



FAIRBANKS CITY COUNCIL  
AGENDA NO. 2016-03  
**REGULAR MEETING FEBRUARY 8, 2016**  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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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
  - \*a) Regular Meeting Minutes of October 19, 2015
  - \*b) Regular Meeting Minutes of November 9, 2015

7. SPECIAL ORDERS

8. MAYOR'S COMMENTS AND REPORT

9. UNFINISHED BUSINESS

- a) Ordinance No. 6003 – An Ordinance Amending the 2016 Operating and Capital Budgets for the First Time. Introduced by Mayor Eberhart. SECOND READING AND PUBLIC HEARING.
- b) Ordinance No. 6004 – An Ordinance Ratifying a Labor Agreement Between the City of Fairbanks and IBEW Local 1547. Introduced by Council Member Pruhs. SECOND READING AND PUBLIC HEARING.
- c) Ordinance No. 6005 – An Ordinance Establishing an Incentive Bonus Program with Fairbanks Police Department for Recruitment, Hiring and Retention. Introduced by Mayor Eberhart. SECOND READING AND PUBLIC HEARING.

10. NEW BUSINESS

- \*a) Resolution No. 4715 – A Resolution Amending the Schedule of Fees and Charges for Services by Adjusting Garbage Collection Rates. Introduced by Mayor Eberhart.
- \*b) Resolution No. 4716 – A Resolution Re-Designating Check Signing Authority for Banking and Investment Accounts of the City of Fairbanks, Alaska. Introduced by Mayor Eberhart.
- \*c) Resolution No. 4717 – A Resolution Authorizing the City of Fairbanks to Apply for Funds from the Alaska Division of Homeland Security for the FFY2016 State Homeland Security Program. Introduced by Mayor Eberhart.
- \*d) Resolution No. 4718 – A Resolution Regarding Appointments to the Deferred Compensation Committee. Introduced by Mayor Eberhart.
- \*e) Ordinance No. 6006 – An Ordinance Ratifying a Labor Agreement Between the City of Fairbanks and the AFL-CIO Crafts Council. Introduced by Council Member Pruhs.

11. DISCUSSION ITEMS (INFORMATION AND REPORT)
  - a) Committee Reports
  
12. COMMUNICATIONS TO COUNCIL
  - \*a) Permanent Fund Review Board Meeting Minutes of November 4, 2015
  - \*b) Clay Street Cemetery Commission Meeting Minutes of November 4, 2015
  - \*c) Re-appointment to the Building Code Review & Appeals Commission
  
13. COUNCIL MEMBERS' COMMENTS
  
14. CITY CLERK'S REPORT
  
15. CITY ATTORNEY'S REPORT
  
16. EXECUTIVE SESSION
  - a) IBEW Labor Contract Negotiations
  - b) FFU Labor Contract Negotiations
  
17. ADJOURNMENT



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, OCTOBER 19, 2015  
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, following a 6:00 p.m. Work Session for a Polaris Building update, to conduct a Regular Meeting of the Fairbanks City Council at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor John Eberhart presiding and with the following Council Members in attendance:

Council Members Present: Perry Walley, Seat B  
Bernard Gatewood, Seat C  
Jim Matherly, Seat D  
Jerry Cleworth, Seat E  
David Pruhs, Seat F  
Joy Huntington, Seat A (Council Member Elect)

Absent: Renee Staley, Seat A (Excused)

Also Present: Warren Cummings, Fire Chief  
Margarita Bell, Grants Administrator  
Paul Ewers, City Attorney  
D. Danyielle Snider, City Clerk  
Jim Williams, Chief of Staff  
Carmen Randle, Controller  
Ben Barrio, IT Director  
Angela Foster-Snow, HR Director  
Verg Scott, Public Works General Foreman  
Bob Pristash, Engineer IV  
Shannon Kumpula, Purchasing Agent/Risk Manager

### **INVOCATION**

The Invocation was given by City Clerk Danyielle Snider.

### **FLAG SALUTATION**

Mayor Eberhart led the Flag Salutation.

### **CITIZEN'S COMMENTS**

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney spoke to the Fairbanks Four and stated that he would like Mayor Eberhart to follow through on his promise to reopen the case. He indicated that there may have been wrongdoing by the Fairbanks Police Department (FPD) and that former Police Detective Chris Nolan admitted to making mistakes during the polygraph tests. Mr. Turney shared the definition of the term “false confession” from Webster’s Dictionary. Mr. Turney stated that he hoped Mayor Eberhart and the Chief of Police would perform a complete review of the John Hartman murder case in order to avoid it ever happening again. Mr.

Turney stated that the recordings of the defendant's testimony were turned off and on and that the interrogator was doing that to threaten witnesses in an attempt to obtain false confessions. Mr. Turney stated his desire for Chief Aragon to clean up FPD.

P. Alex Parker, 852 Crossman Road, Fairbanks – Ms. Parker stated that she has lived in Fairbanks for almost 44 years and that she is unhappy that there are no public restrooms. She expressed distaste for signs on businesses saying that restrooms are for paying customers only. Ms. Parker suggested that the City put porta-potties downtown and on South Cushman Street. She stated that she has been doing business with Sani-Can for years on her property and that they are a great company. Ms. Parker stated she spoke with them about putting porta-potties in Downtown Fairbanks and they gave her a few pros and cons to her request. She stated that she was told that there have been issues with individuals drinking the hand sanitizer and huffing the air freshener. Ms. Parker stated that Sani-Cans would give everyone a place to do their business. She stated that the Sadler's parking lot would be a great place to put a group of porta-potties with partitions around them for privacy. Ms. Parker stated that the big vacant lot on South Cushman Street would also be a great location for public restrooms.

Daisy Stevens, 1841 Hilton Avenue, Fairbanks – Ms. Stevens inquired as to who the City Mayor was in 1997 at the time of John Hartman' murder. She stated that murders are occurring and not being solved and that people should be less concerned about Mayor Eberhart's leave time and more worried about the police solving murders. Ms. Stevens stated that there have been many murders of Native Alaskans that have gone unsolved and questioned why the Fairbanks Four were so swiftly arrested in the killing of John Hartman, a white person. She stated that her car was stolen on Labor Day weekend is sitting in impound but that she cannot get ahold of Chief Aragon to speak to him about it. Ms. Stevens stated that Mayor Eberhart is doing a fine job and that he deserves to take time off. She stated that the Police Department is corrupt and that there should be an internal investigation into the problems that occur there.

**Mr. Cleworth** asked Ms. Stevens to clarify when her car was stolen.

Ms. Stevens stated that her car was stolen on Labor Day weekend and that she has called daily but that she is not getting any answers as to why it is now sitting at the City impound lot. Ms. Stevens stated that she wants answers regarding the unsolved murders of several native people.

Darlene Herbert, 906 Woodlawn Road, Fairbanks – Ms. Herbert stated that she is in attendance because she is a concerned citizen in regard to the Fairbanks Four trial. She stated that she has sat through the trial each day and that every day she hears how dishonest the Fairbanks Police and the State Troopers are. Ms. Herbert stated that there needs to be an internal investigation of the Police Department. She commented that she does not like that City employees sit at the table in the back of the room during Council Meetings instead of in the general audience. Ms. Herbert stated that the employees think that they are special and that she feels uncomfortable by them sitting together at the table. Ms. Herbert stated that the police have a very aggressive way of dealing with the Native Alaskan population and that something needs to change.

Victor Buberger, P.O. Box 58192, Fairbanks – Mr. Buberger congratulated Ms. Huntington on her successful election to the City Council. He stated that he has gone through four mayoral terms asking each Mayor to put some public restrooms downtown. He stated that when he needs to use

the restroom downtown that he uses the ground beneath him because there are no public restrooms. Mr. Buberger stated that the City should have a heated toilet and that if someone passes out inside the restroom then at least they have a warm place to sleep. He stated that he agrees that earlier comments that the Police Department is corrupt. Mr. Buberger stated that the officers need to do the right thing and that the Council should clean up that department.

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

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

**Mr. Gatewood**, seconded by **Mr. Matherly**, moved to APPROVE the Agenda and Consent Agenda.

**Mr. Matherly** pulled Ordinance No. 5993 from the Consent Agenda.

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

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

### **SPECIAL ORDERS**

- a) 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, Location, Name Change and Restaurant Designation Permit:

Type: Beverage Dispensary, License #727  
To: Lavelle's Bistro / Café de Paris Catering Co.  
575 First Avenue, Fairbanks, Alaska  
From: No DBA / Franklin Eagle & Kathleen Lavelle  
No Premises

**Mr. Matherly**, seconded by **Mr. Walley**, motioned to WAIVE PROTEST on the Liquor License Application for Transfer.

Frank Eagle, 912 Kellum Street, Fairbanks – Mr. Eagle explained that he needs the license transferred because he is going to be building a new restaurant. He stated that, initially, he had planned to transfer a license from outside of City limits to the Noble Street location, but that state law prohibits the transfer of a liquor license from the limits of one municipality to another unless the new location is an existing restaurant. Mr. Eagle stated that that is why he is requesting the transfer of the Lavelle's Bistro license to the new location and the transfer of the Borough liquor license to Lavelle's Bistro.

**Mr. Pruhs** asked Mr. Eagle how many licenses he owns. Mr. Eagle explained that his wife owns one, and he owns three: one for the golf course, one for Lavelle's Bistro and License #727. **Mr. Pruhs** asked where he plans to build his restaurant; Mr. Eagle replied the restaurant will be

located in the old Alaska Rag Company Building. **Mr. Pruhs** asked when he plans to begin the renovation if the license is approved; Mr. Eagle responded as soon as possible.

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

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

YEAS: Gatewood, Walley, Pruhs, Matherly, Cleworth

NAYS: None

ABSENT: Staley

**Mayor Eberhart** 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, Location and Name Change:

Type: Beverage Dispensary, License #4170

To: Tapas / Tapas, Inc.  
603 Lacey Street, Fairbanks, Alaska

From: Lavelle's Bistro / Café de Paris Catering Co.  
575 First Avenue, Fairbanks, Alaska

**Mr. Matherly**, seconded by **Mr. Walley**, moved to PROTEST the Liquor License Application for Transfer until a Certificate of Occupancy is issued for the premises.

Frank Eagle, 912 Kellum Street, Fairbanks – Mr. Eagle stated he would like to get stated on building Tapas as soon as possible.

**Mr. Cleworth** stated that he spoke with Mr. Eagle regarding free standing liquor licenses and that he is concerned that the Council has opened the door to other free standing bars. **Mr. Cleworth** stated that he wants to be sure that there be a condition put on the License that food must be served at the location.

**Mr. Cleworth**, seconded by **Mr. Gatewood**, moved to AMEND the MOTION TO PROTEST by placing a condition that food must be served at the new location until one hour before closing.

Mr. Eagle stated that he believes that a cocktail lounge downtown would not be a problem if the owner follows that law. He stated that if someone comes into the establishment inebriated, they would refuse service; he added that if someone is inebriated onsite they are asked to leave. **Mr. Cleworth** stated that he did not want the downtown area to suffer the way it did in the 1980's when the City had a problem with too many liquor licenses in the downtown area.

**Mr. Matherly** expressed agreement with Mr. Cleworth and stated that the Council should make liquor license decisions on an individual basis.

**Mr. Walley** asked Mr. Eagle if he was willing to serve food up to the last hour of operating hours. Mr. Eagle stated that if he had a New Year's Eve party he would not intend to keep the kitchen open until two o'clock in the morning. Mr. Eagle stated that he plans to serve food but that it is not cost effective to keep the kitchen open on special event nights.

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

**Mr. Pruhs** stated that he does not agree that the caveat be placed on Mr. Eagle's establishment. He stated that he agrees that looking at each license and voting it up or down is a better way for the Council to conduct business.

**Mr. Gatewood** stated that he and his wife love to go out to dinner at Lavelle's but that he also agrees with Mr. Cleworth. **Mr. Gatewood** stated that the Tap House was allowed because everyone in Fairbanks knows the history of the Eagle-Lavelle family, but that it would be very hard to grant the same allowances for someone that is unknown.

**Mr. Cleworth** stated that he is concerned with the consistency of the City Council on these types of issues.

**Mayor Eberhart** stated that his parents owned a restaurant and bar and that he does not believe that the Council should enforce food being served up to an hour before the establishment closes.

**Mr. Cleworth** stated that there are problems with the inebriate population downtown and that the Council should be smart and consistent in regard to the liquor license issue.

**Mayor Eberhart** stated that he believes the bar that is close to Mr. Cleworth's business may be of concern because there is a possibility that patrons are being over served.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND THE MOTION TO PROTEST BY PLACING A CONDITION THAT FOOD MUST BE SERVED AT THE NEW LOCATION UNTIL ONE HOUR BEFORE CLOSING AS FOLLOWS:

YEAS: Matherly, Gatewood, Cleworth  
NAYS: Walley, Pruhs  
ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO PROTEST THE LIQUOR LICENSE APPLICATION FOR TRANSFER UNTIL A CERTIFICATE OF OCCUPANCY IS ISSUED FOR THE PREMISES WITH THE CONDITION THAT FOOD MUST BE SERVED AT THE NEW LOCATION UNTIL ONE HOUR BEFORE CLOSING AS FOLLOWS:

YEAS: Matherly, Cleworth, Walley, Gatewood, Pruhs  
NAYS: None  
ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED.



c) Memo Regarding Sale of Fire Chief Vehicle to Retiring Chief.

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to APPROVE the sale of the Fire Chief's vehicle to the retiring Fire Chief.

**Mr. Walley** expressed concern that if the retiring Chief purchased his City vehicle, a new Fire Chief would be left without a vehicle.

**Mayor Eberhart** stated that there is a backup vehicle for the new Chief if he is hired quickly.

**Mr. Gatewood** asked if the backup vehicle is only intended for temporary use or if it would be a permanent replacement for the Fire Chief's vehicle.

**Mayor Eberhart** stated that Chief Cummings included funding in his 2016 budget proposal for a new Fire Chief vehicle. **Mayor Eberhart** asked the City Purchasing Agent Shannon Kumpula for a staff report.

**Mr. Matherly** asked Ms. Kumpula for the year, make and model of the vehicle Chief Cummings would like to purchase from the City. Ms. Kumpula stated it is a 1997 Jeep Cherokee.

**Mr. Walley** stated that the Fairbanks General Code (FGC) prohibits the sale of City property to City employees.

**Mr. Cleworth** stated it is very rare for the City to sell things to an employee; he stated that if the Chief wants to purchase the vehicle, he should do so at auction.

**Mr. Gatewood** asked questions relating to the selling price of the vehicle. Ms. Kumpula stated that the price was based on Kelley Blue Book and National Automobile Dealers' Association (NADA) pricing and that the Chief's vehicle will be stripped of department-specific equipment. She stated it will lose value because of the "scars" remaining after all the extras are removed.

**Mr. Pruhs** asked if there would be any benefit to the Purchasing Department by selling the vehicle to the retiring Chief; Ms. Kumpula replied that it would make no difference.

**Mr. Cleworth** stated that he wishes that the Council could let the Chief purchase the vehicle but that it should be offered to all residents at public auction.

**Mr. Matherly** stated that a low-mileage, 19-year-old vehicle—even with minor damage—could sell at public auction for more than \$2,500.00. He added that the residents own the vehicle and that they should be given the opportunity to bid on it.

**Mr. Walley** stated that the City should keep the Chief's vehicle until a replacement is purchased.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE THE SALE OF THE FIRE CHIEF'S VEHICLE TO THE RETIRING FIRE CHIEF AS FOLLOWS:

YEAS: None  
NAYS: Matherly, Gatewood, Pruhs, Cleworth, Walley  
ABSENT: Staley  
**Mayor Eberhart** declared the MOTION FAILED.

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

**Mayor Eberhart** stated that one of the reasons Randle Aragon was selected as Police Chief is because he wanted the department to have a shake-up; he added that Chief Aragon has a record of empathy. He stated that he had received several requests for an independent review of the handling of the Hartman/Fairbanks Four case and that Chief Aragon is in full support of it. **Mayor Eberhart** stated that the City supports an independent review of the case. He commented that the City will continue to follow the court proceedings and if some wrong doing by FPD comes to light, those at fault—assuming they are still employed by the City—would be disciplined or terminated. **Mayor Eberhart** stated that there are many fine employees at FPD and that he would like to see the rift that is seen in the community repaired. He stated that Chief Aragon has asked for two cold case investigators because some of the murders could be solved with more time and attention. **Mayor Eberhart** stated that there are 14 unsolved murders going back 30 years and that he supports the Chief's request to hire more help. **Mayor Eberhart** stated that he was unaware of Ms. Herbert's stolen car issue and requested that she contact his office or Chief Aragon to help resolve the issue. **Mayor Eberhart** stated that there was an earlier work session relating to the Polaris Building and that it is time for something to be done with the structure.

**Mayor Eberhart** thanked Ms. Staley for her service to the City over her three-year term. He presented Fire Chief Warren Cummings with a gold pan and thanked him for his 43 years of service to the City of Fairbanks. **Mayor Eberhart** presented Chief Financial Officer (CFO) Jim Soileau with a gold pan and thanked him for his 14 years of dedicated service to the City. Mr. Soileau thanked various employees for the help they had provided him over the years and stated he is going to miss them all.

**Mayor Eberhart** listed the many events and meetings he and his staff were involved in since the last Regular Council Meeting. He asked Council Members to address (during Council Members' Comments) Controller Carmen Randle's application for the CFO position or if they would like it to be publically advertised.

### **UNFINISHED BUSINESS**

- a) Ordinance No. 5991, as Amended – An Ordinance Amending the Operating and Capital Budgets for the Seventh Time. Introduced by Mayor Eberhart. **SECOND READING AND PUBLIC HEARING.**

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to ADOPT Ordinance No. 5991, as Amended.

**Mr. Cleworth**, seconded by **Mr. Matherly**, moved to SUBSTITUTE Ordinance No. 5991, as Amended (Proposed Substitute), for Ordinance No. 5991, as Amended.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO SUBSTITUTE ORDINANCE NO. 5991, AS AMENDED (PROPOSED SUBSTITUTE), FOR ORDINANCE NO. 5991, AS AMENDED AS FOLLOWS:

YEAS: Pruhs, Gatewood, Cleworth, Matherly, Walley  
NAYS: None  
ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED.

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

**Mayor Eberhart** stated that he wanted to make a change to the Fire Department's budget and that he wants to keep the new hire on as a regular, full time employee. **Mayor Eberhart** asked Chief Cummings to come forward and explain the importance of the position. Chief Cummings stated that there should be a vacancy as early as next month so keeping the temporary, trained fire fighter as a regular full-time employee would save in training time and cost in the very near future. Chief Cummings stated that there are two fire fighters that will be moving out of state in the next calendar year.

**Mr. Cleworth** stated that he thought the department was fully staffed. Chief Cummings replied that there are three fire fighters leaving and that he needs the staff. **Mr. Cleworth** stated he does not like hiring temporary employees because it is like playing with a person's life. Chief Cummings stated in the past it was not a problem but with the future reduction in staff, it would behoove the City to make the temporary employee a full time staff member.

**Mr. Pruhs** asked Chief Cummings how many employees are on the payroll at the Fire Department; Chief Cummings replied there are 44 employees on the books. **Mr. Pruhs** asked if that number included the deployed fire fighter and Chief Cummings stated it did not include him because he is not currently on the payroll.

**Mr. Cleworth** agreed that if the department does not go above 44 employees he would support Ordinance No. 5991, as Amended.

**Mr. Cleworth**, seconded by **Mr. Pruhs**, moved to AMEND Ordinance No. 5991 to make the employee PERS-eligible effective immediately.

**Mr. Cleworth** stated the employee should be made full time and be fully-funded immediately. Chief Cummings requested that the employee be made full time and PERS-eligible as of the hire date of September 6, 2015. He stated that she was hired at the same time as two other employees and it would keep her equivalent with them.

**Mr. Cleworth**, seconded by **Mr. Pruhs**, moved to AMEND the MOTION TO AMEND by making the employee PERS-eligible effective back to the date of hire.

**Mr. Gatewood** requested that Chief of Staff Jim Williams give a staff report regarding the temporary employee before a vote is taken on the Motion to Amend. Mr. Williams stated that in

order to be compliant with the State of Alaska for PERS participation, he needs it to be made clear that the employee is no longer a temporary employee. Mr. Williams asked if the City would have to let the employee being discussed go if no one resigns before the deployed soldier returns to his position. He questioned whether the intent of the Council is to make the position a permanent position even if no one resigns before the deployed soldier returns.

Council Members reached a consensus that the intent is to keep the position in question and the deployed soldier as permanent employee, but that if no one resigns before the deployment ends, the next vacancy would not be filled. **Mr. Pruhs** stated that would bring the staffing level back down to 44 positions.

**Mr. Gatewood** asked when the soldier will return; Chief Cummings replied that he is scheduled to return in May of 2016.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 5991, AS AMENDED, BY MAKING THE EMPLOYEE PERS-ELIGIBLE EFFECTIVE BACK TO THE DATE OF HIRE AS FOLLOWS:

YEAS: Gatewood, Walley, Pruhs, Matherly, Cleworth  
NAYS: None  
ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED.

**Mr. Cleworth** stated that he wanted to be perfectly clear that when the next fire department vacancy occurs, the employee in question will fill that position and the City will not recruit.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5991, AS AMENDED, AS FOLLOWS:

YEAS: Cleworth, Pruhs, Walley, Matherly, Gatewood  
NAYS: None  
ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED and Ordinance No. 5991, as Amended, ADOPTED.

## **2015 MUNICIPAL ELECTION**

### a) Certification of the 2015 Municipal Election Results

**Mr. Cleworth**, seconded by **Mr. Gatewood**, moved to CERTIFY the 2015 Municipal Election Results.

A ROLL CALL VOTE WAS TAKEN TO CERTIFY THE 2015 MUNICIPAL ELECTION RESULTS, AS FOLLOWS:

YEAS: Matherly, Cleworth, Walley, Gatewood, Pruhs  
NAYS: None

ABSENT: Staley  
**Mayor Eberhart** declared the MOTION CARRIED and the 2015 Election Results CERTIFIED.

**Mr. Cleworth** requested that the Oaths of Office be completed prior to Council Members' Comments. No members objected to the change in the Order of Business.

b) Oaths of Office

City Clerk Danyielle Snider read the following 2015 Municipal Election results into the record:

**JOY HUNTINGTON**, having received the majority number of votes cast for CITY COUNCIL SEAT A, for a three-year term ending October 2018, is hereby declared elected as a Member of the Fairbanks City Council.

**PERRY WALLEY**, having received the majority number of votes cast for CITY COUNCIL SEAT B, for a three-year term ending October 2018, is hereby declared re-elected as a Member of the Fairbanks City Council.

**PROPOSITION A (Passed)**

Should City of Fairbanks Ordinance No. 5986, as Amended, An Ordinance Enacting a Retail Sales Tax on Marijuana and Referring the Ordinance for Ratification at the Next General Election, be ratified?

A "yes" vote ratifies Ordinance No. 5986, as Amended, and allows the City of Fairbanks to impose a 5% retail sales tax on any sale of marijuana within the City of Fairbanks.

A "no" vote rejects Ordinance No. 5986, as Amended, and no sales tax may be imposed by the City of Fairbanks on the sale of marijuana.

**YES:** 2901 TOTAL VOTES                      **NO:** 556 TOTAL VOTES

City Clerk Snider swore in newly-elected Council Member Joy Huntington and re-elected Council Member Perry Walley.

**Ms. Huntington** assumed her seat on the City Council.

**Mayor Eberhart** called for a five-minute transition recess.

c) Council Member Comments

**Mr. Gatewood** thanked Ms. Staley for her service on the City Council and for always coming with a strong voice. **Mr. Gatewood** welcomed Ms. Huntington to the Council and stated that he appreciates the diversity she brings to the City Council.

**Mr. Matherly** stated that he enjoyed working with Ms. Staley and that he will miss her sense of humor. **Mr. Matherly** stated that he is happy Mr. Walley will remain on the Council and that he appreciates his financial mind. **Mr. Matherly** welcomed Ms. Huntington to the Council and remarked that he truly appreciates her name because she brought joy to him while he watched her campaign.

**Mr. Walley** stated that he was honored to serve on the Council with Ms. Staley and that he will miss working with her. **Mr. Walley** stated that the future is going to be more difficult because State funding is drying up. **Mr. Walley** welcomed Ms. Huntington to the Council.

**Mr. Cleworth** stated he said his goodbyes to Ms. Staley but that he wanted to add how helpful she had been on the Parking Authority Board. **Mr. Cleworth** stated that he hopes Ms. Huntington takes her time to get to know the Council and that she enjoys what she is doing. **Mr. Cleworth** stated that he is thankful that Mr. Wally is continuing to serve on the Council.

**Mayor Eberhart** thanked Ms. Staley for her service to the City of Fairbanks.

**Ms. Huntington** thanked the Council for their support and thanked Ms. Staley for giving her the push to run for Seat A. **Ms. Huntington** stated that she is a born and raised Fairbanksan and that she is honored to serve her City. **Ms. Huntington** thanked Mr. Pruhs for pushing her to run for office and for being a good mentor to her.

**Mayor Eberhart** gave Ms. Huntington a rundown on some of the projects the City Council is working on. **Mayor Eberhart** stated he is happy for the diversity that Ms. Huntington brings to the body and that he looks forward to working with her in the future.

## **NEW BUSINESS**

- a) Resolution No. 4693 – A Resolution Re-designating Check Signing Authority for Banking and Investment Accounts of the City of Fairbanks, Alaska. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Ordinance No. 5993 – An Ordinance to Amend FGC Section 2-61 Regarding the Mayor's Compensation. Introduced by Council Member Pruhs.

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to ADVANCE Ordinance No. 5993.

**Mr. Matherly** requested that Controller Carmen Randle to come forward to answer some questions. **Mr. Matherly** stated that he was confused about some of the numbers relating to the Mayor's compensation package.

**Mr. Pruhs** stated that he spoke with Ms. Randle and that currently, the Mayor's compensation package is \$80,000.00 per year. **Mr. Pruhs** stated the first year of his term he earns 120 hours of vacation, 200 hours in the second year, and 240 hours in the third. **Mr. Pruhs** stated he wanted

to make the Mayor's package neutral so he is proposing removing the vacation time and increasing the annual salary. He stated he did it to make the Mayor's package fall in line with those of other municipalities throughout the state.

Ms. Randle clarified that the Mayor earns leave for the first two years of his term at a rate of 120 hours per year and that his third term in office he earns 160 hours. Ms. Randle stated that leave only has value if it is cashed out and that if no leave is taken there is no value toward the Mayor's compensation package. Ms. Randle stated that the Mayor should be paid one salary amount and be given the choice whether to complete a timecard.

**Mr. Cleworth** thanked Mr. Pruhs for all the work he put into Ordinance No. 5993 and Ms. Randle for the information she presented. **Mr. Cleworth** stated that he used 22 days of leave during his three years in office and agreed with Mr. Pruhs that the Mayor's pay should be adjusted to compensate for the lost leave time.

**Mr. Matherly** stated that he was thinking that the Mayor's annual salary should be \$85,000.00-\$86,000.00.

Ms. Randle stated that the Mayor contributes \$3.96 per hour for his health care, which totals \$8,236.80 per year. Ms. Randle stated that the Council should take that into consideration when making their decision.

**Mr. Cleworth** pointed out that the Mayor does not have a choice to opt out of the pension plan. He explained that if a Mayor only serves one term, they lose all the money that they have contributed to the pension plan.

**Ms. Huntington** stated that Mr. Pruhs mentioned that many mayors throughout the state do not receive compensation packages and asked if there was any back-up information to illustrate that.

**Mr. Pruhs** stated that at the last meeting, the City Clerk provided Council Members with information relating to other Alaskan municipalities' mayoral compensation packages.

**Ms. Huntington** asked if the Mayor may cash in comp time. **Mayor Eberhart** stated he can cash out annual leave but that he cannot cash in comp time. **Ms. Huntington** asked how the mayor documents time off.

**Mr. Pruhs** stated that the Mayor would be a salaried position and that he would not have to submit a timecard. **Mr. Pruhs** stated that if the Mayor was not getting his job done that the Council would find out quickly.

**Mr. Matherly**, seconded by **Mr. Pruhs**, moved to AMEND Ordinance No. 5993 by setting the Mayor's salary at \$86,500.00.

A ROLL CALL VOTE WAS TAKEN TO AMEND ORDINANCE NO. 5993 BY SETTING THE MAYOR'S SALARY AT \$86,500.00, AS FOLLOWS;

YEAS: Cleworth, Pruhs, Walley, Huntington, Matherly, Gatewood

NAYS: None  
**Mayor Eberhart** declared the MOTION CARRIED.

**Ms. Huntington** asked Mayor Eberhart how the salary change would affect him. **Mayor Eberhart** replied that he did not think it was right to change course mid-stream and that it should take effect when the next Mayor comes into office. **Mayor Eberhart** stated that he believes his package should be like all other employees and it should be subject to CPIU adjustments.

