



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, FEBRUARY 26, 2018
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

The City Council convened at 7:00 p.m. on the above date, following a 6:00 p.m. Work Session to discuss the Extension of Business Premises into Second Avenue, to conduct a Regular Meeting of the Fairbanks City Council at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor Jim Matherly presiding and with the following Council Members in attendance:

Council Members Present: Joy Huntington, Seat A
 June Rogers, Seat B
 Valerie Therrien, Seat C (telephonic)
 Jonathan Bagwill, Seat D
 Jerry Cleworth, Seat E
 David Pruhs, Seat F

Absent: None

Also Present: Paul Ewers, City Attorney
 D. Danyielle Snider, City Clerk
 Dan Welborn, Deputy Police Chief
 Stephanie Johnson, Dispatch Center Manager
 Christina Rowlett, HR Admin
 Jim Styers, Fire Chief
 Angela Foster-Snow, HR Director
 Clem Clooten, Building Official
 Carmen Randle, Chief Financial Officer
 Mike Meeks, Chief of Staff

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

INVOCATION

The Invocation was given by City Clerk Danyielle Snider.

FLAG SALUTATION

Mayor Matherly asked Mr. Cleworth to lead the Flag Salutation.

CITIZENS' COMMENTS ON CONSENT AGENDA ITEMS

Mr. Cleworth asked for clarification on the appropriate time for people to speak about the Lavelle's Taphouse extension of premises since it is not asterisked on the agenda. City Clerk Snider acknowledged the issue and stated that people can speak to it under Citizens' Comments on Consent Agenda Items since public hearing was already held at the January 8, 2018 meeting.

Tim Staton, 541 2nd Avenue, Fairbanks – Mr. Staton stated the Taphouse issue should have had its own public hearing because it was not properly advertised to the public. He spoke against the extension of premises because of the public safety hazard it creates. He stated nobody is jealous of Ms. Eagle-Lavelle’s business model; rather, it is not something that is typically done. Mr. Staton stated that if the Council allows one business to use the sidewalk as their service area, other businesses are going to have the same expectation. He asked what will happen when the Mecca Bar requests to do the same thing in front of their business.

David van den Berg, 542 4th Avenue, Fairbanks – Mr. Van den Berg stated he is the Executive Director for the Downtown Association (DTA) of Fairbanks, and the DTA supports the extension. He stated it is a wonderful opportunity to help revitalize the downtown core area. He stated it would encourage people to come and possibly invest in the downtown area. He reported that the Mayor and the Department Heads have indicated they are on the fence about the issue, and he asked the Council to make the decision to approve the extension of premises. He stated the Council should give Ms. Eagle-Lavelle a chance to expand and see how it works out.

Vivian Stiver, 1420 Moore Street, #10, Fairbanks – Ms. Stiver stated the Taphouse is a very popular destination, but using the sidewalk is a bad idea. She suggested that Ms. Eagle-Lavelle use the area behind the Taphouse or the area adjacent to it. Ms. Stiver stated it would not be fair to others to allow use of the public right-of-way for financial gain. She stated she is happy so many young folks are coming downtown, but at a certain point the Council has to say no.

Katherine Dodge, 665 8th Avenue, Fairbanks – Ms. Dodge spoke in support of the extension for the Taphouse and stated that it adds a sense of vibrancy to the downtown area. She stated she would like to see other restaurants and shops do the same because it would help people feel more like a part of the City.

Arlette Eagle-Lavelle, 828 8th Avenue, Fairbanks – Ms. Eagle-Lavelle thanked the Council for the time they have spent considering the extension of premises. She stated that however the vote turns out, she understands it is not personal.

Victor Buberger, P.O. Box 58192, Fairbanks – Mr. Buberger stated that if the Council is going to open sidewalks for one business, they need to open it to all businesses. Regarding the increase to garbage collection rates in Resolution No. 4828, he stated he remembers when there were no tipping fees at the dump in the 1980s. He spoke to the increased fees for recyclable materials and suggested that the Borough increase the fees for the contractor who runs the business to give taxpayers a break.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney stated the City has had a long history of getting rid of all the bars in the downtown area. He questioned whether allowing another bar to operate in the downtown area would increase the number of intoxicated individuals walking the street. He stated that if the Council allows Lavelle’s Taphouse to extend its premise, they have to allow it for every other business as well.

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

APPROVAL OF AGENDA AND CONSENT AGENDA

Mr. Pruhs, seconded by Mr. Bagwill, moved to APPROVE the Agenda and Consent Agenda.

Ms. Therrien pulled Ordinance No. 6071 from the Consent Agenda.

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

City Clerk Snider read the Consent Agenda, as Amended, into the record.

APPROVAL OF PREVIOUS MINUTES

a) Regular Meeting Minutes of December 11, 2017.

