



FAIRBANKS CITY COUNCIL
AGENDA NO. 2017-03
REGULAR MEETING FEBRUARY 6, 2017
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

PRELIMINARY MEETING

6:00 p.m. Work Session – Fairbanks Diversity Council Report

REGULAR MEETING

7:00 P.M.

1. ROLL CALL
2. INVOCATION
3. FLAG SALUTATION
4. CITIZENS COMMENTS, oral communications to Council on any item not up for Public Hearing. Testimony is limited to five minutes. Any person wishing to speak needs to complete the register located in the hallway. Normal 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, kindly silence all cell phones and electronic devices.
5. APPROVAL OF AGENDA AND CONSENT AGENDA

Approval of Consent Agenda passes all routine items indicated by an asterisk (*). Consent Agenda items are not considered separately unless a Council Member so requests. In the event of such a request, the item is returned to the General Agenda.
6. APPROVAL OF PREVIOUS MINUTES

7. SPECIAL ORDERS

- a) The Fairbanks City Council, Sitting as a Committee of the Whole, will hear interested citizens concerned with the following Liquor License Applications for Renewal. Public Testimony will be taken and limited to five minutes.

Lic. #	DBA	License Type	Licensee	Premises Address
4888	R.J.'s Lounge & Grill	Beverage Dispensary	Roy J Stoltz	3450 Airport Way
4076	Brown Jug	Package Store	Liquor Stores USA North, Inc	559 Harold Bentley
2512	2 Go Mart #114	Package Store	AK, Inc	2110 Peger Road
4216	2 Go Mart #115	Package Store	AK, Inc	99 College Road
4565	2 Go Tesoro #101	Package Store	AK, Inc	3569 S. Cushman St.
1912	Eastern Treats	Beverage Dispensary	Bulgar Corp	535 2nd Avenue
3020	American Legion Post #57	Club	American Legion Post #57	1634 Cushman St.

8. MAYOR'S COMMENTS AND REPORT

9. UNFINISHED BUSINESS

10. NEW BUSINESS

- *a) Resolution No. 4780 – A Resolution Authorizing the City of Fairbanks to Apply for Funds from the Alaska Division of Homeland Security for the FFY2017 State Homeland Security Program. Introduced by Mayor Matherly.
- *b) Ordinance No. 6041 – An Ordinance Amending Fairbanks General Code Sections 2-260 and 2-261 Regarding the Authorized Index Language and Asset Allocations in the City Permanent Fund Investment Policy. Introduced by Council Member Therrien and Pruhs.
- *c) Ordinance No. 6042 – An Ordinance Modifying the Annual General Fund Transfer from the Permanent Fund. Introduced by Council Member Therrien and Pruhs.

11. DISCUSSION ITEMS (INFORMATION AND REPORT)

- a) Committee Reports

12. COMMUNICATIONS TO COUNCIL

- *a) Permanent Fund Review Board Meeting Minutes of October 19, 2016

13. COUNCIL MEMBERS' COMMENTS

14. CITY CLERK'S REPORT

15. CITY ATTORNEY'S REPORT

16. EXECUTIVE SESSION

- a) AFL-CIO Labor Negotiations
- b) Potential Litigation/Liability Regarding Randall Aragon Investigation

17. ADJOURNMENT



City of Fairbanks

Office of the City Clerk

800 Cushman Street

Fairbanks, AK 99701

(907)459-6715

Fax (907)459-6710

MEMORANDUM

TO: Mayor Jim Matherly and City Council Members

FROM: D. Danyielle Snider, CMC, City Clerk



SUBJECT: Liquor License Renewals

DATE: February 2, 2017

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

Lic. #	DBA	License Type	Licensee	Premises Address
4888	R.J.'s Lounge & Grill	Beverage Dispensary	Roy J Stoltz	3450 Airport Way
4076	Brown Jug	Package Store	Liquor Stores USA North, Inc.	559 Harold Bentley
2512	2 Go Mart #114	Package Store	AK, Inc	2110 Peger Road
4216	2 Go Mart #115	Package Store	AK, Inc	99 College Road
4565	2 Go Tesoro #101	Package Store	AK, Inc	3569 S. Cushman St.
1912	Eastern Treats	Beverage Dispensary	Bulgar Corp	535 2nd Avenue
3020	American Legion Post #57	Club	American Legion Post #57	1634 Cushman St.

Pursuant to FGC Sec. 14-178 the Council must determine whether or not to protest liquor license renewals after holding a public hearing.

Per the Council's request, the Police Department has included a call report for each location (attached); however, Chief Jewkes is not recommending protest for any of the renewals.

There are **no departmental protests** to the above-listed license renewals. Please contact me if you need any further information.

CITY OF FAIRBANKS PUBLIC SAFETY

RJ`s Lounge 01/29/2016 to 01/29/2017

Report #	Call Time	Nature	Location	Prime Unit	Disp.	Close Time
	10/23/2016 23:45	TRESPASS SMALL	3450 GERAGHTY AVE	O34	NRP	10/23/2016 23:59:49
16002925	09/20/2016 17:41	DISTURBANCE -	3450 GERAGHTY AVE	O41	RPT	09/20/2016 21:09:23
16002736	09/02/2016 09:21	SI - FOLLOW-UP	3450 GERAGHTY AVE	O9	RPT	09/02/2016 09:31:16
16002736	09/02/2016 07:23	BURGLARY - BRAVO	3450 GERAGHTY AVE	O9	RPT	09/02/2016 08:10:07
	08/20/2016 02:46	REDDI	3450 GERAGHTY AVE	O30	NRP	08/20/2016 03:21:32

