Mr. Turney, 329 6th Avenue, Fairbanks – Mr. Turney held up a sealed canister of marijuana and stated he paid three dollars in City sales tax when he purchased it from Pakalolo. He stated that Pakalolo is running a legitimate business but that he was a little offended when they asked to see his identification before entering the store. He suggested they drop product prices to increase business.

Mr. Pruhs asked if prices are higher now that marijuana is legal. Mr. Turney stated that prices have increased since cannabis became legal.

Aaron Worthen, 2751 Freeman Road, North Pole – Mr. Worthen stated he is the owner of Frozen North Farms just outside City limits. He spoke in support of GoodSinse, LLC.

Victor Buberger, P.O. Box 58192, Fairbanks – Mr. Buberger stated that he has seen the prices of marijuana change drastically in Alaska since 1975. He spoke in support of GoodSinse, LLC.

Christine Nelson, 1526 Farmers Loop Road, Fairbanks – Ms. Nelson stated that she is the Fairbanks North Star Borough (FNSB) Director of Community Planning and that GoodSinse has been issued a zoning permit for the marijuana business.

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

Mr. Cleworth stated that he does not like the location of the facility but that he would vote in favor of the retail license. He spoke to the label requirements and to his fear of people driving under the influence. He warned businesses that they could be held liable if someone consumes on their property.

Ms. Rogers shared her concern with the location because so many of the neighbors have come forward not wanting a retail marijuana store in their neighborhood. She stated she will vote in favor of the retail store, but indicated that she would have a hard time supporting consumption if it were to be proposed at the location in the future.

Ms. Huntington stated she would vote in favor of the retail store but cautioned the owner to never skimp on security measures. She stated it is important that the community be protected.

Ms. Therrien spoke to the amount of work that has gone into becoming compliant with the State and getting the cultivation and retail license in order. She spoke in support of the license.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE APPLICATION FOR A NEW RETAIL MARIJUANA STORE LICENSE AS FOLLOWS:

YEAS: Pruhs, Therrien, Huntington, Cleworth, Norum, Rogers

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

MAYOR'S COMMENTS AND REPORT

Mayor Matherly introduced his new Chief of Staff Mike Meeks and shared that Mr. Meeks brings a wealth of knowledge. He asked everyone to welcome him to the City of Fairbanks. **Mayor Matherly** stated that Jeff Jacobson has been very gracious and helpful to the new Chief of Staff and introduced Mr. Jacobson and the new Public Works Director.

Mayor Matherly spoke of the helpful sessions at the Alaska Municipal League (AML) annual conference that he attended the previous week. He stated he spoke with Anchorage Mayor Ethan Berkowitz and thanked him for all the support they provided following the loss of Sgt. Brandt.

UNFINISHED BUSINESS

- a) Motion to Accept the Appeal to the Supreme Court on the PSEA Labor Contract Dispute Filed by the City Attorney [Regarding the City v. PSEA Superior Court Decision, Case No. 4FA-15-2868CI]. POSTPONED from the Regular Meeting of November 7, 2016.

The motion to ACCEPT the Appeal was moved and seconded at the Regular Meeting of October 24, 2016 by Mr. Pruhs and Mr. Cleworth, respectively.

Mayor Matherly called for a five minute recess.

Mayor Matherly called for a Staff report from the Finance Department. Chief Financial Officer Carmen Randle stated that residents may not understand that the City may only draw down 4.5% of the five-year market average from the Permanent Fund each year. She stated that in order to increase the amount, it would take approval by 70% of City voters. She provided a history of annual drawdowns from the Permanent Fund. She stated that the Permanent Fund helps to fund general operations at the City each year and is calculated into the annual budget.

Mr. Pruhs stated that two meetings ago, Mr. Gatewood recommended dropping the annual drawdown percentage from the Permanent Fund to protect against inflation. Ms. Randle stated that it would be nearly impossible to drop it down with the City's current expenditures. She stated that the City relies heavily on the revenues that come from the annual drawdown. Ms. Randle spoke to other City revenues and cash flow and stated that the City does not have a line of credit in case of an emergency. She spoke to what the Code requires in regard to labor negotiations and to the effect on the budget if IBEW and AFL-CIO members were given the same increase as PSEA. Ms. Randle requested that Controller Margarita Bell speak to the letter written by Mr. Metcalfe.

