



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, SEPTEMBER 24, 2018
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

The City Council convened at 6:30 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
 Jonathan Bagwill, Seat D
 Jerry Cleworth, Seat E
 David Pruhs, Seat F

Absent: Valerie Therrien, Seat C (excused)

Also Present: D. Danyielle Snider, City Clerk
 Mike Meeks, Chief of Staff
 Stephanie Johnson, Dispatch Center Manager
 Carmen Randle, Chief Financial Officer
 Angela Foster-Snow, HR Director
 Eric Jewkes, Police Chief
 Jim Styers, Fire Chief
 Paul Ewers, City Attorney (arrived at 6:57 p.m.)

City Clerk Danyielle Snider read the Mission Statement of the City of Fairbanks.

INVOCATION

The Invocation was given by City Clerk Danyielle Snider.

FLAG SALUTATION

Mayor Matherly asked **Mr. Bagwill** to lead the Flag Salutation.

CITIZENS' COMMENTS

Kathy Ottersten, 1435 3rd Avenue, Fairbanks – Ms. Ottersten expressed concern with Resolution No. 4846. She stated that she is concerned that the resolution has only one reading, that there is a lack of term definitions, and that there appears to be no tangible compensation for the City. She stated that the resolution will affect the City of Fairbanks more media-wise than anything else. Ms. Ottersten suggested that the Council hold a town hall meeting on the resolution. She stated that Engel Entertainment has a good reputation, but she would like to see the resolution postponed.

Jennifer Yuhas, 1150 Merganser Street, Fairbanks – Ms. Yuhas stated that she noticed a couple meetings ago that there was a lack of order, and poor parliamentary procedures were used. She stated that when she returned the following meeting, the Mayor did a better job at keeping order.

She addressed the confusion at the last Council meeting over the sentence, “The unintended consequences of adoption of this ordinance, as written, possess potential to undermine any intended savings with associated costs of litigation.” She stated that cost savings was mentioned at the introduction of the ordinance, and she pointed out that the ordinance would not save the City money as it leaves room for possible litigation. She stated she has faith in the City Council.

Karen Gaborik, Fairbanks North Star Borough School District (FNSBSD) Superintendent – Ms. Gaborik shared that it has been a great start to the new school year. She stated it is concerning that there is a continuing downward trend in enrollment, and currently enrollment is down by 270 students. She stated that the silver lining is the F-35s coming to the community. Ms. Gaborik expressed gratitude to Chief Jewkes for his partnership with the FNSBSD, and she spoke to the rollout of A.L.I.C.E., an active shooter response training program. She stated she recently attended a post-meeting of the Safety and Well-being Summit in Anchorage to put together recommendations for the Governor and the Department of Education for the upcoming legislative session. She stated there will be a Professional Development Day for school staff on Friday, September 28.

Mr. Pruhs thanked Ms. Gaborik for the update. He stated that he has not heard much about bussing compared to last school year, so he assumes the district’s contract with the bus company is going better than it did last year. Ms. Gaborik stated that, to their credit, First Student cleaned house with their management staff; she stated it has made a huge difference. She stated that the company CEO paid a visit to Fairbanks about a month ago.

Mr. Cleworth asked about the reason behind the drop in enrollment. He questioned whether the loss is primarily in elementary schools. Ms. Gaborik stated that the decrease is across the board, but significant decreases have been noted in the two schools that serve Fort Wainwright: Ladd Elementary and Arctic Light Elementary. She stated that the district is working with Colonel Fisher to understand the decline.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney spoke to race discrimination in jury selection. He stated that he has raised the issue a number of times to the Fairbanks Diversity Council (FDC) and that Council Member Rogers stated she would contact Senator Coghill’s office at the last City Council meeting. He stated that he checked with Coghill’s office, and they said that they had not received calls from either Ms. Rogers or the FDC. Mr. Turney mentioned the Batson Challenge which protects minorities in serving on juries. He indicated that people of certain races are denied the opportunity to serve on juries in the Fairbanks District Court, and he stated a City Council Member should introduce a resolution on the issue. He spoke highly of former Council Member Lloyd Hilling, stating that he is a man of integrity, principle, and backbone. Mr. Turney encouraged everyone to vote and asked people to vote for Lloyd Hilling.

Mr. Bagwill asked Mr. Turney what the City Council could do to help with the jury selection issue. Mr. Turney replied that the problem lies with the District Attorney’s Office; he stated that there needs to be some data collected. He stated he believes that if the City Council approves a strong resolution with some teeth and sends it to the State legislature, something might be done.

Andy Anger, 1075 Red Ridge Road, Fairbanks – Mr. Anger stated that he is the Chair of the Explore Fairbanks Board of Directors. He spoke in opposition to Ordinance No. 6084, and he spoke in detail about the history of the City bed tax, starting with its inception in 1979 at a rate of

2%. He shared that the original purpose of the tax was to promote economic development, with an emphasis on destination marketing. Mr. Anger stated that in 2000, the City Council voted to put a question before City voters to remove the bed tax from the tax cap; he stated that the visitor industry supported the proposition at the time and understood the risks of removing the tax from the cap. He stated that they trusted that the City would honor the intent of the bed tax. He concluded by stating that funding general City services is not a proper use of City bed tax dollars.