APPROVED on the CONSENT AGENDA.

b) Regular Meeting Minutes of January 8, 2018.

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
4819	The Antler Room	Beverage Dispensary	The Antler Room, Inc.	1003 Pioneer Road, A
3997	BPO Elks Lodge #1551	Club	BPO Elks Lodge #1551	1003 Pioneer Road
5353	Fairbanks Distilling Company	Distillery	Patrick Wayne Levy	410 Cushman Street

Mr. Pruhs, seconded by Mr. Cleworth, moved to WAIVE PROTEST on the Liquor License Applications for Renewal.

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

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

YEAS: Therrien, Rogers, Pruhs, Bagwill, Huntington, Cleworth

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

b) The Fairbanks City Council determined the costs and method of recovery of costs for a demolition on a property located at 252 Minnie Street (Lot 3, Block 13, Charles Slater Subdivision), Fairbanks, Alaska.

NOTE: The purpose of this hearing was to:

- 1) Hear and pass upon the demolition report of expenses;
- 2) Consider written objections or protests to the proposed report;
- 3) Make such revision, correction, or modification to the report or the charges as the City Council may deem just; and
- 4) Determine whether to assign a personal obligation of the property owner and/or create a lien against the property.

Ms. Therrien, seconded by **Mr. Pruhs**, moved to CONCUR with the presented costs of the demolition of the property located at 252 Minnie Street.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO CONCUR WITH THE PRESENTED COSTS OF THE DEMOLITION OF THE PROPERTY LOCATED AT 252 MINNIE STREET AS FOLLOWS:

YEAS: Bagwill, Cleworth, Rogers, Huntington, Therrien, Pruhs

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

Mayor Matherly asked Building Official Clem Clooten for a staff report. Mr. Clooten stated in past situations, the Council has voted to place a lien against property. He stated that he spoke to the owner who felt no need to attend the meeting since the fees have already been incurred.

Ms. Therrien asked Mr. Clooten if the owner indicated whether he had funds to pay the costs. Mr. Clooten reported that the owner did not indicate one way or another.

Ms. Therrien, seconded by **Mr. Bagwill**, moved to PLACE A LIEN against the property located at 252 Minnie Street in the amount of \$33,723.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO PLACE A LIEN AGAINST THE PROPERTY LOCATED AT 252 MINNIE STREET IN THE AMOUNT OF \$33,723 AS FOLLOWS:

YEAS: Rogers, Bagwill, Therrien, Pruhs, Cleworth, Huntington

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

MAYOR'S COMMENTS AND REPORT

a) Special Reports

Katherine Dodge – Ms. Dodge shared that there will be an Air Quality Summit on Wednesday, February 28, at 6:00 p.m. at the Noel Wein Library.

Mayor Matherly stated he recently returned from Juneau where he met with the Interior Delegation to discuss natural gas issues, homelessness, and problems with opioids. He stated

there was a recent meeting at the Fire Department to discuss mutual aid. He stated he has received many calls and messages about the snow, and he is working closely with Public Works to get it removed. He congratulated Alaskans who received medals at the Pyeongchang 2018 Winter Olympics.

UNFINISHED BUSINESS

- a) The Fairbanks City Council considered the following request by Lavelle's Taphouse, LLC (Arlette Eagle-Lavelle) for an extension of premises of alcohol service area. *(This item was POSTPONED from the Regular Meeting of January 8, 2018; the motion to APPROVE, made by Mr. Pruhs and seconded by Mr. Bagwill, is on the floor.)*

Ms. Huntington asked for an update from the Work Session; **Mayor Matherly** reported that all of the Department Heads had public safety concerns. He stated there was a special situation last summer because the street was closed and there was no worry about citizen safety.

Mr. Cleworth stated the Taphouse had a unique situation in the summer of 2017 because 2nd Avenue was closed. He stated the City spent a lot of money to add parking spots downtown, and the extension of premises would take some of those spots away. He stated he watches parking issues from his store all day long as people try to beat the rotation of the Parking Authority. He stated the space to the west of the Taphouse could be used to extend the premises, and it would not block the public right-of-way. He stated that making an exception for one business and not others is going to cause problems. He stated he understands the attraction, but the Council should heed the warnings of Department Heads.

Ms. Therrien stated she agrees with Mr. Cleworth and the recommendations of Department Heads and to err on the side of public safety.

Mr. Bagwill stated he is going to listen to the warnings that have been addressed by City staff. He expressed concern that if the Taphouse was permitted to extend its premises in front of the establishment, everyone else may want to do the same thing.

Ms. Rogers agreed with other Council members that public safety is a concern. She stated if the Council approves the extension, they are going to have to allow other businesses to do so also. She stated the revitalization of downtown is important, but it cannot be piecemealed. She wished Ms. Eagle-Lavelle good luck in all her endeavors.