A ROLL CALL VOTE WAS TAKEN TO ADVANCE ORDINANCE NO. 5993, AS AMENDED, AS FOLLOWS;

YEAS: Matherly, Gatewood, Cleworth, Walley  
NAYS: Huntington, Pruhs  
**Mayor Eberhart** declared the MOTION CARRIED.

### COMMUNICATIONS TO COUNCIL

a) Board of Plumber Examiner Meeting Minutes of July 14, 2015.

ACCEPTED on the CONSENT AGENDA.

b) Fairbanks Diversity Council Meeting Minutes of September 8, 2015.

ACCEPTED on the CONSENT AGENDA.

### COUNCIL MEMBERS' COMMENTS

**Mr. Gatewood** requested that he be EXCUSED from the Regular City Council Meeting of November 9, 2015.

**Mayor Eberhart** called for objection to Mr. Gatewood's request to be EXCUSED from the November 9, 2015 City Council Meeting and, hearing none, so ORDERED.

**Mr. Gatewood** thanked Mr. Walley for his service for the past three years and stated he appreciates sitting next to him at Council Meetings. **Mr. Gatewood** stated how important it is for all members and the Mayor to be physically present as it makes debating more personal. **Mr. Gatewood** stated that open debate is the greatest asset of civilization.

**Mr. Walley** stated he took no issue with Ms. Randle being appointed as the CFO for the City of Fairbanks. **Mr. Walley** stated he would like to discuss the schedule for the upcoming budget meetings; he stated that he would support holding an all-day meeting rather than every morning. He asked other members to weigh in on the issue.

**Mr. Matherly** and **Mr. Pruhs** stated they liked the idea of consolidating the budget meetings into a one-day meeting rather than a week-long process.



**Mr. Walley** wished Mr. Soileau the best of luck in his future career. He thanked Chief Cummings for his 43 years of service to the City. **Mr. Walley** asked Engineer Bob Pristash if Cushman Street would be complete before winter; Mr. Pristash replied it would be open before winter.

**Mayor Eberhart** stated he would be available for two morning budget meetings on November 9 and 10 and requested the meetings be from 8:00 a.m. until noon both days.

**Mr. Gatewood** stated that he would not be available for either of those dates but commented that the Council could carry on with the budget meetings without him.

**Mayor Eberhart** asked Mr. Gatewood to speak to the appointment of Ms. Randle as the CFO.

**Mr. Gatewood** stated he thinks Ms. Randle is qualified for the position but he questioned whether it should be open to other applicants. **Mr. Gatewood** stated that he is reluctant to promote City employees without checking to see what other potential applicants might be out there.

**Ms. Huntington** spoke to the Fairbanks Four case and stated the importance of the Council moving forward in a positive direction relating to the case. **Ms. Huntington** stated that she believes competition is good in regard to the CFO position but stated that she feels that she is too new to the Council to make a determination regarding an appointment.

**Mr. Matherly** stated that he highly respected Mr. Soileau and that he is going to be sorely missed. **Mr. Matherly** stated he is glad that Ms. Randle applied for the CFO position and that he thinks she is the right person for the job. **Mr. Matherly** stated that he had complete respect for Chief Cummings and wished him the best of luck in the future. He spoke to Mr. Eagle's restaurant and stated that he did not believe that requiring food service until an hour before closing was a wise decision of the Council. **Mr. Matherly** stated that he would speak with City Attorney Paul Ewers to discuss reconsideration of that decision. **Mr. Matherly** stated that he is honored to serve with the Council and thanked everyone who came for public testimony. **Mr. Matherly** stated that he is closely following the Fairbanks Four case and that it is an emotional case to watch. **Mr. Matherly** stated that freezing rain is in the forecast and asked that everyone drive safely.

**Mayor Eberhart** stated that if Mr. Matherly wished to reconsider the decision to enforce that food be served until an hour before close of business he has until the end of the following business day to do so.

**Mr. Cleworth** shared his concern for hiring a new Fire Chief at the rate of pay Chief Cummings retired at. **Mr. Cleworth** stated that the new Chief would not have the longevity that Mr. Cummings had invested in his position and should not be paid that exact wage. **Mr. Cleworth** asked the Mayor if he had any idea when he would be nominating someone for the position.

**Mayor Eberhart** stated that he may have someone ready for nomination as soon as November 9.

**Mr. Cleworth** stated that the pay decision should be made prior to selecting the applicant.

**Mayor Eberhart** stated that he wants to offer the applicant 90% of Chief Cummings' departing wage. He agreed that the new applicant should not be paid what the current chief is paid.

**Mr. Cleworth** stated he was pleased to hear that the new chief would be offered the 90% rate. He asked if the City Engineer's package should be discussed now or later; Chief of Staff Jim Williams stated it should be discussed in the Finance Committee Meeting. **Mr. Cleworth** stated that the Police Department has a lot of public exposure and that the City receives complaints and compliments relating to officers. **Mr. Cleworth** stated that when he was Mayor, three officers were investigated and terminated but that there are also many exemplary officers. He stated that each day he is surprised by the information that is coming out in the Fairbanks Four case. He stated he thoroughly enjoyed working with Chief Cummings for so many years and that he has always had a tremendous amount of respect for him. **Mr. Cleworth** stated that Mr. Soileau has offered a wealth of knowledge over the years and that he will be greatly missed. He stated that it would be foolish for the Council to not appoint Ms. Randle to the CFO position. **Mr. Cleworth** stated that Ms. Randle was instrumental in the transition to the MUNIS software at the City.

**Mr. Pruhs** thanked Chief Cummings for his many years of dedicated service to the City. He stated that he appreciated Mr. Soileau's accurate financial information and that he will be missed. **Mr. Pruhs** stated that having Ms. Randle take over as CFO just makes sense because she has worked so closely with Mr. Soileau and would be able to hit the ground running. He stated that the Mayor has done a wonderful job in working with the community regarding the Fairbanks Four case. **Mr. Pruhs** welcomed Ms. Huntington to the Council and congratulated her on a job well done. He congratulated Mr. Walley on being re-elected and stated that he truly enjoys working with him. **Mr. Pruhs** also thanked Mr. Gatewood, Mr. Matherly and Mr. Cleworth for their service to the City.

**Mr. Gatewood** stated that is he has no issues with Ms. Randle being the new CFO but stated that he did not think it would be foolish not to appoint her. He stated that MUNIS is not exclusive to the City of Fairbanks and seeing potential applicants would not be a bad thing. **Mr. Gatewood** stated that if the Council selects Ms. Randle that it is fine with him but that there is a possibility that someone else out there could be good at the job.

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

City Clerk Snider bid farewell to Mr. Soileau and Chief Cummings; she stated it has been a pleasure working with both of them.

**Mr. Matherly**, seconded by **Mr. Pruhs**, moved to go into Executive Session for the purpose of discussing International Brotherhood of Electrical Workers (IBEW) Labor Negotiations.

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

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

## **EXECUTIVE SESSION**

### a) IBEW Labor Contract Negotiations

The City Council met in Executive Session to discuss IBEW Labor Negotiations. Direction was given to staff and no action was taken.

**Mr. Matherly**, seconded by **Mr. Pruhs**, moved to RECONSIDER the Application for Transfer of Liquor License #4170.

**Mr. Matherly** stated that the restaurant should not be required to serve food until one hour before closing.

A ROLL CALL VOTE WAS TAKEN TO RECONSIDER THE APPLICATION FOR TRANSFER OF LIQUOR LICENSE #4170 AS FOLLOWS:

YEAS: Matherly, Cleworth, Walley, Huntington, Gatewood, Pruhs

NAYS: None

**Mayor Cleworth** declared the MOTION CARRIED.

**Mr. Matherly**, seconded by **Mr. Pruhs**, moved to PROTEST the Liquor License Application for Transfer until a Certificate of Occupancy is issued for the premises with the condition that food must be served at the new location.

**Mr. Cleworth** stated that in the past, establishments would purchase a microwave, serve food for one hour and call it good. **Mr. Cleworth** stated he is worried that this will become problematic; he stated he did not think Mr. Eagle would do that but that it is a very real concern.

**Mr. Pruhs** stated that this only applies to a specific liquor license and that it is not an entire ordinance; he stated he did not think that Mr. Eagle deserved the prior stipulation.

**Mr. Walley** stated that he understands Mr. Cleworth's concern and wanted to know how the police enforce would enforce such a stipulation.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO PROTEST THE LIQUOR LICENSE APPLICATION FOR TRANSFER UNTIL A CERTIFICATE OF OCCUPANCY IS ISSUED FOR THE PREMISES WITH THE CONDITION THAT FOOD MUST BE SERVED AT THE NEW LOCATION AS FOLLOWS:

YEAS: Walley, Matherly, Gatewood, Pruhs, Cleworth, Huntington

NAYS: None

**Mayor Eberhart** declared the MOTION CARRIED.

## **ADJOURNMENT**

**Mr. Matherly**, seconded by **Ms. Huntington**, moved to ADJOURN the meeting.

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

**Mayor Eberhart** declared the Meeting adjourned at 10:58 p.m.

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JOHN EBERHART, MAYOR

ATTEST:

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D. DANYIELLE SNIDER, CMC, CITY CLERK

Transcribed by: EB

DRAFT



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, NOVEMBER 9, 2015  
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, following a 5:30 p.m. Work Session for the Explore Fairbanks Annual Report and a 6:10 p.m. Work Session for the Fairbanks Economic Development Corporation (FEDC) Annual Report, to conduct a Regular Meeting of the Fairbanks City Council at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor John Eberhart presiding and with the following Council Members in attendance:

Council Members Present: Joy Huntington, Seat A  
Perry Walley, Seat B  
Jim Matherly, Seat D  
Jerry Cleworth, Seat E  
David Pruhs, Seat F

Absent: Bernard Gatewood, Seat C (Excused)

Also Present: Paul Ewers, City Attorney  
D. Danyielle Snider, City Clerk  
Jim Williams, Chief of Staff  
Stephanie Johnson, Dispatch Center Manager  
Carmen Randle, Chief Financial Officer  
Angela Foster-Snow, HR Director  
Bob Pristash, Engineer IV  
Matt Soden, Police Lieutenant  
Jackson Fox, Environmental Manager  
Amber Courtney, Communications Director

**INVOCATION**

The Invocation was given by City Clerk Danyielle Snider.

**FLAG SALUTATION**

Mayor Eberhart led the Flag Salutation.

**CITIZEN'S COMMENTS**

John Jackovich, 2824 Chief Alexander Drive, Fairbanks – Mr. Jackovich testified to the danger of Phillips Field Road and shared his disappointment that the Alaska Railroad (AKRR) is holding the City hostage. Mr. Jackovich stated that there have been several accidents on Phillips Field Road in the last few weeks and that he almost had an accident earlier in that day. Mr. Jackovich stated that he was driving in four wheel drive and going below the speed limit heading

west when his right tire went off the side of the road and could not get back onto the road because of the depth of the asphalt shoulder. Mr. Jackovich stated that it almost caused an accident. Mr. Jackovich stated that he is familiar with FMATS and that he wants the City of Fairbanks, the State, and AKRR to work together to fix the shoulder of the road. Mr. Jackovich stated that he is tired of the AKRR trying to be a corporation of its own because it is actually owned by the State of Alaska. Mr. Jackovich stated that he wanted to purchase some AKRR land that was going into foreclosure, but that they would not sell it to him claiming that they were not allowed to sell federal land that was given to them by the state. Mr. Jackovich cited several other examples of the AKRR not allowing citizens to use land near the railroad and shared his disappointment with the situation.

**Mayor Eberhart** stated that he drives Phillips Field Road every day and that there have been a lot of accidents in that area this year. **Mayor Eberhart** asked Mr. Jackovich if he thought that the road needed to be widened. Mr. Jackovich stated that there is no shoulder, no bike path, and that it is not at all safe.

**Mr. Pruhs** asked how many times a day Mr. Jackovich makes the trip down Phillips Field Road, Mr. Jackovich replied eight to ten times a day. Mr. Jackovich stated that when the State maintains the road it makes it even worse because it creates grooves. **Mr. Pruhs** asked Mr. Jackovich if he has ever met with the Vice President of Real Estate of the Railroad Corporation. Mr. Jackovich stated he had not talked to him regarding Phillips Field Road but that he does know him and will speak to him. Mr. Jackovich stated the State needs to put some money into widening the road; he stated he has reached his boiling point.

Lake Williams, 945 Senate Loop, Fairbanks – Mr. Williams stated that he is the President of the AFL-CIO Crafts Council and that they had received the City's proposal; he stated the bargaining group has countered the offer. He stated that he hopes the City will reward good behavior. Mr. Williams stated a 1.1% increase would not cover the increased cost of healthcare. Mr. Williams stated that there could be future retention problems if hard working folks do not get rewarded for their efforts.

**Mr. Cleworth** asked if he had seen the City's projected surplus for the next year. Mr. Williams stated he had looked at it and that things do not look good.

Victor Buberger, P.O. Box 58192, Fairbanks – Mr. Buberger stated that normally he comes to Council Meetings to criticize the Fairbanks Police Department (FPD) but that today he is present to thank them. Mr. Buberger thanked the FPD and Chief Aragon for finding the suspects responsible for the death of John Kavairlook's murder. Mr. Buberger stated that there was a whole different way the FPD conducted business in the 1990's and likely the murder would not have been solved back in those days. Mr. Buberger stated he has been attending the Fairbanks Four court proceedings and he was surprised by all the criminal activity by the FPD. Mr. Buberger stated that bringing up the old evidence including Mr. Hartman's clothing was a joke. Mr. Buberger stated the FPD should have done their job 18 years ago and that no justice has been served in the Fairbanks Four case.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney stated it would be nice to see rules of decorum for the Council Members. Mr. Turney thanked Mayor Eberhart, Ms. Huntington and

Chief Aragon for attending the Fairbanks Four post-conviction relief case. Mr. Turney stated that he is happy that Mayor Eberhart chose Chief Aragon as the Chief of Police because he is nothing like former Chief Zager. Mr. Turney stated that a nurse lost her job over how evidence was handled at the time of the Hartman murder. Mr. Turney stated that the nurse handed evidence to Lieutenant Jim Geier and it was never seen again. Mr. Turney shared his support of the Citizen Police Academy.

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

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

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

**Mr. Cleworth** pulled Resolution No. 4694 from the Consent Agenda.

**Mayor Eberhart** 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 August 24, 2015.

APPROVED on the CONSENT AGENDA.

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

**Mayor Eberhart** congratulated Ms. Randle for her promotion to Chief Financial Officer (CFO). **Mayor Eberhart** thanked both Explore Fairbanks and FEDC for the information they provided during the Work Session. He thanked them for all the work they do for the tourism industry and for the economic development they bring to the City. **Mayor Eberhart** congratulated Environmental Manager Jackson Fox for winning the National Municipal Stormwater and Green Infrastructure Award and asked him to come forward to speak to the award.

Mr. Fox spoke to what his job entailed and spoke to the stormwater permitting process. Mr. Fox stated that great progress has been made on the local level in cleaning up the stormwater. Mr. Fox stated that stormwater samples are taken every year and over the past ten years the data has improved. Mr. Fox stated that the samples have improved so much that the State lifted the impairment on the Chena River and the Chena Slough. Mr. Fox stated that there are still issues with the Noyes Slough but that they are in large part due to litter. Mr. Fox spoke to the storm drain art project that is taking place downtown and stated that it is helping Fairbanks stand out. Mr. Fox stated that he is honored to have won the award for the City of Fairbanks and stated that all agencies involved should be proud of their accomplishments.

**Mayor Eberhart** updated the Council on the many activities his office has been involved in since the last Regular Council Meeting. **Mayor Eberhart** stated that the City has arrived at a

balanced budget and that all departments were involved in cutting unnecessary requests. **Mayor Eberhart** spoke to the importance of the Fanano Sister City Work Group that was recently formed. He welcomed Mayor Kassel to his new office as Borough Mayor. **Mayor Eberhart** stated that the draft budget is online for review and encouraged everyone to take a look at it. He spoke to Community Oriented Policing and its positive impact on the community. **Mayor Eberhart** spoke to the Polaris group that Mr. Pruhs has taken the lead on and expressed hope that it could be torn down and be made into something useful.

### **UNFINISHED BUSINESS**

- a) Ordinance No. 5993, as Amended – An Ordinance to Amend FGC Section 2-61 Regarding the Mayor’s Compensation. Introduced by Council Member Pruhs. SECOND READING AND PUBLIC HEARING.

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to ADOPT Ordinance No. 5993, as Amended.

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

**Mr. Pruhs** stated that Ordinance No. 5993 is a fiscal instrument to correct the Mayor’s entire salary and benefit package. **Mr. Pruhs** stated that the Mayor currently earns leave time and that this ordinance would change his compensation package to make his position a standard salaried position. He stated that both the Mayor and Mr. Matherly came together to work on the compensation package and that both of them are okay with the changes.

**Mr. Cleworth** stated that Ordinance No. 5993, as Amended, puts the City of Fairbanks in line with other municipalities around the State. **Mr. Cleworth** stated he is in favor of the ordinance.

**Ms. Huntington** stated she would like to see what other municipalities’ compensation packages look like. Chief of Staff Jim Williams stated that a package comparison went out just before Ms. Huntington took her seat on the Council. **Ms. Huntington** stated she would like someone to give her some insight into what the other Mayors’ compensation packages contain.

**Mr. Pruhs** stated the Mayor’s package would be less than the Fairbanks North Star Borough (FNSB) and Anchorage but that it would be equivalent to the Mat-Su Borough and North Pole. **Mr. Pruhs** stated he would like to increase the Mayor’s salary but budget constraints do not allow for it.

**Mr. Cleworth** stated that the Borough Mayor is paid \$104,000.00 a year and the ordinance raises Mayor Eberhart’s pay to \$86,500.00 a year. He stated that the Borough is over twice the size of the City so it is a fair compensation package. **Mr. Cleworth** stated that many Mayors around the state are not paid as full time employees and are just given a stipend.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5993, AS AMENDED, AS FOLLOWS:

YEAS: Matherly, Cleworth, Walley, Huntington, Pruhs



NAYS: None  
ABSENT: Gatewood  
**Mayor Eberhart** declared the MOTION CARRIED and Ordinance No. 5993, as Amended, ADOPTED.

## **NEW BUSINESS**

- a) Resolution No. 4694 – A Resolution Authorizing the City of Fairbanks to Participate in the FFY2015 Community Development Block Grant (CDBG) Program. Introduced by Mayor Eberhart.

**Mr. Cleworth**, seconded by **Mr. Matherly**, moved to APPROVE Resolution No. 4694.

**Mr. Cleworth** asked Mr. Fox to come forward and explain what the CDBG Program is.

Mr. Fox stated that the designated legislative grant program funds go toward local road improvements. Mr. Fox stated that when the Bjerremark Neighborhood Improvements plan began, FMATS asked the legislature if they could use some of their local road improvement money. Mr. Fox clarified that the money set aside for a match is for planning and design, not for construction.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4694, AS FOLLOWS,

YEAS: Walley, Matherly, Pruhs, Cleworth, Huntington  
NAYS: None  
ABSENT: Gatewood  
**Mayor Eberhart** declared the MOTION CARRIED and Resolution No. 4694 APPROVED.

- b) Resolution No. 4695 – A Resolution Re-Designating Check Signing Authority for Banking and Investment Accounts of the City of Fairbanks, Alaska. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 4696 – A Resolution Opposing the State of Alaska’s Sole Authority to Enact or Enforce Regulations for Business and Occupational Licensing. Introduced by Council Member Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- d) Resolution No. 4697 – A Resolution Supporting the Fairbanks Emergency Communications Center Sustainable Business Plan. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

## DISCUSSION ITEMS

### a) Committee Appointments

**Mayor Eberhart** stated that Ms. Huntington is not assigned to any City Board or Commission. He stated that Mr. Walley is on the FMATS Policy Committee and the Natural Gas Utility Local Control Entity Task Force. **Mayor Eberhart** stated that Mr. Gatewood is on the Permanent Fund Review Board and the Fairbanks Diversity Council. He stated that Mr. Matherly is on the Hotel/Motel Discretionary Fund Committee and Explore Fairbanks Board. **Mayor Eberhart** stated that Mr. Cleworth is on the Golden Heart Parking Services Board and the Natural Gas Utility Local Control Entity Board. **Mayor Eberhart** stated that Mr. Pruhs is on the Polaris Building Work Group. **Mayor Eberhart** stated that there is a vacancy on the Public Safety Commission (PSC) that needs to be filled.

**Ms. Huntington** indicated that she would be interested in filling the vacancy on the PSC.

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to ASSIGN Ms. Huntington to the Public Safety Commission.

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

**Ms. Huntington** stated that she was updated by Ms. Staley as to what to expect in serving on the PSC.

**Mr. Matherly** stated that he enjoys being on the Hotel/Motel Discretionary Fund Committee and Explore Fairbanks Board but that he is hoping to swap a committee with someone because he has been on the Explore Fairbanks Board for a long time. **Mr. Matherly** stated he would like to try out other committees but that he will remain on the Explore Fairbanks Board if need be.

**Ms. Huntington** asked if it is an annual tradition to review and make changes to committee assignments.

**Mr. Matherly** replied it is something that is reviewed on an annual basis.

**Mr. Pruhs** thanked Mr. Matherly for his role on the Hotel/Motel Discretionary Fund Committee because he would not be able to tell applicants no. **Mr. Pruhs** stated that Mr. Matherly does a great job serving on that committee.

## COMMUNICATIONS TO COUNCIL

**Ms. Huntington** pointed out that Mr. Gatewood had sent in an email with an update on the Permanent Fund Review Board.

FMATS Policy Committee – **Mr. Walley** stated that FMATS met and that it was a short meeting. He stated members said goodbye to Mayor Hopkins who served on the FMATS committee for eight years. **Mr. Walley** stated that it takes several years to get up to speed on all

the issues FMATS deals with. **Mr. Walley** stated that FMATS approved the Complete Streets Policy and that they also approved future meeting dates.

Golden Heart Parking Services (GHPS) – **Mr. Cleworth** stated that he got re-involved with GHPS about a year ago because of problems with the 2014 staff. He stated that Kelly Dent was hired to be the new director in February of 2015 and he is now comfortable with their financials. **Mr. Cleworth** thanked Ms. Dent and City Grants Administrator Margarita Bell for their hard work in balancing the books. **Mr. Cleworth** stated that GHPS is self-funded and that they cannot be subsidized by the City; he added that they are in a much better place than they were.

Permanent Fund Review Board – **Mr. Matherly** read aloud Mr. Gatewood’s email relating to the recent meeting. He stated that the report covers the third quarter of 2015 and that October was the best month on record. **Mr. Matherly** stated that a spirited discussion occurred regarding targets and that some parameters needed to be put in place for the Fund manager. **Mr. Matherly** stated that the contract with Alaska Permanent Capital Management (APCM) is set to expire but that there is not enough time to put out an RFP out. He related that Mr. Gatewood’s suggestion is to extend the contract for one year and send out an RFP in the first quarter of 2016.

### **COUNCIL MEMBERS’ COMMENTS**

**Mr. Walley** stated that he had no comments.

**Ms. Huntington** stated that her email has had a few glitches but that she is getting up and running. She expressed her regret in missing Chief Cummings’ retirement party as a result of missing the email invitation. **Ms. Huntington** thanked the presenters of the Work Sessions and commented that she was intrigued by the information that they brought to the meetings. **Ms. Huntington** stated that she has enjoyed being a Council Member so far and thanked the City Clerk’s Office for all the information they have provided to her.

**Mr. Matherly** thanked Mr. Jackovich for speaking during public testimony and stated that he is glad that he is safe after his close call earlier in the day. He stated that it is his wife’s birthday and that he appreciates her understanding that Council Meetings are important to attend; he wished her a happy birthday. He stressed the importance of the rules of decorum during Council Meetings. **Mr. Matherly** expressed his concern for how many citizens he has seen texting while driving and reminded everyone how dangerous the roads are. He stated that he appreciated holding the budget meetings over the course of two days rather than every morning at 7:00 a.m.

**Mr. Cleworth** spoke to Mr. Gatewood’s email relating to the Permanent Fund Review Board and stated that he would like the managers to react to the current market. He stated that always “letting it ride” means the Fund does not need to have active management. **Mr. Cleworth** asked if anyone knew when the Gas Utility report would be complete.

Mr. Williams stated that Mr. Pruhs would like to have a meeting before distributing the report.

**Mr. Cleworth** congratulated Ms. Randle for being selected as the CFO and expressed his appreciation for her always speaking her mind. He thanked Mr. Soileau for volunteering to take a seat on the Finance Committee. **Mr. Cleworth** thanked Mr. Jackovich for his testimony and

stated that he worries about pedestrians; he indicated that Phillips Field Road has a design flaw. **Mr. Cleworth** congratulated the FPD for arresting the suspects in the John Kavairlook murder.

**Mr. Pruhs** thanked Mr. Gatewood for his informative memo about the Permanent Fund Review Board. He stated that the 2016 budget is very tight and that each department will have to tighten their belts. **Mr. Pruhs** informed Mr. Jackovich that he would meet with Jim Kubitz of the Alaska Railroad the following day to discuss the Phillips Field Road issues; he requested that Mr. Pristash also attend the meeting.

**Mr. Matherly**, seconded by **Mr. Cleworth**, moved to go into Executive Session for the purpose of discussing AFL-CIO Labor Negotiations.

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

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

### EXECUTIVE SESSION

a) Labor Contract Negotiations – AFL-CIO

The City Council met in Executive Session to discuss AFL-CIO Labor Negotiations. Direction was given to staff and no action was taken.

### ADJOURNMENT

**Mr. Matherly**, seconded by **Ms. Huntington**, moved to ADJOURN the meeting.

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

**Mayor Eberhart** declared the Meeting adjourned at 9:10 p.m.

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JOHN EBERHART, MAYOR

ATTEST:

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D. DANYIELLE SNIDER, CMC, CITY CLERK

Transcribed by: EB

Introduced By: Mayor Eberhart  
Finance Committee Review: January 19, 2016  
Introduced: January 25, 2016

**ORDINANCE NO. 6003**

**AN ORDINANCE AMENDING THE 2016 OPERATING AND  
CAPITAL BUDGETS FOR THE FIRST TIME**

**WHEREAS**, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2016 operating and capital budgets; and

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

**SECTION 1.** There is hereby appropriated to the 2016 General Fund and the Capital Fund budgets the following sources of revenue and expenditures in the amounts indicated to the departments named for the purpose of conducting the business of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2016 and ending December 31, 2016 (see pages 2 and 3) [changes shown in **bold** font]. [amendments shown in **bold underlined** font; deleted text or amounts in ~~striketrough~~ font]:

## GENERAL FUND

<u>REVENUE</u>	2016 ADOPTED BUDGET	INCREASE (DECREASE)	AS AMENDED
Taxes, (all sources)	\$ 21,319,723	\$ -	\$ 21,319,723
Charges for Services	4,650,061	-	4,650,061
Intergovernmental Revenues	3,143,100	-	3,143,100
Licenses & Permits	1,863,700	-	1,863,700
Fines, Forfeitures & Penalties	787,075	-	787,075
Interest & Penalties	115,000	-	115,000
Rental & Lease Income	168,550	-	168,550
Other Revenues	222,600	-	222,600
Other Financing Sources	<u>3,980,585</u>	<u>-</u>	<u>3,980,585</u>
Total revenue appropriation	<u>\$ 36,250,394</u>	<u>\$ -</u>	<u>\$ 36,250,394</u>
 <u>EXPENDITURES</u>			
Mayor and Council	\$ 611,663	\$ -	\$ 611,663
Office of the City Attorney	182,401	1,200	183,601
Office of the City Clerk	348,581	-	348,581
Finance Department	948,407	-	948,407
Information Technology	1,968,288	-	1,968,288
General Account	5,472,342	-	5,472,342
Risk Management	1,428,817	-	1,428,817
Police Department	6,989,701	-	6,989,701
Dispatch Center	2,149,696	-	2,149,696
Fire Department	6,360,510	-	6,360,510
Public Works Department	7,500,425	-	7,500,425
Engineering Department	620,780	-	620,780
Building Department	<u>679,306</u>	<u>-</u>	<u>679,306</u>
Total expenditure appropriation	<u>\$ 35,260,917</u>	<u>\$ 1,200</u>	<u>\$ 35,262,117</u>
12/31/15 estimated general fund balance	\$ 10,686,197	\$ -	\$ 10,686,197
Increase (Decrease) to fund balance	989,477	(1,200)	988,277
Assigned PY encumbrances	-	-	-
Nonspendable	(473,424)	-	(473,424)
Committed for snow removal	(250,000)	-	(250,000)
Assigned self insurance	<u>(793,207)</u>	<u>-</u>	<u>(793,207)</u>
12/31/16 Unassigned balance	<u>\$ 10,159,043</u>	<u>\$ (1,200)</u>	<u>\$ 10,157,843</u>

Minimum unassigned fund balance requirement is 20% of budgeted annual expenditures but not less than \$4,000,000.

