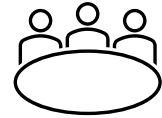




**FAIRBANKS CITY COUNCIL
REGULAR WORK SESSION AGENDA
TUESDAY, DECEMBER 12, 2023 AT 7 A.M.**



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

1. Roll Call
2. Ordinance No. 6269 – An Ordinance Amending Fairbanks General Code Sec. 74-117, Room Rental Tax Purpose and Limitation, by Adding Compliance Requirements to subsection (e).
3. Ordinance No. 6270 – An Ordinance Amending the Collective Bargaining Agreement Between the City of Fairbanks and the Fairbanks AFL-CIO Crafts Council.
4. Credit Card Fees
5. Finance Committee Report
6. Mayor and Council Member Comments
7. Next Regular Work Session – Tuesday, January 2, 2024
8. Adjournment

Introduced by: Council Members
Marney and Ringstad
Date: December 11, 2023

ORDINANCE NO. 6269

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE SEC.
74-117, ROOM RENTAL TAX PURPOSE AND LIMITATION, BY
ADDING COMPLIANCE REQUIREMENTS TO SUBSECTION (e)**

WHEREAS, Fairbanks General Code Sec. 74-117(e) provides requirements to assure compliance with the room rental tax purpose and limitations; and

WHEREAS, the City Council would like to add compliance requirements to provide wage and salary information and financial statements that have been independently reviewed by a certified public accountant.

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

SECTION 1. Fairbanks General Code Sec. 774-117(e) is hereby amended as follows [new text in **bold/underlined** font; deleted text in ~~striketrough~~ font]:

Sec. 74-117. Room rental tax purpose and limitation.

(e) Any recipient of funding under this article must execute a contract with the city setting forth terms and conditions deemed necessary to enable the city to assure compliance with the purposes and limitations under this section. In addition, Explore Fairbanks and the Fairbanks Economic Development Corporation board of directors and/or director must remit complete and fully detailed budget documents and a plan outlining projected goals and objectives directly to the city council before November 1st of each year for presentation and review as a condition of funding. At the same time each of these agencies must submit a complete and detailed report of current year's progress and accomplishments; **wage and salary information for employees for current and upcoming year; and financial statements that have been independently reviewed by a certified public accountant.**

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

ORDINANCE NO. 6270

AN ORDINANCE AMENDING THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF FAIRBANKS AND THE FAIRBANKS AFL-CIO CRAFTS COUNCIL

WHEREAS, the City of Fairbanks and the Fairbanks AFL-CIO Crafts Council ratified a Collective Bargaining Agreement (CBA) effective February 16, 2023 through December 31, 2025; and

WHEREAS, the Regional Council of Carpenters Local #1243 is represented in the City's CBA with the AFL-CIO Crafts Council; and

WHEREAS, changes to the CBA require City Council approval; and

WHEREAS, the City of Fairbanks and the Fairbanks AFL-CIO Crafts Council realize the value of hosting carpenter apprentices; and

WHEREAS, the City of Fairbanks employs a highly skilled carpenter, capable of mentoring an apprentice; and

WHEREAS, the City of Fairbanks has carpentry projects an apprentice could assist with.

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

SECTION 1. The Letter of Agreement amending the current CBA between the City of Fairbanks and Fairbanks AFL-CIO Crafts Council, attached, is approved and ratified.

SECTION 2. 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

Letter of Agreement

By and between the

**United Brotherhood of Carpenters and Joiners of America,
Western States Regional Council of Carpenters
and its affiliated Local Union 1243**

and the

City of Fairbanks

This Letter of Agreement (LOA) between the City of Fairbanks (Employer) and the United Brotherhood of Carpenters and Joiners of America, Western States Regional Council of Carpenters and its affiliated Local 1243 (Union) for all work and hours that fall under the current effective Collective Bargaining Agreement (AFL-CIO Crafts Council Agreement).

The parties agree that the Employer may utilize up to two (2) apprentices registered in the Alaska Carpenters Training Trust federally registered apprenticeship program at any given time, but that at no time shall the ratio of Journeyman to Apprentice be greater than three to one (3:1).

The Employer agrees to participate as an Employer in the Union's Training Trust Fund established by the Union's Trust Agreements. It is understood and agreed that the Employer shall submit an apprenticeship training contribution of two dollars (\$2.00) per hour worked for all carpenter apprentices. The two dollars (\$2.00) will be reflected in a lowered Pension contribution rate for apprentices. All remaining fringes follow the Union's current wage and benefit schedule. The Union agrees that the City may pay a reduced hourly rate of pay, which is calculated as a percentage of Journeyman pay according to the individual Apprentice's hours worked in the ACTT Apprenticeship program.

