



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, APRIL 24, 2017  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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The City Council convened at 7:00 p.m. on the above date 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 (Telephonic)  
June Rogers, Seat B  
Valerie Therrien, Seat C  
Jerry Norum, Seat D  
Jerry Cleworth, Seat E  
David Pruhs, Seat F

Absent: None

Also Present: Clem Clouten, Building Official  
Paul Ewers, City Attorney (arrived at 7:34 p.m.)  
D. Danyielle Snider, City Clerk  
Jeff Jacobson, Public Works Director  
Mike Meeks, Chief of Staff  
Jim Styers, Fire Chief  
Angela Foster-Snow, HR Director  
Tom Borce, Risk Manager  
Teal Soden, Communications Director  
Matt Soden, FPD Lieutenant  
Andrew Ackerman, Environmental Manager  
Tim Zinza, Engineer III  
Jackson Fox, City Engineer  
Brad Johnson, Deputy Police Chief  
Jennifer Meyer, Engineer II  
Eric Jewkes, Police Chief  
Michael Sanders, Housing & Homeless Coordinator  
Ron Dupee, Police Officer  
Bob Pristash, Engineer IV  
Dave Elzey, Police Officer  
Ben Wages, Police Officer  
Howard Zach, Tax Specialist

At Mayor Matherly's request, City Clerk Danyielle Snider read aloud the Mission Statement of the City of Fairbanks.

**INVOCATION**

The Invocation was given by Clerk Snider.

## **FLAG SALUTATION**

**Mayor Matherly** led the Flag Salutation.

**Mayor Matherly** recognized Officer Dave Elzey for his years of service to the City of Fairbanks.

Travis Cole, 1008 Pedro Street, Fairbanks – Mr. Cole spoke on behalf of the Fairbanks Diversity Council (FDC) and thanked Officer Elzey for his service to the City of Fairbanks.

Officer Elzey thanked all the officers that he has worked with and stated he would miss them all.

**Mayor Matherly** asked Fire Chief Jim Styers to come forward; he presented him with the U.S. Fire Administration National Fire Academy Executive Fire Officer Program certificate. **Mayor Matherly** stated the course takes four years to complete and thanked Chief Styers for his dedication to the training.

**Mayor Matherly** read aloud a Proclamation declaring April 24–28 as Week of the Young Child.

## **CITIZEN'S COMMENTS**

George Peterson, 104 Second Avenue, Fairbanks – Mr. Peterson stated he lives next to the Clay Street Cemetery in a historic home. He spoke to the amount of bottles, cans and syringes that have been revealed near his property since the snow began melting. He encouraged Council Members to visit the area near the bridge on the Steese Highway to see all the litter and illegal activity that occurs. Mr. Peterson complained about the old creamery at 124 Second Avenue; he stated he has filed a complaint about the property with the Building Department. He stated vagrants use the property for shelter year-round.

**Mr. Cleworth** stated the City has argued about what to do with the old creamery for years; he stated that three nuisance complaints may change how the City deals with the property. Mr. Peterson stated there is no roof on the property and the walls are not sturdy.

**Ms. Therrien** asked who owns the property; there was some discussion as to who the owner may be, but nothing definitive was determined.

**Mr. Pruhs** stated he sympathizes with Mr. Peterson; he stated he would visit the property.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney stated he agrees with Mr. Peterson that the old creamery is a nuisance and a hazard to the community. He stated he has worked with five mayors on the issue without resolution. He stated he picks up syringes at the Clay Street Cemetery all the time. Mr. Turney thanked the Mecca Bar for placing a cigarette butt container outside their business. He commended Police Chief Eric Jewkes for being the negotiator at a standoff that occurred recently in the downtown area. He stated he would not be submitting a bid for the Clay Street Cemetery maintenance contract because of all the requirements.

Mike Musick, 4231 Aspenwood Drive, Fairbanks – Mr. Musick stated he has asked the Polaris Group to take another look at the Polaris Building to see if the building is salvageable. He stated he would be interested in doing a historic renovation on the building, and integrating it into a performing arts center.

Mary Ann Nickles, 1035 Kellum Street, #2G, Fairbanks – Ms. Nichols stated that she arrived in Fairbanks in 1958 and stayed at the Polaris Building for four years. She spoke in favor of saving the building through renovation because it is a historical building.

Andrew Ackerman, 414 Dalton Trail, Fairbanks – Mr. Ackerman stated he has worked for the City for eight months and has seen examples of people doing excellent and efficient work. He stated the Engineering Department has won awards and oversees many road projects. He stated the City of Fairbanks is the first government entity he has worked for that does not give tier or merit-based increases to employees; he encouraged the Council to consider employees as assets.