Total Number of Events Listed: 5

CITY OF FAIRBANKS PUBLIC SAFETY

Brown Jug 01/29/2016 to 01/29/2017

Report #	Call Time	Nature	Location	Prime Unit	Disp.	Close Time
16003995	12/31/2016 01:49	ALARM BURGLARY -	559 HAROLD BENTLEY	O3	FAB	12/31/2016 02:15:05
	12/29/2016 21:21	DISTURBANCE -	559 HAROLD BENTLEY	O3	RPT	12/29/2016 22:36:17
	10/23/2016 23:45	TRESPASS SMALL	559 HAROLD BENTLEY	O34	NRP	10/23/2016 23:59:49
	10/15/2016 18:00	TRESPASS SMALL	559 HAROLD BENTLEY	O33	NRP	10/15/2016 18:16:51
	09/12/2016 19:31	SI - FLAG DOWN	559 HAROLD BENTLEY	O11	NRP	09/12/2016 20:43:59
	08/27/2016 08:49	CIVIL PROBLEM	559 HAROLD BENTLEY	S6	NRP	08/27/2016 09:42:51
	08/21/2016 13:01	SUSPICIOUS PERSON	559 HAROLD BENTLEY	O22	NRP	08/21/2016 13:03:44
	07/21/2016 12:05	REDDI	559 HAROLD BENTLEY	DESK	NRP	07/21/2016 12:39:39
	07/14/2016 17:12	MISCELLANEOUS -	559 HAROLD BENTLEY	O11	ADVC	07/14/2016 17:41:53
	06/28/2016 02:13	ALARM OTHER -	559 HAROLD BENTLEY	O23	FAB	06/28/2016 02:33:28
16001357	05/27/2016 06:34	LARCENY -	559 HAROLD BENTLEY			05/27/2016 06:34:13
	05/05/2016 19:32	THEFT - DELTA	559 HAROLD BENTLEY	O3	RPT	05/05/2016 20:07:32
	04/29/2016 23:22	REDDI	559 HAROLD BENTLEY	O32	NRP	04/29/2016 23:35:22
	01/29/2016 22:17	10-36	559 HAROLD BENTLEY	O32	WAR	01/29/2016 22:23:48

Total Number of Events Listed: 14

CITY OF FAIRBANKS PUBLIC SAFETY

2 Go Mart 114--- 01-29-2016 to 01-29-2017

Report #	Call Time	Nature	Location	Prime Unit	Disp.	Close Time
17000256	01/26/2017 11:09	PAST THEFT - BRAVO	2110 PEGER RD	O9	RPT	01/26/2017 18:28:28
16003790	01/25/2017 04:25	SUPPLEMENTAL-	2110 PEGER RD	S10	RPT	01/25/2017 07:57:17
	01/24/2017 23:02	TRESPASS SMALL	2110 PEGER RD	O24	NRP	01/24/2017 23:35:10
	12/18/2016 10:17	SUSPICIOUS PERSON	2110 PEGER RD	O22	NRP	12/18/2016 11:30:02
	09/11/2016 21:14	MVC INJURIES -	2110 PEGER RD	O23	NRP	09/11/2016 21:51:54
	08/29/2016 17:51	DV - VERBAL -	2110 PEGER RD	O4	NRP	08/29/2016 18:10:30
	07/26/2016 16:24	DAMAGE/VANDALISM	2110 PEGER RD	O11	NRP	07/26/2016 17:46:55
	07/12/2016 19:32	10-36	2110 PEGER RD	O20	WAR	07/12/2016 19:36:13
	07/05/2016 02:40	TRESPASS SMALL	2110 PEGER RD	S2	NRP	07/05/2016 02:58:06
	06/18/2016 16:44	DUI - PARKED -	2110 PEGER RD	O37	NRP	06/18/2016 17:40:00
	06/05/2016 16:30	URGENT WELFARE	2110 PEGER RD	O30	NRP	06/05/2016 16:52:58
	05/21/2016 12:23	REDDI	2110 PEGER RD	O22	NRP	05/21/2016 12:39:26
16001386	05/07/2016 10:44	SUPP-	2110 PEGER RD	O6	RPT	05/07/2016 11:28:07
16001252	04/27/2016 11:03	SI - FOLLOW-UP	2110 PEGER RD	O22	RPT	04/27/2016 11:22:25
	04/12/2016 16:02	INCAPACITATED	2110 PEGER RD	CSP	CSP	04/12/2016 16:08:45
	03/31/2016 14:52	TRAFFIC COMPLAINT	2110 PEGER RD	O26	NRP	03/31/2016 15:21:27
	03/15/2016 00:06	10-36	2110 PEGER RD	O30	WAR	03/15/2016 00:12:07
	01/29/2016 21:08	DISTURBANCE -	2110 PEGER RD	O25	NRP	01/29/2016 21:36:52

Total Number of Events Listed: **18**

CITY OF FAIRBANKS PUBLIC SAFETY

2 Go Mart 115--- 01-29-2016 to 01-29-2017

Report #	Call Time	Nature	Location	Prime Unit	Disp.	Close Time
	01/12/2017 03:36	INCAPACITATED	99 COLLEGE RD	O16	NRP	01/12/2017 04:30:37
	11/13/2016 00:08	10-36	99 COLLEGE RD	O32	WAR	11/13/2016 00:11:44
	10/23/2016 01:57	SI - FIELD CONTACT	99 COLLEGE RD	VIP2	NRP	10/23/2016 02:14:26
	10/08/2016 21:25	TRESPASS SMALL	99 COLLEGE RD	O30	NRP	10/08/2016 22:03:56
16003085	10/04/2016 08:26	SUSPICIOUS VEHICLE	99 COLLEGE RD	O10	RPT	10/04/2016 09:23:15
	10/01/2016 13:01	DISTURBANCE -	99 COLLEGE RD	O9	NRP	10/01/2016 13:22:43
	09/26/2016 01:11	SUSPICIOUS VEHICLE	99 COLLEGE RD	O34	NRP	09/26/2016 01:21:04
	09/15/2016 13:04	10-36	99 COLLEGE RD	O32	WAR	09/15/2016 13:09:57
	09/15/2016 11:36	SUSP	99 COLLEGE RD	S6	NRP	09/15/2016 12:05:04
16002763	09/06/2016 16:09	SI - FOLLOW-UP	99 COLLEGE RD	O33	RPT	09/06/2016 16:15:45
16002763	09/05/2016 18:06	ROBBERY -	99 COLLEGE RD	O33	RPT	09/05/2016 18:42:06
16002701	08/30/2016 11:21	THEFT - DELTA	99 COLLEGE RD	O10	RPT	08/30/2016 11:49:10
	07/29/2016 10:18	SUSPICIOUS VEHICLE	99 COLLEGE RD	O37	NRP	07/29/2016 10:57:45
16002269	07/23/2016 22:17	THEFT - DELTA	99 COLLEGE RD	O30	RPT	07/23/2016 22:58:43
	07/14/2016 02:34	DRUGS - SALE -	99 COLLEGE RD	O25	NRP	07/14/2016 02:53:43
16002077	07/06/2016 14:27	SI - FOLLOW-UP	99 COLLEGE RD	O35	RPT	07/06/2016 15:30:09
	06/29/2016 23:53	10-36	99 COLLEGE RD	O32	WAR	06/29/2016 23:58:12
16001883	06/20/2016 01:24	THEFT - DELTA	99 COLLEGE RD	S2	RPT	06/20/2016 03:31:06
16001577	05/23/2016 22:10	PAST THEFT - BRAVO	99 COLLEGE RD	O23	RPT	05/23/2016 22:57:58
	05/23/2016 14:29	10-36	99 COLLEGE RD	O33	WAR	05/23/2016 14:37:24
	05/19/2016 03:57	INCAPACITATED	99 COLLEGE RD	O23	NRP	05/19/2016 04:18:20
	04/18/2016 17:20	ATTEMPTED SUICIDE	99 COLLEGE RD	O3	NRP	04/18/2016 17:37:34
16001147	04/16/2016 16:32	TRESPASS SMALL	99 COLLEGE RD	O6	NRP	04/16/2016 17:34:12
	04/04/2016 03:55	INCAPACITATED	99 COLLEGE RD	O33	NRP	04/04/2016 04:48:34
	04/01/2016 01:41	DUI - PARKED -	99 COLLEGE RD	O32	NRP	04/01/2016 02:24:25
	03/30/2016 12:11	10-36	99 COLLEGE RD	O36	WAR	03/30/2016 12:18:12
	03/12/2016 10:10	INCAPACITATED	99 COLLEGE RD	CSP	CSP	03/12/2016 10:11:57
	02/23/2016 22:08	TRESPASS SMALL	99 COLLEGE RD	O34	NRP	02/23/2016 23:07:38
	02/17/2016 05:31	REDDI	99 COLLEGE RD	L9	NRP	02/17/2016 05:44:58
16000497	02/14/2016 06:10	SI - FIELD CONTACT	99 COLLEGE RD	O33	RPT	02/14/2016 06:38:07
	02/14/2016 02:41	DISTURBANCE -	99 COLLEGE RD	O30	NRP	02/14/2016 02:52:01

