



FAIRBANKS CITY COUNCIL  
AGENDA NO. 2015-13  
**REGULAR MEETING JULY 6, 2015**  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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PRELIMINARY MEETING

6:00 p.m. Work Session – City Road Maintenance Project Plans

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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 March 9, 2015
  - \*b) Regular Meeting Minutes of March 23, 2015

7. SPECIAL ORDERS

8. MAYOR'S COMMENTS AND REPORT

9. UNFINISHED BUSINESS

- a) Ordinance No. 5984, as Amended – An Ordinance Amending the 2015 Operating and Capital Budgets for the Fifth Time. Introduced by Mayor Eberhart. SECOND READING AND PUBLIC HEARING.

10. NEW BUSINESS

- \*a) Ordinance No. 5985 – An Ordinance Amending Fairbanks General Code Section 2-149 to Add an Additional Requirement for Fiscal Notes. Introduced by Council Member Cleworth.
- \*b) Ordinance No. 5986 – An Ordinance Enacting a Retail Sales Tax on Marijuana and Referring the Ordinance for Ratification at the Next General Election. Introduced by Council Member Pruhs.

11. DISCUSSION ITEMS (INFORMATION AND REPORT)

- a) Committee Reports

12. COMMUNICATIONS TO COUNCIL

- \*a) Memo Regarding One-time Waiver of Advertising for ITB 15-22
- \*b) Memo Regarding FFD Driver Deployment Replacement

13. COUNCIL MEMBERS' COMMENTS

14. CITY CLERK'S REPORT

15. CITY ATTORNEY'S REPORT

16. EXECUTIVE SESSION – Labor Negotiations: Fairbanks Firefighters Union (FFU)

17. ADJOURNMENT



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, MARCH 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, 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

Absent: Renee Staley, Seat A

Also Present: Warren Cummings, Fire Chief  
Ernie Misewicz, Assistant Fire Chief  
Paul Ewers, City Attorney  
D. Danyielle Snider, Deputy City Clerk  
Jim Williams, Chief of Staff  
Ben Barrio, IT Director  
Jim N. Soileau, Chief Financial Officer  
Randall Aragon, Police Chief  
J.B. Brainerd, Deputy City Attorney  
Amber Courtney, Communications Director/PIO

### INVOCATION

The Invocation was given by Deputy City Clerk Danyielle Snider.

### FLAG SALUTATION

Mayor Eberhart led the Flag Salutation.

### APPROVAL OF AGENDA AND CONSENT AGENDA

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

Mr. Cleworth pulled Resolution No. 4661 from the Consent Agenda.

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

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

## CITIZEN'S COMMENTS

Jomo Stewart, 1153 Coppet Street, Fairbanks – Mr. Stewart stated that he is the Energy Project Manager for the Fairbanks Economic Development Corporation (FEDC). He spoke in favor of Resolution No. 4661 and stated that FEDC sent a letter to the Resources Committee that was heard earlier in the day regarding HB 105 and SB 50. Mr. Stewart stated that the bills would advance the Interior Energy Project by expanding Alaska Industrial Development and Export Authority's (AIDEA) ability to source gas from other places besides the North Slope. Mr. Stewart stated that he has had the pleasure to work with Deputy Clerk Danyielle Snider and indicated that she is a benefit to the City of Fairbanks.

**Mr. Pruhs** asked Mr. Stewart if he believes it was important for the Borough to unanimously support their resolution to support AIDEA's continued commitment to the Interior Energy Project.

Mr. Stewart stated that he believes it is important for unanimous support to come from any governing body. He expressed his belief that the legislation regarding the Interior Energy Project faces some fairly substantial headwinds.

Bob Shefchik, 557 Grandview Court, Fairbanks – Mr. Shefchik stated that he is currently the Interior Energy Project team lead working for AIDEA and spoke in favor of Resolution No. 4661. He listed the various components of the project: supply, transportation, liquefaction, distribution, storage, and conversion. He stated that AIDEA is looking seriously at a South Central supply chain as well as the northern supply. Mr. Shefchik spoke to the importance of community support.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger spoke to the drug traffic and drug deals that he has observed in the South Side of Fairbanks near 23rd and Rickert Street. He stated that many of the problems in Fairbanks stem from addiction. He spoke to the need for public restroom facilities in Fairbanks.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney reminded everyone that J.P. Jones was a civil rights activist in Fairbanks whose biggest complaint was that the police harassed black and native individuals. He spoke to the recent Community Policing meeting where he brought up the issue of self-defense within citizens' homes. Mr. Turney stated that people do not have to retreat when they are invaded in their own home under Second Amendment rights. Regarding marijuana, Mr. Turney stated that the drug stays in the human body for up to 30 – 60 days. He stated that he knows professional people in all levels of government that smoke marijuana. He stated that the City's Police Department employees should be drug tested and expressed hope that the City could soon reach an agreement with the Public Safety Employee Association (PSEA). He stated that if the labor issue results in litigation, it will put a burden upon Fairbanks taxpayers. Mr. Turney stated that he received an email from an elected official in the room with an empty room, implying that no one is listening to what he has to say. He stated that people do listen to him, whether they are in low places or high places.

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

## **APPROVAL OF PREVIOUS MINUTES**

- a) Regular Meeting Minutes of December 1, 2014.

APPROVED on the CONSENT AGENDA

- b) Regular Meeting Minutes of December 8, 2014.

APPROVED on the CONSENT AGENDA

## **SPECIAL ORDERS**

- a) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Appeal of Denied Application for a New Chauffeur License:

Appellant: Brian K Corty

**Mr. Matherly**, seconded by **Mr. Gatewood**, moved to GRANT the Appeal of Denied Application for a New Chauffeur License.

**Mayor Eberhart** called for Public Testimony.

Brian Corty, PO Box 1054, Delta Junction – Mr. Corty stated he has lived in Delta Junction for ten years. He stated there are many services available in Fairbanks that are not available in Delta Junction. He indicated that his primary reason for seeking a City Chauffeur License is to help individuals on public assistance make it to their medical appointments in Fairbanks. Mr. Corty stated he sought employment with a licensed Fairbanks cab company so that he would not have to start the process from scratch. He explained that the Fairbanks General Code does not allow for a Chauffeur's License to be issued to an individual residing outside of the Fairbanks North Star Borough. He stated that is why he is appealing the denied application.

**Mr. Matherly** asked Mr. Corty if he plans to provide services to the general public.

Mr. Corty indicated he would likely provide services to others, but stated his primary work would be in transporting individuals to and from Fairbanks for medical appointments. He stated according to his research, the Municipality of Anchorage, the City of Fairbanks and the City and Borough of Juneau are the only local governments in Alaska that regulate the commercial transport industry.

Victor Buberger – Mr. Buberger expressed his opinion that the City of Fairbanks should get out of the appeal business and leave it to the court.

Frank Turney – Mr. Turney expressed concern with the fees to get from Fairbanks to Delta Junction. He spoke in support of having meters in taxicab-type transportation so that the rate is fair to customers.

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

**Mr. Cleworth** asked the City Attorney to speak to the reasoning behind the residency requirement.

City Attorney Ewers surmised that the residency requirement was related to a person knowing their way around town. He stated that when the rule was written, GPS satellite location on cell phones and computers was not available.

**Mr. Cleworth** stated he believes Mr. Corty has a legitimate case and that he is happy the City has an appeals process. He stated since Mr. Corty is already operating under a licensed cab company and he will be in compliance with the color requirements, he will be voting in his favor.

**Mr. Pruhs** echoed Mr. Cleworth's thoughts and used the example of someone from Nenana wanting to do the same thing working under an existing licensed cab company. He stated it is a good service that brings people into the city of Fairbanks.

**Mr. Matherly** stated he thought the appeal was interesting as Mr. Corty qualifies in every way except residency. **Mr. Matherly** suggested that it maybe time to update the regulation to reflect people's ability get around better due to modern day technology.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO GRANT THE APPEAL OF DENIED APPLICATION FOR A NEW CHAUFFEUR LICENSE AS FOLLOWS:

YEAS: Pruhs, Gatewood, Cleworth, Matherly, Walley

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 Applications for Renewal:

Lic #	Establishment Name	License Type	Premise Location	Owner Name
77	300 Club	Beverage Dispensary	940 Cowles St	Karen A. Meadows-Sours
426	Frontier Club	Beverage Dispensary	No Premises	Boulder Investments, Inc.
617	K & L Distributors	Wholesale General	945 Elizabeth St	K & L Distributors, Inc.
1377	Rock N Rodeo Bar & Grill	Beverage Dispensary	600 Old Steese Hwy	Scruff-N-Pork's, Inc.
1912	Gold Rush Saloon	Beverage Dispensary	3399 Peger Rd	Downriver, Inc.
1966	Loyal Order of Moose #1392	Club	98 Tenth Ave	Fairbanks Lodge #1392

Lic #	Establishment Name	License Type	Premise Location	Owner Name
2124	Los Amigos	Beverage Dispensary	636 28 <sup>th</sup> Ave (upstairs)	Two Amigos, LLC
2512	2 Go Mart #114	Package Store	2110 Peger Rd	Tesoro Northstore Company
2847	Bojangles	Beverage Dispensary	1351 Cushman St	Scruff-N-Pork's, Inc.
3050	Gambardella's Pasta Bella	Restaurant / Eating Place	706 2 <sup>nd</sup> Ave	Gambardella's II, Inc.
3336	Soapy Smith's Pioneer Restaurant	Restaurant / Eating Place	543 2 <sup>nd</sup> Ave	Nicholas V. Stepovich
3965	K & L Beverage Company	Wholesale General	945 Elizabeth St	K & L Beverage Company, LLC
4216	2 Go Mart #115	Package Store	99 College Rd	Tesoro Northstore Company
4314	Gallo's Mexican Restaurant	Beverage Dispensary	60 College Rd	Northern Lights Business, Inc.
4465	Roundup Steak House	Beverage Dispensary	2701 S Cushman St	The Last Roundup, LLC
4504	Gold Rush Deli	Beverage Dispensary	3399 Peger Rd #C	Upriver, Inc.
4547	Chili's Grill & Bar	Beverage Dispensary	No Premises	Duke Investments, LLC
4548	Brewsters	Beverage Dispensary	354 Old Steese Hwy	Restaurant Concepts, LLC
4565	2 Go Tesoro	Package Store	3569 S Cushman St	Tesoro Northstore Company
4763	Bobby's Downtown	Beverage Dispensary	609 Second Ave	Delta Epsilon, Inc.
4880	Friar Tuck's Hoagie House	Restaurant / Eating Place	427 Merhar Ave, Unit 2	Joshua Roach & Stafford Roach
5262	Aha Oriental Kitchen	Restaurant / Eating Place	996 Blair Road	Moonstone, LLC

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to WAIVE PROTEST on all the Liquor License Applications for renewal except Soapy Smith's Pioneer Restaurant and Frontier Club.