Mayor Matherly stated the City may work with other businesses to close down a City street on occasion so everyone could participate in a street-type festival. He stated that Ms. Eagle-Lavelle has inspired him to think outside the box after the events she held in the summer of 2017.

Mr. Pruhs stated he did not think the extension of premises would pass, but he was going to vote in favor of it. He stated he did not see a safety concern, but Department Heads err on the side of caution.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE THE REQUEST BY LAVELLE'S TAPHOUSE, LLC FOR AN EXTENSION OF PREMISES OF ALCOHOL SERVICE AREA AS FOLLOWS:

YEAS: Pruhs
NAYS: Huntington, Bagwill, Therrien, Cleworth, Rogers
Mayor Matherly declared the MOTION FAILED.

- b) Ordinance No. 6070 – An Ordinance to Amend Fairbanks General Code Chapter 14, Businesses, by Adding Article VI Regulating Marijuana Establishments. Introduced by Mayor Matherly. SECOND READING AND PUBLIC HEARING.

Mr. Pruhs, seconded by **Mr. Bagwill**, moved to ADOPT Ordinance No. 6070.

Mr. Cleworth, seconded by **Mr. Pruhs**, moved to SUBSTITUTE Ordinance No. 6070, as Amended, for Ordinance No. 6070.

Mayor Matherly called for objection to the motion to SUBSTITUTE and, hearing none, declared the MOTION CARRIED.

Greg Allison, 356 Old Steese Highway, Fairbanks – Mr. Allison stated that he is speaking as the President of the Alaska Marijuana Industry Association (AMIA). He stated that many in the industry have met the ordinance with great haste, but he hopes everyone speaks respectfully. He thanked the City Council for being accessible and willing to listen, and he spoke in favor of working towards solutions. He stated that he would like to see a group formed to address concerns and help everyone gain a better understanding of the ordinance.

Ms. Therrien asked Mr. Allison what kind of solutions he is willing to offer. Mr. Allison stated he hopes for a peaceful resolution; he suggested that there be some type of work study done before legislation is passed.

Mr. Bagwill asked Mr. Allison if he believes some of his ideas could have been discussed before the ordinance reached the City Council. Mr. Allison stated he thinks the industry felt blind-sided by the ordinance, and he hopes more discussion can happen prior to adopting the ordinance.

Vivian Stiver – Ms. Stiver stated that she wished reasonable regulations were in place prior to establishments opening because now it appears that the Council is picking winners and losers. She stated a municipality has the power to regulate the marijuana industry just as alcohol is regulated. She spoke against onsite consumption at retail locations.

Mason Evans, 814 Goldmine Trail, Fairbanks – Mr. Evans stated he is the co-owner of Grass Station 49 and a member of the AMIA Board. He stated the ordinance seems to have been hastily put together but that he is not present to storm the castle. He stated the ordinance caught him off guard, but he understands the need for regulations. He asked the Council to work with people in the industry to create a better ordinance. He spoke to the amount of money that he and his brother had to invest into their business just to secure the property, but they knew the risk

they were taking. He stated that there are others investing in the industry who may get the rug pulled out from under them by City regulations.

Dan Peters, 2604 Davis Road, Fairbanks – Mr. Peters stated he is the co-owner of GoodSinse, LLC, and he does not support the ordinance. He stated the Council does not need to put a cap on the number of retail licenses allowed in City limits, because the industry will regulate itself. He stated if a business is bad it will fail, and if it is good it will succeed because that is what the free market does. He reminded the Council that the people voted to make the industry legal and asked them not to regulate the industry out of business.

Alan Las, P.O. Box 60307, Fairbanks – Mr. Las introduced a student named Jade from Ticasuk Brown Elementary School who he prompted to read aloud a letter speaking against the commercial marijuana industry. Mr. Las indicated that the opioid problem has worsened since marijuana became legalized. He stated that a small percentage of unemployable people have made a living selling product undercover, but the legal industry has eliminated their jobs. He stated that those people have switched to bad drugs.

Kellen Spillman, 907 Terminal Street, Fairbanks – Mr. Spillman stated he is present to speak on behalf of Borough Mayor Karl Kassel in his capacity as the Deputy Director of the Planning Department. He stated his intent is to speak to buffer zones, not policy. He spoke to the process the Fairbanks North Star Borough (FNSB) went through while drafting marijuana zoning regulations. He stated his department formed a marijuana working group that helped draft the regulations that were eventually adopted. Mr. Spillman spoke to the maps his department produced illustrating the various zoning areas. He stated that if the ordinance passes, cultivation facilities would be the most heavily impacted.

