

**City of Fairbanks
Finance Committee
AGENDA**

Tuesday, September 17, 2019 from 7:00 a.m. - 8:00 a.m. in the Council Chambers

1. An ordinance amending the 2019 operating and capital budgets for the fourth time
2. Resolution to accept funds from the Alaska Division of Homeland Security for the FFY2019 Emergency Management Performance Grant
3. Resolution to accept funds from the Alaska Highway Safety Office for FFY2020 DUI Traffic Enforcement Unit
4. Resolution in support of a redevelopment concept and brownfields grant application for the Polaris property for future public uses and purposes
5. Finance Committee Members Comments
6. Adjourn [Next Finance Committee Meeting: October 8, 2019]

Introduced By: Mayor Matherly
Finance Committee Meeting: September 17, 2019
Introduced: September 23, 2019

ORDINANCE NO. 6113

**AN ORDINANCE AMENDING THE 2019 OPERATING
AND CAPITAL BUDGETS FOR THE FOURTH TIME**

WHEREAS, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2019 operating and capital budget.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

SECTION 1. There is hereby appropriated to the 2019 General Fund and Capital Fund budgets the following sources of revenue and expenditures in the amounts indicated to the departments named for the purpose of conducting the business of the City of Fairbanks, Alaska, for the fiscal year commencing on January 1, 2019 and ending December 31, 2019 (see pages 2 and 3) [amendments shown in **bold** font; deleted text or amounts in ~~striketrough~~ font]:

GENERAL FUND

REVENUE	COUNCIL APPROPRIATION	INCREASE (DECREASE)	AMENDED APPROPRIATION
Taxes, (all sources)	\$ 21,706,047	\$ (172,000)	\$ 21,534,047
Charges for Services	5,386,902	185,000	5,571,902
Intergovernmental Revenues	1,278,659	2,700	1,281,359
Licenses & Permits	1,659,883	10,000	1,669,883
Fines, Forfeitures & Penalties	550,000	-	550,000
Interest & Penalties	215,500	-	215,500
Rental & Lease Income	139,835	-	139,835
Other Revenues	221,000	580,000	801,000
Other Financing Sources	2,141,580	110,000	2,251,580
Total revenue appropriation	<u>\$ 33,299,406</u>	<u>\$ 715,700</u>	<u>\$ 34,015,106</u>
EXPENDITURES			
Mayor Department	\$ 658,414	\$ -	\$ 658,414
Office of the City Attorney	213,471	-	213,471
Office of the City Clerk	414,404	-	414,404
Finance Department	925,795	-	925,795
Information Technology	2,112,545	-	2,112,545
General Account	4,813,573	490,000	5,303,573
Police Department	6,878,036	-	6,878,036
Dispatch Center	2,555,054	-	2,555,054
Fire Department	6,902,182	-	6,902,182
Public Works Department	8,649,001	-	8,649,001
Engineering Department	805,502	-	805,502
Building Department	722,705	-	722,705
Total expenditure appropriation	<u>\$ 35,650,682</u>	<u>\$ 490,000</u>	<u>\$ 36,140,682</u>
Estimated general fund balance	\$ 12,190,033	\$ -	\$ 12,190,033
Increase (Decrease) to fund balance	235,009	225,700	460,709
Encumbrance carryforward	(586,285)	-	(586,285)
Transfer to other funds	(2,000,000)	-	(2,000,000)
2019 estimated unassigned balance	<u>\$ 9,838,757</u>	<u>\$ 225,700</u>	<u>\$ 10,064,457</u>

Minimum unassigned fund balance requirement is 20% of budgeted annual expenditures but not less than \$4,000,000.

