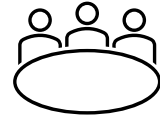




**FAIRBANKS CITY COUNCIL  
REGULAR WORK SESSION AGENDA  
TUESDAY, OCTOBER 3, 2023 AT 7 A.M.**



MEETING WILL BE HELD VIA [ZOOM WEBINAR](#)  
AND AT FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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1. Roll Call
2. Ordinance No. 6263 – An Ordinance Amending Fairbanks General Code Section 2-119, Order of Business (advanced to second reading).
3. Ordinance No. 6264 – An Ordinance Amending Fairbanks General Code Section 74-152 by Increasing the Tobacco Excise Tax (advanced to second reading).
4. Resolution No. 5083 – A Resolution Stating the City of Fairbanks Legislative and Capital Priorities for 2024 (not introduced).
5. Resolution No. 5084 – A Resolution in Support of Continuing to Hold Local Elections in Early October (not introduced).
6. Finance Committee Report
7. Mayor and Council Member Comments
8. Next Regular Work Session – Tuesday, October 17, 2023
9. Adjournment

**ORDINANCE NO. 6263**

**AN ORDINANCE AMENDING FAIRBANKS GENERAL  
CODE SECTION 2-119, ORDER OF BUSINESS**

**WHEREAS**, the Fairbanks City Council aims to hold efficient and effective meetings; and

**WHEREAS**, combining the second section of Council members' comments and the information and reports (committee reports) section of the agenda will save time and increase meeting efficiency.

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

**Section 1.** That FGC Sec. 2-119(a), Order of business; citizens addressing city council, is hereby amended as follows [new text in **underlined bold** font; deleted text in ~~strikethrough~~ font]:

**Sec. 2-119. Order of business; citizens addressing city council.**

(a) At every regular meeting of the city council, the order of business shall be as follows:

- (1) Roll call.
- (2) Invocation.
- (3) Flag salutation.
- (4) Ceremonial matters (proclamations, introductions, recognitions, and awards).
- (5) Citizens' comments (oral communications to the city council on any item not up for public hearing). The comment period will end no later than 7:30 p.m.
- (6) Approval of agenda and consent agenda. Consent agenda items are indicated by asterisks (\*). Consent agenda items are considered together unless a council member requests that the item be returned to the general agenda. Ordinances on the approved consent agenda are automatically advanced to the next regular meeting for second reading and public hearing. All other items on the approved consent agenda are passed as final.
- (7) Approval of minutes of previous meetings.
- (8) Special orders.
- (9) Mayor's comments and report.
- (10) Council members' comments.
- (11) Unfinished business.

- (12) New business.
- ~~(13) Discussion items (information and reports).~~
- (134) Written communication to the city council.
- (145) **Committee reports and** Council members' comments.
- (156) City clerk's report.
- (167) City attorney's report.
- (178) Executive session (if necessary).
- (189) Adjournment.

\* \* \* \* \*

**Section 2.** That the effective date of this Ordinance is five days after adoption.

\_\_\_\_\_  
**David Pruhs, Mayor**

AYES:  
 NAYS:  
 ABSENT:  
 ADOPTED:

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
 D. Danyielle Snider, MMC, City Clerk

\_\_\_\_\_  
 Thomas A. Chard II, City Attorney

Introduced by: Council Members Marney and Sprinkle  
Finance Committee Review: August 17, 2023  
Introduced Date: September 25, 2023

**ORDINANCE NO. 6264**

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE  
SEC. 74-152 BY INCREASING THE TOBACCO EXCISE TAX**

**WHEREAS**, Fairbanks General Code Sec. 74-152 levies an excise tax on the distribution of tobacco products brought into the city; and

**WHEREAS**, the City Council would like to increase the excise tax from eight percent times the wholesale price to twenty percent times the wholesale price; and

**WHEREAS**, this change will provide lower taxes for property owners.

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

**SECTION 1.** Fairbanks General Code Sec. 74-152 is hereby amended as follows [new text in **bold/underlined** font; deleted text in ~~striketrough~~ font]:

**Sec. 74-152. Tobacco products excise tax and collection.**

(a) The city hereby levies an excise tax on the distribution of tobacco products brought into the city, measured at the rate of ~~eight~~**twenty** percent times the wholesale price of such tobacco products.