Kara Carlson, 782 7th Avenue, Fairbanks – Ms. Carlson shared her concern for the increased amount of opioid abuse and the high rates of violence in the community. She stated youth prevention services need to be increased to address the core of the problem.

Jacob Rahlfs, 704 Perry Street, Fairbanks – Mr. Rahlfs stated he works in the City Engineering Department, and he spoke to the high cost of healthcare as an IBEW member.

**Mr. Cleworth** asked whether the IBEW bargaining unit supports reallocating the benefit package to help lower the employee contribution toward healthcare. Mr. Rahlfs replied that he believes it is not about the allocation; rather, the issue is that the City caps its healthcare contribution instead of covering a percentage of the cost.

Jennifer Meyer, 2070 Waxwing Court, North Pole – Ms. Meyer thanked the Council for the opportunity to speak. She stated that she has worked in the Engineering Department for 10 months and that she enjoys her job. She stated she left a higher paying job because she wanted to work for the City of Fairbanks. She stated that there are many quality employees at the City and that the Council and the Mayor should recognize the need to retain them. Ms. Meyer stated she has heard that there is a culture the Council adheres to that if an employee does not like it at the City, they should leave. She stated that the Council needs to recognize that the cost of employing people is increasing.

Tim Zinza, 933 Wood Way, Fairbanks – Mr. Zinza stated he is a City employee, and he supports his coworkers who spoke before him. He urged the Council to keep in mind Section 42 of the City Code, specifically in regard to competitive wages and consistency among bargaining units.

Zachary Rittel, 4461 Chena Hot Springs Road, Fairbanks – Mr. Rittel stated he has worked for the Fire Department for five years and that recruits who started before and after him have left the City. He stated he would like to continue working at the City but that he cannot afford the ever-increasing cost of healthcare. He encouraged the Council to approve the arbitrator's award and help create a strong bond between the Fire Fighters and the City Council.

William Soen, 835 Chena Hills Drive, Fairbanks – Mr. Soen stated he has been an employee of the Fire Department for two years. He stated many of his coworkers have left the City because they cannot afford the employee increases to health insurance. He stated he cannot think of anywhere else he would like to live but that he does have to consider his financial future.

**Ms. Therrien** asked Mr. Soen whether he would stay with the City if the Council were to fund the arbitrator's award. Mr. Soen stated that it would be a step in the right direction but that he may seek employment elsewhere based on Council's record of negotiating with bargaining units.

Nick Clark, 249 Brighton Drive, Fairbanks – Mr. Clark stated he is the Vice President for the Fairbanks Firefighters Union (FFU) and that he has worked for the Department for nearly five years. He thanked Council Members for being willing to communicate with the FFU. He provided a brief history of negotiations between the City and the FFU. He spoke to the importance of retaining recruits. He urged the Council advance to the ordinance and to continue to move in a positive direction with the Fire Department.

**Mr. Cleworth** asked Mr. Clark to speak to the reason why negotiations with some bargaining units do not go very well.. Mr. Clark stated he is fairly inexperienced, but that he believes there are hard feelings on both sides and that non-funding harms relationships. He stated it is the Department's goal to provide the very best service to the community.

Robert Shields, 145 Marten Drive, Fairbanks – Mr. Shields stated he fell in love with the Polaris Building several years ago and asked that it be preserved as a historic landmark. He stated he would like to renovate the structure into a vertical farm. He asked the Council to consider the historical significance before tearing it down. He stated that given the financial situation, the City should push for renovation, not demolition.

Victor Buberger, P.O. Box 58192, Fairbanks – Mr. Buberger thanked the Public Works Department for repairing potholes in a timely manner. He recommended using permanent patching instead of temporary. He suggested that the Fire Department hire volunteers to save the City money. Mr. Buberger stated that firefighters are well-paid and should have to pay for their own health insurance. He stated that he has never had health insurance paid for by an employer in his life. He stated that even if the Council could give the firefighters everything they want, they would still come back a couple months later asking for more.

Floyd Terry, P.O. Box 75314, Fairbanks – Mr. Terry stated that young people who cry about money do not understand the value of hard work. He expressed hope that someone is writing a book about the Polaris Building because its history should not be lost. He stated he spent his day staying away from complainers; he stated that people need to focus on family values.

Dennis Swarthout, 2615 Roland Road, Fairbanks – Mr. Swarthout stated he is a 53-year Fairbanksan and that he would like to see the Tiki Cove back at the top of the Polaris Building.

Scott Raygor, 2614 Allen Adale Road, Fairbanks – Mr. Raygor stated he is the President of the FFU and that he has been working at the Fire Department for 22 years. He stated the City is at a crossroads on whether to think small, be small or whether to grow. He spoke to the need for the community to thrive and keep its young people.