Kathy Hedges, 1638 Fiddle Way, Fairbanks – Ms. Hedges stated that she is the President of the Alaska Travel Industry Association (ATIA), Fairbanks Chapter, and the incoming Chair to the Explore Fairbanks Board of Directors. She stated that the ATIA is the organization that markets Alaska as a travel destination and communicates the value of bringing visitors to Alaska. She stated that the voice of the visitor industry opposes targeted taxes for general services. She asked everyone in the audience who opposes Ordinance No. 6084 to stand. Ms. Hedges stated that Fairbanks cannot be compared to Anchorage, and she pointed out that Anchorage’s bed tax increase from eight to twelve percent was done by a vote of the people with the backing of the visitor industry. She commented that the industry is not against working with the City.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger thanked Public Works for taking care of the large pothole on 26th Avenue, and he mentioned a couple more potholes on Cushman Street just north of Airport Way. He questioned whether the City is better prepared to handle snow removal in the coming months than it was last winter. He stated that if the City wants to give out bonuses to employees, perhaps City property owner names should be drawn from a hat to share in those bonuses. He criticized the City for giving out employee bonuses when it cannot keep its streets clean.

Aaron Lojewski, 3971 Fahrenkamp Avenue, Fairbanks – Mr. Lojewski stated that he is not representing the Borough Assembly or the Explore Fairbanks Board of Directors. He thanked Council Members for serving and stated that members are not being paid what they are worth to the community. He offered a suggestion for an amendment to Ordinance No. 6084, Section 74-117(c)(1), by changing the term “tourism” to “visitor industry.” He reminded the Council that the more something costs, the less you get of it. Mr. Lojewski cautioned the Council on increasing the bed tax and stated that the issue will likely be raised at the Borough if the City approves a tax increase. He suggested that the Council remove Ordinance No. 6084 from the Consent Agenda and not advance it.

Jay Ramras, 86 C Street, Fairbanks – Mr. Ramras echoed Mr. Lojewski’s comments regarding Ordinance No. 6084 and spoke in admiration of Council Members. He stated he has been working with the City Building Department and has had an excellent experience with its employees. He acknowledged the difficulty of being a public servant and the shortage of resources. Mr. Ramras stated that taxes change behavior, and he referenced an editorial that ran in the Fairbanks Daily News Miner in regard to the issue. He stated that although tourism is thriving in Alaska, tourism in Fairbanks is the first to fall and the last to come back. He pointed out that much of Fairbanks’ tourism comes from large tour companies whose decisions may be impacted by a bed tax increase. He predicted a decrease in Fairbanks tourism if the bed tax is increased.

Mr. Pruhs asked whether an increase to the Borough bed tax rate would affect Mr. Ramras’ business. Mr. Ramras replied that he believes an increase would have an adverse effect on his

business. He agreed with Mr. Lojewski that an increase to the City bed tax would likely spur an increase to the Borough's bed tax rate.

Lloyd Hilling, 1188 Nenana Street, Fairbanks – Mr. Hilling stated that he is a candidate for City Council Seat B. He shared that the City Council should cause the City government to aggressively provide an environment conducive to business and residential prosperity. He stated that he would propose an economic analysis of each City department staggered over a 7-year period. He stated that the analysis would look at performance and efficiencies, cost versus benefit, comparisons with nationwide standards of performance, average worker productivity, and so on. Mr. Hilling stated that if he is elected to the City Council, he would draft an ordinance to accomplish such a task. He asked citizens to vote for him for City Council.

Daisy Edwards, 1033 23rd Avenue, Fairbanks – Ms. Edwards stated that she represents the Southside Community Farmer's Market. She stated that the market was established in 2015 and is open every Tuesday from 4 – 7 p.m. She shared that the market is sponsored by Calypso Farm and Ecology Center. She stated that the market was established because there are no supermarkets within three to seven miles of the Southside area. Ms. Edwards stated that senior citizens and families often come to the market which offers fresh produce and many other edibles. She stated that it has become a community-oriented place where residents can socialize. She stated that the market accepts food stamps, WIC, and senior citizen coupons. She shared that in 2018 the market received a grant from Calypso Farm and Ecology Center for \$1150, which has funded community awareness and sponsored a chef at the market. She invited everyone to visit the market and shared that Tuesday would be the final market day of the season.

Lloyd Huskey, 70 Pepperdine Drive, Fairbanks – Mr. Huskey stated he is the General Manager of Candlewood Suites in Fairbanks. He stated that the bed tax increase may seem small, but even a small increase could make Fairbanks less competitive with other markets. He stated that he may be less opposed to the increase if the additional revenue would be shared with the tourism industry.

Leonard Thiltgen, 2263 Bridgewater Drive, Fairbanks – Mr. Thiltgen stated that he supports the bed tax increase. He stated that since the inception of the bed tax, numerous hotels have come to Fairbanks, and tourism is now a year-round market. He suggested that additional revenues brought about by an increase be designated for emergency services, specifically for fire and police services. He suggested that the increase take place all at once, not in increments over a period of time. He spoke briefly to the lack of new revenues in the City and in the Borough.