\$ 7,052,423

CAPITAL FUND

<u>REVENUE</u>	2016 APPROVED BUDGET	INCREASE (DECREASE)	AS AMENDED
Transfer from Permanent Fund	\$ 541,254	-	\$ 541,254
Transfer from General Fund	492,509	-	492,509
Public Works	175,000	-	175,000
Building	10,000	-	10,000
Engineering	10,000	-	10,000
Police	180,000	-	180,000
Dispatch	140,000	-	140,000
Fire	250,000	-	250,000
IT	156,086	-	156,086
Property Repair & Replacement	145,000	-	145,000
Total revenues	<u>\$ 2,099,849</u>	<u>\$ -</u>	<u>\$ 2,099,849</u>
 <u>EXPENDITURES</u>			
IT Department	\$ 156,086	\$ -	\$ 156,086
Police Department	180,000	-	180,000
Fire Department	210,000	50,000	260,000
Public Works Department	601,000	-	601,000
Road Maintenance	100,000	-	100,000
Property Repair & Replacement	429,500	-	429,500
Total expenditures	<u>\$ 1,676,586</u>	<u>50,000</u>	<u>1,726,586</u>
12/31/15 capital fund balance	\$ 3,067,538	\$ -	\$ 3,067,538
Increase (Decrease) to fund balance	423,263	(50,000)	373,263
Assigned PY encumbrances	-	-	-
12/31/16 Assigned fund balance	<u>\$ 3,490,801</u>	<u>\$ (50,000)</u>	<u>\$ 3,440,801</u>

**SECTION 2.** All appropriations made by this ordinance lapse at the end of the fiscal year to the extent they have not been expended or contractually committed to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing on January 1, 2016 and ending December 31, 2016.

**SECTION 3.** The effective date of this ordinance shall be the 13th day of February 2016.

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**JOHN EBERHART, MAYOR**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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Danyielle Snider, CMC, City Clerk

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Paul J. Ewers, City Attorney



## **FISCAL NOTE**

### **ORDINANCE NO. 6003, AMENDING THE 2016 OPERATING AND CAPITAL BUDGETS FOR THE FIRST TIME**

#### **ESTIMATED REVENUES and OTHER FINANCING SOURCES (USES)**

##### **General Fund – \$1,200 Increase in Expenditures Revenue – No Changes**

1. Taxes
2. Charges for Services
3. Intergovernmental Revenues
4. Licenses & Permits
5. Fines, Forfeitures & Penalties
6. Interest & Penalties
7. Rental & Lease Income
8. Other Revenues
9. Other Financing Sources & (Uses)

##### **Expenditures-\$1,200 Increase**

1. Mayor & Council
2. City Attorney's Office
  - \$1,200 Increase to Legal Secretary wages
3. City Clerk's Office
4. Finance Department
5. Information Technology
6. General Account
7. Risk Management
8. Police Department
9. Dispatch
10. Fire Department
11. Public Works
12. Engineering
13. Building Department

**Capital Fund-\$50,000 Increase in Expenditures**

1. REVENUES

- No change

2. OTHER FINANCING SOURCES (USES)

- No change

3. EXPENDITURES

- **Fire Department-\$50,000 increase to buy a new Fire Chief Vehicle**

**2016 Summary GENERAL FUND Budget Changes**

<b>Date</b>	<b>Account</b>	<b>Description</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Net Income</b>
12/07/15		Ord. 5998 Adopting the 2016 Operating and Capital Budget	\$ 36,250,394	\$ (35,260,917)	\$ 989,477
02/01/16	Wages	Ord. 6003 Amending the 2016 Budget for the first time		(1,200)	(1,200)

<u>\$ 36,250,394</u>	<u>\$ (35,262,117)</u>	<u>\$ 988,277</u>
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**Note:** Does not include encumbrances which are funded by prior year Fund Balance or interfund transfers subsequent to the original budget.

**2016 Summary CAPITAL FUND Budget Changes**

<b>Date</b>	<b>Account</b>	<b>Description</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Net Income</b>
12/07/15		Ord. 5998 Adopting the 2016 Operating and Capital Budget	\$ 2,099,849	\$ (1,676,586)	\$ 423,263
	Fire Capital	Ord. 6003 Amending the 2016 Budget for the first time		(50,000)	(50,000)
			<u>\$ 2,099,849</u>	<u>\$ (1,726,586)</u>	<u>\$ 373,263</u>

**Note:** Does not include encumbrances which are funded by prior year Fund Balance.

Introduced By: Mayor Eberhart  
Finance Committee Review: January 19, 2016  
Introduced: January 25, 2016

**ORDINANCE NO. 6003, AS AMENDED  
(MAYOR'S PROPOSED SUBSTITUTE)**

**AN ORDINANCE AMENDING THE 2016 OPERATING AND  
CAPITAL BUDGETS FOR THE FIRST TIME**

**WHEREAS**, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2016 operating and capital budgets; and

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

**SECTION 1.** There is hereby appropriated to the 2016 General Fund and the Capital Fund budgets the following sources of revenue and expenditures in the amounts indicated to the departments named for the purpose of conducting the business of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2016 and ending December 31, 2016 (see pages 2 and 3) [changes shown in **bold** font]. [amendments shown in **bold underlined** font; deleted text or amounts in ~~striketrough~~ font]:

## GENERAL FUND

<u>REVENUE</u>	2016 ADOPTED BUDGET	INCREASE (DECREASE)	AS AMENDED
Taxes, (all sources)	\$ 21,319,723	\$ -	\$ 21,319,723
Charges for Services	4,650,061	<b>(11,252)</b>	<b>4,638,809</b>
Intergovernmental Revenues	3,143,100		3,143,100
Licenses & Permits	1,863,700	-	1,863,700
Fines, Forfeitures & Penalties	787,075	-	787,075
Interest & Penalties	115,000	-	115,000
Rental & Lease Income	168,550	-	168,550
Other Revenues	222,600	-	222,600
Other Financing Sources	3,980,585	-	3,980,585
Total revenue appropriation	<u>\$ 36,250,394</u>	<u>\$ (11,252)</u>	<u>\$ 36,239,142</u>
<u>EXPENDITURES</u>			
Mayor and Council	\$ 611,663	\$ -	\$ 611,663
Office of the City Attorney	182,401	1,200	183,601
Office of the City Clerk	348,581	<b>397</b>	<b>348,978</b>
Finance Department	948,407	-	948,407
Information Technology	1,968,288	<b>8,735</b>	<b>1,977,023</b>
General Account	5,472,342	<b>63,711</b>	<b>5,536,053</b>
Risk Management	1,428,817	<b>6,170</b>	<b>1,434,987</b>
Police Department	6,989,701	<b>34,382</b>	<b>7,024,083</b>
Dispatch Center	2,149,696	<b>10,799</b>	<b>2,160,495</b>
Fire Department	6,360,510	<b>32,067</b>	<b>6,392,577</b>
Public Works Department	7,500,425	<b>263,686</b>	<b>7,764,111</b>
Engineering Department	620,780	-	620,780
Building Department	679,306	<b>9,997</b>	<b>689,303</b>
Total expenditure appropriation	<u>\$ 35,260,917</u>	<u>\$ 431,144</u>	<u>\$ 35,692,061</u>
12/31/15 estimated general fund balance	\$ 10,686,197	\$ 3,565,708	\$ 14,251,905
Increase (Decrease) to fund balance	989,477	<b>(38,052)</b>	<b>951,425</b>
Assigned PY encumbrances	-	<b>(404,344)</b>	<b>(404,344)</b>
Nonspendable	(473,424)	<b>(754,903)</b>	<b>(1,228,327)</b>
Committed for snow removal	(250,000)	-	(250,000)
Assigned self insurance	(793,207)	<b>178,751</b>	<b>(614,456)</b>
12/31/16 Unassigned balance	<u>\$ 10,159,043</u>	<u>\$ 2,547,160</u>	<u>\$ 12,706,203</u>

Minimum unassigned fund balance requirement is 20% of budgeted annual expenditures but not less than \$4,000,000.

\$ 7,138,412

**Ordinance No. 6003, as Amended**

(Mayor's Proposed Substitute)

**Page 2**

## CAPITAL FUND

<u>REVENUE</u>	2016 ADOPTED BUDGET	INCREASE (DECREASE)	AS AMENDED
Transfer from Permanent Fund	\$ 541,254	-	\$ 541,254
Transfer from General Fund	492,509	-	492,509
Public Works	175,000	-	175,000
Building	10,000	-	10,000
Engineering	10,000	-	10,000
Police	180,000	-	180,000
Dispatch	140,000	-	140,000
Fire	250,000	-	250,000
IT	156,086	-	156,086
Property Repair & Replacement	145,000	-	145,000
Internal Transfer to Road Maintenance	-	<b>2,197,830</b>	<b>2,197,830</b>
<b>Total revenues</b>	<b>\$ 2,099,849</b>	<b>\$ 2,197,830</b>	<b>\$ 4,297,679</b>
 <u>EXPENDITURES</u>			
IT Department	\$ 156,086	<b>\$ 91,722</b>	<b>\$ 247,808</b>
Dispatch	-	<b>82,532</b>	<b>82,532</b>
Police Department	180,000	<b>147,896</b>	<b>327,896</b>
Fire Department	210,000	<b>252,751</b>	<b>462,751</b>
Public Works Department	601,000	<b>244,500</b>	<b>845,500</b>
Property Repair & Replacement	429,500	<b>775,691</b>	<b>1,205,191</b>
Road Maintenance	100,000	<b>2,197,830</b>	<b>2,297,830</b>
<b>Total expenditures</b>	<b>\$ 1,676,586</b>	<b>3,792,922</b>	<b>5,469,508</b>
 12/31/15 capital fund balance	 \$ 3,067,538	 \$ 3,592,372	 \$ 6,659,910
Increase (Decrease) to fund balance	423,263	<b>(50,000)</b>	<b>373,263</b>
Prior year encumbrances		<b>(1,545,092)</b>	<b>(1,545,092)</b>
Ricket St. Commitment		<b>(2,197,830)</b>	<b>(2,197,830)</b>
<b>12/31/16 assigned fund balance</b>	<b>\$ 3,490,801</b>	<b>\$ (200,550)</b>	<b>\$ 3,290,251</b>

**SECTION 2.** All appropriations made by this ordinance lapse at the end of the fiscal year to the extent they have not been expended or contractually committed to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing on January 1, 2016 and ending December 31, 2016.

**SECTION 3.** The effective date of this ordinance shall be the 13th day of February 2016.

\_\_\_\_\_  
**JOHN EBERHART, MAYOR**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Danyielle Snider, CMC, City Clerk

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



**FISCAL NOTE**  
ORDINANCE NO. 6003, AS AMENDED  
(Mayor's Proposed Substitute)  
AMENDING THE 2016 OPERATING AND CAPITAL BUDGETS  
FOR THE FIRST TIME

**General Fund—\$ (11,252) Decrease in Revenues  
\$431,144 Increase in Expenditures**

**Revenue –\$11,252 Decrease**

1. Taxes
2. Charges for Services –
  - **\$11,252 Decrease in Garbage revenue due to CPI dropping from 1.1% to .5%**
3. Intergovernmental Revenues
4. Licenses & Permits
5. Fines, Forfeitures & Penalties
6. Interest & Penalties
7. Rental & Lease Income
8. Other Revenues
9. Other Financing Sources & (Uses)

**Expenditures-\$431,144 Increase**

1. Mayor & Council
2. City Attorney's Office
  - \$1,200 Increase to Legal Secretary wages
3. City Clerk's Office
  - **\$397 increase for encumbrance carryforward**
4. Finance Department
5. Information Technology
  - **\$8,735 increase for encumbrance carryforward**

6. General Account

- **\$5,600 increase to outsource mailing (net postage) for Business License**
- **\$58,111 increase for encumbrance carryforward**

7. Risk Management

- **\$6,170 increase for encumbrance carryforward**

8. Police Department

- **\$34,382 increase for encumbrance carryforward**

9. Dispatch

- **\$10,799 increase for encumbrance carryforward**

10. Fire Department

- **\$32,067 increase for encumbrance carryforward**

11. Public Works

- **\$20,000 increase to outsource mailing (net postage) for garbage bills**
- **\$243,686 increase for encumbrance carryforward**

12. Engineering

13. Building Department

- **\$9,997 increase for encumbrance carryforward**

**Capital Fund-\$2,197,830 Increase in Revenues  
\$3,792,922 Increase in Expenditures**

1. REVENUES
2. OTHER FINANCING SOURCES (USES)
3. INTERNAL TRANSFER
  - **\$2,197,830 fund balance transfer to road maintenance for the Rickert St project**
4. EXPENDITURES
  - **IT Department-\$91,722 increase for encumbrance carryforward**
  - **Dispatch-\$82,532 increase for encumbrance carryforward**
  - **Police Department-\$147,896 increase for encumbrance carryforward**
  - **Fire Department-\$50,000 increase to buy a new Fire Chief Vehicle**
  - **Fire Department-\$202,751 increase for encumbrance carryforward**
  - **Public Works-\$244,500 increase for encumbrance carryforward**
  - **Property Repair & Replacement-\$775,691 increase for encumbrance carryforward**
  - **Appropriate \$2,197,830 to the Rickert Street Project**

**2016 Summary GENERAL FUND Budget Changes**

<b>Date</b>	<b>Account</b>	<b>Description</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Net Income</b>
12/07/15		Ord. 5998 Adopting the 2016 Operating and Capital Budget	\$ 36,250,394	\$ (35,260,917)	\$ 989,477
02/01/16	Wages	Ord. 6003* Amending the 2016 Budget for the first time *Includes fund balance changes of \$404,344 for prior year encumbrances, \$754,903 of nonspedable inventory, and an \$178,750 decrease in self-insurance assignments		(38,052)	(38,052)

<u>\$ 36,250,394</u>	<u>\$ (35,298,969)</u>	<u>\$ 951,425</u>
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**Note:** Does not include encumbrances which are funded by prior year Fund Balance or interfund transfers subsequent to the original budget.

**2016 Summary CAPITAL FUND Budget Changes**

<b>Date</b>	<b>Account</b>	<b>Description</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Net Income</b>
12/07/15		Ord. 5998 Adopting the 2016 Operating and Capital Budget	\$ 2,099,849	\$ (1,676,586)	\$ 423,263
		Ord. 6003* Amending the 2016 Budget for the first time *Includes fund balance changes of \$1,545,092 for prior year encumbrances and \$2,197,830 for Rickert St. Commitment	2,197,830	(2,247,830)	(50,000)
			<u>\$ 4,297,679</u>	<u>\$ (3,924,416)</u>	<u>\$ 373,263</u>

**Note:** Does not include encumbrances which are funded by prior year Fund Balance.

Introduced By: Council Member Cleworth  
Council Member Matherly  
Council Member Pruhs  
Finance Committee Review: January 19, 2016  
Introduced: January 25, 2016

**ORDINANCE NO. 6003, AS AMENDED**  
(COUNCIL MEMBERS' PROPOSED SUBSTITUTE)

**AN ORDINANCE AMENDING THE 2016 OPERATING AND  
CAPITAL BUDGETS FOR THE FIRST TIME**

**WHEREAS**, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2016 operating and capital budgets; and

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

**SECTION 1.** There is hereby appropriated to the 2016 General Fund and the Capital Fund budgets the following sources of revenue and expenditures in the amounts indicated to the departments named for the purpose of conducting the business of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2016 and ending December 31, 2016 (see pages 2 and 3) [changes shown in **bold** font]. [amendments shown in **bold underlined** font; deleted text or amounts in ~~font~~]:

## GENERAL FUND

<u>REVENUE</u>	2016 ADOPTED BUDGET	INCREASE (DECREASE)	AS AMENDED
Taxes, (all sources)	\$ 21,319,723	\$ -	\$ 21,319,723
Charges for Services	4,650,061	<b>(11,252)</b>	<b>4,638,809</b>
Intergovernmental Revenues	3,143,100		3,143,100
Licenses & Permits	1,863,700	-	1,863,700
Fines, Forfeitures & Penalties	787,075	-	787,075
Interest & Penalties	115,000	-	115,000
Rental & Lease Income	168,550	-	168,550
Other Revenues	222,600	-	222,600
Other Financing Sources	3,980,585	<b>(2,700,000)</b>	<b>1,280,585</b>
Total revenue appropriation	<u>\$ 36,250,394</u>	<u>\$ (2,711,252)</u>	<u>\$ 33,539,142</u>
<u>EXPENDITURES</u>			
Mayor and Council	\$ 611,663	\$ -	\$ 611,663
Office of the City Attorney	182,401	1,200	183,601
Office of the City Clerk	348,581	<b>397</b>	<b>348,978</b>
Finance Department	948,407	-	948,407
Information Technology	1,968,288	<b>8,735</b>	<b>1,977,023</b>
General Account	5,472,342	<b>63,711</b>	<b>5,536,053</b>
Risk Management	1,428,817	<b>6,170</b>	<b>1,434,987</b>
Police Department	6,989,701	<b>34,382</b>	<b>7,024,083</b>
Dispatch Center	2,149,696	<b>10,799</b>	<b>2,160,495</b>
Fire Department	6,360,510	<b>32,067</b>	<b>6,392,577</b>
Public Works Department	7,500,425	<b>263,686</b>	<b>7,764,111</b>
Engineering Department	620,780	-	620,780
Building Department	679,306	<b>9,997</b>	<b>689,303</b>
Total expenditure appropriation	<u>\$ 35,260,917</u>	<u>\$ 431,144</u>	<u>\$ 35,692,061</u>
12/31/15 estimated general fund balance	\$ 10,686,197	\$ 3,565,708	\$ 14,251,905
Increase (Decrease) to fund balance	989,477	<b>(38,052)</b>	<b>951,425</b>
Assigned PY encumbrances	-	<b>(404,344)</b>	<b>(404,344)</b>
Nonspendable	(473,424)	<b>(754,903)</b>	<b>(1,228,327)</b>
Committed for snow removal	(250,000)	-	(250,000)
Assigned self insurance	(793,207)	<b>178,751</b>	<b>(614,456)</b>
Transfer to capital and permanent funds		<b>(2,700,000)</b>	<b>(2,700,000)</b>
12/31/16 Unassigned balance	<u>\$ 10,159,043</u>	<u>\$ (152,840)</u>	<u>\$ 10,006,203</u>
Minimum unassigned fund balance requirement is 20% of budgeted annual expenditures but not less than \$4,000,000.			<u>\$ 7,138,412</u>

**Ordinance No. 6003, as Amended**  
(Council Members' Proposed Substitute)

## CAPITAL FUND

<u>REVENUE</u>	2016 ADOPTED BUDGET	INCREASE (DECREASE)	AS AMENDED
Transfer from Permanent Fund	\$ 541,254	-	\$ 541,254
Transfer from General Fund	492,509	<b>540,000</b>	<b>1,032,509</b>
Public Works	175,000	<b>600,000</b>	<b>775,000</b>
Building	10,000	-	10,000
Engineering	10,000	-	10,000
Police	180,000	<b>60,000</b>	<b>240,000</b>
Dispatch	140,000	-	140,000
Fire	250,000	-	250,000
IT	156,086	-	156,086
Property Repair & Replacement	145,000	-	145,000
Road Maintenance	-	<b>1,000,000</b>	<b>1,000,000</b>
Internal Transfer to Road Maintenance	-	<b>2,197,830</b>	<b>2,197,830</b>
Total revenues	<u>\$ 2,099,849</u>	<u>\$ 4,397,830</u>	<u>\$ 6,497,679</u>
 <u>EXPENDITURES</u>			
IT Department	\$ 156,086	\$ 91,722	\$ 247,808
Dispatch	-	82,532	82,532
Police Department	180,000	147,896	327,896
Fire Department	210,000	252,751	462,751
Public Works Department	601,000	244,500	845,500
Property Repair & Replacement	429,500	775,691	1,205,191
Road Maintenance	100,000	2,197,830	2,297,830
Total expenditures	<u>\$ 1,676,586</u>	<u>3,792,922</u>	<u>5,469,508</u>
12/31/15 capital fund balance	\$ 3,067,538	\$ 3,592,372	\$ 6,659,910
Increase (Decrease) to fund balance	423,263	2,150,000	2,573,263
Prior year encumbrances		(1,545,092)	(1,545,092)
Internal transfer to Rickert St		(2,197,830)	(2,197,830)
12/31/16 assigned fund balance	<u>\$ 3,490,801</u>	<u>\$ 1,999,450</u>	<u>\$ 5,490,251</u>

**SECTION 2.** All appropriations made by this ordinance lapse at the end of the fiscal year to the extent they have not been expended or contractually committed to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing on January 1, 2016 and ending December 31, 2016.



**SECTION 3.** The effective date of this ordinance shall be the 13th day of February 2016.

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**JOHN EBERHART, MAYOR**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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Danyielle Snider, CMC, City Clerk

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Paul J. Ewers, City Attorney

**FISCAL NOTE**  
ORDINANCE NO. 6003, AS AMENDED  
(Council Members' Proposed Substitute)  
AMENDING THE 2016 OPERATING AND CAPITAL BUDGETS  
FOR THE FIRST TIME

**General Fund—\$2,711,252 Decrease in Revenues  
\$ 431,144 Increase in Expenditures**

**Revenue – \$2,711,252 Decrease**

1. Taxes
2. Charges for Services –
  - **\$11,252 decrease in Garbage revenue due to CPI dropping from 1.1% to .5%**
3. Intergovernmental Revenues
4. Licenses & Permits
5. Fines, Forfeitures & Penalties
6. Interest & Penalties
7. Rental & Lease Income
8. Other Revenues
9. Other Financing Sources & (Uses)
  - **\$2,700,000 decrease due to transferring \$2,200,000 of fund balance to the capital fund and \$500,000 permanent fund, respectively**

**Expenditures-\$431,144 Increase**

1. Mayor & Council
2. City Attorney's Office
  - **\$1,200 Increase to Legal Secretary wages**
3. City Clerk's Office
  - **\$397 increase for encumbrance carryforward**
4. Finance Department
5. Information Technology
  - **\$8,735 increase for encumbrance carryforward**

6. General Account

- **\$5,600 increase to outsource mailing (net postage) for Business License**
- **\$58,111 increase for encumbrance carryforward**

7. Risk Management

- **\$6,170 increase for encumbrance carryforward**

8. Police Department

- **\$34,382 increase for encumbrance carryforward**

9. Dispatch

- **\$10,799 increase for encumbrance carryforward**

10. Fire Department

- **\$32,067 increase for encumbrance carryforward**

11. Public Works

- **\$20,000 increase to outsource mailing (net postage) for garbage bills**
- **\$243,686 increase for encumbrance carryforward**

12. Engineering

13. Building Department

- **\$9,997 increase for encumbrance carryforward**

**Capital Fund-\$4,397,830 Increase in Revenues  
\$3,792,922 Increase in Expenditures**

1. REVENUES

2. OTHER FINANCING SOURCES (USES)

- **\$60,000 increase due to general fund transfer to the capital fund Police category**
- **\$540,000 Increase due to general fund transfer to the capital fund General category**
- **\$600,000 increase due to general fund transfer to the capital fund Public Works category**
- **\$1,000,000 increase due to general fund transfer to the capital fund Road Maintenance category**

3. INTERNAL TRANSFER

- **\$2,197,830 Transfer from capital fund balance to Road Maintenance to fund the Rickert St. project**

4. EXPENDITURES

- **IT Department-\$91,722 increase for encumbrance carryforward**
- **Dispatch-\$82,532 increase for encumbrance carryforward**
- **Police Department-\$147,896 increase for encumbrance carryforward**
- **Fire Department-\$50,000 increase to buy a new Fire Chief Vehicle**
- **Fire Department-\$202,751 increase for encumbrance carryforward**
- **Public Works-\$244,500 increase for encumbrance carryforward**
- **Property Repair & Replacement-\$775,691 increase for encumbrance carryforward**
- **Appropriate \$2,197,830 to the Rickert Street Project**

**2016 Summary GENERAL FUND Budget Changes**

<b>Date</b>	<b>Account</b>	<b>Description</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Net Income</b>
12/07/15		Ord. 5998 Adopting the 2016 Operating and Capital Budget	\$ 36,250,394	\$ (35,260,917)	\$ 989,477
02/01/16	Wages	Ord. 6003* Amending the 2016 Budget for the first time *Includes fund balance transfer of \$2,700,000 and \$404,344 for prior year encumbrances, \$754,903 of nonspendable inventory, and an \$178,750 decrease in self-insurance assignments	-	(38,052)	(38,052)

<u>\$ 36,250,394</u>	<u>\$ (35,298,969)</u>	<u>\$ 951,425</u>
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**Note:** Does not include encumbrances which are funded by prior year Fund Balance or interfund transfers subsequent to the original budget.

**2016 Summary CAPITAL FUND Budget Changes**

<b>Date</b>	<b>Account</b>	<b>Description</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Net Income</b>
12/07/15		Ord. 5998 Adopting the 2016 Operating and Capital Budget	\$ 2,099,849	\$ (1,676,586)	\$ 423,263
		Ord. 6003* Amending the 2016 Budget for the first time *Includes fund balance changes of \$1,545,092 for prior year encumbrances and \$2,197,830 commitment to the Rickert St. project	4,397,830	(2,247,830)	2,150,000
			<u>\$ 6,497,679</u>	<u>\$ (3,924,416)</u>	<u>\$ 2,573,263</u>

**Note:** Does not include encumbrances which are funded by prior year Fund Balance.

**ORDINANCE NO. 6004**

**AN ORDINANCE RATIFYING A LABOR AGREEMENT BETWEEN  
THE CITY OF FAIRBANKS AND IBEW LOCAL 1547**

**WHEREAS**, the current collective bargaining agreement between the City of Fairbanks and the International Brotherhood of Electrical Workers Local 1547 (IBEW), effective January 1, 2015 through May 31, 2017, includes “reopener” provisions for wages and benefits for years two and three (2016 and 2017); and

**WHEREAS**, the negotiating teams for IBEW and the City have reached a tentative agreement on 2016 and 2017 wages and benefits.

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

**SECTION 1.** That the attached Letter of Agreement, detailing wage and benefit terms for the remainder of the January 15, 2015 – May 31, 2017 collective bargaining agreement between the City and the IBEW Local 1547 is hereby ratified.

**SECTION 2.** That the City’s 2016 operating budget will be amended to include the increased expenditures as reflected in the attached fiscal note.

**SECTION 3.** That this ordinance becomes effective upon ratification of the Letter of Agreement by both parties.

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**John Eberhart, City Mayor**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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D. Danyielle Snider, CMC, City Clerk

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Paul J. Ewers, City Attorney

**CITY OF FAIRBANKS**  
**FISCAL NOTE**

**I. REQUEST:**

Ordinance No: 6004

Abbreviated Title: IBEW 1.3% Increase

Department(s): ALL DEPARTMENTS EXCEPT RISK

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes X

2) additional support or maintenance costs? Yes X

If yes, what is the estimate? \_\_\_\_\_

3) additional positions beyond the current adopted budget? Yes X

If yes, how many positions? \_\_\_\_\_

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

**II. FINANCIAL DETAIL:**

<b>PROJECTS:</b>	<b>2016</b>	<b>Through May 31, 2017</b>	<b>Total</b>
MAYOR	\$1,075	\$448	\$1,523
ATTORNEY	\$1,187	\$495	\$1,682
CLERKS	\$2,196	\$915	\$3,111
FINANCE	\$10,264	\$4,277	\$14,541
INFORMATION TECHNOLOGY	\$7,994	\$3,331	\$11,325
POLICE	\$2,022	\$843	\$2,865
DISPATCH	\$1,512	\$630	\$2,142
FIRE	\$3,769	\$1,570	\$5,339
PUBLIC WORKS	\$1,370	\$571	\$1,941
ENGINEERING*	\$17,660	\$7,358	\$25,018
BUILDING	\$8,091	\$3,371	\$11,462
FMATS	\$3,558	\$1,483	\$5,041
<b>TOTAL</b>	<b>\$60,698</b>	<b>\$25,291</b>	<b>\$85,989</b>

<b>FUNDING SOURCE:</b>	<b>2016</b>	<b>Through May 31, 2017</b>	<b>Total</b>
General Fund	\$57,140	\$23,808	\$80,948
FMATS Grant	\$3,558	\$1,483	\$5,041
<b>TOTAL</b>	<b>\$60,698</b>	<b>\$25,291</b>	<b>\$85,989</b>

Current CBA expires on May 31, 2017

\* 60% of this value is recoverable from grants.

Reviewed by Finance Department: Initial CR Date 1/20/2016



**LETTER OF AGREEMENT**  
**City of Fairbanks**  
**and**  
**International Brotherhood of Electrical Workers, Local 1547**

The current collective bargaining agreement (CBA) between the City of Fairbanks (the City) and the International Brotherhood of Electrical Workers, Local 1547 (IBEW), effective January 1, 2015 through May 31, 2017, included “reopener” provisions for wages and benefits for years two and three (2016 and 2017). The bargaining teams have met for the first reopener negotiations and have reached a tentative seventeen (17) month agreement on wages and benefits and agreed to delete the second reopener provision from the CBA.