David van den Berg, 332 Slater Drive, Fairbanks – Mr. van den Berg stated that the Fairbanks Downtown Association supports the ordinance that would fund on-street parking in the downtown core area. From an unofficial position, he supported the City’s strategy in Ordinance No. 6048 regarding solutions for the Polaris Building. He invited everyone to a “Downtownner” meeting at the Lavelle’s Bistro Discovery Room on April 26 at 5:30 p.m.

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

**Mayor Matherly** called for a brief recess.

**APPROVAL OF AGENDA AND CONSENT AGENDA**

**Mr. Norum**, seconded by **Ms. Therrien**, moved to APPROVE the Agenda and Consent Agenda.

**Mr. Pruhs** pulled Ordinance No. 6048 from the Consent Agenda.

**Mr. Cleworth** pulled Ordinance No. 6046 and Ordinance No. 6047 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 March 6, 2017.

APPROVED on the CONSENT AGENDA.

**SPECIAL ORDERS**

a) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Liquor License Applications for Renewal:

Lic #	DBA	License Type	Licensee	Address
1377	Grizzli's	Beverage Dispensary	Wildeberrry, LLC	44 College Road, Ste. B
4507	Miguel's Restaurant	Beverage Dispensary	Miguel's, LLC	1235 Airport Way, Ste. 1

**Ms. Therrien** stated she has a conflict of interest because she represents Wildeberrry, LLC; she requested to abstain from voting on that liquor license.

**Mr. Pruhs** asked if it would be ok to ask Mr. Therrien questions about the liquor license. **Ms. Therrien** stated she would be willing to answer questions as long as City Attorney Ewers had no issue with it; Mr. Ewers raised no issue.

**Mr. Pruhs**, seconded by **Ms. Rogers**, 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:           Huntington, Norum, Pruhs, Cleworth, Rogers

NAYS:           None

ABSTAIN:       Therrien

**Mayor Matherly** declared the MOTION CARRIED.

- b) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Liquor License Application for Transfer of Ownership:

Type:           Beverage Dispensary, License #1377

To:             No DBA / Papa Sugar Daddy's, LLC

No Premises

From:          Grizzli's / Wildeberry, LLC

44 College Road, Ste. B, Fairbanks, Alaska

Dennis Swarhout – Mr. Swarhout stated he is the President/CEO of Composite Holdings LLC and that he owns the 44 College Road property. He stated that the intent is for the license to be transferred from Wildeberry, LLC back to Papa Sugar Daddy's, LLC, then be sold to Composite Holdings, LLC so it can remain at the 44 College Road facility.

**Mr. Pruhs** called a Point of Order and questioned whether a motion had been made on the issue. Clerk Snider confirmed that there was no motion on the floor.

**Mr. Pruhs**, seconded by **Mr. Norum**, moved to WAIVE PROTEST on the Liquor License Application for Transfer of Ownership.

Mr. Swarhout continued his testimony by stating that his intent would be to use the license in a casual dining setting, not a nightclub or bar.

**Ms. Rogers** stated the Council has information indicating that the license is part of a bankruptcy and that no action should be taken on it. Mr. Swarhout stated he just wants the Council to know that he has every intention of purchasing the license once it becomes available. **Ms. Rogers** stated the information indicates that it would not be prudent to vote on the transfer. Mr. Swarhout stated he just wanted to clarify the future intent for the license.

Curtis Hatcher, P.O. Box 80912, Fairbanks – Mr. Hatcher stated he bought the license from Rex Gavin over 20 years ago. He stated he sold the license to the owner of Grizzli's in 2016 with terms for a monthly payment plan; he stated that the purchaser defaulted on payments. Mr.

Hatcher stated when the license is released from bankruptcy, he will act as the pass-through to Mr. Swarouth. He explained that he has a contract with the Grizzli's owner which states that the license will come back to him if they default.

**Ms. Therrien** asked Mr. Hatcher if he has moved for relief from stay in the pending bankruptcy. Mr. Hatcher stated he has not received anything from the bankruptcy court.

**Mr. Cleworth** asked if the Grizzli's owner still owes him money for the beverage dispensary license. Mr. Hatcher stated that \$48,000 of the original \$85,000 is still owing. He stated they went through several different contract versions before agreeing to the terms.

**Ms. Huntington** expressed confusion about the history of ownership of the license with all the various names mentioned in the packet; she asked Mr. Hatcher for clarification. Mr. Hatcher gave a history from the time the license was sold by Scruff-N-Pork's, Inc. to Grizzli's. He stated that he closed Scruff-N-Pork's, Inc. in 2016, and that Papa Sugar Daddy's, LLC is the only valid entity he has in Fairbanks. He stated that is why the license would be going to that LLC.

Tax Specialist Howard Zach stated that Grizzli's no longer owes the City money because Mr. Hatcher paid their balance; he added that Grizzli's is in good standing with the City.