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

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON ALL THE LIQUOR LICENSE APPLICATIONS FOR RENEWAL EXCEPT SOAPY SMITH'S PIONEER RESTAURANT AND FRONTIER CLUB AS FOLLOWS:

YEAS: Gatewood, Walley, Pruhs, Matherly, Cleworth

NAYS: None

ABSENT: Staley

**Mayor Eberhart** declared the MOTIION CARRIED.

**Mr. Pruhs**, seconded by **Mr. Gatewood**, moved to PROTEST Soapy Smith's Liquor License Application for Renewal.

**Mayor Eberhart** called for Public Testimony.

Nick Stepovich, 543 2nd Avenue, Fairbanks – Mr. Stepovich stated he was the owner of Soapy Smith's. Mr. Stepovich stated the main means of his business was to show off Alaska's history and serve good food. He discussed how tough it is to have a small business in the City of Fairbanks with all of the inspections and permit fees. He stated he has been in business for over 20 years and this year he was shocked by the amount of violations he was marked with by the Fire Marshal. Mr. Stepovich stated many of the violations he has been marked with have been in place since before he purchased the restaurant and never caused violations before; he expressed his belief that the Fire Marshal is being heavy handed. Mr. Stepovich stated he believes the scope of the violations went outside of his restaurant and wanted to know why two inspectors were sent when typically only one comes.

**Mr. Cleworth** thanked Mr. Stepovich for coming to the meeting and asked which of the violations on the list were giving him the most grief. **Mr. Cleworth** stated he understands the hood in the kitchen will take some time.

Mr. Stepovich stated that the exit signs, the sprinkler system and the hood over the food equipment are posing the most problems. He shared his disbelief that the violations are truly infractions as they have not been listed on prior inspections. He stated that remodeling the hood would force him to consider closing his business and that he does not see a need to change it. He stated violations in the basement do not relate to the restaurant as no beer or wine is sold from the basement. He stated that the issues with the basement should not close down his restaurant they and those violations should be shouldered by his landlord not himself.

**Mr. Pruhs** clarified that Mr. Stepovich was not the building owner; Mr. Stepovich confirmed. **Mr. Pruhs** cited the original fire inspection report stating Mr. Stepovich had someone living in his basement. **Mr. Pruhs** asked why having a person living in the basement is a violation. Mr. Stepovich stated he did not understand it either because he does not own the building and he feels that the inspector overstepped his boundaries since the basement is not related to the restaurant or the beer and wine license. **Mr. Pruhs** cited the plumbing violation on the report and asked if that violation had been on-site from the time the building was constructed and Mr. Stepovich confirmed. **Mr. Pruhs** asked if he had ever been cited on that violation and Mr. Stepovich confirmed he had not.

**Mr. Matherly** stated that he understood Mr. Stepovich's frustration and that he understands the service he is trying to provide the community. **Mr. Matherly** stated when his father owned the Dairy Queen he had to go thru the same reports. He stated that sometimes things get old and may need updating. **Mr. Matherly** asked Mr. Stepovich which of the sixteen items on the list what have already been fixed. Mr. Stepovich stated he fixed items two through nine but 10-16 were basement issues and he did not believe them to be his problem. He stated he would have a sprinkler system guy come in and take a look at item 1.

Frank Turney 329 6th Avenue, Fairbanks – Mr. Turney reported that when his family comes to town he tells them all to go to Soapy Smith's for the great food and the quality local history that is on display. Mr. Turney stated that he believes there is a political game going on with the



reported violations at Mr. Stepovich's restaurant. He requested the Council give him a break on some of the violations.

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

**Mayor Eberhart** requested a department report of Chief Cummings and Mr. Misewicz. Chief Cummings stated the Fire Department's concern is first the safety of the public and second the safety of the buildings surrounding it. Mr. Misewicz stated that initially the Fire Department received the request to do an inspection for the purposes of reissuing the Liquor License. Mr. Misewicz stated prior to going onsite he looked back in the file to see if prior violations had been corrected. He stated the sprinkler system and the kitchen hood were both in violation on the last inspection and that neither of those violations had been corrected. Mr. Misewicz stated he has a new inspector and that the new inspector was present at the time of the inspection. He reported that the Sprinkler System is a requirement in the building and they had to inspect the basement because the controls to the sprinkler system are located there. He explained that upon entering the room where the controls are located, they found a person sleeping; he stated that the violation was because the basement is not designed as a living space. He stated that items 10-16 were listed because they affect the safety of the whole building. He indicated that the Protest is requested until such time the safety issues are corrected. He stated the safety of the building and the people in it is the issue. He added that the sprinkler system and kitchen hood servicing was requested in prior inspections but compliance never occurred.

**Mr. Walley** asked Mr. Misewicz about the previous inspection and whether the City followed up to verify the corrections were made. Mr. Misewicz replied that he had gone back several times to check for corrections and that each time he was told they were working on it. He explained that follow-up letter was sent but the corrections were not made. He reported the procedure that was used was no different than any other inspections. **Mr. Walley** asked Mr. Misewicz what timeline he expected the items on the deficiency list should be corrected. He answered he expects corrections should begin immediately. He stated he also understands that on occasion the corrections cannot be done immediately because of access to tools and equipment but that he expects to see some kind of progress.

**Mr. Matherly** asked Mr. Misewicz if he had spoken to the owner of the building to address the concerns on the deficiency list. He responded by saying he typically notifies the responsible person at the time of the inspection and then they make the determination if it is a landlord or tenant issue. He cited that when he does inspections at Wal-Mart he deals with the store manager and the manager then deals with corporate to correct any issues. He stated that up until this meeting he was never informed that he needed to deal with a landlord at the Soapy Smith building. **Mr. Matherly** asked if they had to go into the basement as part of their inspection. Mr. Misewicz replied that they had to access the sprinkler controls that are located in the basement. He stated the controls are in a store room in the basement and that is where they found the person sleeping; he stated that if the person had been in another room they may not have seen him and they would not have known he was living down there. Mr. Misewicz stated the other issues on the deficiency list were on the way to the sprinkler controls but that they did not inspect the entire basement.

**Mr. Cleworth** asked Mr. Misewicz if the fire department has the same appeals process for inspections as the building department does. Mr. Misewicz stated the process is the same.

**Mr. Pruhs** referred to the photos Mr. Misewicz provided in his report. He asked if the overloaded electrical outlet was in the kitchen; Mr. Misewicz replied yes. **Mr. Pruhs** asked if the last two pictures were in the basement, Mr. Misewicz replied yes. **Mr. Pruhs** questioned if the deficiency relating to the cook appliances not being under the hood had been on previous inspection reports; Mr. Misewicz replied it had been brought up several times and that it has been a code requirement for several years. **Mr. Pruhs** referred to the photo of the hood vent and directed Mr. Stepovich to get it cleaned. **Mr. Pruhs** referred to the pictures of the painted sprinkler head and the loaded sprinkler head and asked where they were located. Mr. Misewicz stated they were on the restaurant level in the hallway. **Mr. Pruhs** questioned why there is an issue with a person living in a restaurant. Mr. Misewicz said it is not an issue relating to living in a restaurant but that the area does not comply with the code for a living space.

**Mr. Cleworth** asked Ms. Snider when the ABC Board Hearing will be; Ms. Snider stated it will be held March 31, 2015. He asked Mr. Ewers if Mr. Stepovich could be granted a conditional approval while he works on the issues. Mr. Ewers replied the former Clerk Ms. Hovenden did not like conditional approvals as there is no way to monitor the corrections once it gets passed by the ABC Board.

**Mr. Cleworth**, seconded by **Mr. Pruhs**, moved to POSTPONE the Soapy Smith's Liquor License Application for Renewal to the Regular Meeting of March 23, 2015.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO POSTPONE SOAPY SMITH'S LIQUOR LICENSE APPLICATION FOR RENEWAL TO THE REGULAR MEETING OF MARCH 23, 2015 AS FOLLOWS:

YEAS: Walley, Matherly, Pruhs, Cleworth

NAYS: Gatewood

ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED.

**Mayor Eberhart** asked if there was a motion to PROTEST the Frontier Club's Liquor License due to unpaid taxes.

**Mr. Cleworth**, seconded by **Mr. Matherly**, moved to PROTEST the Frontier Club Liquor License Application for Renewal until all back taxes were paid to the City of Fairbanks.

**Mr. Pruhs** stated that until the correct owner is known that the Council should not endorse the Liquor License renewal. **Mr. Matherly** stated that he thought Bill Stewart was the owner but the unpaid taxes were the issue. **Mr. Pruhs** agreed.

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

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO PROTEST THE FRONTIER CLUB LIQUOR LICENSE APPLICATION FOR RENEWAL UNTIL ALL BACK TAXES WERE PAID TO THE CITY OF FAIRBANKS AS FOLLOWS:

YEAS: Matherly, Gatewood, Pruhs, Cleworth, Walley

NAYS: None

ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED.

- c) 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 and Location:

Type: Beverage Dispensary, License #270

To: Franklin Eagle  
No premises

From: Comet Club/John H. Moneymaker  
208 Gaffney Road, Fairbanks

**Mr. Gatewood**, seconded by **Mr. Walley**, moved to WAIVE PROTEST on the Liquor License Application for Transfer of Ownership and Location.

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

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

YEAS: Cleworth, Pruhs, Walley, Matherly, Gatewood

NAYS: None

ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED.

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

**Mayor Eberhart** reported the past Friday was National Employee Appreciation Day and recognized the City for having many outstanding employees. He reported that he met with Rodney Gaskins regarding proposed cuts to social services grants and that the proposals would have severely impacted the Rescue Mission, Salvation Army, Housing First and the Alaska Center for Non-Violent Living. He stated that he testified at the Legislative Information Office and he is proud to report most of those cuts have now been restored. **Mayor Eberhart** shared the many meetings and gala's he attended since the last Council meeting. He stated negotiations have started with the FFU and that they had reached an agreement on ground rules at the first meeting. He discussed the importance of the F-35's coming to Fairbanks and the impact they will have on the community. He reported he met with Chief Aragon to discuss his first three

months with the City regarding operations and procedures. He reported the FPD had a kickoff party for their community policing program at the JP Jones Community Center. He thanked Chief Aragon and all the officers who were in attendance. He stated the importance of the relationship between police and the community and cited the issues in Ferguson and the lack of trust those communities have with police. He stated the City of Fairbanks does not want to have the same issues as Ferguson and that community policing is a proactive way to avoid such problems.