Mike Farrell, PO Box 72822, Fairbanks – Mr. Farrell stated that he would like to see more of the bed tax funds allocated toward the emergency services patrol (ESP), since there is not a reliable and consistent revenue source for the program. He stated that the ESP does a great job and takes a lot of strain off the Fairbanks Police Department (FPD). Mr. Farrell indicated that some individuals working in non-profit organizations that receive bed tax funds receive a six figure compensation, and he suggested that the City take a look into that issue. He indicated that he would not be in support of dumping increased bed tax revenues in the General Fund but would rather see those funds allocated towards a specific purpose. He stated that it seems the City is jumping from one thing to another in search of new revenues. He spoke in support of Lloyd Hilling for Seat B on the City Council.

Shoshana Kun, 326 Wedgewood Drive, #E-27, Fairbanks – Ms. Kun stated she is a little disturbed that there has been campaigning during the meeting, as City Hall is a currently a polling place. She spoke to the candidate forum at the Interior Taxpayers Association (ITA), and she shared that Explore Fairbanks would hold a candidate forum at the Wedgewood Resort during the week. She stated that the League of Women Voters would also soon be hosting a candidate forum at the Borough building. She reminded everyone to vote in the upcoming election. Ms. Kun shared that they filled the shelves of the Stone Soup Café with the recent “Meet the Candidates” event. She stated that she appreciates the numbers recently posted on Facebook by the Fire Department. She asked why there are no meeting minutes for Finance Committee meetings.

Adriel Butler, 990 Deere Street, Fairbanks – Mr. Butler stated that they operate Aurora Expeditions and Borealis Base Camp. He stated that he opposes Ordinance No. 6084 because it is a targeted tax which discriminates against travelers. He stated that he competes in the international market, and even a small percentage increase to the tax would affect his business. He stated that he opposes the ordinance also because he cannot change his rates as they are already set for the year.

Brett Carlson, 710 Twenty-Fourth Avenue, Fairbanks – Mr. Carlson stated that he would like the City Council to unanimously not support Ordinance No. 6084 because of justice. He questioned why a single business sector in the community is being targeted. He indicated that an increase to the bed tax would not be smart economic development. He stated that from 1979 to 1996, the percentage of City bed tax revenues that were reinvested into travel marketing had dropped from 90% to 40%. Mr. Carlson stated that the travel industry was concerned and came to the Council, and the travel industry was able to work with the City Council to raise the percentage of funds that were reinvested into the tourism industry. He stated that the reinvestment has paid off, and he stated that Explore Fairbanks has placed Fairbanks in a successful position in the travel market. He encouraged Council Members to reach out to those in the travel industry to discuss the ordinance.

Mayor Matherly declared Citizens’ Comments closed as the time was 7:30 p.m.

APPROVAL OF AGENDA AND CONSENT AGENDA

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

Mr. Bagwill pulled Ordinance No. 6084 from the Consent Agenda.

Mr. Cleworth pulled Resolution No. 4846 from the Consent Agenda.

Mayor Matherly requested that the Executive Session for IBEW Labor Negotiations be removed from the agenda as there is no update.

Mayor Matherly called for objection to the approval of the Agenda, as Amended, and, hearing none, so ORDERED.

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

MAYOR'S COMMENTS AND REPORT

a) Special Reports

Brittany Smart, Representative of FNSB Mayor's Office – Ms. Smart provided a brief report on the Air Quality Conference the Borough held over the previous weekend. She stated that there were over 100 participants, both live and over the web. She stated that all the presentations are posted on the fnsb.us website and on the aqfairbanks.com website. She shared that it was a diverse conference, with presentations from varying communities and organizations. Ms. Smart stated that they look forward to hosting the event again next year, and she thanked all those who participated.

Mayor Matherly assured the public that snow removal for the upcoming winter season is on the City's radar. He offered condolences to the families of Tim Sonnenberg and Jason Roberts. He thanked all those who came to speak to the Council.

COUNCIL MEMBERS' COMMENTS

Ms. Huntington thanked everyone for coming and gave a special thanks to all those present who have served or are serving. She stated that she has sat down and talked with some in the tourism industry and commented that it is helpful to hear different perspectives. She clarified that the Council is not trying to diminish the great work being done in the tourism industry, and the introduction of the ordinance is not meant to be an attack on the industry. She explained that the Council is trying to find solutions. **Ms. Huntington** stated that she is proud of the successes of the industry.

Ms. Rogers stated that Mr. Lojewski brought up some good points about the issue of increasing the bed tax, and she expressed thanks to Mr. Ramras for being present and for sharing his expertise. She also thanked Mr. Thiltgen for sharing his perspective as a longtime Fairbanksan and contributor to the community. She expressed agreement with Mr. Carlson's comments about justice and smart economic development and indicated that the Council needs to spend more time on the bed tax issue. She thanked those who take time to attend meetings and provide testimony.

Mr. Pruhs stated that he recently asked the Chief Financial Officer (CFO) whether the City's marijuana tax rate could be increased. He stated that the CFO told him that the Council could increase the rate, but it would not increase revenue because the tax falls within the tax cap. He asked the City Attorney to report to the Council later in the meeting about whether an increase to the bed tax would also fall within the cap.