**Mr. Pruhs** asked about the difference between gross sales and the amount that is actually taxable. Mr. Zach explained that the gross amount may include food and that taxable sales includes only alcohol. **Mr. Pruhs** stated he has a hard time believing that out of \$70,000 in sales, only \$3,000 was from alcohol. Mr. Zach stated he would have no way to know without performing an audit. **Mr. Pruhs** asked if Mr. Zach often sees fiscal manipulations on alcohol tax filings. Mr. Zach stated some establishments sell a lot more alcohol than others and some restaurants sell a lot of food and do not have large alcohol sales.

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

**Ms. Therrien** stated that no actions can take place while a bankruptcy stay is in place. She shared her concern about the trustee taking the asset and attempting a sale for profit. She asked Mr. Ewers to speak to the issue.

Mr. Ewers stated the Council can only protest or not protest; he stated that the authority on the transfer is the State Alcohol and Marijuana Control Office (AMCO) and the bankruptcy court. He stated the since the Council would not be determining the outcome of the transfer, it would not violate the stay.

**A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE LIQUOR LICENSE APPLICATION FOR TRANSFER OF OWNERSHIP AS FOLLOWS:**

**YEAS:** Cleworth, Pruhs, Rogers, Huntington, Norum

**NAYS:** None

**ABSTAIN:** Therrien

**Mayor Matherly** declared the MOTION CARRIED.

- c) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following application for a new Retail Marijuana Store License. Public Testimony will be taken and limited to five minutes.

Type: Retail Marijuana Store, License #11869  
DBA: Grass Station 49  
Licensee/Applicant: The Grass Station, LLC  
Physical Location: 1326 Cushman Street, Fairbanks, Alaska

**Ms. Therrien**, seconded by **Mr. Pruhs**, moved to WAIVE PROTEST on the Retail Marijuana Store License.

City Clerk Snider stated that the only protest came from the Building Department, and that the protest was recommended only until a Certificate of Occupancy was issued. She reported that the Certificate of Occupancy had been issued earlier that day.

Mason Evans, 814 Goldmine Trail, Fairbanks – Mr. Evans stated he comes from a long line of entrepreneurs, and he knows what it is like to operate a business in Fairbanks. He spoke to his family life and love of Alaska and stated that he has no intention of leaving. He stated he is excited to be in business with his brother and that they will be employing eight full-time positions. Mr. Evans stated he is willing to take the business risk; he commented that they have already spent nearly \$40,000 on the remodel at the business location. Mr. Evans spoke to how wonderful the Building Department has been to work with.

**Ms. Huntington** asked Mr. Evens how he went about selecting the business location. He stated Airport Way is the main thoroughfare in the City of Fairbanks, and it is a high traffic, high visibility, well-lit area.

**Mr. Pruhs** asked Mr. Evans if he was aware of the citizens' initiative for the October ballot to make commercial marijuana illegal in the City. Mr. Evans replied that he is aware of the initiative but that he has faith that the community will support the industry.

Robert Taylor, 454 Bullion Drive, Fairbanks – Mr. Taylor stated he has lived in Fairbanks for 20 years, and he spoke against the marijuana industry. He stated marijuana is a gateway drug and should not be sold commercially.

Frank Turney, 329 6<sup>th</sup> Avenue, Fairbanks – Mr. Turney spoke in support of the Grass Station and to the government propaganda of reefer madness. Mr. Turney stated the alcohol industry is more dangerous than the marijuana industry. Mr. Turney stated the Council will be hypocrites if they deny Mr. Evans his license.

Bryan Sehmel, 907 Terminal Street, Fairbanks – Mr. Sehmel stated he works in the Zoning Department at the Fairbanks North Star Borough (FNSB) and that he is present to answer any questions the Council may have.



**Mr. Pruhs** asked **Mr. Sehmel** if the business complies with the FNSB zoning regulations. **Mr. Sehmel** stated they do comply, and the applicant does have a FNSB zoning permit.

Pamela Throop, 302 Cushman Street, Fairbanks – **Ms. Throop** stated that **Mr. Evans** and his brother are her grandsons and that she is very proud of the hard work they have put into the business. She stated she does not use marijuana, but she did when she had cancer. She stated that marijuana can treat post-traumatic stress disorder (PTSD). She stated people are less angry and violent on marijuana than they are on other drugs.

**Mr. Pruhs** complimented **Ms. Throop** on her hard-working grandsons. He asked whether it is better to get a tenant in a vacant property than to leave it vacant. **Ms. Throop** stated that it helps both the owner and the community to not leave a property vacant for an extended period of time. **Mr. Pruhs** stated the property had past contamination issues and that he is happy to see an owner that can transfer a property into a business.