\*\*\*\*\*

**SECTION 2.** The effective date of this ordinance is January 1, 2024.

\_\_\_\_\_  
**David Pruhs, Mayor**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
D. Danyielle Snider, MMC, City Clerk

\_\_\_\_\_  
Thomas A. Chard II, City Attorney

**CITY OF FAIRBANKS**  
**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 6263

Abbreviated Title: ORDINANCE INCREASING TOBACCO EXCISE TAX

Department(s): GENERAL

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:**

<b>EXPENDITURES:</b>	<b>2024+</b>
<b>TOTAL</b>	<b>\$0</b>

<b>FUNDING SOURCE:</b>	<b>2024+</b>
GENERAL FUND (TOBACCO TAXES)	\$1,510,000
GENERAL FUND (PROPERTY TAXES)	-\$1,510,000
<b>TOTAL</b>	<b>\$0</b>

Based on tobacco excise tax receipts of \$12.8 million, an increase from 8% to 20% in tobacco excise tax will reduce property taxes by \$1,510,000. Based on the current assessed value, this will reduce the mill levy from 6.178 to 5.683 (\$49.50 per \$100,000 assessed value).

Reviewed by Finance Department:      Initial mb      Date 8/31/2023

**TOBACCO EXCISE TAX  
MUNICIPALITIES IN ALASKA  
TAX INCREASE FROM 8.0% TO 20.0%**

Location	Cigarettes	Other Tobacco Products	Other Noncombustible Products	Notes	Pack	Tobacco	E-Vaps
City of Fairbanks (Proposed)	20.0%	20.0%	20.0%	Wholesale Price	\$2.48	\$0.40	\$2.20
City of Fairbanks (Current)	8.0%	8.0%	8.0%	Wholesale Price	\$0.99	\$0.16	\$0.88
Fairbanks North Star Borough	8.0%	8.0%	N/A	Wholesale Price	\$0.99	\$0.16	\$0.00
Matanuska Borough	.110 per cigarette	55.0%	55.0%	Per Cigarette & Wholesale Price	\$2.20	\$1.10	\$6.05
Juneau City & Borough	\$3 per pack	45.0%	45.0%	Per Pack & Wholesale Price	\$3.00	\$0.90	\$4.95
Anchorage Municipality	.1261 per cigarette	55.0%	55.0%	Per Cigarette (adjusted annually) & Wholesale Price	\$2.52	\$1.10	\$6.05

**Additional reduction in property taxes by \$1,510,000. Reduce mill levy from 6.178 to 5.683 (\$49.50 per \$100,000 assessed value).**

**TOBACCO EXCISE TAX  
MUNICIPALITIES IN ALASKA  
15% INCREASE**

Location	Cigarettes	Other Tobacco Products	Other Noncombustible Products	Notes	Pack	Tobacco	E-Vaps
City of Fairbanks	15.0%	15.0%	15.0%	Wholesale Price	\$1.86	\$0.30	\$1.65
Fairbanks North Star Borough	8.0%	8.0%	N/A	Wholesale Price	\$0.99	\$0.16	\$0.00
Matanuska Borough	.110 per cigarette	55.0%	55.0%	Per Cigarette & Wholesale Price	\$2.20	\$1.10	\$6.05
Juneau City & Borough	\$3 per pack	45.0%	45.0%	Per Pack & Wholesale Price	\$3.00	\$0.90	\$4.95
Anchorage Municipality	.1261 per cigarette	55.0%	55.0%	Per Cigarette (adjusted annually) & Wholesale Price	\$2.52	\$1.10	\$6.05

**Additional taxes with 15% - \$880,000**

**TOBACCO EXCISE TAX  
MUNICIPALITIES IN ALASKA  
20% INCREASE**

Location	Cigarettes	Other Tobacco Products	Other Noncombustible Products	Notes	Pack	Tobacco	E-Vaps
City of Fairbanks	20.0%	20.0%	20.0%	Wholesale Price	\$2.48	\$0.40	\$2.20
Fairbanks North Star Borough	8.0%	8.0%	N/A	Wholesale Price	\$0.99	\$0.16	\$0.00
Matanuska Borough	.110 per cigarette	55.0%	55.0%	Per Cigarette & Wholesale Price	\$2.20	\$1.10	\$6.05
Juneau City & Borough	\$3 per pack	45.0%	45.0%	Per Pack & Wholesale Price	\$3.00	\$0.90	\$4.95
Anchorage Municipality	.1261 per cigarette	55.0%	55.0%	Per Cigarette (adjusted annually) & Wholesale Price	\$2.52	\$1.10	\$6.05