### **UNFINISHED BUSINESS**

- a) Ordinance No. 5965 – An Ordinance Amending Fairbanks General Code Section 2-118.1 to Add an Additional Public Member to the Council Finance Committee. Introduced by Council Members Matherly and Cleworth.

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to ADOPT Ordinance No. 5965.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5965 AS FOLLOWS:

YEAS: Pruhs, Gatewood, Cleworth, Matherly, Walley

NAYS: None

ABSENT: Staley

**Mayor Eberhart** declared the MOTION CARRIED and Ordinance No. 5965 ADOPTED.

### **NEW BUSINESS**

- a) Resolution No. 4660 – A Resolution Amending the Schedule of Fees and Charges for Services by Adjusting Refuse Collection Rates. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4661 – A Resolution Supporting the Alaska Industrial Development and Export Authority Purchase of PENTEX and Fairbanks Natural Gas. Introduced by Council Members Pruhs and Walley.

**Mr. Pruhs**, seconded by **Mr. Walley**, moved to APPROVE Resolution No. 4661.

**Mayor Eberhart** stated public testimony was heard on Resolution 4661 and asked the Council if they had any questions or discussion.

**Mr. Cleworth** asked if Mr. Stewart and Mr. Shefchik could come forward. **Mayor Eberhart** asked if there was any objection and, seeing none, he called Mr. Stewart and Mr. Shefchik forward. **Mr. Cleworth** asked Mr. Shefchik if he could refresh his memory on the financing package that was given to them by Governor Parnell. Mr. Shefchik stated there were \$57.5 million in a direct appropriation; \$125 million in SETS funds (sustainable energy transmission system;) and \$150 million in bond authorization that AIDEA could sell bonds to use for the

project. **Mr. Cleworth** asked if IGU had tapped into the funds; Mr. Shefchik replied affirmatively. Mr. Shefchik stated that they have borrowed \$8 million to do the design work for the North Pole area and the area outside of the core of North Pole. He stated that IGU has also been approved for \$29 million for which \$16 million will be used for construction in North Pole this summer. He stated that the remainder is set aside for temporary storage and design work for phases two and three. **Mr. Cleworth** asked how the AIDEA board envisions operating the project. Mr. Shefchik stated that it would be a membership LLC purchase; he stated that AIDEA would purchase the membership interest from a hedge fund in Minnesota. He stated that FNG would still be a business but it would be managed by FNG and AIDEA as directing owner. **Mr. Cleworth** asked Mr. Shefchik to clarify whether FNG was or was not going to be bought out; Mr. Shefchik explained that FNG is purchasing PENTEX so AIDEA would own FNG.

**Mr. Pruhs** asked Mr. Shefchik what estimated drop in gas prices that was given by the Chairman of AIDEA to the Chamber of Commerce. He replied an eight to 14% drop in price.

**Mr. Gatewood** asked if FNG employees would become State employees if the proposed plan comes to fruition. Mr. Shefchik replied that they would still be FNG employees because AIDEA takes ownership interests in private entities in a majority or minority position, while those entities remain private and separate from the State.

**Mr. Cleworth** stated there is a complaint among the community that FNG's gas is only 20% cheaper than regular fuel and asked if an ownership change would bring about a bigger discount. Mr. Shefchik replied that ownership changes would create a better discount. **Mr. Cleworth** stated it was his understanding that the energy rates in Anchorage have gone up in the past few years; Mr. Shefchik confirmed. **Mr. Cleworth** asked if the project was considered a failure because the rate of discount does not meet the goal of the 50% savings. Mr. Shefchik stated it was not a failure because one would have to consider the cost of construction and piping to the community so a 30% discount is a good savings.

**Mr. Pruhs** stated he would like to ask Mr. Stewart a few questions. Mr. Stewart stated that Mr. Shefchik was doing an excellent job but that he wanted to share FEDC's perspective. He stated that FEDC is still standing firm on the savings target and that they are sticking by their originally set goals. He stated the fluctuating price of oil is causing the decline in the percentage of savings. He stated that burning wood as an alternative source of heat is challenging the air quality of residences.

**Mr. Pruhs** stated Mr. Stewart has been part of the Interior Energy project from ground zero and that he could be considered the architect of the writing of the project. Mr. Stewart stated that was not correct. **Mr. Pruhs** stated the FEDC's two highest priorities in the Interior are making sure that none of the Base Realignment Commission aspects are reduced in the Interior and taking an active interest in energy issues. Mr. Stewart stated FEDC supports the development of the project. **Mr. Pruhs** asked Mr. Stewart if he believed the project would create substantially lower fuel prices. Mr. Stewart stated that he certainly agrees that it would create substantial savings for residents.

**Mr. Cleworth** stated that energy is a difficult subject in Fairbanks and that he appreciates all the work Mr. Stewart and Mr. Shefchik have done looking into alternative ideas for how to bring gas to Fairbanks.

**Mr. Cleworth**, seconded by **Mr. Pruhs**, moved to AMEND Resolution No. 4661 by replacing the word “That” in Section 2 of page 2 with “Upon successful completion of the due diligence process”

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND RESOLUTION NO. 4661 BY REPLACING THE WORD “THAT” IN SECTION 2 OF PAGE 2 WITH “UPON SUCCESSFUL COMPLETION OF THE DUE DILIGENCE PROCESS” AS FOLLOWS:

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

**Mr. Walley** stated that when he signed up as a FNG customer, he received a 20% savings; but that not too long after signing the rates increased by 6%. He explained that he asked FNG why the rates increased and they explained to him that they were adding a lot of piping and expanding their operation so overhead costs went up. **Mr. Walley** stated it is his belief that we have to get natural gas to Fairbanks.

**Mayor Eberhart** stated that his hesitation in a government-owned utility is that occasionally the utility has to be politically correct and that sometimes it is not in the best interest of the residents. He shared his hopes that due diligence is done and they investigate how the gas will be regulated. He stated he would like to know how it would be regulated and that boards are not political appointments or friends but really talented people who truly have the best intentions to bring gas to Fairbanks.

**Mr. Walley** stated he shared Mayor Eberhart’s concern.

**Mayor Eberhart** stated he has been to many of the IGU meetings and that Mr. Stewart and Mr. Shefchik have done a great job gathering information and bringing it to the public’s attention. He stated he encourages the Council to pass this resolution.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4661, AS AMENDED, AS FOLLOWS:

YEAS: Gatewood, Walley, Pruhs, Matherly, Cleworth  
NAYS: None  
ABSENT: Staley  
**Mayor Eberhart** declared the MOTION CARRIED and Resolution No. 4661, as Amended, APPROVED.

- c) Ordinance No. 5966 – An Ordinance Approving the Partners for Fish and Wildlife Program Landowner Agreement Between the City, Festival Fairbanks, and the U.S. Fish and Wildlife Service. Introduced by Mayor Eberhart.

ADVANCED on the CONSENT AGENDA.

### DISCUSSION ITEMS

- a) Committee Reports – No members reported.

### COUNCIL MEMBERS' COMMENTS

**Mr. Pruhs** thanked everyone for passing Resolution No. 4661; he stated his brother Dana is on the AIDEA board and that he has been very helpful in providing information on the gas project. He thanked Mr. Stewart and Mr. Shefchik for their time and attention to the project. **Mr. Pruhs** reported he will have a disturbing the peace Ordinance regarding marijuana smoke at the next meeting. He indicated he wants to follow suit with what North Pole did and make the production of hash oil illegal as it is a highly combustible substance. He stated his intention to work with the borough based on their zoning to avoid marijuana corridors.

**Mr. Cleworth** stated he appreciated the Mayor's support on Resolution No. 4661. He stated if government did not require so many permits that take so many years to complete and if government did not set up so many road blocks for the private sector we may have had a gas line already. He stated it takes ten years to build a gas line but in World War II they built a gas line from Haines Junction to Ft. Wainwright in one summer. He stated people can get things done but government has made the process so cumbersome that it is difficult for entities to work with government. **Mr. Cleworth** noted the Fire Department negotiations and stated he would like to know when the Council would be given an Executive Session to review the contract. He stated the Bentley Trust properties are in discussion to create another roundabout north of the railroad tracks to hook to Merhar. He reported his fear that if that new roundabout goes in it will be expected to be maintained by the City. He stated if there is no remuneration for the additional work that he does not believe the City should take it on. **Mr. Cleworth** thanked everyone for the thoughts and prayers for his mother who passed away at the Pioneers Home.

**Mr. Matherly** reported his excitement for the Iditarod starting in Fairbanks; he stated it was very crowded but it was good to see such a turnout. **Mr. Matherly** congratulated Amber Courtney for her write up in the paper and stated she is doing a great job as the Eye of the City. **Mr. Matherly** thanked Chief Aragon for the meeting he coordinated at the JP Jones Center on community policing; he stated he has heard great feedback as a result of the meeting. **Mr. Matherly** spoke to Chief Cummings and Mr. Misewicz stating he understands why they are doing fire inspections; he expressed his appreciation for them doing thorough investigations. He stated he was sorry Ms. Staley was out sick because it does not feel like a full Council without all the members.

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

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

## **CITY ATTORNEY'S REPORT**

City Attorney Ewers stated he had nothing to report.

## **CITY CLERK'S REPORT**

Deputy City Clerk Danyielle Snider advised that Council members' financial disclosure statements are due by the end of the week.

## **CITY CLERK APPLICANT INTERVIEW**

**Mayor Eberhart** requested Ms. Snider tell the Council about herself and her background particularly as it relates to her becoming the City Clerk.

Ms. Snider stated she started with the City of Fairbanks in 2009 as the City Clerk Typist/Cashier. Ms. Snider stated she worked in that position for 15 months and left the position for an opportunity in the Building Department where she worked for a year. She stated she returned to the Clerk's Office when the Deputy City Clerk position became available. Ms. Snider stated she has performed all of the duties of the City Clerk in Ms. Hovenden's absence. She stated she assisted Ms. Hovenden each year with Municipal Elections and helped her prepare the Annual Budget for the City Clerk's Office. She stated she is familiar and comfortable with the City Council and its functions. Ms. Snider stated she has ample experience with Public Records and the management and storage of the City's historical documents. Ms. Snider stated she understands the function of each City Department and the role that each one plays in carrying out the mission of the City of Fairbanks. She stated she has a great deal of experience working within the parameters of the City Code and that she does her best to enforce those requirements through her work in the Clerk's office. She reported as the Deputy Clerk she has to fill in the other for the other two office positions whenever it is deemed necessary, performing both positions at the same time on occasion. Ms. Snider stated she is familiar with all the functions of the daily operations in the City Clerk's Office. She stated she received her Certified Municipal Clerk (CMC) designation in July of the past year. She stated she has strong customer service skills which are essential to work in the City Clerk's Office. Ms. Snider stated she is familiar with City staff, the residents of the City and the City Code. She stated she believes she has the support of the City Department heads and has a good relationship with each one. She stated she would offer the City Council and the community consistency and reliability. Ms. Snider stated she has a strong work ethic and strives for excellence in herself and with those she works with. Ms. Snider stated she believes she should be appointed because she has earned the Councils confidence and has proven that she can do the job. She stated she is fully aware of the duties of the City Clerk and that she still wants the job.