\$ 7,228,136

CAPITAL FUND

<u>REVENUE</u>	COUNCIL APPROPRIATION	INCREASE (DECREASE)	AMENDED APPROPRIATION
Transfer from Permanent Fund	\$ 607,082	\$ -	\$ 607,082
Transfer from General Fund	2,400,000	-	2,400,000
Public Works	250,000	-	250,000
Garbage Equipment Reserve	259,632	-	259,632
Building	10,000	-	10,000
Police	180,000	-	180,000
Dispatch	215,000	-	215,000
Fire	330,447	-	330,447
IT	251,000	-	251,000
Property Repair & Replacement	145,000	-	145,000
Total revenue appropriation	<u>\$ 4,648,161</u>	<u>\$ -</u>	<u>\$ 4,648,161</u>
 <u>EXPENDITURES</u>			
Public Works Department	\$ 1,542,810	\$ -	\$ 1,542,810
Garbage Equipment Reserve	726,302	-	726,302
Engineering	41,325	-	41,325
Dispatch	75,000	-	75,000
Police Department	326,417	-	326,417
Fire Department	769,329	-	769,329
IT Department	349,895	-	349,895
Road Maintenance	1,182,328	150,000	1,332,328
Property Repair & Replacement	720,990	91,000	811,990
Total expenditure appropriation	<u>\$ 5,734,396</u>	<u>\$ 241,000</u>	<u>\$ 5,975,396</u>
Estimated capital fund balance	\$ 11,498,199	\$ -	\$ 11,498,199
Increase (Decrease) to fund balance	(2,013,977)	(241,000)	(2,254,977)
Encumbrance Carryforward	(1,072,258)	-	(1,072,258)
Transfer from General fund	2,000,000	-	2,000,000
2019 estimated fund balance	<u>\$ 10,411,964</u>	<u>\$ (241,000)</u>	<u>\$ 10,170,964</u>

SECTION 2. All appropriations made by this ordinance lapse at the end of the fiscal year to the extent they have not been expended or contractually committed to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing on January 1, 2019 and ending December 31, 2019.

SECTION 3. The effective date of this ordinance shall be the 14th day of October 2019.

Jim Matherly, Mayor

AYES:
NAYS:
ABSENT:
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, CMC, City Clerk

Paul J. Ewers, City Attorney

FISCAL NOTE
ORDINANCE NO. 6113
AMENDING THE 2019 OPERATING AND CAPITAL BUDGETS
FOR THE FOURTH TIME

General Fund
\$715,700 Increase in Revenue
\$490,000 Increase in Expenditures

Revenue

1. Tax Revenue

- (\$172,000) decrease in real property taxes

2. Charges For Services

- \$5,000 increase for copy charges
- \$250,000 increase for ambulance services
- \$25,000 increase for fire protection services
- (\$10,000) decrease for alarm system billing
- \$115,000 increase for dispatch services
- (\$200,000) decrease for engineering grant recovery

3. Intergovernmental Revenues

- \$14,100 increase for State of Alaska municipal assistance
- (\$6,000) decrease for electric and phone tax share
- \$1,200 increase for liquor license tax share
- (\$6,600) decrease for Rest Easy PILT

4. License and Permits

- \$8,000 increase for business license
- \$2,000 increase for commercial refuse license

5. Other Revenue

- \$150,000 increase for interest income
- \$430,000 increase for PERS on-behalf contributions

6. Other Financing Sources

- \$110,000 increase for sale of assets

Expenditures

1. Mayor & Council
2. City Attorney's Office
3. City Clerk's Office
4. Finance Department
5. Information Technology
6. General Account
 - \$50,000 increase for electric costs
 - \$10,000 increase for credit card fees
 - \$430,000 increase for PERS on-behalf expenditures
7. Police Department
8. Dispatch
 - Reclass \$87,000 from salary savings to other outside contracts for Westnet Alerting maintenance contract and Motorola annual maintenance contract
9. Fire Department
10. Public Works
11. Engineering
12. Building Department

Capital Fund
\$0 Increase in Revenue
\$241,000 Increase in Expenditures

Revenue

1. Other Financing Sources

Expenditures

1. Public Works
2. Garbage Equipment Reserve
3. Engineering Department
4. Police Department
5. Fire Department
6. IT Department
7. Road Maintenance
 - \$150,000 increase for D Street based on bid submissions
8. Property Repair & Replacement
 - (\$36,000) decrease for Lazelle Snow Storage site project; this project will be completed in 2020
 - Reclass \$20,028 from Fire Station 1 renovations to security cameras project for cameras at the fuel tank station and electrical services for power to impound lot and fuel island
 - \$127,000 increase to patch and paint City Hall building

Introduced By: Mayor Matherly
Finance Committee Meeting: September 17, 2019
Introduced: September 23, 2019

RESOLUTION NO. 4892

A RESOLUTION AUTHORIZING THE CITY OF FAIRBANKS TO ACCEPT FUNDS FROM THE ALASKA DIVISION OF HOMELAND SECURITY FOR THE FFY2019 EMERGENCY MANAGEMENT PERFORMANCE GRANT

WHEREAS, the City of Fairbanks received notification from the Alaska Division of Homeland Security and Emergency Management that the City of Fairbanks was awarded Emergency Management Performance Grant (EMPG) funds to enhance response capabilities; and

WHEREAS, the City of Fairbanks will use funds to enhance emergency planning and operations; and

WHEREAS, the City of Fairbanks was awarded \$7,000 and a required match of \$7,000 will be provided through in-kind personnel costs;

NOW, THEREFORE, BE IT RESOLVED by the City Council that the Mayor or his designee is authorized to execute any and all documents required for accepting funds on behalf of the City for this grant.

