



FAIRBANKS CITY COUNCIL  
AGENDA NO. 2023-04  
**REGULAR MEETING – FEBRUARY 27, 2023**  
MEETING WILL BE HELD VIA [ZOOM WEBINAR](#) AND AT  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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REGULAR MEETING  
6:30 p.m.

1. ROLL CALL
2. INVOCATION
3. FLAG SALUTATION
4. CEREMONIAL MATTERS (Proclamations, Introductions, Recognitions, Awards)
5. CITIZENS' COMMENTS, oral communications to the City Council on any item not up for public hearing. Testimony is limited to three minutes, and the comment period will end no later than 7:30 p.m. Any person wishing to speak needs to complete the register located in the hallway. Respectful standards of decorum and courtesy should be observed by all speakers. Remarks should be directed to the City Council as a body rather than to any particular Council Member or member of the staff. In consideration of others, please silence all cell phones and electronic devices.
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
  - \*a) Regular Meeting Minutes of January 9, 2023
  - \*b) Regular Meeting Minutes of January 23, 2023

\*c) Regular Meeting Minutes of February 13, 2023

8. SPECIAL ORDERS

- a) The Fairbanks City Council will hear interested citizens concerned with the following Liquor License Applications for Renewal. Public Testimony will be taken and limited to three minutes.

Lic. #	DBA	License Type	Licensee	Address
5877	Lat 65 Brewing Company	Brewery	Latitude 65 Brewing Company, LLC	150 Eagle Avenue
5878	Lat 65 Ciderhouse	Winery	Latitude 65 Brewing Company, LLC	150 Eagle Avenue

- b) The Fairbanks City Council will hear interested citizens concerned with the following Liquor License Application for Transfer of Ownership, Location, and Name Change and Restaurant Designation Permit. Public testimony will be taken and limited to three minutes:

Type/License: Beverage Dispensary, License #4530  
DBA: Blue Flame Bar and Grill  
Applicant: Midnight Sun Catering Services, LLC  
Location: 95 10th Avenue, Fairbanks  
From Owner: Pacific Rim Associates 1, LLC  
From DBA: The Event Center & Lounge  
From Location: 1288 Sadler Way, Fairbanks

- c) The Fairbanks City Council will hear interested citizens concerned with the following Marijuana License Application for Transfer of Controlling Interest. Public testimony will be taken and limited to three minutes:

Type/License: Retail Marijuana Store, License #30593  
DBA: Pipe and Leaf: Premium Alaskan Cannabis  
Applicant: Pipe and Leaf, LLC (transfer of controlling interest only)  
Location: 899 Old Steese Highway, Fairbanks

9. MAYOR'S COMMENTS AND REPORT

- a) Special Reports

10. COUNCIL MEMBERS' COMMENTS

11. UNFINISHED BUSINESS

- a) Ordinance No. 6234 – An Ordinance Amending the 2023 Operating and Capital Budgets for the First Time. Introduced by Mayor Pruhs. SECOND READING AND PUBLIC HEARING.
- b) Ordinance No. 6235 – An Ordinance Amending Fairbanks General Code Chapter 2, Article II, Section 2-118 Work Sessions and Council Committees and Section 2-118.1 Council Finance Committee. Introduced by Council Member Cleworth. SECOND READING AND PUBLIC HEARING.
- c) Ordinance No. 6236 – An Ordinance Amending Fairbanks General Code Chapter 54 Procurement. Introduced by Mayor Pruhs. SECOND READING AND PUBLIC HEARING.

12. NEW BUSINESS

- \*a) Resolution No. 5050 – A Resolution Authorizing The City of Fairbanks to Submit Project Questionnaires On Behalf Of Golden Heart Utilities For The Alaska Department Of Environmental Conservation Clean Water State Revolving Fund. Introduced by Mayor Pruhs.
- \*b) Ordinance No. 6237 – An Ordinance Authorizing Lease of City-Owned Real Property to Yukon Quest International Ltd. Introduced by Mayor Pruhs.

13. DISCUSSION ITEMS (Information and Reports)

- a) Committee Reports

14. WRITTEN COMMUNICATIONS TO THE CITY COUNCIL

- a) Memorandum Regarding Appointment of the City Attorney

15. COUNCIL MEMBERS' COMMENTS

16. CITY CLERK'S REPORT

17. CITY ATTORNEY'S REPORT

18. EXECUTIVE SESSION

- a) Malloy v. City of Fairbanks Settlement Negotiations

19. ADJOURNMENT



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, JANUARY 9, 2023  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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The City Council convened at 6:30 p.m. on the above date to conduct a Regular Meeting of the Fairbanks City Council via Zoom webinar and at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor David Pruhs presiding and with the following Council Members in attendance:

Council Members Present: Jerry Cleworth, Seat A  
June Rogers, Seat B  
Sue Sprinkle, Seat C  
Crystal Tidwell, Seat D  
Lonny Marney, Seat E  
John Ringstad, Seat F

Absent: None

Also Present: Margarita Bell, Chief Financial Officer (remotely)  
D. Danyielle Snider, City Clerk  
Paul Ewers, City Attorney  
Michael Sanders, Chief of Staff  
Kristi Merideth, FECC Manager (remotely)  
Ron Dupee, Police Chief (remotely)  
Rick Sweet, Deputy Police Chief  
Andrew Coccaro, Assistant Fire Chief  
Brenda McFarlane, Crisis Now Coordinator

### **INVOCATION**

The Invocation was given by City Clerk Danyielle Snider.

### **FLAG SALUTATION**

At the request of Mayor Pruhs, **Ms. Tidwell** lead the Flag Salutation.

### **CITIZENS' COMMENTS**

Gary Wilken, Fairbanks – G. Wilken referenced the photos he had provided that related to the Kinross ore hauling project. He stated that he had not been aware of the proposed amendment but spoke in favor of Resolution No. 5021 as it had been presented originally. He spoke against the repeated attempts to turn City roads and State highways into mining roads. He asked that the Council make a statement that health and safety is their priority and oppose the Kinross ore hauling project until a detailed plan could be reviewed.

Patrice R. Lee, Fairbanks – P. Lee spoke in favor of Resolution No. 5021 adding that the City has been out of compliance with the Clean Air Act for many years. She shared that the Environmental

Protection Agency (EPA) stated that any further pollution of the City's air will only compound the health and safety of the residents and stated that the Manh Choh project would be detrimental to the wellbeing of Fairbanks citizens. She added that the electricity supplied to Fort Knox is from the Golden Valley Electric Association (GVEA), and if they were to decide to run shifts 24 hours a day, seven days a week (24/7), the power plants in Fairbanks and North Pole would be forced to burn more fuel, further polluting the air.

**Ms. Sprinkle** asked if the Fort Knox mine ran 24/7 currently; P. Lee stated that they did not.

David Cornberg, Fairbanks – D. Cornberg spoke to a report commissioned by Peak Gold, LLC, who hired Michael Miner and Associates to provide a noise and vibration report regarding the ore hauling project for Fort Knox mine; he added that it had too many missing factors to be considered valid. He added that a recent survey indicated that the Fort Knox mine may be operational up to 50 years, and the vibration and noise that will come from the hauling of the vehicles will be considerable.

Robert Shields, Fairbanks – R. Shields shared that he has been working on a solution for the Polaris Building for the past ten years, and he read a letter that had been provided to the Council. The letter indicated that there would be funds available to transform the Polaris site into an eco-village based upon the acquisition of utility information and support from the City and the State.

**Mr. Ringstad** asked about R. Shields' relationship with the Polaris Building. R. Shields stated that he has been an advocate for creating something positive and constructive there for many years.

**Ms. Rogers** asked R. Shields what board he was referring to in his requests. R. Shields clarified that he would like a letter of support from the City of Fairbanks, and he requested a work session to discuss the opportunity further.

Sue Wilken, Fairbanks – S. Wilken shared that she has lived in Fairbanks since 1955 and has been very involved in the community for the past 50 years. She spoke to the history of mining claims and how it differs greatly from the mining operations proposed by Kinross Fort Knox Mine. She clarified that she is not against the mine but would like to see a plan with more transparency and less large vehicle traffic. She acknowledged that the City does not have the power to make the final decision but asked that the Council use its voice to speak up for citizens.

Jenny Campbell, Fairbanks – J. Campbell thanked the Council for considering Resolution No. 5021. She referenced a proposed action by Fort Knox to build a separate hauling road, which would avoid safety issues by using the Tetlin village roads. She stated that the same issue is present with the use of public highways and asked the Council to support the resolution.

Mary Farrell, Fairbanks – M. Farrell spoke in support of Resolution No. 5021, adding that the project pits those who stand to make a lot of money against the health of residents. She spoke to alternatives, such as limiting hauling hours to evenings. She indicated that other mine developers would be watching to see how the project works out, and she commented that Fairbanks should not be the guinea pig. She thanked Council members for their service.

Gabriele Larry, Fairbanks – G. Larry agreed with the testimony provided earlier, adding that it broke her heart to learn that the lives of citizens are being jeopardized for the profit of the mine. She spoke to fears of accidents involving haul trucks as well as poor road conditions.

Andy Warwick, Fairbanks – A. Warwick spoke in favor of the proposed substitution to Resolution No. 5021. He shared that when he served on the school board years ago, there had been over 16,000 students enrolled in the district, and now there were less than 11,000. He noted that the drastic decline had caused multiple schools to be closed. He stated that the Department of Licensing had recently declared Fairbanks to be the biggest loser in population and provided examples of the failing economy, such as the recent closure of Fairbanks Memorial Hospital's OBGYN department. He added that the community needs to provide opportunities to keep young people in the area and that the proposed Kinross project could provide a much-needed economic boost.

**Ms. Sprinkle** asked A. Warwick why he predicted an increase in employees. A. Warwick stated that it had come from one of the Kinross proposal documents.

**Mr. Marney** asked A. Warwick if an alternate route would also supply those extra employees. A. Warwick stated that it may, but there is not enough information to provide comparable data. He added that he is not opposed to the trucks, noting that there is little traffic for most of the route.

**Ms. Rogers** asked A. Warwick if he supported the proposed substitute to Resolution No. 5021. A. Warwick repeated that he did, adding that it provided a positive face for the resolution.

Ronin Short, Fairbanks – R. Short spoke against the Manh Choh ore hauling project and spoke to the dangers of cyanide. He added that cyanide is used in the extraction of gold from the ore, and the reason the ore must be hauled is because there is either no means or no authority to extract on Tetlin land. He added that cyanide is very easily exchanged naturally and does not linger in the environment.

Steven Hovenden, Fairbanks – S. Hovenden spoke in favor of Resolution No. 5021, as Amended, and presented on the agenda. He asked the Council to consider the difficulty in driving a 16-axle vehicle loaded with ore, adding that empty trailers are even more difficult to control in bad conditions. He stated that the trucks would not only stir up arsenic dust but also create congestion in the Fairbanks area; he added that Kinross has already raised the possibility of hauling ore from other mines. He referenced a report that ranks Alaska 48th on road safety, specifically noting the number of fatalities and the dangers that are already present before adding the increased traffic.

**Mr. Marney** asked S. Hovenden if he was aware of a return route for empty ore trucks. S. Hovenden stated that they provided the route that trucks are supposed to use but predicted they would use the Steese Highway to reduce mileage on the vehicles on their return.

Joe Paskvan, Fairbanks – J. Paskvan spoke in support of the mining industry and Resolution No. 5021, as Amended. He added that the weight and length of the vehicles, coupled with the 24/7 operation throughout the year, posed a significant risk to the community and asked that the Council vote to protect the community.

Bill Wright, Explore Fairbanks Director of Tourism and Meeting Sales – B. Wright shared that he had attended multiple travel and trade shows, including the National Tourists Association Annual Exchange. He spoke to changes in the international market strategy due to pandemics in both China and Japan. He added that tourism was the highest it has been in some areas, but the overall return would not likely be recognized until 2025. He shared that arrivals and departures at Fairbanks International Airport were at 90% of 2019 travel. He thanked the Council for the opportunity to provide an update.

**Ms. Sprinkle** asked if the potential road traffic issue had been discussed during marketing meetings. B. Wright suggested that the Council reach out to Scott McCrea for more information on that matter.

Brynn Butler, Housing Coordinator – B. Butler reported to the Council that a local homeless man had recently passed away. She explained that his tent appeared to have caught fire, and he died from exposure. She noted that he had not been engaged in, nor had he sought out, any of the services provided through her organization.

Deborah Ryan, Fairbanks – D. Ryan spoke against the Manh Choh mine ore hauling project, stating that despite Kinross' claim that they would not participate in unsafe activity, she believed that their plan was truly dangerous. She referenced the bad weather and conditions such as ice fog that makes driving difficult, adding that the air quality will be greatly affected in both the Fairbanks and North Pole areas. She stated she did not feel that the comment regarding declining population was relevant to the conversation, and she mentioned that both her son and her daughter-in-law were employed.

Jomo Stewart, President/CEO of Fairbanks Economic Development Corp (FEDC) – J. Stewart spoke to the great success of the Winter Solstice Festival and about the plans underway to improve the event next year. He spoke in support of the proposed substitution for Resolution No. 5021, with exception to the first "Now Therefore" statement. He stated that the working age population has been leaving Fairbanks, and it is not surprising given the high housing and living costs. He added that he had concerns about Fairbanks becoming a center for the mining industry but wished that the community could capitalize on the opportunity.

**Ms. Rogers** asked J. Stewart to elaborate on the portion of the proposed substitute that he objected to. J. Stewart stated he felt that Fairbanks stood to benefit from ore being processed at Fort Knox and would not encourage one to be established in Tetlin. **Ms. Rogers** asked if he would be interested in assisting with an amendment; J. Stewart stated he would.

*The City Council allowed for Public Testimony to continue past 7:30 p.m. No motion was made.*

Brenna Schaake, Kinross Fort Knox – B. Schaake shared that this was the third time Resolution No. 5021 had been before the City Council. She added that the resolution contained inaccurate or outdated information regarding the length of the vehicles, the number of proposed trips in a 24-hour period, and the latest air quality report, among other things. She stated that Manh Choh is important to Fairbanks, and the use of the existing mill is the environmentally responsible thing to do. She added that it would bring additional jobs that would directly impact the Fairbanks economy. B. Schaake listed many of the supporters of the project and asked the City to be involved

with the project by participating in the Department of Transportation's (DOT) Technical Advisory Committee (TAC). She requested that the resolution be delayed until the TAC could complete its research and until real data was available.

**Ms. Sprinkle** asked B. Schaake why the railroad had not been considered as a means of transportation. B. Schaake stated that it was not a feasible option at the time of the project proposal.

**Ms. Rogers** asked B. Schaake if she would be support Mr. Cleworth's proposed substitute. B. Schaake stated that while she appreciated the different options available, she could not express support without discussing it with her leadership team.

**Mr. Marney** asked B. Schaake about the most recent EPA report that would put more restrictions on the area and how that would affect the project. B. Schaake stated that she did not have the specifics on the air quality but would take those concerns to her leadership team.

**Ms. Sprinkle** asked B. Schaake if the trucking company that contracted with Kinross would be solely liable for accidents. B. Schaake stated that she was not sure about the legality regarding the contractor's liability but would return with an answer.

Cheyenna Kuplack, Doyon Limited – C. Kuplack read a letter in opposition to Resolution No. 5021. The letter stated the many benefits that the project would bring to the Tetlin tribal members, including the building of a much-needed elders facility and the employment of local tribal members in the exploration process.

**Ms. Rogers** asked C. Kuplack if she was aware of the proposed substitute; when C. Kuplack replied that she had not read it, **Ms. Rogers** asked her to take it back to her board for consideration.

Hearing no more requests for in-person comment, individuals on Zoom were heard next.

John Jackovich, Fairbanks – J. Jackovich spoke to the previous testimony, but noted that he had read a lot of the reports available from Kinross and felt that they had done their due diligence regarding the truck traffic and EPA requirements. He went on to state that no one can predict the "what if" situation, adding that it would be better to come together and find a better route or solution rather than continually tell Kinross that Fairbanks does not like the idea of increased traffic. He spoke to the opportunity of opening a rail line that would provide access to many parts of the Interior, which would be beneficial in many areas – not just mining. He reiterated J. Stewart's comments that there is a way to make this happen if everyone works together.

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

## **APPROVAL OF AGENDA AND CONSENT AGENDA**

**Mr. Ringstad**, seconded by **Ms. Sprinkle**, moved to APPROVE the Agenda and Consent Agenda.

**Mr. Cleworth** pulled item 14(a), the Fairbanks Diversity Council Letter of Recommendation to the City Council Regarding the NAACP's "Seven Points for a Safer Fairbanks" from the Consent Agenda.



**Mayor Pruhs** 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.

**APPROVAL OF MINUTES FROM PREVIOUS MEETINGS**

- a) Regular Meeting Minutes of November 28, 2022

APPROVED on the CONSENT AGENDA.

**SPECIAL ORDERS**

- a) The Fairbanks City Council heard interested citizens concerned with the following Liquor License applications for renewal:

Lic. #	DBA	License Type	Licensee	Address
3483	Fairbanks Curling Club	Beverage Dispensary	Fairbanks Curling Club, Inc.	1962 Second Avenue
3020	American Legion Post #57	Club	American Legion Post #57	1634 Cushman Street

**Mr. Marney**, seconded by **Ms. Tidwell**, moved to WAIVE PROTEST on the Liquor License applications for renewal.

**Mayor Pruhs** called for testimony and hearing none, declared Public Testimony closed.

**Ms. Rogers** stated she was pleased to see a short list of calls on the report.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE LIQUOR LICENSE APPLICATIONS FOR RENEWAL AS FOLLOWS:

YEAS: Cleworth, Marney, Tidwell, Ringstad, Sprinkle, Rogers

NAYS: None

**Mayor Pruhs** declared the MOTION CARRIED.

**MAYOR'S COMMENTS AND REPORT**

- a) Special Report: Chief Financial Officer Margarita Bell

CFO Bell shared that the Finance Department was in the process of finalizing the 2022 year and was planning to begin working with the auditors in February; she stated she hopes to have the audit completed and before the Council by the end of May. She explained what each of the sections in her department were responsible for, adding that January is a very busy month with audits, tax forms, and over 5000 bills to be processed. She spoke to the 2023 budget book and highlighted a

few of the items that had been added since the Council's review, including the City profile, strategic plan, and financial summaries.

**Ms. Sprinkle** asked CFO Bell if she had a good vacation, and CFO Bell stated that she did.

**Ms. Rogers** thanked CFO Bell for being prompt.

**Mayor Pruhs** stated that the EPA had approved the Polaris Building plan on December 22, 2022, noting that the only remaining item to complete, prior to awarding a contract, is the State historical agreement. He thanked R. Shields for the letter he provided and reminded the Council that it addressed what could happen after demolition of the building. He explained that the property will be available for sale, which would be approved by the City Council. **Mayor Pruhs** stated that City staff would be meeting the following day to begin the planning process for building demolition.

### **COUNCIL MEMBERS' COMMENTS**

**Ms. Sprinkle** stated she had no comments.

**Ms. Rogers** shared her concerns about and interest in the Manh Choh ore hauling project, adding that she has known miners and truck drivers in her family and in the community. She expressed appreciation for the open communication from the public and thanked Mr. Cleworth for his work in providing a document that was more inclusive.

**Mr. Cleworth** thanked CFO Bell for providing the budget book in such a short amount of time, noting that the budget had been passed less than a month ago. He thanked everyone who took time to provide testimony.

**Ms. Tidwell** thanked everyone for their testimony and disclosed that she represented some of the employees in Tetlin through her job at the Operating Engineers Local 302. She clarified that their work was not directly related to the topic of hauling ore.

**Mr. Marney** shared that it was Law Enforcement Appreciation Day and recognized Deputy Police Chief Sweet. He stated that Fairbanks Police Department (FPD) employees work very hard and are still understaffed. He also thanked the public for their testimony, noting that regardless of the outcome of the resolution or the project, it would affect everyone for a number of years.

**Mr. Ringstad** stated he had no comments.

### **UNFINISHED BUSINESS**

- a) Resolution No. 5021, as Amended – A Resolution Expressing Opposition to the Ore Trucking Proposal for the Manh Choh Mine Project. Introduced by (former) Council Member Therrien. POSTPONED from the Regular Meeting of September 12, 2022.

*The motion to APPROVE Resolution No. 5021 was made by Ms. Therrien and seconded by Mr. Clark at the July 11, 2022 Regular Meeting and remained on the floor.*

**Mayor Pruhs** ruled that Ms. Tidwell did not have a conflict of interest on Resolution No. 5021.

**Ms. Rogers** disclosed that she had family working at the Fort Knox mine. **Mayor Pruhs** declared that Ms. Rogers did not have a conflict of interest on Resolution No. 5021.

**Mr. Cleworth** reminded the Council that the original postponement had been done with the intention of meeting with the DOT, and because that did not happen, he had been inclined to suggest an additional postponement. He went on to state that he changed his mind regarding further postponement and instead provided the proposed substitute based on the overwhelming support for the overall project; he noted that the only opposition seemed to be related to the ore hauling process. He expressed disappointment with the amount of negativity in the original resolution, noting that there are corporations, communities, and organizations that could greatly benefit from the project, including those related to mental health. **Mr. Cleworth** acknowledged the potential risks and inconveniences that could occur, also noting that many do not believe the actual number of vehicles on the road will amount to what is in Kinross' proposal. He thanked City Attorney Paul Ewers and City Clerk Danyielle Snider for their help in preparing the proposed substitute.

**Mr. Cleworth**, seconded by **Mr. Ringstad**, moved to AMEND Resolution No. 5021, as Amended, by substituting the amended, proposed version of Resolution No. 5021.

**Mayor Pruhs** called for objection and, hearing none, so ORDERED.

**Mr. Ringstad** shared that he has spent a significant amount of time with the senior management teams of both the oil and mining industries, where he has been continually asked why Fairbanks is against both industries. He agreed that the original resolution was extremely negative and sends the wrong message to any entity that wishes to invest the better part of a billion dollars in the community. He stated he felt that the proposed amendment recognizes the issues while moving forward with a positive statement. **Mr. Ringstad** indicated that the City should have taken a spot on the DOT advisory committee and helped to work through the process rather than introduce a negative resolution; he noted that it would be nice to have more jobs in the area for the youth that are entering the workforce. He thanked Mr. Cleworth in his efforts to change the resolution's tone.

**Ms. Sprinkle** raised concerns about the language inferring that the only economies that created wealth in the area were mining and farming.

**Mr. Cleworth** clarified that most industries are ultimately supported by the mining and farming industries, and without those two industries, no one can ultimately do their jobs.

**Ms. Sprinkle** asked about the reference to creating research, stating she felt it had created more concern than research. **Mr. Cleworth** explained that both sides have provided a lot of information, which required a lot of time spent on research.

**Mr. Marney** stated he preferred the positive tone of the resolution but felt strongly that the City oppose the trucking of ore; he stated he did not feel the substituted version accomplished that.

**Ms. Rogers** agreed that the ore trucking is the greatest concern and did not feel that the resolution adequately expressed that.