Mr. Cleworth, in response to Ms. Kun's earlier comments, stated that there was no Finance Committee the previous week, and no minutes are kept for Finance Committee meetings. He stated that the Committee has not really discussed Ordinance No. 6084 yet. He stated that a portion of the bed tax was separated from the tax cap in the late 1990s.

Mr. Bagwill thanked all those who came to the meeting, spoke to the Council, and offered their perspectives. He asked those in attendance to consider the question, "What would you have us do?" He stated that he did not understand all the rules when he was running for City Council, and there are tough decisions that need to be made. He stated that funds are limited, union contracts

are challenging, and the job of the City Council is not easy. He asked those who have answers to bring them forward to the Council.

UNFINISHED BUSINESS

- a) Ordinance No. 6082 – An Ordinance Ratifying a Labor Agreement Between the City of Fairbanks and the Fairbanks Firefighters Union, IAFF Local 1324. Introduced by Mayor Matherly. SECOND READING AND PUBLIC HEARING..

Mr. Pruhs, seconded by **Mr. Bagwill**, moved to ADOPT Ordinance No. 6082.

Frank Turney – Mr. Turney stated that if Mr. Cleworth and Mr. Pruhs think it is a fair contract, he would support it. He questioned why there are three captains in the Fairbanks Fire Department (FFD). He stated that the City should be able to use volunteers at FFD. He noted that the FFD had agreed to drug testing, and he stated that FPD does not want drug testing for their employees.

Victor Buberger – Mr. Buberger stated that the entire Borough is protected by volunteer firefighters, and there are none at FFD; he stated he believes it is a union issue. He stated that the City needs to cut back on labor costs, and he questioned how the union has such a hold on the City that volunteers cannot be used at FFD. He asked Council Members to comment on the volunteer issue.

Shoshana Kun – Ms. Kun stated that the Fire Department has an amazing facility with professional staff. She stated that the one downfall is that calls are sometimes stacked.

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

Chief of Staff Mike Meeks referenced the handouts being distributed by the CFO; he stated the first one is an updated fiscal note that shows modifications to health and a four-year cost of the contract. He stated that the second handout is a tax “cheat sheet” that lists the various City taxes, which ones fall under the tax cap, and what it would take to increase each of the taxes. Mr. Meeks reviewed the items the union will get out of the contract and the items the City will get if the contract is approved. He stated that the City’s negotiating team highly recommends approval of the contract.

Mr. Cleworth stated that he plans on voting for the contract, but he has some questions. He asked how the internship program has changed from the prior contract.

Fire Chief Jim Styers stated that in the prior contract, the internship program was solely based on working with the UAF Community and Technical College (CTC). He stated that the program was outlined by hours worked, not necessarily the objectives of the internship. He stated that the new contract includes both the CTC and the UAF Fire Department, and the internship program is objective-based. He stated that the majority of the interns have EMT 1 or higher certification.

Mr. Cleworth asked whether interns could do a transport. Chief Styers stated that he believes the interns could drive the ambulance but would not be able to serve as the lead medic. **Mr. Cleworth** wondered how internship staffing could help with the addition of another ambulance. Chief Styers stated that he believes the interns would be a plus; he stated it is a matter of brainstorming to see how it could work.

Ms. Rogers asked how successful FFD has been in attracting interns to stay long-term with the department. Chief Styers stated that recently an intern applied and is a finalist for a position at FFD. He stated that is the only intern the department has had since he has been the Chief.

Mr. Pruhs asked how many candidates typically apply for each opening at FFD. Chief Styers stated that at the last recruitment there were about 50 applicants, but only 20 took the exam.

Mr. Cleworth asked how many FFD captains would be proposed in the 2019 budget. Mr. Meeks stated that there would be six, plus three acting company officers.

Mr. Cleworth spoke to the difficult process of the negotiation of the contract. He expressed appreciation to both negotiating teams and stated that there is some good give-and-take in the proposed contract. He stated that nationwide, 60% of firefighters are volunteers, and there are none in the City of Fairbanks. He commented that not using volunteers is a loss of a resource. **Mr. Cleworth** stated that if the City non-funds the Fairbanks Firefighters Union (FFU) contract, the first penalty is the loss of the internship program; he stated that he does not understand how that helps anyone. He spoke in favor of approving the contract.

Ms. Huntington stated that the contract has been one of the most important aspects in her role as a Council Member. She thanked the Mayor, Council, and negotiating teams for their perseverance and work.

Mr. Pruhs thanked the FFU for their patience during the process. He thanked Chief Styers and FFD staff for working through the long process. He expressed hope that the FFU would ratify the contract.

Mr. Rogers stated that it has been a long process but a good process. She spoke to the professionalism of the FFD and to the caliber of employees at the department. She stated that everyone is detail-focused, and there is a sense of teamwork and comradery. She indicated that she would like to address the issue of volunteers at the department at a future date.

Mr. Bagwill thanked both negotiating teams for their patience. He clarified that the past decisions of the Council to non-fund or reject the contract had nothing to do with the quality of work of the FFD; he stated those decisions were based solely on City finances.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 6082 AS FOLLOWS:

YEAS: Pruhs, Huntington, Cleworth, Bagwill, Rogers

NAYS: None

ABSENT: Therrien

Mayor Matherly declared the MOTION CARRIED and Ordinance No. 6082 ADOPTED.