**THE CITY AND IBEW HEREBY AGREE AS FOLLOWS** [new text in bold/underline font; deleted language in strikethrough font]:

**Article 16 WAGES**


**Section 16.1 – Wage Classification and Salaries**

- A. The package rate will be adjusted by an increase of one and one-half percent (1.5%) for 2015. Either party may request a wage re-opener for 2016 ~~and 2017~~ by giving notice in the 9th ~~and 21st~~ months. Any increase for each year will be calculated on the package rate. The Union may allocate the package rate to wages, pension and health and welfare as it sees fit. This increase shall be retroactively applied beginning January 1, 2015. **The 2015 package rate will increase by 1.3% effective January 1, 2016.**

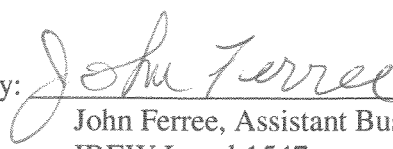
**Article 26. DURATION OF AGREEMENT**

**Section 26.1 – Term of Agreement**

Except for re-openers for Section 6.1 “Holidays” (2016) and Section 16.1 “Wage Classification and Salaries” (2016 ~~and 2017~~) this Agreement shall be effective from January 1, 2015 through May 31, 2017. Re-openers for Section 6.1 “Holidays” shall result in no deduction of paid time off for members. Any provision within this Agreement which has a retroactive effect shall only apply to those employees covered by this Agreement and actually employed by the City on the date that this Agreement is approved and signed by both the City and the Union. This Agreement may only be amended in the form of Letters of Understanding, executed upon the mutual written agreement of both parties.

By:   
Paul J. Ewers  
City Attorney/Negotiation Spokesperson

Date: Jan 20, 2016

By:   
John Ferree, Assistant Business Manager  
IBEW Local 1547

Date: JANUARY, 20, 2016

**ORDINANCE NO. 6005**

**AN ORDINANCE ESTABLISHING AN INCENTIVE BONUS PROGRAM WITH FAIRBANKS POLICE DEPARTMENT FOR RECRUITMENT, HIRING AND RETENTION**

**WHEREAS**, Fairbanks Police Department (FPD) anticipates a significant short fall in officers over the next three years;

**WHEREAS**, FPD currently has five officer vacancies, with only a small list of applicants from the last testing date held in November 2015;

**WHEREAS**, based on national trends, City of Fairbanks needs our police department to continue to develop a proactive partnership with our community;

**WHEREAS**, bonuses would be paid to an active employee via reasonable time-lapse installments, as developed by the Human Resources Department; and

**WHEREAS**, all bonuses will be funded through savings from budgeted salaries as available.

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

**SECTION 1.** A Lateral Hire Incentive Bonus may be up to a \$5,000.00 “sign-on bonus” to be paid over a period of three years.

**SECTION 2.** A Recruitment Bonus may be up to \$1,000.00, along with an “administrative” week off, awarded to an active FPD employee after the lateral hire officer successfully completes field training orientation and all probationary requirements.

**SECTION 3.** A Retention Incentive Bonus may be up to \$5,000.00, on a case-by-case basis, subject to approval by the Chief of Police and the Mayor, for an active FPD officer who receives a “conditional offer of employment” from an outside agency but remains employed with the FPD.

**SECTION 4.** The bonuses established in Sections 1, 2 and 3 of this ordinance will be funded through savings from budgeted salaries as available.

**SECTION 5.** That the effective date of this Ordinance shall be the \_\_\_\_ day of \_\_\_\_\_ 2016.

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**John Eberhart, City Mayor**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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D. Danyielle Snider, CMC, City Clerk

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Paul J. Ewers, City Attorney

**CITY OF FAIRBANKS**

**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 6005

Abbreviated Title: An Ordinance Establishing an Incentive Bonus Program at FPD

Department(s): Police

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 \_\_\_\_\_ No X

If yes, what is the estimate? \_\_\_\_\_

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:	2015	2016	2017	Total
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FUNDING SOURCE:	Equipment	Contracts	2017	Total
				\$0
				\$0
				\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**All Bonuses will be paid using unspent salaries available in the current budget.**

Reviewed by Finance Department: Initial CR Date 1/21/2016

Introduced by: Mayor John Eberhart  
Finance Committee Review: February 2, 2016  
Date: February 8, 2016

**RESOLUTION NO. 4715**

**A RESOLUTION AMENDING THE SCHEDULE OF FEES AND  
CHARGES FOR SERVICES BY ADJUSTING GARBAGE  
COLLECTION RATES**

**WHEREAS**, Ordinance 5744 adopted the City *Schedule of Fees and Charges for Services* to be amended by resolution; section 37 of Ordinance 5744 provided that garbage collection rates be adjusted each year to reflect the annual change in the Anchorage Consumer Price Index as well as changes in the cost of fuel, tipping fees charged by the Fairbanks North Star Borough landfill; and

**WHEREAS**, the change in the annual consumer price index for 2015 was .5% percent; in addition, landfill tipping fees increased by \$2.00/ton; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA**, to approve the attached amended version of the *Schedule of Fees and Charges for Services* amending the refuse collection rates, effective April 1, 2016.

**PASSED and APPROVED** this 8th day of February 2016.

\_\_\_\_\_  
John Eberhart, Mayor

AYES:  
NAYS:  
ABSENT  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

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

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



**RESOLUTION NO. 4716**

**A RESOLUTION RE-DESIGNATING CHECK SIGNING  
AUTHORITY FOR BANKING AND INVESTMENT ACCOUNTS OF  
THE CITY OF FAIRBANKS, ALASKA**

**WHEREAS**, a change in City staff has made it necessary to re-designate check signing authority.

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

**Section 1.** That any two of the following named individuals shall be designated as authorized signatories for the City of Fairbanks accounts maintained at Mt. McKinley Bank:

John Eberhart	Mayor
Carmen Randle	Chief Financial Officer
Jeffrey Jacobson	Chief of Staff
Paul J. Ewers	City Attorney
Clemens Clooten	Building Official

**Section 2.** That any two of the following named individuals shall be designated as authorized signatories for the Key Trust City of Fairbanks AML Investment Pool Accounts:

John Eberhart	Mayor
Carmen Randle	Chief Financial Officer
Jeffrey Jacobson	Chief of Staff
Paul J. Ewers	City Attorney
Clemens Clooten	Building Official

**Section 3.** That any two of the following named individuals shall be designated as authorized signatories for the Key Trust City of Fairbanks Permanent Fund Account:

John Eberhart	Mayor
Carmen Randle	Chief Financial Officer
Jeffrey Jacobson	Chief of Staff
Paul J. Ewers	City Attorney
Clemens Clooten	Building Official

**Section 4.** That the Chief of Staff will file a copy of this Resolution in the business offices of each referenced company.

**Section 5.** That the effective date of this Resolution shall be the 8th day of February 2016.

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**John Eberhart, Mayor**

AYES:  
NAYS:  
ABSENT:  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

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D. Danyielle Snider, CMC, City Clerk

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Paul J. Ewers, City Attorney



Introduced By: Mayor John Eberhart  
Finance Committee Review: February 2, 2016  
Introduced: February 8, 2016

**RESOLUTION NO. 4717**

**A RESOLUTION AUTHORIZING THE CITY OF FAIRBANKS TO APPLY FOR FUNDS FROM THE ALASKA DIVISION OF HOMELAND SECURITY FOR THE FFY2016 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 of Fairbanks 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 a backup generator for Public Works (\$610,000), purchase equipment to backup City data and systems offsite at a COOP Center (\$324,000), purchase Ballistic Personal Protective Equipment (BPPE) for EMS personnel (\$35,000), purchase security cameras to install at Fire Stations, City Hall, and Parking Garage (\$224,893), and purchase portable radios for Fairbanks Police Department (\$272,331); and

**WHEREAS**, the City of Fairbanks plans to request \$1,466,224.00, 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 8th Day of February 2016.**

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**John Eberhart, City Mayor**

AYES:  
NAYS:  
ABSENT:  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

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D. Danyielle Snider, CMC, City Clerk

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Paul J. Ewers, City Attorney

**CITY OF FAIRBANKS**  
**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 4717

Abbreviated Title: FFY16 HOMELAND SECURITY GRANT PROGRAM APPLICATION

Department(s): PUBLIC WORKS, FIRE, IT, & 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:**

<b>PROJECTS:</b>	<b>Equipment</b>	<b>Contracts</b>	<b>Personnel</b>	<b>Total</b>
Public Works Backup Generator Project (PW)		\$610,000		\$610,000
City COOP Center Backup Data & Systems Project (IT)	\$324,000			\$324,000
Ballistic Personal Protective Equipment (Fire)	\$35,000			\$35,000
City Facilities Security Camera Project (IT)		\$224,893		\$224,893
Portable Radios (Police)	\$272,331			\$272,331
				\$0
<b>TOTAL</b>	<b>\$631,331</b>	<b>\$834,893</b>	<b>\$0</b>	<b>\$1,466,224</b>

<b>FUNDING SOURCE:</b>	<b>Equipment</b>	<b>Contracts</b>	<b>Personnel</b>	<b>Total</b>
Alaska Department of Homeland Security (Federal Funds)	\$631,331	\$834,893	\$0	\$1,466,224
				\$0
<b>TOTAL</b>	<b>\$631,331</b>	<b>\$834,893</b>	<b>\$0</b>	<b>\$1,466,224</b>

The City of Fairbanks estimates the following maintenance costs to be absorbed through the general fund: Public Works Backup Generator Project (estimated annual operations and maintenance costs of \$3,500, this amount will vary based on fuel costs and usage); City COOP Center Backup Data & Systems Project (estimated annual maintenance costs of \$6,605); Ballistic Personal Protective Equipment (no estimated maintenance costs); City Facilities Security Camera Project (estimated annual maintenance costs of \$2,205); and Portable Radios (estimated decrease in repair costs due to removal of outdated equipment).

Reviewed by Finance Department: Initial mb Date 2/4/2016

**Alaska Department of Homeland Security**  
**2016 SHSP (State Homeland Security Project) Grants**

- 1) Public Works Backup Generator Project \$610,000  
(Replace aging and inadequate generator at Public Works.)
  
- 2) City COOP Center Backup Data & Systems Project \$324,000  
(Provide equipment that houses City data and systems at an offsite location for all City departments.)
  
- 3) Ballistic Personal Protective Equipment (BPPE) for EMS \$35,000  
(Provide universal bullet resistant equipment for EMS personnel to enter Active Shooter events with law enforcement to provide medical care.)
  
- 4) City Facility Security Camera Project \$224,893  
(Install security cameras at Fire Station 1, Fire Station 3, City Hall, and Parking Garage.)
  
- 5) Portable Radios \$272,331  
(Replace aging portable radios for Police since current radios will not be supported or repairable after 2018.)

**RESOLUTION NO. 4718**

**A RESOLUTION REGARDING APPOINTMENTS TO THE DEFERRED  
COMPENSATION COMMITTEE**

**WHEREAS**, in February of 2013, the City Council passed Resolution No. 4564, which directed the mayor to formally appoint a Deferred Compensation Committee (DCC) and which designated the membership of the DCC; and

**WHEREAS**, since that time, there has been a reorganization of certain city departments; as a result, the titles of certain city positions were re-designating; and

**WHEREAS**, because of this re-designation of titles, the positions of the members of the DCC need to be updated; and

**WHEREAS**, during the evaluation of responses to the RFP for a 457 plan provider, the DCC appointed a non-management employee to serve on the evaluation panel; and

**WHEREAS**, the DCC has approved a motion to request the council to make this appointee a permanent member of the DCC.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS**, that the membership of the Deferred Compensation Committee ("DCC") is amended and will now include: the Chief Financial Officer, the City Attorney, the Chief of Staff, the Human Resources Director, an Accounting Specialist assigned to Payroll, and a non-management, union employee to be nominated by the leaders of the City's union organizations and appointed by the Mayor.

**PASSED and APPROVED** this 8th day of February 2016.

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JOHN EBERHART, MAYOR

AYES:  
NAYS:  
ABSENT:  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
D. Danyielle Snider, CMC, CITY CLERK

\_\_\_\_\_  
Paul J. Ewers, CITY ATTORNEY

**ORDINANCE NO. 6006**

**AN ORDINANCE RATIFYING A LABOR AGREEMENT BETWEEN  
THE CITY OF FAIRBANKS AND THE AFL-CIO CRAFTS COUNCIL**

**WHEREAS**, the three-year collective bargaining agreement between the City of Fairbanks and the AFL-CIO Crafts Council, effective January 1, 2014 through December 31, 2016, includes “reopener” provisions for wages and benefits for years two and three (2015 and 2016); and

**WHEREAS**, the AFL-CIO and City’s negotiating team have reached a tentative agreement on 2016 wages and benefits, plus other administrative changes to the CBA.

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

**SECTION 1.** That the attached Letter of Agreement, detailing wage and benefit terms for 2016 and other administrative changes to the original 2014 – 2016 collective bargaining agreement between the City and the AFL-CIO Crafts Council, is hereby ratified.

**SECTION 2.** That this ordinance becomes effective upon ratification of the Letter of Agreement by both parties.

**SECTION 3.** That once ratified, the terms of the Letter of Agreement are effective as of January 1, 2016.

**SECTION 4.** That the City’s 2016 operating budget will be amended to include the increased expenditures as reflected in the attached fiscal note.

\_\_\_\_\_  
**John Eberhart, City Mayor**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

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: \_\_\_\_\_

Abbreviated Title: AFLCIO 1.1% Increase

Department(s): Public Works and Engineering (1 individual)

Does the adoption of this ordinance or resolution authorize:

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

2) additional support or maintenance costs? Yes \_\_\_\_\_ No   X  

If yes, what is the estimate? \_\_\_\_\_

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:	2016	2017	2018	Total
Public Works AFLCIO member increase	\$45,630	\$45,630	\$45,630	\$136,890
Engineering AFLCIO member increase (1 employee)	\$493	\$493	\$493	\$1,479
				\$0
				\$0
				\$0
				\$0
<b>TOTAL</b>	<b>\$46,123</b>	<b>\$46,123</b>	<b>\$46,123</b>	<b>\$138,369</b>

FUNDING SOURCE:	2016	2017	2018	Total
General Fund	\$46,123	\$46,123	\$46,123	\$138,369
	\$493	\$493	\$493	\$1,479
				\$0
<b>TOTAL</b>	<b>\$46,616</b>	<b>\$46,616</b>	<b>\$46,616</b>	<b>\$139,848</b>

The 1.1% increase carries forward in perpetuity. The Engineer cost is net of grant recoveries.

Reviewed by Finance Department: Initial   CR   Date   1/25/2016

## Letter of Agreement

City of Fairbanks (COF)

and

Fairbanks AFL-CIO Crafts Council (the Union)

The three-year collective bargaining agreement (CBA) between the City of Fairbanks and the AFL-CIO Crafts Council, effective January 1, 2014 through December 31, 2016, included “reopener” provisions for wages and benefits for years two and three (2015 and 2016).

The City’s negotiating team and AFL-CIO have reached a tentative agreement on 2016 wages and benefits, plus other administrative changes to the current CBA.

### **THE CITY AND AFL-CIO HEREBY AGREE AS FOLLOWS:**

**Article 1. DURATION, MODIFICATIONS AND CHANGES**, Section 1.1 is amended as follows:

- 1.1 This agreement shall become effective on January 1, 2014, and shall remain in effect until December 31, ~~2017~~2016. Any retroactivity contained herein shall affect only those employees covered by this Agreement and actually employed by the Employer on the effective date of this Agreement.

**Article 6. WORKING RULES**, Section 6.3(d) is amended as follows:

- (d) Employees who work overtime may elect, in lieu of being paid overtime, to accrue compensatory time at the rate of 1.5 hours for every hour of overtime. Compensatory time may be taken and used in the same manner and terms as Personal Leave (when mutually agreeable by the employee and Department Head). **Employees may carry 80 hours of comp time into the next calendar year.** ~~If Any comp time over 80 hours that is not fully scheduled or used by December 31st of each year, compensatory time balances will be paid by the City to the employee.~~

**Article 23. SCHEDULE “A” WAGES**, Sections 23.1 and 23.3 are amended as follows:

**Section 23.1** – The following language shall be added to Section 23.1:

**Effective January 1, 2016, employees will receive a 1.1% increase to the 2015 package rate.**

**Section 23.3** is amended as follows:



**23.3** This Agreement is effective until December 31, ~~2017~~<sup>2016</sup> PROVIDED THAT the parties agree to reopen negotiations on the economic issues only for 2015 and 2016. Such negotiations will commence in October of 2014 for 2015 and 2015 for 2016. **The parties agree to a full contract opener for 2017 to commence in October of 2016.** The parties agree to utilize mediation and arbitration if the reopened negotiations result in impasse.

**This letter of agreement was ratified by Union membership on February 2, 2016, and approved by the City Council by approval of Ordinance No. 6006 on \_\_\_\_\_, 2016.**

SIGNED FOR THE FAIRBANKS  
AFL-CIO CRAFTS COUNCIL:

SIGNED BY THE CITY OF FAIRBANKS

---

Lake Williams  
President, AFL-CIO Crafts Council  
Business Representative, IUOE 302

---

Paul J. Ewers  
City Attorney

---

Kevin Pomeroy  
Business Manager, Laborers 942

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JB Brainerd  
Deputy City Attorney

---

Laird Grantham  
Business Manager, Carpenters 1243

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Kirk Jackson  
Business Representative, Pipefitters 375

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Eileen Whitmer  
Business Manager, Teamsters 959

City of Fairbanks  
Permanent Fund Review Board  
(Quarterly Meeting Minutes)  
November 4, 2015

The Permanent Fund Review Board (PFRB) convened at 1:30 P.M. on the above date, 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, Acting Interim Chief Financial Officer  
Paul Ewers, City Attorney  
Jim Williams, Chief of Staff  
Jason Roth, Senior Vice President, Investments - APCM  
Brandy Niclai, Vice President, Portfolio Manager - APCM

The board approved the minutes from the July 22, 2015 meeting.

Carmen Randle reviewed the account's performance through September 30, 2015:

- \$118,752,152 – September 30, 2015 balance including accrued income
- \$ 2,443,028 - Dividend and interest earnings
- \$ 3,424,973 - Realized gains
- \$ (8,335,645) - Unrealized losses
- \$ (129,226) - Management and custodial fees
- \$ (2,596,870) - Loss - net of expenses

Carmen reported that the 2015 draw of \$4,887,583 will be made November 30<sup>th</sup> 2015. The general fund will receive \$4,344,518 and the capital fund will receive 543,065.

Council Member Gatewood asked for an update of the accounts value. Jason reported the approximate value exceeded \$122,792,000 on October 31, 2015 and the November 3, 2015 balance is \$123,521,261.

APCM presented the portfolio’s performance; allocation and selection effect, and reviewed the compliance report. (See attachment 1– APCM investment review for the quarter ending September 30, 2015).

The APCM investment committee continues to review outlook and positioning of the portfolio and have discussed paring back on equities; however, the decision will be in line with long-term goals of the fund versus reaction to current market conditions.

Reported Performance							
3rd Quarter		Year to Date		Last 12 Months		Inception to Date	
Account	Benchmark	Account	Benchmark	Account	Benchmark	Account	Benchmark
-3.08%	-2.96%	-2.03%	-2.11%	0.40%	0.31%	5.15%	4.76%
	0.13% <sup>1</sup>		0.75% <sup>1</sup>		0.50% <sup>2</sup>		
<u>-3.08%</u>	<u>-2.83%</u>	<u>-2.03%</u>	<u>-1.36%</u>	<u>0.40%</u>	<u>0.81%</u>	<u>5.15%</u>	<u>4.76%</u>

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

The board discussed eliminating targets by which APCM performance is measured. Overwhelmingly, the board felt it was their fiduciary commitment to keep the targets in place.

The current investment management contract expires on December 31, 2025. City Attorney, Paul Ewers, indicated that contract must go through the RFP process per City Ordinance. The board agreed to start the RFP process over the next year and to request a City Council extension to retain APCM until the RFP process was complete and a new contract signed.

The Board set the next quarterly meeting for Monday January 25, 2016 at 3:30 P.M. and the first quarterly review meeting for April 20, 2016 at 1:30 P.M.

The meeting adjourned at approximately 3:00 P.M.

Minutes will be placed on the January 25, 2016 Board agenda for approval.

# INVESTMENT REVIEW

*for period ending September 30, 2015*

## Fairbanks Permanent Fund



ALASKA PERMANENT  
CAPITAL MANAGEMENT

Registered Investment Adviser  
76 of 131

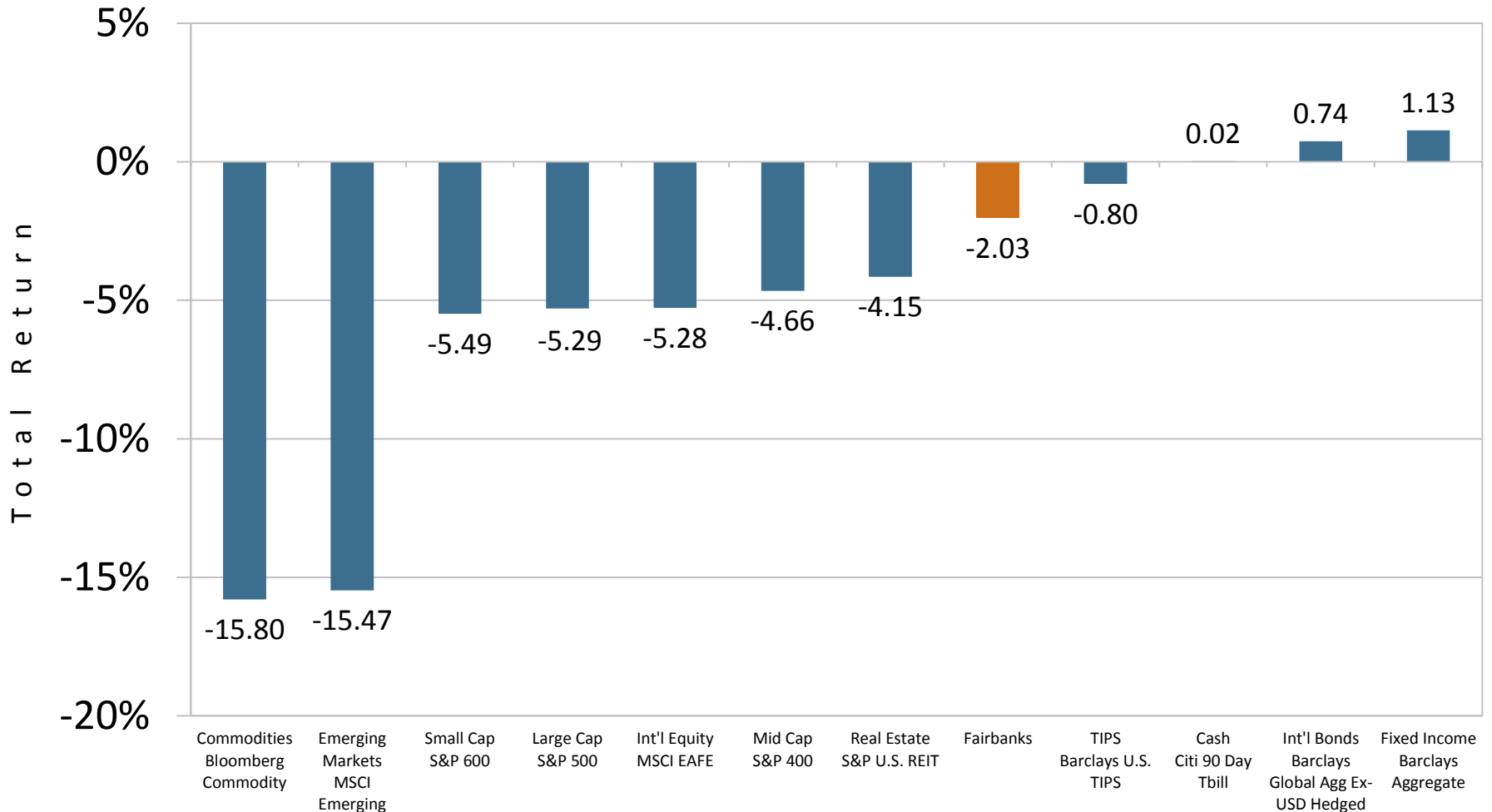
# Account Summary

Account Inception	<b>January 1998</b>
Current Market Value <i>September 30, 2015</i>	<b>\$118,755,838</b>
Annualized Account Return <i>January 31, 1998 – September 30, 2015; Gross of Fees</i>	<b>+5.15%</b>
Annualized Benchmark Return <i>January 31, 1998 – September 30, 2015</i>	<b>+4.76%</b>
Current Allocation	<b>45% Equity / 55% Bonds</b>

# Market Review

# Asset Class Performance YTD as of September 30, 2015

## *Fairbanks Permanent Fund*



Account performance is gross of fees. Asset class performance is represented by the stated index return.

# Investing Requires Long Term Perspectives

*Short term volatility should not impact decisions for long term investment goals.*

- Successful investment strategies are designed around TREAT and built on reasonable long term financial and capital market expectations vs. current market conditions.
  - Volatility over the past few years has been lower than historical averages and APCM's projections.
  - Volatility has increased, but remains in line with historical norms and APCM's secular views.
  - History shows that certain conditions – such as recessions, aggressive rate hikes, extreme valuations, and oil spikes – have all been associated with bear markets. Today, it is hard to see any of these issues present.
- Strategic asset allocation is the primary driver of long term returns and is confirmed annually along with updated expectations of downside risk.

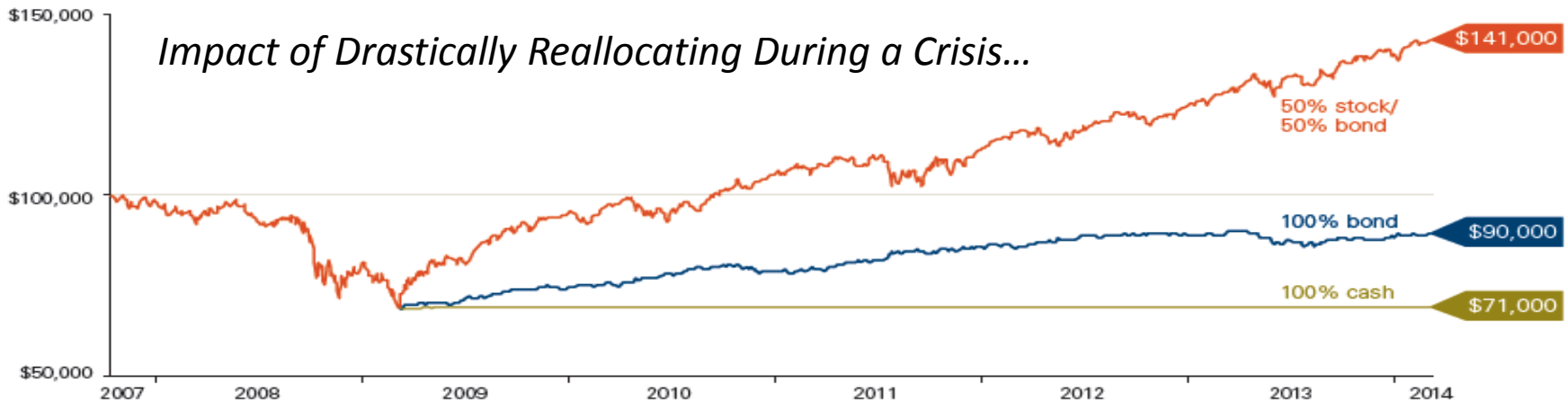


Chart: Vanguard

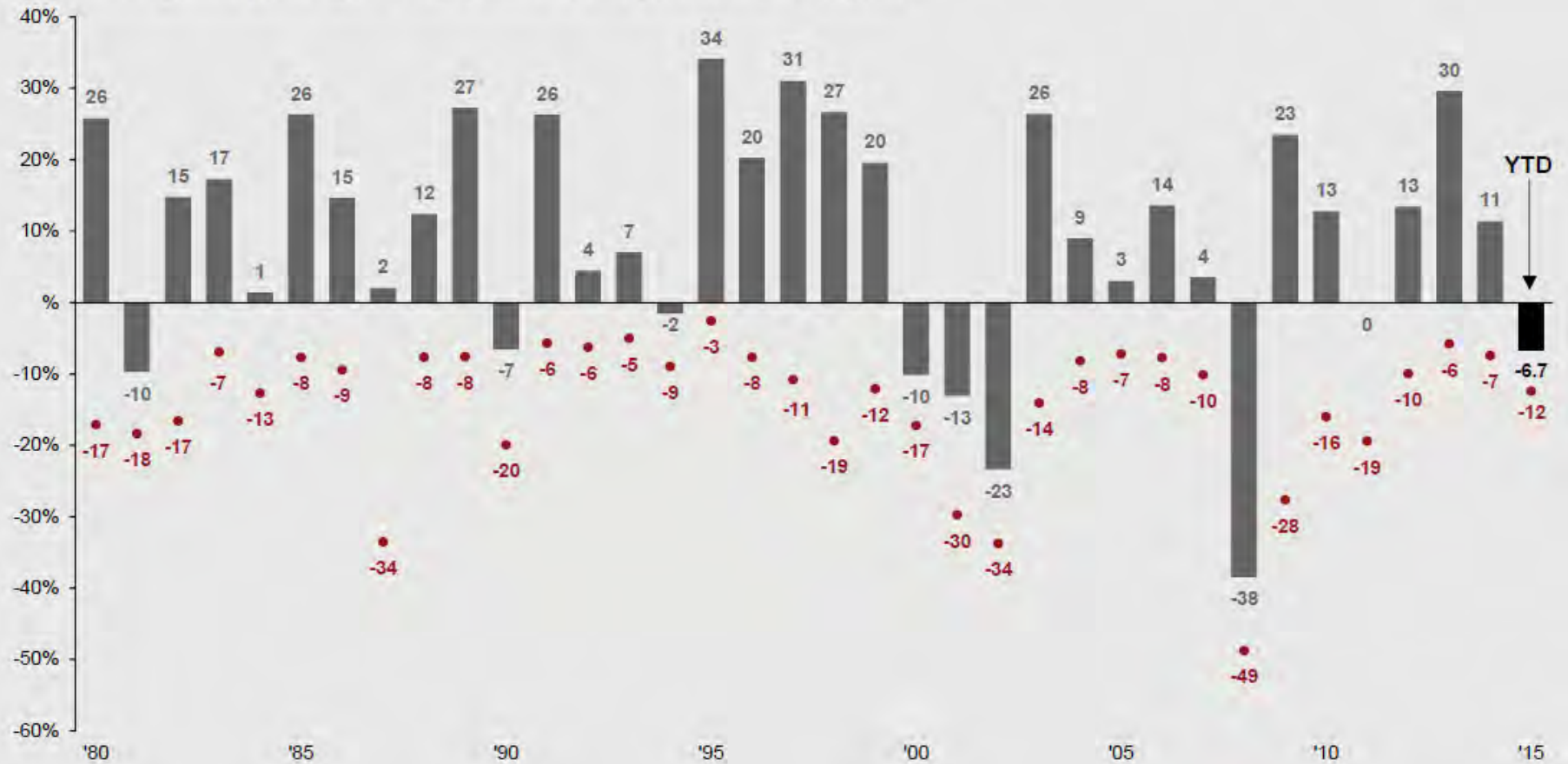


# Volatility Still Within Historical Norms

*The peak to trough decline in 2015 has been -12%, vs. a 35 year average of -14%.*

## S&P 500 intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.2%, annual returns positive in 27 of 35 years\*



Source: J.P. Morgan Asset Management. Data through September 30, 2015. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year.