**Mr. Ringstad** spoke to the concerns with the trucking, noting that the railroad would not be a feasible option for 10 or more years and would be highly cost-restrictive. He shared that he knows truckers who haul double trailers from Kenai to the Slope often, and it is not an issue. He addressed concerns about bad weather and adverse driving conditions, noting that those are things the company considers when avoiding unnecessary risks. He clarified that he does not have a problem with the trucking of ore in general, but he did have concerns about how that trucking is managed. He noted that opposing trucking completely could close down the project.

**Ms. Sprinkle** stated that the haul road to the North Slope was not comparable to the regular travel ways Kinross would be using, noting that taxpayers pay for road maintenance. She added that she did not hate the project but did not want the truck traffic.

**Mr. Cleworth** asked Mr. Marney if he would be more comfortable with verbiage that addressed the issue as “problematic.”

**Ms. Rogers** noted that many of those who provided testimony seemed eager to work on a more amicable resolution and recommended the Council postpone, allowing for time for drafting.

**Mr. Ringstad** clarified that the resolution will not have an impact on the approval of the ore hauling plan and that those decisions would come from the federal and state government. He predicted that, if the company had already fulfilled the requirements from government, they likely had the necessary permits. He went on to state that the City’s resolution was nearly an after-the-fact action that would not benefit from being put off even further.

**Ms. Rogers** stated she felt it was warranted to postpone a short while to address the new language and the testimony received. She stated she believed the City’s action would be valuable regardless of when it was received, based on the respectful conversation that has taken place.

**Ms. Rogers**, seconded by **Ms. Sprinkle**, moved to POSTPONE Resolution No. 5021, as Amended, to the next Regular City Council Meeting of January 23, 2023.

**Mr. Marney** stated that he would not be available at the next meeting and was planning to ask the Council to excuse him. He stated he would not prefer to attend remotely but would if the topic was delayed.

**Mr. Cleworth** stated that he would not be opposed to postponing the resolution but felt that it was a lot to ask of the public to continue to show up for a pending decision.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO POSTPONE RESOLUTION NO. 5021, AS AMENDED, TO THE NEXT REGULAR CITY COUNCIL MEETING OF JANUARY 23, 2023 AS FOLLOWS:

YEAS: Rogers  
NAYS: Ringstad, Marney, Sprinkle, Cleworth, Tidwell  
**Mayor Pruhs** declared the MOTION FAILED.

**Ms. Sprinkle** moved to AMEND Resolution No. 5021, as Amended, by replacing the language “hopes that a legitimate alternative” with “requires an alternative” in the “Now Therefore” section.

**Mayor Pruhs** declared that the motion FAILED due to a lack of a second.

**Mr. Marney**, seconded by **Mr. Cleworth**, moved AMEND Resolution No. 5021, as Amended, by replacing the word “current” with “problematic” at the bottom of the first page.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND RESOLUTION NO. 5021, AS AMENDED, BY REPLACING THE WORD “CURRENT” WITH “PROBLEMATIC” AT THE BOTTOM OF THE FIRST PAGE AS FOLLOWS:

YEAS: Cleworth, Marney, Ringstad, Rogers, Tidwell  
NAYS: Sprinkle  
**Mayor Pruhs** declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 5021, AS AMENDED, AS FOLLOWS:

YEAS: Marney, Ringstad, Cleworth, Tidwell  
NAYS: Sprinkle, Rogers  
**Mayor Pruhs** declared the MOTION CARRIED and Resolution No. 5021, as Amended, APPROVED.

b) Resolution No. 5037 – A Resolution Adopting a City of Fairbanks Diversity Action Plan. Introduced by Mayor Pruhs. POSTPONED from the Regular Meeting of November 14, 2022.

*The motion to APPROVE Resolution No. 5037 was made by Mr. Ringstad and seconded by Ms. Sprinkle at the November 14, 2022 Regular Meeting and remained on the floor.*

**Mr. Marney** stated he felt that the Diversity Action Plan (DAP) addressed matters that were not an issue for the City and was ultimately unnecessary. He asked if there has been a more diverse group of applicants for City positions since the Fairbanks Diversity Council (FDC) had been created. **Mayor Pruhs** stated that the Human Resources (HR) Director was not available for comment. **Mr. Marney** clarified that he would like more information on the intent of the document and what it is meant to achieve.

**Mr. Ringstad** shared Mr. Marney’s sentiment, stating that he was not sure whether the DAP was needed. He indicated he would like more information on the history of the document and what the problem was that it was meant to address.

**Ms. Rogers** shared that the FDC is an ongoing committee that is required to address the DAP every five years. She added that there are still difficulties recruiting persons from diverse backgrounds to City positions and asked Chief of Staff Mike Sanders to speak.

M. Sanders stated that he was not aware of any work done specifically by the FDC to further the work of the City, clarifying that it is the FDC's job to advise the Council, not give directives.

**Mayor Pruhs** repeated Ms. Rogers' statement that the FDC is required to perform this review as established by the City Council when the FDC was created. He explained that the original document had seven or eight different goals, and the FDC had reduced them to five, noting that the group had struggled to get a quorum for many months. He reminded the Council of the work session held with the FDC. He stated that the Council could amend the document as it saw fit.

**Mr. Ringstad** spoke to the need for the FDC, suggesting that perhaps the committee could meet only for the years the DAP needed to be addressed.

**Mayor Pruhs** redirected the conversation back to the motion on the floor, noting that the larger conversation regarding the FDC as a whole would need to be held a different time.

**Mr. Cleworth** shared the importance of the first goal, which was to recruit capable people. He added that lately it has been very difficult to do so. He expressed desire to see a more active role by the FDC in attending job fairs or other community events to try and recruit people for City positions. He expressed concern for the language in item five of goal three, which stated the FDC would revise policies. He noted that the FDC's role does not include drafting or changing City policy.

**Mr. Cleworth**, seconded by **Mr. Ringstad**, moved to AMEND the DAP by replacing the word "revise" with "recommend revisions to" in the fifth desired result on page three.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND THE DAP BY REPLACING THE WORD "REVISE" WITH "RECOMMEND REVISIONS TO" IN THE FIFTH DESIRED RESULT ON PAGE THREE AS FOLLOWS:

YEAS: Sprinkle, Rogers, Cleworth, Marney, Ringstad, Tidwell

NAYS: None.

**Mayor Pruhs** declared the MOTION CARRIED.

**Mr. Cleworth** spoke to the first item of goal three that stated the FDC would establish a work group to review internal City polices. He stated that it was a redundancy and hoped that the FDC could go over the document another time to remove other redundancies and items that do not pertain to the role of the FDC. He asked if City department heads had been given the opportunity to weigh in on the changes. **Mayor Pruhs** stated they had not. **Mr. Cleworth** recommended that the Mayor provide department heads the opportunity to read and make recommendations to the DAP prior to a vote of the City Council.

**Ms. Rogers** recognized that the FDC is a Council, not a committee, and had been created that way for a reason. She stated that the FDC works most closely with HR, the Chief of Staff, and FPD and asked Police Chief Dupee to provide insight on his interactions with the FDC.

Chief Dupee stated that the FDC generally provides a member to sit in on FPD interviews and oral boards. He stated that he does not have any other interaction with FDC outside of interest-specific meetings, such as when the NAACP brought forth its “Seven Points for a Safer Fairbanks.”

Chief of Staff Sanders stated that he has not had much interaction with the FDC and did not have a formal opinion, adding that the City and the FPD have created relationships with many of the Native organizations without assistance from the FDC. He recalled the few interactions he had with the group, noting their issues with a quorum and reluctance to let him address the NAACP.

**Mayor Pruhs** reminded the Council that the document before them was an advisory document that the FDC was required to provide the City Council.

**Ms. Rogers** shared that she has served on the FDC for many years and has seen multiple changes in the way the group works as the make-up of its members have changed. She stated she believes there has been a lot of misunderstanding about the role of the FDC over the years and felt that the current work has been focused in a positive direction. She expressed concern about disbanding the group and suggested another work session for the Council and the FDC.

**Mr. Ringstad** spoke in favor of having a work session to discuss mutual expectations and asked if a work session should happen prior to voting on the DAP.

**Mr. Cleworth** asked if a two-week postponement would be enough time to allow department heads to read over the document and provide feedback. Chief Dupee and **Mayor Pruhs** indicated that it would.

**Mr. Cleworth**, seconded by **Mr. Ringstad**, moved to POSTPONE Resolution No. 5037 to the next Regular City Council meeting of January 23, 2023.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO POSTPONE RESOLUTION NO. 5037 TO THE NEXT REGULAR CITY COUNCIL MEETING OF JANUARY 23, 2023 AS FOLLOWS:

YEAS: Marney, Cleworth, Ringstad, Tidwell, Rogers, Sprinkle

NAYS: None

**Mayor Pruhs** declared the MOTION CARRIED.

## **NEW BUSINESS**

- a) Resolution No. 5042 – A Resolution Allocating Discretionary Funds from the Room Rental Tax in the Amount of Three Hundred Fifty Thousand Dollars (\$350,000). Introduced by Council Member Marney.

PASSED and APPROVED on the CONSENT AGENDA.

## **DISCUSSION ITEMS (INFORMATION AND REPORTS)**

- a) Committee Reports

**Mr. Cleworth** spoke about FAST Planning and projects that are funded federally dealing with congestion, mitigation, and air quality (CMAQ) and the criteria used for projects to qualify. He stated that the Transportation Improvement Plan (TIP) was looking good for the City, adding that there would be discussions to consider the scope of some projects in order to have them completed sooner.

**Ms. Rogers** shared that she would not be in Fairbanks on March 6, 2023 and asked to be excused from any meetings that might be scheduled then. City Clerk Snider stated that there were no meetings scheduled for that date.

**Ms. Sprinkle** stated that she attended a Chena Riverfront Commission meeting for the first time recently and shared some updates, including the support of boat launching and parking at Pioneer Park; she shared that the bridges downtown would be finished in the spring. She commented that the Chena River is the second largest nursery for Chinook salmon in both Alaska and Canada. **Ms. Sprinkle** added that the Chena Flood Control project was ongoing, and they were currently working on repairing the vegetation to encourage more fish survival along the speedway.

**Ms. Tidwell** stated she had no committee reports.

**Mr. Marney** shared that the Discretionary Fund Committee would have its annual wrap up meeting later in the week and asked to be formally excused from the January 23, 2023 Regular City Council meeting.

**Mr. Cleworth**, seconded by **Mr. Ringstad**, moved to EXCUSE Mr. Marney from the January 23, 2023 Regular City Council meeting.

**Mayor Pruhs** called for objection and, hearing none, so ORDERED.

**Mr. Ringstad** stated he had no committee reports.

**Ms. Rogers** remembered that the FDC would meet the following evening at 5:30 p.m. She asked Crisis Now Coordinator Brenda McFarlane to talk about her upcoming meeting. B. McFarlane explained that there would be a presentation by Sandy Snodgrass in Council Chambers regarding Fentanyl, a very dangerous synthetic opioid that is killing many people in accidental overdoses all over the country. She added that S. Snodgrass lost her son to the drug in October of 2021 and is working with Alaska State Legislature to enact “Bruce’s Law,” which would bolster federal and state prevention and promote education about the dangers of street drugs being potentially laced with Fentanyl.

## **WRITTEN COMMUNICATIONS TO THE CITY COUNCIL**

- a) Fairbanks Diversity Council Letter of Recommendation to the City Council Regarding the NAACP’s “Seven Points for a Safer Fairbanks”



**Mr. Cleworth** spoke to the point regarding a Police Civilian Review board, adding that there had previously been a City Public Safety Commission for a similar purpose. He noted that usually the public comes directly to the City Council with issues, which is likely more effective in the long run. He went on to talk about the Fact Finding Commission, which was also under-utilized, adding that efforts in fully staffing that commission should be made instead of creating a new board. He asked that City Attorney Paul Ewers investigate the powers of the Fact Finding Commission and questioned whether it would be a viable substitute for a Police Civilian Review Board.

**Ms. Rogers** asked for clarification behind the NAACP's intent in going before the FDC, adding that she thought they had wanted to meet with the City Council next.

COS Sanders said he was not sure of the NAACP's intent, adding that the discussion had begun with former Chief of Staff Mike Meeks. He stated that the City is meeting with the NAACP regularly, and the relationship between the NAACP and the FPD has greatly improved. He spoke to the various points within the document, adding that the groups have been discussing them in detail, including the one regarding the Civilian Review Board.

**Ms. Rogers** asked for clarification about the Fact Finding Commission. She stated she believed it had been done away with years ago, but there was still a person who believed she was a member.

City Clerk Snider shared the purpose of the Fact Finding Commission with the Council, including its powers regarding subpoenas and oaths. She clarified that Ms. Gatewood was a former member of the Fact Finding Commission, but her term expired in December 2021. She went on to state that it is a five-member Commission that currently has four vacancies. City Clerk Snider stated that the Commission had not met in the 14 years she has worked at the City.

**Mr. Cleworth** explained that the only committee commissioned by the City Council with subpoena powers is the Fact Finding Commission.

b) Fairbanks Diversity Council Meeting Minutes of November 8, 2022

ACCEPTED on the CONSENT AGENDA.

c) Discretionary Fund Committee Meeting Minutes of November 8, 2022

ACCEPTED on the CONSENT AGENDA.

d) Discretionary Fund Committee Meeting Minutes of December 14, 2022

ACCEPTED on the CONSENT AGENDA.

e) Chena Riverfront Commission Meeting Minutes of November 23, 2022

ACCEPTED on the CONSENT AGENDA.

f) Memorandum from Clay Street Cemetery Commission Requesting 2023 Capital Funds

APPROVED on the CONSENT AGENDA.

### **COUNCIL MEMBERS' COMMENTS**

**Ms. Tidwell** stated she had no comments.

**Mr. Marney** stated he had no comments.

**Mr. Ringstad** stated he had no comments.

**Ms. Sprinkle** stated for the record that she is not against the Manh Choh mine or the mining industry, only the trucking of the ore on public roadways.

**Ms. Rogers** explained that she voted against Resolution No. 5021, as Amended, because she did not feel that the resolution was complete and that it should have been discussed more. She thanked Mr. Cleworth for his work on the document but wished it had been worked on a more as a group.

**Mr. Cleworth** thanked Ms. Sprinkle and Ms. Rogers for their comments.

**Mayor Pruhs** complimented the Council on how they addressed Resolution No. 5021, noting that there were very strong feelings on both sides of the issue.

### **CITY CLERK'S REPORT**

City Clerk Snider reminded the Council that they had been provided an invitation in their email to attend the Fentanyl presentation and noted that it was advertised as a public meeting so all Council members could attend. She shared that the Chair and Vice-Chair of the FDC would like to publish a calendar of events that the group could participate in, and they requested City Council input; she stated that Council members could email her suggestions and she would share them with the FDC.

**Ms. Sprinkle** asked how often the Council met with the FDC. City Clerk Snider explained that the Council does not generally meet with the FDC, but per the Fairbanks General Code, the FDC is to provide a report to the Council annually; she noted that has not happened for some years. She added that the Council could request a work session to meet with the FDC.

### **CITY ATTORNEY'S REPORT**

City Attorney Ewers stated that the Fact Finding Commission had met while he had been with the City, but it had been a long time. He added that he would have information regarding the search for his replacement as City Attorney within the next week.

**Mr. Ringstad**, seconded by **Ms. Sprinkle**, moved to ENTER Executive Session to discuss AFL-CIO Labor Negotiation Strategy.

**Mayor Pruhs** called for objection and, hearing none, so ORDERED.

**Mayor Pruhs** called for a brief recess. The Council reconvened in Executive Session following the brief recess. Ms. Tidwell was not present due to a previously declared conflict of interest.

**EXECUTIVE SESSION**

a) AFL-CIO Labor Negotiation Strategy

The City Council met in Executive Session to discuss AFL-CIO Labor Negotiation Strategy. Direction was given to the negotiating team, and no action was taken.

**ADJOURNMENT**

**Mr. Cleworth**, seconded by **Ms. Sprinkle**, moved to ADJOURN the meeting.

**Mayor Pruhs** called for objection and, hearing none, so ORDERED.

**Mayor Pruhs** declared the meeting adjourned at 10:39 p.m.

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DAVID PRUHS, MAYOR

ATTEST:

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D. DANYIELLE SNIDER, MMC, CITY CLERK

Transcribed by: RR



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, JANUARY 23, 2023  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

---

The City Council convened at 6:30 p.m. on the above date, following a 5:00 p.m. Work Session for the Permanent Fund Review Board Annual report, to conduct a Regular Meeting of the Fairbanks City Council via Zoom webinar and at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor David Pruhs presiding and with the following Council Members in attendance:

Council Members Present: Jerry Cleworth, Seat A  
June Rogers, Seat B  
Sue Sprinkle, Seat C  
Crystal Tidwell, Seat D  
John Ringstad, Seat F

Absent: Lonny Marney, Seat E (*excused*)

Also Present: Margarita Bell, Chief Financial Officer (remotely)  
D. Danyielle Snider, City Clerk  
Paul Ewers, City Attorney  
Michael Sanders, Chief of Staff  
Kristi Merideth, FECC Manager (remotely)  
Angela Foster-Snow, HR Director (remotely)  
Ron Dupee, Police Chief (remotely)  
Scott Raygor, Fire Chief  
Andrew Coccaro, Assistant Fire Chief  
Jeff Jacobson, Public Works Director (remotely)  
Robert Pristash, City Engineer

### **INVOCATION**

The Invocation was given by City Clerk Danyielle Snider.

### **FLAG SALUTATION**

At the request of **Mayor Pruhs, Ms. Rogers** lead the Flag Salutation.

### **CITIZENS' COMMENTS**

Charity Gadapee, Explore Fairbanks Visitor Services Director – C. Gadapee shared that the Morris Thompson Visitor Center had received more than 23,000 guests between Labor Day and New Year's Eve the previous year, which was a 40% increase from 2021 and a 39% decrease from 2019. She stated that Explore Fairbanks had started a new program called the Golden Heart Giving Tourism Cares program, which will replace the tourism walk for charity and would consist of pop-up charity events throughout the year to support local non-profits. C. Gadapee reminded the Council of the emailed invitation to attend the Annual Interior Tourism Conference at the

Westmark Hotel and spoke to some of the speakers that would be presenting. She thanked Mayor Pruhs for committing his participation to the opening morning events.

**Mr. Cleworth** asked about a recent mechanical issue at the visitor's center, and C. Gadapee shared that someone had broken the front window and donation box causing about \$6,000 in damages.

**Ms. Rogers** asked if she could make a comment rather than pose a question and was allowed by **Mayor Pruhs**. She stated that the Annual Interior Tourism Conference has been historically well orchestrated and provided a good opportunity.

David van den Berg, Downtown Association – D. van den Berg spoke to the Winter Solstice Festival stating that it had been a really good experience. He thanked the Fairbanks Police, Public Works, and Engineering departments for their help in clearing the bridges and allowing for the fireworks display. D. van den Berg noted that Exclusive Paving had been a great resource for a barricade package, adding that they were honored as Partner of the Year with the Downtown Association for their provided assistance with the festivals held throughout the year. He thanked the City again, noting that they were quick to help find solutions to the issues facing the Winter Solstice Festival.

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

### **APPROVAL OF AGENDA AND CONSENT AGENDA**

**Mr. Cleworth**, seconded by **Mr. Ringstad**, moved to APPROVE the Agenda and Consent Agenda.

**Ms. Sprinkle** pulled item 12(d), Resolution No. 5046 from the Consent Agenda.

**Mr. Cleworth** pulled items 12(a), Resolution No. 5043 and 12(e) Ordinance No. 6231 from the Consent Agenda.

**Mayor Pruhs** called for objection to the APPROVAL of the Agenda, as Amended and, hearing none, so ORDERED.

City Clerk Snider read the Consent Agenda into the record.

### **APPROVAL OF MINUTES FROM PREVIOUS MEETINGS**

a) Regular Meeting Minutes of December 12, 2022

APPROVED on the CONSENT AGENDA.

b) Regular Meeting Minutes of December 19, 2022

APPROVED on the CONSENT AGENDA.

## MAYOR'S COMMENTS AND REPORT

**Mayor Pruhs** shared that he had formed a committee to address the many questions regarding the Discretionary Fund, adding that the appointed members would be Ms. Rogers, Mr. Marney, Chief of Staff Mike Sanders, and Sam Kirstein and their first task would be to provide an updated application process to review by March 15th. **Mayor Pruhs** shared that Ms. Tidwell had been appointed to the Manh Choh Safety Oversight Committee. He recognized P.W. Director Jacobson for his efforts to save the city over \$300,000 and encouraged the Council to approve Resolution No. 5046. He shared that he had been called for Grand Jury Duty and would need to reschedule the Polaris Building Working Group meeting scheduled for the following morning but that he would be available for the on-sight meeting that evening.

## COUNCIL MEMBERS' COMMENTS

**Mr. Cleworth** did not have any comments.

**Ms. Rogers** did not have any comments.

**Ms. Sprinkle** shared that she had attended a FAST-planning meeting regarding the Fast-Planning Carbon Reduction program and encouraged the City to look into ways to benefit.

**Ms. Tidwell** thanked the Mayor for appointing her to the Manh Choh Advisory Committee, adding that she looked forward to reporting back to the Council.

**Mr. Ringstad** had no comments.

## UNFINISHED BUSINESS

- a) Resolution No. 5037 – A Resolution Adopting a City of Fairbanks Diversity Action Plan. Introduced by Mayor Pruhs. POSTPONED from the Regular Meeting of January 9, 2023.

*The motion to ADOPT Resolution No. 5037 was made by Mr. Ringstad, and seconded by Ms. Sprinkle at the November 14, 2022, Regular Meeting and remained on the floor.*

**Mayor Pruhs** stated that COS Sanders had provided the Council with a consolidated copy of the recommended changes from the City's department heads and asked that Council postpone the Resolution to allow time to review the recommendations.

**Ms. Sprinkle**, seconded by **Ms. Tidwell**, moved to POSTPONE Resolution No. 5043 until the Regular City Council Meeting on February 13, 2023.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO POSTPONE RESOLUTION NO. 5043 UNTIL THE REGULAR CITY COUNCIL MEETING ON FEBRUARY 13, 2023, AS FOLLOWS:

YEAS: Tidwell, Sprinkle, Ringstad, Rogers, Cleworth  
NAYS: None

ABSENT: Marney  
**Mayor Pruhs** declared the MOTION CARRIED.

**NEW BUSINESS**

- a) Resolution No. 5043 – A Resolution Authorizing the City of Fairbanks to Apply for Funds from the Alaska Division of Homeland Security for the FFY2023 State Homeland Security Program. Introduced by Mayor Pruhs.

**Mr. Cleworth**, seconded by **Mr. Ringstad**, moved to APPROVE Resolution No. 5043.

**Mr. Cleworth** had concerns about acquiring a new ambulance without sufficient warm storage space.

**Mayor Pruhs** shared that warm storage had been donated by Sam Kirstein near the Food Bank.

**Mr. Cleworth** shared his relief at hearing of the donated space, noting that the other option was to revisit the space being used by the Fairbanks North Star Borough (FNSB) at the PW Facility.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 5043 AS FOLLOWS:

YEAS: Ringstad, Rogers, Sprinkle, Cleworth, Tidwell  
NAYS: None  
ABSENT: Marney  
**Mayor Pruhs** declared the MOTION CARRIED and Resolution No. 5043, APPROVED.