Mayor Matherly clarified that the letter was not sent to all Council Members, and he requested that copies be made for those who did not have the letter in hand.

Ms. Bell stated that she went through the American Federation of State, County and Municipal Employees (AFSCME) letter, and she stated that there were a few inaccuracies. She stated that if the PSEA contract is ratified, the City would have a budget deficit of \$442,212.00. She stated that they did not take salaries and benefits of PSEA employees into account for 2017. Ms. Bell pointed out a few other inaccuracies.

Ms. Randle stated that at the end of the year the City transfers departmental surpluses to the Capital Fund. She stated that salary savings are a one-time savings that will not be realized in future budgets. She stated that there are currently nine vacancies at FPD and that the City budgets at 100% staffing every year.

Ms. Huntington stated that the salary savings handout is misleading because it makes it look like there is \$1.5 million in savings. She pointed out that the value is based on a time period of 12 months.

Mr. Norum stated that more vacancies are expected at FPD in December and that the low staffing level is troubling.

Ms. Therrien spoke to her concern for low staffing levels at FPD. She echoed Mr. Norum's sentiments.

Mr. Cleworth stated that much of the salary savings will be used to cover the cost for the contamination issues in South Fairbanks. Ms. Randle stated that 2016 is the first year that the City went in the negative due to claims but that there was enough savings to cover the cost.

Mayor Matherly asked if there was any objection to Deputy Chief Brad Johnson coming forward to answer questions. No Council Members objected.

Mr. Pruhs asked Ms. Randle if she was directed by the former Mayor and Chief of Staff to interpret the numbers of the original contract a specific way. Ms. Randle stated that the Finance Department was directed to draft the numbers under specific criteria. **Mr. Pruhs** stated that there was misinformation from the very beginning; he stated that both sides' estimates are grossly over the estimates originally provided to the Council.

Deputy Chief Brad Johnson spoke to staffing issues at FPD. He stated that there are currently nine openings, two of which are expected to be filled in December and January. He stated that FPD is projected to lose six more officers over the next six to seven months. Deputy Chief Johnson stated there is no realistic expectation that 13 vacancies could be filled in one calendar year. He stated the low staffing is affecting the operations of the department.

Mr. Norum asked why it is so hard to recruit people to join FPD. Deputy Chief Johnson stated that the FPD package is not competitive.

Ms. Huntington asked Ms. Randle if setting a minimum fund balance at 20% is the norm across municipalities in the state. Ms. Randle stated that there is no norm; she stated that the GFOA recommends 16.9%, but that it is also recommended to keep the fund balance as strong as it can be. **Ms. Huntington** asked what it would take to change the minimum fund balance to 15%; Ms. Randle stated it would take passage of an ordinance to make the change.

Ms. Therrien stated that if the City loses at the Supreme Court level, it would be in a worse financial situation because the cost would include interest and attorney's fees.

Ms. Huntington asked what the City would have done for funding if the acceptance of the appeal had not been reconsidered. Ms. Randle stated the City would have to cut positions and change the minimum fund balance. She stated that if the check was cut in full and on the spot the City would have to lay off 23 employees. She stated that if the contract was funded at \$1 million a year, the City would have to cut 11 positions.

Ms. Rogers stated that when she was at AML she learned that Kivalina, Alaska at one time had \$325,000.00 in IRS debt. She stated that Kivalina worked with the IRS and made \$1000.00 monthly payments for 10 years to pay the debt. She stated she did not think that it would be unreasonable to pay the PSEA employees in a similar manner. Ms. Randle stated she did not think it is unreasonable but that the City does not have sustainable funds to fund the contract in the future. Ms. Randle stated that the City could take out a loan to pay PSEA employees if the Supreme Court orders payment. She stated there are different avenues that can be taken but that no matter what, the City will have to cut positions to sustain the contract year after year.