Total Number of Events Listed: **31**

CITY OF FAIRBANKS PUBLIC SAFETY

2 Go Mart 101--- 01-29-2016 to 01-29-2017

Report #	Call Time	Nature	Location	Prime Unit	Disp.	Close Time
	01/23/2017 02:06	SI - SECURITY CHECK	3569 S CUSHMAN ST EXT	O34	NRP	01/23/2017 02:10:53
	01/21/2017 19:04	HITRUN - NO	3569 S CUSHMAN ST EXT	O4	NRP	01/21/2017 20:16:28
	01/16/2017 14:59	ADMINISTRATIVE	3569 S CUSHMAN ST EXT	O8	NRP	01/16/2017 15:59:15
	01/12/2017 10:46	SI - FOLLOW-UP	3569 S CUSHMAN ST EXT	O26	NRP	01/12/2017 10:54:12
17000026	01/02/2017 09:49	PAST THEFT - BRAVO	3569 S CUSHMAN ST EXT	O26	RPT	01/02/2017 11:03:26
	12/27/2016 07:32	MVC - NO INJURIES -	3569 S CUSHMAN ST EXT	O10	NRP	12/27/2016 07:56:52
16003972	12/27/2016 02:32	PAST THEFT - BRAVO	3569 S CUSHMAN ST EXT	O11	RPT	12/27/2016 03:12:12
	12/18/2016 05:45	WELFARE CHECK -	3569 S CUSHMAN ST EXT	O9	NRP	12/18/2016 07:12:59
	12/03/2016 16:53	TRESPASS SMALL	3569 S CUSHMAN ST EXT	O11	SUBL	12/03/2016 17:27:43
	12/02/2016 11:02	PRIVATE IMPOUND	3569 S CUSHMAN ST EXT	DESK	NRP	12/02/2016 11:05:16
	11/26/2016 22:29	SUSPICIOUS VEHICLE	3569 S CUSHMAN ST EXT	O32	NRP	11/26/2016 22:47:25
	11/22/2016 04:13	SI - FIELD CONTACT	3569 S CUSHMAN ST EXT	O34	NRP	11/22/2016 04:25:38
16003296	10/23/2016 08:54	PAST THEFT - BRAVO	3569 S CUSHMAN ST EXT	O9	RPT	10/23/2016 10:04:20
16003281	10/22/2016 10:29	THEFT - DELTA	3569 S CUSHMAN ST EXT	O10	RPT	10/22/2016 11:50:33
	10/16/2016 12:09	TRESPASS SMALL	3569 S CUSHMAN ST EXT	O9	NRP	10/16/2016 12:50:48
	10/07/2016 00:44	SUSPICIOUS VEHICLE	3569 S CUSHMAN ST EXT	O16	NRP	10/07/2016 01:13:43
	09/17/2016 03:22	SUSP	3569 S CUSHMAN ST EXT	O36	NRP	09/17/2016 03:50:31
16002846	09/13/2016 10:14	FRAUD/FORGERY -	3569 S CUSHMAN ST EXT	O26	RPT	09/13/2016 12:40:44
	09/10/2016 03:17	DISTURBANCE	3569 S CUSHMAN ST EXT	S2	NRP	09/10/2016 03:31:24
	08/28/2016 00:21	REDDI	3569 S CUSHMAN ST EXT	O36	NRP	08/28/2016 01:28:18
	08/22/2016 21:53	SUSPICIOUS VEHICLE	3569 S CUSHMAN ST EXT	O11	NRP	08/22/2016 22:15:55
	08/20/2016 02:03	REDDI	3569 S CUSHMAN ST EXT	L6	NRP	08/20/2016 03:35:13
	08/20/2016 00:34	SI - SECURITY CHECK	3569 S CUSHMAN ST EXT	O34	NRP	08/20/2016 00:39:58
	08/19/2016 02:19	TRESPASS SMALL	3569 S CUSHMAN ST EXT	L6	NRP	08/19/2016 02:38:57
	08/10/2016 02:55	SUSPICIOUS VEHICLE	3569 S CUSHMAN ST EXT	O32	NRP	08/10/2016 03:08:49
	08/04/2016 20:57	REDDI	3569 S CUSHMAN ST EXT	DESK	NRP	08/04/2016 21:50:02
	07/28/2016 23:15	10-36	3569 S CUSHMAN ST EXT	O32	WAR	07/28/2016 23:19:41
	07/25/2016 17:19	NUISANCE - BRAVO	3569 S CUSHMAN ST EXT	S1	NRP	07/25/2016 17:52:18
16002022	07/01/2016 11:46	PAST THEFT - BRAVO	3569 S CUSHMAN ST EXT	O6	RPT	07/01/2016 15:05:40
16001968	06/27/2016 19:34	REDDI	3569 S CUSHMAN ST EXT	O3	RPT	06/27/2016 22:39:37
	06/16/2016 20:45	DUI - PARKED -	3569 S CUSHMAN ST EXT	O36	ADVC	06/16/2016 21:13:07
	05/27/2016 23:25	10-36	3569 S CUSHMAN ST EXT	O32	WAR	05/27/2016 23:33:06
16001596	05/25/2016 02:45	THEFT - DELTA	3569 S CUSHMAN ST EXT	O23	RPT	05/25/2016 03:26:33
	05/18/2016 05:30	INCAPACITATED	3569 S CUSHMAN ST EXT	O23	NRP	05/18/2016 05:44:23
	05/15/2016 19:34	INCAPACITATED	3569 S CUSHMAN ST EXT	CSP	CSP	05/15/2016 19:36:31
16001467	05/13/2016 22:11	THEFT - DELTA	3569 S CUSHMAN ST EXT	O34	RPT	05/13/2016 23:16:29
	05/11/2016 09:48	SUSPICIOUS	3569 S CUSHMAN ST EXT	O26	NRP	05/11/2016 10:40:13
	05/05/2016 19:27	INCAPACITATED	3569 S CUSHMAN ST EXT	CSP	CSP	05/05/2016 19:29:08
	04/27/2016 17:26	SUSP	3569 S CUSHMAN ST EXT	O23	NRP	04/27/2016 18:08:16
16001252	04/25/2016 13:37	MVA INJURY - DELTA	3569 S CUSHMAN ST EXT	O22	RPT	04/25/2016 15:33:46
	04/20/2016 13:35	SUSP	3569 S CUSHMAN ST EXT	O15	ADVC	04/20/2016 13:44:32