**Mr. Matherly** asked Ms. Snider to speak to some of the things she sees as a challenge but that she is able to push through. Ms. Snider stated that getting other departments on board for projects that the City Clerk's office is tasked with is the most challenging. She stated the City Clerk's Office has to work with every single department, the Council and the public.



**Mr. Cleworth** asked Ms. Snider how she would handle a difficult situation. He cited an example that several years back, one of the Mayors denied Council access to department heads. He stated the only way Council members could gather information was to go thru the City Attorney's Office or the City Clerk's Office. He stated that it put the Clerk in an awkward position because they had to work with the administration and also for the Council. Ms. Snider replied that she would be able to handle the situation; she stated she works very closely with Mr. Ewers and has faith that the two of them would find a way to make things work. Ms. Snider stated she understood the six Council members and the Mayor would all be her bosses. She stated she understands the situation may be awkward, but ultimately she would do what was necessary to get the job done for all. **Mr. Cleworth** asked Ms. Snider how she would handle a situation if an employee in the City Clerk's Office questioned a citizen who was filing a referendum or other official City business. Ms. Snider replied that she was in the office at the time of the example he was citing. She stated she sent an emergency, all-caps email asking the employee to cease the conversation; she reported that the employee did stop but that the damage was already done. She reported that she spoke with the employee about how the conversation was not appropriate and alerted Ms. Hovenden of the incident so she would not be blindsided upon her return to the office.

**Mr. Gatewood** asked Ms. Snider if she would implement any restructuring if she were appointed Clerk. Ms. Snider replied by saying she had not identified any issues that would require much change to the office structure. She stated she believed the office to be a well-oiled machine. She said there are projects on the horizon but no major restructuring at this time.

**Mr. Walley** stated that he has enjoyed working with Ms. Snider that he knows her to be a hard worker. He indicated that if it were up to him he would hire her.

**Mr. Cleworth**, seconded by **Mr. Pruhs**, moved to OFFER the City Clerk position to Deputy City Clerk Danyielle Snider for a wage of \$80,000 per year.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO OFFER THE CITY CLERK POSITION TO DEPUTY CITY CLERK DANYIELLE SNIDER FOR A WAGE OF \$80,000 PER YEAR AS FOLLOWS:

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

**Mayor Eberhart** declared the MOTION CARRIED.

Ms. Snider accepted the Council's offer.

**Mr. Matherly**, seconded by **Mr. Pruhs**, moved to go into Executive Session for the purpose of discussing IBEW and FFU Labor Contract 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 – IBEW and FFU

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

**ADJOURNMENT**

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

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

**Mayor Eberhart** declared the Meeting adjourned at 11:25 P.M.

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JOHN EBERHART, MAYOR

ATTEST:

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D. DANYIELLE SNIDER, CMC, CITY CLERK

Transcribed by: DS/EB



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, MARCH 23, 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 Work Session related to Helmericks Avenue, 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: Renee Staley, Seat A  
Perry Walley, Seat B  
Bernard Gatewood, Seat C  
Jim Matherly, Seat D  
Jerry Cleworth, Seat E  
David Pruhs, Seat F

Absent: None

Also Present: Warren Cummings, Fire Chief  
Ernie Misewicz, Assistant Fire Chief  
Paul Ewers, City Attorney  
D. Danyielle Snider, City Clerk  
Jim Williams, Chief of Staff  
Michael J. Schmetzer, City Engineer  
Jill King, HR Administrative Assistant  
Pat Smith, Development Manager  
Randall Aragon, Police Chief

### INVOCATION

The Invocation was given by City Clerk Danyielle Snider.

### FLAG SALUTATION

Mayor Eberhart led the Flag Salutation.

### APPROVAL OF AGENDA AND CONSENT AGENDA

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

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

City Clerk Snider read the Consent Agenda into the record.

## CITIZEN'S COMMENTS

Karen Parr, 949 McGown Street, Fairbanks – Ms. Parr stated she was available to answer questions regarding the property tax exemption for the Raven Landing ordinance.

Frank Turney, 329 Sixth Avenue, Fairbanks – Mr. Turney stated that Officer Dupee has harassed Lance Ostnes and students at Lathrop High School. Mr. Turney stated Victor Buberger was also harassed by Officer Dupee. He also stated that the FPD needs to have an internal affairs department. He stated that the marijuana Ordinance No. 5970 relating to disturbing the peace was unfounded because there is no evidence that marijuana smoke is at all harmful to the health. He stated that barbeque smoke is actually proven more harmful per the National Institute of Health. He proposed barbeques should be regulated as disturbing the peace since there is evidence that barbeque smoke can cause cancer.

Scott McCrae, 2965 Westgate Place, Fairbanks – Mr. McCrae stated that he was in attendance to give an update regarding the tourism industry in Fairbanks. He stated that he was fortunate to have a contractor out of Germany to help with European travel and trade. Mr. McCrae gave an update of many of the events he has been attending to aid with tourism in Fairbanks. He gave an update about cruise packages to Alaska and stated that Fairbanks is the best place to see the Northern Lights in Alaska.

Victor Buberger, P.O. Box 58192, Fairbanks – Mr. Buberger stated that he has brought up issues with Officer Dupee several times over the years. He stated that the former City Attorney said that the FPD was as clean as the driven snow but stated that police can lie too and that officers are trained to lie. Mr. Buberger stated that police departments in other states have had major scandals in the past few years relating to lying police officers. He accused Officer Dupee of altering a CD and said he took the last 13 seconds off and added erroneous information to the conversation that was recorded. Mr. Buberger accused the police of making phony arrests for drunken driving charges designed to bring on fines and fees and that the police should be punished for falsely making arrests. He stated that Fairbanks needs an internal affairs department and that Officer Dupee is the first officer that should be investigated.

June Rogers, P.O. Box 74044, Fairbanks – Ms. Rogers spoke to support the resolution on HB 42. Ms. Rogers stated that she was proud of the Council for adopting HB 42. She stated that she is very happy that the Council is in favor of having an umbrella that supports everyone as equals. She stated that she is honored to serve on the Fairbanks Diversity Council.

Jeff Walters, 2454 Killarney Way, Fairbanks – Mr. Walters stated that he would like to echo Ms. Rogers' support of HB 42. He stated that he is very happy that the Council has adopted HB 42. He stated that he is a counselor at West Valley High School and that he believes the younger generation is much more accepting of sexual orientation and sexual identity issues. He stated that he appreciates having the opportunity to serve on the Fairbanks Diversity Council and the Council's support of the resolution.

Daphne Coen, 1300 Ninth Avenue, Fairbanks – Ms. Coen stated that she is very happy the Council is supporting HB 42. She stated that she does not identify as having either a male or female gender and that she identifies as gender neutral. Ms. Coen stated that she works at the

hospital and that she should not be discriminated against from her job or from a place to live because she fundamentally does not identify with a gender. Ms. Coen thanked the Council for supporting HB 42.

Jo Ann Borges, 1130 Vicki Lane, North Pole – Ms. Borges stated that she does not have any issues with HB 42 but that she does have an issue with the wording of the document. She stated that the wording is extremely confusing and needs to be re-addressed. She stated that the bill needs to be easier to read and should follow a better format.

Julie Jones, 516 Second Avenue, Ste 318, Fairbanks – Ms. Jones stated that she came to the meeting to speak on behalf of Festival Fairbanks and to speak in support of the land owner agreement ordinance. She invited everyone to attend the Vietnam Veteran’s Day event at Randy Smith Middle School on Sunday, March 29 from 1-3 PM. She stated that live music, food, a ceremony, a keynote speaker and a panel discussion is on the agenda. Ms. Jones also echoed Ms. Rogers’ comments on HB 42.

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

### **SPECIAL ORDERS**

- a) The Fairbanks City Council, Sitting as a Committee of the Whole, considered the following Liquor License Application for Renewal, POSTPONED from the Regular Meeting of March 9, 2015 (Public Hearing was held on March 9, 2015).

NOTE: Because the Liquor License Application for Renewal was POSTPONED, the motion to PROTEST was already on the floor (the motion to PROTEST was made by Mr. Pruhs, seconded by Mr. Gatewood, at the Regular Meeting of March 9, 2015).

Lic #	Establishment Name	License Type	Premise Location	Owner Name
3336	Soapy Smith's Pioneer Restaurant	Restaurant / Eating Place	543 2nd Ave	Nicholas V. Stepovich

**Mr. Cleworth** requested that Fire Chief Cummings come forward to provide a staff report.

**Mayor Eberhart** called for Fire Chief Cummings and Assistant Fire Chief Misewicz to report the findings of their inspection of the restaurant. Misewicz gave a report on his inspection and stated that Mr. Stepovich is working to get the issues resolved.

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

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

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

- b) The Fairbanks City Council, Sitting as a Committee of the Whole, considered the following Liquor License Application for Transfer of Ownership:

Type: Package Store, License #2512  
To: 2 Go Mart #114 / AK, Inc.  
2110 Peger Road, Fairbanks, Alaska  
From: 2 Go Mart #114 / Tesoro Northstore Company  
Same Location

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to WAIVE PROTEST of the transfer.

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

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

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

**Mayor Eberhart** declared the MOTION CARRIED.

- c) The Fairbanks City Council, Sitting as a Committee of the Whole, considered the following Liquor License Application for Transfer of Ownership:

Type: Package Store, License #4216  
To: 2 Go Mart #115 / AK, Inc.  
99 College Road, Fairbanks, Alaska  
From: 2 Go Mart #115 / Tesoro Northstore Company  
Same Location

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to WAIVE PROTEST of the transfer.