Mr. Pruhs asked Mr. Spillman about conditional use permits and other restrictions in residential neighborhoods. Mr. Spillman stated most general use zones allow for marijuana licenses unless they are adjacent to a residential neighborhood. He stated that a facility cannot be within 100 feet of a residential zone regardless whether a conditional or allowed use permit has been issued.

Mr. Cleworth stated the City has received complaints about the coffee roasting odor downtown and asked if the Borough put in special requirements to address the problem. Mr. Spillman stated the Air Quality Department has taken some action in regard to coffee roasting, but he is not sure about the specific problem Mr. Cleworth spoke of. **Mr. Cleworth** stated that the City has also received complaints about the marijuana odor; he asked Mr. Spillman if the Borough is dealing with that. Mr. Spillman stated that if a permit goes through the conditional use process, the Planning Commission will often put a stipulation on the facility similar to the State regulation that odor cannot be present outside the facility.

Ms. Therrien asked if people seeking a marijuana license come to the Planning Commission prior to pursuing their license; Mr. Spillman stated they often do come to the Planning Commission first. **Ms. Therrien** referenced the spreadsheet provided to the Council by the City Clerk; she asked Mr. Spillman if he could tell her which businesses on the list have come before the Commission. Mr. Spillman replied he would be happy to look at the information when he returns to his office then respond to Ms. Therrien.

Michael Holland, 1201 Ferberite Court, Fairbanks – Mr. Holland stated he is a manager at a local cultivation facility, and he expressed opposition to Ordinance No. 6070. He stated limiting retail facilities to only 12 in City limits is not on par with the number of liquor licenses in the City. He stated that prohibiting onsite consumption is like telling someone who uses marijuana for medical purposes that they cannot take their medication. He stated license applicants have already jumped through hoops to get as far as they have, and it would not be right for the Council to impose new regulations.

Trevor Haynes, 356 Old Steese Highway, Fairbanks – Mr. Haynes stated he is happy to hear the people from the cannabis industry being so cordial in their testimony. He stated he does not support the ordinance, and there should be group discussion regarding regulations.

Frank Berardi, 801 Pelican Way, Fairbanks – Mr. Berardi stated his company has produced the biggest concentrate brand in the state, and his product is in 52 of the 55 retail stores. He stated there is a never-ending effort to stymie the industry. He stated it is apparent that the little girl who read the letter earlier in the meeting did not write it, and it was intended to get an emotional response from the Council. He stated that he plans to expand his business and that government should represent the people.

Greg Batz, 1485 Ithaca Road, Fairbanks – Mr. Batz stated he is conservative in his views, but he wishes that marijuana was less illegal on the federal level. He stated he is in favor of the ordinance, but he wishes it was more stringent. He stated he is a public servant who is subject to drug testing. He stated he was driving earlier in the day and smelled marijuana, and he questioned whether it could make him fail a drug test or affect his children who were also in the vehicle. He stated that since no one knows the answer to that question, there is no way to know how cautious the Council should be.

Frank Turney – Mr. Turney stated he is and has been a strong supporter of cannabis, a critic of government, and a supporter of free speech. He stated it is hypocritical of the Council to try and regulate cannabis when the people voted for it to be legal. He spoke to the history of legalized cannabis in the City and to the lethal effects of alcohol, which seem to be socially acceptable.

Christina Robbins, 1340 Arctic Tern Drive, Fairbanks – Ms. Robbins read aloud a letter written by Krista Dyer who could not attend the Council meeting. The letter encouraged development of the marijuana industry but also close regulation of it. Ms. Robbins stated she works at a faith-based drug addiction recovery program and that she has seen the effects on people who are hurt by the use of drugs. She spoke in support of the ordinance.

Leslea Nunley, 1200 Well Street, Fairbanks – Ms. Nunley stated she is the owner of Tanana Herb Company and that she waited to purchase the building until after the statewide vote to legalize the industry. She stated it was nearly impossible to get in front of the Alaska Marijuana Control Board (MCB) and the City prior to the ordinance being introduced. She stated her retail license is waiting for State approval, but if the ordinance passes, it may be over the proposed limit of 12 retail licenses inside the City. She suggested that the Council take into consideration the businesses that are already on the list pending approval at the State level. Ms. Nunley stated that under the ordinance her cultivation business is grandfathered in, but if the 1000-foot buffer

had been in effect when she applied for the license she would not have been able to open. She stated she would like to work together with the Council to come up with a better solution.

Mr. Bagwill asked Ms. Nunley if she was aware of the proposed substitute which would reduce the cultivation buffer zone from 1000 feet to 750 feet; Ms. Nunley stated she was not aware if it.

Ms. Rogers asked Ms. Nunley if the 750-foot boundary would affect her business; Ms. Nunley replied that it would not.