- b) Resolution No. 5044 – A Resolution Authorizing the City of Fairbanks to Participate in the Fairbanks North Star Borough (FNSB) Air Quality Improvement Program Replacement Program for 1424 Moore Street (Fairbanks Senior Center). Introduced by Mayor Pruhs.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 5045 – A Resolution Authorizing the City of Fairbanks to Apply for a FFY2022 Staffing for Adequate Fire and Emergency Response (SAFER) Grant. Introduced by Mayor Pruhs.

PASSED and APPROVED on the CONSENT AGENDA.

- d) Resolution No. 5046 – A Resolution Awarding a Contract to NC Machinery Company to Provide a Loader and Grader in the Amount of \$846,359. Introduced by Mayor Pruhs.

**Ms. Sprinkle**, seconded by **Ms. Tidwell**, moved to APPROVE Resolution No. 5046.

**Ms. Sprinkle** wanted to be sure these purchases had been accounted for in the current budget and **Mayor Pruhs** clarified that both items were listed in the 2023 Capital Budget under the Public Works Department.

**Ms. Sprinkle** commended PW Director Jacobson for the savings he had found.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 5046, AS FOLLOWS:

YEAS: Tidwell, Cleworth, Ringstad, Sprinkle, Rogers  
NAYS: None  
ABSENT: Marney  
**Mayor Pruhs** declared the MOTION CARRIED and Resolution No. 5046, APPROVED.

- e) Ordinance No. 6231 – An Ordinance Authorizing the City of Fairbanks to Apply for Funds from the United States Department of Transportation for the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Discretionary Grant Program and Amending the 2023 Capital Budget. Introduced by Mayor Pruhs.

**Ms. Sprinkle**, seconded by **Ms. Tidwell**, moved to ADVANCE Ordinance No. 6231.

**Mayor Pruhs** explained that the language in the ordinance had been carried over from a similar ordinance the previous year and needed to be corrected. He asked the City Engineer, Bob Pristash to come forward and speak to the corrections.

City Engineer Bob Pristash explained that the application is for the same grant the City had applied for in 2022, adding that they can receive a higher score by providing a contingency rather than matching funds. He clarified that the fiscal note should show \$1.3M for a contingency rather than a \$2.6M match.

Chief Financial Officer Margarita Bell confirmed the correction in the proposed substitute.

**Ms. Sprinkle** asked if this cost had been budgeted for and CFO Bell explained that there were unallocated funds in the contingency account that could be used for this purpose.

**Mr. Cleworth**, seconded by **Mr. Ringstad**, moved to AMEND Ordinance No. 6231 by substituting the amended, proposed version of Ordinance No. 6231.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 6231 BY SUBSTITUTING THE AMENDED, PROPOSED VERSION OF ORDINANCE NO. 6231, AS FOLLOWS:

YEAS: Ringstad, Tidwell, Rogers, Sprinkle, Cleworth  
NAYS: None  
ABSENT: Marney  
**Mayor Pruhs** declared the MOTION CARRIED.



A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE NO. 6231, AS AMENDED, AS FOLLOWS:

YEAS: Cleworth, Ringstad, Sprinkle, Rogers, Tidwell  
NAYS: None  
ABSENT: Marney  
**Mayor Pruhs** declared the MOTION CARRIED and Ordinance No. 6231, as Amended, ADVANCED.

- f) Ordinance No. 6232 – An Ordinance Authorizing the City of Fairbanks to Apply for Funds from the United States Department of Homeland Security for the FFY2022 Assistance to Firefighters Grant (AFG) and Amending the 2023 Capital Budget. Introduced by Mayor Pruhs.

ADVANCED on the CONSENT AGENDA.

- g) Ordinance No. 6233 – An Ordinance Ratifying a Collective Bargaining Agreement Between the City of Fairbanks and the AFL-CIO Crafts Council and Amending the 2023 Operating Budget. Introduced by Mayor Pruhs.

ADVANCED on the CONSENT AGENDA.

### **DISCUSSION ITEMS (INFORMATION AND REPORTS)**

- a) Committee Reports

**Mr. Ringstad** shared updates from the Permanent Fund Review board, noting that most of the information had been provided during the work session. He added that the board meets quarterly and that he would update the Council accordingly.

**Ms. Tidwell** did not have anything to report.

**Ms. Sprinkle** attended a Chena River Front Committee meeting to discuss providing a letter of support to the Corps of Engineers regarding a boat launch in Pioneer Park.

**Ms. Rogers** attended the Fairbanks Diversity Council and Alaska Housing & Homeless Coalition meetings, adding that the statewide Housing and Homeless Coalition had discussed the idea of establishing a trust fund for housing and homeless. She had also attended meetings for Crisis Now, Opioid, and Reentry Coalition, noting that they were three different organizations that work very well together.

**Mr. Cleworth** shared that he and Mayor Pruhs attended the Fast-Planning and spoke to the Congestion, Mitigation, and Air Quality (CMAQ) funds mentioned by Council member Sprinkle. He added that there may be equipment purchases for PW that could qualify for those types of funding. He spoke to the FAST-Planning's annual list of improvement projects for the fiscal year, noting that City Engineers work well with the FAST-Planning to make sure there are small projects

available for discussion when extra funds become available. He said that most of the meeting had been spent discussing a letter from the Environmental Protection Agency (EPA) regarding potential impact on the Transportation Improvement Plan (TIP). **Mr. Cleworth** stated that surface transportation only makes up 3% of the total Particulate matter that the EPA is concerned with, noting that woodsmoke is the biggest contributor, but they had the potential to shut down the TIP projects. **Mr. Cleworth** added that the chair of FAST-Planning, Jackson Fox, was directed to acquire letters in response to the EPA letter.

### **WRITTEN COMMUNICATIONS TO THE CITY COUNCIL**

- a) Clay Street Cemetery Commission Meeting Minutes of November 2, 2022

ACCEPTED on the CONSENT AGENDA.

- b) Fairbanks Diversity Council Meeting Minutes of December 13, 2022

ACCEPTED on the CONSENT AGENDA.

- c) Discretionary Fund Committee Meeting Minutes of December 15, 2022

ACCEPTED on the CONSENT AGENDA.

### **COUNCIL MEMBERS' COMMENTS**

**Ms. Tidwell** did not have any comments.

**Mr. Cleworth** thanked COS Sanders for providing the AFL-CIO proposed contract that included the changes, adding that he likes to be able to compare changes throughout the years and offered to make copies for any other Council members who might be interested. He spoke to Resolution No. 5037, asking that it be placed on the Finance Committee Agenda so that the Council could discuss the recommendations and propose any changes. **Mr. Cleworth** stated that the application for the SAFER grant had been approved on the Consent Agenda and clarified that the Council would have to approve the acceptance of any awarded funds.

**Ms. Rogers** recognized the useful information provided by the City Clerk's quarterly report, noting that many valuable changes to policies and code have been made based on previous reports.

**Ms. Sprinkle** spoke to an incident involving multiple police officers in her neighborhood over the weekend. She highly praised the officers for their promptness and efficiency in dealing with the issue while maintaining everyone's safety. She went on to reference minutes from the Clay Street Cemetery Commission, asking for clarification on the discussion regarding property acquisition. **Mayor Pruhs** stated that the property, if acquired, would be owned by the City and therefore decisions regarding its use would be made by the City Council, not the Cemetery Commission.

**Mr. Cleworth** noted that the property has had water service cut off, but a neighboring resident has reported that people are still living there. **Mayor Pruhs** indicated that City Attorney Paul Ewers

could provide an update on the property and **Mr. Cleworth** referenced previous protocol that required the posting of notices.

**Ms. Sprinkle** shared that she had spoken with Building Official Clem Clooten, who stated it would take about two weeks for him to condemn the structure. She went on to state that if the condemnation of the home was not going to keep people from living in it, something more would need to be done, adding that the property in question had compounded the issues that had occurred Saturday.

**Ms. Rogers** referred to an email that Building Official Clooten had provided the Council.

**Mr. Ringstad** spoke to the air quality issues that were repeatedly reported by the EPA, adding that it could end up costing the community vast amounts of money. He added his hope that letters from FAST-Planning would help direct the EPA in a less foolish manner.

### **CITY ATTORNEY'S REPORT**

City Attorney Ewers advised that Building Official Clem Clooten would be better equipped to provide and update to the Council regarding the property at 109 5th Avenue.

**Mayor Pruhs** stated that the title report had been returned and they were working with the owners regarding the transfer of property, noting that the process was moving forward.

**Ms. Sprinkle** asked what the City could do to ensure it continued to move in a timely fashion and CA Ewers stated that it wasn't something that could be forced, noting that they were currently waiting for the owners to sign the property over to the City.

**Mr. Cleworth** referenced a similar situation in the past, noting that there are ways to ensure that vagrants stay out of the building, noting that FPD had been used in the past.

**Mayor Pruhs** stated that the process is moving as quickly as it can, noting that once the City has ownership, they can move forward with the abatement process.

### **ADJOURNMENT**

**Mr. Ringstad**, seconded by **Ms. Tidwell**, moved to ADJOURN the meeting.

**Mayor Pruhs** called for objection and, hearing none, so ORDERED.

**Mayor Pruhs** declared the meeting adjourned at 7:25 p.m.

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DAVID PRUHS, MAYOR

ATTEST:

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D. DANYIELLE SNIDER, MMC, CITY CLERK

Transcribed by: RR

DRAFT



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, FEBRUARY 13, 2023  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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The City Council convened at 6:30 p.m. on the above date, following a 5:30 p.m. Work Session for the City Attorney Applicant Interview, to conduct a Regular Meeting of the Fairbanks City Council via Zoom webinar and at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor David Pruhs presiding and with the following Council Members in attendance:

Council Members Present: Jerry Cleworth, Seat A  
June Rogers, Seat B  
Sue Sprinkle, Seat C  
Crystal Tidwell, Seat D (remotely)  
Lonny Marney, Seat E  
John Ringstad, Seat F (*Joined remotely at 7:03 p.m.*)

Absent: None

Also Present: Margarita Bell, Chief Financial Officer (remotely)  
D. Danyielle Snider, City Clerk  
Paul Ewers, City Attorney  
Michael Sanders, Chief of Staff  
Kristi Merideth, FECC Manager (remotely)  
Ron Dupee, Police Chief  
Rick Sweet, Deputy Police Chief (remotely)  
Thomas Chard, Deputy City Attorney  
Scott Raygor, Fire Chief  
Andrew Coccaro, Assistant Fire Chief  
Clem Clooten, Building Official (remotely)  
Teal Soden, FPD Community Outreach Specialist  
Brynn Butler, Housing Coordinator

### **INVOCATION**

The Invocation was given by City Clerk Danyielle Snider.

### **FLAG SALUTATION**

At the request of **Mayor Pruhs, Ms. Sprinkle** lead the Flag Salutation.

### **CITIZENS' COMMENTS**

Kasey Gillam, Explore Fairbanks Director of Communications – K. Gillam explained her role at Explore Fairbanks as the primary advertising coordinator. She shared their newest endeavor into streaming advertising and the extra data they can obtain by participating in digital advertising. She thanked the City Council for their support and partnership.

**Ms. Rogers** asked about her history with the Fairbanks area and **K. Gillam** explained that her family had a long history in Fairbanks, noting that her grandfather had been a former Mayor for the City of Fairbanks.

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

### **APPROVAL OF AGENDA AND CONSENT AGENDA**

**Ms. Sprinkle**, seconded by **Mr. Marney**, moved to APPROVE the Agenda and Consent Agenda.

**Ms. Sprinkle** pulled items 12(c), Resolution No. 5049, and 12(f), Ordinance No. 6236, from the Consent Agenda.

**Mayor Pruhs** called for objection to the APPROVAL of the Agenda, as Amended and, hearing none, so ORDERED.

City Clerk Snider read the Consent Agenda into the record.

### **SPECIAL ORDERS**

- a) The Fairbanks City Council heard interested citizens concerned with the following Liquor License Application for Renewal:

Lic. #	DBA	License Type	Licensee	Address
5736	SOBA LLC	Restaurant/Eating Place	SOBA LLC	353 2nd Avenue, Suite 106

**Ms. Sprinkle**, seconded by **Mr. Marney**, moved to WAIVE PROTEST on the Liquor License Application for Renewal.

**Mayor Pruhs** called for testimony and hearing none, declared Public Testimony closed.

**Ms. Rogers** thanked the department heads for providing reports for the Special Orders.

**Ms. Sprinkle** had a question about one of the calls listed as "threat bravo."

City Clerk Danyielle Snider informed the Council of the incorrect address listed on the Agenda, adding that it should read 535 2nd Avenue and deferred to the Fairbanks Emergency Communications Center (FECC) Manager, Kristi Meredith to answer Ms. Sprinkle's question.

FECC Manager Meredith stated that "threat bravo," is used when any small threat is made against another person, clarifying that the location does not mean that it happened at the business.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE LIQUOR LICENSE APPLICATIONS FOR RENEWAL, AS FOLLOWS:

YEAS: Marney, Cleworth, Sprinkle, Rogers, Tidwell

NAYS: None

ABSENT: Ringstad

**Mayor Pruhs** declared the MOTION CARRIED.

### **MAYOR'S COMMENTS AND REPORT**

a) Special Reports: Fairbanks Police Department Community Outreach Specialist, Teal Soden.

T. Soden spoke to the use of social media in recruiting and shared some of the successes they have had using the various social media platforms. She shared the recent recruitment video that had been released, stating that it is geared towards lateral hires and transfers. She went on to discuss past and upcoming education and outreach opportunities. She noted that the current staffing levels have made it difficult for officers to participate in the outreach programs and that it is much appreciated when City Officials and other departments help. T. Soden spoke to the Arbinger philosophy of adopting an outward mindset and the efforts to provide training to all City employees and community partners. She shared that Paul Butler would be coming to Fairbanks to teach courses on leadership and teamwork, adding that the sessions would be provided to the FPD staff and then opened to the public.

**Mr. Cleworth** acknowledged the work that went into making the recruitment video, noting that it had turned out very well. He asked T. Soden if she had been involved with the officer highlights being published in the Daily News-Miner and T. Soden stated that the paper has been great to work with, sometimes catching stories simply by following the City and FPD social media and website.

**Ms. Sprinkle** noted the many beautiful scenery shots of the Fairbanks area in the recruitment video and recognized the teamwork between the City and Explore Fairbanks. T. Soden stated that Explore Fairbanks was very helpful in providing clips and other resources for the video.

**Mayor Pruhs** thanked T. Soden for her presentation.

### **COUNCIL MEMBERS' COMMENTS**

**Mr. Cleworth** did not have any comments.

**Ms. Tidwell** had no comments at this time.

**Ms. Rogers** reserved her comments.

**Mr. Marney** recognized the work done by T. Soden in creating the newest recruitment video adding that it was wonderfully done.

**Ms. Sprinkle** shared that she had attended the Arbinger classes provided by FPD, adding that it was valuable training and highly recommended it.

### **UNFINISHED BUSINESS**

- a) Resolution No. 5037 – A Resolution Adopting a City of Fairbanks Diversity Action Plan. Introduced by Mayor Pruhs. POSTPONED from the Regular Meeting of January 23, 2023.

*The motion to ADOPT Resolution No. 5037 was made by Mr. Ringstad, and seconded by Ms. Sprinkle at the November 14, 2022, Regular Meeting and remained on the floor.*

**Mr. Cleworth** thanked the staff who took time to go through the document and make recommendations.

**Mr. Cleworth**, seconded by **Ms. Sprinkle**, moved to AMEND Resolution No. 5037 by substituting the amended attachment.

**Ms. Sprinkle** expressed concerns regarding the lack of a measurement component within the plan. She added that while the plan was not perfect, she did feel it was a good place to start and asked about any monetary costs associated with the Diversity Action Plan (DAP).

**Mayor Pruhs** explained that the Fairbanks Diversity Council (FDC) did not have an operating budget and that any training they recommended could be paid for from the Mayor's contingency fund. He added that he would make the Council aware of any expenses incurred on behalf of the of the FDC. He spoke to her concerns regarding a way to measure success, adding that he would work with the Human Resources Director to come up with a matrix. **Mayor Pruhs** noted that City staff had been taking part in employee engagement surveys and have ranked the City an eight out of ten for satisfaction.

**Mayor Pruhs** called for objection to the amendment and, hearing none, so ORDERED.

**Mr. Cleworth** agreed with Mayor Pruhs, stating that HR would likely be the first to hear about things that are working well or not at all, adding that the HR Director was very involved with the FDC and aware of their role as advisory only.

**Ms. Rogers** shared that she has been involved with the FDC since it began, adding that the group provides a community voice to the City.

**Mayor Pruhs** spoke to the various ways the City works to reach out to different organizations on a regular basis.

**Ms. Rogers** felt that the DAP format may be problematic.

**Mr. Marney** stated that he believed in merit-based hiring processes.



**Ms. Tidwell** did not understand the need for the DAP given that there was not any data to compare or evaluate the goals presented within the plan.

**Mayor Pruhs** reminded the Council that this is a required item for the FDC to provide the Council.

**Mr. Ringstad** stated that he still did not understand the need for the DAP but would not oppose the resolution.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT RESOLUTION NO. 5037, AS AMENDED, AS FOLLOWS:

YEAS: Sprinkle, Ringstad, Rogers, Cleworth

NAYS: Tidwell, Marney

**Mayor Pruhs** declared the MOTION CARRIED and Resolution No. 5037, as Amended, APPROVED.

- b) Ordinance No. 6231, as Amended – An Ordinance Authorizing the City of Fairbanks to Apply for Funds from the United States Department of Transportation for the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Discretionary Grant Program and Amending the 2023 Capital Budget. Introduced by Mayor Pruhs. SECOND READING AND PUBLIC HEARING.

**Mr. Marney**, seconded by **Ms. Sprinkle**, moved to ADOPT Ordinance No. 6231, as Amended.

**Mr. Cleworth**, seconded by **Ms. Sprinkle**, moved to AMEND Ordinance No. 6231, as Amended, by substituting the amended, proposed version of Ordinance No. 6231.

**Mayor Pruhs** called for objection and, hearing none, so ORDERED.

**Mayor Pruhs** called for testimony and, hearing none, declared Public Testimony closed.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 6231, AS AMENDED, AS FOLLOWS:

YEAS: Tidwell, Cleworth, Marney, Ringstad, Sprinkle, Rogers

NAYS: None

**Mayor Pruhs** declared the MOTION CARRIED and Ordinance No. 6231, As Amended, ADOPTED.

- c) Ordinance No. 6232 – An Ordinance Authorizing the City of Fairbanks to Apply for Funds from the United States Department of Homeland Security for the FFY2022 Assistance to Firefighters Grant (AFG) and Amending the 2023 Capital Budget. Introduced by Mayor Pruhs. SECOND READING AND PUBLIC HEARING.

**Ms. Sprinkle**, seconded by **Mr. Marney**, moved to ADOPT Ordinance No. 6232.

**Mayor Pruhs** called for testimony and, hearing none, declared Public Testimony closed.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 6232, AS FOLLOWS:

YEAS: Ringstad, Tidwell, Rogers, Sprinkle, Marney, Cleworth

NAYS: None

**Mayor Pruhs** declared the MOTION CARRIED and Ordinance No. 6232, ADOPTED.

- d) Ordinance No. 6233 – An Ordinance Ratifying a Collective Bargaining Agreement Between the City of Fairbanks and the AFL-CIO Crafts Council and Amending the 2023 Operating Budget. Introduced by Mayor Pruhs. SECOND READING AND PUBLIC HEARING.

**Mr. Cleworth**, seconded by **Ms. Sprinkle**, moved to ADOPT Ordinance No. 6233.

**Mayor Pruhs** called for testimony.

Lake Williams, Fairbanks – L. Williams referenced a previous conversation that occurred at a Finance Meeting regarding the effective date of the ordinance. He stated that by changing the effective date to February 1, 2023, operators would see an increase of about \$82.30 over the nine-day period but clarified that he did not intend delay approval of the contract by making that request. He added that the previous contract had left the operators without any increases in pay for over two years.

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

**Ms. Tidwell** declared a conflict of interest.

**Mr. Ringstad** asked for clarification on the process of approving the contract and if making the pay retroactive would cause a delay.

Chief of Staff Sanders stated that the effective date for Ordinance No. 6233 is February 16, 2023, adding that previous direction from the Council had indicated that there would not be any retroactive pay.

City Attorney Paul Ewers clarified that the Council's role is to either adopt or fail the ordinance by a vote. He added that any changes would have to go through the negotiating team for the other party's approval and could result in additional delays.

**Ms. Sprinkle** spoke against delaying the ordinance.

**Mr. Cleworth** spoke to L. William's comment about operators not receiving pay raises for three years, adding that the previous contract had been negotiated so that the pay increases were front-loaded in the beginning of the contract. He added that this complaint is why he is against front-loading contract increases and recommended that the Council adopt the ordinance as presented.

**Ms. Rogers** thanked L. Williams for coming before the Council and appreciated his desire to do his best for the people he represented.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 6233, AS FOLLOWS:

YEAS: Sprinkle, Rogers, Cleworth, Marney, Ringstad  
NAYS: None  
ABSTAIN: Tidwell  
**Mayor Pruhs** declared the MOTION CARRIED and Ordinance No. 6233, ADOPTED.

### **NEW BUSINESS**

- a) Resolution No. 5047 – A Resolution Designating Signing Authority for Custodial Services with U.S. Bank National Association. Introduced by Mayor Pruhs.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 5048 – A Resolution Authorizing the City of Fairbanks to Participate in the Alaska High-Intensity Drug Trafficking Areas (HIDTA) Overtime Reimbursement Program. Introduced by Mayor Pruhs.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 5049 – A Resolution Authorizing the City of Fairbanks to Apply for Funds through the Congestion Mitigation and Air Quality (CMAQ) and Carbon Reduction Program (CRP). Introduced by Mayor Pruhs.

**Ms. Sprinkle**, seconded by **Mr. Cleworth**, moved to APPROVE Resolution No. 5049.

**Ms. Sprinkle** felt disappointment that the City was not able to take better advantage of this program, adding that she thought there were other offerings available that were not mentioned in the resolution.

**Mr. Cleworth** spoke to Ms. Sprinkle’s concerns, stating that FAST-Planning had looked at the Transportation Improvement Plan (TIP) and projects that would qualify for the CMAQ funding, noting that some of those funds had just come available in the last month or so. He went on to commend the Public Works department for preparing this as quickly as they did. **Mr. Cleworth** stated that he had made sure that the Fast-Planning Chair was aware of this resolution, adding that all the local governments are scrambling to find ways to spend these funds.

**Ms. Sprinkle** had heard about opportunities to switch out diesel powered garbage trucks with those that run on gasoline, adding that it could have a big impact on the air quality issues they are facing. She clarified that she appreciated what Public Works had come up with.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 5049, AS FOLLOWS:

YEAS: Marney, Cleworth, Ringstad, Tidwell, Rogers, Sprinkle  
NAYS: None  
**Mayor Pruhs** declared the MOTION CARRIED and Resolution No. 6049, APPROVED.

- d) Ordinance No. 6234 – An Ordinance Amending the 2023 Operating and Capital Budgets for the First Time. Introduced by Mayor Pruhs.

ADVANCED on the CONSENT AGENDA.

- e) Ordinance No. 6235 – An Ordinance Amending Fairbanks General Code Chapter 2, Article II, Section 2-118 Work Sessions and Council Committees and Section 2-118.1 Council Finance Committee. Introduced by Council Member Cleworth.

