



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, NOVEMBER 4, 2019
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

The City Council convened at 6:30 p.m. on the above date, following a 5:15 p.m. Work Session for an Explore Fairbanks Annual Report and Presentation and a 5:50 Work Session for a Fairbanks Economic Development Corporation Annual Report and Presentation, 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: Shoshana Kun, Seat A
 June Rogers, Seat B
 Valerie Therrien, Seat C
 Aaron Gibson, Seat D
 Jerry Cleworth, Seat E
 David Pruhs, Seat F

Absent: None

Also Present: Paul Ewers, City Attorney
 D. Danyielle Snider, City Clerk
 Jeff Jacobson, Public Works Director
 Mike Meeks, Chief of Staff
 Kristi Merideth, FECC Manager
 Jim Styers, Fire Chief

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

INVOCATION

The Invocation was given by City Clerk Snider.

FLAG SALUTATION

Mayor Matherly asked everyone to join him in the Pledge of Allegiance.

CITIZENS' COMMENTS

Frank Turney, 1434 Lacey Street, B, Fairbanks – Mr. Turney stated he has been emotional since he stopped smoking herb and apologized for the “senior moment” he had at the last City Council meeting. He requested that Council members take a tour of the jail so they could see the mental health issues. He spoke in support of allowing gambling in the City and indicated that it should be taxed accordingly. He stated he has tried to get the Fairbanks Diversity Council (FDC) to address the jury discrimination issue, but nothing is done about it.

Victoria Dowling, 124 5th Avenue, Fairbanks – Ms. Dowling stated it is the third meeting in a row she has attended and asked how her property taxes are applied. She spoke in support of a

sales tax because it would apply to people who come into the City for shopping and other things but who pay for no other City services. She stated she could not understand how residents would not be interested in a sales tax because it is broad and would capture a windfall revenue stream.

Michael Farrell, P.O. Box 61004, Fairbanks – Mr. Farrell congratulated the Mayor for winning reelection and spoke about an increase to the City bed tax. He stated that funds from the bed tax should go toward funding the Emergency Service Patrol (ESP) before it goes to grant recipients and Explore Fairbanks. He stated that non-profit organization is spending money poorly, and the time to readdress that revenue stream is now.

Julie Smyth, 717 9th Avenue, Fairbanks – Ms. Smyth stated she is not pleased to hear the Council ask about having Christian representation on the FDC with no mention of non-Christian religious representation. She stated nobody is asking to have Muslims or Jews or Pagans represented. She asked the Council to stop trying to put religion in places where it does not belong. She stated Christians are not in the minority, and when everyone said the Pledge of Allegiance they pledged to a Christian god.

David van den Berg, 332 Slater Drive, Fairbanks – Mr. van den Berg announced that the amount donated through the Downtown Association (DTA) from the private sector for the ESP is \$110,000. He stated the DTA and the City have a unique partnership, and he stated the DTA is the only entity with the freedom to collect money from the private sector to put toward City services. He spoke to the history of sales tax in the City and to other tax-based revenue streams.

Hearing no more requests for comment, **Mayor Matherly** declared Citizens' Comments closed.

APPROVAL OF AGENDA AND CONSENT AGENDA

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

Ms. Kun pulled the Appointments to the Fairbanks Diversity Council and the Reappointment to the Interior Gas Utility Board of Directors from the Consent Agenda.

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

Mayor Matherly stated that he introduced changes to the bed tax, but he had not proposed a sales tax yet. He thanked FPD for putting on "Operation Glow" over Halloween. He wished everyone a happy Thanksgiving and stated he would see everyone in the morning at the 7:00 a.m. Finance Committee meeting.

COUNCIL MEMBERS' COMMENTS

Mr. Gibson stated that a City sales tax has been proposed ten times, and Fairbanks citizens voted it down every time. He thanked everyone for coming to testify.

Mr. Cleworth stated he ran for Council many years back because the City proposed a sales tax and that got him active. He stated a sales tax preys more upon the poor than upon the rich. He stated a sales tax puts his business at a disadvantage because online retailers can loop hole their way out of it. He stated brick and mortar business are under attack and are rapidly becoming a thing of the past. **Mr. Cleworth** stated military bases are exempt and would put shops on base, which would cause soldiers to shop only on base and not support the local economy. He stated taxes never go down – they always go up – and provided the example of how North Pole's sales tax has increased over the years. He stated there are other ways to gain revenue without implementing a sales tax.

Mr. Pruhs stated the gambling issue has been introduced into the Legislature, and he would gather information to let Mr. Turney know where the State is on the issue. **Mr. Pruhs** stated he would also find out what is happening with the Mental Health Trust Authority. He thanked Mr. Turney for bringing that important issue up.

Ms. Therrien stated the Council needs to look for new revenue sources, but they also need to make sure those sources are outside the tax cap or it will not be worthwhile.