- b) Ordinance No. 6083 – An Ordinance Authorizing the Lease of Space in City Hall to FAST Planning, Inc. Introduced by Mayor Matherly. SECOND READING AND PUBLIC HEARING.

Ms. Huntington, seconded by **Mr. Cleworth**, moved to ADOPT Ordinance No. 6083.

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

Mr. Cleworth shared that the agreement went before the FMATS body at the last meeting. He stated that the City's lease offer is much less expensive than other quotes they obtained for spaces within the downtown area. He stated he hoped the body would approve the lease at that time, but they voted to postpone the issue. He commented that there were some concerns with verbiage.

Mr. Cleworth, seconded by **Mr. Pruhs**, moved to AMEND Ordinance No. 6083 by adding a sentence to Section 1 to read, "Other than the financial terms, the City administration is empowered to make changes to the terms of the lease with FMATS or its successor if agreeable to both parties."

Mayor Matherly pointed out that no monetary changes would be made without coming back to the City Council.

City Attorney Ewers stated that he received an email from the Borough Attorney earlier in the day asking whether the ordinance would be postponed. He indicated that the change Mr. Cleworth proposed along with a change to Section 2 by removing the words "and directed" may alleviate the Borough Attorney's concerns regarding postponement.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 6083 BY ADDING A SENTENCE TO SECTION 1 TO READ, "OTHER THAN THE FINANCIAL TERMS, THE CITY ADMINISTRATION IS EMPOWERED TO MAKE CHANGES TO THE TERMS OF THE LEASE WITH FMATS OR ITS SUCCESSOR IF AGREEABLE TO BOTH PARTIES" AS FOLLOWS:

YEAS: Huntington, Bagwill, Pruhs, Cleworth, Rogers
NAYS: None
ABSENT: Therrien
Mayor Matherly declared the MOTION CARRIED.

Mr. Bagwill, seconded by **Ms. Rogers**, moved to AMEND Ordinance No. 6083, as Amended, by striking the words "and directed" in Section 2.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 6083, AS AMENDED, BY STRIKING THE WORDS "AND DIRECTED" IN SECTION 2 AS FOLLOWS:

YEAS: Cleworth, Pruhs, Rogers, Huntington, Bagwill
NAYS: None
ABSENT: Therrien
Mayor Matherly declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 6083, AS AMENDED, AS FOLLOWS:

YEAS: Rogers, Pruhs, Bagwill, Huntington, Cleworth
NAYS: None
ABSENT: Therrien
Mayor Matherly declared the MOTION CARRIED and Ordinance No. 6083, as Amended, ADOPTED.

Mayor Matherly called for a five minute recess.

Mayor Matherly called the meeting back to order following the brief recess. He asked whether the Council would be willing to consider Ordinance No. 6084 before Resolution No. 4846, given the number of people in attendance concerned with Ordinance No. 6084. No Council Members objected to swapping the two items in the order of business.

NEW BUSINESS

- a) Resolution No. 4844 – A Resolution Authorizing the City of Fairbanks to Accept the FFY2017 Community Development Block Grant (CDBG). Introduced by Mayor Matherly.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4845 – A Resolution Authorizing the City of Fairbanks to Accept Funds from the Alaska Highway Safety Office for the FFY2018 DUI Traffic Enforcement Unit. Introduced by Mayor Matherly.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 4846 – A Resolution Authorizing the Mayor to Enter into a Contract with Engel Entertainment for Production of a Possible Television Series. Introduced by Mayor Matherly.

This item was swapped with New Business item (e), Ordinance No. 6084, in the order of business.

Mr. Pruhs, seconded by **Ms. Huntington**, moved to APPROVE Resolution No. 4846.

Mr. Cleworth stated that the City was approached by a number of companies when he was Mayor in regard to reality tv shows, and he indicated that he was not interested in pursuing any at that time. He stated, however, that the legal work done on the contract is incredible, and he asked the Mayor and staff whether there are any reservations about entering into the contract.

Mayor Matherly stated that the video Engel Entertainment shot promoting the police department was excellent; he stated he is in favor of helping FPD recruit new officers.

Mr. Cleworth asked Chief Jewkes whether he has looked though all the fine print to ensure the department is protected. Chief Jewkes stated that he relied on the City Attorney a great deal in working with the company on the contract, and he trusts Mr. Ewers' judgement. He stated that there is some risk involved with entering the contract, but the other option is to do nothing which

is not working. He explained that the theme of the reality show will be to follow an individual who has come from out of state to work in Alaska as a police officer.

City Attorney Ewers stated that Engel Entertainment is up against a deadline with the network they are working with, so that deadline has become the City's deadline. He stated that he has been working with the company on the language in various parts of the contract. He reviewed in more detail each portion that the City and Engel Entertainment went back and forth on before reaching a tentative agreement on the language in the contract. Mr. Ewers stated that Engel Entertainment was insistent on a few items, including the signature deadline of September 25, 2019. He stated that he will not comment on the wisdom of entering into the contract. He stated that he has spoken with people from other communities who have worked with Engel Entertainment on similar contracts, and there were mixed comments.