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

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

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

**Mayor Eberhart** declared the MOTION CARRIED.

- d) The Fairbanks City Council, Sitting as a Committee of the Whole, considered the following Liquor License Application for Transfer of Ownership:

Type: Package Store, License #4565  
To: 2 Go Tesoro / AK, Inc.  
3569 S Cushman Street, Fairbanks  
From: 2 Go Tesoro / Tesoro Northstore Company  
Same Location

**Mr. Pruhs**, seconded by **Mr. Matherly**, moved to WAIVE PROTEST of the transfer.

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

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

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

NAYS: None

**Mayor Eberhart** declared the MOTION CARRIED.

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

**Mayor Eberhart** stated that March is Women's History Month and is a time to highlight the contributions to society by women. He stated that in February 1980, President Carter issued a Presidential Proclamation that men and women worked together to build our country and often times the impact the women had went unnoticed. He stated that since 1995, U.S. Presidents issue Annual Proclamations designating the month of March to be Women's History Month. **Mayor Eberhart** stated that he recently read an article about pay inequality of U.S. women and that women will not meet pay parity of U.S. men until 2058.

**Mayor Eberhart** stated that since the last meeting there have been interviews for the Human Resource Director position and that a selection has now been made. He stated that Angela Foster-Snow will take the position, starting April 1, 2015. He stated that Jill King is the new HR Admin who recently joined the City from the Fairbanks North Star Borough (FNSB) School District.

**Mayor Eberhart** stated that he has met with several department heads to discuss issues, to take a look at their budgets, to discuss ideas for improving efficiency, and to identify ways to generate revenue. He stated he met at the Dispatch Center to discuss an updated business plan. **Mayor Eberhart** stated he met with the Arts Association regarding beautification and other projects and the possibility of a Performing Arts Center for the Fairbanks community. He stated he met with FNSB Mayor Luke Hopkins to discuss some issues. **Mayor Eberhart** stated that the Fairbanks Diversity Council met and passed its first resolution since forming last year. He stated he appeared on the Charlie O'Toole Show. **Mayor Eberhart** stated he met with a resident that had concerns regarding sewer backup issues and that the resident has been having issues for a long time with Golden Heart Utilities (GHU). He stated that the resident has come to the City to try and get some help. He stated he attended an Unum presentation regarding employee insurance and other benefits.

**Mayor Eberhart** stated that progress is being made on the collective bargaining agreement with the Fire Department and that issues will be discussed in Executive Session. He stated he attended a Chamber of Commerce Board Meeting, the Tanana Chiefs Conference Annual Convention and the Doyon Annual Shareholders Meeting. **Mayor Eberhart** stated that he attended the F-35's planning session at the Borough, and he also attended the Community Oriented Policing Leadership meeting that was put on by Chief Aragon.

**Mayor Eberhart** stated that the F-35 scoping meetings are coming up this week and that there will be one meeting in Fairbanks, one in North Pole and one in Delta. He stated that he plans to attend all three meetings along with Chief of Staff Jim Williams. **Mayor Eberhart** stated that a lot of work has been focused on keeping the F-16's and getting the F-35's as it would add 8,000-10,000 people to the Fairbanks community.

### **UNFINISHED BUSINESS**

- a) Ordinance No. 5966 – An Ordinance Approving the Partners for Fish and Wildlife Program Landowner Agreement Between the City, Festival Fairbanks, and the U.S. Fish and Wildlife Service. Introduced by Mayor Eberhart. SECOND READING AND PUBLIC HEARING.

**Mr. Pruhs**, seconded by **Mr. Gatewood**, moved to ADOPT Ordinance No. 5966.

**Mayor Eberhart** called for Public Testimony.

Julie Jones, 516 Second Avenue Ste., #318, Fairbanks – Ms. Jones expressed her appreciation for the support the Council has provided regarding getting a City Dock launched. She shared that in the original Golden Heart Plaza Plan, a dock was included. She stated that due to a silt buildup in 2006, it was not possible to bring the plan to fruition.

Pat Smith, City Development Manager – Mr. Smith extended his appreciation to Festival Fairbanks for taking the initiative on the dock, and he recommended favor upon it.

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

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5966 AS FOLLOWS:

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

NAYS: None

**Mayor Eberhart** declared the MOTION CARRIED and Ordinance No. 5966 ADOPTED.



## NEW BUSINESS

- a) Resolution No. 4662 – A Resolution Supporting House Bill 42 Relating to and Prohibiting Discrimination Based on Sexual Orientation or Gender Identity or Expression. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Ordinance No. 5967 – An Ordinance Amending the 2015 Operating and Capital Budgets for the Second Time. Introduced by Mayor Eberhart.

ADVANCED on the CONSENT AGENDA.

- c) Ordinance No. 5968 – An Ordinance Repealing Fairbanks General Code Chapter 14, Article VII Massage Practitioners Effective July 1, 2015. Introduced by Mayor Eberhart.

ADVANCED on the CONSENT AGENDA.

- d) Ordinance No. 5969 – An Ordinance Amending Fairbanks General Code Section 54-102 Change Orders by Increasing the Amounts Allowed for Change Orders by Administration. Introduced by Mayor Eberhart.

ADVANCED on the CONSENT AGENDA.

- e) Ordinance No. 5970 – An Ordinance Amending Fairbanks General Code Section 46-42 Disturbing the Peace by Adding a New Subsection Relating to Marijuana Smoke. Introduced by Council Member Pruhs.

ADVANCED on the CONSENT AGENDA.

- f) Ordinance No. 5971 – An Ordinance Authorizing a Limited Real Property Tax Exemption for the Retirement Community of Fairbanks – Raven Landing Expansion Project and Setting an Effective Date. Introduced by Mayor Eberhart.

ADVANCED on the CONSENT AGENDA.

## DISCUSSION ITEMS

### Committee Reports

Fairbanks Diversity Council – **Mr. Gatewood** reported the Diversity Council met after the last City Council Meeting to discuss the Strategic Plan with the Chief of Staff Jim Williams and Communications Director Amber Courtney. **Mr. Gatewood** shared the main goal of the Diversity Council is to get all Council members on the same page and working from the same sheet of music. **Mr. Gatewood** discussed diversity and that it means something different to each person. He stated that the goal is to be inclusive of everyone, making sure everyone is at the table sharing opinions. He stated the very nature of a diversity committee is to compel people to

act. He stated that Resolution No. 4662 was the first official act of the Diversity Council and that it was an easy resolution to work on because no one wants to be discriminated against or to admit that they discriminate. **Mr. Gatewood** reported that the Diversity Council will continue to meet and will come together to become a cohesive group who will benefit the City by bringing citizens together to be a voice for the voiceless.

FMATS Policy Committee – **Mr. Wally** stated FMATS met for a short meeting but that there was not a lot to report. He reported that the Policy Committee did approve additional monies for the Cushman Complete Street Project (SB160, FY2013 Funding). **Mr. Wally** mentioned that on April 18 at Hutchison School is the Super Saturday Open House. He spoke about the Bentley Trust Traffic Revision and encouraged people to check it out and make comments online prior to March 31.

Golden Heart Parking Services (GHPS) – **Ms. Staley** provided an update on the GHPS parking garage. She shared that the new Executive Director is Kelly Dent who will be tasked with getting the books cleaned up. She stated that a Work Session may be needed to go over the financials of the Parking Garage. **Ms. Staley** stated she would like to get together as a team to go over the future of the garage.

Leadership Council for the Community Policing Program – **Mr. Cleworth** thanked Chief Aragon for inviting him to be an advisor on the Leadership Council for Community Oriented Policing. **Mr. Cleworth** stated he has been reading about Community Policing and that he is learning a lot. He stated some communities are critical but others embrace it. He stated he would like to learn from other communities' mistakes to avoid any of those issues and what problems could possibly arise. **Mr. Cleworth** reported on the openness of the Parking Garage and that it is being well utilized by the community.

## **COMMUNICATIONS TO COUNCIL**

- a) Fairbanks Diversity Council Resolution No. 2015-01  
APPROVED on the CONSENT AGENDA.
- b) Clay Street Cemetery Commission Meeting Minutes of February 4, 2015  
ACCEPTED on the CONSENT AGENDA
- c) Fairbanks Diversity Council Meeting Minutes of January 13, 2015  
ACCEPTED on the CONSENT AGENDA
- d) Chena Riverfront Commission Meeting Minutes of February 11, 2015  
ACCEPTED on the CONSENT AGENDA

## COUNCIL MEMBERS' COMMENTS

**Mr. Pruhs** thanked Mr. Walley for sitting on the FMATS Policy Committee; he stated the importance of his presence on the Committee. **Mr. Pruhs** reported that he met with the Borough Director and Deputy Director of Community Planning regarding marijuana zoning issues and shared his concern on the zoning issues. He reported he is pleased that the Council is the Board of Appeals and that the City will be able to have some control on marijuana zoning issues.

**Mr. Cleworth** addressed Lance Ostnes's letter to the editor that Frank Turney brought to the attention of the Council. He stated he did not know if the letter was absolutely factual but stated he is going to assume it is. He stated that the matter needs to be looked into and indicated that if the letter is in fact true, the City owes Mr. Ostnes an apology. **Mr. Cleworth** implored Mayor Eberhart to look into the issue and make an apology if one is deemed appropriate. **Mr. Cleworth** thanked Ms. Jones for her work on the agreement between Festival Fairbanks and Fish & Game on securing the new City Dock Grant. He reported on the exciting new plan to complete Cushman Street that will help with City beautification, sidewalks and drainage. He stated he balked at Vision Fairbanks' plan to make Cushman Street a simple two-way street and stated it was not a practical plan.

**Mr. Matherly** thanked Ms. Rogers and the others who spoke on diversity and HB 42. He discussed seeing a lot of information online regarding the school board making budget cuts; he stated his heart goes out to the people making those decisions. **Mr. Matherly** addressed Lance Ostnes' letter to the editor and stated the story is tragic if true. He thanked Chief Aragon for stirring up some pots around town by getting out and meeting people. **Mr. Matherly** asked Mayor Eberhart about the Finance Committee applicants and if there was another applicant.

**Mayor Eberhart** replied that the City is advertising the position in the paper but that there have been no additional applicants.

**Mr. Matherly** reported on the road meeting he and Mr. Cleworth attended regarding the Helmricks/Merhar Drive area and indicated that he would like to have a work session on the issue. He stated it is an honor to serve with the Council and that he appreciates having a full body at work.

**Ms. Staley** responded to Mr. Matherly's comment and stated she is honored to serve with him as well. She apologized for taking ill the week before. **Ms. Staley** thanked Mr. Cleworth for his attention to the Lance Ostnes letter to the editor, stating she was also shocked by the letter. She also requested the Council and Mayor Eberhart look into the issue further. **Ms. Staley** expressed her excitement about the new roundabout and stated she is amazed at how fast the City is growing. She expressed her excitement about the new ULTA store opening and she reported that the coming weekend would be the Women's Show.