Ms. Rogers thanked Mr. Cleworth for reminding the Council of the history of sales tax. She thanked Mr. Turney for bringing up the importance of mental health training, especially for police officers. She stated she is so encouraged by the amazing work that the Housing and Homeless Coalition is doing. **Ms. Rogers** stated there is no “us” and “them” when it comes to mental health because it touches everyone. She stated that everyone is in it together.

Ms. Kun stated she met with Deputy Chief Welborn about the nuisance property issue and that she was told there would be an increased presence in the area where citizens have recently raised concerns. She stated she does not have an answer for the sales tax issue.

UNFINISHED BUSINESS

- a) Ordinance No. 6116 – An Ordinance to Place Before City Voters the Question of Amending the Fairbanks Charter by Repealing Section 11.8. Elections: Run-Off. Introduced by Council Member Kun. SECOND READING AND PUBLIC HEARING.

Ms. Kun, seconded by **Ms. Therrien**, moved to ADOPT Ordinance No. 6116.

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

Ms. Kun stated she believes that run-off elections create a financial hardship for the City. She stated she is seeking Council support to present the question to City voters.

Mr. Cleworth, seconded by **Ms. Therrien**, moved to AMEND Ordinance No. 6116 by adding a sentence at the end of the “Information” section that reads, “The current, estimated cost of a run-off election is \$40,000.”

Mr. Cleworth stated he wanted the cost of the election to be as clear as possible to everyone.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 6116 BY ADDING A SENTENCE AT THE END OF THE “INFORMATION” SECTION THAT READS, “THE CURRENT, ESTIMATED COST OF A RUN-OFF ELECTION IS \$40,000.” AS FOLLOWS:

YEAS: Gibson, Cleworth, Rogers, Kun, Therrien, Pruhs

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

Mr. Pruhs spoke against the ordinance because it would change the electoral process.

Mr. Gibson stated he would not support the ordinance because he believes the Mayor should be elected by a stronger percentage of votes.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 6116, AS AMENDED, AS FOLLOWS:

YEAS: Therrien, Kun, Cleworth

NAYS: Rogers, Pruhs, Gibson

Mayor Matherly declared the MOTION FAILED.

b) Approval of the 2020 City Council Meeting Schedule

*The motion to APPROVE the 2020 City Council Meeting Schedule was made by **Mr. Gibson** and seconded by **Ms. Kun** at the Regular City Council meeting of October 28, 2019.*

Ms. Therrien, seconded by **Ms. Kun**, moved to AMEND the 2020 Meeting Schedule by changing the March 23 meeting to March 30, by changing the June 8 meeting to June 15, and by changing the June 22 meeting to June 29.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND THE 2020 MEETING SCHEDULE BY CHANGING THE MARCH 23 MEETING TO MARCH 30, BY CHANGING THE JUNE 8 MEETING TO JUNE 15, AND BY CHANGING THE JUNE 22 MEETING TO JUNE 29 AS FOLLOWS:

YEAS: Rogers, Gibson, Therrien, Pruhs, Cleworth, Kun

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE THE 2020 CITY COUNCIL MEETING SCHEDULE, AS AMENDED, AS FOLLOWS:

YEAS: Kun, Gibson, Therrien, Pruhs, Cleworth, Rogers

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

DISCUSSION ITEMS

a) Committee Reports

Permanent Fund Review Board – **Ms. Therrien** reported the Permanent Fund balance is currently \$135 million, and the Board is trying to decide whether to maximize income or inflation-proof the Fund. She stated there have been a lot of Code changes and asked Council members to provide input on how they would like to see the Fund handled.

Mr. Pruhs reminded the Council that he brought forth an ordinance two years ago to inflation-proof the Permanent Fund, but it failed.

Ms. Therrien read the purpose of the Permanent Fund from FGC Sec. 2-260(a). She stated that within the purpose there is an inherent conflict.

Mr. Cleworth disagreed with Ms. Therrien and stated that when the Fund was created they did not intend to inflation-proof it. He spoke to how the Permanent Fund has been maintained and used by the City throughout the years and provided some history about the Fund to the Council.

Mr. Pruhs recommended that Mr. Cleworth write a resolution to memorialize what he just said. **Ms. Therrien** agreed that a resolution would be helpful. She shared that there may be a position coming open on the Board at the end of the year.

Ms. Rogers listed the meetings she has attended in the past week including an Opioid Task Force meeting, a Housing and Homeless Coalition meeting, and a workshop with the Alaska Mental Health Trust.

WRITTEN COMMUNICATIONS TO COUNCIL

a) Appointments to the Fairbanks Diversity Council

Mr. Pruhs, seconded by **Mr. Gibson**, moved to APPROVE the Appointments to the FDC.

Ms. Kun stated she understand that the Hispanic population is not well-represented on the FDC and asked why there is still no representation. She asked the Mayor to be considerate of what the word diversity means.