ADVANCED on the CONSENT AGENDA.

- f) Ordinance No. 6236 – An Ordinance Amending Fairbanks General Code Chapter 54 Procurement. Introduced by Mayor Pruhs.

**Mr. Cleworth**, seconded by **Mr. Marney**, moved to ADVANCE Ordinance No. 6236.

**Ms. Sprinkle** asked about the multiple changes in Section 54-287(a).

CA Ewers stated that the chapter on procurement had not been updated in quite sometime, and there were many areas that needed cleaned up to bring consistency and better understanding. He was hopeful that the clean versions would be easier to comprehend and follow going forward.

**Mr. Cleworth** stated that there were many instances where changing words to “may,” instead of “shall,” left the interpreter the ability to chose to do something or not, when perhaps it should be clearer.

CA Ewers stated that he had tried to clean up the misused instances of “shall” throughout the code, adding that using “shall,” required that an actor and action be named. He invited Mr. Cleworth to provide him with instances where he felt the word “shall” could be better used, adding that he would look at those recommendations prior to the second reading of the ordinance.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 6236, AS FOLLOWS:

YEAS: Rogers, Marney, Sprinkle, Ringstad, Tidwell, Cleworth  
NAYS: None  
**Mayor Pruhs** declared the MOTION CARRIED and Ordinance No. 6236, ADVANCED.

## **DISCUSSION ITEMS (INFORMATION AND REPORTS)**

### a) Committee Reports

**Mr. Ringstad** did not have anything to report.

**Ms. Tidwell** had attended the Highway Corridor Study Advisory Committee regarding the proposed Kinross ore hauling plan at the Carlson Center. She stated that there were more people present to talk than the original agenda allotted time for, however, they had allowed every one the opportunity to speak. She went on to state that the first phase of the study was to look at effects in the 5-to-10-year range before looking at longer term effects over 25 years. **Ms. Tidwell** stated that there was discussion on how to engage more people as well as how often and where they should be meeting. She had also attended the Fairbanks Economic Development Corps (FEDC) meeting, adding that they were accepting applications to attend the Interior Business Accelerator program through March 5, 2023.

**Mr. Marney** had no comments.

**Ms. Sprinkle** shared that the Polaris Working Group had been meeting weekly and talking to nearby property owners regarding safety, security, parking, etc. She added that they were waiting for approval from the State Historic Preservation Office (SHPO).

**Ms. Rogers** shared that she had attended the Opioid Task Force meeting where they talk about various drugs that are infiltrating the community. She complimented Brynn Butler on her work as the Housing and Homeless Coordinator.

**Mr. Cleworth** would be attending the FAST-Planning meeting later in the week.

**Mayor Pruhs** shared that the Polaris Working Group had met with Senator Murkowski's staff, noting that they were waiting for ratification of their agreement with the Environmental Protection Agency (EPA) and SHPO. He noted that he will be appointing two members to the Historic Preservation Committee and asked that if anyone was interested to contact him.

## **WRITTEN COMMUNICATIONS TO THE CITY COUNCIL**

### a) Permanent Fund Review Board Meeting Minutes of October 18, 2022

ACCEPTED on the CONSENT AGENDA.

### b) Clay Street Cemetery Commission Meeting Minutes of January 4, 2023

ACCEPTED on the CONSENT AGENDA.

## **COUNCIL MEMBERS' COMMENTS**

**Ms. Rogers** did not have any further comments.

**Mr. Cleworth** had attended the FSNB Assembly meeting where Ordinance No. 2022-46 passed with a 8-1 vote, reminding the Council that they had spoke against this ordinance when it had been originally introduced. He was disappointed at the Assembly’s decision to limit City and School Board participation at the Assembly meetings, noting that the public now had more authority in the meetings than the City representatives did. **Mr. Cleworth** stated that he did not see a point in attending their meetings and suggested that a written report be provided instead.

**Ms. Sprinkle** shared her appreciation for the way the City Council conducts their meetings and asked if the Assembly had engaged with City representatives in the past. **Mr. Cleworth** stated that he has provided reports but has not received much feedback or interaction from them for many years.

**Mr. Ringstad** apologized for not attending the Work Session earlier, noting that there had been several flight delays. He asked if there would be an Executive Session and **Mayor Pruhs** stated there would be. **Mr. Ringstad** went on to express his disappointment with the FNSB decision to limit interactions with the City.

**Mr. Marney** felt that the FNSB Assembly did not respect the City Council, adding that the two entities could work better together. He did not feel his attendance as a City representative had been of importance to the Assembly.

**Ms. Tidwell** agreed that the Assembly did not seem to appreciate or value the reports provided by the City, stating that she has been asked to keep her reports extremely short at times. She commented on the recruitment video presented by T. Soden and shared excitement to seeing its impact.

**Mr. Cleworth** shared that former Mayor Matherly had often invited Brittany Smart from the FNSB to speak at Council meetings, adding that he has requested the FNSB Chief of Staff about continuing that practice.

**Ms. Rogers** noted that outside organizations such as the FNSB Mayor’s office or Explore Fairbanks should not be held to 3-minutes during Citizens Comments, noting that the reports often bring value to the Council.

### **CITY CLERK’S REPORT**

City Clerk D. Snider asked for direction from the Council regarding City Council attendance at the Assembly meetings.

**Mr. Cleworth** stated that he would like to discuss the topic further with a work session but in the meantime, he would fulfill his obligation to attend the next couple of meetings.

City Clerk Snider stated that outside organizations such as Explore Fairbanks can provide their reports during the Mayor’s comments under Special Reports, which had been added for that specific purpose. She added that most representatives have chosen to limit themselves to three minutes rather than wait until Special Reports would be heard.

**Ms. Sprinkle**, seconded by **Mr. Marney**, moved to ENTER Executive Session to discuss the Characteristics/Qualifications of City Attorney Applicant and Possible Compensation Negotiations.

**Mayor Pruhs** called for objection and, hearing none, so ORDERED.

**Mayor Pruhs** called for a brief recess. The Council reconvened in Executive Session following the brief recess.

**EXECUTIVE SESSION**

- a) Discussion of Characteristics/Qualifications of City Attorney Applicant and Possible Compensation Negotiations.

The City Council met in Executive Session to discuss the Characteristics/Qualifications of City Attorney Applicant and Possible Compensation Negotiations. Direction was given to the staff and no action was taken.

**ADJOURNMENT**

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

**Mayor Pruhs** called for objection and, hearing none, so ORDERED.

**Mayor Pruhs** declared the meeting adjourned at 8:37 p.m.

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DAVID PRUHS, MAYOR

ATTEST:

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D. DANYIELLE SNIDER, MMC, CITY CLERK

Transcribed by: RR



800 Cushman Street  
Fairbanks, AK 99701

Telephone (907)459-6702  
Fax (907)459-6710

## MEMORANDUM

TO: Mayor Pruhs and City Council Members

FROM: D. Danyielle Snider, City Clerk 

SUBJECT: Liquor License Renewals

DATE: February 22, 2023

Notice has been received from the State Alcohol & Marijuana Control Office (AMCO) for the following liquor license renewals:

Lic. #	DBA	License Type	Licensee	Address
5877	Lat 65 Brewing Company	Brewery	Latitude 65 Brewing Company, LLC	150 Eagle Avenue
5878	Lat 65 Ciderhouse	Winery	Latitude 65 Brewing Company, LLC	150 Eagle Avenue

Pursuant to FGC Sec. 14-178 the Council must determine whether to protest liquor license renewal applications after holding a public hearing.

The Police Department has included a call report for the above-listed location, but **there are no department-recommended protests** for these liquor license renewal applications.



# CITY OF FAIRBANKS PUBLIC SAFETY

## Event List with Report Numbers

Lat 65

Report #	Call Time	Nature	Location	Prime Unit	Disp.	Close Time
	01/27/2023 17:58	PARKING COMPLAINT	150 EAGLE AVE	O16	NRP	01/27/2023 22:59:07
	12/27/2022 20:53	TRAF HAZ/VEH/COND	150 EAGLE AVE		CBO	12/27/2022 21:16:22
	09/25/2022 16:34	SUSPICIOUS PERSON	150 EAGLE AVE	O8	NRP	09/25/2022 17:09:31
	09/18/2022 09:11	ALARM BURGLARY -	150 EAGLE AVE	O50	FAB	09/18/2022 09:28:23
	09/05/2022 07:10	ALARM BURGLARY -	150 EAGLE AVE	O42	FAN	09/05/2022 07:36:54
	08/11/2022 06:32	ALARM BURGLARY -	150 EAGLE AVE	O27	FAB	08/11/2022 06:49:21
	05/20/2022 00:30	SUSP	150 EAGLE AVE	S5	NRP	05/20/2022 00:53:27
22001762	05/05/2022 02:32	SUPPLEMENTAL-	150 EAGLE AVE	O55	RPT	05/05/2022 19:30:21
	04/18/2022 19:39	DAMAGE/VANDALISM	150 EAGLE AVE	DESK	NRP	04/18/2022 19:52:04
	02/11/2022 16:12	PAST HIT & RUN -	150 EAGLE AVE	S5	NRP	02/11/2022 19:08:32

Total Number of Events Listed: **10**


# MEMORANDUM

City of Fairbanks Clerk's Office

D. Danyielle Snider, City Clerk

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TO: Mayor David Pruhs and City Council Members

FROM: D. Danyielle Snider, MMC, City Clerk 

SUBJECT: Application for Liquor License Transfer – Ownership, Location, Name Change, and Restaurant Designation Permit

DATE: February 22, 2023

---

An application has been received by the State Alcohol and Marijuana Control Office (AMCO) for transfer of ownership, location, name change, and Restaurant Designation Permit for the following liquor license applicant:

License Type: Beverage Dispensary, License #**4530**  
DBA: **Blue Flame Bar and Grill**  
Licensee/Applicant: Midnight Sun Catering Services, LLC  
Physical Location: 95 10th Avenue, Fairbanks AK

From (DBA/Owner): The Event Center & Lounge / Pacific Rim Associates 1, LLC  
Location: 1288 Sadler Way, Fairbanks

Corp/LLC Agent:	Address	Phone	Date/State of Incorporation	Good standing?
Midnight Sun Catering Services, LLC Elena Sudduth	3758 Mitchell Avenue Fairbanks, AK 99701	907-750-7882	08/18/21 – AK	Yes

Entity Ownership:	Address	Phone	Title/Shares (%)
Elena Sudduth	3758 Mitchell Avenue Fairbanks, AK 99701	907-750-7882	Manager/Member – 100%

Pursuant to FGC Sec. 14-178, the Council must determine whether to protest the liquor license action after holding a public hearing.

The Fairbanks Police Department has included a call report for the new location (see attached), but there are **no departmental objections** to the transfer of this liquor license.

# CITY OF FAIRBANKS PUBLIC SAFETY

## Event List with Report Numbers

Midnight Sun Catering Services, LLC

Report #	Call Time	Nature	Location	Prime Unit	Disp.	Close Time
23000306	01/21/2023 08:31	PAST THEFT - BRAVO	95 TENTH AVE	O28	RPT	01/21/2023 10:34:09
23000163	01/11/2023 21:27	DAMAGE/VANDALISM	95 TENTH AVE	O10	RPT	01/11/2023 22:17:24
22005051	12/22/2022 02:45	ASSAULT CHARLIE -	95 TENTH AVE	L3	RPT	12/22/2022 03:47:22
	12/21/2022 22:53	SUSPICIOUS PERSON	95 TENTH AVE	O16	NRP	12/21/2022 23:19:28
	12/18/2022 20:19	TRESPASS/UNWANTE	95 TENTH AVE	O10	NRP	12/18/2022 20:35:35
22004888	12/09/2022 21:02	SUPPLEMENTAL-	95 TENTH AVE	O5	RPT	12/09/2022 21:26:51
	11/17/2022 01:08	PD PROQA	95 TENTH AVE		CALL	11/17/2022 01:10:18
	11/15/2022 11:36	TRESPASS/UNWANTE	95 TENTH AVE	O13	NRP	11/15/2022 12:02:58
22004250	11/11/2022 11:17	TRESPASS/UNWANTE	95 TENTH AVE	O13	NRP	11/11/2022 14:04:50
	10/22/2022 20:54	TRESPASS/UNWANTE	95 TENTH AVE	O20	RPT	10/22/2022 21:49:36
	10/20/2022 10:58	TRESPASS/UNWANTE	95 TENTH AVE	O7	NRP	10/20/2022 11:11:10
22004112	10/10/2022 07:48	THEFT OR VEH	95 TENTH AVE	O50	RPT	10/10/2022 08:38:55
22004053	10/05/2022 11:08	PAST THEFT - BRAVO	95 TENTH AVE	DESK	RPT	10/05/2022 12:03:51
	09/18/2022 04:08	TRESPASS/UNWANTE	95 TENTH AVE	O6	NRP	09/18/2022 04:45:47
	09/17/2022 21:04	DISTURBANCE	95 TENTH AVE	O6	NRP	09/17/2022 21:23:16
	09/06/2022 04:29	TRESPASS/UNWANTE	95 TENTH AVE	O16	NRP	09/06/2022 04:41:17
	07/07/2022 00:46	TRESPASS/UNWANTE	95 TENTH AVE	O34	NRP	07/07/2022 01:06:13
	05/19/2022 23:10	TRESPASS/UNWANTE	95 TENTH AVE	O27	NRP	05/19/2022 23:32:55
	03/31/2022 11:58	TRESPASS/UNWANTE	95 TENTH AVE	O34	NRP	03/31/2022 12:22:46
	03/21/2022 19:29	DVPO SERVICE	95 TENTH AVE	O26	NRP	03/29/2022 13:46:40
22000628	03/07/2022 18:33	DVPO SERVICE	95 TENTH AVE	O8	NRP	03/08/2022 11:15:16
	02/28/2022 21:24	DISTURBANCE	95 TENTH AVE	O17	NRP	02/28/2022 21:47:44
	02/15/2022 14:24	DISTURBANCE	95 TENTH AVE	O20	RPT	02/15/2022 15:41:35
22000456	02/02/2022 14:01	CIVIL PROBLEM	95 TENTH AVE	S5	NRP	02/02/2022 15:12:51
	02/02/2022 11:52	TRESPASS/UNWANTE	95 TENTH AVE	O26	RPT	02/02/2022 15:17:01

Total Number of Events Listed: **25**

# MEMORANDUM

City of Fairbanks Clerk's Office

D. Danyielle Snider, City Clerk

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TO: Mayor David Pruhs and City Council Members  
FROM: D. Danyielle Snider, MMC, City Clerk  
SUBJECT: Application for Marijuana License Transfer – Controlling Interest Only  
DATE: February 22, 2023

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An application has been received by the State Alcohol and Marijuana Control Office (AMCO) for transfer of controlling interest for the following marijuana license:

License Type: Retail Marijuana Store, License #30593  
DBA: **Pipe and Leaf: Premium Alaskan Cannabis**  
Licensee/Applicant: Pipe and Leaf, LLC  
Physical Location: 899 Old Steese Highway, Fairbanks AK

Corp/LLC Agent:	Address	Date/State of Ltd Partner/Corp	Good standing?
Pipe and Leaf, LLC	1244 Viewpointe Drive Fairbanks, AK 99709	04/23/2019 – AK	Yes

Member/Officer/Director:	Address	Phone	Title/Shares (%)
John Paul Hoff	1866 Fern Street Fairbanks, AK 99709	907-744-2502	Member/Manager 100%

**NOTE:** This is a transfer of controlling interest only. The transfer involves a change in ownership percentage from Haley Essig (100%) to John Paul Hoff (100%).

Pursuant to FGC Sec. 14-215(a), the Council must determine whether to protest the marijuana license action after holding a public hearing. The City Clerk has complied with the advertising requirement set forth in FGC Sec. 14-214(c)(1).

**There are no department-recommended protests** to the transfer of this marijuana license.



**Alaska Marijuana Control Board  
Marijuana Establishment  
Form MJ-17c: License Transfer Application**

Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
Phone: 907.269.0350

**What is this form?**

This form must be used to initiate a transfer of ownership of a marijuana establishment license under 3 AAC 306.045. This transfer application must be completed and submitted to AMCO's main office, along with all necessary supplemental documents and fees listed in **Form MJ-17b: License Transfer Application Checklist**, before a transfer of ownership, including a change that affects the controlling interest of an entity, will be considered by the Marijuana Control Board.

Please note that licensees seeking to change controlling interest of an entity that owns multiple licenses must submit a separate completed copy of this form and the required supplemental documents and fees for each license.

**Section 1 – Transferor Information**

Enter information for the **current** licensee and licensed establishment.

Licensee:	Pipe and Leaf, LLC	License Number:	30593		
License Type:	Retail Marijuana Store				
Doing Business As:	Pipe and Leaf: Premium Alaskan Cannabis				
Premises Address:	899 Old Steese Highway				
City:	Fairbanks	State:	Alaska	ZIP:	99709
Email:	connect@akpipeandleaf.com				
Local Government:	City of Fairbanks/Fairbanks North Star Borough				

- Regular ownership transfer       Transfer of controlling interest in the licensed entity

**Section 2 – Transferee Information**

Enter information for the **new** applicant seeking to be licensed. The business license # should be issued for the DBA listed below, and held by the transferee.

Licensee:	Pipe and Leaf, LLC	Alaska Entity #	10104595		
Mailing Address:	1244 Viewpointe Drive				
City:	Fairbanks	State:	AK	ZIP:	99709
Doing Business As:	Pipe and Leaf: Premium Alaskan Cannabis				
Business License #:	2086134	Business Phone:	907.328.7747		
Designated Licensee:	John Paul Hoff				
Contact Email:	jp@akpipeandleaf.com	Phone #	907.744.2502		



# Form MJ-17c: License Transfer Application

## Section 3 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 4. If any entity official is another entity, you must include the AK Entity # of that entity in the Entity Official Name field, attach a separate completed copy of this page that breaks down the ownership information for that entity, and submit the supplemental documents and fingerprint fees listed on Form MJ-17b required for each individual entity official. Entity documents must be submitted for each entity listed on this form.

If more space is needed, please attach additional completed copies of this page.

- If the applicant is a **corporation**, list each *officer or director, and owner of any of the corporation's stock*.
- If the applicant is a **limited liability company**, list each *member holding any ownership interest and each manager*.
- If the applicant is a **partnership or limited partnership**, list each *partner holding any interest and each general partner*.

Entity Official Name:	John Paul Hoff				
Title(s):	Manager/Member	Phone:	907.744.2502	% Owned:	100
Email:	jp@akpipeandleaf.com				
Mailing Address:	1866 Fern St.				
City:	Fairbanks	State:	AK	ZIP:	99709
Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	
Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	
Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	
Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	



# Form MJ-17c: License Transfer Application

## Section 4 – Other Licenses

Ownership and financial interest in other marijuana establishments:

Yes No

Does any representative or owner named as a transferee in this application have any direct or indirect financial interest in any other marijuana establishment that is licensed in Alaska?

If "Yes", disclose which individual(s) has the financial interest, which license number(s), and license type(s):

12488-cultivation  
17250-retail store

## Section 5 – Authorization

Communication with AMCO staff:

Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

If "Yes", disclose the name of the individual and the reason for this authorization:

JDW Counsel, Attorney Jana Weltzin and staff

## Section 6 – Transferee Certifications

Read the line below, and then sign your initials in the box to the right of the statement:

Initials

I certify that all proposed licensees (as defined in 3 AAC 306.020) have been listed on this application.

Completed copies of all required documents and fees listed on Form MJ-17b are attached to this form.

I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

I agree to provide all information required by the Marijuana Control Board in support of this application.

As an applicant for a marijuana establishment license, I declare, under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of transferee

John Paul Hoff

Printed name of transferee



*Cindy Zeller*

Notary Public in and for the State of Alaska.

My commission expires: 4-18-23

Subscribed and sworn to before me this 22 day of April, 2022

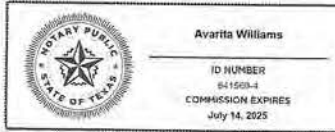


# Form MJ-17c: License Transfer Application

## Section 7 – Transferor Certifications

Additional copies of this page may be attached, as needed, for the controlling interest of the current licensee to be represented.

I declare under penalty of unsworn falsification that the undersigned represents a **controlling interest** of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) approve of the transfer of this license, and that the information on this form is true, correct, and complete.



State of Texas  
County of Harris

Haley Essig  
Signature of transferor

Avarita Williams Avarita Williams  
Notary Public in and for the State of ~~Alaska~~ Texas

Haley Essig  
Printed name of transferor

My commission expires: 07/14/2025  
Commission #: 641569-4

Subscribed and sworn to before me this 22nd day of April, 2022.

Notarized online using audio-video communication

\_\_\_\_\_  
Signature of transferor

\_\_\_\_\_  
Notary Public in and for the State of Alaska.

\_\_\_\_\_  
Printed name of transferor

My commission expires: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of transferor

\_\_\_\_\_  
Notary Public in and for the State of Alaska.

\_\_\_\_\_  
Printed name of transferor

My commission expires: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.



**ORDINANCE NO. 6234**

**AN ORDINANCE AMENDING THE 2023 OPERATING  
AND CAPITAL BUDGETS FOR THE FIRST TIME**

**WHEREAS**, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2023 operating and capital budget.

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows** [amendments shown in **bold** font; deleted text in ~~font~~]:

**SECTION 1.** There is hereby appropriated to the 2023 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, 2023 and ending December 31, 2023 (see pages 2 and 3):

## GENERAL FUND

<u>REVENUE</u>	APPROVED COUNCIL APPROPRIATION	INCREASE (DECREASE)	PROPOSED COUNCIL APPROPRIATION
Taxes (all sources)	\$ 26,849,410	\$ -	\$ 26,849,410
Charges for Services	5,875,618	-	5,875,618
Intergovernmental Revenues	3,204,080	-	3,204,080
Licenses and Permits	2,006,050	-	2,006,050
Fines and Forfeitures	526,000	-	526,000
Interest and Penalties	365,000	-	365,000
Rental and Lease Income	148,618	-	148,618
Other Revenues	220,000	-	220,000
Other Financing Sources	5,084,496	(3,000,000)	2,084,496
Total revenue appropriation	<u>\$ 44,279,272</u>	<u>\$ (3,000,000)</u>	<u>\$ 41,279,272</u>
 <u>EXPENDITURES</u>			
Mayor Department	\$ 746,020	\$ 12,000	\$ 758,020
Legal Department	243,300	-	243,300
Office of the City Clerk	474,455	2,800	477,255
Finance Department	979,990	-	979,990
Information Technology	2,598,576	58,036	2,656,612
General Account	6,754,000	8,525	6,762,525
Police Department	8,212,585	17,781	8,230,366
Communications Center	3,409,960	336	3,410,296
Fire Department	8,625,018	22,736	8,647,754
Public Works Department	9,674,470	307,533	9,982,003
Engineering Department	954,350	-	954,350
Building Department	725,620	-	725,620
Total expenditure appropriation	<u>\$ 43,398,344</u>	<u>\$ 429,747</u>	<u>\$ 43,828,091</u>
2022 unassigned fund balance	\$ 17,221,024	\$ -	\$ 17,221,024
Prior year encumbrances	-	(229,747)	(229,747)
Transfers to other funds	-	(3,000,000)	(3,000,000)
Other changes to the budget	880,928	(200,000)	680,928
2023 estimated unassigned balance	<u>\$ 18,101,952</u>	<u>\$ (3,429,747)</u>	<u>\$ 14,672,205</u>

Minimum unassigned fund balance requirement is 20% of budgeted annual expenditures but not less than \$10,000,000.