**Additional taxes with 20% - \$1,510,000**



**TOBACCO EXCISE TAX  
MUNICIPALITIES IN ALASKA  
25% INCREASE**

Location	Cigarettes	Other Tobacco Products	Other Noncombustible Products	Notes	Pack	Tobacco	E-Vaps
City of Fairbanks	25.0%	25.0%	25.0%	Wholesale Price	\$3.10	\$0.50	\$2.75
Fairbanks North Star Borough	8.0%	8.0%	N/A	Wholesale Price	\$0.99	\$0.16	\$0.00
Matanuska Borough	.110 per cigarette	55.0%	55.0%	Per Cigarette & Wholesale Price	\$2.20	\$1.10	\$6.05
Juneau City & Borough	\$3 per pack	45.0%	45.0%	Per Pack & Wholesale Price	\$3.00	\$0.90	\$4.95
Anchorage Municipality	.1261 per cigarette	55.0%	55.0%	Per Cigarette (adjusted annually) & Wholesale Price	\$2.52	\$1.10	\$6.05

**Additional taxes with 25% - \$2,140,000**

## **Tobacco Tax Talking Points:**

### Need and Benefit of Raising Tobacco Taxes

- A significant increase in tobacco excise taxes reduces tobacco use, saves lives, raises revenue for communities, and lowers health care costs.
- Cigarette smoking remains a leading cause of preventable disease and death in the U.S., claiming approximately 480,000 lives prematurely every year and is a risk factor for heart disease, lung cancer, stroke and other chronic diseases.
- E-cigarettes contain nicotine, which is harmful to the teen brain and can lead to addiction.
- Increasing the price of these products through taxes is one of the most effective ways to reduce and prevent tobacco use among youth and young adults.
- E-cigarettes have been falsely marketed as a safe alternative to traditional cigarettes and as a tool to help adult smokers quit.

### Alaska Tobacco Use– Interior Regional Profile

- 23% of adults in the Interior Region used tobacco or nicotine in 2020.
- 29% of high school students currently used some form of tobacco or nicotine product in 2019 and e-cigarettes were the most commonly used product (26% of all students).

### Need for Amending the Ordinance:

- Recommend increasing the tax on electronic smoking devices (e-cigarettes) from 20% to 33% to avoid the unintended consequence of driving consumers to other tobacco products because they are cheaper. For example, we do not want youth to switch from e-cigarettes to smoking cigarettes because they are cheaper.
- The definition of an electronic smoking product should be broad to ensure all tobacco products are captured under the tax.

## RESOLUTION NO. 5083

### A RESOLUTION STATING THE CITY OF FAIRBANKS LEGISLATIVE AND CAPITAL PRIORITIES FOR 2024

**WHEREAS**, the City of Fairbanks appreciates any support and funding from the State of Alaska; and

**WHEREAS**, the City has identified the following legislative and capital priorities, and the public had an opportunity to hear about these priorities at work sessions on September 19 and October 3, 2023 and to provide comment on the priorities at a regular City Council meeting on October 9, 2023.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL** that the 2024 legislative and capital priorities of the City of Fairbanks are as follows:

#### 2024 Legislative Priorities

1. Concern about the high PERS rate of 22% being charged to municipalities.
2. Mitigate the City's liability regarding the PFOS/PFOA ground water contamination and fund remediation efforts for PFOS/PFOA ground water contamination.
3. Allow Tier 1, 2, and 3 PERS retirees to continue to collect retirement if they return to work to fill critical shortages under Tier 4.
4. Increase SART funding for Fairbanks to \$150,000 to meet current liability.
5. Ensure the University of Alaska Fairbanks is the priority for university funding for the next five years.
6. Dedicate state funds for crisis stabilization services in Interior Alaska.
7. Establish legislation with significant fines/penalties for intentionally exposing first responders to bodily fluids.
8. Update AS 40.25.110 to allow for fees to be applied for any video copying and/or editing required for a public records request.
9. Provide regional payment hubs for state marijuana cultivation tax payments.
10. Review PERS retirement system while ensuring fiscal certainty for municipalities.

#### 2024 Capital Priorities

1. Public Works backup generator with a cost of approximately \$1 million.
2. Design and establish an Interior Alaska Regional Crisis Stabilization Center with an estimated cost of \$10 million.
3. Redesign and construction of roads, sidewalks, and drainage in the Island Homes subdivision with a request of \$20 million.
4. Design and construction of Fire Station 3 with an estimated cost of \$20 million.

**BE IT FURTHER RESOLVED** that the City Clerk is directed to send copies of this resolution to the Office of the Governor and Interior Alaska Legislative Delegation.