Mayor Matherly asked City Attorney Paul Ewers to speak to the appeal, the contract, and to the opinions of the Alaska Labor Relations Agency (ALRA). Attorney Ewers stated that he wishes he could say that dropping the appeal would end the litigation, but he is not certain it would. He stated that there are still a number of pending legal issues. He stated that there was nothing illegal about the procedure the Council followed in 2014. Mr. Ewers stated that it is troubling that the ALRA can nullify the decision of a local governing body. He stated that the appeal to the Supreme Court is unique in that the Superior Court decision will not come into play; he stated that Supreme Court will review the ALRA decision afresh. He stated that litigation is always uncertain and that he would never give the Council the type of the certainty in winning the appeal that the PSEA has displayed.

Mr. Pruhs stated that the Superior Court decision was 18 pages long but that only a few pages spoke to the actual decision. He stated that he does not see anything in the decision that orders the City to pay money. **Mr. Pruhs** remarked that it is interesting that PSEA wants the City to drop its appeal but they have their own appeal against the City.

Ms. Therrien asked Mr. Ewers whether attorney fees and interest would be applied to the balance owed if a judgment is entered against the City. Mr. Ewers stated that fees and interest would be applied. **Ms. Therrien** asked whether PSEA would follow suit if the City dropped its appeal. Mr. Ewers stated he could not speak on behalf of the PSEA.

Mr. Cleworth asked Ms. Randle to speak to wage comparisons of police officers around the state. Ms. Randle stated that wages are dependent on position and longevity; she stated that there

are also some police agencies whose employees do not belong to a union. Ms. Randle stated the high cost of insurance is where longer-term City employees really take a hit because they cap out on wage increases while insurance costs continue to rise.

Ms. Therrien asked Ms. Randle if it is fair to say that the City has not kept up with the cost of living. Ms. Randle stated she could not say if the City has or has not. She stated that the current PSEA contract is behind because it has been held up in litigation.

Ms. Huntington asked Mr. Ewers if the Council is barred from negotiating while there is pending litigation. Mr. Ewers replied in the negative. **Ms. Huntington** asked if the Council is legally bound to give the same kind of package to all of the other bargaining groups at the City. Mr. Ewers stated that he does not believe there is an automatic "me too" clause in any of the other contracts. **Ms. Huntington** asked whether the Council could go back to a more affordable contract if they fund the PSEA contract being discussed. Mr. Ewers stated it could happen in theory but that it has never happened before.

Mr. Cleworth asked if there were any additional questions for staff. Hearing none, **Mayor Matherly** declared the Staff Report complete.

Ms. Therrien stated that she is not going to vote to accept the appeal. She stated that there is enough money available from police vacancies to fund the balance of the contract. She spoke to the morale problem at FPD and stated that funding the contract will be the only way to fix the problem. **Ms. Therrien** stated the Council owes it to the police officers to fund the contract.

Mr. Pruhs stated that from the beginning the costs of the contract have been misrepresented to the Council. He stated that the City cannot afford it. He stated that permanent positions would have to be laid off to cover the cost of the contract. He stated that when the contract was first presented to the Council, it was supposed to carry a \$300,000.00 fiscal note; he indicated that the actual cost is over \$2 million. He stated that two meetings ago Mr. Gatewood talked about lowering the annual drawdown from the Permanent Fund. **Mr. Pruhs** stated when the Council first voted the contract down, PSEA was offered a 4% increase instead, which was rejected. He congratulated Mayor Matherly on his leadership in scheduling a meeting with PSEA, Ms. Randle and himself to show the membership the numbers. He stated that the City cannot afford the contract and that the PSEA has made a factual case into an emotional issue. **Mr. Pruhs** stated they deserve a good contract but that they refuse to accept good offers or negotiate with the City.