Mayor Matherly stated he understands diversity is important. He explained that even if there were 30 members on the FDC there would still be underrepresented groups. He stated he is trying to get the FDC to full membership. He stated that the Council will not allow demographics to be a part of the application, so when he meets with an applicant he does not know their race or ethnicity.

Mr. Cleworth asked Ms. Kun if she is interested only in racial diversity. **Ms. Kun** stated she does not like boxes, but she respects the information in the Census. She stated diversity means different things to different people and will fluctuate with each Mayor.

Mayor Matherly asked the Council to encourage people to apply; he stated he will meet with each applicant.

Mr. Pruhs spoke highly of both of the applicants.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE THE APPOINTMENTS TO THE FDC AS FOLLOWS:

YEAS: Cleworth, Pruhs, Rogers, Kun, Gibson, Therrien

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

b) Reappointment to the Interior Gas Utility (IGU) Board of Directors

Ms. Therrien, seconded by **Mr. Gibson**, moved to APPROVE the Reappointment to the Interior Gas Utility Board of Directors.

Ms. Kun reported that she has been told that Mr. Wilken is very difficult to work with, and she felt she needed to share that with the Council.

Mayor Matherly stated there have been some emotional IGU meetings, but Mr. Wilken is doing a wonderful job. He stated he would continue to support his position.

Ms. Rogers stated she has known Mr. Wilken for 50 years and that she has never encountered any issues working with him. She stated it is hard to hear the kind of information that she was just given without relating her history with Mr. Wilken.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE THE REAPPOINTMENT TO THE IGU BOARD OF DIRECTORS AS FOLLOWS:

YEAS: Pruhs, Therrien, Cleworth, Gibson, Rogers

NAYS: Kun

Mayor Matherly declared the MOTION CARRIED.

c) Permanent Fund Review Board Meeting Minutes July 24, 2019

ACCEPTED of the CONSENT AGENDA.

COUNCIL MEMBERS' COMMENTS

Ms. Kun gave a land acknowledgement and encouraged anyone who is hurting to call the suicide hotline. She thanked Explore Fairbanks and the Fairbanks Economic Development Corporation for their reports to the Council earlier in the evening.

Ms. Rogers thanked everyone for attending and for the reports provided in the Work Session.

Ms. Therrien wished all veterans a Happy Veterans Day and shared that she has her own veteran at home. She spoke to some of the events she attended since the last Council meeting.

Mr. Gibson stated he had no comments.

Mr. Cleworth asked if City staff has come together to discuss the Public Safety Commission (PSC). **Mayor Matherly** stated it has not been addressed yet. **Mr. Cleworth** stated it is an important issue to him. Mr. Meeks asked Mr. Cleworth about his expectations. **Mr. Cleworth** stated he would like the PSC to help address the nuisance property issue. He stated he heard Ms. Kun say sales taxes are popular everywhere but Fairbanks, and he asked Ms. Kun to do some research in other states to see how popular they are. **Mr. Cleworth** thanked the organizations for their earlier presentations. He spoke against changing the hotel-motel tax distribution formula.

Mr. Pruhs spoke to the respect he has for veterans and asked everyone to drive safely.

Mayor Matherly reminded everyone to work on legislative priorities, and he spoke briefly about a possible Council retreat.

CITY CLERK COMMENTS

Clerk Snider spoke to the conflict in the City Charter and Code regarding run-off elections; she stated she would like direction from the Council on how to correct it.

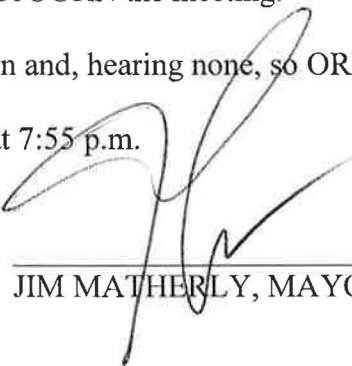
Mr. Cleworth asked whether the Charter trumps the Code. Clerk Snider stated it does, but the language should be cleaned up. **Mr. Cleworth** asked if the Attorney's Office could work on an ordinance to rectify the issue. City Attorney Ewers stated he would work on an ordinance.

ADJOURNMENT

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

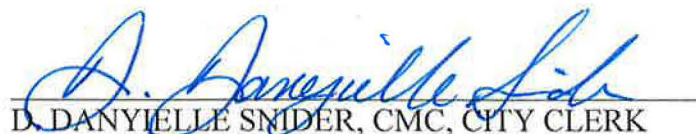
Mayor Matherly called for objection and, hearing none, so ORDERED.

Mayor Matherly declared the meeting adjourned at 7:55 p.m.



JIM MATHERLY, MAYOR

ATTEST:



D. DANYIELLE SNIDER, CMC, CITY CLERK

Transcribed by: EB