**PASSED** and **APPROVED** this 9th day of October 2023.

\_\_\_\_\_  
**David Pruhs, Mayor**

AYES:  
NAYS:  
ABSENT:  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
D. Danyielle Snider, MMC, City Clerk

\_\_\_\_\_  
Thomas Chard, City Attorney

**City of Fairbanks**  
**2024 Legislative and Capital Priorities**  
Attachment to Resolution No. 5083

**Legislative Priorities**

1. **PERS Contribution Rate:** Less than half of the 22% the City of Fairbanks pays for its Tier IV employees benefits them, with the balance going to pay off the billions of dollars of legacy debt. Payments into the PERS system by the Alaska municipalities were entrusted with the State of Alaska. Unfortunately, because of an incredible lack of oversight and mismanagement, massive debts were incurred.

Compared to the City of Fairbanks' contributions to its various unions with their own pension plans, the PERS rate is extremely high and costly. The City respectfully asks that the legislature look at ways to reduce this burden upon municipalities which was incurred by the State of Alaska.

2. **PFOS/PFOA Liability and Funding:** The City of Fairbanks requests relief from the Alaska Department of Environmental Conservation (ADEC) plume characterization requirements related to the Perfluorooctane Sulfonate (PFOS) / Perfluorooctanoic Acid (PFOA) contamination at the Fairbanks Regional Fire Training Center. The contamination at the training center occurred over decades of use by all the regional fire services including city, borough, and state agencies. The City also requests State funding for PFOS/PFOA mitigation efforts. PFOS/PFOA contamination is a world-wide health concern with countless contributing factors to the contamination. The City anticipates changes in PFOS/PFOA regulations will require additional mitigation efforts, to include the decommissioning of private wells, that will cost more than the local community can afford.
3. **PERS Tiers 1, 2, 3:** With the nationwide labor pool shortages, allowing Tier 1, 2, and 3 PERS retirees to continue to collect retirement if they return to work, could help fill critical staffing shortages in positions that fall under Tier 4.
4. **SART Funding:** The City of Fairbanks requests that the SART funding dedicated to Fairbanks be increased to \$150,000 to help offset the current costs of the demands.
5. **UAF Funding:** The City of Fairbanks requests that the University of Alaska Fairbanks is the priority for university funding for the next five years.
6. **Crisis Stabilization Services:** The City of Fairbanks requests that crisis stabilization services serving the Interior Alaska region be a priority for this session. Sustaining services of the mobile crisis team and supporting the infrastructure needed for a Crisis Now stabilization center will provide for the comprehensive, appropriate, and immediate provision of behavioral health services to the community. A stabilization center would accept 100% of referrals from law enforcement and other public safety entities, offsetting valuable time for first responders across the region and providing an alternative to costly and traumatic incarcerations. The center would specialize in

medication-assisted treatment and harm reduction for individuals misusing opioids or at risk of misuse, placing Fairbanks in a proactive stance to face the challenges of the opioid epidemic rather than a reactive stance.

- 7. First Responder Exposure to Bodily Fluids:** It has become common for members of the public to intentionally spit on police officers and paramedics. These incidents account for approximately 20% of all the reported employee safety incidents for the City of Fairbanks. The City of Fairbanks requests the State to impose significant fines and penalties for intentionally exposing first responders to bodily fluids to deter this type of behavior.
- 8. Videos in Response to Public Records Requests:** One of the most frequent record requests to the City of Fairbanks is for body/vehicle/interview-room camera footage from the Fairbanks Police Department. While the FPD appreciates the ability to share these videos, the department must block out any identifying information that the requestor is not authorized to have. This information can include bystander faces, license plates, identification cards, etc. The video editing required for even a simple traffic stop can be quite time-consuming and expensive. Currently AS 40.25.110 only allows for fees to be collected for personnel costs of requests that exceed five person-hours in a calendar month, and other fees cannot exceed the standard unit cost of duplication. The City of Fairbanks requests that the State amend AS 40.25.110 to allow public agencies to establish a per-hour fee for video record requests.
- 9. Regional payment hubs for marijuana cultivation tax payments:** The State Department of Revenue Tax Division currently accepts marijuana cultivation tax cash payments at only one location in the state, which is in Anchorage. In February 2023, the Alcohol and Marijuana Control Office reported that there were 43 active marijuana cultivation facility licenses in the Fairbanks and North Pole area. Local cultivators making cash tax payments must travel with large sums of cash to Anchorage each month, which causes safety concerns and places undue hardship and expense on marijuana cultivators in the Interior. There is a need for a marijuana cultivation tax payment hub in Interior Alaska and in other regions of the state with large concentrations of marijuana cultivators.
- 10. PERS Retirement System:** The City of Fairbanks recognizes the need for retention of employees and recommends the legislature cautiously review the retirement system while trying to ensure fiscal certainty for municipalities.