Report Generated: 01/30/2017 18:13:25 | User ID: 1086

\\fccc-app\pssc\ad\cad\vpf\EventHistory_EventListWithReportNumbers

Report #	Call Time	Nature	Location	Prime Unit	Disp.	Close Time
	04/06/2016 03:43	TRESPASS SMALL	3569 S CUSHMAN ST EXT	O34	NRP	04/06/2016 04:07:25
	03/27/2016 03:32	SI - FIELD CONTACT	3569 S CUSHMAN ST EXT	O34	NRP	03/27/2016 03:52:52
	02/25/2016 20:11	10-36	3569 S CUSHMAN ST EXT	O32	UTC	02/25/2016 20:24:46
	02/25/2016 04:21	SI - SECURITY CHECK	3569 S CUSHMAN ST EXT	O19	NRP	02/25/2016 04:26:08
	02/05/2016 22:47	10-36	3569 S CUSHMAN ST EXT	O20	WAR	02/05/2016 22:57:51

Total Number of Events Listed: 46

CITY OF FAIRBANKS PUBLIC SAFETY

Eastern Treats-- 01-29-2016 to 01-29-2017

Report #	Call Time	Nature	Location	Prime Unit	Disp.	Close Time
	12/11/2016 14:42	TRESPASS SMALL	535 SECOND AVE	O26	NRP	12/11/2016 14:53:35
	12/03/2016 16:49	TRESPASS SMALL	535 SECOND AVE	O11	ADVC	12/03/2016 17:14:17
	10/22/2016 15:04	DISTURBANCE	535 SECOND AVE	O11	NRP	10/22/2016 16:30:56
	10/20/2016 15:50	TRESPASS SMALL	535 SECOND AVE	O6	NRP	10/20/2016 16:18:46
	10/05/2016 15:31	SEND PROTOCOL	535 SECOND AVE	O10	NRP	10/05/2016 15:41:53
	10/03/2016 16:04	TRESPASS SMALL	535 SECOND AVE	O4	NRP	10/03/2016 16:39:56
	10/01/2016 05:49	INCAPACITATED	535 SECOND AVE	O3	NRP	10/01/2016 05:57:28
	09/28/2016 20:45	TRESPASS LETTER	535 SECOND AVE	DESK	NRP	09/28/2016 20:48:48
	09/28/2016 19:52	TRESPASS LETTER	535 SECOND AVE	DESK	NRP	09/28/2016 20:09:26
	09/28/2016 19:43	TRESPASS LETTER	535 SECOND AVE	DESK	NRP	09/28/2016 19:52:30
	09/27/2016 14:21	DISTURBANCE -	535 SECOND AVE	O10	NRP	09/27/2016 14:46:46
16003007	09/26/2016 19:15	THEFT - DELTA	535 SECOND AVE	L9	RPT	09/26/2016 19:47:37
16002983	09/24/2016 15:23	DISTURBANCE	535 SECOND AVE	S11	RPT	09/24/2016 16:22:32
	09/11/2016 11:38	WELFARE CHECK	535 SECOND AVE	O26	NRP	09/11/2016 11:55:30
	08/20/2016 11:19	TRESPASS - PAST -	535 SECOND AVE	O22	NRP	08/20/2016 12:20:44
16002466	08/10/2016 16:14	DISTURBANCE -	535 SECOND AVE	O6	RPT	08/10/2016 17:04:41
16002047	07/03/2016 16:14	PAST THEFT - BRAVO	535 SECOND AVE	O41	RPT	07/03/2016 18:31:06
	07/01/2016 10:15	INCAPACITATED	535 SECOND AVE	CSP	CSP	07/01/2016 10:17:03
16001693	06/02/2016 11:52	PAST HIT & RUN -	535 SECOND AVE	O26	RPT	06/02/2016 14:35:08
	05/28/2016 14:19	INCAPACITATED	535 SECOND AVE	CSP	CSP	05/28/2016 14:21:35
	05/10/2016 16:11	WELFARE CHECK -	535 SECOND AVE	O26	NRP	05/10/2016 16:45:34
	04/25/2016 16:48	INCAPACITATED	535 SECOND AVE	CSP	CSP	04/25/2016 16:49:23
	04/13/2016 17:07	INCAPACITATED	535 SECOND AVE	CSP	CSP	04/13/2016 17:08:59
	04/10/2016 16:46	INCAPACITATED	535 SECOND AVE	CSP	CSP	04/10/2016 16:50:21
	04/10/2016 12:22	INCAPACITATED	535 SECOND AVE	CSP	CSP	04/10/2016 12:33:08
	03/28/2016 23:37	SUSP	535 SECOND AVE	O3	NRP	03/29/2016 00:04:45
	03/27/2016 14:26	TRESPASS SMALL	535 SECOND AVE	O1	NRP	03/27/2016 14:43:18
	03/21/2016 12:09	INCAPACITATED	535 SECOND AVE	CSP	CSP	03/21/2016 12:10:32
	03/20/2016 17:13	INCAPACITATED	535 SECOND AVE	CSP	CSP	03/20/2016 17:15:10
	03/19/2016 14:22	INCAPACITATED	535 SECOND AVE	CSP	CSP	03/19/2016 14:24:30
	03/16/2016 19:15	INCAPACITATED	535 SECOND AVE	CSP	CSP	03/16/2016 19:15:28
	02/26/2016 12:40	INCAPACITATED	535 SECOND AVE	CSP	CSP	02/26/2016 12:42:36
	02/14/2016 15:02	INCAPACITATED	535 SECOND AVE	CSP	CSP	02/14/2016 15:04:25
	02/13/2016 18:19	INCAPACITATED	535 SECOND AVE	CSP	CSP	02/13/2016 18:21:08
	02/13/2016 16:54	INCAPACITATED	535 SECOND AVE	CSP	CSP	02/13/2016 16:57:28
	02/11/2016 18:51	DISTURBANCE	535 SECOND AVE	CSP	CSP	02/11/2016 19:41:33
	02/08/2016 12:42	DV - VERBAL -	535 SECOND AVE	O33	NRP	02/08/2016 13:15:51
	02/06/2016 13:28	INCAPACITATED	535 SECOND AVE	CSP	CSP	02/06/2016 13:29:44
	02/05/2016 18:27	INCAPACITATED	535 SECOND AVE	CSP	CSP	02/05/2016 18:30:05
	02/05/2016 17:22	SI - SECURITY CHECK	535 SECOND AVE	O37	NRP	02/05/2016 17:40:05
	01/31/2016 14:30	TRAFFIC COMPLAINT	535 SECOND AVE	O40	NRP	01/31/2016 15:38:03