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

**Mr. Pruhs** congratulated the applicants for not having any outstanding protests. He spoke in favor of the license and thanked the applicants for doing everything right.

**Ms. Huntington** stated the applicant chose a good property because it is so visible and right down the street from the Fairbanks Police Department (FPD). She stated it would be difficult to burglarize the property because of its high visibility. She spoke in favor of the retail license.

**Mr. Cleworth** stated the retail marijuana stores are becoming too dense in the core area, and it is mixed with liquor establishments. He stated he understands marijuana is legal but he does not like the location. He stated his office is right next to a bar and that he could write a book on how to deal with people impaired by drugs and alcohol. He stated if all drugs could be eliminated the City would not need as many police.

**Ms. Therrien** stated that until the Council comes up with an ordinance addressing the concentration of marijuana establishments there is nothing the Council can do.

**Ms. Rogers** thanked **Mr. Evans** for doing such a thorough job in application. She stated she does not personally like the marijuana industry being in Fairbanks and agreed with **Mr. Cleworth's** issue regarding concentration. She stated the applicants did their homework and did a good job.

**Mayor Matherly** stated he understands that high traffic means less crime, and he encouraged the applicants to keep a close eye on security.

**Mr. Cleworth** encouraged the applicants to hook their security system up to the PFD's emergency response system.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE RETAIL MARIJUANA LICENSE AS FOLLOWS:

YEAS: Pruhs, Therrien, Huntington, Norum, Pruhs  
NAYS: Cleworth  
Mayor Matherly declared the MOTION CARRIED.

### MAYOR'S COMMENTS AND REPORT

Mayor Matherly stated he has been busy getting ready for the Arctic Council. He reminded everyone about the prescription drug drop off event that is being held the following Saturday from 10 a.m. to 2 p.m. He stated he understands that the Polaris Building is an emotional topic but that something needs to be done about it. He stated that Officer Elzey will be missed.

### UNFINISHED BUSINESS

- a) Ordinance No. 6044 – An Ordinance Amending Fairbanks General Code Section 70-134 Setting Design Standards for Roadways in Fairbanks. Introduced by Council Member Cleworth. SECOND READING AND PUBLIC HEARING.

Mr. Cleworth, seconded by Ms. Therrien, moved to ADOPT Ordinance No. 6044.

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

Mr. Cleworth spoke to the development of the ordinance and how it came to be introduced.

Mr. Pruhs, seconded by Mr. Norum, moved to AMEND Ordinance No. 6044 by ADDING a new subsection (f) stating, "Measures to reduce speed should be designed around electronic speed signs and minimally on speed bumps."

Ms. Therrien asked City Engineer Jackson Fox to come forward to speak to the ordinance.

Mr. Fox stated that in many neighborhoods the residents have asked for speed humps. He stated that some people do not like them but the majority of feedback he receives is positive. He stated speed humps are a traffic calming tool. He stated Aurora Subdivision is starting a petition to have speed humps installed in their neighborhood.

Mr. Cleworth spoke to the history of speed humps and to the high cost of installation; he spoke to the signage that must accompany speed humps. He stated often they are not installed correctly, and often contractors have to come back and redo them. He stated each speed hump costs roughly \$3,000, and they are the most expensive traffic calming option.

Ms. Therrien asked Mr. Pruhs if he intended to mean that the only measure of traffic calming would be from the electronic speed signs. Mr. Pruhs stated that was not his intent.

Mayor Matherly stated he does not like speed humps because they are ugly and they are not as effective during the winter time.

**Mr. Pruhs**, seconded by **Ms. Therrien**, moved to AMEND the motion to amend by CHANGING the word “should” to “may.”

**Mr. Pruhs** stated the signs marking the speed humps are difficult to see and that many times he drives over speed humps without knowing they are there.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND THE MOTION TO AMEND BY CHANGING THE WORD “SHOULD” TO “MAY” AS FOLLOWS:

YEAS: Pruhs, Rogers, Huntington, Norum, Therrien

NAYS: Cleworth

**Mayor Matherly** declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 6044 BY ADDING A NEW SUBSECTION (F) STATING, “MEASURES TO REDUCE SPEED MAY BE DESIGNED AROUND ELECTRONIC SPEED SIGNS AND MINIMALLY ON SPEED BUMPS” AS FOLLOWS:

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

NAYS: None

**Mayor Matherly** declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 6044, AS AMENDED, AS FOLLOWS:

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

NAYS: None

**Mayor Matherly** declared the MOTION CARRIED and Ordinance No. 6044, as Amended, ADOPTED.

- b) Ordinance No. 6045 – An Ordinance Amending Fairbanks General Code Section 2-232(a), Fairbanks Diversity Council Composition; Terms of Office. Introduced by Mayor Matherly. SECOND READING AND PUBLIC HEARING.