Shoshana Kun, 326 Wedgewood Drive, Fairbanks – Ms. Kun stated she does not have a vested interest in the industry, but she is interested in seeing City revenues increase. She spoke against the retail cap of 12 licenses because it does not allow for financial growth. She stated buffer zones are important and spoke in favor of the revised 750-foot buffer. She stated she does not support the ordinance and that the industry is a great source of revenue.

Keenan Hollister, 1851 Fox Avenue, Fairbanks – Mr. Hollister stated he is a member of AMIA and a representative of Pakalolo Supply Company; he spoke against the ordinance. He stated the industry has had to fight being shut down every two years, and it is time for the Council to stop stifling growth. He spoke against the cap of 12 retail establishments and stated that a cap should be based on a public problem, which there is not. He stated that if there was a place for people to consume onsite, they would not be smoking in the streets. Mr. Hollister stated the people of Fairbanks spoke loud and clear at the polls to protect the industry, and the Council has no right to stymie it and to prohibit onsite consumption. He stated the City of Fairbanks does not have zoning powers and that sliding regulations into the ordinance is misleading and disingenuous. He stated the Council should leave zoning in the hands of the Borough; he stated the Borough consulted those in the cannabis industry while they drafted regulations, and the City Council did not. He stated there has not been a public problem or a public outcry against the industry.

Ray Brasier, 2045 Jack Street, Fairbanks- Mr. Brasier stated he is a landlord and a realtor who has helped people buy and lease property for the purpose of opening a marijuana business. He stated that the proposed buffer zone eliminates Southside properties as potential locations. He stated helping businesses find properties that fit within the current regulations has been a challenge. He stated many people have spent their entire life savings to launch their business. Mr. Brasier stated he has been a realtor for 21 years, and he has never seen the kind of improvements to rundown properties that he has seen since the industry's inception. He stated that property improvements are positive for the City. He stated that while it may not be noticed right away, older buildings which are now occupied having to meet current building codes, thus increasing the property value. He stated there is a perception of the industry that it will make Fairbanks become the mess it was in the 1970s, but it is not the same challenge. Mr. Brasier stated retailers do not allow onsite consumption, nor does he agree that it should be allowed. He stated that many of the people in the business are "mom and pops" who are taking a farmer-to-market approach to their business. He stated that these are positive things.

Mayor Matherly called for a brief recess.

James Meiler Balog, 1152 Crown Road, Fairbanks – Mr. Baylog stated he is not an owner or manager of a cannabis establishment but that he is an employee of Tanana Herb Company; he

stated he does not support the ordinance. He stated that putting a cap on the industry is telling people the City does not care about increased employment.

Morgan Evans, 125 Kenneth Street, Fairbanks – Mr. Evans stated there are 807 retail locations in the State of Alaska including those that have been approved and those still in the application process. He spoke to the amount of money generated from license renewal fees and to the other economic benefits of the cannabis industry. He stated that his sons employ 20 people at the Grass Station 49. He spoke to the strong voice of the residents who voted to keep the commercial industry legal in the City of Fairbanks.

Brian Simpson, 734 Chena Ridge Road, Fairbanks – Mr. Simpson stated the Council needs to do more homework before adopting regulations. He indicated that the number of retail stores should not be limited if the point is to displace the “Black Market.” He referenced some areas of the ordinance that need work, including Sec. 14-216(e)(1). He suggested that the Council remove the onsite consumption ban in the ordinance and possibly table the legislation.

Brandon Emmitt, 1299 Lowbush Lane, Fairbanks – Mr. Emmitt stated he opposes the ordinance because of the limit on the number of retail locations and suggested that marijuana retail stores be a part of downtown revitalization in Fairbanks. He used Lavelle’s Taphouse as an example of a business that brings a younger generation downtown. Mr. Emmitt stated he also opposes the ordinance because it would ban onsite consumption; he stated that he serves on the MCB and co-chairs the committee tasked with proposing sound regulation for onsite consumption at the state level. He stated the ordinance is not consistent with the will of City of Fairbanks voters.

Linda Finkbeiner, 212 Rhubarb Drive, Fairbanks – Ms. Finkbeiner stated that 70% of the vote was in favor of keeping commercial marijuana legal, but only 23% of registered voters voted.