Total Number of Events Listed: 41

CITY OF FAIRBANKS PUBLIC SAFETY

American Legion Post 57-- 01-29-2016 to 01-29-2017

Report #	Call Time	Nature	Location	Prime Unit	Disp.	Close Time
16002543	08/24/2016 09:56	DISTURBANCE -	1634 S CUSHMAN ST	O33	NRP	08/24/2016 10:08:33
	08/16/2016 21:22	SI - FLAG DOWN	1634 S CUSHMAN ST	S1	RPT	08/16/2016 22:03:35
	07/02/2016 23:27	DISTURBANCE -	1634 S CUSHMAN ST	O19	NRP	07/02/2016 23:47:35
	06/19/2016 21:17	INCAPACITATED	1634 S CUSHMAN ST	CSP	CSP	06/19/2016 21:22:40
	06/11/2016 19:49	INCAPACITATED	1634 S CUSHMAN ST	O25	NRP	06/11/2016 20:26:38
	05/21/2016 23:10	DISTURBANCE -	1634 S CUSHMAN ST	O4	NRP	05/21/2016 23:22:20
	05/07/2016 05:52	DISTURBANCE -	1634 S CUSHMAN ST	O25	NRP	05/07/2016 06:04:49
	02/13/2016 01:50	10-36	1634 S CUSHMAN ST	O19	WAR	02/13/2016 01:56:12

Total Number of Events Listed: 8

RESOLUTION NO. 4780

A RESOLUTION AUTHORIZING THE CITY OF FAIRBANKS TO APPLY FOR FUNDS FROM THE ALASKA DIVISION OF HOMELAND SECURITY FOR THE FFY2017 STATE HOMELAND SECURITY PROGRAM

WHEREAS, the City of Fairbanks has been notified by the Alaska Division of Homeland Security and Emergency Management that the City is eligible to apply for State Homeland Security Program (SHSP) funds to enhance resilience, absorb disruptions, and recover from incidents both manmade and natural; and

WHEREAS, the City of Fairbanks plans to use the funds to purchase Land Mobile System vehicle mobile radios for Fairbanks Police Department (\$372,000), replace 19-year-old extrication tools for Fairbanks Fire Department (\$70,000), upgrade security of Station #1, Station #2 and the Fire Training Center (\$110,000), participate in Fairbanks North Star Borough earthquake simulation training for City employees (\$10,000), host two sessions of a 2-day course titled Supervising Patrol Critical Incidents provided by National Tactical Officers Association (\$14,000), and participate in the Alaska Shield 2019 Exercise/Training (\$7,000); and

WHEREAS, the City of Fairbanks plans to request \$583,000, and no match is required.

NOW, THEREFORE, BE IT RESOLVED by the City Council that the Mayor or his designee is authorized to execute any and all documents required for requesting funds on behalf of the City for this grant.

PASSED and APPROVED this 6th Day of February 2017.

Jim Matherly, City Mayor

AYES:
NAYS:
ABSENT:
APPROVED:

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, CMC, City Clerk

Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4780

Abbreviated Title: FFY17 HOMELAND SECURITY GRANT PROGRAM APPLICATION

Department(s): FIRE & POLICE DEPARTMENTS

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes _____ No X

2) additional support or maintenance costs? Yes X No _____

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes _____ No X

If yes, how many positions? _____

If yes, type of positions? _____ (F - Full Time, P - Part Time, T - Temporary)

II. FINANCIAL DETAIL:

PROJECTS:	Equipment	Contracts	Personnel	Total
Land Mobile System Vehicle Mobile Radios (Police)	\$372,000			\$372,000
Extrication Tools (Fire)	\$70,000			\$70,000
Security Upgrade Stations #1, #2 and FTC (Fire)	\$110,000			\$110,000
FNSB Training Event - Earthquake Simulation (Fire)		\$10,000		\$10,000
Supervising Patrol Critical Incidents Training (Police)		\$14,000		\$14,000
Alaska Shield 2019 Exercise/Training		\$7,000		\$7,000
TOTAL	\$552,000	\$31,000	\$0	\$583,000

FUNDING SOURCE:	Equipment	Contracts	Personnel	Total
Alaska Department of Homeland Security (Federal Funds)	\$552,000	\$31,000		\$583,000
				\$0
				\$0
TOTAL	\$552,000	\$31,000	\$0	\$583,000

The City of Fairbanks estimates that maintenance costs for the following will be absorbed through the general fund: Land Mobile System Vehicle Mobile Radios (estimated maintenance costs should decrease as outdated equipment is removed), Extrication Tools (estimated maintenance costs should not change as this is a replacement of old equipment), and the Security upgrade to the various fire stations (estimated annual maintenance costs have not been determined).