# Market Timing Does Not Work

*Even missing just a few good days can impact a portfolio's long term return.*

## Returns of S&P 500

Performance of a \$10,000 investment between January 3, 1995 and December 31, 2014



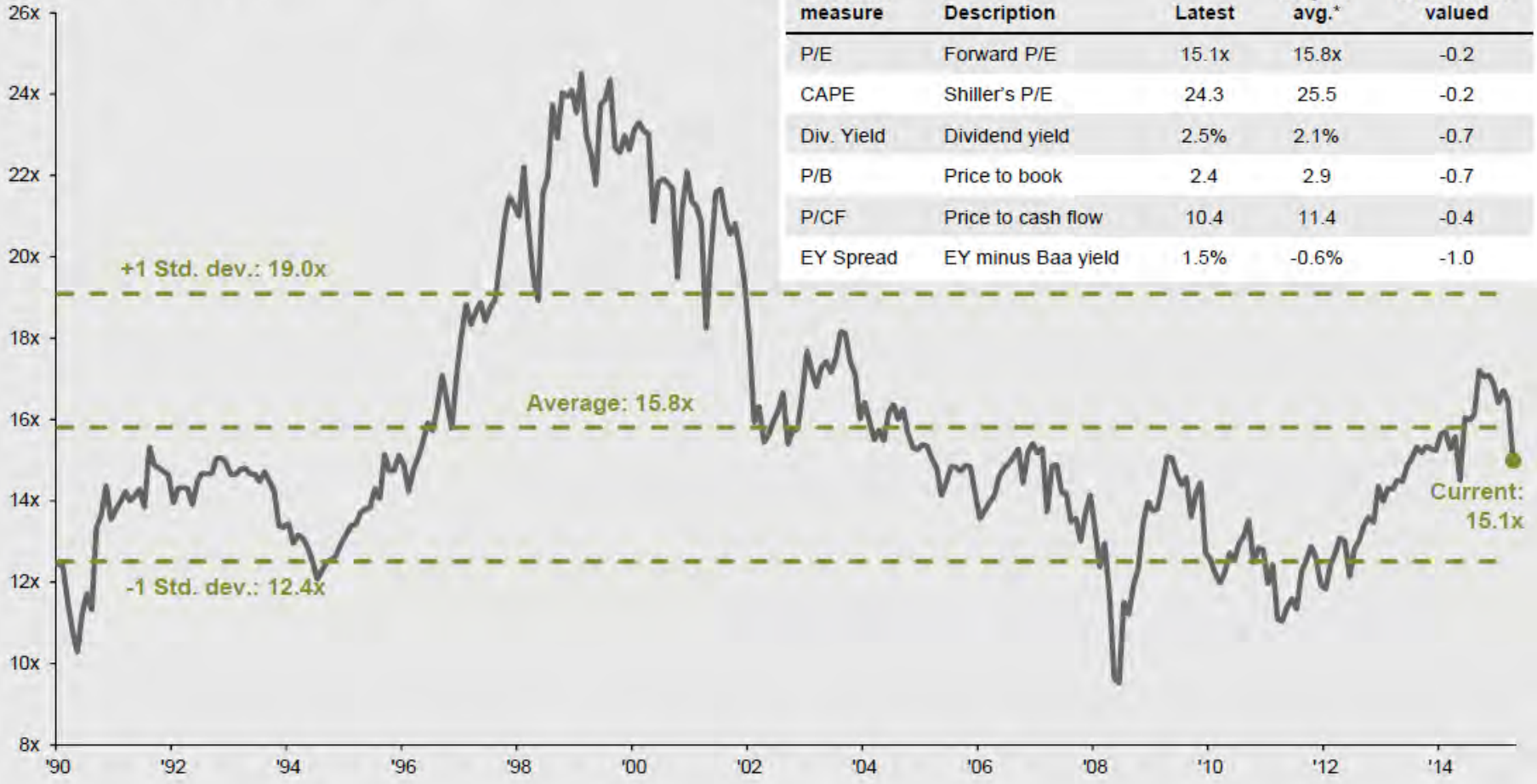
Source: J.P. Morgan Asset Management, Lipper

**MARKET  
REVIEW**

# Stocks Near Fair Value

*Valuations have come down recently, but remain near their long term average.*

**S&P 500 Index: Forward P/E ratio**



Source: J.P. Morgan Asset Management. Data through September 30, 2015.



# Developed Markets (ex U.S.) Have Better Value

*Int'l indices that include Europe & Japan have yet to regain their 2007 peak.*

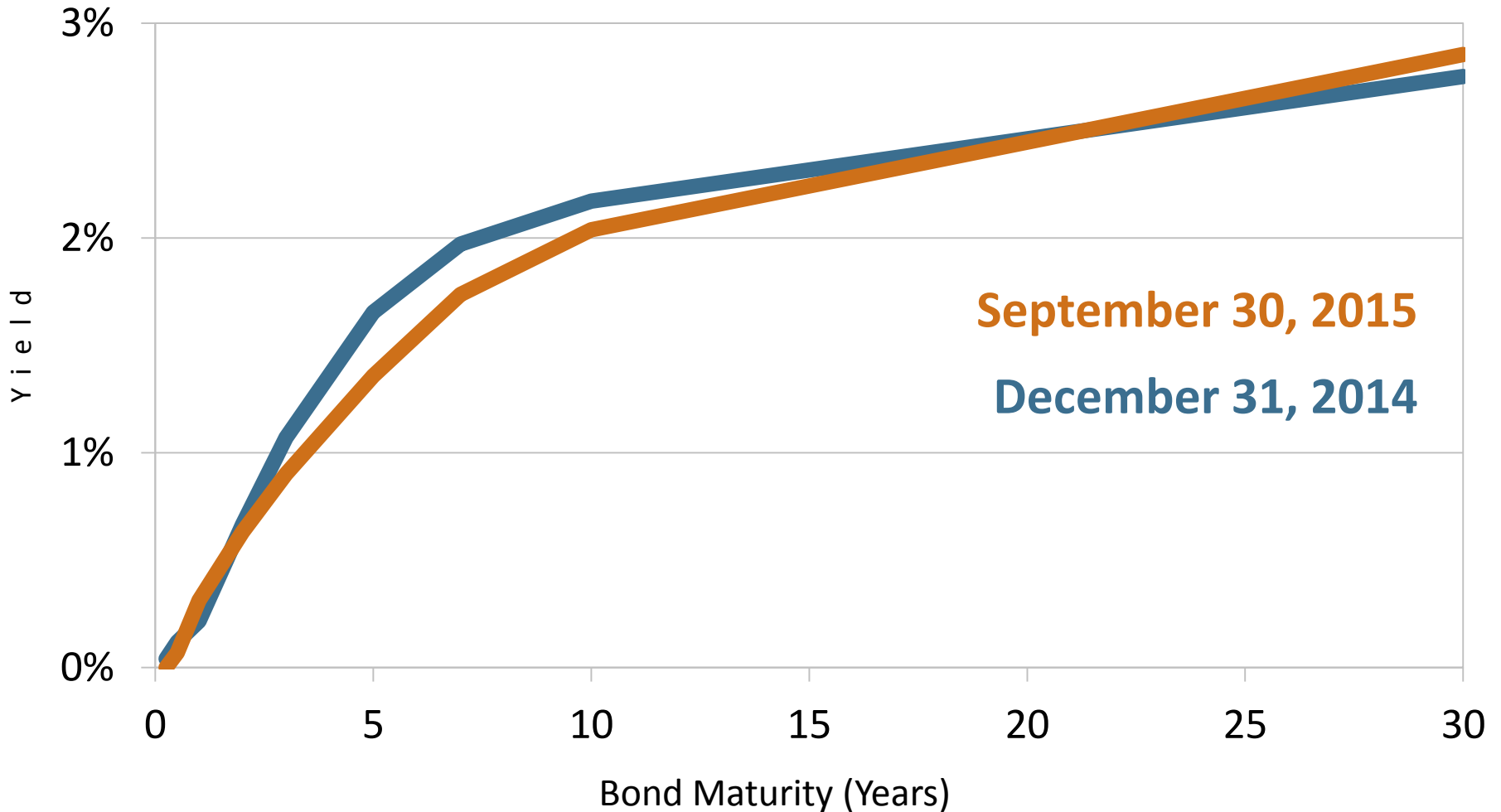
## MSCI EAFE Price Index



Source: J.P. Morgan Asset Management. Data through September 30, 2015.

# U.S. Treasury Yield Curve

*Yields have fluctuated in 2015, but ended Q3 near where they started the year.*



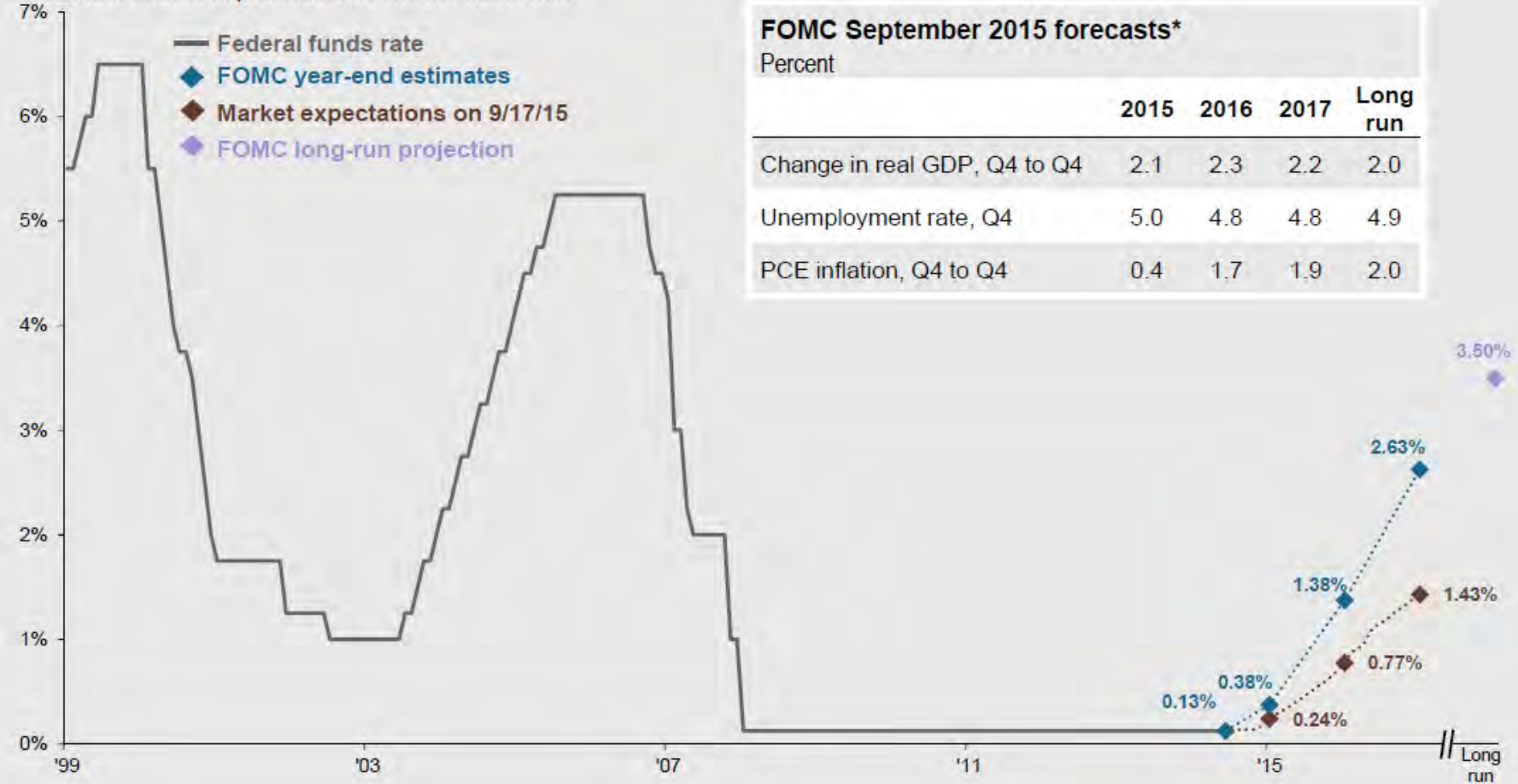
Data: Bloomberg

# Fed Policy Expectations

*The first Fed rate hike in 10 years could come in December, but markets expect 2016.*

## Federal funds rate expectations

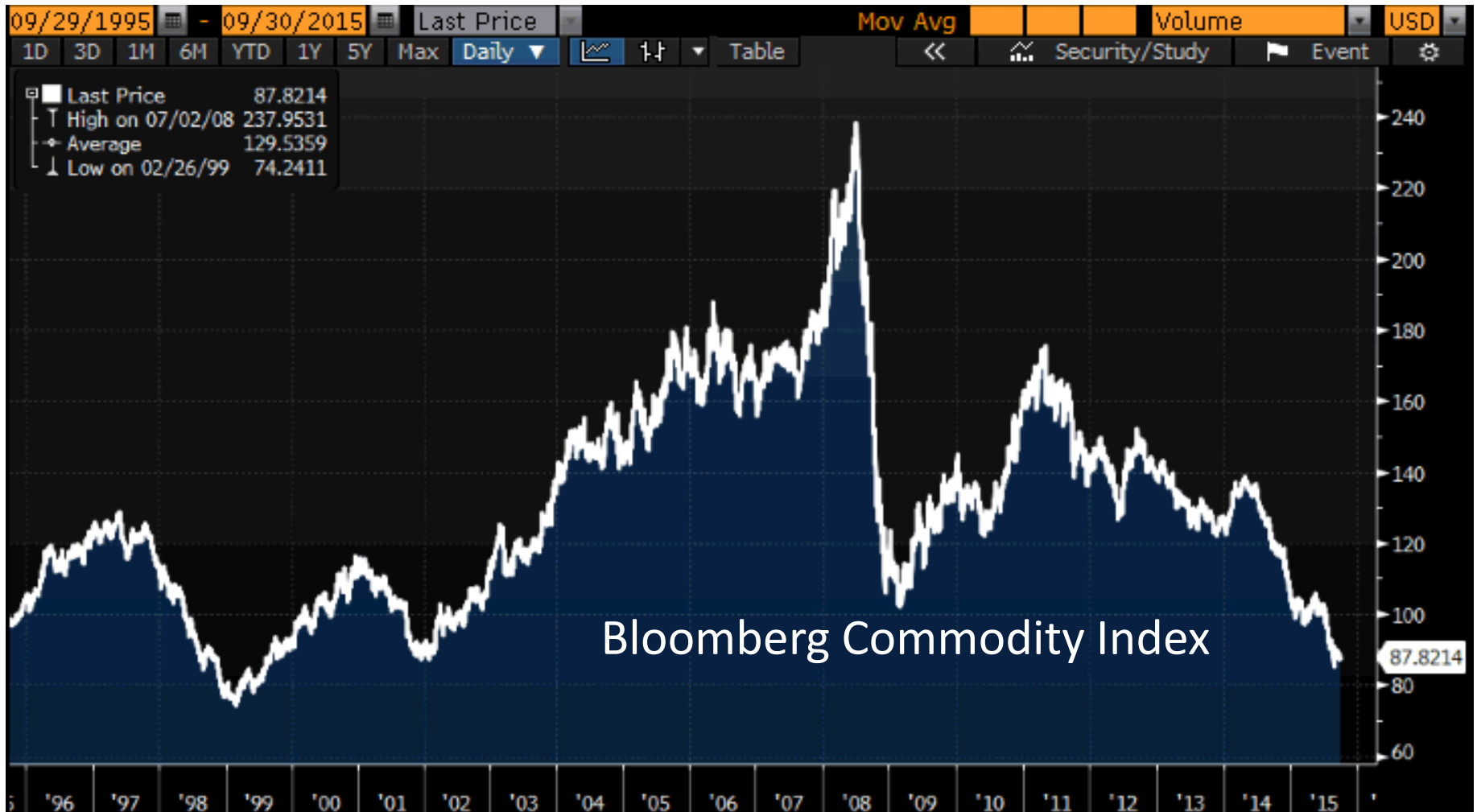
FOMC and market expectations for the fed funds rate



Source: J.P. Morgan Asset Management. Data through September 30, 2015.

# Commodity Prices Near 20 Year Lows

*Falling prices add to global deflationary pressures, but also help consumers.*



Source: Bloomberg

# Portfolio Review

*as of September 30, 2015*



# Historical Market Value as of September 30, 2015

*Fairbanks Permanent Fund*

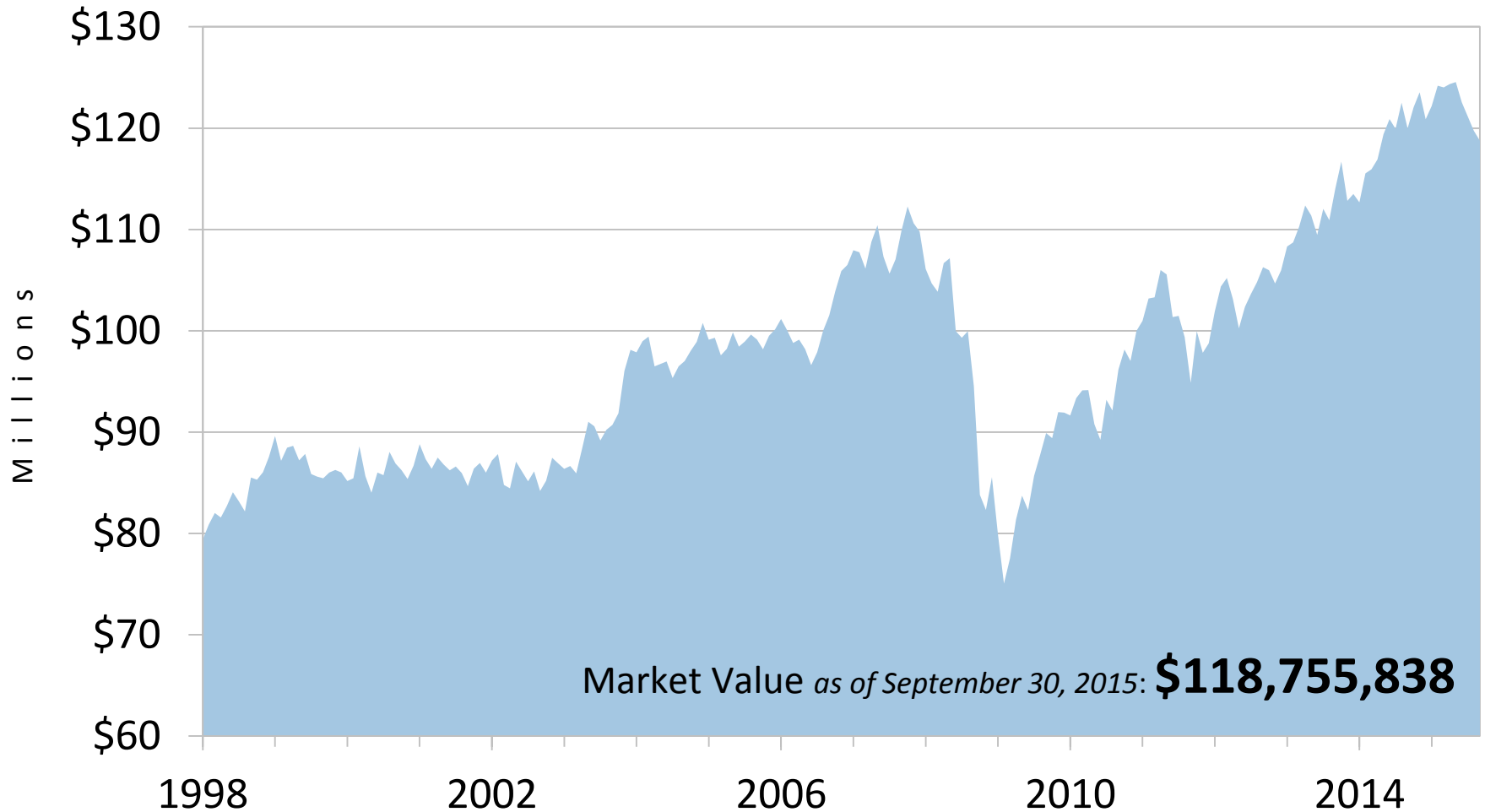
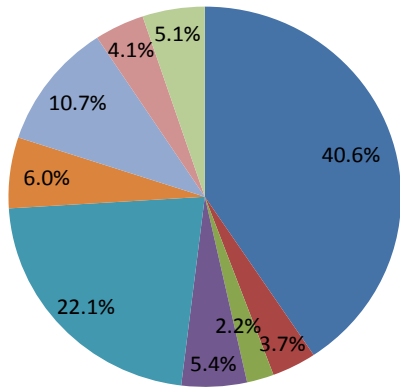


Chart shows month-end portfolio market value from January 1998 to September 2015.

**PORTFOLIO  
REVIEW**

# Asset Allocation as of September 30, 2015

## *Fairbanks Permanent Fund*



- U.S. Fixed Income
- U.S. TIPS
- International Bonds
- Cash
- Large Cap
- Mid/Small Cap
- International
- Emerging Markets
- Real Estate

Asset Class	% Assets	Strategic Benchmark	Range	Market Value
<b>Fixed Income</b>	<b>51.9%</b>	<b>55%</b>	<b>40-70%</b>	<b>\$61,663,103</b>
U.S. Fixed Income	40.6%	40	30-70	\$48,269,830
U.S. TIPS	3.7%	5	0-10	\$4,353,676
International Bonds	2.2%	5	0-10	\$2,646,500
Cash	5.4%	5	0-10	\$6,393,097
<b>Equities</b>	<b>48.1%</b>	<b>45%</b>	<b>30-60%</b>	<b>\$57,092,736</b>
Large Cap	22.1%	22	15-50	\$26,243,774
Mid/Small Cap	6.0%	5	0-10	\$7,150,714
International	10.7%	9	0-15	\$12,725,890
Emerging Markets	4.1%	4	0-10	\$4,878,547
Real Estate	5.1%	5	0-10	\$6,093,812
<b>Commodities</b>	<b>0.0%</b>	<b>0%</b>	<b>0-10</b>	<b>\$0</b>

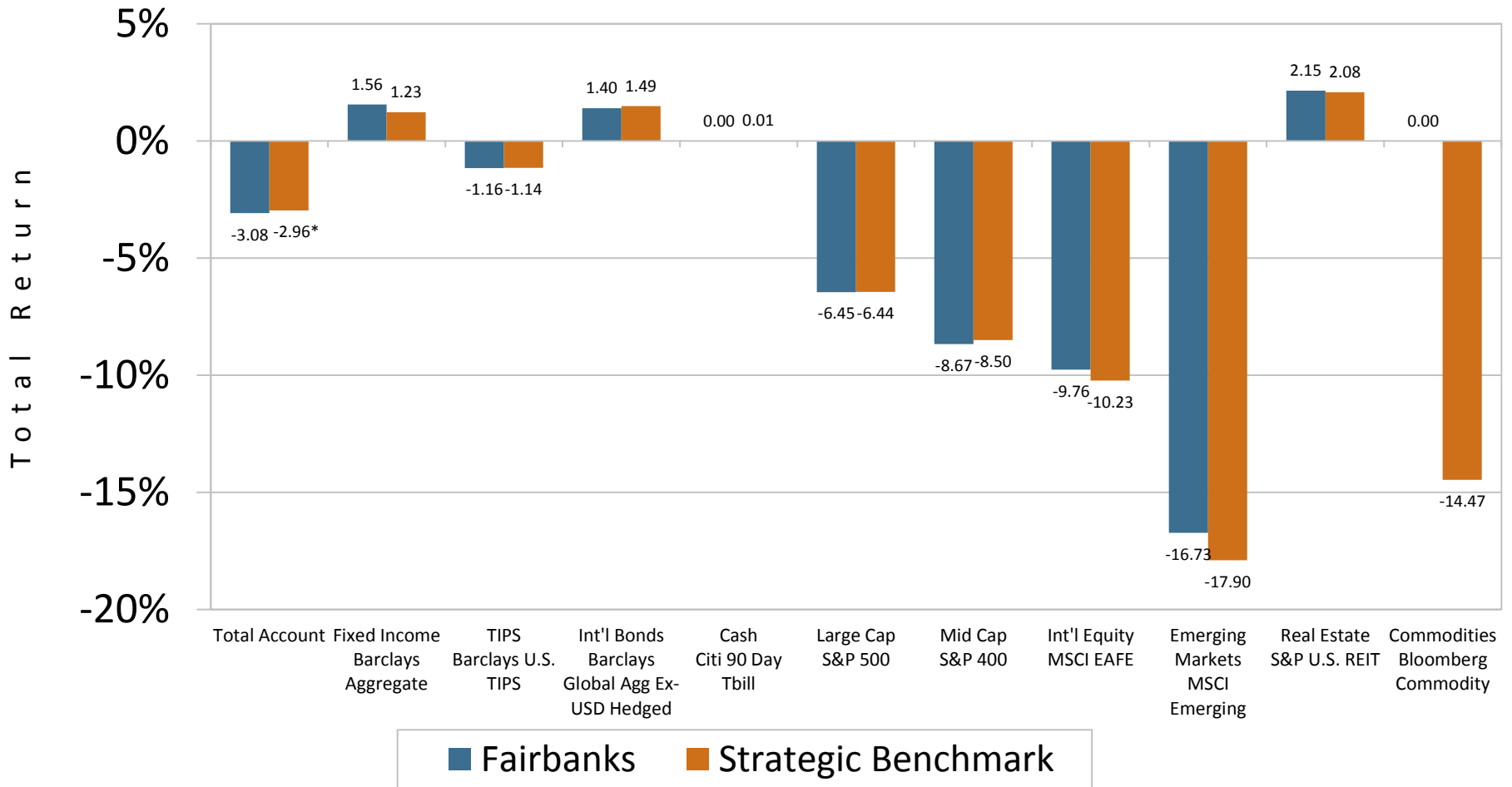
**Total**

**\$118,755,838**

**PORTFOLIO  
REVIEW**

# Account Performance Third Quarter 2015

## *Fairbanks Permanent Fund*



\* 50 bps hurdle -2.83%. Performance is gross of fees.

# Portfolio Summary Third Quarter 2015

*Fairbanks Permanent Fund*

- **Q3 portfolio return of -3.08% vs. a blended benchmark return of -2.96%.**
  - An underweight to **international bonds** combined with an overweight to **mid cap and developed international equity** contributed to the modest underperformance.
- **Actively managed fixed income Q3 return of 1.56% vs. the Barclays Aggregate return of 1.23%.**
  - An **overweight to the 10 year maturity** bucket while being **underweight the 20 and 30 year** buckets helped relative performance. An overweight in U.S. government debt also added to the outperformance as volatility spiked in Q3.