\$ 8,765,618

# CAPITAL FUND

<u>REVENUE</u>	APPROVED COUNCIL APPROPRIATION	INCREASE (DECREASE)	PROPOSED COUNCIL APPROPRIATION
Transfer from Permanent Fund	\$ 682,937	\$ -	\$ 682,937
Transfer from General Fund	-	3,000,000	3,000,000
Property Repair & Replacement	145,000	-	145,000
Public Works	250,000	-	250,000
Garbage Equipment Reserve	279,000	-	279,000
IT	65,000	-	65,000
Police	210,000	-	210,000
Communications Center	140,000	-	140,000
Fire	290,000	-	290,000
Building	10,000	-	10,000
Total revenue appropriation	<u>\$ 2,071,937</u>	<u>\$ 3,000,000</u>	<u>\$ 5,071,937</u>
 <u>EXPENDITURES</u>			
Property Repair & Replacement	\$ 629,000	\$ 821,721	\$ 1,450,721
Public Works Department	1,469,000	236,099	1,705,099
Garbage Equipment Reserve	-	593,659	593,659
IT Department	65,000	46,920	111,920
Police Department	216,698	368,146	584,844
Fire Department	190,000	919,611	1,109,611
Road Maintenance	1,397,974	57,195	1,455,169
Total expenditure appropriation	<u>\$ 3,967,672</u>	<u>\$ 3,043,351</u>	<u>\$ 7,011,023</u>
Estimated capital fund unassigned balance	\$ 4,930,077	\$ 2,922,520	\$ 7,852,597
Estimated capital fund assigned balance	9,926,951	(2,965,871)	6,961,080
2023 estimated fund balance	<u>\$ 14,857,028</u>	<u>\$ (43,351)</u>	<u>\$ 14,813,677</u>

**SECTION 2.** This ordinance also appropriates the use of emergency snow removal funds in the amount of \$250,000 as designated by the Mayor.

**SECTION 3.** 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, 2023 and ending December 31, 2023.

**SECTION 4.** The effective date of this ordinance shall be the 27th day of February 2023.

---

**David Pruhs, Mayor**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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D. Danyielle Snider, MMC, City Clerk

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Paul J. Ewers, City Attorney

**FISCAL NOTE**  
ORDINANCE NO. 6234  
AMENDING THE 2023 OPERATING AND CAPITAL BUDGETS  
FOR THE FIRST TIME

**GENERAL FUND**  
**\$3,000,000 Decrease in Revenue**  
**\$429,747 Increase in Expenditures**

**Revenue**

1. Tax Revenue
2. Charges for Services
3. Intergovernmental Revenues
4. License and Permits
5. Other Revenue
6. Other Financing Sources
  - (\$3,000,000) transfer to the capital fund

**Expenditures**

1. Mayor & Council
  - \$12,000 increase to salary and benefits for a temporary administration assistant for human resources document scanning project
2. City Attorney's Office
3. City Clerk's Office
  - \$2,800 increase for encumbrance carryforward
4. Finance Department
5. Information Technology
  - \$58,036 increase for encumbrance carryforward
6. General Account
  - \$8,525 increase for encumbrance carryforward
7. Police Department
  - \$17,781 increase for encumbrance carryforward

8. Communications Center

- \$336 increase for encumbrance carryforward

9. Fire Department

- \$13,136 increase for encumbrance carryforward
- \$9,600 increase to operating supplies for ultrasound equipment

10. Public Works

- \$129,133 increase for encumbrance carryforward
- \$178,400 increase to salaries and benefits (Ordinance 6233 AFLCIO)

11. Engineering

12. Building Department

**CAPITAL FUND**  
**\$3,000,000 Increase in Revenue**  
**\$3,043,351 Increase in Expenditures**

**Revenue**

1. Other Financing Sources
  - \$3,000,000 transfer from general fund to capital fund

**Expenditures**

1. Property Repair & Replacement
  - \$494,596 increase for encumbrance carryforward
  - \$249,645 increase for city hall steam replacement project (reappropriation)
  - \$9,314 increase for clay street cemetery project (reappropriation)
  - \$68,166 increase for police emergency generator project (reappropriation)
2. Public Works
  - \$236,099 increase for encumbrance carryforward
3. Garbage Equipment Reserve
  - \$593,659 increase for encumbrance carryforward
4. IT Department
  - \$46,920 increase for encumbrance carryforward
5. Police Department
  - \$368,146 increase for encumbrance carryforward
6. Communications Center
7. Fire Department
  - \$919,611 increase for encumbrance carryforward
8. Road Maintenance
  - \$57,195 increase for encumbrance carryforward

**ORDINANCE NO. 6235**

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE  
CHAPTER 2, ARTICLE II, SECTION 2-118 WORK SESSIONS  
AND COUNCIL COMMITTEES AND SECTION 2-118.1  
COUNCIL FINANCE COMMITTEE**

**WHEREAS**, the Chief Financial Officer recommends changing the Finance Committee structure to be similar to that of the Permanent Fund Review Board; and

**WHEREAS**, the change in the Finance Committee structure will provide a detailed review of the City finances.

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

**Section 1.** FGC Sec. 2-118 and Sec. 2-118.1 is amended as follows [new text in **bold/underline** font; deleted text in ~~strikethrough~~ font]:

**~~Sec. 2-118 Work sessions and council committees.~~**

(a) The city council may hold informal work sessions to discuss matters of interest to the city council, to receive informal reports, ~~and to discuss~~ **ordinances, resolutions, and other** matters to be considered at regular or special meetings, **and to work on the annual budget.** Minutes need not be kept at work sessions. Work sessions may be held jointly with city boards and commissions, and with other public bodies. Public notice of work sessions ~~and committee meetings~~ shall be given **by the city clerk,** and the public is entitled to attend work sessions ~~and committee meetings~~. Public testimony at work sessions ~~and committee meetings~~ is at the option of the majority of the council, ~~for work sessions or the option of the majority of council members attending a committee meeting.~~ Except for regularly held work sessions ~~and committee meetings~~, the place, time and subject of each work session shall be given to local news media prior to the session. ~~No~~ **and no** final official action shall be taken at any work session or committee meeting, but the city council may hold a special meeting during or after a work session or committee meeting as provided in sections ~~2-116 and 2-117.~~

**(b) The city clerk, in coordination with the CFO, shall prepare the meeting agendas and agenda packets. Any council member may add an item to the meeting agenda.**



**Sec. 2-118.1. Council finance committee.**

(a) A city council finance committee is hereby established as a standing committee of the city council with the duties of considering all matters relating to the fiscal operation of the city. The finance committee shall make recommendations regarding fiscal matters to the full city council. Examples of topics to be reviewed include ~~budget requests~~, ordinances amending the budget estimate, applications for new grants, special projects, and the annual audit. ~~Other non-financial topics can be considered by the finance committee at special meetings.~~

(b) The finance committee shall meet at regular times and notice of each meeting will be provided by the city clerk ~~in compliance with section 2-118. The finance committee shall consist of the city mayor, all current members of the city council and two non-voting public members with experience in finance, accounting or management appointed by the city mayor for a three-year term subject to confirmation by the city council. The city chief financial officer (CFO) and chief of staff shall be ex-officio members of the committee. The mayor or designee will serve as chair of the committee.~~

(c) The finance committee shall consist of six members, including two members of the Fairbanks City Council, the Chief of Staff, the Chief Financial Officer, and two public members appointed by the mayor and confirmed by the city council. Each public member shall possess a background in finance, accounting, or management and shall serve a three-year term. The terms of public members shall be staggered ~~The finance committee shall establish rules of procedure for conduct of committee meetings. The CFO shall prepare the meeting agendas and agenda packets and, with the City Clerk, establish procedures necessary to ensure proper public notice of all meetings. Any committee member may add an item to the meeting agenda.~~

(d) The CFO chairs the Finance Committee and prepares the agenda. Any council or committee member may add an item to the meeting agenda.

**Section 2.** That the effective date of this Ordinance is the 1st day of April 2023.

---

**David Pruhs, Mayor**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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

\_\_\_\_\_  
Paul J. Ewers, City Attorney

**ORDINANCE NO. 6236**

**AN ORDINANCE REVISING FAIRBANKS GENERAL CODE  
CHAPTER 54, PROCUREMENT**

**WHEREAS**, Chapter 54 of the Fairbanks General Code addresses all aspects of city procurement; and

**WHEREAS**, this chapter of the code has not been revised in many years; and

**WHEREAS**, after review by the city staff, a number of revisions and updates are being proposed.

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

**SECTION 1.** FGC Chapter 54 is hereby amended as follows [new text in **bold/underlined** font; deleted text in ~~striketrough~~ font]:

**CHAPTER 54 - PROCUREMENT  
ARTICLE I. IN GENERAL**

**Sec. 54-1. Definitions.**

~~The following words, terms, and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:~~

*Administering authority* means a person authorized to administer contracts for a department and make written determinations with respect to them.

*Appropriate authority* means those persons set forth in this chapter as having award authority or those persons designated as having administering authority.

*Awarding authority* means a person authorized to enter into and award a contract such as the purchasing agent, **mavor**, or the city council.

*Change order* means a written order, signed by the administering authority, directing the contractor to make changes that **are authorized by the contract**~~the changed clause of the contract authorizes the city to order~~ without the consent of the contractor.

*Construction* means the process of building, altering, repairing, maintaining, improving, or demolishing a public highway, structure, building, or other public improvement of any kind to real property, to include services and professional services relating to planning and design required for the construction.

*Contract* means all types of city agreements, regardless of what they may be called, for the procurement or disposal of supplies, equipment, services, professional services, or construction.

*Contract modification* means a written alteration in ~~specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions~~ of a contract accomplished by mutual action of the parties to the contract.

*Contractor* means the prime contractor, ~~including~~ **and any** subcontractors, performing work **under a city contract** necessary to facilitate public construction.

*Invitation ~~to~~ for bids (ITFB)* means all documents, whether attached or incorporated by reference, used for soliciting bids.

*Late bids* means any bid received after the time and date set for the receipt of bids ~~is late~~. Any withdrawal or modification of a bid received after the time and date set for opening of bids ~~at the place designated for opening~~ **will be considered** is late.

*Offerors or proposers* means only those businesses submitting proposals that are acceptable or potentially acceptable. The term ~~does~~**shall** not apply to those businesses who submitted unacceptable proposals.

*Professional services* means professional, technical, or consultant's services that are predominantly intellectual in character, result in the production of a report or the completion of a task, and include analysis, evaluation, prediction, planning, or recommendation.

*Purchasing* means buying, procuring, renting, leasing, or otherwise acquiring supplies, services, or construction. It also includes functions that pertain to the obtaining of ~~any supplies~~**y**, services, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contracts, and phases of contract administration.

*Purchasing description* means the words used in the solicitation to describe the supplies, services, or construction to be purchased, and includes specifications attached to or made a part of the solicitation.

*Reasonable notice* for purposes of notifying the city council of change orders is not later than the second regular meeting of the city council following the change.

*Request for proposals (RFP)* means all documents, whether attached or incorporated by reference, used for soliciting proposals.

*Responsible bidder* means a person who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which will ensure good faith performance.

*Responsive bidders* means a person who has submitted a bid which conforms in all material respects to the invitation to bid.

*Retainage* means moneys withheld from a contractor until completion of a contract or satisfaction of some other contingency as evidenced by approval of the applicable pay estimate.

*Services* means the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports that are merely incidental to the required performance; it does not include employment agreements or collective bargaining agreements.

*Specification* means any description of the physical, functional, or performance characteristics, or of the nature of a supply, service, or construction item.

*Supplies* means all property of a department, including equipment, materials, and insurance; it includes privately owned real property leased for the use of a department, such as office space.

## Sec. 54-2. Ethics.

(a) *Financial interest.* Any purchase order or contract within the purview of this chapter in which ~~the agent or any officer or employee of the city is financially interested, directly or indirectly, **is** shall be void; except that before the execution of a purchase order or contract, the city council **has** shall have the authority to waive compliance with this section when it finds such action to be in the best interests of the city; however, w~~Where an ~~agent, officer, or employee of the city has previously sold material, machines, or other goods to the city and the city council has waived compliance with this section, the agent, officer, or employee may sell to the city items of service, repair, or replacement parts without further waiver by the city council when upon a finding by the mayor that the service, repair, or replacement parts are considered proprietary items. The agent, officer, or employee shall, within one week, file written notice with the mayor of each such sale of service, repair, or replacement parts, which will then be reported to the city council in a public meeting.~~

(b) *Rebates prohibited.* Every officer and employee of the city is expressly prohibited from accepting, directly or indirectly, from any person to ~~whom~~which any such contract is or might be awarded, any rebate, gift, money, or anything of value ~~whatsoever~~, except ~~when~~where given for the use and benefit of the city or where accepted with the express consent of the city council.

(c) *Gratuity for influencing purchasing standards prohibited.* No person shall offer, give, or agree to give any employee or former employee, ~~and nor shall any employee or former employee shall~~ solicit, demand, accept, or agree to accept from another person a gratuity, kickback, or offer of employment in connection with any ~~aspect of the procurement process~~decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or purchasing standard, rendering of advice, investigation, auditing, or in any other advisory determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or any solicitation or proposal.

(d) *Employment of another to secure city contract.* No person ~~may~~shall be retained nor retain another person to solicit or secure a city contract upon an agreement of understanding for a commission, percentage, brokerage, or other contingent fee, except for retention by bona fide

employees of bona fide, established commercial selling agencies for the purpose of securing business.

(e) *Payment of subcontractor to contractor prohibited.* No payment, gratuity, or offer of employment ~~may~~**shall** be made by or on behalf of a subcontractor under a contract to a prime contractor or higher tier subcontractor or any person associated with a contract as an inducement for award of a subcontract or order.

### Sec. 54-3. Penalties.

(a) *Sanctions.*

(1) The mayor may impose ~~the following~~ sanctions on an employee for violations of this chapter **up to and including termination.**

a. ~~Oral or written reprimand;~~

b. ~~Suspension;~~

c. ~~Termination.~~

(2) The mayor may impose ~~the following~~ sanctions on a nonemployee for violations of this chapter, **including written warnings or reprimands, termination of contracts, or debarment, suspension, or disqualification from receiving any city business for a stated period.**

a. ~~Written warnings or reprimands;~~

b. ~~Termination of contracts;~~

c. ~~Debarment, suspension, or disqualification from receiving any city business for a stated period of time.~~

(b) *Assessment.*

(1) The value of anything transferred or received **by any person** ~~per section 54-2 in violation~~ **breach of the provisions of Sec. 54-2** ~~this chapter by an employee or nonemployee~~ may be recovered from **that person** ~~either.~~

(2) Upon showing that a subcontractor made a kickback to a prime contractor or a higher tier subcontractor in connection with the award of a subcontract or order, it will be conclusively presumed that the amount **of the kickback** was included in the price of the subcontract or order and ultimately borne by the city and will be recoverable from the recipient. The amount may also be recovered from the subcontractor making such kickbacks. Recovery from one offending party ~~does~~**shall** not preclude recovery from other offending parties.

(3) A person who contracts for or purchases supplies, equipment, services, professional services, or construction in a manner the person knows to be contrary to the requirements of this chapter is liable for all costs and damages to the city arising out of the violation.

- (4) Any person violating ~~any of the provisions of~~ section 54-2(b), (c), (d), or (e)~~this chapter~~ is shall be deemed guilty of a misdemeanor, and upon conviction shall be fined in an amount not exceeding \$1,000.00 or be imprisoned for a period not exceeding one year or be both so fined and imprisoned. Each day such violation is committed or permitted to continue ~~shall~~ constitutes a separate offense and shall be punishable as such under this section.

**Secs. 54-4—54-35. Reserved.**

**ARTICLE II. ADMINISTRATION**

**Sec. 54-36. Purchasing authority.**

(a) Purchasing authority is derived from the City Charter and this Code.

(b) Centralized purchasing is provided by the purchasing division~~department~~ under the direction of the purchasing agent.

**Sec. 54-37. Duties of purchasing agent.**

Except as otherwise specifically provided, the purchasing agent shall:

- (1) Purchase or supervise the purchasing of all supplies, services, equipment, and materials needed by a department.
- (2) Sell, trade, transfer between departments, or otherwise dispose of surplus, obsolete or scrap supplies, equipment, or material, and make proper adjustments in the accounts of such departments~~agencies concerned~~.
- (3) Prescribe the time, manner, authentication, and form for ~~of~~ making requisitions for purchasing.
- (4) Prescribe standard forms for~~pertaining to~~ solicitations and contracts.
- (5) Provide for other matters that may be necessary to carry out the provisions of this chapter.

**Sec. 54-38. Encumbrance of funds.**

Except in cases of emergency declared by the mayor, the city shall not enter into any contract or change order until the ~~director of finance~~ chief financial officer has~~shall have~~ verified that there is a sufficient unencumbered account balance to cover the contract or order.

**Sec. 54-39. Contract award authority.**

(a) The purchasing agent may award contracts funded with identifiable appropriations made by the city council when the amount is \$50,000.00 or less, provided ~~that~~ the purchasing agent notifies the city council ~~in a timely manner of awards which exceed \$25,000 and provide that~~ when competitive bidding is not deemed to be possible ~~the purchasing agent shall notify the city council~~

and recite the reasons and findings. The purchasing agent may award the sale, trade, or disposal of all personal property which has become surplus, obsolete, or unusable.

(b) The mayor may award contracts funded with identifiable appropriations made by the city council when the contract amount is \$250,000.00 or less.

(c) The city council may award all other contracts, ~~provided that~~ **W**hen competitive bidding is not deemed to be possible, the city council shall, in the resolution for award, recite the reasons ~~why~~ and findings.

#### **Sec. 54-40. Formal written contracts.**

All contracts awarded under the provisions of this chapter which exceed ~~\$50~~**25,000.00, or which are required by law to be in writing, must** shall be memorialized in a formal, written contract, unless otherwise provided in this chapter.

#### **Sec. 54-41. General policy.**

(a) Except as otherwise provided in this chapter, or unless specifically exempted by law, contracts ~~must~~ shall be awarded by competitive sealed bidding.

(b) Competitive sealed bidding is not required:

- (1) When the purchasing agent determines in writing that **it would be advantageous to the city to purchase** medical supplies, or other special materials ~~for use by any department may be purchased otherwise to the best advantage of the city~~ **in another manner**;
- (2) When rates are fixed by law or ordinance;
- (3) For the purchase of services provided by an established employment program;
- (4) For professional or unique services;
- (5) For concessions operated on city property;
- (6) For the purchase of supplies, equipment, or services available under other governmental or municipal contracts as provided in section 54-242;
- (7) For sole source procurement as described in section 54-241; ~~or~~
- (8) When ~~it can be demonstrated in writing and reasons cited that~~ competition does not exist; **or**
- (9) For informal purchasing under section 54-247.**

(c) The following items are unique, ~~internal and over which~~ **and** the purchasing ~~division~~ department has no meaningful influence or control **over them**. They **do not require a formal procurement process and** can be processed by internal mechanisms coordinated by the



~~director of finance~~**chief financial officer**without the necessity of purchase orders issued by the purchasing department:

- (1) Newspaper ads, both legals and advertisements;
- (2) Medical expenses, such as physical exams **and drug testing**;
- (3) Travel expenses, to include transportation, room and board, advances, and personal expenses;
- (4) Subscriptions;
- (5) Utility bills, to include phone traces;
- (6) ~~Hotel/motel~~**Room rental** appropriations or similar appropriations;
- (7) Contributions to charities;
- (8) Dues to approved organizations;
- (9) Overdue invoices for payment;
- (10) ~~Department of public safety~~**Police Department** investigative funds; and
- (11) ~~City right of way~~ **Imprest** funds.

**Sec. 54-42. List of contractors.**

(a) The purchasing agent shall establish and maintain lists of persons who desire to provide supplies, services, professional services, or construction services to the city.

(b) A person who desires to be on a bidder's list shall submit to the purchasing agent evidence of a valid state **and city** business license. ~~A fee may be established by regulation in an amount reasonably calculated to pay the cost of administering this section.~~ A construction contractor shall also submit a valid certificate of registration issued under AS 08.18. The purchasing agent may require submission of additional information.

(c) The list may be used by the purchasing agent when issuing invitations to bid or requests for proposals.

**Sec. 54-43. Specifications.**

(a) The purchasing agent shall adopt policies governing the preparation, revision, and content of specifications for supplies, services, professional services, and construction required by a department. The purchasing agent shall monitor the use of these specifications.

(b) The purchasing agent may obtain expert advice and assistance from department personnel in the development of specifications. Specifications must promote overall economy for the purposes intended and encourage competition in satisfying the city's needs, and may not be unduly restrictive. The requirements of this subsection regarding the purposes and nonrestrictiveness of specifications apply to all specifications, including those prepared by architects, engineers, designers, and other professionals.

~~(c) In this section, "specification" means a description of the physical or functional characteristics, or of the nature of a supply, service, professional service, or construction project; it may include requirements for licensing, inspecting, testing, and delivery.~~

#### **Sec. 54-44. Retention of purchasing records.**

Purchasing records ~~must~~ shall be retained and disposed of in accordance with records retention guidelines and schedules approved by the city council mayor. ~~Retained documents shall be made available to the city attorney or his designee upon request and proper receipt.~~

#### **Sec. 54-45. Records of purchasing transactions.**

A contract file, open for public inspection and containing all essential documents, ~~must~~ shall be kept by the purchasing ~~department~~ division and, where applicable, the administering authority. The file kept by the administering authority must contain:

- (1) A copy of the contract;
- (2) The register of proposals prepared and a copy of each proposal submitted; and
- (3) The written determination to award the contract prepared under section 54-168.

#### **Sec. 54-46. Federal assistance.**

If a purchase involves the expenditure of federal funds or federal assistance and there is a conflict between a provision of this chapter and a federal statute, regulation, policy, or requirement, the federal statute, regulation, policy, or requirement ~~shall~~ prevails.

#### **Sec. 54-47. Supplementary general principles of law applicable.**

Unless displaced by the particular provisions of this chapter, the principles of law and equity, including the Uniform Commercial Code, and law relative to capacity to contract, agency, fraud, misrepresentation, duress, coercion, mistake, or bankruptcy ~~shall~~ supplement the provisions of this chapter.

#### **Sec. 54-48. Requirement of good faith.**

All parties involved in the negotiation, performance, or administration of city contracts shall act in good faith.

**Sec. 54-49. Reporting of anticompetitive practices.**

When for any reason collusion or other anticompetitive practices are suspected among bidders or offerors, a notice of the relevant facts ~~must~~shall be transmitted to the city attorney by the person who suspects the collusion or other anticompetitive practices.

**Sec. 54-50. Purchasing rules and policies.**

(a) The mayor shall establish all rules and policies necessary to the implementation of this chapter.