It is further agreed that an individual carpenter apprentice may not be employed by the City of Fairbanks for more than three hundred (300) hours in any twelve (12) month period.

The parties agree that this letter of agreement shall not set precedence and either party may terminate the LOA with sixty (60) days written notice.

Effective: _____

FOR THE UNION

Antonio Acosta, Regional Manager

FOR THE EMPLOYER

David Pruhs, Mayor

DATE: _____

DATE: _____

Carpenter Apprentice Schedule A

Apprentice Level Calculation:

Journeyman rate multiplied by appropriate percentage.

- Level 1: = 80%
- Level 2: = 82.5%
- Level 3: = 85%
- Level 4: = 87.5%
- Level 5: = 90%
- Level 6: = 92.5%
- Level 7: = 95%
- Level 8: = 97.5%

*Rates based on the 2023 Journeyman rate of \$32.65 per hour.

Classifications:		Base Pay	**Supp Dues	Total Taxable Wages	Pension	Health	Appr	CAF	TOTAL PACKAGE
8th Period Apprentice	97.5%	30.56	1.27	31.83	5.85	10.35	2.00	0.10	\$50.13
7th Period Apprentice	95%	29.78	1.24	31.02	5.85	10.35	2.00	0.10	\$49.32
6th Period Apprentice	92.5%	28.99	1.21	30.20	5.85	10.35	2.00	0.10	\$48.50
5th Period Apprentice	90%	28.21	1.18	29.39	5.85	10.35	2.00	0.10	\$47.69
4th Period Apprentice	87.5%	27.43	1.14	28.57	5.85	10.35	2.00	0.10	\$46.87
3rd Period Apprentice	85%	26.64	1.11	27.75	5.85	10.35	2.00	0.10	\$46.05
2nd Period Apprentice	82.5%	25.86	1.08	26.94	5.85	10.35	2.00	0.10	\$45.24
1st Period Apprentice	80%	25.08	1.04	26.12	5.85	10.35	2.00	0.10	\$44.42

**Dues Check-Off: 4% of Total Taxable Wage



City of Fairbanks Finance Committee Meeting Report November 30, 2023

Committee Members Present: Margarita Bell
Alesia Kruckenberg
Joshua Church (online)
Council Member Ringstad
Michael Sanders
Council Member Sprinkle

Committee Member Absent: None

Other Present: Council Member Lonny Marney

Committee members reviewed the following reports as of October 31, 2023:

- Balance Sheet with fund balance of \$18.7 million.
- YTD Budget Report with revenues of \$33.3 million and expenditures of \$32.6 million.
- Cash Flow Report with balance of \$30.5 million.

Committee members reviewed the fourth budget amendment and recommended no changes.

Committee members reviewed the City of Fairbanks 457(b) Deferred Compensation Plan Policy related to the independent investment consultant (see attachment). Committee members recommended retaining the independent consultant as the consultant was an expert with a legal fiduciary responsibility to the city whereas MetLife provided sales. Mr. Church stated that the cost was reasonable for the services provided. Ms. Kruckenberg recommended that the city proceed with the RFP to ensure that we are receiving a competitive price.

Council Member Marney requested a recommendation on the percentage increase for alcohol sales tax. Committee members recommended 2%.

Committee members received financial information about the capital fund and will begin discussing funding strategies in January. Ms. Kruckenberg recommended that this item be placed first on the agenda.

City of Fairbanks 457(b) Deferred Compensation Plan

Statement of Investment Policy

City of Fairbanks, (the "Sponsor"), established the City of Fairbanks 457(b) Deferred Compensation Plan (the "Plan") to enable participating employees (the "Participants") to accumulate savings for their retirement. The Plan is predominantly seen as a long-term accumulation plan and the investment alternatives will be offered accordingly. The Sponsor has appointed one or more individuals as members of a committee (the "Committee") to function as fiduciaries to the plan.

The Participants may make discretionary contributions into the Plan. These contributions will be allocated between the Participants' accounts in accordance with the Plan's provisions and the Participants' elections. The Sponsor has determined that the Plan will offer a broad range of investment alternatives (the "Investment Options") from which the Participants will select for the purpose of investing their respective Plan accounts.

