



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, NOVEMBER 3, 2014  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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The City Council convened at 7:00 p.m. on the above date, following a 5:30 p.m. Work Session with Explore Fairbanks and a 6:10 p.m. Work Session with Fairbanks Economic Development Corporation (FEDCO), 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:                        Ernie Misewicz, Assistant Fire Chief  
   Margarita Bell, Grants Administrator  
   Paul Ewers, City Attorney  
   Janey Hovenden, City Clerk  
   Jim Williams, Chief of Staff  
   Stephanie Johnson, Dispatch Center Manager  
   Michael J. Schmetzer, City Engineer  
   Barbara Sunday, Director HR/Risk Management/Purchasing  
   Jim N. Soileau, Chief Financial Officer  
   Brad Johnson, Acting Police Chief

**INVOCATION**

The Invocation was given by City Clerk Janey Hovenden.

**FLAG SALUTATION**

Mayor Eberhart led the Flag Salutation.

**APPROVAL OF AGENDA AND CONSENT AGENDA**

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

Mr. Cleworth pulled Resolution No. 4647 (Item 10(c)) from the Consent Agenda.

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

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

### CITIZEN'S COMMENTS

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger stated that he was raised in a city in California where the police department did not allow husbands and wives to work together. He stated that it seems as though 20 – 30% of Fairbanks Police Department (FPD) employees are related to someone else within the department. Mr. Buberger thanked the City for providing pothole repair training to Public Works employees. He commented that there are 45 City police officers who receive an annual wage of over \$100,000, with several exceeding \$150,000 annually. Mr. Buberger stated that he recently read an article in the Fairbanks Daily News Miner written by a City police officer who complained of how the City is not treating its Police Department employees very well. He stated that if FPD employees are that unhappy, he would recommend that they leave the department and find work elsewhere.

Don Seeliger, 3026 Riverview Drive, Fairbanks – Mr. Seeliger stated that he had the pleasure of serving on the City Council several years ago. Mr. Seeliger stated that FPD deserves a contract, but clarified that he believes the proposed contract is unaffordable. He spoke to his experience on the Council, stating that each year the Dispatch and Police Departments would ask for more staff. He explained that even when the Council would approve additional staff, the departments would come back the following year and request even more staff without showing any savings to overtime over the prior year. Mr. Seeliger expressed skepticism that FPD could successfully cut the hourly work week while reducing overtime. He stated that controlling overtime is not an option. He spoke against the proposed increase of the City's contribution to the Public Safety Employees Association (PSEA) health plan and stated that if the Council approves the increase, he will personally help the City's other unions obtain the same increase. Mr. Seeliger urged the Council to come to an agreement with PSEA but again expressed his lack of support for the proposed contract. He cautioned the Council on getting into a non-funding situation.

Jake Metcalfe, 621 West 15th Avenue, Anchorage – Mr. Metcalfe stated that he is the Executive Director of the PSEA Local 803. He gave a brief PowerPoint presentation comparing FPD's pay increases from 2008 – 2013 with that of other municipalities which showed that FPD employees have received a 6.5% raise over those five years while Juneau police employees have experienced a 17% increase over the same period of time. His presentation spoke to the economic trends published by the Department of Labor and showed that the Consumer Price Index (CPI) increased by 16.1% between 2008 and 2013. He pointed out that Fairbanks is one of the most expensive places to live in the state and provided a statistic registering Fairbanks at 36% above the national average and 9.4% above Anchorage. Mr. Metcalfe stated that FPD employees pay a total of \$667 per month in health care contributions, more than that of any other community PSEA represents. He stated that PSEA negotiated for 8 months in good faith to come up with a tentative agreement with the City of Fairbanks. Mr. Metcalfe stated that he does not want to file an unfair labor practice suit and encouraged the Council to support the PSEA contract.