**PORTFOLIO  
REVIEW**

# Performance Attribution Third Quarter 2015

## *Fairbanks Permanent Fund*

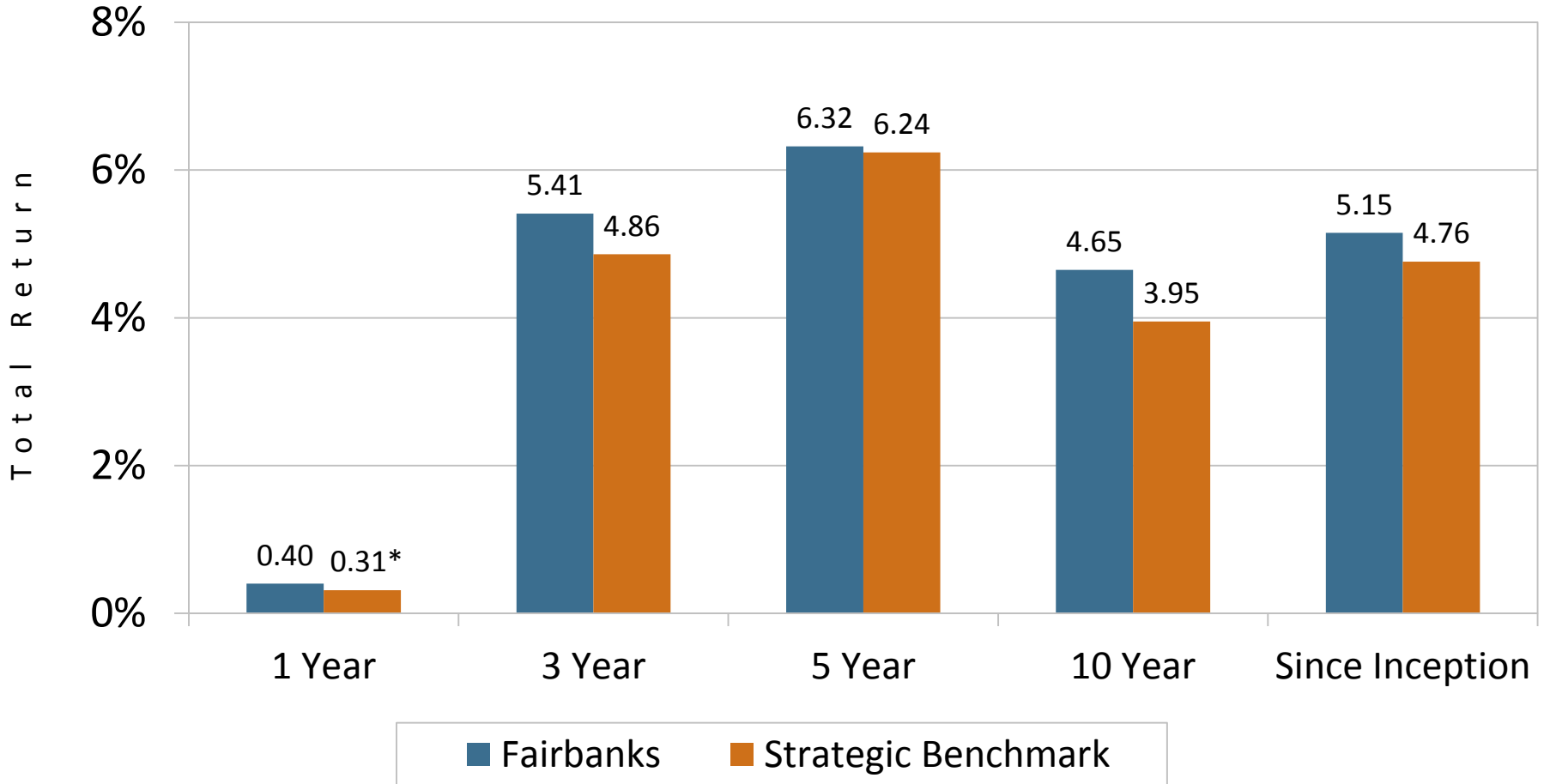
	July 15	August 15	September 15	Q3 2015
<b>Allocation Effect</b>				
Aggregate Bonds	(0.00)	0.02	0.00	0.02
Domestic Large Cap	0.01	(0.03)	(0.01)	(0.03)
Domestic Mid Cap	(0.02)	(0.06)	(0.03)	(0.11)
Domestic Small Cap	0.00	0.00	0.00	0.00
International Equity	0.00	(0.04)	(0.09)	(0.12)
Emerging Market Equity	0.02	0.02	(0.00)	0.03
Real Estate	(0.00)	(0.00)	(0.00)	(0.01)
TIPS	0.01	(0.03)	(0.00)	(0.03)
International Bonds	(0.01)	(0.08)	(0.04)	(0.13)
Commodities	0.00	0.00	0.00	0.00
Cash	0.01	(0.02)	0.00	(0.01)
<b>Total</b>	<b>0.01</b>	<b>(0.23)</b>	<b>(0.17)</b>	<b>(0.39)</b>
<b>Selection Effect</b>				
Aggregate Bonds	(0.00)	0.07	0.06	0.13
Domestic Large Cap	0.00	0.00	(0.00)	(0.00)
Domestic Mid Cap	(0.01)	(0.01)	0.00	(0.02)
Domestic Small Cap	0.00	0.00	0.00	0.00
International Equity	(0.01)	0.03	0.09	0.10
Emerging Market Equity	0.02	(0.01)	0.04	0.05
Real Estate	0.01	(0.00)	0.00	0.00
TIPS	(0.00)	0.00	0.00	0.00
International Bonds	(0.00)	(0.01)	0.01	(0.00)
Commodities	0.00	0.00	0.00	0.00
Cash	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.06</b>	<b>0.20</b>	<b>0.27</b>
<b>Total Attribution</b>	<b>0.02</b>	<b>(0.17)</b>	<b>0.03</b>	
<b>Bench Return</b>	0.97	(3.06)	(0.86)	
<b>Account Return</b>	0.99	(3.23)	(0.82)	
<b>Difference</b>	0.02	(0.17)	0.03	

Portfolio Return = Allocation Effect + Selection Effect

$(\text{Weight}_{\text{Port Sector}} - \text{Weight}_{\text{Bench}}) (\text{Return}_{\text{Sector Bench}} - \text{Return}_{\text{Port Bench}}) + (\text{Weight}_{\text{Port Sector}}) (\text{Return}_{\text{Port Sector}} - \text{Return}_{\text{Sector Bench}})$

# Account Performance as of September 30, 2015

## *Fairbanks Permanent Fund*



\* 50 bps hurdle 0.81%.

Performance is gross of fees and annualized for periods greater than one year. Inception performance begins on January 31, 1998. Strategic benchmark is a blended return of the account's target allocation.

# Outlook and Positioning

*Modest overweight to equities funded by international bonds and commodities.*

	<p><b>Economic Growth</b></p>	<p>Global GDP has been slow by historical standards but should continue to expand at a tepid although uneven pace amid low inflation.</p>	<ul style="list-style-type: none"> <li>▪ In the developed world, growth has been led by the U.S. while Japan and Europe slowly improve. China’s opaque economy is slowing as it transitions to a new growth model. The slowdown has hurt other emerging markets and commodities.</li> <li>▪ In the U.S., manufacturing has weakened but the more important service sector is fine. Job growth is decent with unemployment at 5.1%. Presidential election hijinks, federal budget negotiations and debt ceiling dynamics create uncertainty.</li> <li>▪ Headline inflation is very low throughout the world. In the U.S. it’s well below the Fed’s 2% target, but the “core” is +1.9% year over year.</li> <li>▪ The dramatic decline in commodity prices (and collapse in oil) is bad for producers (Russia, Canada, and Alaska) but good for consumers (Japan, Europe, and the U.S.).</li> </ul>
	<p><b>Monetary Policy</b></p>	<p>Central Bank policies are beginning to diverge as the Fed considers raising rates.</p>	<ul style="list-style-type: none"> <li>▪ Federal Reserve dithering has exacerbated uncertainty. A liftoff is possible by year end – the first increase since 2006.</li> <li>▪ The ECB and BoJ are likely to be dovish for several more years and have reiterated their “whatever it takes” mantra given sluggish growth and disinflation.</li> <li>▪ Dollar strength (driven by interest rate differentials) has raised concerns about dollar denominated EM debt and capital flight. The dollar is somewhat overvalued on a PPP basis.</li> </ul>
	<p><b>Fundamental Valuations</b></p>	<p>Valuations (i.e. P/E ratios) have improved, but remain elevated and thus still pose challenges going forward.</p>	<ul style="list-style-type: none"> <li>▪ Domestic earnings have flattened due to dollar strength and energy sector woes. However, low interest rates and inflation help justify valuations.</li> <li>▪ Stocks are “cheaper” overseas. European and Japanese stocks are far from their all-time highs and earnings have improved. China’s stock market bubble, high debt and slowing economy remain a risk.</li> <li>▪ Interest rates in the U.S. should begin to rise, but gradually at the front end of the curve. Bonds are insurance in diversified portfolios, but they’re expensive.</li> </ul>

# Compliance Report



# Background

April 21, 2010

To: Permanent Fund Review Board

From: City of Fairbanks, Finance Department and APCM

Subject: Compliance

During this year's audit of the Permanent Fund the question was raised as to exactly how does the Finance Department know the Fund was in compliance with the various restrictions contained in the authorizing ordinances and resolutions. While the auditor's questions were answered it became apparent that a more formalized compliance system would make this question mute.

Nine specific compliance questions have been identified and it is recommended that a compliance appendix be included at each quarterly meeting illustrating that the Fund meets all of the respective criteria. The identified nine items are as follows:

1. Equity and Fixed-income limitations as well as range limitations within the two categories.
2. Corporate debt limitation of 30% of total portfolio market value.
3. Limitation on the purchase of any bond in excess of 600 basis points above a comparable duration US treasury.
4. Limitation on the purchase of any CMBS after January 1, 2009.
5. Ratings and downgrade limitations on corporate securities.
6. Five percent limitation on any one security (total portfolio).
7. Ten percent limitation on Baa rated securities (fixed income portfolio).
8. Duration constraint of between 80-120 percent of the Barclays Aggregate.
9. Twenty-Five percent industry limitation (total portfolio).

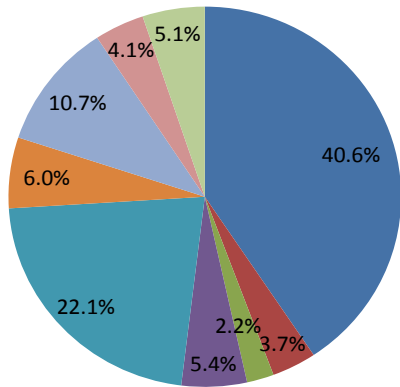
In the attached packet each of the nine limitations are addressed by either a specific report or calculation based upon an enclosed report to illustrate compliance. Should the Board approve of the format, the Compliance Report will become a regular appendix presented at each quarterly meeting.

# Item 1

- Equity and fixed-income limitations as well as range limitations within the two categories
  - Copy of quarterly chart illustrating targets & ranges vs. actual
  - Portfolio Appraisal report (Appendix)

# Asset Allocation as of September 30, 2015

## *Fairbanks Permanent Fund*



- U.S. Fixed Income
- U.S. TIPS
- International Bonds
- Cash
- Large Cap
- Mid/Small Cap
- International
- Emerging Markets
- Real Estate

Asset Class	% Assets	Strategic Benchmark	Range	Market Value
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Real Estate	5.1%	5	0-10	\$6,093,812
<b>Commodities</b>	<b>0.0%</b>	<b>0%</b>	<b>0-10</b>	<b>\$0</b>

**Total**

**\$118,755,838**

## Item 2

- Corporate debt limitations of 30% of the total portfolio market value
  - See attached Portfolio Appraisal report

**COMPLIANCE  
REPORT**

# Portfolio Appraisal as of September 30, 2015

## *Fairbanks Permanent Fund*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>CORPORATE BONDS</b>									
250,000	HSBC FINANCE CORP 5.500% Due 01-19-16	106.89	267,235	101.34	253,357	0.21	13,750	2,750	1.04
350,000	UNITED HEALTH GROUP INC 5.375% Due 03-15-16	114.09	399,322	101.97	356,895	0.30	18,812	836	1.05
500,000	AT&T INC 2.950% Due 05-15-16	104.33	521,670	101.19	505,960	0.43	14,750	5,572	1.03
500,000	JOHNSON & JOHNSON 2.150% Due 05-15-16	104.26	521,320	101.13	505,635	0.43	10,750	4,061	0.34
1,250,000	TORONTO-DOMINION BANK (144A) 1.625% Due 09-14-16	99.93	1,249,162	100.73	1,259,150	1.06	20,312	959	0.85
500,000	BANK AMER CORP 5.625% Due 10-14-16	99.93	499,670	104.55	522,765	0.44	28,125	13,047	1.20
675,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	104.71	706,819	104.41	704,794	0.59	37,969	17,508	1.34
500,000	MORGAN STANLEY 5.750% Due 10-18-16	110.27	551,340	104.65	523,265	0.44	28,750	13,017	1.27
1,000,000	UBS AG LONDON PRIV PLACEMENT (144A) 2.250% Due 03-30-17	100.93	1,009,300	101.88	1,018,840	0.86	22,500	62	0.98
750,000	BANK OF NEW YORK MELLON 1.969% Due 06-20-17	102.60	769,522	101.32	759,885	0.64	14,767	4,143	1.19
500,000	CAMPBELL SOUP CO. 3.050% Due 07-15-17	106.83	534,130	102.81	514,040	0.43	15,250	3,219	1.46
500,000	INTERNATIONAL BUSINESS MACHS 5.700% Due 09-14-17	106.27	531,328	108.70	543,485	0.46	28,500	1,346	1.19
750,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	105.77	793,260	108.46	813,450	0.68	46,500	23,250	1.88
500,000	WELLS FARGO & CO 5.625% Due 12-11-17	99.58	497,920	108.74	543,720	0.46	28,125	8,594	1.56
500,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	497,860	109.42	547,125	0.46	28,750	4,792	1.62
575,000	MCDONALDS CORP M/T/N 5.350% Due 03-01-18	107.54	618,377	108.96	626,514	0.53	30,762	2,564	1.56
500,000	GLAXOSMITHKLINE CAP INC 5.650% Due 05-15-18	104.59	522,950	110.89	554,450	0.47	28,250	10,672	1.41



COMPLIANCE  
REPORT

# Portfolio Appraisal as of September 30, 2015

## Fairbanks Permanent Fund

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
1,000,000	US BANCORP 1.950% Due 11-15-18	100.30	1,003,040	101.04	1,010,430	0.85	19,500	7,367	1.61
500,000	CATERPILLAR FINANCIAL 7.150% Due 02-15-19	99.16	495,805	116.74	583,725	0.49	35,750	4,568	1.99
600,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	101.40	608,421	116.88	701,280	0.59	45,000	5,750	2.27
600,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	102.81	616,886	110.42	662,544	0.56	28,200	3,603	1.52
500,000	JP MORGAN CHASE & CO 6.300% Due 04-23-19	118.62	593,085	113.70	568,510	0.48	31,500	13,825	2.27
600,000	MICROSOFT CORP 4.200% Due 06-01-19	102.24	613,416	109.27	655,608	0.55	25,200	8,400	1.59
750,000	ADOBE SYSTEMS INC 4.750% Due 02-01-20	112.47	843,502	109.97	824,745	0.69	35,625	5,937	2.32
500,000	NBCUNIVERSAL MEDIA LLC 5.150% Due 04-30-20	114.02	570,115	112.87	564,375	0.48	25,750	10,801	2.18
750,000	DOW CHEMICAL CO <sup>®</sup> 4.250% Due 11-15-20	108.13	810,952	107.20	804,030	0.68	31,875	12,042	2.73
1,000,000	CAMPBELL SOUP CO 8.875% Due 05-01-21	129.52	1,295,200	129.74	1,297,450	1.09	88,750	36,979	3.04
786,000	CARGILL INC. (144a) 4.307% Due 05-14-21	98.06	770,763	109.51	860,725	0.72	33,853	12,883	2.48
750,000	GENERAL MILLS INC 3.150% Due 12-15-21	102.88	771,577	101.93	764,467	0.64	23,625	6,956	2.81
500,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	525,905	103.24	516,220	0.43	19,375	3,229	3.42
500,000	BELLSOUTH CORP 6.000% Due 11-15-34	97.52	487,595	102.96	514,810	0.43	30,000	11,333	5.74
500,000	MCDONALDS CORP 5.700% Due 02-01-39	120.31	601,570	114.76	573,790	0.48	28,500	4,750	4.66
500,000	CATERPILLAR INC 4.300% Due 05-15-44	103.05	515,235	97.04	485,195	0.41	21,500	8,122	4.48
	Accrued Interest:				272,939	0.23			
			21,614,255		22,214,175	18.71		272,939	

## Items 3 & 4

- Limitation on the purchase of any bond in excess of 600 basis points above a comparable duration U.S. Treasury
- Limitation on the purchase of any CMBS after January 1, 2009
  - See attached Purchase and Sale report

# Purchases and Sales from June 30, 2015 to September 30, 2015

## Fairbanks Permanent Fund

Portfolio Name	Trade Date	Settle Date	Quantity	Security	Unit Price	Amount	Yield On Cost	Spread Over TSY	Sector	Sec Type Code
<b>SALES</b>										
FAIRBANKS PERMANENT	08-03-15	08-06-15	1,000,000	GENERAL ELECTRIC CAP CORP 5.625% Due 05-01-18	110.48	1,104,840.00	1.69	78	Corporate Bonds	cbus
FAIRBANKS PERMANENT	08-03-15	08-06-15	775,000	COMCAST CORP 5.150% Due 03-01-20	112.24	869,875.50	2.31	84	Corporate Bonds	cbus
FAIRBANKS PERMANENT	08-03-15	08-06-15	500,000	PEPSICO INC 3.125% Due 11-01-20	103.99	519,955.00	2.31	70	Corporate Bonds	cbus
FAIRBANKS PERMANENT	08-03-15	08-06-15	1,629.0000	VANGUARD FTSE DEVELOPED M	40.23	65,536.23	3.28		International Equity	ifus
FAIRBANKS PERMANENT	08-03-15	08-06-15	295,000.0000	VANGUARD FTSE DEVELOPED M	40.21	11,861,731.69	3.28		International Equity	ifus
FAIRBANKS PERMANENT	08-03-15	08-06-15	112,923.0000	VANGUARD FTSE EMERGING MA	37.81	4,269,540.05	2.87		Emerging Market Equi	emus
FAIRBANKS PERMANENT	08-05-15	08-06-15	1,900,000	US TREASURY NOTES 2.500% Due 08-15-23	102.62	1,949,800.78	2.14		US Treasury Notes	tnus
FAIRBANKS PERMANENT	08-27-15	08-28-15	500,000	US TREASURY NOTES 1.625% Due 06-30-20	100.60	502,988.28	1.50		US Treasury Notes	tnus
FAIRBANKS PERMANENT	08-27-15	08-28-15	1,000,000	US TREASURY NOTES 1.625% Due 08-15-22	98.11	981,093.75	1.92		US Treasury Notes	tnus
FAIRBANKS PERMANENT	08-27-15	08-28-15	500,000	US TREASURY NOTES 3.125% Due 05-15-21	107.61	538,046.88	1.72		US Treasury Notes	tnus
FAIRBANKS PERMANENT	08-27-15	09-01-15	10,125.0000	ISHARES CORE S&P MIDCAP 4	141.93	1,437,008.73	1.24		Mid Cap Equity	dfus
						24,100,416.89	2.73			
							2.73			
<b>PURCHASES</b>										
FAIRBANKS PERMANENT	07-24-15	08-13-15	2,500,000.00	FNCL TBA 4% 4.000% Due 08-31-45	106.12	2,653,125.00	?	98	FNMA & FHMLC Mortgag	fmsu
FAIRBANKS PERMANENT	07-24-15	08-18-15	2,500,000.00	FNCI TBA 3.00% 3.000% Due 08-01-29	103.52	2,587,890.63	?	56	FNMA & FHMLC Mortgag	fmsu
FAIRBANKS PERMANENT	08-03-15	08-06-15	200,000.0000	ISHARES ETF CORE MSCI EAF	59.38	11,875,860.00	?		International Equity	ifus
FAIRBANKS PERMANENT	08-03-15	08-06-15	100,000.0000	ISHARES ETF CORE MSCI EME	44.33	4,432,680.00	?		Emerging Market Equi	emus
FAIRBANKS PERMANENT	08-27-15	09-01-15	40,975.0000	ISHARES ETF CORE MSCI EAF	55.65	2,280,242.36	?		International Equity	ifus
FAIRBANKS PERMANENT	08-27-15	09-01-15	22,300.0000	ISHARES ETF CORE MSCI EME	41.28	920,472.64	?		Emerging Market Equi	emus
FAIRBANKS PERMANENT	09-21-15	09-21-15	804.0640	VANGUARD INST'L S&P500 IN	178.79	143,758.54	1.84		Domestic Large Cap E	mfsu
						24,894,029.17	0.01			
							0.01			



# Item 5

- Ratings and downgrade limitations on corporate securities
  - See attached Portfolio Holdings (Expanded) report

# Portfolio Holdings (Expanded) as of September 30, 2015

## Fairbanks Permanent Fund

	Pos	Port											Group	Sector	CUSIP	Issuer	Mty	
		Moody's	S&P	Cpn	Px Close	Mkt Val	Wgt	YTW	Mod Dur	OAD	OAC							
FAIRBANK (019)		Aa3	AA-	3.46		58,955,636	100.00	1.71	4.40	4.69	0.34							
ADBE 4 % 02/01/20	750,000	Baa1	A-	4.75	109.94	830,352	1.41	2.33	3.92	3.94	0.18	Software	Technology	00724FAB7	ADOBE SYSTEMS INC	02/01/2020		
BAC 5 ¼ 10/14/16	500,000	Baa1	A-	5.63	104.35	534,709	0.91	1.39	0.99	0.99	0.05	Banks	Financial	060505CS1	BANK OF AMERICA CORP	10/14/2016		
BK 1.969 06/20/17	750,000	A1	A+	1.97	101.12	762,540	1.29	1.31	1.68	1.68	0.05	Banks	Financial	064058AA8	BANK OF NEW YORK MELLON	06/20/2017		
CARGIL 4.307 05/14/21	786,000	A2	A	4.31	109.41	872,725	1.48	2.50	4.95	4.99	0.34	Agriculture	Consumer, Non-cyclical	141781AY0	CARGILL INC	05/14/2021		
CAT 4.3 05/15/44	500,000	A2	A	4.30	98.02	498,144	0.84	4.42	15.98	16.17	3.77	Machinery-Constr&Mining	Industrial	149123CD1	CATERPILLAR INC	05/15/2044		
CAT 7.15 02/15/19	500,000	A2	A	7.15	116.38	586,348	0.99	2.10	3.03	3.04	0.11	Machinery-Constr&Mining	Industrial	14912L4E8	CATERPILLAR FINANCIAL SE	02/15/2019		
CMCSA 5.15 04/30/20	500,000	A3	A-	5.15	112.85	574,969	0.98	2.19	4.05	4.07	0.25	Media	Communications	63946BAD2	NBCUNIVERSAL MEDIA LLC	04/30/2020		
COP 5 ¼ 10/15/16	675,000	A2	A	5.63	104.47	722,604	1.23	1.29	1.00	1.00	0.05	Oil&Gas	Energy	20825TAA5	CONOCOPHILLIPS CANADA	10/15/2016		
CPB 3.05 07/15/17	500,000	A3	BBB+	3.05	102.81	517,240	0.88	1.45	1.74	1.73	0.04	Food	Consumer, Non-cyclical	134429AV1	CAMPBELL SOUP CO	07/15/2017		
CPB 8 ¼ 05/01/21	1,000,000	A3	BBB+	8.88	125.63	1,292,984	2.19	3.75	4.44	4.47	0.33	Food	Consumer, Non-cyclical	134429AG4	CAMPBELL SOUP CO	05/01/2021		
DOW 4 ¼ 11/15/20	750,000	Baa2	BBB	4.25	106.61	811,561	1.38	2.79	4.34	4.50	0.25	Chemicals	Basic Materials	260543CC5	DOW CHEMICAL CO/THE	11/15/2020		
EXC 6.2 10/01/17	750,000	Baa2	BBB	6.20	107.94	832,696	1.41	2.13	1.85	1.85	0.05	Electric	Utilities	30161MAE3	EXELON GENERATION CO LLC	10/01/2017		
FG A16590	1,063,778	6.00	113.20	6.00	113.20	60,473	0.10	2.34	3.60	3.29	0.02	FGLMC Collateral	Mortgage Securities	31296RKB3	Freddie Mac	12/01/2033		
FG A36703	750,000	4.50	108.67	4.50	108.67	71,239	0.12	2.17	3.73	3.09	-1.04	FGLMC Collateral	Mortgage Securities	312975NU5	Freddie Mac	08/01/2035		
FG A77796	2,925,873	5.50	111.02	5.50	111.02	125,521	0.21	2.41	3.59	3.26	-0.24	FGLMC Collateral	Mortgage Securities	3128LBUV8	Freddie Mac	05/01/2038		
FG B17355	1,012,036	5.00	105.81	5.00	105.81	91,452	0.16	0.77	1.39	1.40	0.02	FGLMC Collateral	Mortgage Securities	312970E44	Freddie Mac	12/01/2019		
FG B17982	1,000,000	4.00	104.96	4.00	104.96	109,390	0.19	0.85	1.60	1.53	-0.09	FGLMC Collateral	Mortgage Securities	3129702P0	Freddie Mac	03/01/2020		
FG C01403	1,000,000	6.00	113.73	6.00	113.73	21,446	0.04	2.15	3.55	3.19	0.04	FGLMC Collateral	Mortgage Securities	31292HRY2	Freddie Mac	09/01/2032		
FG E01136	2,000,000	5.50	103.04	5.50	103.04	10,712	0.02	-0.01	0.58	0.66	0.01	FGLMC Collateral	Mortgage Securities	31294KHM0	Freddie Mac	03/01/2017		
FG G05253	2,016,834	5.00	109.57	5.00	109.57	144,164	0.24	2.39	3.69	3.29	-0.59	FGLMC Collateral	Mortgage Securities	3128M7E28	Freddie Mac	02/01/2039		
FG G08264	1,500,000	6.00	112.68	6.00	112.68	119,078	0.20	2.45	3.59	3.26	-0.04	FGLMC Collateral	Mortgage Securities	3128MUJ0	Freddie Mac	04/01/2038		
FH 1G2124	1,000,000	5.76	108.93	5.76	108.93	127,161	0.22	1.30	1.80	1.32	0.13	FHLMC Collateral	Mortgage Securities	3128QSLD6	Freddie Mac	08/01/2037		
FH 847740	500,000	2.45	106.10	2.45	106.10	15,098	0.03	1.30	1.71	0.80	0.14	FHLMC Collateral	Mortgage Securities	3128R5S56	Freddie Mac	04/01/2037		
FHLB 4 ¼ 03/13/20	200,000	Aaa	AA+	4.13	111.55	223,485	0.38	1.44	4.10	4.12	0.20	Sovereign	Government	3133XP50	FEDERAL HOME LOAN BANK	03/13/2020		
FHLMC 6 ¼ 07/15/32	500,000	Aaa	AA+	6.25	141.59	714,468	1.21	3.06	11.41	11.61	1.73	Sovereign	Government	3134A4KX1	FREDDIE MAC	07/15/2032		
FN 254195	2,008,126	5.50	102.51	5.50	102.51	10,748	0.02	0.57	0.58	0.65	0.01	FNMA Collateral	Mortgage Securities	31371KKG5	Fannie Mae	02/01/2017		
FN 745552	800,000	2.11	104.83	2.11	104.83	66,884	0.11	1.25	1.20	1.34	0.04	FNMA Collateral	Mortgage Securities	31403DH51	Fannie Mae	02/01/2036		
FN 814349	1,000,000	4.50	104.80	4.50	104.80	84,399	0.14	1.26	1.55	1.49	-0.03	FNMA Collateral	Mortgage Securities	31406MWJ1	Fannie Mae	03/01/2020		
FN 819922	1,000,001	5.50	106.90	5.50	106.90	68,800	0.12	1.10	1.61	1.60	0.02	FNMA Collateral	Mortgage Securities	31406T4F5	Fannie Mae	04/01/2020		
FN 819924	1,000,000	4.50	104.84	4.50	104.84	58,706	0.10	1.27	1.56	1.51	-0.03	FNMA Collateral	Mortgage Securities	31406T4H1	Fannie Mae	04/01/2020		
FN 820607	733,971	2.05	104.62	2.05	104.62	92,313	0.16	1.05	1.17	0.70	0.24	FNMA Collateral	Mortgage Securities	31406UU89	Fannie Mae	03/01/2035		
FN 826090	990,000	2.49	103.43	2.49	103.43	19,540	0.03	1.76	0.97	0.63	0.07	FNMA Collateral	Mortgage Securities	31407BXT1	Fannie Mae	07/01/2035		
FN 838293	1,500,000	2.23	104.38	2.23	104.38	77,990	0.13	1.31	1.74	1.01	0.09	FNMA Collateral	Mortgage Securities	31407RKE3	Fannie Mae	08/01/2035		
FN 888348	1,425,707	5.00	107.36	5.00	107.36	82,197	0.14	1.47	2.13	2.06	0.01	FNMA Collateral	Mortgage Securities	31410F5H4	Fannie Mae	05/01/2022		
FN 943054	1,000,000	2.41	105.98	2.41	105.98	49,092	0.08	1.13	2.31	0.98	0.09	FNMA Collateral	Mortgage Securities	31413EE35	Fannie Mae	08/01/2037		
FN 968813	2,957,641	6.00	113.41	6.00	113.41	71,505	0.12	2.33	3.72	3.45	-0.02	FNMA Collateral	Mortgage Securities	31414KYJ3	Fannie Mae	01/01/2038		
FN AA6013	1,135,151	4.50	108.62	4.50	108.62	153,724	0.26	2.26	3.92	2.96	-1.73	FNMA Collateral	Mortgage Securities	31416PVF1	Fannie Mae	05/01/2039		
FN AD2331	922,796	4.00	106.73	4.00	106.73	173,324	0.29	1.48	2.72	2.18	-0.69	FNMA Collateral	Mortgage Securities	31418PSV8	Fannie Mae	03/01/2025		
FN AD7073	577,378	4.00	106.73	4.00	106.73	93,402	0.16	1.54	2.79	2.20	-0.75	FNMA Collateral	Mortgage Securities	31418U2F0	Fannie Mae	06/01/2025		
FN AX8309	2,740,765	3.00	104.37	3.00	104.37	2,577,673	4.37	1.94	4.21	3.62	-1.53	FNMA Collateral	Mortgage Securities	3138YAGT6	Fannie Mae	11/01/2029		
FN AY8851	2,500,000	4.00	106.95	4.00	106.95	2,678,365	4.54	2.30	4.18	3.78	-1.71	FNMA Collateral	Mortgage Securities	3138YNZR1	Fannie Mae	08/01/2045		