**Mayor Eberhart** addressed the discussions of setting up an Office of Personal Responsibility at FPD. He explained that a person would take citizen's complaints and report directly to the Chief of Police on the need to investigate those complaints. He shared that the position has been filled and the officer will attend training in May. He stated that it will be a while until the office is completely up and running but that he wanted to report this fact as a way to address Lance

Ostnes letter. **Mayor Eberhart** reported that there are some South Central legislators that are trying to get in the way of bringing natural gas to Fairbanks. He stated that he and Mayor Hopkins will be going to Juneau on April 7th to see what can be done to push back against the attempt to defeat the project. He stated that if Fairbanks had natural gas, Mr. Cook believes Fairbanks could attract a minimum of 40 million dollars in major retailers. **Mayor Eberhart** stated that the Air Force is a strong proponent of bringing natural gas to Fairbanks as a back-up or a substitute to their coal fire boilers. He stated that it is a huge issue and that the City needs to do everything it can to bring Natural Gas to Fairbanks.

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

**Mr. Gatewood** expressed interest in seeing the original agreement on roundabouts in the Wal-Mart area. He stated he was not as involved as Mr. Cleworth but that he recalled the City did not originally own those two roads. He stated he would like to get a better understanding of what the City needs to be doing in that area. **Mr. Gatewood** stated he wanted to discuss high school basketball and that the season just ended the past weekend. He mentioned that the Fairbanks area sent several teams to a tournament and that those teams represented the City well. **Mr. Gatewood** commended the coaches for coordination, tracking kids, coaching, developing young minds and setting youth on a path to success. He stated his appreciation and wanted to call attention to them as they do not get adequate recognition for the work that they do.

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

City Attorney Ewers had nothing to report.

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

City Clerk Snider advised that it was time to go into Executive Session.

**Mr. Matherly** seconded by **Ms. Staley**, moved to go into Executive Session for the purpose of discussing Labor Negotiations for the Fairbanks Fire Fighters Union (FFU) and the International Brotherhood of Electrical Workers (IBEW).

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

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

#### **EXECUTIVE SESSION**

**Mr. Gatewood** reported that the Fairbanks City Council met in Executive Session to discuss the collective bargaining agreements for the IBEW and the FFU. He stated that the Council received information from the negotiating team on the IBEW contract. He stated that the Council gave direction to negotiating team on the FFU labor contract and that no action was taken.

#### **ADJOURNMENT**

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

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

**Mayor Eberhart** declared the Meeting adjourned at 9:46 P.M.

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JOHN EBERHART, MAYOR

ATTEST:

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D. DANYIELLE SNIDER, CMC, CITY CLERK

Transcribed by: EB

**ORDINANCE NO. 5984, AS AMENDED**

**AN ORDINANCE AMENDING THE 2015 OPERATING AND  
CAPITAL BUDGETS FOR THE FIFTH TIME**

**WHEREAS**, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2015 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 2015 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, 2015 and ending December 31, 2015 (see pages 2 and 3) [changes shown in **bold** font].

## GENERAL FUND

REVENUE	Ordinance 5980	INCREASE (DECREASE)	AS AMENDED
Taxes, (all sources)	\$ 20,787,014	\$ (118,873)	\$ 20,668,141
Charges for Services	4,760,247	-	4,760,247
Intergovernmental Revenues	3,627,263	-	3,627,263
Licenses & Permits	1,965,194	-	1,965,194
Fines, Forfeitures & Penalties	962,605	-	962,605
Interest & Penalties	130,500	-	130,500
Rental & Lease Income	164,734	-	164,734
Other Revenues	224,500	-	224,500
Other Financing Sources (Uses)	2,522,682	<b>(20,000)</b>	<b>2,502,682</b>
<hr/>			
Total revenue appropriation	\$ 35,144,739	\$ (138,873)	\$ 35,005,866
<hr/>			
EXPENDITURES			
Mayor and Council	\$ 604,411	\$ -	\$ 604,411
Office of the City Attorney	183,315	-	183,315
Office of the City Clerk	357,101	-	357,101
Finance Department	953,159	-	953,159
Information Technology	1,687,272	-	1,687,272
General Account	5,781,961	-	5,781,961
Risk Management	1,413,460	<b>45,333</b>	<b>1,458,793</b>
Police Department	7,256,063	-	7,256,063
Dispatch Center	2,025,136	-	2,025,136
Fire Department	6,556,324	<b>5,876</b>	<b>6,562,200</b>
Public Works Department	7,781,302	-	7,781,302
Engineering Department	721,345	-	721,345
Building Department	683,531	-	683,531
<hr/>			
Total expenditure appropriation	\$ 36,004,380	\$ 51,209	\$ 36,055,589
<hr/>			
12/31/14 general fund balance	\$ 11,360,245	\$ -	\$ 11,360,245
Increase (Decrease) to fund balance	(650,463)	<b>(190,082)</b>	<b>(840,545)</b>
Assigned PY encumbrances	(209,178)	-	(209,178)
Nonspendable	(473,424)	-	(473,424)
Committed for snow removal	(250,000)	-	(250,000)
Assigned self insurance	(793,207)	-	(793,207)
12/31/15 Unassigned balance	<u>\$ 8,983,973</u>	<u>\$ (190,082)</u>	<u>\$ 8,793,891</u>

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

\$ 7,211,118

## CAPITAL FUND

<u>REVENUE</u>	Ordinance 5980	INCREASE (DECREASE)	AS AMENDED
Transfer from Permanent Fund	\$ 543,065	-	\$ 543,065
Transfer from General Fund	1,624,453	-	1,624,453
Equip Replacement			
Public Works	250,000	-	250,000
Building	10,000	-	10,000
Police	240,000	-	240,000
Dispatch	140,000	-	140,000
Fire	391,500	-	391,500
IT	100,000	-	100,000
Property Repair & Replacement	145,000	-	145,000
	<u>\$3,444,018</u>	<u>\$ -</u>	<u>\$3,444,018</u>
 <u>EXPENDITURES</u>			
IT Department	\$ 204,751	\$ -	\$ 204,751
Police Department	311,385	-	311,385
Fire Department	523,265	<b>30,000</b>	553,265
Public Works Department	720,208	-	720,208
PW-Prop. Repair/Replacement	1,729,277	<b>117,190</b>	<b>1,846,467</b>
PW-Road Maintenance	2,197,830	-	2,197,830
Total appropriation	<u>\$5,686,716</u>	<u>\$ 147,190</u>	<u>\$5,833,906</u>
 12/31/14 capital fund balance	\$6,634,841	\$ -	\$6,634,841
Increase (Decrease)	(1,556,812)	<b>(147,190)</b>	<b>(1,704,002)</b>
Assigned PY encumbrances	(685,886)	-	(685,886)
12/31/15 Assigned fund balance	<u>\$4,392,143</u>	<u>\$ (147,190)</u>	<u>\$4,244,953</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 January 1, 2015 and ending December 31, 2015.



**SECTION 3.** The effective date of this ordinance shall be the \_\_\_\_ day of July 2015.

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**JOHN EBERHART, 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

## FISCAL NOTE

### ORDINANCE NO. 5984, AS AMENDED, AMENDING THE 2015 OPERATING AND CAPITAL BUDGETS FOR THE FIFTH TIME

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

##### (\$138,873) Decrease

1. Taxes – (\$118,873) Decrease to adjust property taxes for the 2015 Mill Levy
2. Charges for Services – No Change
3. Intergovernmental Revenues – No Change
4. Licenses & Permits – No Change
5. Fines, Forfeitures & Penalties – No Change
6. Interest & Penalties – No Change
7. Rental & Lease Income – No Change
8. Other Revenues – No Change
9. Other Financing Sources & (Uses) – (\$20,000) Decrease
  - (\$20,000) Transfer to Fairbanks Parking Garage to increase the \$125,000 appropriation for pigeon environmental cleanup and prevention increasing the total appropriation to \$145,000

FISCAL NOTE CONTINUED  
ESTIMATED EXPENDITURES

~~\$199,079 Increase~~ **\$51,209 Increase**

1. Mayor & Council – No Change
2. City Attorney’s Office – No Change
3. City Clerk’s Office – No Change
4. Finance Department – No Change
5. Information Technology – No Change
6. General Account – No Change
7. Risk Management – \$45,333 Increase
  - \$53,920 Increase to Workers Compensation Insurance
  - (\$ 2,054) Decrease to Police Professional Insurance
  - (\$ 5,688) Decrease to General Liability Insurance
  - \$ 716 Increase to Automobile Insurance
  - (\$ 1,561) Decrease to General Property Insurance
8. Police Department – No Change
9. Dispatch – \$0 Increase
  - Transfer \$57,215 from Salaries to Overtime.
10. Fire Department – ~~\$153,746 Increase~~ **\$5,876 Increase**
  - \$ 5,876 Increase to Salaries and Benefits to promote one Driver to Captain effective May 1, 2015
  - ~~\$58,777 Increase to Benefits for arbitration decision adjusting health benefits to 80% - 20% January 1, 2014 – December 31, 2014~~
  - ~~\$89,093 Increase to Benefits for arbitration decision adjusting health benefits to 80% - 20% January 1, 2015 – December 31, 2015~~
11. Public Works – No Change
12. Engineering – No Change
13. Building Department – No Change

## FISCAL NOTE CONTINUED

### Capital Fund

1. REVENUES

- No change

2. OTHER FINANCING SOURCES (USES)

- No change

3. EXPENDITURES - \$117,900 Increase

Public Works

- \$117,900 Increase to an approved \$400,000 expenditure for two packer trucks increasing the total appropriation to \$517,900

Fire Department

- \$ 30,000 Increase to an approved \$175,000 expenditure for one ambulance increasing the total appropriation to \$205,000

4. INTERNAL TRANSFERS

- No change

**ORDINANCE NO. 5985**

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE  
SECTION 2-149 TO ADD AN ADDITIONAL REQUIREMENT  
FOR FISCAL NOTES**

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

**SECTION 1.** Fairbanks General Code Section 2-149, Fiscal note on ordinances and resolutions, subsection (b), is hereby amended as follows [new text in **underlined bold** font; deleted text in ~~striketrough~~ font]:

**Sec. 2-149. Fiscal note on ordinances and resolutions.**

\* \* \* \* \*

(b) The fiscal note of an ordinance or a resolution includes:

- (1) Changes in expenditures;
- (2) Changes in revenue;
- (3) The source of funds to be used;
- (4) The number of new positions which may be required, identified as full-time, part-time, or temporary; ~~and~~
- (5) **A summary of budget changes to date for the current calendar year showing budget revenues, expenses, and net balance after the proposed ordinance; and**
- (6)** Any additional fiscal information that may be useful to the council in its deliberations.