I. STATEMENT OF PURPOSE

The purpose of this Statement of Investment Policy (the "Investment Policy") is to assist the Plan's fiduciaries by defining responsibilities and establishing guidelines for making prudent investment-related decisions including the process for evaluating, selecting and monitoring the Investment Options offered by the Plan.

It is the intention of this Investment Policy to be consistent with the criteria for an "ERISA 404(c) Plan" as described in ERISA Section 404(c), and the regulations. An ERISA 404(c) Plan is required to designate a broad range of investment alternatives which permit Plan participants to make independent choices regarding the manner in which the assets in their individual accounts are invested, and which afford the Participants the opportunity to materially affect the potential returns on their accounts and the degree of risk involved.

It is the intention of the Plan's fiduciaries to review this Investment Policy periodically and make any necessary revisions and/or amendments as needed.

This Investment Policy is not intended to supersede the terms of the Plan. If there are any conflicts between the Plan and this Investment Policy, the terms of the Plan will control.

II. GENERAL INVESTMENT GUIDELINES

A. **Fiduciary Standards:** The Plan will be managed in accordance with ERISA fiduciary standards, i.e.:

1. in the sole interest of Plan Participants and Beneficiaries;
2. with care, skill, prudence and diligence under the circumstances prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like aims; and
3. by offering diversified investments which give Participants the opportunity to materially affect the potential risk and return characteristics of the assets in their account.

B. **Professional Management:** The Plan may engage the services of an independent investment consultant (the "Investment Consultant") that is registered with the Securities Exchange Commission (SEC) under the Investment Advisors Act of 1940 (the "40 Act") as a Registered Investment Advisor (RIA).

All Investment Options selected for the Plan, including mutual funds and commingled trust funds (the "Funds"), should be registered with the SEC under the 40 Act. All Funds should be managed by one or

more investment professionals (the “Fund Managers”) that have at least five years of verifiable investment results in the asset class or management style to which the Fund is assigned.

- C. **Proxy Voting:** The Fund Managers shall have sole responsibility to vote any and all proxies solicited in connection with individual securities held in the portfolios that they manage. The Investment Consultant shall have sole responsibility to vote any and all proxies solicited in connection with any Fund held by the Plan. Participants using self-directed brokerage accounts, if available under the Plan, shall have sole responsibility to vote any proxies solicited in connection with any securities or Fund held in their account.

III. STATEMENT OF RESPONSIBILITIES

- A. The Committee is responsible for: defining their investment goals and objectives. This will allow for the selection of an asset allocation strategy that meets the Committee return objective and risk tolerance.
- B. The Committee is ultimately responsible for overseeing and directing the management of the Plan. Including: development, execution and ongoing maintenance of this Investment Policy; selecting and designing the Investment Options, including any necessary allocation strategies; selecting the Fund Managers for the Investment Options; monitoring the performance of the Fund Managers; making any Fund Manager changes they deem necessary.
- C. The Committee is also responsible for selecting and monitoring the Directed Trustee/ Custodian, Third Party Administrator/Recordkeeper and the Investment Consultant.
- D. The Directed Trustee/Custodian is responsible for custody of plans assets, and, as necessary, preparation of distribution payments, preparing year-end trust reports and executing investment trades as directed by the Third Party Administrator/Recordkeeper.
- E. The Third Party Administrator/Recordkeeper is responsible for: generating investment trades as directed by the Participants; maintaining individual participant investment transactions, account balances and overall reconciliation with plan trust records.
- F. The Fund Managers will have the responsibility for day-to-day management of the Plan’s assets assigned to them including specific security selection and timing of transactions.
- G. The Investment Consultant will function as a fiduciary investment advisor as defined under ERISA Section 3(21)(A)(ii) and is responsible for providing the Committee with advice and counsel relative to: formulating investment objectives and determining investment policies for the Plan; the Investment Options and Manager selection criteria; selecting Managers; monitoring, analyzing and evaluating Manager performance; establishing and maintaining any necessary asset allocation strategies.
- H. The Participants are responsible for directing the investment of all contributions to their accounts and their account balances by selecting from the Investment Options. Participants bear the risk of investment results from the Investment Options and assets mixes they select. Therefore, Plan fiduciaries will be relieved from ERISA diversification liability for investment losses that are the result of investment decisions made by Plan Participants. If a Participant fails to make an investment election for his or her contributions or account balances, they will be directed to Plan’s default Investment Option.