(b) Rules and policies ~~shall~~ pertain but are not limited to:

- (1) Suspension, debarment, and reinstatement of prospective bidders and contractors.
- (2) Bid protests.
- (3) Conditions and procedures for the purchase of items for resale.
- (4) Conditions and procedures for the use of source selection methods, including sole-source purchasing, emergency purchasing, and ~~informal~~small purchasing.
- (5) The opening or rejecting of bids and offers and waiver of informalities in bids and bid offers.
- (6) Confidentiality of technical data and trade secrets submitted by actual or prospective bidders or offerors.
- (7) Partial, progressive, and multiple awards.
- (8) Transfer, sale, or other disposal of supplies, equipment, and material.
- (9) Purchase of supplies, equipment, and materials by an employee ~~of the using or disposing agency.~~
- (10) Definitions and classes of contractual services and procedures for acquiring them.
- (11) ~~Providing for e~~Conducting price analysis.
- (12) Use of payment and performance bonds in connection with contracts for supplies, equipment, and services.
- (13) Guidelines for use of cost principles, negotiations, adjustments, and settlements.
- (14) A bidder's or offeror's duties under sections 54-161~~5~~ and ~~section~~-54-202.

(15) The elimination and prevention of discrimination on the basis of a protected class under federal or state law in city contracting ~~because of race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, handicap or political affiliation.~~

**Secs. 54-51—54-80. Reserved.**

### ARTICLE III. CONTRACTS ADMINISTRATION

#### DIVISION 1. GENERALLY

**Secs. 54-81—54-100. Reserved.**

#### DIVISION 2. CONSTRUCTION CONTRACTS

**Sec. 54-101. Administering authority.**

(a) The city engineer or the public works director, as determined by the mayor, shall be the administering authority for construction contracts ~~not determined by the mayor to be administered by the director of public works.~~

(b) All construction contracts will~~shall~~ be administered in accordance with the provisions of this division.

**Sec. 54-102. Change orders.**

(a) *Proposal required.* Any change required in the work will~~shall~~ be made only after receiving a written proposal from the contractor for changes~~additions to or deductions from~~ the original contract sum for the proposed ~~changes~~~~proposed~~.

(b) *Change orders by administration.* Upon receipt of a proposal for a change in the contract sum and after a determination that the contractor's proposal is reasonable, the administering authority may issue a written change order. The aggregate sum of the change orders authorized under this subsection for each such construction contract will be as follows:

- (1) If the total project cost is \$1 million or less, then \$25,000.00 or 25% of the total project cost, whichever is greater;
- (2) If the total project cost is greater than \$1 million, then \$250,000.00 or 10% of the total project cost, whichever is greater.

Any change order issued under this subsection which exceeds \$250,000.00 must~~shall~~ be reasonably noticed to the city council by the administering authority.

(c) *Change orders by city council.* When a proposed change order exceeds the limits set forth in subsection (b) ~~of this section~~, the proposal, together with recommendations of the mayor,

~~must~~ shall be forwarded to the city council. The city council ~~shall then~~ **may either accept or reject the proposal** determine whether the proposal shall be accepted or rejected.

**Sec. 54-103. Changed condition provision.**

(a) ~~There is established a~~ **A** contingency fund **is established** for each construction contract project in the sum of \$50,000.00 or ten percent of the original contract amount, whichever is smaller, to be administered by the mayor. Whenever a change in the work is required immediately due to and upon the discovery of unforeseen conditions, the administering authority, with the approval of the mayor, shall direct such change in the work be made when the cost of the change does not exceed the amount of the established fund.

(b) In those instances where the mayor approves the immediate change in the work within the monetary limitation established in this division, the administering authority shall make a full report of the circumstances and the related cost to the city council no later than the second regular city council meeting following the change. If the city council concurs with the action, the fund will be restored by the amount of the expenditure. If the city council fails to concur with the action, the amount remaining in the fund, if any, ~~will~~ shall be reduced by the amount of the expenditure not so concurred by the city council. This procedure ~~will~~ shall be continued during the particular construction project, as may be required, until the amount of the contingency fund for each project is fully expended or the construction project is completed, whichever ~~should first~~ occurs **first**. The immediate nature of such changes ~~will~~ shall be determined by the mayor, subject to the review and final determination by the city council.

**Sec. 54-104. Partial payments.**

No partial payment for work completed ~~may~~ shall be made to a contractor without approval by the administering authority of the quantities and values submitted by the contractor.

**Sec. 54-105. Public construction contract payments.**

(a) The city shall initiate procedures to pay the contractor under a public construction or public work contract within ~~30~~ **15** days after the contractor submits to the city a bill for materials provided or services performed and a sworn statement that all employees employed on the project by the contractor and all subcontractors have been paid **under the terms of the contract and in compliance with applicable law** ~~not less than the established prevailing rate of pay as determined and published by the state department of labor.~~

(b) If the city fails to make a payment due the contractor under this section within 30 days after receiving a contractor's billing, the city shall pay interest to the contractor under AS 45.45.010(a) on the amount due.

(c) The city shall pay interest at the rate provided for in AS 45.45.010(a) on retainage on a contract for public works or public construction. Interest on retainage accrues from the date of approval of a pay estimate until the date of payment to the contractor.

~~–(d) If the city has received a state grant for a public construction or public works project, the city may use money from the state grant to pay the interest on retainage under contracts for the project as required by subsection (c) of this section.–~~

**Secs. 54-106—54-125. Reserved.**

### DIVISION 3. OTHER CONTRACTS

**Sec. 54-126. Administration.**

All contracts other than those described in division 2 of this article are administered by the purchasing agent in accordance with the provisions in this division.

**Sec. 54-127. Initiation of increases.**

(a) Change orders to increase the amount of an order or contract are initiated by the administering authority and sent to the purchasing ~~department~~ **division** for change order preparation following compliance with section 54-38.

(b) Change orders to decrease the amount of an order or contract or to change any other term or condition may be initiated by the administering authority and sent to the purchasing ~~department~~ **division** for change order preparation after approval from the department head.

**Secs. 54-128—54-160. Reserved.**

### ARTICLE IV. COMPETITIVE BIDDING

**Sec. 54-161. Invitation ~~to~~for bid (ITFB).**

(a) When competitive sealed bidding is used, the purchasing agent shall issue an invitation ~~to~~for bid. It must include a time, place, and date by which the bid must be received, purchase description, and a description of all essential contractual terms and conditions applicable to the purchase.

(b) When responding to the invitation ~~to~~for bid, the bidder shall supply evidence of the bidder's valid state business license. A bidder for a construction contract shall also submit evidence of the bidder's registration under AS 08.18.

**Sec. 54-162. Subcontractors.**

(a) Within seven working days after the identification of the apparent low bidder, the apparent low bidder shall submit a list of the subcontractors the bidder proposes to use in the performance of the contract. The list must include the name and location of the place of business for each subcontractor and evidence of the subcontractor's valid state **and city** business licenses. A bidder for a construction contract shall also submit evidence of each subcontractor's registration under AS 08.18.

(b) A bidder may replace a listed subcontractor if the subcontractor:

- (1) Fails to comply with AS 08.18;
- (2) Files for bankruptcy or becomes insolvent;
- (3) Fails to execute a contract with the bidder involving performance of the work for which the subcontractor was listed, and the bidder acted in good faith;
- (4) Fails to obtain bonding;
- (5) Fails to obtain insurance acceptable to the city;
- (6) Fails to perform the contract with the bidder involving work for which the subcontractor was listed;
- (7) Must be substituted in order for the prime contractor to satisfy required state and federal affirmative action requirements;
- (8) Refuses to agree or abide with the bidder's labor agreement; or
- (9) Is determined by the purchasing agent not to be a responsible **subcontractor** bidder.

(c) If a bidder fails to list a subcontractor or lists more than one subcontractor for the same portion of work and the value of that work is in excess of one-half of one percent of the total bid, the bidder ~~will~~**shall** be considered to have agreed to perform that portion of the work without the use of a subcontractor and to have represented the bidder to be qualified to perform that work.

(d) A bidder ~~violates~~**violates** who attempts to circumvent the requirements of this section by listing as a subcontractor another contractor who, in turn, sublets the majority of the work required under the contract, ~~violates this section~~.

(e) If a contract is awarded to a bidder who violated this section, the awarding authority may:

- (1) Cancel the contract; or
- (2) After notice and a hearing by the purchasing agent, assess a penalty on the bidder in an amount that does not exceed ten percent of the value of the subcontract at issue.

**Sec. 54-163. Bid security.**

(a) Bid security ~~is~~**shall** be required for all competitive sealed bidding for construction contracts when the price is estimated by the purchasing agent to exceed an amount set forth in this section. When the price is estimated to be less than the amount set forth in this section, bid security may be required when the circumstances warrant, in an amount not to exceed ten percent of the amount of the bid. Bid security may be required for competitive sealed bidding for contracts for supplies, services, or professional services in accordance with the rules and policies of the purchasing agent when needed for the protection of the city.

(b) Bid security must be a bond provided by a surety company authorized to do business in the state or otherwise supplied in a form satisfactory to the purchasing agent. Bid security must be in an amount equal to at least:

- (1) Ten percent of the amount of the bid if the bid does not exceed \$100,000.00; or
- (2) Ten percent of the first \$100,000.00 and five percent of the amount of the bid over \$100,000.00 if the bid exceeds \$100,000.00 up to a maximum of \$200,000.00 in security.

(c) When the invitation ~~to~~for bid requires security, the purchasing agent shall reject a bid that does not substantially comply with the bid security requirement.

**Sec. 54-164. Public notice of invitation ~~to~~for bid.**

The purchasing agent shall give adequate public notice of the invitation ~~to~~for bid at least 21 days before the date for the opening of bids. If a determination is made in writing that a shorter notice period is necessary for a particular bid, the 21-day period may be shortened. The determination ~~will~~shall be made by the purchasing agent for an ~~IT~~FB for supplies, services, professional services, or equipment. The determination ~~will~~shall be made by the city engineer or the public works director ~~of public works~~, as appropriate, for ~~IT~~FB's for construction. The time and manner of notice must be in accordance with policies adopted by the purchasing agent. Notice shall include:

- (1) Publication in a manner ~~newspapers~~ calculated to reach prospective bidders;
- (2) ~~Notices posted in public places; and~~
- (23) Notices distributed ~~mailed~~ to selected active prospective vendors or contractors on the appropriate list maintained under section 54-42; and may include notices posted with Alaska General Contractors or plan bureaus.

**Sec. 54-165. Bid opening.**

(a) The purchasing agent shall open bids at the time and place designated in the invitation ~~to~~for bid. All bid openings are open to the public. The amount of each bid and other essential information required by this article, together with the name of each bidder, ~~must~~shall be recorded.

(b) The information recorded under subsection (a) ~~of this section~~ is open to public inspection as soon as practicable following the bid opening. To the extent the bidder designates and the purchasing agent concurs, trade secrets and other proprietary data contained in a bid document are confidential.

**Sec. 54-166. Bid consideration and evaluation.**

(a) Bids ~~will~~shall be ~~unconditionally~~ considered without alteration or correction, except as authorized in section 54-167. The purchasing agent shall evaluate bids based on the minimum



requirements set out in the invitation ~~to~~for bid. **The city engineer or public works director shall evaluate bids based on the bid criteria** which may include criteria to determine acceptability, such as inspection, testing, quality, delivery, and suitability for a particular purpose. The criteria that will affect the bid price and which are to be considered in evaluation for award must be objectively measurable, such as discounts, transportation cost, and total or life cycle costs. The invitation ~~to~~for bid must set out the evaluation criteria to be used. Criteria may not be used in bid evaluation if they are not set out in the invitation ~~to~~for bid.

(b) A contract based on total or life cycle costs may be awarded only when the purchasing agent or, for construction contracts, the city engineer or the **public works** director ~~of public works~~, as appropriate, determines in writing at the time of bid solicitation that the contract will promote overall economy for the purposes intended, encourages competition, is not unduly restrictive, and is in the best interests of the city.

#### **Sec. 54-167. Late bids; withdrawal; cancellation.**

(a) Bids received after the bid date and time indicated on the invitation to bid may not be considered unless the delay was due to an error ~~by~~of the city.

(b) Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on bid mistakes may be permitted in accordance with policies adopted by the purchasing agent. After **the** bid opening, changes in bid prices or other provisions of bids prejudicial to the interest of the city or fair competition may not be permitted. A decision to permit the correction or withdrawal of a bid, or to cancel an award or contract based on bid mistake, **must** ~~shall~~ be supported by a written determination made by the purchasing agent. If a bidder is permitted to withdraw a bid before award, an action may not be maintained against the bidder or the bid security.

#### **Sec. 54-168. Contract award; local preference.**

(a) Except as provided otherwise in this section, a contract may be awarded based on the solicited bids with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set out in the invitation ~~to~~for bid.

(b) In determining responsibility, the awarding authority may consider:

- (1) The ability, capacity, and skill of the bidder to perform the contract;
- (2) The bidder's ability to perform the contract within the time specified, without delay or interference;
- (3) The character, integrity, reputation, experience, and efficiency of the bidder;
- (4) The quality of performance of previous contracts;

- (5) The past and existing ability by the bidder to comply with laws and ordinances relevant to the contract;
- (6) The sufficiency of the financial resources and ability of the bidder to perform the contract; and
- (7) The number and scope of conditions attached to the bid.

(c) If applicable, the awarding authority may award a contract based on solicited bids to the lowest responsive and responsible bidder only after a local bidder's preference has been applied. In this subsection, "local bidder" means a person who:

- (1) Is a regular dealer who owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles, or equipment of the general character described by the specifications and required under the contract are bought, kept in stock, and sold to the public in the usual course of business;
- (2) Holds a current state **and city** business license;
- (3) Submits a bid for goods, services, or construction under the name as appearing on the person's current state business license;
- (4) Has maintained a place of business within the borough, staffed by the bidder or an employee of the bidder, for a period of six months immediately preceding the date of the bid;
- (5) Is incorporated or qualified to do business under the laws of the state, is a sole proprietorship, and the proprietor is a resident of the borough, or is a partnership, and the majority of the partners are residents of the borough; and
- (6) If a joint venture, is composed entirely of ventures that qualify under subsection (c)(1)—(4) ~~of this subsection.~~

(d) A local bidder who qualifies as a responsible and responsive bidder ~~will~~**shall** be granted a local preference in excess of the lowest bid received in the amount of:

- (1) The lesser of five percent or \$50,000.00 for a construction contract.
- (2) The lesser of five percent or \$5,000.00 for any other contract.

(e) If a tie results under subsection (d) ~~of this section,~~ the local bidder will be awarded the bid. If a tie results between local bidders, the award will be determined by a public coin toss conducted by the appropriate authority.

(f) The provisions of subsection (d) ~~of this section~~ are not applicable to any contract funded by a federal or state grant which expressly prohibits a local preference in awarding contracts.

(g) An award to **a bidder** other than the low bidder may be made as follows:

- (1) If the low bidder is more than 30 days past due on a contract delivery or completion, without a written extension of time having been granted by the purchasing agent, the bidder is ineligible for the award of any other city contract or order until the bidder completes the existing order or contract. The awarding authority may waive compliance with this requirement when it is determined to be in the best interests of the city.
- (2) When the award is not given to the lowest bidder for any reason, a full and complete statement citing the reasons ~~must~~ shall be prepared by the awarding authority and filed with the other papers relating to the transactions.

**Sec. 54-169. Performance and payment bonds.**

(a) Before a contract exceeding \$100,000.00 for the construction, alteration, or repair of a public building or public work is awarded to a general or specialty contractor, the contractor shall furnish the following bonds, which become binding upon the award of the contract to that contractor:

- (1) A performance bond with a corporate surety qualified to do business in the state; the amount of the performance bond ~~must~~ shall be equivalent to the amount of the payment bond;
- (2) A payment bond with a corporate surety qualified to do business in the state; when the total amount payable by the terms of the contract is not more than \$1,000,000.00, the payment bond ~~must~~ shall be in a sum of half the total amount payable by the terms of the contract; when the total amount payable by the terms of the contract is more than \$1,000,000.00 and not more than \$5,000,000.00, the payment ~~bond~~ bid ~~must~~ shall be in the sum of 40 percent of the total amount payable by the terms of the contract; when the total amount payable by the terms of the contract is more than \$5,000,000.00, the payment bond ~~must~~ shall be in the sum of \$2,500,000.00.

(b) This section does not limit the city's authority to require a performance bond or other security in addition to those specified in subsection (a) ~~cases~~ or in cases other than the cases specified in subsection (a) ~~of this section~~.

(c) When no payment bond has been furnished, the administering authority may not approve final payments to the contractor until the contractor files a written certification that all persons who supplied labor or material in the ~~execution~~ ~~prosecution~~ of the work provided for in the contract have been paid.

(d) The city may exempt contractors from compliance with subsection (a) of this section if the estimated cost of the project does not exceed \$100,000.00, and:

- (1) The contractor is, and for two years immediately preceding the award of the contract has been, a licensed contractor having its principal office in the borough; and

- (2) The contractor certifies that it has not defaulted on a contract awarded to the contractor during the period of three years preceding the award of a contract for which a bid is submitted;
- ~~(3) The contractor submits a financial statement, prepared within a period of nine months preceding the submission of a bid for the contract and certified by a public accountant or a certified public accountant licensed under AS 08.04, demonstrating that the contractor has a net worth of not less than 20 percent of the amount of the contract for which a bid is submitted; and~~
- ~~(4) The total amount of all contracts that the contractor anticipates performing during the term of performance of the contract for which a bid is submitted does not exceed the net worth of the contractor reported in the certified financial statement prepared and submitted under subsection (d)(3) of this section by more than seven times.~~

**Sec. 54-170. Multistep sealed bidding.**

When it is considered impractical to initially prepare a definitive purchase description to support an award based on price, the purchasing agent may issue an invitation ~~to for~~ bid requesting the submission of unpriced technical offers to be followed by an invitation to bid limited to the bidders whose offers are determined to be technically qualified under the criteria set out in the first solicitation.

**Secs. 54-171—54-200. Reserved.**

**ARTICLE V. COMPETITIVE SEALED PROPOSALS**

**Sec. 54-201. Conditions for use.**

(a) A contract not awarded by competitive sealed bidding ~~will~~shall be awarded by competitive sealed proposals, unless otherwise provided for in this chapter.

(b) The purchasing agent may determine in writing that it is either impracticable or disadvantageous for the city to procure specified types of supplies, services, or construction by competitive sealed bidding that would otherwise be procured by that method. When the purchasing agent, or for construction the city engineer or the public works director ~~of public works, as appropriate,~~ determines in writing that the use of competitive sealed bidding is either impracticable or disadvantageous to the city, a contract may be entered into by competitive sealed proposals in accordance with this chapter. When it is determined that it is practicable but not advantageous to use competitive sealed bidding, the purchasing agent or city engineer or the public works director ~~of public works, as appropriate,~~ shall specify with particularity the basis for the determination.

(c) When the city engineer or the public works director ~~of public works, as appropriate,~~ determines that it is advantageous to the city, the purchasing agent may issue a request for proposals requesting the submission of offers to provide construction in accordance with a design

provided by the offeror. The request for proposals ~~must~~ require that each proposal contain a single price that includes the design build.

**Sec. 54-202. Request for proposals (RFP).**

(a) A request for competitive sealed proposals must contain the date, time, and place for delivering proposals; a specific description of the supplies, construction, services, or professional services to be provided under the contract; and the terms under which the supplies, construction, service, or professional services are to be provided. The request ~~must~~ require the offeror to submit evidence of the offeror's valid state business license and, no later than seven working days after identifying which proposal is most advantageous to the city, to list subcontractors the offeror proposes to use in the performance of the contract. The list ~~must~~ include the name and location of the place of business for each subcontractor and evidence of the subcontractor's valid state business license. An offeror for a construction contract ~~must~~ also submit evidence of the offeror's registration under AS 08.18 and evidence of registration for each listed subcontractor.

(b) A request for proposals must contain the essential information necessary for an offeror to submit a proposal or contain references to any information that cannot reasonably be included with the request. The request must provide a description of the factors that will be considered when evaluating the proposals received, including the relative importance of price and other evaluation factors.

(c) Notice of request for proposals ~~must~~ be given in accordance with procedures under section 54-164. The purchasing agent may use additional means considered appropriate to notify prospective offerors of the intent to enter into a contract through competitive sealed proposals.

(d) The provisions of section 54-162 apply to competitive sealed proposals for construction.

**Sec. 54-203. Treatment of proposals.**

The purchasing agent shall open proposals so as to avoid disclosure of contents to competing offerors during the process of negotiation. A register of proposals containing the name and address of each offeror ~~must~~ be prepared in accordance with policies adopted by the purchasing agent. The register and the proposals, except as otherwise noted in this section, are open for public inspection after the award is issued. To the extent that the offeror designates and the purchasing agent concurs, trade secrets and other proprietary data contained in the proposal documents ~~will~~ be confidential.

**Sec. 54-204. Discussion with responsible offerors and revisions to proposals.**

As provided in the request for proposals, and under policies adopted by the purchasing agent, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of and responsiveness to the solicitation requirements. Offerors reasonably susceptible of being selected for award ~~must~~ be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after

submissions and before the award of the contract for the purpose of obtaining best and final offers. In conducting discussions, the city's authorized participants shall not disclose information derived from proposals submitted by competing offerors.

**Sec. 54-205. Award of contract.**

(a) A contract may be awarded under competitive sealed proposals to the responsible and responsive offeror whose proposal is determined in writing to be the most advantageous to the city, taking into consideration price and the evaluation factors set out in the request for proposals. Other factors and criteria may not be used in the evaluation. The contract file must contain the basis on which the award is made.

(b) In determining whether a proposal is advantageous to the city, consideration ~~will~~shall include the offeror's qualifications under section 54-168.

**Sec. 54-206. Contract execution.**

A contract awarded under competitive sealed proposals must contain:

- (1) The amount of the contract stated on its first page;
- (2) The date for the supplies to be delivered or the date for construction, services, or professional services to begin and be completed;
- (3) A description of the supplies, construction, services, or professional services to be provided;
- (4) Applicable terms and conditions or incorporating references to such terms and conditions;  
and
- (5) Signatures of the successful contractor and necessary authority and dates of signatures.

**Sec. 54-207. Architectural, engineering and land surveying contracts.**

(a) Notwithstanding other provisions of this chapter, the city engineer or the public works ~~director of public works~~, when the public works ~~director of public works~~ is designated to do so by the mayor, shall negotiate a contract with the most qualified and suitable person of demonstrated competence for architectural, engineering, or land surveying services. The appropriate authority shall award a contract for those services at fair and reasonable compensation as determined in writing by the city engineer or the public works ~~director of public works~~, as appropriate, after consideration of the estimated value of the services to be rendered, and the scope, complexity, and professional nature of the services. ~~When determining the most qualified and suitable person, the city engineer or the director of public works, as appropriate, shall consider among other things:-~~

- ~~(1) Proximity of the project site to the office of the person; and~~
- ~~(2) Employment practices of the person with regard to women and minorities.~~

(b) If negotiations with the most qualified and suitable firm or person under subsection (a) of this section are not successful, the city engineer or the public works director ~~of public works, as appropriate,~~ shall negotiate a contract with other qualified firms or persons of demonstrated competence, in order of public ranking. The city engineer or the public works director ~~of public works, as appropriate,~~ may reject all or part of a proposal.

(c) This section does not apply to contracts awarded in a situation of public necessity if the appropriate authority certified in writing that a situation of public necessity exists.