# Portfolio Holdings (Expanded) as of September 30, 2015

## Fairbanks Permanent Fund

	Port												Group	Sector	CUSIP	Issuer	Mty
	Pos	Moody's	S&P	Cpn	Px Close	Mkt Val	Wgt	YTW	Mod Dur	OAD	OAC						
FNMA 6 ¼ 05/15/29	2,250,000	Aaa	AA+	6.25	138.54	3,169,833	5.38	2.82	9.77	9.94	1.30	Sovereign	Government	31359MEU3	FANNIE MAE	05/15/2029	
G2 2563	2,545,290			6.50	116.48	26,308	0.04	2.04	3.62	3.57	0.14	GNMA2 Collateral	Mortgage Securities	36202CZ48	Government National Mortgage A	03/20/2028	
GIS 3.15 12/15/21	750,000	A3	BBB+	3.15	102.09	772,594	1.31	2.77	5.36	5.58	0.36	Food	Consumer, Non-cyclical	370334BM5	GENERAL MILLS INC	12/15/2021	
GN 587075	2,000,000			6.50	118.99	27,503	0.05	2.07	4.19	4.10	0.21	GNMA Collateral	Mortgage Securities	36201MFQ0	Government National Mortgage A	05/15/2032	
GN 617115	1,500,000			5.50	113.11	150,869	0.26	2.41	4.22	4.04	0.04	GNMA Collateral	Mortgage Securities	36290TSC4	Government National Mortgage A	06/15/2036	
GS 7 ½ 02/15/19	600,000	A3	A-	7.50	116.76	706,159	1.20	2.31	3.01	3.03	0.11	Banks	Financial	38141EA25	GOLDMAN SACHS GROUP INC	02/15/2019	
GSK 5.65 05/15/18	500,000	A2	A+	5.65	110.88	565,009	0.96	1.41	2.42	2.42	0.14	Pharmaceuticals	Consumer, Non-cyclical	377372AD9	GLAXOSMITHKLINE CAP INC	05/15/2018	
HSBC 5 ¼ 01/19/16	250,000	Baa1	A	5.50	101.30	255,967	0.43	1.17	0.30	0.30	-0.02	Diversified Finan Serv	Financial	40429CFN7	HSBC FINANCE CORP	01/19/2016	
IBM 5.7 09/14/17	500,000	Aa3	AA-	5.70	108.62	544,370	0.92	1.22	1.87	1.87	0.04	Computers	Technology	459200GJ4	IBM CORP	09/14/2017	
JNJ 2.15 05/15/16	500,000	Aaa	AAA	2.15	101.08	509,415	0.86	0.42	0.62	0.62	0.03	Pharmaceuticals	Consumer, Non-cyclical	478160AY0	JOHNSON & JOHNSON	05/15/2016	
JPM 3 ¾ 02/01/24	500,000	A3	A	3.88	103.03	518,334	0.88	3.45	7.06	7.16	0.60	Banks	Financial	46625HT8	JPMORGAN CHASE & CO	02/01/2024	
JPM 6.3 04/23/19	500,000	A3	A	6.30	113.62	581,821	0.99	2.30	3.16	3.17	0.17	Banks	Financial	46625HHL7	JPMORGAN CHASE & CO	04/23/2019	
JPMCC 2007-CB19 A4	500,000	Aaa	A+	5.70	104.68	522,606	0.89	2.34	1.36	1.43	0.03	Commercial MBS	Mortgage Securities	46630VAD4	JP MORGAN CHASE COMMERCIAL MOR	02/12/2049	
JPMCC 2007-LD12 A4	500,000	Aaa	A-	5.88	104.86	526,659	0.89	2.62	1.50	1.63	0.04	Commercial MBS	Mortgage Securities	46632HAD3	JP MORGAN CHASE COMMERCIAL MOR	02/15/2051	
LBUS 2006-C7 A2	700,000		AAA	5.30	101.97	203,819	0.35	2.60	0.73	0.84	0.01	Commercial MBS	Mortgage Securities	50180CAB6	LB-US COMMERCIAL MORTGAGE TRU	11/15/2038	
MCD 5.35 03/01/18	575,000	A3	A-	5.35	108.83	628,264	1.07	1.61	2.28	2.28	0.06	Retail	Consumer, Cyclical	58013MEE0	MCDONALD'S CORP	03/01/2018	
MCD 5.7 02/01/39	500,000	A3	A-	5.70	112.83	568,812	0.96	4.78	13.36	13.55	2.58	Retail	Consumer, Cyclical	58013MEH3	MCDONALD'S CORP	02/01/2039	
MS 5 ¼ 10/18/16	500,000	A3	A-	5.75	104.67	536,293	0.91	1.26	1.00	1.01	0.06	Banks	Financial	61746BD89	MORGAN STANLEY	10/18/2016	
MSFT 4.2 06/01/19	600,000	Aaa	AAA	4.20	109.35	664,415	1.13	1.57	3.38	3.39	0.18	Software	Technology	594918AC8	MICROSOFT CORP	06/01/2019	
PG 4.7 02/15/19	600,000	Aa3	AA-	4.70	110.52	666,640	1.13	1.49	3.13	3.15	0.12	Cosmetics/Personal Care	Consumer, Non-cyclical	742718DN6	PROCTER & GAMBLE CO/THE	02/15/2019	
T 1 ¼ 05/31/20	500,000			1.38	100.21	503,346	0.85	1.33	4.49	4.52	0.25	Sovereign	Government	912828VF4	US TREASURY N/B	05/31/2020	
T 1 ¼ 06/30/20	2,250,000			1.63	101.28	2,287,969	3.88	1.35	4.54	4.58	0.24	Sovereign	Government	912828XH8	US TREASURY N/B	06/30/2020	
T 1 ¼ 06/30/20	2,600,000			1.88	102.37	2,673,836	4.54	1.36	4.52	4.55	0.24	Sovereign	Government	912828VJ6	US TREASURY N/B	06/30/2020	
T 2 ¼ 08/15/23	600,000			2.50	104.56	629,250	1.07	1.87	7.13	7.23	0.59	Sovereign	Government	912828VS6	US TREASURY N/B	08/15/2023	
T 2 ¼ 02/15/19	500,000			2.75	105.58	529,629	0.90	1.06	3.22	3.24	0.12	Sovereign	Government	912828KD1	US TREASURY N/B	02/15/2019	
T 2 ¼ 11/15/23	3,450,000			2.75	106.48	3,709,289	6.29	1.89	7.23	7.34	0.64	Sovereign	Government	912828WE6	US TREASURY N/B	11/15/2023	
T 2.95 05/15/16	500,000	Baa1	BBB+	2.95	101.16	511,349	0.87	1.08	0.61	0.61	0.04	Telecommunications	Communications	00206RAW2	AT&T INC	05/15/2016	
T 3 ¼ 02/15/39	1,375,000			3.50	112.88	1,558,101	2.64	2.75	16.34	16.72	3.52	Sovereign	Government	912810QA9	US TREASURY N/B	02/15/2039	
T 5 ¼ 02/15/29	1,000,000			5.25	134.30	1,349,609	2.29	2.26	10.17	10.36	1.31	Sovereign	Government	912810FG8	US TREASURY N/B	02/15/2029	
T 6 11/15/34	500,000		BBB+	6.00	102.50	523,753	0.89	5.78	11.15	11.30	1.87	Telecommunications	Communications	079860AK8	BELLSOUTH CORP	11/15/2034	
TD 1 ¼ 09/14/16	1,250,000	Aaa		1.63	100.70	1,259,684	2.14	0.88	0.95	0.95	0.01	Banks	Financial	891145RB2	TORONTO-DOMINION BANK	09/14/2016	
THI 0 ¼ 01/15/25	950,000			0.25	95.97	919,133	1.56	0.70	4.58	9.55	0.95	Sovereign	Government	912828H45	TSY INFLIX N/B	01/15/2025	
THI 0 ¼ 01/15/22	1,275,000			0.13	97.57	1,312,033	2.23	0.52	3.13	6.56	0.46	Sovereign	Government	912828SA9	TSY INFLIX N/B	01/15/2022	
THI 1 ¼ 02/15/44	475,000			1.38	101.66	495,292	0.84	1.30	11.73	24.45	6.74	Sovereign	Government	912810RF7	TSY INFLIX N/B	02/15/2044	
THI 1 ¼ 01/15/18	1,375,000			1.63	103.54	1,627,194	2.76	0.08	1.13	2.51	0.07	Sovereign	Government	912828HN3	TSY INFLIX N/B	01/15/2018	
UBS 2 ¼ 03/30/17	1,000,000	Aaa		2.25	101.86	1,018,624	1.73	1.00	1.48	1.47	0.03	Banks	Financial	90349CAA2	UBS AG LONDON	03/30/2017	
UNH 5 ¼ 03/15/16	350,000	A3	A+	5.38	102.14	358,289	0.61	0.68	0.46	0.46	-0.11	Healthcare-Services	Consumer, Non-cyclical	91324PAQ5	UNITEDHEALTH GROUP INC	03/15/2016	
US DOLLAR	6,393,097	Aaa	AAA	0.00	1.00	6,393,097	10.84	0.00	0.00	0.00	0.00						
USB 1.95 11/15/18	1,999,000	A1	A+	1.95	101.02	1,017,493	1.73	1.61	2.92	2.99	0.12	Banks	Financial	91159HHE3	US BANCORP	11/15/2018	
WFC 5 ¼ 02/01/18	500,000	A2	A+	5.75	109.38	551,627	0.94	1.64	2.19	2.20	0.06	Banks	Financial	92976WBH8	WACHOVIA CORP	02/01/2018	
WFC 5 ¼ 12/11/17	500,000	A2	A+	5.63	108.72	552,128	0.94	1.57	2.06	2.06	0.10	Banks	Financial	949746NX5	WELLS FARGO & COMPANY	12/11/2017	

## Item 6

- Five percent limitations on any one security within the entire portfolio
  - See Portfolio Appraisal report (Appendix)

## Items 7 & 8

- Ten percent limitation on Baa rated securities within the fixed income portfolio
- Duration constraint between 80-120 percent of the Barclays Aggregate Index
  - See attached Duration-Weighted Distribution by Quality report

# Distribution by Quality as of September 30, 2015

## *Fairbanks Permanent Fund*

	Port					Bench			
	Mkt Val	Wgt	OAD	CTD	% TD	Wgt	OAD	CTD	% TD
FARIBANK (019)	\$ 52,562,540	100%	5.26	5.26	100%	100%	5.72	5.72	100%
AAA	\$ 32,594,015	62.0%	6.19	3.85	73.1%	71.1%	5.36	3.81	66.6%
AA	\$ 2,723,694	5.2%	2.27	0.11	2.1%	5.4%	5.66	0.31	5.4%
A	\$ 12,187,404	23.2%	4.03	0.93	17.7%	11.7%	6.58	0.73	12.8%
BBB	\$ 5,057,427	9.6%	3.85	0.37	7.0%	12.4%	7.05	0.87	15.2%

**Portfolio Duration as a % of Benchmark** **92%**

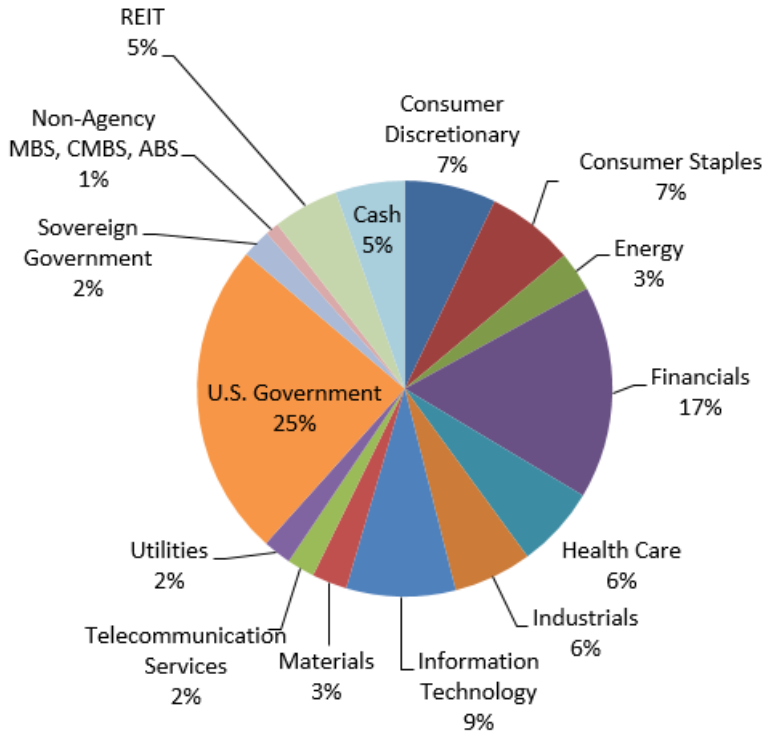
**Duration** gauges price sensitivity of fixed income securities and represents the expected percentage change in market value when interest rates change by 1%.

## Item 9

- Twenty-five percent industry limitation within the entire portfolio
  - See attached GICS Sector Concentration report

# GICS Sector Concentration\* as of September 30, 2015

## Fairbanks Permanent Fund



Sector	Market Value	% of Portfolio
Consumer Discretionary	8,463,892	7%
Consumer Staples	8,072,320	7%
Energy	3,667,661	3%
Financials	19,673,480	17%
Health Care	7,551,954	6%
Industrials	7,254,962	6%
Information Technology	10,100,372	9%
Materials	3,241,983	3%
Telecommunication Services	2,561,890	2%
Utilities	2,624,585	2%
<hr/>		
U.S. Government - Treasury/Agency/Agency MBS	29,156,185	25%
Sovereign Government	2,646,500	2%
Non-Agency MBS, CMBS, ABS	1,253,146	1%
REIT	6,093,812	5%
Commodities	-	0%
Cash	6,393,097	5%
<hr/>		
<b>Total Portfolio</b>	<b>\$ 118,755,838</b>	<b>100%</b>

Includes Individual Bond and ETF Holdings

\* As defined by the Global Industry Classification Standard (GICS) provided by Standard & Poor's/MSCI Barra



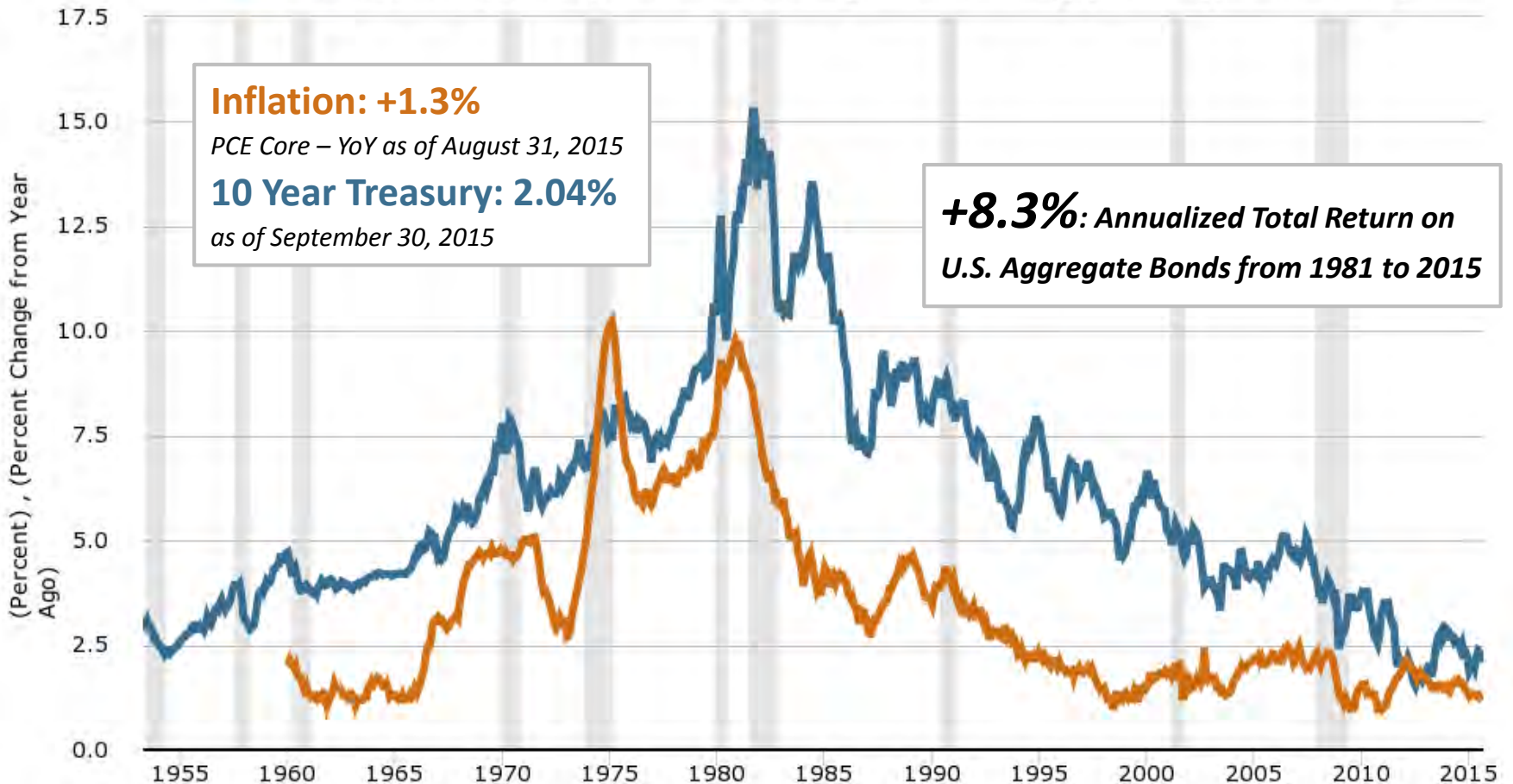
# Appendix

# 10 Year U.S. Treasury Rate and Core Inflation

Interest rates and inflation are at or near historic lows both in the U.S. and abroad.



- 10-Year Treasury Constant Maturity Rate
- Personal Consumption Expenditures Excluding Food and Energy (Chain-Type Price Index)



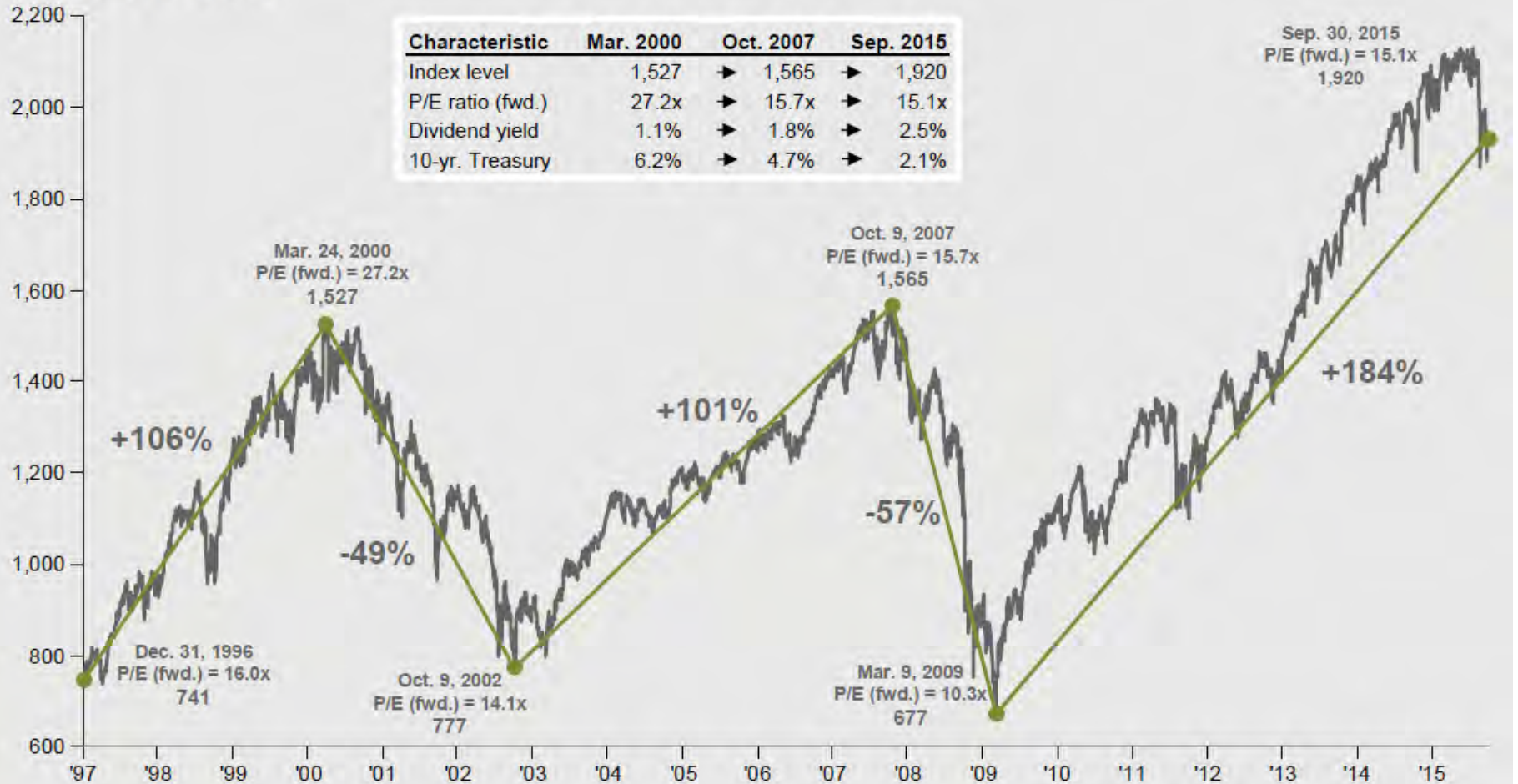
Source: FRB of St. Louis. Shaded areas indicate U.S. recessions.

**MARKET  
REVIEW**

# Equities Down From Recent All Time Highs

*Strong earnings and attractiveness vs. bonds have helped stocks in recent years.*

## S&P 500 Price Index



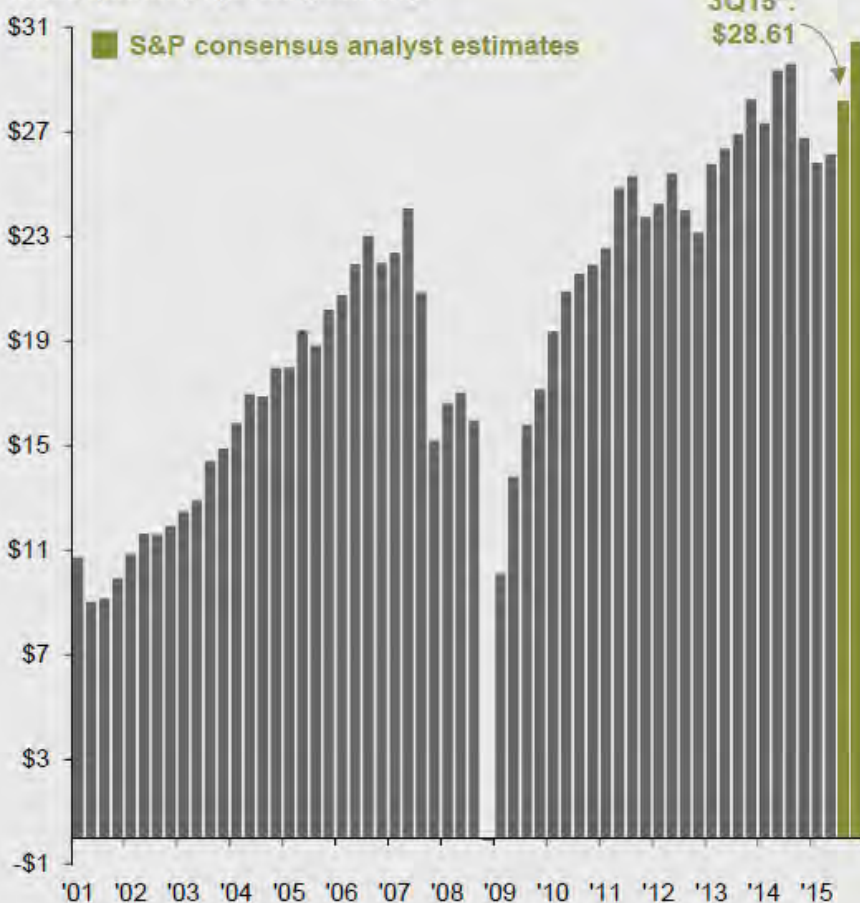
Source: J.P. Morgan Asset Management. Data through September 30, 2015.

# Earnings Growth Likely Negative YoY

*Profits have been weak due to a strong dollar and a collapse in the energy sector.*

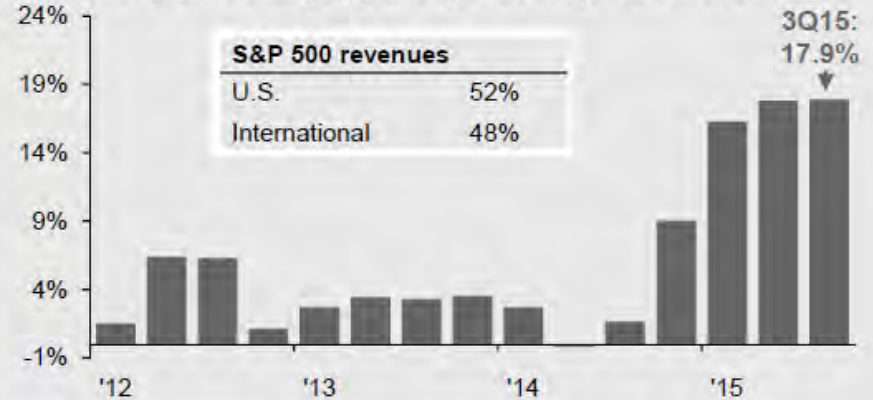
## S&P 500 earnings per share

Index quarterly operating earnings



## U.S. dollar

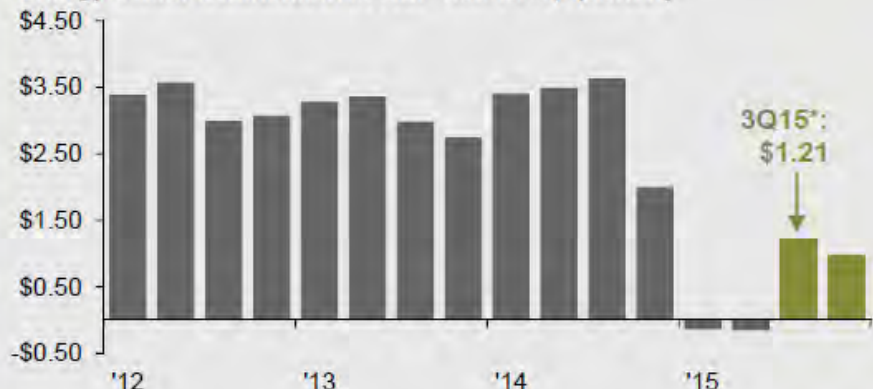
Year-over-year % change, quarterly, USD major currencies index



S&P 500 revenues	
U.S.	52%
International	48%

## Energy sector earnings

Energy sector contribution to S&P 500 EPS, quarterly



Source: J.P. Morgan Asset Management. Data through September 30, 2015.

# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

### September 30, 2015



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
500,000	US TREASURY NOTES 2.750% Due 02-15-19	104.27	521,374	105.58	527,890	0.44	13,750	1,756	1.06
500,000	US TREASURY NOTES 1.375% Due 05-31-20	98.00	489,980	100.18	500,900	0.42	6,875	2,310	1.33
2,600,000	US TREASURY NOTES 1.875% Due 06-30-20	98.02	2,548,609	102.36	2,661,412	2.24	48,750	12,320	1.36
2,250,000	US TREASURY NOTES 1.625% Due 06-30-20	99.64	2,241,826	101.26	2,278,395	1.92	36,562	9,240	1.35
600,000	US TREASURY NOTES 2.500% Due 08-15-23	98.19	589,138	104.52	627,138	0.53	15,000	1,916	1.88
3,450,000	US TREASURY NOTES 2.750% Due 11-15-23	103.20	3,560,238	106.47	3,673,077	3.09	94,875	35,836	1.89
1,000,000	U S TREASURY NOTES 5.250% Due 02-15-29	110.42	1,104,150	134.25	1,342,470	1.13	52,500	6,705	2.27
1,375,000	US Treasury Note 3.500% Due 02-15-39	86.77	1,193,038	112.80	1,550,959	1.31	48,125	6,146	2.75
	Accrued Interest				76,230	0.06			
			12,248,354		13,238,471	11.15		76,230	
<b>U.S. TREASURY INFLATION</b>									
1,566,372	US TREASURY INFLATION PROTECTED SECURITIES 1.625% Due 01-15-18	100.24	1,570,152	103.56	1,622,182	1.37	25,454	5,395	NA
1,344,398	US TREASURY INFLATION PROTECTED SECURITIES 0.125% Due 01-15-22	99.38	1,336,123	97.64	1,312,684	1.11	1,680	356	NA
957,220	US TREASURY INFLATION PROTECTED SECURITIES 0.250% Due 01-15-25	99.42	951,666	95.92	918,185	0.77	2,393	507	NA
486,400	US TREASURY INFLATION PROTECTED SECURITIES 1.375% Due 02-15-44	116.77	567,949	101.46	493,512	0.42	6,688	854	NA
	Accrued Interest				7,113	0.01			
			4,425,890		4,353,676	3.67		7,113	
<b>AGENCIES</b>									
200,000	FHLB 4.125% Due 03-13-20	111.21	222,430	111.61	223,224	0.19	8,250	412	1.42
2,250,000	FNMA 6.250% Due 05-15-29	128.42	2,889,495	138.71	3,121,065	2.63	140,625	53,125	2.81

\*\*CMBS Note - No further purchases after 12/31/08



# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

September 30, 2015



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
500,000	FHLMC 6.250% Due 07-15-32 Accrued Interest	120.42	602,104	141.28	706,390	0.59	31,250	6,597	3.08
					60,135	0.05			
			3,714,029		4,110,814	3.46		60,135	
<b>FNMA &amp; FHLMC</b>									
10,439	FNMA POOL # 254195 5.500% Due 02-01-17	99.33	10,369	102.25	10,674	0.01	574	48	1.12
10,351	FGLMC POOL E01136 5.500% Due 03-01-17	99.55	10,304	102.41	10,600	0.01	569	47	1.12
86,101	FGLMC POOL B17355 5.000% Due 12-01-19	101.34	87,255	103.97	89,518	0.08	4,305	359	2.56
103,902	FGLMC POOL B17982 4.000% Due 03-01-20	97.59	101,402	104.56	108,643	0.09	4,156	346	1.50
80,253	FNMA POOL 814349 4.500% Due 03-01-20	98.62	79,147	104.37	83,765	0.07	3,611	301	2.01
64,095	FNMA POOL 819922 5.500% Due 04-01-20	102.41	65,642	106.39	68,191	0.06	3,525	294	1.69
55,802	FNMA POOL 819924 4.500% Due 04-01-20	99.55	55,554	103.75	57,897	0.05	2,511	209	1.88
76,276	FNCI 5.00% POOL 888348 5.000% Due 05-01-22	103.55	78,982	107.72	82,164	0.07	3,814	318	1.09
161,911	FNMA 4.00% POOL AD2331 4.000% Due 03-01-25	102.73	166,338	106.50	172,430	0.15	6,476	540	2.00
87,252	FNCI 4% POOL AD7073 4.000% Due 06-01-25	103.15	89,999	106.42	92,855	0.08	3,490	291	1.48
2,464,087	FNMA 3% POOL AX8309 3.000% Due 11-01-29	103.52	2,550,715	104.24	2,568,564	2.16	73,923	6,160	2.10
18,777	FGLMC POOL C01403 6.000% Due 09-01-32	101.81	19,118	114.23	21,450	0.02	1,127	94	2.01
53,193	FGLMC POOL A16590 6.000% Due 12-01-33	103.27	54,930	114.39	60,847	0.05	3,192	266	2.14
88,094	FRN - FNMA POOL 820607 1.987% Due 03-01-35	102.47	90,267	105.05	92,541	0.08	1,750	146	0.90
18,856	FNMA POOL 826090 2.251% Due 07-01-35	99.47	18,756	100.72	18,992	0.02	424	35	2.33
65,341	FHLMC # A36703 4.500% Due 08-01-35	95.69	62,523	108.63	70,983	0.06	2,940	245	2.15

\*\*CMBS Note - No further purchases after 12/31/08

# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

September 30, 2015



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
74,589	FRN - FNMA POOL # 838293 2.230% Due 08-01-35	99.67	74,341	105.14	78,422	0.07	1,663	139	1.11
63,698	FNMA ARM POOL 745552 2.105% Due 02-01-36	100.53	64,033	105.66	67,303	0.06	1,341	112	0.71
14,204	FRN - FHLMC # 847740 2.451% Due 04-01-37	98.88	14,044	105.71	15,014	0.01	348	29	1.31
116,241	FRN - FHLMC # 1G2124 5.802% Due 08-01-37	99.81	116,023	106.68	124,002	0.10	6,744	562	1.15
46,237	FRN - FNMA POOL 943054 2.405% Due 08-01-37	100.94	46,671	105.81	48,926	0.04	1,112	93	0.73
62,781	FNCL 6.00% POOL 968813 6.000% Due 01-01-38	109.64	68,834	112.62	70,704	0.06	3,767	314	1.46
105,225	FHLMC # G08264 6.000% Due 04-01-38	100.76	106,022	112.86	118,756	0.10	6,313	526	1.45
112,614	FGLMC 5.5% POOL A77796 5.500% Due 05-01-38	108.01	121,632	110.78	124,750	0.11	6,194	516	1.74
131,090	FHLMC 5% POOL G05253 5.000% Due 02-01-39	107.02	140,297	109.48	143,514	0.12	6,554	546	2.25
141,051	FNCL 4.5 POOL AA6013 4.500% Due 05-01-39	103.59	146,115	108.54	153,095	0.13	6,347	529	2.06
2,496,703	FNCL 4% POOL FNAY8851 4.000% Due 08-01-45	106.12	2,649,626	107.12	2,674,518	2.25	99,868	8,322	2.65
	Accrued Interest				21,387	0.02			
			7,088,938		7,250,507	6.11		21,387	
<b>GNMA</b>									
22,484	GNMA POOL 2563 6.500% Due 03-20-28	100.44	22,582	117.50	26,419	0.02	1,461	122	1.86
23,012	GOV'T NAT'L MTG ASSN POOL# 587075 6.500% Due 05-15-32	101.25	23,299	116.38	26,782	0.02	1,496	125	2.62
132,867	GOV'T NAT'L MTGE ASSN POOL # 617115 5.500% Due 06-15-36	97.77	129,899	111.89	148,663	0.13	7,308	609	2.07
	Accrued Interest				855	0.00			
			175,780		202,719	0.17		855	
<b>COMMERCIAL MORTGAGE-BACKED SECURITIES</b>									
199,330	LB-UBS COML MTG TR 2006-C7 5.300% Due 11-11-38	100.35	200,031	100.59	200,512	0.17	10,565	587	4.47

\*\*CMBS Note - No further purchases after 12/31/08

# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

### September 30, 2015



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
497,072	FRN - J P MORGAN CHASE COML MTG SECS 5.883% Due 02-12-49	100.21	498,115	104.88	521,319	0.44	29,245	2,437	2.24
500,000	J P MORGAN CHASE COML MTG SECS 5.882% Due 02-15-51 Accrued Interest	100.50	502,481	105.17	525,840	0.44	29,410	2,451	2.52
					5,475	0.00			
			1,200,627		1,253,146	1.06		5,475	
<b>CORPORATE BONDS</b>									
250,000	HSBC FINANCE CORP 5.500% Due 01-19-16	106.89	267,235	101.34	253,357	0.21	13,750	2,750	1.04
350,000	UNITED HEALTH GROUP INC 5.375% Due 03-15-16	114.09	399,322	101.97	356,895	0.30	18,812	836	1.05
500,000	AT&T INC 2.950% Due 05-15-16	104.33	521,670	101.19	505,960	0.43	14,750	5,572	1.03
500,000	JOHNSON & JOHNSON 2.150% Due 05-15-16	104.26	521,320	101.13	505,635	0.43	10,750	4,061	0.34
1,250,000	TORONTO-DOMINION BANK (144A) 1.625% Due 09-14-16	99.93	1,249,162	100.73	1,259,150	1.06	20,312	959	0.85
500,000	BANK AMER CORP 5.625% Due 10-14-16	99.93	499,670	104.55	522,765	0.44	28,125	13,047	1.20
675,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	104.71	706,819	104.41	704,794	0.59	37,969	17,508	1.34
500,000	MORGAN STANLEY 5.750% Due 10-18-16	110.27	551,340	104.65	523,265	0.44	28,750	13,017	1.27
1,000,000	UBS AG LONDON PRIV PLACEMENT (144A) 2.250% Due 03-30-17	100.93	1,009,300	101.88	1,018,840	0.86	22,500	62	0.98
750,000	BANK OF NEW YORK MELLON 1.969% Due 06-20-17	102.60	769,522	101.32	759,885	0.64	14,767	4,143	1.19
500,000	CAMPBELL SOUP CO. 3.050% Due 07-15-17	106.83	534,130	102.81	514,040	0.43	15,250	3,219	1.46
500,000	INTERNATIONAL BUSINESS MACHS 5.700% Due 09-14-17	106.27	531,328	108.70	543,485	0.46	28,500	1,346	1.19
750,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	105.77	793,260	108.46	813,450	0.68	46,500	23,250	1.88
500,000	WELLS FARGO & CO 5.625% Due 12-11-17	99.58	497,920	108.74	543,720	0.46	28,125	8,594	1.56
500,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	497,860	109.42	547,125	0.46	28,750	4,792	1.62

\*\*CMBS Note - No further purchases after 12/31/08



# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

September 30, 2015



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
575,000	MCDONALDS CORP M/T/N 5.350% Due 03-01-18	107.54	618,377	108.96	626,514	0.53	30,762	2,564	1.56
500,000	GLAXOSMITHKLINE CAP INC 5.650% Due 05-15-18	104.59	522,950	110.89	554,450	0.47	28,250	10,672	1.41
1,000,000	US BANCORP 1.950% Due 11-15-18	100.30	1,003,040	101.04	1,010,430	0.85	19,500	7,367	1.61
500,000	CATERPILLAR FINANCIAL 7.150% Due 02-15-19	99.16	495,805	116.74	583,725	0.49	35,750	4,568	1.99
600,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	101.40	608,421	116.88	701,280	0.59	45,000	5,750	2.27
600,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	102.81	616,886	110.42	662,544	0.56	28,200	3,603	1.52
500,000	JP MORGAN CHASE & CO 6.300% Due 04-23-19	118.62	593,085	113.70	568,510	0.48	31,500	13,825	2.27
600,000	MICROSOFT CORP 4.200% Due 06-01-19	102.24	613,416	109.27	655,608	0.55	25,200	8,400	1.59
750,000	ADOBE SYSTEMS INC 4.750% Due 02-01-20	112.47	843,502	109.97	824,745	0.69	35,625	5,937	2.32
500,000	NBCUNIVERSAL MEDIA LLC 5.150% Due 04-30-20	114.02	570,115	112.87	564,375	0.48	25,750	10,801	2.18
750,000	DOW CHEMICAL CO* 4.250% Due 11-15-20	108.13	810,952	107.20	804,030	0.68	31,875	12,042	2.73
1,000,000	CAMPBELL SOUP CO 8.875% Due 05-01-21	129.52	1,295,200	129.74	1,297,450	1.09	88,750	36,979	3.04
786,000	CARGILL INC. (144a) 4.307% Due 05-14-21	98.06	770,763	109.51	860,725	0.72	33,853	12,883	2.48
750,000	GENERAL MILLS INC 3.150% Due 12-15-21	102.88	771,577	101.93	764,467	0.64	23,625	6,956	2.81
500,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	525,905	103.24	516,220	0.43	19,375	3,229	3.42
500,000	BELLSOUTH CORP 6.000% Due 11-15-34	97.52	487,595	102.96	514,810	0.43	30,000	11,333	5.74
500,000	MCDONALDS CORP 5.700% Due 02-01-39	120.31	601,570	114.76	573,790	0.48	28,500	4,750	4.66
500,000	CATERPILLAR INC 4.300% Due 05-15-44	103.05	515,235	97.04	485,195	0.41	21,500	8,122	4.48
	Accrued Interest				272,939	0.23			
			21,614,255		22,214,175	18.71		272,939	

\*\*CMBS Note - No further purchases after 12/31/08

# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

September 30, 2015



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>INTERNATIONAL FIXED INCOME FUNDS/ETF</b>									
50,000	VANGUARD TOTAL INTL BOND ETF	51.68	2,583,900	52.93	2,646,500	2.23	NA		
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>									
149,622	VANGUARD INST'L S&P500 INDEX FUND	108.77	16,273,704	175.40	26,243,774	22.10	NA		
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>									
52,344	ISHARES CORE S&P MIDCAP 400 ETF	97.14	5,084,529	136.61	7,150,714	6.02	NA		
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>									
240,975	ISHARES ETF CORE MSCI EAFE	58.75	14,156,102	52.81	12,725,890	10.72	NA		
<b>EMERGING MARKET FUNDS/ETF</b>									
122,300	ISHARES ETF CORE MSCI EMERGING MKTS	43.77	5,353,153	39.89	4,878,547	4.11	NA		
<b>REAL ESTATE</b>									
80,670	VANGUARD REIT ETF	49.55	3,996,989	75.54	6,093,812	5.13	NA		
<b>CASH AND EQUIVALENTS</b>									
	ALASKA MUNICIPAL LEAGUE INVESTMENT POOL		6,364,731		6,364,731	5.36			
	CASH RECEIVABLE		659		659	0.00	NA		
	DIVIDEND ACCRUAL		27,707		27,707	0.02			
			6,393,097		6,393,097	5.38			
<b>TOTAL PORTFOLIO</b>			<b>104,309,347</b>		<b>118,755,838</b>	<b>100</b>	<b>2,654,637</b>	<b>444,133</b>	

\*\*CMBS Note - No further purchases after 12/31/08

**PERFORMANCE HISTORY  
GROSS OF FEES  
CITY OF FAIRBANKS PERMANENT FUND  
(Gross of Fees)**



Time Period	Percent Return Per Period																		
	Total Account	Blend	Fairbanks 50 bp hurdle	Fixed Income	BARC AGG BENCH	Domestic Large Cap Equity	S&P 500 LARGE CAPS BENCH	Domestic Mid Cap Equity	S&P 400 MIDCAP BENCH	Int'l Equity	MSCI EAFE Index	Real Estate	S&P US REIT BENCH	Emerging Market Equity	MSCI EMERGING MARKET BENCH	Commodities	BLOOMBERG COMMODITY	Cash and Cash Equivalents	Citigroup 3 Month TBill Index - BENCH
09-30-14 to 10-31-14	1.75	1.62	0.04	0.77	0.98	2.44	2.44	3.54	3.56	-0.35	-1.45	9.94	9.96	2.23	1.18	0.00	-0.80	0.00	0.00
10-31-14 to 11-30-14	1.22	1.22	0.04	0.83	0.71	2.69	2.69	1.89	1.85	0.00	1.36	2.00	2.02	-1.10	-1.06	0.00	-4.07	0.00	0.00
11-30-14 to 12-31-14	-0.51	-0.38	0.05	0.15	0.09	-0.26	-0.25	0.84	0.82	-3.76	-3.46	1.91	1.94	-6.46	-4.61	0.00	-7.63	0.00	0.00
12-31-14 to 01-31-15	0.75	0.79	0.04	2.32	2.10	-3.00	-3.00	-1.13	-1.12	0.71	0.49	6.85	6.70	-0.20	0.60	0.00	-3.34	0.00	0.00
01-31-15 to 02-28-15	1.64	1.54	0.04	-1.17	-0.94	5.84	5.75	4.92	5.12	6.16	5.98	-3.67	-3.51	4.66	3.10	0.00	2.58	0.00	0.00
02-28-15 to 03-31-15	-0.13	-0.19	0.04	0.50	0.46	-1.58	-1.58	1.34	1.32	-1.21	-1.52	1.74	1.74	-2.06	-1.42	0.00	-5.14	0.00	0.00
03-31-15 to 04-30-15	0.28	0.39	0.04	-0.33	-0.36	1.01	0.96	-1.42	-1.49	3.87	4.08	-5.85	-5.87	7.41	7.69	0.00	5.73	0.00	0.00
04-30-15 to 05-31-15	0.17	0.00	0.04	-0.17	-0.24	1.29	1.29	1.67	1.78	-0.05	-0.51	-0.30	-0.23	-3.55	-4.00	0.00	-2.70	0.00	0.00
05-31-15 to 06-30-15	-1.60	-1.62	0.05	-0.87	-1.09	-1.93	-1.94	-1.22	-1.32	-2.88	-2.83	-4.67	-4.54	-2.54	-2.60	0.00	1.73	0.00	0.00
06-30-15 to 07-31-15	0.99	0.97	0.04	0.63	0.70	2.10	2.10	0.02	0.14	1.46	2.08	5.77	5.61	-6.26	-6.93	0.00	-10.62	0.00	0.00
07-31-15 to 08-31-15	-3.23	-3.06	0.04	-0.06	-0.14	-6.03	-6.03	-5.71	-5.58	-7.10	-7.36	-6.29	-6.22	-9.39	-9.04	0.00	-0.92	0.00	0.00
08-31-15 to 09-30-15	-0.82	-0.86	0.04	0.65	0.68	-2.48	-2.47	-3.16	-3.22	-4.26	-5.08	3.06	3.06	-1.97	-3.01	0.00	-3.42	0.00	0.00
<b>Date to Date</b>																			
09-30-14 to 09-30-15	0.40	0.31	0.50	3.23	2.94	-0.48	-0.61	1.12	1.40	-7.83	-8.66	9.38	9.61	-18.66	-19.28	0.00	-25.99	0.00	0.02



CLAY STREET CEMETERY COMMISSION  
REGULAR MEETING MINUTES, NOVEMBER 4, 2015  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA



The **Clay Street Cemetery Commission** convened at 5:00 p.m. on the above date to conduct a Regular Meeting at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Chair Bill Robertson presiding and with the following members in attendance:

Members Present: Dave Erickson, Seat A  
Aldean Kilbourn, Seat C  
Frank Turney, Seat D  
David Mann, Seat F

Absent: Scott McCrea, Seat G  
Vacant, Seat B

Also Present: Emily Braniff, Deputy City Clerk  
Paul Ewers, City Attorney

**APPROVAL OF PREVIOUS MINUTES**

a) Regular Meeting Minutes of October 7, 2015.

**Ms. Kilbourn**, seconded by **Mr. Erickson**, moved to APPROVE the Regular Meeting Minutes of October 7, 2015.

**Chair Robertson** called for objection and, hearing none, so ORDERED.

**APPROVAL OF AGENDA**

**Ms. Kilbourn**, seconded by **Mr. Turney**, moved to APPROVE the Agenda as presented.

**Chair Robertson** called for objection and, hearing none, so ORDERED.

**CITIZEN'S COMMENTS**

**Chair Robertson** called for Public Testimony and, hearing none, declared Public Testimony closed.

**COMMUNICATIONS TO COMMISSION**

a) Clay Street Cemetery Commission Financial Breakdown

The Commission took a brief look at the financial breakdown and seeing that there was no change in status from the last update chose to move on with the meeting.

## UNFINISHED BUSINESS

### a) Viewing of the Re-interment Photos

The Commission convened at the front of the Council Chambers to view the re-interment photos of the unknown remains from the Clay Street Cemetery. **Chair Robertson** shared some information regarding the photos of the remains.

### b) Bed Tax Request

**Chair Robertson** stated that he turned the Bed Tax request in on November 2, 2015 and shared that his request was made for \$14,000.00. **Chair Robertson** stated that he is seeking out other donors and that he is also going to ask his Rotary Club for a donation. **Chair Robertson** stated that he would like to purchase all-weather posts that would be seen above the snow to mark sections of the cemetery. **Chair Robertson** gave a brief description of what he thought would make a good post.

**Ms. Kilbourn** stated that would be a great help to visitors to the cemetery because she went to the cemetery and it was difficult for her to navigate.

### c) Review of Commission Rules of Procedure

**Chair Robertson** stated that he wants all Commission members to have job descriptions. **Ms. Kilbourn** suggested that rather than hash out everyone's job description at the table that members should do it by a group email.

**Mr. Turney** asked City Attorney Paul Ewers if communicating by email with the members was a violation of the Open Meetings Act. Mr. Ewers stated that it would not violate the Open Meetings Act. **Mr. Turney** stated that he gives tours to tourists that come to the cemetery as part of his grounds work for his position on the Commission.

**Chair Robertson** agreed that everyone should send him an email with a breakdown of what they believe their role on the commission is.

### d) Erica Miller's Request

**Ms. Kilborn** stated she spoke with Ms. Miller and that she let her know her marker requests were received but that they would not be placed this calendar year. **Ms. Kilborn** stated that Ms. Miller was initially upset but that after explaining the grounds were not ready for marker placement that she understood. The issue of Ms. Miller's request was then tabled until the February 3, 2016 meeting.

## NEW BUSINESS

### a) Review of Commission/Cemetery Rules

The rules were distributed but they were not discussed.

b) Commission Positions/Requirements

**Chair Robertson** reiterated the importance of each member having a specific job.

c) Future Commission Plans

**Chair Robertson** stated he did not see a reason to have meetings in December and January; he again discussed the importance of each seat having a job description.

**Ms. Kilbourn** stated that the Commission Members could send reply all emails to discuss each person's roll on the Commission and Chair Robertson agreed. **Ms. Kilbourn** stated that she did not think she would be in town for the February meeting.

**Ms. Kilbourn**, seconded by **Mr. Erickson**, moved to suspend Commission meetings until the February 3, 2016 meeting.

**Chair Robertson** called for objection and hearing none, declared the motion carried.

**OPEN AGENDA**

**Ms. Kilbourn** stated she spoke with Bill Beistline and that he would like to put a monument at the Clay Street Cemetery for Charlie Mack. **Ms. Kilbourn** stated that somewhere on the City website that there should be a simple breakdown of what it would cost a person to have the City place a monument or a marker. **Ms. Kilbourn** stated that Brandon Lolley requested that the marker for Andrew Kuhnen be placed at the cemetery. **Ms. Kilbourn** stated that on the Clay Street Cemetery listing that Mr. Kuhnen was listed with the wrong last name and requested that it be corrected; she stated he is listed as Andrew Kishner at the present time.

**Chair Robertson** asked if the Clerk's Office had received an application for the empty chair position. Ms. Braniff stated that there have been no applications received. **Chair Robertson** stated that he has been trying to get Tom Gross to apply because he has been in Fairbanks for a long time and that he works with the Boy Scouts. **Chair Robertson** stated that the Boy Scout kiosk is complete and in his shop and that it will be installed at the cemetery first thing in the spring. **Chair Robertson** stated that he is working with Award Makers to make a paper copy of the Eagle Scout Badge for the Kiosk so the real badge does not get stolen.

**Ms. Kilbourn** stated that the map that she was given of the cemetery is very hard to read and that she would like to get a better map. **Chair Robertson** stated he had some better maps and he would help her get a better map.

**NEXT MEETING DATE**

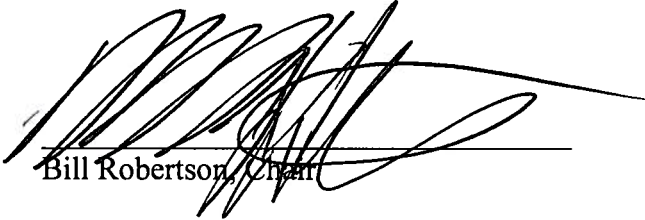
The next Regular Meeting of the Clay Street Cemetery Commission is scheduled for February 3, 2016.

**ADJOURNMENT**

**Ms. Kilbourn**, seconded by **Mr. Erickson**, moved to ADJOURN the meeting.

**Chair Robertson** called for objection and, hearing none, so ORDERED.

**Chair Robertson** declared the meeting adjourned at 6:00 P.M.



Bill Robertson, Chair



Emily Braniff, Deputy Clerk

Transcribed by: EB

*City of Fairbanks*



**MEMORANDUM**

To: City Council Members  
From: John Eberhart, City Mayor  
Subject: Request for Concurrence – Building Code Review & Appeals Commission  
Date: February 4, 2016

---

The five-year terms of Mr. Spencer Damschroder as an alternate member on the Building Code Review & Appeals Commission expired on December 31, 2015. Mr. Damschroder has applied to continue his service on the Commission.

I hereby request your concurrence to the following **re-appointment** to the Building Code Review & Appeals Commission:

Alternate Member    Spencer Damschroder    Term to Expire: December 31, 2020

Application information is attached.

Thank you.

dds/


A handwritten signature in blue ink, appearing to read "John Eberhart", is written over the typed name "John Eberhart" in the signature block.








# BUILDING CODE REVIEW & APPEALS COMMISSION


## BOARD DETAILS




 **OVERVIEW**


-  **SIZE** 12 Seats
-  **TERM LENGTH** 5 Years
-  **TERM LIMIT** N/A

The purpose of the Building Code Review and Appeals Commission is:

- 1) To review the building, electrical, plumbing, fire prevention, residential, mechanical, fuel gas and abatement codes and related provisions of the Fairbanks Code of Ordinances and make recommendations regarding building construction and housing codes adopted by the City,
- 2) To investigate and review all operations of the building department of the City, to submit recommendations on policy to the City Council, and to make recommendations on administration to the mayor, and
- 3) To hear and determine in the first instance all appeals from final staff decisions relating to building construction within the City including the Uniform Code for the Abatement of Dangerous Buildings. Any decision of the board may be appealed to the superior court in accordance with the appellate rules of the state court system.

 **CONTACT**

-  Office of the City Clerk
-  (907) 459-6771
-  cityclerk@ci.fairbanks.ak.us

 **DETAILS**

**BOARD/COMMISSION CHARACTERISTICS**

The Building Code Review and Appeals Commission consists of nine members appointed by the Mayor, subject to confirmation by the City Council, and each member shall serve a five-year term; all terms expire on December 31st of the fifth year. The members of the Commission must reside or work, and have experience with the design or construction of structures within the City. The Building Official shall be an ex officio member of the Commission, who may provide information and recommendations but may not vote on any matter. Two alternate members are appointed by the Mayor, subject to City Council confirmation, to serve in the place of any absent member or otherwise assist the Commission as directed by the chairman.

**MEETINGS**

Meetings of the Building Code Review and Appeals Commission are called when the subject matter warrants. The chairman is authorized to call meetings, or a majority of the members may require that a meeting be called. All meetings shall be open to the public, except that closed meetings may be held as provided by law. A majority (five members) of the commission shall constitute a quorum and a majority vote of those present and voting shall be necessary to carry any question. Minutes shall be kept as a permanent record of all meetings and shall be filed in the Office of the City Clerk.

[Meeting Minutes](#)

**ENACTING LEGISLATION** FGC 2-481 through 2-484

**ENACTING LEGISLATION WEBSITE** <http://bit.ly/1sG9Rfd>

**JOINT COMMISSION DETAILS** N/A

### Profile

Spencer

First Name

Damschroder

Last Name

[Redacted]

Email Address

[Redacted]

Street Address

[Redacted]

Suite or Apt

Fairbanks

City

AK

State

[Redacted]

Postal Code

### Mailing Address

[Redacted]

### Non-Resident

What district do you live in?

[Redacted]

Primary Phone

[Redacted]

Alternate Phone

Tilly and Company

Employer

[Redacted]

Job Title

### Which Boards would you like to apply for?

Building Code Review & Appeals Commission

### Interests & Experiences

Question applies to Fairbanks Diversity Council.

**Please tell us how your diversity will benefit and contribute to the mission and purpose of the Diversity Council.**

**Why are you interested in serving on a board or commission? What life experience can you contribute to the benefit of the board or commission?**

---

I am interested in providing quality construction to the Fairbanks community at an affordable price

**Brief Personal Biography (or attach resume):**

---

28 years local building experience in residential and commercial construction

---

Upload a Resume

**Professional Licenses/Training:**

---

Member Carpenter's Local 1243