Mr. Bagwill asked Chief Jewkes if he sees the opportunity as a good tool for recruitment and for the City of Fairbanks. Chief Jewkes stated that he does not know, but it is his hope. He stated that from what he has gathered, the Alaska State Troopers did not experience huge success with the show they participated in. He stated, however, that there is a different theme for the proposed agreement between Engel Entertainment and the City. Chief Jewkes stated that the video they produced for FPD was well done, and the relationship with the company has been positive so far. He stated that he is seeking ways to appeal to and connect with people, and the City of Fairbanks does not have a lot of money to put towards that effort. He acknowledged the public concern with the contract but stated that no one is looking to be a movie star. He explained that most officers do not enjoy being in the spotlight, but they understand that they need to sell their relevance as law enforcement officers.

Mr. Cleworth asked whether the City, for whatever reason, would have opportunity to review or edit footage prior to it being aired by Engel Entertainment. Mr. Ewers replied affirmatively. He stated that the Chief or his designee has editorial privileges. **Mr. Cleworth** stated that the video they produced was well done, and it cost the City nothing.

Ms. Rogers asked when the opportunity was first presented to the City. Chief Jewkes replied that he believes it was in the spring. **Ms. Rogers** stated that she is having difficulty with the issue, although she agreed that the video they produced was nicely done. She stated that it is difficult to be presented with a legal document and have to make a decision on it in such a brief period of time. She stated that she does not think it is wise to succumb to that type of ultimatum. She stated that the City's goal is recruitment and commented that she would be much more cautious and seek more change rather than yield to a deadline presented by the company. Chief Jewkes indicated that there is some value to the exclusivity of the contract but stated that he is not willing to fall on his sword over the contract.

Mr. Ewers stated that he received a fair amount of criticism from Engel Entertainment for not making the contract a high priority, and there was some argument over the terms of the contract. He stated that the company is not happy with him, but there is a deadline. He stated that although he asked a couple of times, Engel Entertainment would not share with him their agreement with the broadcasting network.

Mayor Matherly stated that he, like Chief Jewkes, would not fall on his sword over the issue. He stated that this is a time issue, and he saw some of the back-and-forth with the company. He stated

that he would not want to disparage the FPD in any way, and he would like the department to be painted in a good light. He stated that there is no guarantee that will happen, and he will not push the Council to approve the contract. He stated he has mixed feelings about the issue, but he trusts Chief Jewkes. He indicated that the City is trying to think outside the box in regard to recruitment efforts.

Chief Jewkes stated that he has the phone number for Engel Entertainment if the Council would like to get them on the phone to ask questions.

Ms. Huntington expressed support for Resolution No. 4846. She stated that she is not afraid of taking risks and trying new tools. She indicated that she would like to see local talent utilized as much as possible. She stated that her grandmother is from Tanana where *Yukon Man* was filmed, and she stated it was remarkable how much they dramatized what was filmed. She cautioned that that could be an issue. **Ms. Huntington** asked, in terms of morale, whether the contract may have a negative effect on the department if most officers do not enjoy being on camera. Chief Jewkes stated that it is not the intent to force someone to be on camera; he stated he believes that those who have been involved so far have had a positive experience and would be willing to do it again.

Mr. Pruhs expressed hope that the contract would work for FPD; he spoke highly of Chief Jewkes, stating that he is the right person to take on the project.

Chief Jewkes stated that he trusts the judgement of the officers who have already worked with Engel Entertainment, and they indicated it was a positive experience.

Mr. Bagwill acknowledged Ms. Rogers' comments about the rushed decision. He stated, however, that City staff has had much more time to consider and review the issue. He asked whether the show would be kid-friendly. Chief Jewkes replied affirmatively. He stated the theme pitched to the City is that the show will be about the experiences of a law enforcement officer from another place who comes to Fairbanks. **Mr. Bagwill** expressed support for Resolution No. 4846.

Mr. Ewers stated that the people he has spoken with from communities in Maine, New Hampshire, and Texas did not indicate that Engel Entertainment did anything contrary to what they stated they would do.

Ms. Rogers stated that she trusts Chief Jewkes but that she greatly mistrusts the other side. She stated they represent an industry who has taken advantage in order to advance their own agenda.

Chief Jewkes stated that he appreciates the confidence the Council has in him. He stated that he is no expert in this particular area, and historically, media and law enforcement in general have not had a long-standing positive relationship. He commented that FPD has had a pretty good relationship with local media.

Ms. Huntington stated that the Council occasionally considers issues with time constraints but that she is not as concerned with the timing issue. She expressed pride for the Fairbanks Police Department and stated that she looks at this as positive way to highlight the work that the department does.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4846 AS FOLLOWS:

YEAS: Pruhs, Huntington, Cleworth, Bagwill
NAYS: Rogers
ABSENT: Therrien
Mayor Matherly declared the MOTION CARRIED and Resolution No. 4846 APPROVED.

- d) Resolution No. 4847 – A Resolution Ratifying the Reorganization of FMATS and the Incorporation of FAST Planning. Introduced by Mayor Matherly.

PASSED and APPROVED on the CONSENT AGENDA.