Sam Hachey, 2008 Perkins Drive, Fairbanks – Mr. Hachey stated he works with Tanana Herb Company and that he is happy to hear the buffer zone for cultivation has been decreased to 750 feet from residential neighborhoods. He stated he went to the Borough and studied the map of the City of Fairbanks, and a 1000-foot buffer would block all future cultivation facilities within the City. Mr. Hachey agreed that regulations need to be in place, and he commented that having 50 retail locations would be ludicrous. He stated, however, that the Council should consider the applicants who have already filed applications with the State of Alaska before putting a cap on retail stores. He explained many of the applicants have spent their life savings, signed leases, and paid engineers and architects to get their properties up to standard; he stated that those applicants may lose everything because of the ordinance. Mr. Hachey spoke in favor of onsite consumption and stated there is existing technology that can purify the air and mitigate the smell of cannabis. He stated the MCB only considers 25 license applications per 70 days, which equates to a maximum of 125 license applications per year. He stated that while they are in the process of getting approval on their license they still have to pay a lease and are incurring costs. He agreed with Mr. Emmitt that the City should wait for the State to make decisions regarding onsite consumption before passing an ordinance to ban it.

Mayor Matherly asked Mr. Hachey to share his position on a cap for retail licenses. Mr. Hachey stated it is a hard question to answer because he is in the industry; he agreed that some kind of restriction is necessary, but he fears big money may take over the industry. He stated

that allowing only the licenses that are currently active and pending is concerning. He stated that he does not believe a limit needs to be set right away.

Mr. Bagwill asked Mr. Hachey if the industry has discussed what they believe an acceptable cap would be; Mr. Hachey suggested that the Council consider a limit by a time frame or an effective date versus a number of licenses.

Victor Buberger – Mr. Buberger asked if the City Council and Mayor worked with the marijuana industry before drafting the ordinance. He spoke against the ordinance.

Cole Lamberts, 212 Rhubarb Drive, Fairbanks – Mr. Lamberts stated he does not always agree with the City Council, but it is hard to hear people question the Council's competence when voter turnout is so low. He stated that increasing voter turnout is something to work on so that conflict does not turn into big social issues such as this.

Darlene Herbert, 906 Woodlawn Road, Fairbanks – Ms. Herbert stated the Council wrote the ordinance without thinking about involving the people it affects. She stated marijuana is a gateway drug, and any revenue generated from marijuana should go to treat people with a drug addiction. She stated the Council should table the ordinance until they are able to sit down with the people who will be affected by it.

Kevin McKinley, 1637 College Road, Fairbanks – Mr. McKinley stated he has watched the marijuana industry come about; he added that, for the record, he is not in the industry. He spoke to the challenges that a cap on retail licenses may create, and he compared it to the limitations on alcohol licenses. He stated he spoke with someone who works in the FNSB Zoning Department, and he is impressed with the way the Borough is dealing with the marijuana industry. He stated the industry wants to be involved in the process to draft regulations in the City. He questioned whether the City's process has been fair, no matter what side a person may be on.

Mr. Pruhs asked Mr. McKinley if he believes the process has been fair; Mr. McKinley replied that he does not believe it has been.

Cristopher Konopka, 405 Ream Lane, Fairbanks – Mr. Konopka stated he does not support the ordinance because it is a risk to a healthy cannabis industry. He stated he represents that AMIA, and they would welcome working together to come up with regulations. He stated the AMIA is working with UAF to begin an economic study to effectively evaluate the impacts of the industry on the community. He asked the Council to consider speaking more with the industry before passing the ordinance.

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

Ms. Therrien stated she thinks it would be a good idea to form a working group to discuss marijuana regulations.

Mayor Matherly stated there have been public meetings to discuss the marijuana regulations, but the City could hold more meetings to better include the public.

Chief of Staff Mike Meeks explained the process in drafting the ordinance. He stated the ordinance was designed using the guidance of alcohol regulations, and he summarized the evolution of the ordinance since it was first drafted. He explained that the cap on retail licenses came about by looking at the cap on alcohol package store licenses, which is limited to nine. Mr. Meeks stated there is not a mechanism to measure how much marijuana a person has consumed as there is with alcohol, so the proposed position is to oppose onsite consumption. He stated citizens have complained about the smell emanating from cultivation facilities, so tightening the buffer zones within the City has been proposed.

Mayor Matherly stated he is not a prohibitionist and that he would just like to implement some regulations. He stated he is not trying to make the commercial marijuana industry illegal.

Mr. Pruhs stated the Council needs to address whether there should be a limit on retail licenses.

Mr. Cleworth stated there are three important items that need to be addressed one at a time: the number of retail establishments, onsite consumption, and setbacks.

Ms. Therrien, seconded by **Mr. Pruhs**, moved to POSTPONE Ordinance No. 6070, as Amended, until the Regular City Council Meeting of May 7, 2018.

Mayor Matherly stated he would schedule meetings with folks interested in marijuana regulations.

Mr. Cleworth urged the Council to discuss the three main issues before voting to postpone. He cautioned the administration on speaking only with those in the industry and stated that others should be included as well. He spoke against the motion to postpone.

Ms. Rogers suggested including everyone in meetings to discuss regulation. She stated she agrees with Mr. Cleworth that more discussion could take place before postponing the ordinance.