**Mr. Pruhs**, seconded by **Ms. Rogers**, moved to ADOPT Ordinance No. 6045.

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

**Mayor Matherly** explained that the ordinance would create flexibility in membership.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 6045 AS FOLLOWS:

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

NAYS: None

**Mayor Matherly** declared the MOTION CARRIED and Ordinance No. 6045 ADOPTED.

**NEW BUSINESS**

- a) Resolution No. 4788 – A Resolution Awarding a Contract to Exclusive Paving for the Bjerremark Street Sidewalk Project ITB-17-04 in the Amount of \$229,752. Introduced by Mayor Matherly.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4789 – A Resolution in Support of Senate Bill 100, An Act Relating to Municipal Liens. Introduced by Council Member Therrien.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 4790 – A Resolution in Support of House Bill 176, An Act Relating to Medical Assistance Reimbursement for Ground Emergency Medical Transportation Services. Introduced by Mayor Matherly.

PASSED and APPROVED on the CONSENT AGENDA.

- d) Ordinance No. 6046 – An Ordinance Amending the 2017 Operating and Capital Budgets for the First Time. Introduced by Mayor Matherly.

**Mr. Pruhs**, seconded by **Ms. Rogers**, moved to ADVANCE Ordinance No. 6046.

**Mr. Cleworth** stated there were not very many Council Members at the last Finance Committee meeting and asked Chief Financial Officer Carmen Randle to speak the numbers that were presented at the meeting.

**Mayor Matherly** called for a five minute recess.

Ms. Randle distributed reports of revenues, expenditures, and Fund balance to each Council Member. She spoke to the finances of the City and the net loss trend that has become standard. She spoke to the \$2 million transfer that was made to cover the South Fairbanks contamination.

**Mr. Cleworth** stated that if the ordinance is adopted as-is, revenues would exceed expenditures by about \$4,000, and the City would be in a very tight spot. He stated property tax revenues will not come in until September and that the Fire Training Center contamination claims have to be paid up front.

Ms. Randle stated she is worried about the City's cash flow; she stated that the budget is tighter than she has ever seen it. She stated the City made it through the summer in 2016 by the skin of its teeth. She stated it will be imperative for the State to reimburse the City for the projects they collaborate on.

**Mr. Cleworth** spoke to the loss of revenue sharing and to the effect it has on the City's budget.

**Mr. Cleworth**, seconded by **Mr. Pruhs**, moved to AMEND Ordinance No. 6046 by moving the \$48,253 IT expenditure increase to the Capital Fund.

Ms. Randle spoke against the motion to move the funds stating that the item does not meet the criteria for a Capital expenditure. Chief of Staff Mike Meeks suggested meeting during the week to discuss the issue in more depth. Ms. Randle agreed to discuss the issue later.

**Mr. Cleworth**, with the concurrence of the Second, WITHDREW the motion to AMEND.

**Ms. Therrien** stated she did not want to vote on any of Mr. Cleworth's amendments because of the late hour and the brief amount of time for consideration.

**Mr. Cleworth** stated that the reason he makes amendments during first reading of an ordinance is so the public knows what the Council will be voting on at the second reading.

**Mr. Cleworth**, seconded by **Mr. Pruhs**, moved to AMEND Ordinance No. 6046 by striking \$15,000 from Engineering expenditures for traffic signal timing review.

**Mr. Cleworth** stated he understands the signal review is needed, but it is not the year to do it. **Ms. Therrien** asked for a staff report from Mr. Fox on the issue.

Mr. Fox stated the City maintains 29 signalized intersections. He stated the signals are under the control of the Department of Transportation (DOT), but they do not set the timing. He stated the City hired a consultant in 2007 to review the timing, but things have changed and it needs to be done again. He stated he is receiving complaints from citizens, and it is time to revisit the issue.

**Mayor Matherly** asked if the consultant looks at every single traffic light inside the City. Mr. Fox stated they only look at the 29 signals that the City maintains; he stated that after the review, the City would give DOT the recommendations. **Mayor Matherly** asked if City staff could do the review; Mr. Fox stated his staff does not have the expertise, and they would not be comfortable with the task.

**Mr. Cleworth** stated the Council has to find a way to come up with a bigger bottom line. He stated there are big problems coming, and it is time to start trimming where they can.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 6046 BY STRIKING \$15,000 FROM ENGINEERING EXPENDITURES FOR TRAFFIC SIGNAL TIMING REVIEW AS FOLLOWS:

YEAS: Pruhs, Huntington, Cleworth  
NAYS: Therrien, Rogers, Norum, Matherly  
**Mayor Matherly** declared the motion FAILED.