Reviewed by Finance Department: Initial cp Date 1/30/2017

ORDINANCE NO. 6041

AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE SECTIONS 2-260 AND 2-261 REGARDING THE AUTHORIZED INDEX LANGUAGE AND ASSET ALLOCATIONS IN THE CITY PERMANENT FUND INVESTMENT POLICY

WHEREAS, the City Council established the investment policy of the City Permanent Fund by terms codified in Fairbanks General Code (FGC) Sections 2-260 and 2-261; and

WHEREAS, the City's Permanent Fund Investment Manager, Alaska Permanent Capital Management (APCM), recommends increasing the ten percent limitation of the BAA rated securities to fifteen percent to allow BAA rated securities at levels similar to that of the fixed income benchmark while continuing to protect the overall investment grade of the fixed income securities held in the permanent fund; and

WHEREAS, APCM recommends extending the "or substantially similar" language used for the international equities to domestic equities. This will allow APCM to incrementally adjust the portfolio's strategic asset class exposure based upon assessment of current market conditions and/or valuation. The language provides an appropriate level of risk control to ensure the exchange traded funds (ETFs) and/or mutual funds selected provide adequate exposure to asset classes specified in the strategic asset allocation designed to meet the City's long term investment goals. It allows APCM to purchase ETFs and/or mutual funds with potential to incrementally enhance returns and reduce risk relative to the strategic asset allocation benchmark; and

WHEREAS, APCM recommends changes to the asset allocation to enhance asset preservation of the Fund; and

WHEREAS, the PFRB supports and recommends these changes.

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

SECTION 1. Fairbanks General Code Section 2-260 Permanent Fund Investment Policy, Procedure and Governance, is amended as follows [new text in **underline bold** font; deleted text in ~~font~~]:

Sec. 2-260. Permanent fund investment policy, procedure and governance.

(a) *Purpose of fund.* The purpose of the permanent fund is to maximize income for capital and operating expenses of the city and preserve in trust assets of the city for present and future generations of city residents. The principal goal shall be to preserve principal and maintain purchasing power.

(b) *Investment policy.* The investment policy of the city is to allow only the following investment vehicles.

(1) Obligations of or obligations insured or guaranteed by the United States or agencies or instrumentalities of the United States;

(2) Bonds or other taxable yield U.S. dollar denominated debt instruments of this state, its agencies, municipalities, any other state, or corporation which at the time of investment have an investment grade rating of a nationally recognized rating agency; if the rating of a bond becomes less than investment grade and has a maturity greater than one year, it must be sold in an orderly manner within 90 days of down grading;

(3) Bank certificates of deposit which are insured or secured as to the payment of principal and interest;

(4) Corporate obligations of investment grade quality as recognized by a nationally recognized rating organization. If, after purchase, these obligations are downgraded below investment grade, they shall be sold in an orderly manner within 90 days of down grading. In no circumstance shall any bond be purchased after January 1, 2009 with a yield to maturity that exceeds 600 basis points above a comparable duration treasury note/bond at the date of purchase.

(5) Short term investment funds (STIF) which are limited to investments set forth in subsections (b)(1)-(4) of this section or the Alaska Municipal League Investment Pool as set forth in state statute; and

(6) Domestic equities, which taken as a whole, attempt to replicate the Standard & Poor's 500 Index, **or a substantially similar index**, including both mutual funds and exchange traded funds (ETF's).

(7) International equities, which taken as a whole, attempt to replicate the FTSE Developed ex North America Index or Morgan Stanley Capital International Europe, Australasia and Far East (MSCI EAFE) or a substantially similar index, including both mutual funds and exchange traded funds (ETF's).

(8) Equities, which taken as a whole, attempt to replicate the universe of domestic real-estate investment trusts, including both mutual funds and exchange traded funds (ETF's).

(9) Domestic equities, which taken as a whole, attempt to replicate the S&P 400 MidCap Index, **or a substantially similar index**, including both mutual funds and exchange traded funds (ETF's).

(10) Commodities, which taken as a whole, attempt to replicate a broad based commodity index, such as the Dow-Jones UBS Commodity Index,

including mutual funds, exchange traded funds (ETF's) and exchange traded notes (ETN's).

(11) Emerging markets equity index funds, which taken as a whole, attempt to replicate the FTSE Emerging Market Index or Morgan Stanley Capital International Emerging Markets Index (MSCI EMERGING) or a substantially similar index, including both mutual funds and (ETF's).

(12) International Bond index funds, which taken as a whole, attempt to replicate Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index, including both mutual funds and ETF's.

(13) U.S. Treasury Inflation Protected Securities (TIPS), and/or mutual funds or ETF's which attempt to replicate the Barclays Capital U.S. Treasury Inflation Protected Securities Index.

(c) *Limitations.* The following investment practices are prohibited and shall constitute limitations to fund investments:

(1) Options and futures may not be purchased or sold; complex derivatives and complex structured notes which provide for uncertain payment dates and amounts are prohibited without the express, written consent of the city council, as are practices which involve the use of leveraging through reverse repurchase agreements;

(2) Investments in U.S. dollar denominated obligations of corporations shall be limited to a percentage level as provided for by the city council from time to time. Investment grade to be defined by at least one nationally recognized rating service. The investment in the lowest level of investment grade securities is to be limited to no more than ~~ten~~ 15 percent of the marketable debt securities;

(3) No investment shall be made in any one individual security or issuer in excess of five percent of the total investment portfolio, measured by market value, except for obligations of the U.S. government and its agencies.

(4) No investments, cumulatively, shall be made in any one industry in excess of 25 percent of the total investment portfolio except for obligations of the U.S. and its agencies without quarterly disclosure to the Review Board for consideration.

(5) Effective January 1, 2009, no commercial residential mortgaged backed securities (MBS, etc. but not to exclude securities issued by a U.S. government agency) and no further commercial mortgage backed securities (CMBS, etc.) may be purchased.

(d) *Transactional records.* The board shall maintain on file within the offices of the city, monthly reports which indicate the following:

(1) All transactions affecting the investment account, to include purchases and sales of securities, transfers of cash into and out of the account, interest or dividends received by the account; and

(2) A listing of all assets held in the investment account, including identification of the security, original purchase price, and current market price.

(e) *Fund performance evaluation.* The city council and the board may have an objective performance evaluation of the investment program every year. The board may retain a performance measurement consultant whose contractual purpose will be to provide objective measurement of the performance of investment managers and the portfolio against appropriate indices, universes and/or benchmarks as recommended by the consultant and adopted by the city council and the board. Portfolio performance may be reviewed by the consultant at least semiannually with the city council and the board. Such consultant may not manage in any capacity any portion of the portfolio.