PASSED and APPROVED this 23rd Day of September 2019.

Jim Matherly, City Mayor

AYES:
NAYS:
ABSENT:
APPROVED:

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, CMC, City Clerk

Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4892

Abbreviated Title: FFY2019 EMERGENCY MANAGEMENT PERFORMANCE GRANT ACCEPTANCE

Department(s): FIRE DEPARTMENT

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes _____ No X

2) additional support or maintenance costs? Yes _____ No X

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes _____ No X

If yes, how many positions? _____

If yes, type of positions? _____ (F - Full Time, P - Part Time, T - Temporary)

II. FINANCIAL DETAIL:

PROJECTS:	Equipment	Contracts	Personnel	Total
Personnel Wages & Benefits			\$14,000	\$14,000
				\$0
				\$0
				\$0
				\$0
TOTAL	\$0	\$0	\$14,000	\$14,000

FUNDING SOURCE:	Equipment	Contracts	Personnel	Total
Alaska Department of Homeland Security (Federal Funds)			\$7,000	\$7,000
Fire Department General Funds (Budgeted)			\$7,000	\$7,000
				\$0
TOTAL	\$0	\$0	\$14,000	\$14,000

The City does not anticipate additional costs associated with this project. This grant provides funds which offset cost of hours spent on emergency planning and operations. The \$7,000 match will come from in-kind personnel costs.

Reviewed by Finance Department:

Initial cp

Date 9/12/2019

Introduced By: Mayor Matherly
Finance Committee Meeting: September 17, 2019
Introduced: September 23, 2019

RESOLUTION NO. 4893

**A RESOLUTION AUTHORIZING THE CITY OF FAIRBANKS TO ACCEPT FUNDS
FROM THE ALASKA HIGHWAY SAFETY OFFICE FOR FFY2020 DUI TRAFFIC
ENFORCEMENT UNIT**

WHEREAS, the City of Fairbanks has been notified by the Alaska Highway Safety Office that the City of Fairbanks was awarded \$142,919 to address specific traffic safety priority areas; and

WHEREAS, the City of Fairbanks was awarded funds for local law enforcement, particularly in the apprehension of DUI offenders; and

WHEREAS, the City of Fairbanks received positive citizen feedback regarding continued traffic enforcement, and this program is highly regarded by the Alaska Highway Safety Office due to reductions in fatal crashes in the Fairbanks area; and

WHEREAS, the City of Fairbanks is required to provide a match in the amount of \$142,919 and plans to provide the required match through in-kind personnel costs;

NOW, THEREFORE, BE IT RESOLVED by the City Council that the Mayor or his designee is authorized to execute any and all documents required for accepting funds on behalf of the City for this grant.

PASSED and APPROVED this 23rd day of September 2019.

Jim Matherly, City Mayor

AYES:
NAYS:
ABSENT:
APPROVED:

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, CMC, City Clerk

Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4893

Abbreviated Title: ALASKA HIGHWAY SAFETY OFFICE FFY2020 DUI TRAFFIC UNIT

Department(s): POLICE DEPARTMENT

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes _____ No X

2) additional support or maintenance costs? Yes _____ No X

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes _____ No X

If yes, how many positions? _____

If yes, type of positions? _____ (F - Full Time, P - Part Time, T - Temporary)

II. FINANCIAL DETAIL:

PROJECTS:	Equipment	Building	Personnel	Total
Personnel Wages & Benefits (Traffic Unit Officer - Grant)			\$142,919	\$142,919
Personnel Wages & Benefits (Traffic Unit Supervisor)			\$142,919	\$142,919
				\$0
				\$0
				\$0
TOTAL	\$0	\$0	\$285,838	\$285,838

FUNDING SOURCE:	Equipment	Building	Personnel	Total
Alaska Highway Safety Office Grant (Federal Funds)			\$142,919	\$142,919
Police Department General Funds			\$142,919	\$142,919
				\$0
TOTAL	\$0	\$0	\$285,838	\$285,838

The City will use in-kind personnel costs to meet the match requirements for this grant.