\* \* \* \* \*

**Section 2.** The effective date of this ordinance is the \_\_\_\_ day of \_\_\_\_\_ 2015.

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**JOHN EBERHART, 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

**ORDINANCE NO. 5986**

**AN ORDINANCE ENACTING A RETAIL SALES TAX ON MARIJUANA  
AND REFERRING THE ORDINANCE FOR RATIFICATION AT THE  
NEXT GENERAL ELECTION**

**WHEREAS**, Alaska Statute 17.38 was adopted by Ballot Measure 2, An Act to Tax and Regulate the Production, Sale and Use of Marijuana, and provided for legal sale of marijuana in Alaska; and

**WHEREAS**, under the provisions of AS 17.38, retail sales of marijuana will begin sometime in 2016; and

**WHEREAS**, Fairbanks Charter Section 6.5 provides that any new or additional sales tax levied by the City Council, other than hotel/motel, alcohol, or tobacco, must be approved by the voters in a general election; and

**WHEREAS**, in order to be in place when the legal sale of marijuana begins in 2016, the ratification of an ordinance imposing a sales tax on the sale of marijuana must be on the ballot for the City's general election in October of 2015;

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

**SECTION 1.** Fairbanks General Code, Chapter 74, is hereby amended by adding a new Article VI – Marijuana Sales Tax, as follows:

**ARTICLE VI. MARIJUANA SALES TAX**

**Sec. 74-200. Definitions.**

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

*Marijuana* means all parts of the plant (genus) Cannabis, whether growing or not, the seed thereof, the resin extracted from any part of the plant, and any compound, manufacture, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate; *marijuana* does not include fiber produced from the stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products.

*Buyer means* without limiting the scope thereof, any person or other entity that purchases or contracts to purchase marijuana.

*Certification of registration* means the certificate issued by the chief financial officer under section 74-204.

*Consideration* means anything of value, including but not limited to money, credit, rights, goods, services, and property, received by a seller from a buyer.

*Estimated tax* means the tax determined under section 74-207.

*Retail sale* means the transfer of any marijuana to any consumer, for any consideration.

*Sale made within the city* means any retail sale where: (1) the buyer takes possession of, or title to, the purchased marijuana within the city; and/or (2) the seller receives consideration for the purchased marijuana within the city.

*Sales price* means the price of any marijuana.

*Seller* means any person or any other entity that sells or contracts to sell any marijuana to a buyer and includes persons who are vendors of and lessors of property and persons furnishing services.

*Tax* means the marijuana sales tax as levied under this article.

*Taxable retail sale* means any sale made within the city that is not entirely exempt from the tax levied under this article.

*Unremitted tax* means

- (1) Any tax not remitted to the city that a seller is required by this article to collect from a buyer, notwithstanding whether the seller actually collects such tax from a buyer; and
- (2) Any estimated tax not remitted to the city.

**Sec. 74-201. Marijuana sales tax levy.**

There is levied within the corporate limits of the city a tax equal to five percent of the sales price upon all retail sales of marijuana made within the corporate limits of the city.

**Sec. 74-202. Due date; delinquency.**

The obligation for the payment of the tax is upon the buyer. All taxes imposed by this article are due and payable by the buyer at the time of sale, or with respect to credit transactions at the time of collection, and are delinquent if not paid when due.



**Sec. 74-203. Obligation of seller to collect.**

Every seller making sales taxable under this article shall collect the tax from the buyer at the time of sale, or with respect to credit transactions at the time of collection of sales price, and shall deliver the same to the City of Fairbanks in accordance with the requirements in this article. The seller will be compensated the amount of two percent of the taxes transmitted to the city for the use of seller's resources in collecting the taxes. This compensation will only occur when the seller submits reports and pays the taxes on time.

**Sec. 74-204. Seller registration; certification; revocation.**

(a) All sellers of marijuana within the City of Fairbanks must possess a current certificate of registration, for the purpose of collecting and remitting the tax under this article, prior to engaging in any retail sales or opening additional places of business.

(b) All sellers requiring a certificate of registration under subsection (a) of this section must first possess current State of Alaska and City of Fairbanks business licenses, a current state marijuana license as required by AS 17.38, and, if applicable, a City of Fairbanks marijuana license. Copies of the business licenses and the state marijuana license must be provided to the city before a certificate of registration will be issued.

(c) Upon receipt of a properly executed application for the certificate of registration, on a form prescribed by the chief financial officer, the chief financial officer will issue without charge to the seller a certificate of registration. The certificate of registration shall bear the name of the seller and the address of the registered place of business. The certificate must be prominently displayed at the place of business along with all business and marijuana licenses.

(d) The certificate of registration is neither assignable nor transferable. The seller must immediately surrender the certificate to the chief financial officer if the seller ceases to do business at the location named on the certificate, or if the seller otherwise sells, assigns, transfers, conveys, or abandons the seller's business to any person or any other entity. When there is a change of address for the seller's place of business, a new certificate of registration is required bearing the same registration number, but showing the new location address.

(e) A seller must submit an updated application as prescribed by the chief financial officer upon any change in form of ownership, business name, or contact information. The chief financial officer, after receipt of the updated application, shall then determine whether a new certificate of registration should be issued. If a new certificate of registration is issued, the seller must first surrender the prior certificate of registration to the chief financial officer before taking possession of the new certificate.

(f) The chief financial officer may revoke a certificate of registration if a seller fails to comply with any of the provisions of this article. A seller may not engage in retail sales while the certificate of registration is revoked.

(g) Any seller who violates any requirement of this section is subject to the penalties provided under this article. The city is also entitled to injunctive relief to prevent the seller from engaging in retail sales until the seller complies with the requirements of this section.

**Sec. 74-205. Segregation of taxes collected; title.**

Upon collection by the seller of the taxes imposed in this article, title to the collected taxes vests in the city. Pending transmittal to the city, the seller shall hold the tax funds in trust for the benefit of the city.

**Sec. 74-206. Sales tax returns; transmittal; payment of taxes due.**

(a) Every seller possessing a current certificate of registration shall, on or before the 15th day of the month, file a properly completed return for the preceding month upon forms furnished by the city and remit payment for the amount received from the following:

- (1) All retail sales made within the city.
- (2) The amount received from nontaxable sales.
- (3) The amount received from all taxable sales.
- (4) The amount of tax.
- (5) The taxes collected.
- (6) Such other information and supporting papers as the chief financial officer may require.

(b) Every seller holding a certificate of registration in the city shall sign and transmit the return together with taxes collected to the city on or before the proper date.

(c) A report shall be filed by every seller possessing a current certificate of registration even if the seller has not engaged in taxable retail sales during the reporting period.

(d) All returns must be received by the city clerk's office no later than 4:00 p.m. on the 15th day of the month following tax collection. Postmarks will not be considered.

**Sec. 74-207. Estimated tax.**

If the city is unable to ascertain the tax due to be remitted by a seller by reason of the failure of the seller to keep accurate books, allow inspection, failure to file a return or falsification of records, the city may make an estimate of the tax due based on any available evidence. Notice of the city's estimate of taxes due will be mailed to the seller. Unless the seller files an accurate monthly report covering the time period subject to the city's estimate or files a written appeal within 30 days of the mailing of the city's estimate, the city's estimate becomes final for the

purpose of determining the seller's tax liability.

**Sec. 74-208. Administrative appeals.**

(a) A seller or buyer may appeal to the city mayor any estimated tax, penalties, costs, fees, or other decision under this article made by the chief financial officer. Any appeal must be filed within 30 days after the notice of any decision is mailed to the seller or buyer. The failure to appeal a decision of the chief financial officer renders the decision final.

(b) The appeal must state the legal and factual basis for the appeal and include all written evidence relevant to the appeal within the appellant's possession. If the appeal raises relevant questions of fact, the mayor shall conduct a hearing. At the hearing, the parties shall have the right to present testimony and cross-examine witnesses. The mayor shall then issue a written decision that includes findings of fact.

(c) An administrative appeal decision by the city mayor is a final decision that shall be enforced under this article unless stayed by court order or by agreement of the city and appellant. The city mayor's final decision may be appealed to superior court in the fourth judicial district as provided by state law.

**Sec. 74-209. Presumption; credit.**

(a) Every sale made within the city, unless explicitly exempted by this article, is presumed to be subject to the tax imposed under this article in any action to enforce the provisions of this article.

(b) A credit will be allowed for taxes erroneously collected. Such credit will be made by the chief financial officer after receipt and review of documentation and amended return supporting such request. Upon receipt of such documentation, the chief financial officer will examine the documentation and submit a written decision within 15 days.

**Sec. 74-210. Sales tax returns; confidential information.**

(a) All returns filed with the city for the purpose of complying with the terms of this article and all data obtained from such returns are declared to be confidential, and such returns and data obtained from such returns will be kept from inspection of all persons, except the chief financial officer and the city attorney; nevertheless, upon the advice of the city attorney, the chief financial officer may present to the finance committee or city council in private sessions assembled, any return or data obtained from such returns.

(b) It is unlawful for any city employee to publicly divulge any financial information obtained from any return filed with the city or from any data obtained from any such returns unless authorized by the seller or unless the person receiving such information is permitted to view such returns under the terms of this article.

(c) It is the duty of the chief financial officer to safely keep the returns referred to in this article and all data taken from such returns secure from public inspection and secure from all private

inspection except as provided in the article. The chief financial officer may, after six years from the date any such return has been filed, destroy the return.

(d) The use of such returns in a criminal or civil action brought to enforce the terms of this article against any person is not a violation of this article. The city in the prosecution of any such action may allege, prove, and produce any return filed by and on behalf of the defendant, including any data obtained from such return.

(e) Nothing in this article will be construed to prohibit a seller or their duly authorized representative from receiving a copy of any return or report filed by the seller, or to prohibit the publication by the city of statistics classified so as to prevent the identification of particular reports or returns.

**Sec. 74-211. Recordkeeping duty; investigation.**

(a) A seller shall keep complete and accurate books, records, and accounts, showing all inventory purchases and the gross receipts for all sales made within the city, for a period of three years from the date of each sale. In addition to all their record keeping requirements under this article, a seller shall maintain all written and electronic records relating to any marijuana sale, for a period of three years after such sale, including but not limited to:

1. All local, state, and federal tax reports and forms;
2. All accounting records;
3. All sales receipts; and
4. All documentary evidence supporting any exemption provided under this article.

(b) Upon reasonable notice, a seller must make all records and materials specified in subsection (a) of this section available for inspection by the chief financial officer or authorized representative during customary business hours.

(c) The chief financial officer may conduct random audits of seller's monthly reports by examining any of the records and materials specified in subsection (a) of this section and other data deemed necessary.