Mr. Cleworth stated that it is unfortunate that the Council has to speak to this item just one meeting after Sgt. Brandt spoke at a Council meeting. He spoke to the many police officer ambushes that have occurred in recent days and shared that he does not understand such senseless acts. He stated that he knows there were some internal problems at FPD with the prior Police Chief but that he is gone now. **Mr. Cleworth** stated there are a few good officers at FPD that would make great Police Chiefs. He stated that when he left the Mayoral office, he thought he was done with elected offices; he added that he was compelled to get involved again when he learned of the 2014 PSEA contract. **Mr. Cleworth** stated he was blown away when he first read the contract proposed in 2014. He stated that former Police Chief Zager had pitched the idea of the 36-hour work week some time before that, but that it was presented at that time as a revenue-neutral bargaining chip. He spoke to the big issues in the contract that cause him concern. He

stated that the PSEA was offered a 4% increase after the contract was rejected but they would not accept it. **Mr. Cleworth** agreed with Mr. Ewers that the Council did not violate the rules and commended the Mayor for trying to talk with the PSEA. He stated that twice Mr. Gatewood made the statement that he thought the contract was supposed to be revenue-neutral. He spoke to how the City budget works. He stated that there is no "me too" clause in other union contracts, but that the other bargaining units pay attention and expect to be supported the same by the City. **Mr. Cleworth** stated that he does not know why PSEA health insurance premiums are so high but pointed out that the Council does not control those costs. He shared his frustration in bargaining with the PSEA and stated that the Council cannot treat one union better than any other union. He stated that he does not see any other way than to move forward with the appeal. He shared his wish of having everyone sit down at the table to work towards a better solution.

Ms. Huntington stated that she feels like she is between a rock and a hard place. She stated that she has spent a lot of time with Ms. Randle, Mr. Ewers, Mr. Metcalfe and Mr. Dupee trying to find a solution. She shared her belief that people are spending too much time looking at how the current situation came about. She stated that numbers in the past may have been misrepresented but that even now, when different scenarios are applied, the numbers fluctuate greatly. **Ms. Huntington** stated she would like to find a way to move forward and see if there are other ways to find a solution. She spoke to the importance of the Council considering an ordinance to ratify a contract. She expressed her belief that the police department is special and that there is a level of sacrifice for those employees that there is not with other union employees. She stated she is passionate about public safety and it is one of the factors that made her want to run for City Council. **Ms. Huntington** stated there has been a lot of damage done to the relationship between the FPD and the City Council and that she does not expect it to be resolved in one night. She stated that a 5% increase with a \$2000 Christmas bonus was presented by Mayor Matherly recently, but PSEA was not interested. She stated that Mr. Metcalfe took the offer as a slap in the face. She stated that the Council should take care of those who take care of them. **Ms. Huntington** stated that she would still like to move forward with a Christmas bonus and that she would also like to gauge the Council's interest in paying for healthcare costs for PSEA employees through the end of the year using payroll savings.

Ms. Rogers stated that the contract has been on an arduous path and that she is glad to hear that Ms. Huntington is trying to find a solution. She stated she is also happy to hear that Ms. Therrien is working on an ordinance to help bring closure to the long-standing issue. **Ms. Rogers** echoed Mr. Cleworth's sentiment on everyone coming to the table to discuss a resolution to the contract dispute. She agreed with others that it is time to move forward and indicated that she would support a Christmas bonus.

Mr. Norum stated that he has heard a lot of valuable information on a wide range of issues. He stated that he appreciated the Mayor's effort to speak to PSEA representative, Mr. Metcalfe. He stated that the people that were at the table in 2014 are not the same people at the table now. **Mr. Norum** stated he would not support moving forward with the City's appeal. He stated the Council should not drag the dispute out for another 18 months.

Mayor Matherly asked Mr. Ewers whether the City would be able to withdraw the appeal in the future if the Council voted to move forward with it. Mr. Ewers indicated that the City could still withdraw the appeal. He stated that if a Council Member wanted the Council to consider

funding the contract, the proper procedure would be to introduce an ordinance with a fiscal note and let it go back through the public process. Mr. Ewers stated the legal issues would be resolved if the contract were ratified.