(d) Notwithstanding the other provisions of this section, the city engineer or the public works director ~~of public works, as appropriate,~~ may include price as an added factor in selecting architectural, engineering and land surveying services when, in the judgment of the city engineer or the public works director ~~of public works, as appropriate,~~ the services required are repetitious in nature, and the scope, nature and amount of services required are thoroughly defined by measurable and objective standards to reasonably enable persons making proposals to compete with a clear understanding and interpretation of the services required.

(e) This section does not apply to a contract that incorporates both design services and construction.

#### **Sec. 54-208. Professional registration requirements.**

No contract for architectural, engineering, or land surveying services may be awarded to:

- (1) An individual who is not registered under AS 08.48 to perform the architectural, engineering, or land surveying services required by the contract;
- (2) A partnership that is not qualified under AS 08.48.251 to provide the architectural, engineering, or land surveying services required by the contract; or
- (3) A corporation that is not authorized under AS 08.48.241 to offer the architectural, engineering, or land surveying services required by the contract.

#### **Secs. 54-209—54-240. Reserved.**

### **ARTICLE VI. OTHER PURCHASING METHODS**

#### **Sec. 54-241. Sole-source purchasing.**

(a) A contract may be awarded for supplies, services, professional services, or construction without competitive sealed bidding, competitive sealed proposals, or other competition in accordance with this article. A contract may be awarded under this section only when the purchasing agent determines in writing that there is only one source for the required purchasing or construction. A sole-source purchase may not be made if a reasonable alternative source exists. The written determination must include findings which support the determination that only one

source exists. The authority to make the determination and findings required by this subsection may not be delegated.

(b) The using department shall submit written evidence to support a sole-source determination. The purchasing agent may also require the submission of cost or pricing data in connection with an award under this section.

(c) The purchasing agent shall negotiate with the single supplier, to the extent practicable, to obtain the most advantageous contract to the city.

**Sec. 54-242. Cooperative purchasing authorized.**

The purchasing agent may either participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of supplies, services, professional services, or construction with one or more public purchasing units or external purchasing activities in accordance with an agreement entered into between the participants. Cooperative purchasing may include joint or multiparty contracts between public purchasing units and open-ended state public purchasing units contracts that are made available to local public purchasing units.

**Sec. 54-243. Joint use of facilities.**

The purchasing agent may enter into agreements for the common use or lease of warehousing facilities, capital equipment, and other facilities with another public purchasing unit or an external purchasing activity under the terms agreed upon between the parties.

**Sec. 54-244. Supply of information, technical services.**

(a) The informational, technical, and other services of the purchasing agent may be made available to another public purchasing unit or external purchasing activity. The requesting public purchasing unit or external purchasing activity shall pay for the expenses of the services so provided, in accordance with an agreement between the parties.

(b) Upon request, the purchasing agent may make available to public purchasing units or external purchasing activities the following services, among others:

- (1) Standard forms;
- (2) Printed manuals;
- (3) Product specifications and standards;
- (4) Quality assurance testing services and methods;
- (5) Qualified products lists;
- (6) Source information;



- (7) Common use commodities listings;
  - (8) Supplier performance ratings;
  - (9) Lists of persons debarred or suspended from consideration for award of city contracts;
  - (10) Forms for invitations ~~to~~for bids, requests for proposals, instructions to bidders, general contract provisions, and other contract forms; and
  - (11) Contracts or published summaries of them, including price and time of delivery information.
- (c) The purchasing agent may provide the following technical services among others:
- (1) Development of product specifications;
  - (2) Development of quality assurance test methods, including receiving, inspection, and acceptance procedures;
  - (3) Use of product testing and inspection facilities; and
  - (4) Use of personnel training programs.

**Sec. 54-245. Contract controversies.**

Under a cooperative purchasing agreement, controversies arising between the city and its bidders, offerors, or contractors ~~will~~shall be resolved in accordance with article VII of this chapter.

**Sec. 54-246. Emergency purchasing.**

(a) Purchasing may be made under emergency conditions when there exists a threat to public health, welfare, or safety;<sup>3</sup> when a situation exists that makes a purchase through competitive sealed bidding or competitive sealed proposals impracticable or contrary to the public interest;<sup>4</sup> or to protect public or private property. An emergency purchase need not be made through competitive sealed bidding or competitive sealed proposals but ~~may~~shall be made with competition that is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular vendor or contractor ~~must~~shall be included in the contract file. The written determination must include findings that support the determination.

(b) In case of an apparent emergency which requires immediate purchase of supplies or contractual services, the mayor ~~may~~shall be empowered to authorize the purchasing agent to secure by informal purchasing procedures, at the lowest obtainable price, any supplies or contractual services regardless of the amount of the expenditure. A full report of the circumstances of an emergency purchase ~~must~~shall be filed by the agent with the mayor and ~~is~~shall be open to public inspection.

(c) In cases of actual emergency and with the consent of the purchasing agent and the approval of the mayor, the head of any department may purchase directly any supplies whose immediate purchase is essential to prevent delays in the work of the department. The department head shall send to the agent a requisition and a copy of the delivery record, together with a full written report of the circumstances of the emergency.

**Sec. 54-247. Informal purchasing.**

(a) When the value of purchases for supplies, services, or construction is estimated to be less than ~~\$50~~25,000.00, the use of competitive sealed bidding or competitive sealed proposals ~~is~~are not required. Oral or written quotes may be obtained by the purchasing agent and the award made to the lowest responsive and responsible bidder. When competitive purchasing is deemed to be impractical, a written statement citing the reasons must be included in the purchase file by the purchasing agent.

(b) To assist departments in making incidental purchases estimated to be less than ~~\$50~~25,000.00, the purchasing agent or the mayor may adopt other procedures which do not require competitive sealed bids or proposals but ~~must~~shall require competition that is practicable under the circumstances. Such procedures may include:

- (1) Limited or local purchase orders;
- (2) Petty cash;
- (3) Charge accounts; and
- (4) Imprests funds.

**Sec. 54-248. Fragmentation prohibited.**

Purchasing requirements ~~may~~shall not be artificially divided, fragmented, or structured so as to constitute a purchase under this section or to circumvent the requirements of article IV or V of this chapter.

**Secs. 54-249—54-280. Reserved.**

**ARTICLE VII. PROTESTS**

**Sec. 54-281. Filing of a protest.**

An interested party may protest the award of a contract, the proposed award of a contract, or a solicitation for supplies, services, professional services, or construction by filing with the purchasing agent in writing the following information:

- (1) The name, address, and telephone number of the protester;

- (2) The signature of the protester or the protester's representative;
- (3) Identification of the solicitation or contract at issue;
- (4) A detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and
- (5) The **remedy**~~form of relief~~ requested.

**Sec. 54-282. Time for filing a protest.**

A protest based upon a proposed award of a contract must be filed within ten days after the purchasing agent has **issued notice of**~~identified~~ the lowest **responsive and** responsible bidder.

**Sec. 54-283. Notice of protest.**

The purchasing agent shall **promptly**~~immediately~~ give notice of a **filed** protest~~filed~~ to all interested parties.

**Sec. 54-284. Stay of an award.**

If a protest is filed, the award may be made unless the purchasing agent determines in writing that a:

- (1) **There is a R**~~reasonable~~ probability~~exists~~ that the protest will be sustained; or
- (2) Stay of the award is not contrary to the best interests of the city.

**Sec. 54-285. Decision by the purchasing agent.**

(a) The purchasing agent shall issue a written decision containing the basis of the decision within ten days after a protest has been filed. A copy of the decision **must**~~shall~~ be furnished to the protestor by certified mail or other method which provides evidence of receipt.

(b) If a decision is not made by the date it is due, the protester may proceed as if the purchasing agent had issued a decision adverse to the protester.

**Sec. 54-286 Protest remedies.**

(a) If the purchasing agent sustains a protest in whole or in part, the purchasing agent shall implement an appropriate remedy.

(b) In determining an appropriate remedy, the purchasing agent shall consider the circumstances surrounding the solicitation or purchase, including the seriousness of the purchase deficiencies, the degree of prejudice to other interested parties or to the integrity of the purchasing system, the good faith of the parties, the extent the purchase has been accomplished, costs to the city and other

impacts on the city of a proposed remedy, and the urgency of the purchase to the welfare of the city.

**Sec. 54-287. Appeal on a protest.**

(a) ~~A protester may~~An appeal from ~~at~~ the purchasing agent's decision ~~of the purchasing agent~~ on a protest ~~by~~ may be filed ~~an appeal~~ by the protester with the mayor. An appeal to the mayor must ~~shall~~ be filed within five days after the purchasing agent's decision is received by the protester or within five days of when such decision was due under section 54-285. The protester also shall file a copy of the appeal with the purchasing agent.

(b) An appeal must contain the information required under section 54-281. In addition, the appeal must include:

- (1) A copy of the decision being appealed, if any; and
- (2) Identification of the factual or legal errors in the decision that form the basis for the appeal.

**Sec. 54-288 Notice of a protest appeal.**

(a) The purchasing agent shall promptly~~immediately~~ give notice of an appeal filed under section 54-287 to the contractor if a contract has been awarded or, if no award has been made, to all interested parties.

(b) The purchasing agent shall, on request, furnish a copy of the appeal to a person notified under subsection (a) of this section, except that confidential material must~~shall~~ be redacted~~deleted~~ from the copy.

**Sec. 54-289. Stay of award during protest appeal.**

If a protest appeal is filed before a contract is awarded and the award was stayed under section 54-284, the filing of the appeal automatically continues the stay until the mayor makes a written determination that the award of the contract without further delay is necessary to protect substantial interests of the city.

**Sec. 54-290. Protest report.**

(a) The purchasing agent shall file a complete report with the mayor as soon as is practicable on the protest and decision. The purchasing agent shall furnish a copy of the report to the protester and to interested parties that have requested a copy of the appeal under section 54-288.

(b) The protester may file comments on the protest report with the mayor within seven days after the report is received. The protester shall provide copies of the comments to the purchasing agent. The purchasing agent shall provide copies of the comments ~~and~~ to interested parties that have requested a copy of the appeal ~~under section 54-288~~.

[Note: current section 291 has been placed after current section 292; these sections have been renumbered and amended]

~~Sec. 54-291. Decision without hearing.~~

~~-(a) The mayor shall dismiss a protest appeal before a hearing is held if it is determined that the appeal is untimely under section 54-287.~~

~~-(b) The mayor may issue a decision on an appeal without a hearing if the appeal involves questions of law without genuine issues of fact.~~

~~-(c) The mayor shall, within 15 days after receipt of an appeal, notify the appellant of the acceptance or rejection of the appeal and, if rejected, the reasons for the rejection.~~

**Sec. 54-291. Hearing on protest appeal.**

**(a) Unless the mayor issues a decision without a hearing under section 54-292, a hearing on a protest appeal will be conducted so as to provide a fair opportunity for the protester to present evidence in support of the appeal.**

**(b) The mayor will schedule the hearing within 15 days of receipt of the appeal and shall issue a decision on the appeal within 15 days of completion of the hearing.**

~~Sec. 54-292. Hearing on protest appeal.~~

~~A hearing on a protest appeal shall be conducted so as to provide a fair opportunity for the protester to present evidence in support of the appeal.~~

**Sec. 54-292. Decision without hearing.**

**(a) The mayor shall dismiss a protest appeal before a hearing is held if it is determined that the appeal is untimely under section 54-287.**

**(b) The mayor may issue a decision on an appeal without a hearing if the appeal involves questions of law without genuine issues of fact.**

**(c) The mayor shall issue a decision under subsection (a) or (b) within 15 days after receipt of the appeal.**

**Sec. 54-293. Contract controversies.**

(a) A contractor ~~may~~**shall** file a claim with the purchasing agent concerning a contract awarded under this chapter. The contractor shall certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of the contractor's knowledge and belief, and

that the amount requested accurately reflects the contract adjustment for which the contractor believes the city is liable.

(b) If a controversy asserted by a contractor concerning a contract awarded under this chapter cannot be resolved by agreement, the purchasing agent shall, after receiving a written request by the contractor for a decision, issue a written decision. The decision ~~must~~ shall be made no more than 20 days after receipt of the request from the contractor and receipt by the purchasing agent of all ~~relevant~~ necessary information from the contractor. Failure of the contractor to timely furnish ~~relevant~~ necessary information requested by the purchasing agent constitutes a waiver of the claim. ~~Before issuing the decision, the purchasing agent shall review the facts relating to the controversy and obtain necessary assistance from legal, fiscal, and other advisors.~~

(c) The time for issuing a decision under subsection (b) of this section may be extended for good cause by the mayor if the controversy concerns an amount in excess of \$50,000.00. The purchasing agent shall notify the contractor in writing that the time for the issuance of a decision has been extended and of the date by which a decision ~~will~~ shall be issued.

(d) The purchasing agent shall furnish a copy of the decision to the contractor by certified mail or other method that provides evidence of receipt. The decision ~~must~~ shall include a:

- (1) Description of the controversy;
- (2) Reference to the pertinent contract provisions;
- (3) Statement of the agreed upon and disputed facts;
- (4) Statement of reasons supporting the decision; and
- (5) Statement substantially as follows:

"This is the final decision of the purchasing agent. This decision may be appealed to the mayor. If you appeal, you must file a written notice of appeal with the mayor within ten days after you receive this decision."

(e) If a decision is not made by the date it is due, the contractor may proceed as if the purchasing agent had issued a decision adverse to the contractor.

(f) If a controversy asserted by the city concerning a contract awarded under this chapter cannot be resolved by agreement, the matter shall be promptly immediately referred to the mayor.

#### **Sec. 54-294. Appeal on a contract controversy.**

(a) An appeal from a decision of the purchasing agent on a contract controversy may be filed by the contractor with the mayor. This appeal ~~must~~ shall be filed within ten days after the decision is received by the contractor. The contractor shall also file a copy of the appeal with the purchasing agent.

(b) An appeal ~~must~~shall contain a copy of the decision being appealed and identification of the factual or legal errors in the decision that form the basis for the appeal.

**Sec. 54-295. Hearing on a contract controversy.**

Within 15 days after receipt of an appeal on a contract controversy, the mayor may, without a hearing, adopt the decision of the purchasing agent as the final decision or grant a hearing to further examine evidence, if any, to be presented by the appellant. If a hearing is granted, the mayor may adopt, reject, or modify the decision of the purchasing agent.

**Sec. 54-296. Delegation.**

The mayor may delegate responsibilities under sections 54-287, and section 54-295, and 54-299.

**Sec. 54-297. Authority to debar or suspend.**

(a) ~~After consultation with the using department and the city attorney and after a hearing conducted to provide a fair opportunity to be heard and to present evidence, T~~the mayor may debar a person for cause from consideration for award of contracts. ~~Notice of a debarment hearing shall be provided in writing at least seven days before the hearing.~~ The debarment may not be for a period of more than three years.

(b) The mayor, ~~after consultation with the using department and the city attorney,~~ may suspend a person from consideration for award of contracts if there is probable cause for debarment and compelling reasons require suspension to protect city interests. The suspension may not be for a period exceeding three months.

**Sec. 54-298. Causes for debarment or suspension.**

The causes for debarment or suspension include the following:

- (1) ~~Conviction for commission~~ of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
- (2) Conviction under local, state, or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a city contractor;
- (3) Conviction or civil judgment finding a violation under state or federal antitrust statutes;
- (4) Violation of contract provisions of a character that is regarded by the mayor to be so serious as to justify debarment action, such as:

- a. Knowingly failing, without good cause, to perform in accordance with the specifications or within the time limit provided in the contract; or
  - b. Failure to perform or unsatisfactory performance in accordance with the terms of one or more contracts, except that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor may not be considered to be a basis for debarment;
- (5) For violation of the ethical standards set out in state law or regulation;
- (6) For a violation under section ~~54-308~~54-346; and
- (7) Any other cause determined to be so serious and compelling as to affect responsibility as a city contractor, including debarment by another governmental entity.

**Sec. 54-299. Written determinations.**

(a) The mayor shall issue a written decision to debar or suspend. The decision must:

- (1) State the reasons for the action taken; and
- (2) Inform the debarred or suspended person of their rights to ~~judicial appeal or inform the suspended person of right to~~ administrative and judicial appeals.

(b) A copy of the decision under subsection (a) ~~must of this section shall~~ be mailed or otherwise furnished promptly immediately to the debarred or suspended person and any other intervening party.

**Sec. 54-300. Hearing on a suspension or debarment.**

(a) A person suspended or debarred ~~under section 54-297~~ is entitled to a hearing if the person files a written request for a hearing with the mayor within seven days after receipt of the notice of suspension or debarment under section 54-299~~8~~.

(b) If a suspended or debarred person requests a hearing, the mayor shall promptly schedule a ~~prompt~~ hearing unless the city attorney determines that a hearing at the proposed time is likely to jeopardize an investigation. A hearing may not be delayed longer than six months after notice of the suspension or debarment is provided under section 54-299~~8~~.

**(c) The mayor will have 20 days after completion of the hearing to issue a written determination.**

**Sec. 54-301. List of persons debarred or suspended.**

The purchasing agent shall maintain a list of all persons debarred or suspended from consideration for award of contracts.



**Sec. 54-302. Reinstatement.**

(a) The mayor may, at any time after a final decision to debar a person from consideration for award of contracts, reinstate the person after determining that the cause for which the person was debarred no longer exists or has been substantially mitigated.

(b) A debarred person may request reinstatement by submitting a petition to the mayor supported by evidence showing that the cause for debarment no longer exists or has been substantially mitigated.

(c) The mayor may require a hearing on a reinstatement petition. A decision on reinstatement ~~must~~shall be made in writing within seven days after a reinstatement petition is submitted. The decision ~~must~~shall specify the factors on which it is based. A decision under this section is not subject to judicial appeal.

**Sec. 54-303. Limited participation.**

The mayor may permit a debarred person to participate in a contract on a limited basis during the debarment period if the mayor determines in writing that the participation is advantageous to the city. The determination ~~must~~shall specify the factors on which it is based and the limits imposed on the debarred person.

**Sec. 54-304. Hearing procedures.**

(a) The mayor shall act as a hearing officer or appoint a hearing officer for a hearing conducted under this article. The hearing officer shall arrange for a prompt hearing and notify the parties in writing of the time and place of the hearing. The hearing ~~will~~shall be conducted in an informal manner.

(b) The hearing officer may:

- (1) Hold prehearing conferences to settle, simplify, or identify the issues in a proceeding, or to consider other matters that may aid in the expeditious disposition of the proceeding;
- (2) Require parties to state their positions concerning the various issues in the proceeding;
- (3) Require parties to produce for examination those relevant witnesses and documents under their control;
- (4) Rule on motions and other procedural matters;
- (5) Regulate the course of the hearing and conduct of the participants;
- (6) Establish time limits for submission of motion or memoranda;

- (7) Impose appropriate sanctions against a person who fails to obey an order of the hearing officer, including:
  - a. Prohibiting the person from asserting or opposing designated claims or defenses or introducing designated matters into evidence;
  - b. Excluding all testimony of an unresponsive or evasive witness; and
  - c. Excluding a person from further participation in the hearing;
- (8) Take official notice of a material fact not appearing in evidence if the fact is among the traditional matters subject to judicial notice; and
- (9) Administer oaths or affirmations.

(c) **Hearings will not be recorded unless a party so requests. The party requesting the recording will be responsible for all costs associated with the recording.** ~~A transcribed record of the hearing shall be made available at cost to a party that requests it.~~

**Sec. 54-305. Recommendation by the hearing officer.**

(a) If the mayor is not acting as **the** hearing officer, the hearing officer shall recommend a decision to the mayor based on the evidence presented. The recommendation ~~must~~ **shall** include findings of fact and conclusions of law.

(b) The mayor may affirm, modify, or reject the hearing officer's recommendation in whole or in part, ~~may~~ remand the matter to the hearing officer with instructions, or take other appropriate action.

**Sec. 54-306. Final decision by the mayor.**

A decision by the mayor after a hearing under this article is final. A decision ~~must~~ **shall** be sent within 20 days after the hearing to all parties by personal service or certified mail, except that a decision by the mayor involving procurement of construction ~~must~~ **shall** be sent within 90 days after the hearing to all parties by personal service or certified mail.

**Sec. 54-307. Judicial appeal.**

(a) A final decision of the mayor under sections 54-291, 54-292, 54-295, ~~54-297(a)~~ **or and** 54-299 may be appealed to the superior court in accordance with the state rules of appellate procedure governing administrative appeals.

(b) A final decision of the mayor under sections 54-291, 54-292, 54-295, **and 54-299 must contain a notice that the mayor's decision is a final administrative determination that** may be appealed to the superior court ~~for a trial de novo unless the parties have otherwise agreed to arbitrate the underlying controversy,~~ **that any appeal to the superior court must be filed within 30 days from the date of the decision, and that failure to appeal within the 30 days will bar any such appeal.**

**Sec. 54-308. Misrepresentations and fraudulent claims.**

(a) A person who makes, or uses in support of a contract claim under this article, a misrepresentation, or who practices or attempts to practice a fraud at any stage of proceedings relating to a purchase or contract controversy under this chapter:

- (1) Forfeits all claims relating to that procurement or contract; and
- (2) Is liable to the city for reimbursement of all sums paid on the claim, for all costs attributable to review of the claim, and for a civil penalty equal to the amount by which the claim is misrepresented.

(b) The purchasing agent, mayor, or court shall make specific findings of misrepresentation, attempted fraud, or fraud before declaring a forfeiture under subsection (a)(1) of this section.

~~(c) A person who in a matter relating to a purchase or a contract controversy or claim under this chapter makes a misrepresentation to the city through a trick, scheme, or device is guilty of a class C felony, prosecutable under state law.~~

~~(d) In this section, "misrepresentation" means a false or misleading statement of material fact, or conduct intended to deceive or mislead concerning a material fact, whether or not it succeeds in deceiving or misleading.~~

**Sec. 54-309. Exclusive remedy.**

This article provides the exclusive procedure for asserting a claim against the city arising in relation to a purchase under this chapter.

**Secs. 54-310—54-340. Reserved.**

**ARTICLE VIII. CONTRACT FORMATION AND MODIFICATION**

**Sec. 54-341. Review and approval by the city attorney.**

If a contract contains a term that is in conflict with a standard form contract term or if a standard term is deleted or modified by a term that is not standard, the contract must be reviewed by the city attorney and approved as to form.

**Sec. 54-342. Bid cancellation, rejection.**

An invitation ~~to~~for bid, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part, or the date for opening bids or proposals may be delayed when it is in the best interests of the city. The reasons for cancelling, rejecting, or delaying in opening bids or proposals ~~will~~shall be made part of the contract file.

**Sec. 54-343. Determination of responsibility.**

(a) A written determination of responsibility of a bidder or offeror ~~must~~ shall be made by the purchasing agent. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination of non-responsibility with respect to the bidder or offeror.

(b) Information furnished by a bidder or offeror under subsection (a) of this section is confidential and may not be disclosed without prior written consent by the bidder or offeror, unless otherwise required by law.

**Sec. 54-344. Multiterm contracts.**

(a) Unless otherwise provided by law, a contract for supplies, services, or professional services may be entered into for any period of time considered to be in the best interests of the city, provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods ~~are~~ shall be subject to the availability and appropriation of funds by the city council ~~for them~~.