(f) *Custodian bank.* The city council and the board shall retain a bank custodian to hold all investment cash and securities in the name of the city's permanent fund. The custodian shall render monthly reports to the city council and the board regarding assets held at both book and market values, and individual transactions which have taken place. The bank shall have adequate fidelity insurance. A written contract will be entered into between the city and the custodian bank.

(g) *Investment managers.* The city council and the board shall retain one or more professional investment managers to design portfolios and invest funds in accordance with the written investment policies adopted by the city council. The investment managers must be registered financial advisers with both the United States Securities and Exchange Commission and the state and may not serve in any multiple role as investment manager or securities broker custodian. They must agree to serve as a fiduciary to the fund and carry professional liability insurance in the minimum amount of \$5,000,000.00. A written contract must be entered into between the fund and the investment managers.

(h) *Fiduciary status; conflict of interest.* The board shall be considered to have the responsibility of a fiduciary to the fund and shall be indemnified by the city in any action brought against them collectively or individually while acting in this capacity. No board member may act on behalf of the board in any manner involving the investments of the portfolio or its management pursuant to this policy, except as specifically authorized by the city council in writing.

(i) *Prudent investor rule.* The city council, the board, the staff, the investment managers and the bank custodians shall exercise the judgment and care under the circumstances then prevailing which an investor of ordinary prudence, discretion and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation, but in regard to the long-term

investment of funds considering the probable safety of capital as well as probable income.

(j) *Balance available for appropriation.* The city council may only appropriate from the permanent fund as follows: In any fiscal year, an amount not to exceed four percent of the five-year average fund market value, to be computed using the five prior years' year end audited market value, for the city operations, and an additional 0.5 percent solely for capital needs.

SECTION 2. Fairbanks General Code Section 2-261 Permanent Fund Asset Allocation Plan and Performance Measurement Targets is amended as follows [new text in **underline bold** font; deleted text in ~~strikethrough~~ font]:

Sec. 2-261. Permanent fund asset allocation plan and performance measurement targets.

(a) The target for equities is ~~45%~~ **60%** of the portfolio with an allowable range of ~~30%~~ **45%** to ~~60%~~ **75%**. The target for fixed income is ~~55%~~ **40%** of the portfolio with an allowable range of ~~40%~~ **25%** to ~~70%~~ **55%**.

(b) Within the overall guidelines for equities and fixed income investments, the asset allocation targets and ranges are as follows:

Asset Class	Target % Weighting	Range %
Equities - Overall	45 <u>60</u>	30-60 <u>45-75</u>
Large Cap Equity	22 <u>24</u>	15-50 <u>15-35</u>
Mid Cap Equity	3 <u>9</u>	0 - 15 <u>15</u>
Small Cap Equity	2 <u>6</u>	0 - 10
International Equity	9 <u>10</u>	0 - 20 <u>20</u>
Emerging Markets Equity	4 <u>5</u>	0 - 10
Real Estate Equity	5 <u>6</u>	0 - 15 <u>15</u>
Fixed Income - Overall	55 <u>40</u>	40-70 <u>25-55</u>
US Bonds meeting Ordinance Criteria	40 <u>25</u>	30-70 <u>15-55</u>
International Bonds	5	0 - 10
U.S Treasury Inflation Protected Securities	5	0 - 10
Cash/1-3 month Treasuries	5	0 - 10
Commodities	0	0 - 20 <u>20</u>

* * * * *

Section 3: That the effective date of this Ordinance will be the _____ day of February 2017.

Jim Matherly, Mayor

AYES:
NAYS:
ABSENT:
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, CMC, City Clerk

Paul J Ewers, City Attorney

ORDINANCE NO. 6042

**AN ORDINANCE MODIFYING THE ANNUAL GENERAL
FUND TRANSFER FROM THE PERMANENT FUND**

WHEREAS, Section 8.8 of the City Charter created a Permanent Fund from the proceeds of the sale of municipal real property and utility assets; and

WHEREAS, Fairbanks General Code (FGC) Section 2-260(a) states that the purpose of the Permanent Fund is “to maximize income for capital and operating expenses of the city and preserve in trust assets of the city for present and future generations of city residents.” The principal goal of the Permanent Fund is “to preserve principal and maintain purchasing power”; and

WHEREAS, Charter Section 8.8(b)(2) states that the City Council may only appropriate from the Permanent Fund in any fiscal year an amount not to exceed four percent of the five year average fund market value for City operations and an additional 0.5 percent for capital needs; and

WHEREAS, the City’s Permanent Fund investment manager, Alaska Permanent Capital Management, reports that the current 4% annual appropriation to the General Fund results in a 60%-65% likelihood that the Permanent Fund will fall below the \$113 million principal amount; and

WHEREAS, the Permanent Fund Review Board supports and recommends a reduction in the annual transfer to the General Fund to be phased in over a five-year period, while retaining the current 0.5 percent transfer to the Capital Fund.

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

Section 1. The maximum annual transfer from the Permanent Fund to the City’s General Fund will be reduced from 4.0 percent to 3.5 percent by decreasing the transfer amount by 1/10 of a percent every year for five years as follows:

- 2018 - 3.9 percent of the average five prior years' year end audited market value*
- 2019 - 3.8 percent of the average five prior years' year end audited market value
- 2020 - 3.7 percent of the average five prior years' year end audited market value
- 2021 - 3.6 percent of the average five prior years' year end audited market value
- 2022 - 3.5 percent of the average five prior years' year end audited market value

*This change will result in a decrease of \$116,811 to the 2018 estimated transfer.

Section 2: That the effective date of this Ordinance shall be the ____ day of February 2017.

Jim Matherly, Mayor

AYES:
NAYS:
ABSENT:
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, CMC, City Clerk

Paul J Ewers, City Attorney

City of Fairbanks
Permanent Fund Review Board
(Quarterly Meeting Minutes)
October 19, 2016

The Permanent Fund Review Board (PFRB) convened at 1:30 P.M. on the above date, in the FMATS conference room, to conduct a quarterly meeting with the following board members in attendance.

Board Members Present: Patty Mongold, Chair
Council Member Bernard Gatewood
Jennifer Imus
Jeff Johnson
Dave Owen

Board Members Absent: None

Also Present: Carmen Randle, Chief Financial Officer
Jason Roth, Senior Vice President, Investments – APCM
Brandy Niclai, Chief Investment Officer-APCM

Dave motioned and Jeff seconded to approve the July 20, 2016 minutes and the board unanimously agreed.