Mayor Matherly stated he was on the City Council when the original contract came about. He stated that when he became Mayor he made a goal to become closer to FPD and its employees. He stated that FPD has been welcoming over the past six weeks. He stated that the meeting with Mr. Metcalfe was like an olive branch, and he wanted to understand how things were done under the former Mayor. **Mayor Matherly** stated that when he was on the Council, the full financial impact of the contract was not presented accurately to the Council. He stated that FPD deserves an administration that respects the employees; he expressed hope that during his term as Mayor, relationships can be repaired. He stated the contract is a huge bill for the City to pay. He stated that he followed the rules when he called for reconsideration of the contract and that Mr. Ewers agreed. He stated the appeal should move forward and that the Council can take a look at Ms. Therrien's ordinance when it comes up.

Mr. Cleworth asked what the Council would have to do legally if the vote goes against the accepting the appeal. Mr. Ewers stated he is not sure if the appeal would end because the PSEA has also filed an appeal. He stated that the Superior Court's decision was unclear. Mr. Ewers indicated that it may instigate a new round of litigation. He stated that if the Council adopts an ordinance to ratify the contract and approves the funding, it would bring an end to the litigation.

Mr. Cleworth cautioned against funding the contract by reminding the Council that if one union gets something the other unions will want similar packages. He stated he will vote to move forward with the appeal.

Mr. Norum implored Council Members to be brave and to vote to reject the appeal.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ACCEPT THE APPEAL TO THE SUPREME COURT ON THE PSEA LABOR CONTRACT DISPUTE FILED BY THE CITY ATTORNEY AS FOLLOWS:

YEAS: Rogers, Pruhs, Huntington, Rogers

NAYS: Therrien, Norum

Mayor Matherly declared the MOTION CARRIED.

- b) Ordinance No. 6032, as Amended – An Ordinance Amending the 2016 Operating and Capital Budgets for the Third Time. Amended Version Introduced by Council Member Cleworth. POSTPONED from the Regular Meeting of November 7, 2016. PUBLIC HEARING WAS HELD ON NOVEMBER 7, 2016.

Mr. Pruhs, seconded by **Ms. Huntington**, moved to SUBSTITUTE an Amended version of Ordinance No. 6032, as Amended.

Mr. Cleworth spoke against using the substituted version.

Mr. Ewers provided clarification on the budget and special fund issues.

Mr. Pruhs, with concurrence of the Second, WITHDREW the motion to substitute.

Mr. Cleworth asked Ms. Randle to speak to the change in the proposed substitute that may need to be included in Ordinance No. 6032, as Amended. Ms. Randle stated that Development Manager Patrick Smith is working on the exhaust system project at Public Works and that he stated he needs to put in new boilers with the project. She stated that the funds were included in the 2017 budget, but that staff would like the change to be made to the 2016 budget so that the project could start immediately. She stated that the amendment would be an increase of \$50,000.00 to the Capital Fund.

Ms. Therrien, seconded by **Mr. Norum**, moved to AMEND Ordinance No. 6032, as Amended, by increasing the budget by \$50,000.00 to replace the boilers at Public Works.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 6032, AS AMENDED, BY INCREASING THE BUDGET BY \$50,000.00 TO REPLACE THE BOILERS AT PUBLIC WORKS AS FOLLOWS:

YEAS: Huntington, Norum, Therrien, Pruhs, Cleworth, Rogers

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

Mayor Matherly called for more discussion and, hearing none, called for a vote.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 6032, AS AMENDED, AS FOLLOWS:

YEAS: Rogers, Norum, Therrien, Pruhs, Cleworth, Huntington

NAYS: None

Mayor Matherly declared the MOTION CARRIED and Ordinance No. 6032, as Amended, ADOPTED.

DISCUSSION ITEMS

a) Committee Reports

Polaris Work Group – **Mr. Pruhs** stated he will be meeting with Jim Whitaker from the State of Alaska to discuss federal grants for the Polaris Building. He stated they have assigned a construction engineer to locate structural drawings and information about the Polaris Building.

FMATS Policy Committee – **Mr. Cleworth** stated that Federal funds have typically come through the State of Alaska, then DOT would try to control projects that the City designed. He stated that it created a problem at times. He stated that new legislation may allow Federal funds to come directly to the City of Fairbanks. He stated that the Committee voted to send a letter to the State to request that Fairbanks be used as an experimental municipality for the new funding method; he stated that DOT was the only opposition to the vote. He stated that the only projects

that will be moving forward will be preventative maintenance projects that require a match from the City's Capital Fund.