(d) For the purpose of ascertaining the correctness of a return or for the purpose of determining the amount of tax collected or which should have been collected by any person, the chief financial officer or mayor may hold investigations and hearings concerning any matters covered by this article and may examine any relevant books, papers, records or memoranda of any such person, and may require the attendance of such person, or any officer or employee of such person. The mayor shall have the power to administer oaths to such persons. The mayor shall issue all formal subpoenas to compel attendance or to require production of relevant books, papers, records or memoranda.

(e) All subpoenas issued under the terms of this article may be served by any person. The fees of witnesses for attendance and trial shall be the same as the fees of witnesses before the superior court, such fees to be paid when the witness is excused from further attendance. When a witness is subpoenaed at the instance of any party to any such proceeding, the mayor may require that the cost of service of the subpoena and the fee of the witness be borne by the party at whose instance the witness is summoned. In such case the mayor may, at his discretion, require a deposit to cover the cost of such service and witness fees. A subpoena issued shall be served in the same manner as a subpoena issued out of a court of record.

(f) The superior court, upon the application of the mayor, is empowered to compel obedience to such subpoena and compel the attendance of witnesses, the production of relevant books, papers, records or memoranda, and the giving of testimony before the city attorney or any of his duly authorized representatives in the same manner and extent as witnesses may be compelled to obey the subpoenas and order of the court. For purposes of this section, the term "witness," in addition to any person covered under the terms of this article, shall include any person or entity with knowledge or information relevant to sales made under this article.

(g) The mayor, or any party in an investigation or hearing before the mayor, may cause the deposition of witnesses residing within or outside the state to be taken in the manner prescribed by law for like depositions in civil actions in courts of this state, and to that end compel the attendance of witnesses and the production of relevant books, papers, records or memoranda.

**Sec. 74-212. Recovery of taxes.**

(a) Taxes due but not paid may be recovered by the city by an action at law against the buyer. Taxes collected but not transmitted may be recovered by an action against the seller, and sales tax returns shall be prima facie proof of taxes collected but not transmitted.

(b) In addition to any other remedies and administrative procedures provided under this article, the city may file a civil action against any seller or buyer for recovery of any tax, unremitted tax, penalties, interest, costs, and fees, that have not been paid or remitted when due.

(c) Any person who holds an ownership interest in a seller, or any other person who is an agent of the seller, is personally liable for all taxes, penalties and interest due from such seller under this article.

**Sec. 74-213. Tax lien.**

(a) Any tax, unremitted tax, penalties, interest, costs and fees that this article requires a seller or buyer to pay or remit shall constitute a lien in favor of the city upon all assets, earnings, revenue and property of the seller, other persons liable under subsection 74-212(c) (recovery of taxes), or the buyer. This lien arises when any such payment or remittance is not made when due and continues until the payment or remittance is fully satisfied through execution, foreclosure sale, or any other legal means. This lien is not valid as against a mortgagee, pledgee, purchaser, or judgment creditor until notice of the lien is recorded in the office of the district recorder for the fourth judicial district.

(b) When recorded, a lien authorized under this section has priority over all other liens except those for property taxes and special assessments and all liens perfected before the recording of the sales tax lien for amounts actually advanced before the recording of the sales tax lien and mechanics' and materialmen's liens which have been recorded before the recording of the sales tax lien. Upon such filing, the lien is superior to all other liens except as otherwise provided by state or federal law.

**Sec. 74-214. Foreclosure.**

(a) Delinquent sales tax liens on real property shall be enforced by quarterly foreclosures on March 31, June 30, September 30 and December 31.

(b) Tax liens shall be foreclosed in the manner provided for in sections 58-49 through 58-61.

**Sec. 74-215. Interest rate; administrative costs.**

(a) A simple interest rate of 1.25 percent per month, or a lesser rate if required by state law shall accrue on all unremitted taxes, not including penalty and administrative fees, from the original due date provided under this section until remitted in full.

(b) In addition to any other penalties imposed under this article, a seller shall pay any administrative fees, outside collection agency fees, attorney fees, and other costs and fees incurred by the city or its agent(s) in connection with any collection, or attempted collection, from the seller of any unremitted tax, unpaid interest, or unpaid penalties due under this article.

(c) The city will apply a seller's payment in the following order: first to any unpaid administrative fees, outside collection agency fees, attorney fees, and other collection costs and fees; second to any unpaid penalties; third to any unpaid interest that has accrued on un-remitted taxes; and fourth, to the principal of any un-remitted taxes.

**Sec. 74-216. Penalties for violations.**

(a) *Failure to file or remit.* A seller who has made sales in the city and who thereafter fails to file a sales tax return or remit the collected tax as required by this article shall incur a civil penalty of \$100.00 if the return or the tax is received later than the last day of the month in which it is due and shall incur a civil penalty of \$1,000.00 if the return or the tax is received later than the last day of the next month following the month in which it was due.

(b) *Non-retention of records.* A seller who does not provide required records upon request as listed in Section 74-211 shall incur a civil penalty of \$1,000.00.

(c) *Collection of taxes.* A seller who in the course of his business makes sales upon which a tax is levied under this article and who fails to collect such taxes shall incur a civil penalty of double the tax which should have been collected.

(d) *False statements.* Any person who makes any false statement to a seller or to the chief financial officer or mayor which is material in determining whether a sale is taxable under this article is guilty of a misdemeanor and shall be punished as provided in section 1-15.

(e) *Certificate of registration.* Any seller and any officer of a corporate seller failing to file a certificate of registration or failing to furnish the data required in connection with such certificate or failing to display or surrender the certificate of registration as required by this article, or attempting to assign or transfer such certificate shall be guilty of a misdemeanor and shall be punished as provided in section 1-15.

(f) *Penalty.* Any person who violates any of the provisions of this article shall be punishable as provided in section 1-15. A separate offense shall be deemed committed upon each day of a continuing violation.

**Sec. 74-217. Collection policy.**

It shall be the policy of the city that delinquent taxes shall be promptly collected without offset, compromise or time extensions for payment.

**Sec. 74-218. Rules and regulations.**

(a) The mayor is empowered to enact rules and regulations to implement the sales tax levied under this article.

(b) The chief financial officer shall take all lawful and necessary actions to administer this article including, but not limited to, adopting and revising procedures, fees, and written guidelines for the determination of the taxability of sales.

(c) The chief financial officer may also take other lawful actions to administer this article including, but not limited to, issuing written determinations of the taxability of specific sales upon request and contracting services for collection of delinquent accounts.

(d) With the approval of the chief financial officer, the finance department staff shall prepare, implement, and revise forms for the administration of this article.

**Section 2.** The City Clerk is directed to place this ordinance on the ballot for ratification by the voters of the City of Fairbanks at the next general election, with the ballot proposition to read as follows:

**Ballot Question No. \_\_\_\_\_**

**Information:** On July 20, 2015, the Fairbanks City Council passed Ordinance No. 5986, which enacted a five percent retail sales tax on Marijuana sold within the City of Fairbanks. Fairbanks Charter Section 6.5 provides that any new or additional sales tax

levied by the City Council must be approved by the voters in a general election.

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

\_\_\_\_\_ Yes

\_\_\_\_\_ No

A “Yes” vote ratifies Ordinance No. 5986 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, and no sales tax may be imposed by the City of Fairbanks on the sale of marijuana.

**Section 3.** This ordinance was passed by this Council on the 20th day of July 2015 but does not become effective until ratified by the voters of the City of Fairbanks.

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**JOHN EBERHART, 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



# MEMORANDUM

**TO:** Mayor and City Council

**FROM:** Shannon Kumpula, Purchasing Agent 

**SUBJECT:** Request for one-time waiver for advertising of ITB 15-22 Mechanics Truck

**DATE:** June 25, 2015

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As the purchasing agent, I am requesting a one-time waiver for the newspaper advertisement of an invitation to bid. Per Fairbanks General Code (FGC) Section 54-164, notices should be made by publication in the newspaper, posted in a public place, and mailed to prospective vendors. The City Attorney indicated that City Council has the authority to waive this requirement.

The City failed to advertise ITB 15-22 for mechanic trucks in the newspaper. An email was sent to the Fairbanks Daily News Miner (FDNM) on May 12<sup>th</sup> requesting the ad to run on May 15<sup>th</sup>, 17<sup>th</sup>, & 20<sup>th</sup> for ITB 15-22 Mechanics Truck. This email was never received by FDNM. The City emailed the bid to 11 possible vendors and posted the information on the City website. The vendors responded to the email.

The bid opening was on June 3<sup>rd</sup> and there was only one responsive bidder. The City provided the bid amount to the public and other potential bidders. On June 17<sup>th</sup> it was brought to my attention that the FDNM did not receive our email requesting the ad to be placed for this bid.

I believe it is in the City's best interest to move forward with awarding the bid since the bid amount was publicized and the proposed bid of \$98,946 is lower than budget.

# Fairbanks Fire Department

1101 Cushman St., Fairbanks, AK. 99701

(907) 450-6600 Fax (907) 450-6666

fire@ci.fairbanks.ak.us

## MEMORANDUM

**DATE:** June 25, 2015 [as revised 6/29/15]  
**TO:** John Eberhart, Mayor *for Mayor Eberhart*  
**FROM:** Warren Cummings, Fire Chief *Warren Cummings*  
**RE:** Military Deployment Driver Travis Kulp – ANG

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The Fire Department is requesting to hire a temporary recruit firefighter to fill in for Travis Kulp while he is on overseas military deployment with the Alaska Army National Guard. See attached for estimated cost savings of \$776 per month. The request is also to promote a Fire Fighter to Driver with the understanding that the promotion is only until Kulp returns or a full-time driver position becomes available.

cc: Jim Soileau, CFO  
Jim Williams, COS  
Ernie Misewicz, Asst Chief

## Fairbanks Fire Department Kulp Military Deployment August 2015

1. Promote F/F to Driver for up to 12 month time frame
  2. Hire temporary Recruit F/F for up to 12 months.
- Both positions would go away upon Kulp's return

	Fire Fighter Salary	Kulp's Salary
Wages	60,759.57	76,493.12
EMT 3	2,166.11	2,166.11
HOL & OT	5,228.80	6,536.00
HOL & BD	1,375.93	1,719.95
PERS	15,609.79	19,434.44
FICA	<u>1,028.83</u>	<u>1,280.91</u>
	<u>\$ 86,169.03</u>	<u>\$ 107,630.53</u>

Cost to promote F/F to Driver for one year  
 $\$107,630.53 - \$86,169.03 = \$21,461.50$

Savings of Recruit F/F over Senior F/F  
 $\$104,505.63 - \$86,298.36 = \$18,207.27$   
 Health Care/Life Saving Kulp + \$12,570.00  
 Total \$30,777.27  
 Less Driver Promotion Costs - \$21,461.50  
 Total Savings \$9,315.77

Savings per month - \$776