**Mr. Cleworth** stated he did not know what the \$50,000 Third Street Parking project was under Capital expenditures.

**Mayor Matherly** requested a staff report from Mr. Fox.

Mr. Fox stated that in 2016 the Council approved \$100,000 to improve the bulbouts on Third Street, and the work was performed for \$48,000. He stated the leftover funds would go to other streets that need extra parking, and he did not think the Third Street project would exceed \$50,000. He stated the Downtown Association would like to see increased parking on Third Street. **Mr. Cleworth** asked if he was speaking about Third Street or Third Avenue; Mr. Fox apologized and stated he meant Third Avenue.

Ms. Randle suggested changing the item to "Downtown Parking" project. No members objected.

**Mr. Pruhs** asked Mr. Fox if he could provide a dollar amount that he thought would be enough for the project. Mr. Fox stated he would be comfortable with \$30,000.

**Mr. Pruhs**, seconded by **Mr. Cleworth**, moved to AMEND Ordinance No. 6046 by reducing the amount of the Downtown Parking project under the Capital Fund from \$50,000 to \$30,000.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 6046 BY REDUCING THE AMOUNT OF THE DOWNTOWN PARKING PROJECT UNDER THE CAPITAL FUND FROM \$50,000 TO \$30,000 AS FOLLOWS:

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

NAYS: None

**Mayor Matherly** declared the MOTION CARRIED.

**Mr. Pruhs** stated he had a question about the \$100,000 increase to the Mayor's contingency fund under Capital expenditures. **Mayor Matherly** asked Ms. Randle to report on the issue.

Ms. Randle stated that every year there is a Mayor's contingency in the Capital Fund, and last year it dropped off due to formatting changes. She stated the contingency fund pays for unanticipated projects and cost overruns. She stated that it was an oversight by the Finance Department, and they are trying to correct it.

**Ms. Therrien** asked where the \$100,000 amount came from; Ms. Randle stated it is the historical amount that each Mayor is given each year. **Ms. Therrien** asked how much is spent every year; Ms. Randle stated that some years she has seen all of it spent, and other years she has seen only \$20,000 spent. She stated that last year \$73,249 was spent; \$50,841 was spent in 2015; \$96,614 was spent in 2014; and \$100,000 was spent in 2013.

**Ms. Huntington** asked Ms. Randle to speak to the \$750,000 transfer to the Capital Fund; she asked whether the number could be reduced. Ms. Randle stated the money may need to be used for road projects. **Ms. Huntington** asked if \$500,000 would be enough to cover the costs; Ms. Randle stated it would likely cover a lot of it.

**Mr. Cleworth** stated revenue sharing has decreased and large capital project are not getting funded, so the money is needed. He stated the only source of funding the City has for buying equipment comes from that account. He spoke against spending savings.

**Ms. Huntington**, seconded by **Ms. Therrien**, moved to AMEND Ordinance No. 6046, as Amended, by reducing the \$750,000 increase to the Capital Fund for road maintenance and other projects to \$500,000.

**Mr. Cleworth** advised against reducing capital project funds.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 6046, AS AMENDED, BY REDUCING THE \$750,000 INCREASE TO THE CAPITAL FUND FOR ROAD MAINTENANCE AND OTHER PROJECTS TO \$500,000 AS FOLLOWS:

YEAS:           Huntington, Therrien  
NAYS:           Norum, Cleworth, Rogers, Pruhs  
**Mayor Matherly** declared the motion FAILED.

**Ms. Therrien** asked if more money is going to be put into the Permanent Fund. **Ms. Randle** stated that the ordinance calls for a \$250,000 transfer to the Permanent Fund. **Ms. Therrien** asked why the money would be put away and not used to fund labor contracts. **Ms. Randle** stated it is one-time money and cannot be used to fund labor contracts. She stated it is time for the City to find a new, sustainable revenue source.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 6046, AS AMENDED, AS FOLLOWS:

YEAS:           Rogers, Norum, Therrien, Pruhs, Cleworth, Huntington  
NAYS:           None  
**Mayor Matherly** declared the MOTION CARRIED.

- e) Ordinance No. 6047 – An Ordinance Amending the 2017 Operating Budget to Fund the Fairbanks Firefighters Union Arbitration Award. Introduced by Council Member Therrien.

**Ms. Therrien**, seconded by **Mr. Norum**, moved to ADVANCE Ordinance No. 6047.

**Ms. Therrien** stated **Mr. Norum** wishes to co-sponsor Ordinance No. 6047.

**Mr. Cleworth** stated it is late and he does not want to spend too much time on the issue; he asked **Ms. Therrien** about the fiscal note. He stated that other unions are up for contract renewal, and he asked how those contracts would be funded.

**Ms. Therrien** stated the unspent wages from the Fire Department could be used to fund their insurance this calendar year. **Mr. Cleworth** spoke against the Firefighters Arbitration Award. **Mr. Pruhs** stated he does not see a revenue source for the award.