Hotel/Motel Discretionary Fund Committee -- **Ms. Rogers** spoke to the brief meeting the Committee held and to the wonderful presentation made by City Controller Margarita Bell.

COUNCIL MEMBERS' COMMENTS

Ms. Huntington stated the vote to move forward with the PSEA appeal was one of the most difficult decisions she has had to make. She stated that she would like to clear the record about an issue; she clarified that she did not feel bullied by Mr. Pruhs at the last meeting and that she did not take his comments personally. She stated that she and Mr. Pruhs have a good rapport and have worked with each other for several years. **Ms. Huntington** stated that the PSEA contract and appeal has been an emotional rollercoaster and that she hopes that a multi-dimensional solution can bring resolution to the police department.

Ms. Rogers stated that the Council has tremendous responsibility moving forward, and she expressed hope that everyone works toward a solution. She stated that she appreciates all the work being done in seeking outside-of-the-box ideas to solve the contract dispute. She stated she looks forward to reading Ms. Therrien's proposed ordinance and that everyone wants to feel like they are working together to mend relationships and to rebuild trust.

Ms. Therrien asked what is going on with the investigation of former Police Chief Randall Aragon. **Mayor Matherly** replied that the report should be released the following week. **Ms. Therrien** stated that at the AML Conference, she learned that the City has few problems compared to the State of Alaska. She stated that she is disappointed in the vote to move forward with the PSEA appeal but that she will introduce an ordinance to resolve the problem. She stated that a Christmas bonus is a slap in the face to FPD while the litigation is pending. She wished everyone a happy Thanksgiving.

Mr. Pruhs stated some of the facts in the PSEA case are not good and that the Council made a good decision by moving forward with the appeal. He thanked the City staff for all the information they brought to the meeting. He commended Mayor Matherly for meeting with Mr. Metcalfe and for taking Ms. Randle with him. **Mr. Pruhs** stated he has been speaking on "Problem Corner" for the past year but that the show is being reformatted. He stated that he will soon be the host of the radio show. He wished everyone a happy Thanksgiving.

Mr. Cleworth requested that Mr. Jacobson and Mr. Meeks attend the FMATS Policy Committee meetings because of all of their Public Works experience. He requested that someone from the Engineering Department be in attendance as well. He stated that the evening was difficult and emotions were high. **Mr. Cleworth** asked Ms. Therrien to bring her ordinance to the Finance Committee meeting for discussion before introducing it at a Council meeting. He stated that all City employees are valuable and there are many jobs that do not get respect. He said that no one employee should be treated better than another. He wished everyone a happy Thanksgiving.

Mr. Norum stated that health care costs for police and firemen are higher because their jobs are more dangerous than other departments.

Ms. Huntington wished everyone a happy Thanksgiving.

Mr. Cleworth, seconded by **Ms. Huntington**, moved to go into Executive Session for the purpose of discussing AFL-CIO Labor Negotiations.

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

Mayor Matherly called for a ten minute recess.

EXECUTIVE SESSION

a) AFL-CIO Labor Negotiations

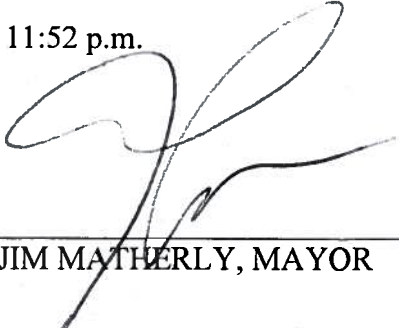
The City Council met in Executive Session to discuss AFL-CIO Labor Negotiations. Direction was given to staff and no action was taken.

ADJOURNMENT

Ms. Therrien, seconded by **Ms. Huntington**, moved to ADJOURN the meeting.

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

Mayor Matherly declared the meeting adjourned at 11:52 p.m.



JIM MATHERLY, MAYOR

ATTEST:



D. DANYIELLE SNIDER, CMC, CITY CLERK

Transcribed by: EB