- e) Ordinance No. 6084 – An Ordinance Amending Fairbanks General Code Chapter 74, Article IV Hotel/Motel Tax to Increase the Tax Rate and the City’s Percentage. Introduced by Mayor Matherly.

This item was swapped with New Business item (c), Resolution No. 4846, in the order of business.

Mr. Bagwill, seconded by **Mr. Cleworth** moved to ADVANCE Ordinance No. 6084.

Mayor Matherly asked Chief of Staff Mike Meeks for a staff report.

Mr. Meeks stated that the administration considered whether the City has been a good financial steward of taxpayer dollars before introducing Ordinance No. 6084. He shared that in 2012, the number of full-time City employees was 195; he stated that in 2017, the number was 176. He stated that labor is the City’s highest cost, and it has been cut over the years. Mr. Meeks stated that citizens want quicker and expanded services, and that cannot happen with fewer resources. He stated there has been little growth in expenditures over the past decade, and there has been a decline in revenues. He stated that the City has been a good steward of taxpayer dollars. He stated that the ordinance would increase the hotel/motel tax 1.5% in 2019, 0.5% in 2020, and 0.5% in 2021. He shared that the Mayor was clear about not changing the distribution formula so that no funding would be taken away from Explore Fairbanks. He stated that the revenues from the increases over the next few years would go to the City and would not be included in the formula. Mr. Meeks stated that the City is not wasteful, and revenue is a challenge.

Mayor Matherly stated that he had originally considered a 4% increase to the hotel/motel tax that would happen all at once. He stated that after speaking to some in the tourism industry, he realized that a 50% increase all at once would not be the best plan. He indicated that a smaller and more gradual increase is a better idea. He stated that he took a lot of criticism for proposing a property tax increase to City voters last year. He spoke to the increasing number of calls for emergency services, and to the large portion of those calls that are in response to non-City residents.

Ms. Huntington stated that she understands why the ordinance is being introduced, but she would like a better understanding of the timing of the ordinance.

Mr. Meeks pointed out that the effective date of the ordinance is January 1, 2019. He stated that if the ordinance is not passed before the Council adopts the 2019 budget, the City may have to cut staffing. He stated if personnel continues to be cut and services continue to increase, the City is guaranteed to fail.

In response to the question of whether the City has been a good steward of taxpayer dollars, **Mr. Cleworth** stated that it sometimes has, and sometimes it has not. He provided examples of when the City was not. He argued that the City has not been cutting many positions but stated that there are several funded, vacant positions. He stated that police departments throughout the country are competing with each other with signing and retention bonuses and wage increases, which is self-defeating. He stated that all the jobs at the City are good paying jobs. **Mr. Cleworth** stated that he does not believe the City is in a crisis situation yet. He encouraged the administration to put out a request for proposals (RFP) for snow removal so that the City has an additional resource available in the event of heavy snowfall. He stated that he is not prepared to vote on the ordinance without seeing the proposed 2019 budget.

Mr. Cleworth, seconded by **Mr. Pruhs**, moved to AMEND the motion to advance by changing the date of advancement to the Regular Meeting of December 3, 2018.

Mr. Pruhs spoke in favor of advancing to the December 3 meeting. He stated that there will soon be a vote on the tax cap, and the makeup of the Council will change with the upcoming the election. He commented that the ordinance is about a month or more premature.

Ms. Rogers agreed with Mr. Pruhs. She stated that it would be a mistake to make such a big decision in haste that would affect so many people.

Ms. Huntington thanked Mayor Matherly for bringing the ordinance forward; she stated it is the Mayor and Council's job to look at options for new City revenue. She stated she believes the City is in a crisis, and the Council needs to look for solutions. She acknowledged that waiting until December may be wise, but it may be difficult for new Council members to grapple with such a big issue.

Mr. Bagwill stated that some statements made during the meeting may be unfair – statements like the Council would be discriminating against the travel industry by raising the Hotel/Motel tax. He stated that he serves as an ex-officio member of the Explore Fairbanks board, and he would not want to see an increase affect the pocketbooks of hoteliers by becoming effective in the middle of the year. **Mr. Bagwill** stated that he is not against waiting until December to consider the ordinance but expressed fear about what the Council would do if the increase might not be enough to balance the 2019 budget.

Mayor Matherly asked Mr. Meeks to speak to the number of positions cut over the last few years. Mr. Meeks listed the following statistics on the number of City employees for the last three years: 196.5 employees in 2016, 192.5 employees in 2017, and 189.25 employees in 2018. He stated that the elimination of the IT Department occurred in 2016.

Mayor Matherly stated that part of his job is to bring forth ideas to the Council. He spoke to the conversations he has had and stated that he has put a lot of emphasis on safety in the downtown area. He spoke to the decline in state revenue sharing and to how it is affecting smaller

communities throughout the state. He surmised that the state may start reserving revenue sharing funds for the smaller communities only and leave the larger communities to fend for themselves. He again stated that he has an obligation to bring these types of ideas before Council and it is not his intent to hurt the tourist industry.

Mr. Cleworth clarified that the loss of City employees from 2016 to 2017 was due to the outsourcing of the IT Department, six employees total. He stated that that he can only recall one other position being cut between 2016 and 2018, and that was a firefighter position.