(b) Before using a multiterm contract, the purchasing agent shall determine in writing that:

- (1) Estimated requirements cover the period of the contract and are reasonably firm and continuing; and
- (2) The contract will serve the best interests of the city by encouraging effective competition or otherwise promoting economies in city purchasing.

(c) When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract ~~shall be terminated~~. The contractor may only be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies, services, or professional services delivered under the contract that are not otherwise recoverable. The cost of termination may be paid from any appropriations available for these purposes.

**Sec. 54-345. Cost or pricing data.**

(a) Before an award of a contract or a change order or contract modification, the contractor or prospective contractor may be required to submit cost and pricing data. The contractor or prospective contractor shall certify that, to the best of the contractor's or prospective contractor's knowledge and belief, the data submitted is accurate, complete, and current at a mutually determined specified date and will continue to be accurate and complete during the term ~~performance~~ of the contract.

(b) When a contractor becomes aware of a situation that may form the basis of a claim for compensation that exceeds the amount designated as the base amount of the contract and before

performing additional work or supplying additional materials, the contractor shall submit cost and pricing data on the additional work or materials. The contractor shall certify that, to the best of the contractor's knowledge and belief, the data submitted is accurate, complete and current and is the actual cost to the contractor of performing the additional work or supplying the additional materials.

(c) A contract, change order, or contract modification ~~for~~under which a certificate is required under subsection (a) or (b) ~~of this section~~ must contain a provision that the price to the city, including the contractor's profit or fee, will be adjusted to exclude any significant sums by which the city finds that the price is increased because the cost or pricing data furnished by the contractor or prospective contractor is inaccurate, incomplete, or not current as of the date agreed upon by the parties.

(d) The requirements of subsection (a) ~~of this section~~ do not apply when:

- (1) The contract price is based on adequate price competition; or
- (2) The contract price is set by law or regulation.

**Sec. 54-346. Right to inspect ~~plant~~.**

The city may, at reasonable times, inspect the ~~part of the plant or~~ place of business of a contractor or subcontractor that is related to the performance of a contract.

**Sec. 54-347. Right to audit records.**

The city may, at reasonable times and places, audit the books and records of a person who has submitted cost or pricing data to the extent that the books and records relate to the cost or pricing data. A person who receives a contract, change order, or contract modification for which cost or pricing data is required shall maintain books and records that relate to the cost or pricing data for three years after the date of final payment under the prime contract and by the subcontractor for a period of three years after the date of final payment under the subcontract, unless a shorter period is authorized in writing by the purchasing agent.

**Sec. 54-348. Standard modification clauses for contracts.**

(a) The purchasing agent may adopt standards permitting the inclusion of clauses providing for adjustments in prices, time of performance, or other contract provisions as appropriate.

(b) The purchasing agent may adopt standards permitting or requiring the inclusion in city contracts of clauses providing for appropriate remedies ~~and covering the following subjects:~~

- ~~(1) Liquidated damages;~~
- ~~(2) Specified excuses for delay or nonperformance;~~

~~(3) Termination of the contract for default; and~~

~~(4) Termination of the contract in whole or in part for the convenience of the city.~~

**Sec. 54-349. Fiscal responsibility.**

(a) A contract modification, change order, or contract price adjustment under a construction contract in excess of an amount established by this chapter is subject to prior written certification by the **chief financial officer**~~director of finance~~ or other official responsible for monitoring and reporting upon the status of the costs of the total project budget or contract budget, as to the effect of the contract modification, change order, or adjustment. If the certification of the **chief financial officer**~~director of finance~~ or other responsible official discloses a resulting increase in either budget, the administering authority may not approve the contract modification, change order, or adjustment in contract price unless sufficient funds are available, or the scope of the project or contract is adjusted to permit the degree of completion that is feasible within the total project budget or the contract budget as it existed before the contract modification, change order, or price adjustment.

(b) Sections ~~54-389~~ and ~~section 54-398~~ apply to this section.

**SECTION 2.** The effective date of this ordinance is the \_\_\_\_ day of March 2023.

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

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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

\_\_\_\_\_  
Paul Ewers, City Attorney

**RESOLUTION NO. 5050**

**A RESOLUTION AUTHORIZING THE CITY OF FAIRBANKS TO SUBMIT  
PROJECT QUESTIONNAIRES ON BEHALF OF GOLDEN HEART UTILITIES  
FOR THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
CLEAN WATER STATE REVOLVING FUND**

**WHEREAS**, the Peger Road Wastewater Treatment Plant has been operated by Golden Heart Utilities (GHU) under the terms of a lease-purchase agreement; and

**WHEREAS**, GHU has not exercised its option to purchase the treatment plant, opting to continue leasing the facility from the City; and

**WHEREAS**, the Alaska Department of Environmental Conservation (ADEC) is accepting new project questionnaires for potential planning, design, and construction of water and wastewater infrastructure improvements; and

**WHEREAS**, GHU would like to submit three projects for consideration to the ADEC for the Alaska Clean Water State Revolving Fund for bio-solids incineration pilot testing (\$1,500,000), grit removal (\$1,700,000), and ultraviolet disinfection (\$4,000,000); and

**WHEREAS**, ADEC Clean Water State Revolving Fund may result in a loan that requires city voter approval through an ordinance.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council that the Mayor or his designee is authorized to execute all documents required for submitting project questionnaires on behalf of Golden Heart Utilities for the Alaska Department of Environmental Conservation Clean Water State Revolving Fund for wastewater infrastructure improvements.

**PASSED and APPROVED this 27th Day of February 2023.**

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

AYES:  
NAYS:  
ABSENT:  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

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

\_\_\_\_\_  
Paul J. Ewers, City Attorney

**ORDINANCE NO. 6237**

**AN ORDINANCE AUTHORIZING LEASE OF CITY-  
OWNED REAL PROPERTY TO YUKON QUEST  
INTERNATIONAL LTD.**

**WHEREAS**, the City owns Lots One and Two, Block Four, Townsite of Fairbanks, and the popular log cabin (the “property”) located on the banks of the Chena River at 550 First Avenue; and

**WHEREAS**, the property has been leased by the Yukon Quest International Ltd. (“the Quest”) for the past fourteen years, and the most recent lease expired October 13, 2022; and

**WHEREAS**, the Quest’s use of the property as its dog mushing sport headquarters and visitor destination contributes to the vitality of the Fairbanks community, attracting residents, visitors, and mushing enthusiasts; and

**WHEREAS**, the Quest currently occupies the property on a month-to-month basis; and

**WHEREAS**, the Quest has respectfully requested a long-term lease of the land and cabin; and

**WHEREAS**, the City administration has reviewed the property and determined that it is not required for municipal purposes and can be leased to others; and

**WHEREAS**, Fairbanks General Code of Ordinances Section 70-44 provides that the City may lease to a non-profit organization without public sale and for less than market value, whenever in the judgment of the City Council it is advantageous to do so; and

**WHEREAS**, it is the finding of the City Council that a lease of this property to the Quest is in the best interest of the community.

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

SECTION 1. That a lease instrument substantially in the form shown on attached “Exhibit A” is hereby authorized by Council for the purposes herein stated, providing for a four year lease term, plus a four year option to renew, which option shall be at the discretion of the City.

SECTION 2. That the Mayor is authorized and directed to execute said lease on behalf of the City, and the City Clerk is authorized to attest and affix the City Seal to said instrument, the execution of which will take place not less than 30 days after the effective date of this ordinance, as prescribed by Charter Section 8.3 and FGC Sec. 70-56.

SECTION 3. That the effective date of this ordinance is the \_\_\_\_\_ day of March 2023.



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**David Pruhs, Mayor**

AYES:  
NAYS:  
ABSTAIN:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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D. Danyielle Snider, MMC, City Clerk

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PAUL EWERS, City Attorney

LEASE – REAL PROPERTY

Exhibit “A” to Ordinance No. 6237

This Lease, made and entered into this \_\_\_\_\_ day of March 2023, by and between the City of Fairbanks, 800 Cushman Street, Fairbanks, Alaska 99701, referred to as “Lessor,” and the Yukon Quest International, Ltd., an Alaska nonprofit corporation, 550 First Avenue, Fairbanks, Alaska 99701, referred to as “Lessee.”

1. **Authority.** The Mayor of the City of Fairbanks is authorized and directed to enter into this Lease by City Ordinance No. 6237, enacted by the City Council on March 13, 2023.

2. **Premises.** For and consideration of the rents to be paid and the covenants to be performed by Lessee, and for the terms set forth herein, Lessor hereby leases to Lessee:

Lots One (1) and Two (2) Block Four (4), TOWNSITE OF FAIRBANKS, according to the official survey of said Townsite, known as the L.S. Robe Map of 1909, reproduced by Karl Theile, US Surveyor General in 1922, containing 11,000 square feet, more or less, and the improvements thereon.

All according to the Records of the Fairbanks Recording District, 4th Judicial District, State of Alaska, and as generally depicted on “Lease Attachment 1 of 1”,

TOGETHER WITH the rents and issues thereof, subject to the following terms and conditions.

3. **Use.** Lessee has the right to use the Leased Premises exclusively for the non-profit operation and promotion of tourism and as a visitor destination, consisting of dog mushing, display of sled dogs, the sport and culture of dog mushing, education, and related activities. Lessee shall comply with all regulations, ordinances, codes, and laws applicable to the use and occupancy of the Leased Premises and shall obtain at its sole expenses all permits and licenses necessary to the lawful conduct of its business.

4. **Existing Improvements.** The Premises are currently improved with a facility of log construction containing approximately 1,900 square feet, plus basement and accessory features.

5. **Title.** Lessor warrants and represents to Lessee that Lessor has full right and lawful authority to enter into this Lease, that Lessor has good and marketable title to the Leased Premises, and that the Leased Premises are free and clear of all tenancies, liens, easements, restrictions, conditions, reservations, and other encumbrances, except for those of record in the above recording district, and applicable building, use, and zoning ordinances pertaining to the Premises or otherwise disclosed to Lessee.

6. **Term.** The initial term of this Lease will be four years beginning May 1, 2023, and ending at midnight April 30, 2027.

7. **Option to Renew.** Upon expiration of the initial term of this Lease, the City may, at its sole discretion, grant an option to renew for up to an additional four years.

8. **Rent.** In addition to the obligations set forth under Section 12 below, and in consideration of the community purposes of the demised Premises, Lessee shall pay to Lessor Five Hundred Dollars (\$500.00) per month, which amount will be payable in advance for each month of the Lease, with rent payments due on the first of each month for so long as the Lease is in effect. The failure of Lessor to insist upon full and prompt payment of any installment of the rent does not waive Lessor's right to full and prompt payment of that installment or any other installments. Lessee is in arrearage in the amount of \$3,050 on rent owed to the Lessor. To bring the rent current, the Lessee will pay an additional Two Hundred and Fifty Dollars (\$250.00) per month until the lease arrearage is satisfied, at which time the monthly payment would return to \$500.00 per month.

9. **Taxes.** Lessor is a municipality of the State of Alaska and, therefore, exempt from property taxes. If taxes are levied against the property by a government body, any such taxes must be paid by Lessee, as and when due, so long as Lessor remains the owner of record.

10. **Lessor's Right of Entry onto the Premises.** Lessor or its agents have the right to enter the Leased Premises in order to examine it for the purposes of determining compliance with this Lease and to inspect or repair the separate electrical meter, water meter, and water pumps owned by the City, which are located in the basement of the premises and which serve the adjoining Golden Heart Plaza and water fountain. Lessee must provide Lessor or its agents with the means to enter at all times upon reasonable advance notice.

11. **Sublease and Assignment.** Lessee may not assign its rights or obligations under this Lease without prior written approval of the Lessor, which approval is at Lessor's sole discretion. If this Lease is assigned or if the Leased Premises or any part thereof is sublet or occupied by anyone other than Lessee, Lessor may, after default by Lessee, collect rent from the assignee, sublessee, or occupant and apply the net amount collected to the rent herein reserved.

12. **Operational Expenses.** Lessee shall keep the Leased Premises, the access thereto, and the site and structural improvements thereon in clean, safe, and well-maintained order, free from depreciated conditions, at all times during the term of this Lease. Lessee shall pay, or cause to be paid, all operational expenses, including utilities of whatever nature, supplies and routine building and grounds maintenance, together with janitorial services and refuse collection. Lessor shall perform major mechanical or electrical repairs and extraordinary replacements.

13. **Improvements, Alterations, Fixtures.** Lessee may, at its sole cost and expense, install equipment and fixtures on the Leased Premises or improvements to the Leased Premises, which installations or improvements must first be approved in writing by the City Engineer, provided further that Lessee will, at all times, hold Lessor and the Premises harmless against any expense, claim, or injury arising out of any installation, alteration, addition, or improvement commenced or carried out on the Premises by Lessee, its assigns, or agents.

14. **Encumbrances.** Lessee shall not encumber the Premises, or allow the Premises to be encumbered, with liens of any nature, including but not limited to mortgages, mechanic or materialmen liens, or use of the Premises as collateral to secure debt, without the prior written approval of Lessor, which approval will be at the discretion of Lessor. Any lien against the Premises will be subordinate to this Lease, which will hold priority in title.

15. **Insurance.**

(a) At all times during the Lease term, Lessee shall maintain in force and effect Workers Compensation Insurance as required by the laws of the State of Alaska.

(b) As a condition precedent to the Lessee's taking and retaining possession under the Lease, Lessee must secure and maintain and file with Lessor proper evidence of the following types of insurance:

General Liability:

Each Occurrence: \$1,000,000

Damage to Rented Premises: \$100,000

Medical Expense – Any One Person: \$10,000

Personal and Advertising Injury: \$1,000,000

General Aggregate: \$2,000,000

Products and Completed Operation Aggregate: \$2,000,000

Lessee shall obtain and deposit with Lessor certificates of insurance covering the respective insurances as set forth above prior to commencement of the term of this Lease. Liability insurance must name Lessor as an "additional insured" as respects the Premises. All insurances must be secured from insurance companies licensed to do business in the State of Alaska. Lessee shall not do anything on the Premises or bring or keep anything in or about the Premises that will cause a cancellation of any insurance covering the Premises. The policies may not be cancelled or materially altered unless at least 30 days prior written notice of such cancellation or material change is provided to the Lessor. Lessee shall provide Lessor with evidence

satisfactory to Lessor that premiums for such insurances are paid when due. Lessor reserves the right to pay any insurance premiums not timely paid by Lessee and to recover that cost from Lessee pursuant to Paragraph 23 of this Lease.

(c) **Optional Insurance – Contents:** Lessee acknowledges that Lessor’s “all risk” insurance covering the structure does not cover Lessee’s effects or contents, and that Lessor is not liable for loss or damage to Lessee’s effects or contents. Lessee may, at its own expense, purchase and maintain renters’ insurance for such effects or contents.

16. **Indemnity.**

(a) Lessee will indemnify, defend, and hold Lessor harmless from and against any and all losses, claims, costs (including reasonable attorney’s fees), suits, and judgments arising from:

- (1) any acts or omissions done, caused, or authorized by Lessee, its employees, agents, assigns, or sublessees arising upon the Leased Premises or otherwise pertaining to this Lease; or
- (2) Lessee’s failure to perform any covenant required to be performed by the Lessee under this Lease; or
- (3) any environmental liability for conditions or contamination caused by Lessee arising out of Lessee’s occupancy, use, or alteration of the Leased Premises.

Lessee agrees to reimburse Lessor for all necessary expenses, reasonable attorney’s fees, and costs incurred in the non-judicial or judicial enforcement of any part of the foregoing indemnity provision.

(b) Lessor will defend and hold Lessee harmless from and against all losses, claims, costs (including reasonable attorney’s fees), suits, and judgments arising from any environmental liability for conditions or contamination not caused by Lessee or arising out of Lessee’s occupancy, use, or alternation of the Leased Premises.

Lessor agrees to reimburse Lessee for any and all necessary expenses, reasonable attorney's fees, and costs incurred in the non-judicial or judicial enforcement of any part of the foregoing indemnity provision.

17. **Condemnation.** If the Leased Premises, or any part thereof, are taken by eminent domain, at Lessor's option, this Lease (a) will expire on the date when the Leased Premises is taken, and the rent will be apportioned as of that date, or (b) will continue in full force and effect if the Premises remains suitable for Lessee's intended use.

18. **Abandonment.** Should Lessee vacate or abandon the Leased Premises or be dispossessed by process of law, such abandonment, vacation, or dispossession terminates the Lease.

19. **Default and Remedies.**

(a) If Lessee is adjudged insolvent or makes an assignment for the benefit of creditors, or if a receiver or other liquidating officer of Lessee is appointed, or a petition for relief is filed by or against Lessee in bankruptcy, or other dissolution or insolvency proceedings are commenced by or against Lessee, or if Lessee commits waste to or abandons the Premises, or if Lessee breaches any agreement, promise, duty, or covenant of Lessee under this Lease, then Lessee will be deemed in default on this Lease.

(b) In the event that Lessee defaults in the payment of any amount or performance of any material covenant or condition to be paid or performed on the part of Lessee, and has not cured such default within 30 days after receipt of Lessor's notice of default, Lessor, in addition to all other remedies provided by law or otherwise, has the following rights:

- (1) To terminate this Lease and all rights of Lessee under it;
- (2) To enter the Premises and re-let the Premises; or

(3) To recover from Lessee such damages attributable to its default, from the date of such breach to the date of the expiration of the lease.

Re-entry or re-letting of part or all of the Premises as herein provided is not to be deemed a termination of this Lease unless expressly declared so by Lessor. If this Lease is deemed terminated, Lessee's liability survives, and Lessee is liable for damages for the remainder of the term which exist at the termination date.

(c) In the event that Lessor defaults in the performance of any covenant or condition to be performed on the part of Lessor and Lessor has not cured such default within 30 days after receiving Lessee's notice of default, Lessee, in addition to all other remedies provided by law or otherwise, has the following rights:

(1) To terminate this Lease and all rights of Lessor under it; or

(2) To recover from Lessor such damages attributable to its default from the date of such breach to the date of the expiration of the lease term.

If this Lease is deemed terminated, Lessor's liability survives, and Lessor is liable for damages for the remainder of the term which exists at the termination date.

20. **Default.** Before a party can declare the other party in default, it must provide written notice of the specific obligation that the other has failed to perform and give that party 30 days in which to perform. It will not be considered a default if the required obligation cannot reasonably be performed within such 30-day period and if the other party is diligently trying to remedy the nonperformance.

21. **Holdover by Lessee.** Should Lessee, without Lessor's consent, hold over and remain in possession of any portion of the Premises after the expiration of the term of this Lease, such holdover will not be deemed or construed to be a renewal or extension of this Lease as to that area, and Lessor may take such legal steps as may be required to remove Lessee from that



portion of the Premises held over by Lessee. Alternatively, and at Lessor's option, such holdover may operate to create a month-to-month tenancy as to the area in question, which may be terminated by Lessor at the end of any month upon 30 days prior written notice.

22. **All Obligations of Lessee Considered Additional Rent.** All taxes, charges, costs, and expenses which Lessee is required to pay, together with all interest and penalties that may accrue in the event of Lessee's failure to pay such amounts, and all damages, costs, and expenses which Lessor may incur by reason of any default of Lessee or failure on Lessee's part to comply with the terms of this Lease, will be deemed to be additional rent and, in the event of nonpayment by Lessee, Lessor has all the rights and remedies as to those amounts that Lessor has for the nonpayment of basic rent.

23. **Lessor's Right to Perform Lessee's Obligations.** If Lessee is in default hereunder, Lessor may cure such default on behalf of Lessee, in which event Lessee shall reimburse Lessor for all reasonable sums paid to affect such cure, including reasonable attorney's fees. In order to collect such reimbursements, Lessor has all remedies available under this Lease for a default in the payment of rent.

24. **Late Charges.** Lessee acknowledges that late payment of rent or other sums due will cause Lessor to incur costs not contemplated by this Lease, the exact amount which will be difficult to ascertain. Accordingly, if Lessee fails to pay rent when due, or fails to pay other sums due under this Lease within 10 business days of receiving written notice that such sums are past due, then Lessee shall pay Lessor a late charge equal to 5% of the past due amount for each month the amount is past due, plus attorney's fees incurred by Lessor by reason of Lessee's failure to pay rent or other sums due under this Lease. The parties agree that such late charges represent a fair and reasonable estimate of the cost Lessor will incur by reason of the late

payment by Lessee. Acceptance of such late charges by the Lessor will neither constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any other rights and remedies hereunder.

25. **Waste and Hazardous Substances.** Lessee shall not commit waste of or waste upon the Premises of whatever nature. Lessee shall defend, indemnify, and hold Lessor harmless from any and all costs, claims, or liabilities arising from or related to release, escape, or presence of any hazardous materials, waste, or toxic or regulated substances arising from or reasonably attributable to Lessee's use and occupancy of the Premises, all or any of which must be paid and satisfied by Lessee. Lessee's indemnification survives the termination of this Lease.

26. **Surrender of Premises.** On the last day of the term of this Lease, or as otherwise provided in this Lease, or as extended by Lessor in writing, Lessee shall quit and peaceably surrender the Premises to Lessor, leaving same in a neat, clean condition.

27. **Notices.** Any notice required by this Lease must be in writing and sent by certified or registered mail, postage prepaid, addressed to the party at the address shown above or such other address as the party may be furnish to the other. Any notice mailed in accordance with the preceding sentence will be deemed to have been given at the time it is received. Upon agreement of the parties, notice may be given by electronic means.

28. **Waiver.** No delay or omission by either party in exercising any right or power accruing upon any noncompliance or default by the other party impairs any such right or power or can be construed to be a waiver of such right or power. Subject to the provisions of this paragraph, every such right and power may be exercised at any time during the continuance of such default. A waiver by either of the parties of any of the covenants and agreements to be

performed by the other will not be construed to be a waiver of any succeeding breach or of any other covenants or agreements.

29. **Choice of Law.** The provisions of this Lease and all questions arising concerning this Lease will be determined and resolved in accordance with the laws of the State of Alaska.

30. **Entire Agreement, Severability, Etc.** This Lease contains the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in this Lease. All prior understandings, terms, or conditions are deemed merged in this Lease. This Lease can be changed only in a written document signed by both parties. If any provision of this Lease is declared invalid or unenforceable, the remainder of the Lease shall continue in full force and effect. This Lease is binding upon the parties hereto and their legal representatives, successors, and assigns.

**LESSOR:**

**CITY OF FAIRBANKS**

By: \_\_\_\_\_  
David Pruhs, Mayor

**ATTEST:**

By: \_\_\_\_\_  
D. Danyielle Snider, City Clerk

**(SEAL)**

**LESSEE:**

**Yukon Quest International, Ltd**

By: \_\_\_\_\_  
Cathy Dimon, Executive Director

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Paul Ewers, City Attorney



*City of Fairbanks*

**MEMORANDUM**

To: City Council Members  
From: David Pruhs, City Mayor  
Subject: City Attorney Appointment  
Date: February 23, 2023

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Per the directions of the City Council, I met with Deputy City Attorney Thomas Chard to officially offer him the position of City Attorney and to negotiate his salary (assuming he accepted). I am happy to report that he did accept. We agreed upon a starting salary of \$120,000 per year.

He will officially begin his new role with the City of Fairbanks on March 1, 2023.