Reviewed by Finance Department:

Initial cp

Date 9/12/2019

RESOLUTION NO. 4891

**A RESOLUTION IN SUPPORT OF A REDEVELOPMENT CONCEPT
AND BROWNFIELDS GRANT APPLICATION FOR THE POLARIS
PROPERTY FOR FUTURE PUBLIC USES AND PURPOSES**

WHEREAS, the existing Polaris building has been determined to be a significant source of hazardous material and poses a health and safety risk; and

WHEREAS, the Polaris building has been vacant for 17 years, 25% of its total existence, and is a blight on the Central Business District of downtown Fairbanks; and

WHEREAS, representatives of the Polaris Work Group and the Downtown Association of Fairbanks collected donations totaling \$36,332.67 from 17 private sector businesses, two non-profit organizations, and 13 individuals, which allowed the City of Fairbanks to acquire the Polaris building; and

WHEREAS, representatives of the Fairbanks downtown business and arts community, the City of Fairbanks, the Fairbanks North Star Borough, and economic development and non-profit organizations have all expressed a strong desire to expedite redevelopment of this property to fulfill a public purpose of downtown revitalization; and

WHEREAS, the City took over title and ownership of the Polaris building in June 2018; and

WHEREAS, local non-profit Explore Fairbanks and other Polaris Work Group members have done significant planning work, studying the financial commitment needed to demolish the Polaris building and examining a range of feasible site reuse opportunities, and have determined that a feasible reuse of the site would involve the complete demolition of the Polaris building and construction of a multi-use project, which could include a Fairbanks Convention & Arts Center facility as well as affordable housing for seniors and market-rate housing; and

WHEREAS, a series of studies over the past decade commissioned by Explore Fairbanks and Fairbanks Arts Association (FAA) have established the need for a convention center by documenting the statewide, national, and international market demand; and

WHEREAS, the research conservatively estimated that by the fifth year of operation the economic impact to the Fairbanks North Star Borough of the convention center portion of the project would be \$17 million in direct expenditures and \$24.8 million in total; and

WHEREAS, the Explore Fairbanks and FAA studies have also established that an arts center will contribute to the revitalization of downtown because arts centers serve as strong anchors that draw locals and non-locals into a concentrated area and will improve the quality of life of residents; and

WHEREAS, the local arts community believes that a Fairbanks Arts Center will honor our region's identity as culturally and artistically diverse; and

WHEREAS, due to its age, the FNSB's Centennial Center for the Arts at Pioneer Park, where FAA is housed, is out of compliance with current building and energy codes, which has created an environment where the building has surpassed its useful life and no longer meets the community's needs; and

WHEREAS, a statistical analysis by Fairbanks Neighborhood Housing has demonstrated the demand for subsidized senior rental housing and has shown that downtown Fairbanks has the highest percentage of seniors age 65 or older (25.6%), the lowest median household income (\$29,013) in the Fairbanks area, and that four out of nine senior rental housing providers currently have no availability with waitlists that are months to years long; and

WHEREAS, such a co-located facility would fulfill the City's intent to use this site for public purpose because the project would revitalize downtown's Census Tract 1, which has been designated as an Opportunity Zone, deliver economic and quality of life benefits to the community as a whole, and be a model of collaborative, sustainable development in the circumpolar north; and

WHEREAS, according to a letter from the National Community Reinvestment Coalition to the U.S. Department of Housing and Urban Development, public-private partnerships in Opportunity Zones seek "to match the interest of socially-minded private investors seeking tax relief on unrealized capital gains with the interest of local communities in need of revitalization and the local housing stakeholders and businesses seeking new sources of debt and equity financing"; and

WHEREAS, a U.S. Environmental Protection Agency (EPA) grant-funded Hazardous Materials Site Assessment was completed for the Polaris building in 2018; and

WHEREAS, the City of Fairbanks, as the current owner of the property, is committed to a reuse vision in-line with the Work Group, and will apply for state and/or federal Brownfields assessment and cleanup grant funding in order to complete requisite environmental site assessments/cleanup for the property; and

WHEREAS, once necessary environmental assessments and reuse planning is completed, the remainder of the grant will be used to begin the abatement and clean-up of the hazardous materials on the site in preparation for redevelopment.

NOW, THEREFORE, BE IT RESOLVED, by the Fairbanks City Council that the City of Fairbanks is committed to the redevelopment of the Polaris building, and City-owned associated properties, for public purposes and endorses efforts to move forward with a multi-use project redevelopment plan for the Polaris building site, which could include a new Fairbanks Convention & Arts Center facility as well as affordable housing for seniors and market-rate housing, with the goal of applying for state and/or federal Brownfields grant funding in 2019, and available future year cleanup grants needed to advance reuse of the property.

Jim Matherly, Mayor

AYES:
NAYS:
ABSENT:
APPROVED:

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, CMC, City Clerk

Paul Ewers, City Attorney