Ms. Therrien stated the State is going to be looking at onsite consumption regulations, and that is why she recommended postponing. She stated that she likes the idea of setting an effective date instead of a limit on the number of retail licenses within the City. She again commented that a working group may be a good idea.

Mr. Pruhs stated he did not have a problem with postponing the ordinance.

Ms. Huntington stated she sees value in getting more concrete information regarding the limit on retail. She stated the process is difficult because a precedent has been set. She stated that creating regulations is not personal and nobody should feel attacked by the discussion.

Mr. Cleworth stated he has always understood that marijuana should be regulated like alcohol, and now that is being debated. He spoke about the difficulty in correlating the four types of marijuana licenses to the various types of liquor licenses. He stated that he thought the Council was in agreement about the issue of onsite consumption because of its stand on tobacco. He stated he has not seen a consensus amongst those in the industry on regulations, and postponing the ordinance will likely result in no consensus by the Council and a continued lack of action.

Mr. Bagwill stated that labels have been put on people, and that is unfair. He stated he fears wasting time when people come to the table saying they want it their way or the highway. He stated that he has been encouraged by what he has heard during the meeting, and he would support postponement if need be. He stated that he would not be against further discussion.

Ms. Rogers spoke in favor of holding Work Session to allow the greatest number of diverse opinions to be heard.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO POSTPONE ORDINANCE NO. 6070, AS AMENDED, AS FOLLOWS:

YEAS: Therrien, Rogers, Pruhs, Bagwill, Huntington

NAYS: Cleworth

Mayor Matherly declared the MOTION CARRIED.

NEW BUSINESS

- a) Resolution No. 4828 – A Resolution Amending the City Schedule of Fees and Charges for Services by Adjusting Garbage Collection Rates. Introduced by Mayor Matherly.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Ordinance No. 6071 – An Ordinance Amending the 2018 Operating and Capital Budgets for the First Time. Introduced by Mayor Matherly.

Mr. Pruhs, seconded by **Mr. Bagwill**, moved to ADVANCE Ordinance No. 6071.

Ms. Therrien, seconded by **Mr. Bagwill**, moved to AMEND Ordinance No. 6071 by giving a 1% (\$42,664) increase to Fairbanks Firefighters Union (FFU) employees and to fund their healthcare at 80/20 (\$54,450) for a total increase of \$97,114, retroactive to January 1, 2018.

Mr. Cleworth spoke against Ms. Therrien's amendment. He stated that the snow continues to fall and break-up is coming; he added that Public Works is already struggling with the budget.

Ms. Therrien stated there is \$1.8 million in unexpended funds from 2017 that was not expected when the 2018 budget was passed. She stated the Council should consider funding the FFU contract now that there are available funds to do so. She asked Chief Financial Officer Carmen Randle to speak to the minimum Fund balance. Ms. Randle stated there is \$10,564,500 million in the General Fund, and the minimum Fund balance is \$6.7 million. She clarified that the money in the Fund is not renewable.

Mr. Cleworth stated that the Council should not fund labor contracts with non-renewable funds because there is no way to identify future funding. He stated the City needs to purchase a new snow dump site, and the only money available is in the General Fund. He stated City roads are in a state of decline and may not get fixed because State revenue sharing has dried up. He stated the Borough is proposing bond issues because they have been relying too heavily on Juneau's money. He spoke against spending the Fund balance for a labor contract.

Mr. Pruhs stated that the proposed amendment would be a horrible standard to set. He commented that the City is currently in labor negotiations with the FFU.

Mr. Cleworth asked Ms. Randle how much money was spent on the water contamination remediation in 2017; Ms. Randle stated that about \$5.3 million was spent on all claims and judgments in 2017. **Mr. Cleworth** stated the City will not collect those funds until the funds are reimbursed through an increase in property taxes.

Ms. Huntington stated the Council keeps coming back to fundamental and philosophical differences, and she wishes they had more time to consider whether to fund Ms. Therrien's amendment. She stated that non-funding the FFU contract has been one of the most difficult issues for the Council, and she would like the issue to be advanced to the second reading.

Ms. Therrien indicated that she would like to have more discussion on FFU contract funding at the next meeting.

Ms. Therrien, with the concurrence of the Second, WITHDREW the motion to amend by giving a 1% (\$42,664) increase to Fairbanks Firefighters Union (FFU) employees and to fund their healthcare at 80/20 (\$54,450) for a total increase of \$97,114, retroactive to January 1, 2018.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 6071 AS FOLLOWS:

YEAS: Bagwill, Cleworth, Rogers, Huntington, Therrien, Pruhs

NAYS: None

Mayor Matherly declared the MOTION CARRIED and Ordinance No. 6071 ADVANCED.