Mr. Pruhs stated that the Mayor has done exactly what he is supposed to do as Mayor. He stated that issues like this are not easy to bring forward and discuss. He stated it is now up to the Council to do their homework.

Ms. Huntington, in response to the comments that the City Hotel/Motel tax should not be spent on City services, stated that the revenue is already being used to help fund City services. She stated that she has also heard people say it is okay to raise the tax to help fund a convention center, but it is not okay to raise the tax to increase City revenues; she indicated that she does not agree with that reasoning.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND THE MOTION TO ADVANCE BY CHANGING THE DATE OF ADVANCEMENT TO THE REGULAR MEETING OF DECEMBER 3, 2018 AS FOLLOWS:

YEAS: Rogers, Bagwill, Pruhs, Cleworth, Huntington
NAYS: None
ABSENT: Therrien
Mayor Matherly declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 6084 TO THE REGULAR MEETING OF DECEMBER 3, 2018 AS FOLLOWS:

YEAS: Bagwill, Cleworth, Rogers, Huntington, Pruhs
NAYS: None
ABSENT: Therrien
Mayor Matherly declared the MOTION CARRIED and Ordinance No. 6084 ADVANCED to December 3, 2018.

DISCUSSION ITEMS

- a) Committee Reports

There were no committee reports given.

WRITTEN COMMUNICATIONS TO COUNCIL

- a) Memo to Approve Appointment of 2018 Election Officials

ACCEPTED on the CONSENT AGENDA.

- b) Fairbanks Diversity Council Meeting Minutes of July 10, 2018

ACCEPTED on the CONSENT AGENDA.

- c) Fairbanks Diversity Council Meeting Minutes of August 14, 2018

ACCEPTED on the CONSENT AGENDA.

COUNCIL MEMBERS' COMMENTS

Mr. Pruhs requested a report from Public Works on the City's plans for snow removal. He stated that a couple of City Council candidates spoke at the meeting, and he commended all the candidates running for City office.

Mr. Cleworth stated that he hopes for the best with the Engel Entertainment contract. He stated that he has tried himself to help recruit police officers for FPD, and he commented that people do watch those types of shows on television. He expressed hope that the show would have a positive effect on Fairbanks.

Mr. Bagwill thanked everyone for attending the meeting. He encouraged everyone to vote in the upcoming election. He expressed satisfaction that the City Council approved the FFU contract and stated that there are two more union contracts left to work on at the City.

Ms. Huntington stated that she would like to send the City's thoughts and prayers to the community of Kotzebue following the horrific crime that recently occurred there. She commended Kotzebue law enforcement, the FBI, and the Alaska State Troopers for their response and the state and the nation for their support of the family following the tragedy. She requested a moment of silence for Ashley Johnson Barr.

Mayor Matherly thanked Ms. Huntington for her sentiments and proceeded to hold a moment of silence for Ashley Johnson Barr.

Ms. Huntington stated that she is pleased the FFU contract was approved by the Council. She stated that the meeting was a good example of the depth and breadth of the issues that come before the City Council.

Ms. Rogers thanked City staff for presenting items to the City Council for discussion; she stated that it helps the City move forward.

CITY CLERK'S REPORT

City Clerk Snider encouraged everyone to vote in the upcoming election and shared that absentee voting is continuing at City Hall during regular business hours.

CITY ATTORNEY'S REPORT

City Attorney Ewers, in response to an earlier question posed by Mr. Pruhs, read City Charter Section 6.5(c) which states that "Increases in the hotel/motel tax levied by the city above the 1999 level shall be exempt from the application of Section 6.5." He pointed out that City voters have already approved a 1% increase to the marijuana sales tax *if* the Borough increased its tax by 1%.

Mr. Bagwill, seconded by **Mr. Cleworth**, moved to ENTER Executive Session for the purpose of discussing PSEA Labor Negotiations.

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

EXECUTIVE SESSION

a) PSEA Labor Negotiations

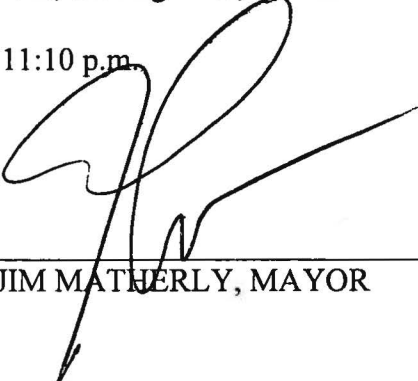
The City Council met in Executive Session to discuss PSEA Labor Negotiations. Direction was given to the negotiating team, and no action was taken.

ADJOURNMENT

Mr. Pruhs, seconded by **Ms. Rogers**, moved to ADJOURN the meeting.

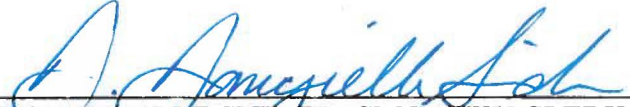
Mayor Matherly called for objection and, hearing none, so ORDERED.

Mayor Matherly declared the meeting adjourned at 11:10 p.m.



JIM MATHERLY, MAYOR

ATTEST:



D. DANYELLE SNIDER, CMC, CITY CLERK

Transcribed by: DS