### **Capital Priorities**

- 1. Public Works Generator:** The City of Fairbanks requests \$1 million to assist in the replacement of the emergency generator in the City's Public Works facility.
- 2. Interior Alaska Regional Crisis Stabilization Center:** Crisis Now stabilization centers are essential to the behavioral health continuum of care in Alaska. A crisis stabilization facility is the behavioral health equivalent to a hospital emergency room.

The facility offers 24/7 access to mental health and substance use care to anyone in need of such services. Crisis stabilization centers are being developed in Anchorage, Juneau, and Wasilla. The City of Fairbanks requests support in developing a similar center in Fairbanks to serve Interior Alaska. With an investment of \$10 million from the State of Alaska, the City of Fairbanks would be able to secure additional capital funding for the facility and coordinate social service agencies to operate the center.

3. **Island Homes:** The City of Fairbanks requests \$20 million for the redesign and construction of roads, sidewalks, utilities, and drainage in the Island Homes subdivision. The City has been unsuccessful in attaining a grant for this project.
4. **Fire Station 3:** The City of Fairbanks requests \$20 million towards the construction of a new fire station to replace Fire Station 3. The City has developed dramatically since the fire station was built 45 years ago. The fire station does not have direct access to the new major Alaska Department of Transportation thoroughfares. Response times are delayed due to the current station's location. Additionally, the building itself is not adequate to support modern firefighting vehicles.

**RESOLUTION NO. 5084**

**A RESOLUTION IN SUPPORT OF CONTINUING TO HOLD  
LOCAL ELECTIONS IN EARLY OCTOBER**

**WHEREAS**, City Charter Section 11.1 sets the regular City election date as the first Tuesday in October, or on such other date as may be fixed by ordinance; and

**WHEREAS**, FGC Sec. 22-6(a), provides that the regular election will be held on the day provided in the Charter, unless the City Council, by ordinance, sets the election on the same day as the regular municipal election for the Fairbanks North Star Borough (FNSB); and

**WHEREAS**, the FNSB is considering Ordinance No. 2023-58 that would change the date of the Borough's regular election from early October to early November to coincide with the state and federal elections held on the Tuesday following the first Monday in November; and

**WHEREAS**, equipment for local elections, such as voting booths, tables, chairs, and ballot boxes, is currently borrowed from the State of Alaska Division of Elections, and if the Borough and City held their elections at the same time as the State, the Borough and City would have to procure their own voting equipment; and

**WHEREAS**, Borough Ordinance No. 2023-58 includes an appropriation in the amount of \$190,000 for the Borough Clerk to purchase election equipment for local elections if the election date is moved from October to November; and

**WHEREAS**, regular City elections have been held in conjunction with Borough elections, and the City has sought to keep its election codes and procedures as similar as possible to that of the FNSB to ensure consistency for voters; and

**WHEREAS**, the City of Fairbanks operates on a calendar year budget, and moving the regular election date to November will significantly impact the City's budget preparation process, which occurs in November and December; and

**WHEREAS**, if local elections were held on the same date as state and federal elections, it is likely that awareness of City and Borough candidates and propositions would be diminished; and

**WHEREAS**, the Matanuska-Susitna Borough moved the date of its regular election from October to November effective in 2019, and their average voter turnout prior to the change (based on their 10 previous regular elections) was 18.35%. The Mat-Su Borough voter turnout each year since the election date change is as follows: 2019 regular election, 10.31%; 2020 regular election, 32.86%; 2021 regular election, 17.86%; 2022 special election, 10.05%; 2022 regular election, 40.58%; and



**WHEREAS**, conducting absentee voting by mail concurrently with the state and federal elections presents opportunity for voter confusion in that voters might return all their voted ballots in the same envelope, causing either their state/federal ballot or their City/Borough ballot to not be counted; and

**WHEREAS**, the City Council believes that keeping the regular City and Borough elections on the first Tuesday in October best serves the interests of local voters.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council that the City of Fairbanks supports keeping local elections in early October.

**BE IT FURTHER RESOLVED** that the City Clerk is directed to send a copy of this resolution to the Borough Clerk for distribution to Mayor Ward and the Borough Assembly.

**PASSED** and **APPROVED** this 9th day of October 2023.

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**David Pruhs, Mayor**

AYES:  
NAYS:  
ABSENT:  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

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D. Danyielle Snider, MMC, City Clerk

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Thomas A Chard II, City Attorney