Carmen reviewed the account's performance through September 30, 2016:

- \$125,126,427 - June 30, 2016 balance including accrued income
- \$ 2,253,719 - Dividend and interest earnings
- \$ 446,229 - Realized gain
- \$ 4,942,187 - Unrealized gains
- \$ 133,311 - Management and custodial fees
- \$ 8,021,320 - 2016 Earnings - net of expenses

Bernard asked Jason for the most recent value of the fund. Jason reported that as of close of business on October 18th the fund was \$123,998,129. October has been a volatile month in both the equities and fixed income arenas.

Carmen discussed the City deposits into the Permanent Fund consist of the GHU lease payment for \$396,900, sale of City real property for \$42,377 and receipt on outstanding G2 and G3 notes of \$22,165.

Carmen reported that the Council voted to sell 3.52 acres of land to Tanana Chiefs Conference (TCC) to facilitate the expansion of the Chief Andrew Isaac Health Center. It is the Council's intent to treat the transaction as a three-way exchange between TCC, the

State of Alaska (State), and the City of Fairbanks. The State has other property that borders the tract of land in which the 3.5 acres is located. The City wants to obtain that land for a future snow dump. If everything goes as planned, TCC will give the proceeds for the purchase to the State, the State will transfer the title to their land to the City, and the City will transfer title of the 3.5 acres to TCC. The transaction is not expected to be complete until surveying and appraisals are complete in early summer of 2017.

Carmen reported that the draw of \$5,032,231 will be made in December.

Reported Performance							
3rd Quarter		Year to Date		Last 12 Months		Inception to Date	
Account	Benchmark	Account	Benchmark	Account	Benchmark	Account	Benchmark
2.14%	2.20%	6.56%	6.92%	8.97%	9.36%	5.35%	5.00%
	0.13% ¹		0.38%		0.50% ²		
2.14%	2.33%	6.56%	7.30%	8.97%	9.86%	5.35%	5.00%

1 12.5 bps - per quarter rounded
2 50 bps hurdle -annual
3 50 bps hurdle codified in March, 2009. Inception performance begins January 31, 1998.

Brandy reviewed the market return with the PFRB. She reported the portfolio was up 6.56% year to date. APCM has pared back the City’s equity exposure due to the recent highs and the continuing volatility. The cash balance increased to prepare for the City’s draw and to soften volatility that may result.

Jason presented the portfolio’s performance and compliance report (see attachment 1– *APCM Investment Review for the period ending September 30, 2016*). He noted that APCM exceeded the 10% threshold for Baa allowable investments (10.4%) at the end of September. The conversion of assets to cash and market volatility were in part responsible for this variation. Jason reported that increasing the ten percent limitation of Baa rated securities to 15% will allow inclusion of BAA rated securities at levels similar to that of fixed income benchmark while continuing to protect the overall investment grade of the fixed income securities held in the permanent fund.

Jason indicated that extending the “or substantially similar” language utilized for the international equities will allow APCM to incrementally adjust the portfolio’s strategic asset class exposure based upon the assessment of current market conditions and/or valuation. The language provides an appropriate level of risk control to ensure the exchange traded funds (ETFs) and/or mutual funds selected provide adequate exposure to asset classes specified in the strategic asset allocation designed to meet the City’s long term investment goals. It will also allow APCM to purchase ETFs and/or mutual funds which have the potential to incrementally enhance return and/or reduce risk relative to the strategic asset allocation benchmark.

During the July 20, 2016 PFRB meeting, the board requested APCM to report on the asset allocations in the portfolio. On October 19, 2016 Brandy presented the special report and emphasized that it is priority that drives the strategic asset allocation. She reported that, since inception, the City has deposited approximately \$113 million into the permanent fund. She went on to report that “When asset preservation is a primary goal, conservative investments are typically selected in order to maintain a specified principal amount. Depending on the level of the floor, it can be difficult to keep pace with the rate of inflation with this type of investment strategy:

- Current Situation: If the current allocation and 4.5% annual distribution are maintained, there is a 60%-65% likelihood the fund will fall below the \$113 million principal amount.
- Increase Risk: If equity exposure is increased to 75% and the annual distribution remains at 4.5%, there is a 40%-45% likelihood the fund will fall below the \$113 million principal amount.
- Decrease Spending: If the current allocation is maintained and the annual distribution is reduced to 3.2%, there is a 35%-40% likelihood the fund will fall below the \$113 million principal amount.

After reviewing the asset allocation presented by Brandy, Jeff moved, Jennifer seconded and the PFRB unanimously agreed to recommend the following changes to the City Council:

- In Code Sections 2-260(b)(6) and (9) insert the words “or a substantially similar index” as bolded below:

Sec. 2-260(b)(6) Domestic equities, which taken as a whole, attempt to replicate the Standard & Poor’s 500 index, **or a substantially similar index**, including both mutual funds and exchange traded funds (ETF’s).

Sec. 2-260(b)(9) Domestic equities, which taken as a whole, attempt to replicate the S&P 400 MidCap Index, **or a substantially similar index**, including both mutual funds and exchange traded funds (ETF’s).

- In Code Section 2-260(c)(2) change the limitation on the lowest level of investment grade securities from ten to fifteen (15) percent as bolded below:

Sec. 2-260(c)(2) Investments in U.S. dollar denominated obligations of corporations shall be limited to a percentage level as provided for by the City Council from time to time. Investment grade to be defined by at least one nationally recognized rating service. The investment in the lowest

level of investment grade securities is to be limited to no more than ~~ten~~ **fifteen** percent of the marketable debt securities

- In Code Section 2-261 (a) change the asset allocation targets for equities to **60%** of the portfolio with an allowable range of **45%** to **75%**. Change the target for fixed income to **40%** of the portfolio with an allowable range of **25%** to **65%**.
- Article VIII Section 8.8 (b) (2) states that the City Council may only appropriate an amount not to exceed four (4) percent of the five year average of the fund market value. The board recommends the annual appropriation be changed to three and one-half (3.5) percent. This change supports the purpose of the fund as documented in Section 2-260 (a):

Sec. 2-260(a) The purpose of the permanent fund is to maximize income for capital operating expenses of the City and preserve in trust assets of the City for present and future generation of the city residents. The principal goal shall be to preserve principal and maintain purchasing power.

The PFRB set the next quarterly meeting for Monday January 23, 2017 at 1:30 P.M. and APCM's annual report to Council will be at a work session prior to the Council Meeting on the same day.

The PFRB meeting adjourned at approximately 3:30 P.M.

Minutes will be placed on the January 23, 2017 agenda for approval.