**Ms. Therrien** stated she would like to advance the ordinance. She stated that she would identify a revenue source before the next Finance Committee meeting.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 6047 AS FOLLOWS:

YEAS: Rogers, Norum, Therrien, Pruhs, Huntington

NAYS: Cleworth

**Mayor Matherly** declared the MOTION CARRIED.

- f) Ordinance No. 6048 – An Ordinance Authorizing and Directing Retention of the Property Known as the Polaris Building for Public Purpose Upon Tax Foreclosure. Introduced by Mayor Matherly and Council Member Pruhs.

**Mr. Pruhs**, seconded by **Mr. Norum**, moved to ADVANCE Ordinance No. 6048.

**Mr. Pruhs**, seconded by **Ms. Therrien**, moved to AMEND Ordinance No. 6048 in the sixth whereas by striking “May 27, 2017” and replacing with “end of business day May 26, 2017.”

**Mayor Matherly** called for objection to the motion to AMEND and, hearing none, so ORDERED.

**Mr. Cleworth** asked **Mr. Pruhs** if he thought someone would buy the building for the amount owed in back taxes. **Mr. Pruhs** replied that nobody is going to buy the building, **Mayor Matherly** agreed.

**Mr. Cleworth** asked why the City would have to pay the back taxes when they could wait and buy it at auction for a fraction of the price. **Mr. Pruhs** stated the Borough has been cooperating with the City, and the City needs to do the right thing.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 6048, AS AMENDED, AS FOLLOWS:

YEAS: Pruhs, Therrien, Huntington, Norum, Rogers

NAYS: Cleworth

**Mayor Matherly** declared the MOTION CARRIED.

## **DISCUSSION ITEMS**

- a) Committee Reports

Fairbanks Diversity Council – **Mayor Matherly** reported that member Ana Richards has stepped down from the Vice Chair position and has been replaced by Jeff Walters. **Mayor Matherly** reported that the next meeting will be held in May.

Polaris Group – **Mr. Pruhs** provided an update on the progress being made by the Polaris Group. He stated he has heard people speak about making the building a vertical farm, but he stated that



would be financially impossible to do. **Mr. Pruhs** stated that if people want to make the building a vertical farm, they should purchase the property and make it happen.

### COMMUNICATIONS TO COUNCIL

- a) Clay Street Cemetery Commission Meeting Minutes of March 1, 2017

ACCEPTED on the CONSENT AGENDA.

- b) Fairbanks Diversity Council Meeting Minutes of March 14, 2017

ACCEPTED on the CONSENT AGENDA.

- c) Appointments to the Public Safety Commission

APPROVED on the CONSENT AGENDA.

- d) Appointment to the Fact Finding Commission

APPROVED on the CONSENT AGENDA.

### COUNCIL MEMBERS' COMMENTS

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

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

**Ms. Therrien** stated several employees came forward to speak to the quality of City employees; she stated the Council needs to find a way to retain those employees. She stated that each time the City loses staff they lose money because they have to retrain a replacement.

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

**Mr. Cleworth** spoke to the poor condition of the road at Turner and 17th Avenue; he asked that it take priority when the hot mix is ready. He spoke to the abatement of the old dairy property. He stated that when he was Mayor the City had no money for labor negotiations, but they made it work. He spoke to the complicated process of labor negotiations.

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

**Mr. Cleworth**, seconded by **Mr. Pruhs**, moved to go into Executive Session for the purpose of discussing AFL-CIO Labor Negotiations, IBEW Labor Negotiations, and Gavora, Inc. v. City of Fairbanks; 4:15-CV-00015-SLG litigation strategy.

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

**EXECUTIVE SESSION**

- a) AFL-CIO Labor Negotiations
- b) IBEW Labor Negotiations
- c) Gavora, Inc. v. City of Fairbanks, 4:15-CV-00015-SLG: Litigation Strategy

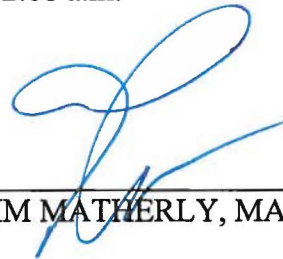
The City Council met in Executive Session to discuss AFL-CIO Labor Negotiations, IBEW Labor Negotiations, and Gavora, Inc. v. City of Fairbanks; 4:15-CV-00015-SLG litigation strategy. Direction was given to negotiating teams and staff, and no action was taken.

**ADJOURNMENT**

Ms. Therrien moved to ADJOURN the meeting.

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


Mayor Matherly declared the meeting adjourned at 12:01 a.m.



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JIM MATHERLY, MAYOR

ATTEST:



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D. DANYIELLE SNIDER, CMC, CITY CLERK

Transcribed by: EB