- c) Ordinance No. 6072 – An Ordinance Authorizing the Public Sale of Surplus City-Owned Property. Introduced by Mayor Matherly.

ADVANCED on the CONSENT AGENDA.

WRITTEN COMMUNICATIONS TO COUNCIL

- a) Permanent Fund Review Board Meeting Minutes of October 18, 2017

ACCEPTED on the CONSENT AGENDA.

- b) Clay Street Cemetery Commission Meeting Minutes of December 6, 2017

ACCEPTED on the CONSENT AGENDA.

- c) Chena Riverfront Commission Meeting Minutes of December 13, 2017

ACCEPTED on the CONSENT AGENDA.

CITIZENS' COMMENTS

Frank Turney – Mr. Turney stated he would like to see a resolution introduced addressing sexual harassment at the City. He stated if the Council is going to start limiting cannabis businesses, they need to start limiting alcohol businesses also.

Christian Hood, 356 Old Steese Highway, Fairbanks – Ms. Hood stated there is a first Friday event coming up and that Good, LLC would be hosting two artists. She stated that proceeds will be donated to the Alaska Songbird Institute. Ms. Hood spoke to the donation her store made to Nick Monroe, the owner of the Monderosa. She stated she is happy that her company has been able to provide help to the community and invited everyone to come to the first Friday event.

Mayor Matherly thanked Ms. Hood for all that she has done for Mr. Monroe.

Mr. Cleworth stated he values Ms. Hood's opinion, and she has proven him wrong with the location of her store.

Victor Buberger – Mr. Buberger stated he recently received a parking ticket; he stated that he has parked in the same place since the 1980's and has never received a ticket for it. He spoke against the ticket and the poor signage at the location.

Sam Hachey – Mr. Hachey stated that the property they purchased is now worth nearly three times what it was worth at the time of purchase. He stated the Borough assessor's office has raised the property values of many of the cultivation and retail facilities, and he does not think it is fair.

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

COUNCIL MEMBERS' COMMENTS

Ms. Huntington stated that she will hold her comments until the next meeting since she is attending telephonically.

Ms. Rogers thanked everyone for attending the Council meeting and for having a respectful conversation about issues. She thanked Ms. Therrien for continuing to give support to the FFU and for trying to find a solution to funding the contract. She stated it is heartwarming to see Ms. Eagle-Lavelle being so resourceful and determined to invest in Fairbanks.

Ms. Therrien stated it is important to spend time with the marijuana industry and to hear their ideas about regulation. She stated she hopes everyone can come to a consensus during future discussions. She stated she met with the City's lobbyist and shared that there may be good news coming with regard to State revenue sharing.

Mr. Pruhs stated he had no comments.

Mr. Cleworth thanked Building Official Clem Clooten for not using the authorized funds to fill a temporary position in the Building Department. He shared his concern that the State approved a liquor license before the City Council had an opportunity to weigh in on the license. He stated he is concerned with the amount of snow that needs to be removed from City streets, and he asked the Administration to meet with Public Works to come up with a snow removal plan.

Mr. Bagwill thanked everyone for attending the meeting and for being respectful when speaking. He stated he agrees with Ms. Rogers that using the terms “drunk” and “inebriate” as nouns when referring to a person is not acceptable. He cautioned the public to be safe with all the snow.

Mr. Pruhs, seconded by **Ms. Rogers**, moved to ENTER Executive Session for the purpose of discussing FFU and IBEW Labor Negotiations.

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

Mayor Matherly called for a brief recess.

EXECUTIVE SESSION

- a) FFU Labor Negotiations
- b) IBEW Labor Negotiations

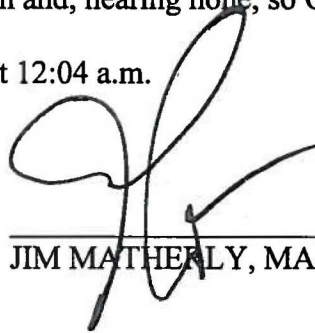
The City Council met in Executive Session to discuss FFU and IBEW Labor Negotiations. Direction was given to the negotiating team, and no action was taken.

ADJOURNMENT

Mr. Bagwill, seconded by **Mr. Pruhs**, moved to ADJOURN the meeting.

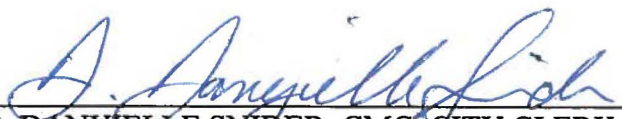
Mayor Matherly called for objection and, hearing none, so ORDERED.

Mayor Matherly declared the meeting adjourned at 12:04 a.m.



JIM MATHERLY, MAYOR

ATTEST:



D. DANYIELLE SNIDER, CMC, CITY CLERK

Transcribed by: EB