**Mr. Gatewood** asked Mr. Metcalfe if he knows what the overall budget is for the City and Borough of Juneau.

Mr. Metcalfe replied that he does not know what Juneau's budget is but that he knows they have experienced a deficit in recent years. He stated that he understands the City of Fairbanks has carried a surplus over the past several years and that it also has a substantial Permanent Fund that the Council recently transferred \$4 million more dollars into. Mr. Metcalfe stated that the City of Fairbanks is doing very well and can afford the PSEA contract. He stated that the City of Fairbanks is not currently in compliance with the Affordable Care Act (ACA) which requires employers to pay at least 70% of employees' health care premiums. Mr. Metcalfe pointed out that about two-thirds of the increase in the proposed contract will go towards employee health care premiums because the City has failed to keep up with those increases. He expressed his belief that the proposed contract is reasonable and was reached by compromises from both negotiating teams. Mr. Metcalfe stated that the union is tired of year-round negotiations and estimated that negotiating for eight months costs the City about \$100,000. He reminded the Council that by rejecting the proposed contract, both parties would have to start negotiations from scratch. He added that if the negotiation process starts over, the morale of FPD employees will likely decline.

**Mr. Cleworth** asked Mr. Metcalfe if the PSEA medical coverage is still a 90/10 plan.

Mr. Metcalfe replied that the plan is now 80/20.

**Mr. Cleworth** asked if there were any savings in the premium when PSEA moved from a 90/10 plan to an 80/20 plan.

Mr. Metcalfe stated that he does not serve on the health trust and that Bob Thompson would be better equipped to answer questions pertaining to the plan. He stated that one of the reasons why the PSEA health plan premium is considerably less than those of other municipalities is because FPD's unit is made up of a younger, healthier group of individuals.

Gary Yamamoto, 911 Cushman Street, Fairbanks – Sgt. Yamamoto stated that he is a sergeant with FPD. He provided some history of his time with the department and stated that when he was hired in 1993, the salary of FPD officers was 5% higher than that of Anchorage police officers. Sgt. Yamamoto stated that the City/PSEA contract signed in 1993 was the last PSEA contract until late 2006 and that the City wages have not kept up with the ever-increasing cost of living in Fairbanks. He commented that he would likely work somewhere else if he had it to do over again. Sgt. Yamamoto spoke to how the City stopped funding portions of the PSEA contract, such as longevity pay. He stated that the Mayor's decision to hire an outside Chief of Police and the Council's redirection of the PSEA contract are two issues that he believes will have a catastrophic effect on morale and staffing at FPD. Sgt. Yamamoto stated that the City of Fairbanks is not competitive with other departments throughout the State of Alaska. He expressed concern with the difficulty that FPD has in attracting and hiring new police officers. Sgt. Yamamoto spoke to the large number of FPD employees that will be eligible for retirement within the next three years and stated that he fears there will not be anyone to take their places. He stated that the City Council cannot afford the consequences of denying the contract. He stated that there are things in the contract that he does not like but that he agreed to ratify it because it was the right thing to do and because he trusted those who negotiated it. He encouraged the Council to do the same.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney stated that the cost of living is increasing for everyone. He expressed concern with Officer Dupee's comments which could be taken as threats against the City. He stated that whenever there is a morale problem within a law enforcement agency, there is an increase in the violations of civil liberties against citizens and expressed hope that the new Chief of Police could take care of the morale issue. He suggested that the Diversity Council investigate why there are no public restrooms in downtown Fairbanks.

Jason Avery, 1932 Kittiwake Drive, Fairbanks – Mr. Avery stated that he is the Manager at Pioneer Park and is representing the Fairbanks North Star Borough (FNSB). He expressed support for Ordinance No. 5960 and spoke to the bazaar held at the park each year around Thanksgiving. He stated that the event is free for the public to attend and that proceeds from the event go towards public entertainment at the park. Mr. Avery indicated that any permit fees imposed on the event by the City of Fairbanks would cause either an increase to vendor fees or the elimination of event activities. He stated that the City and the Borough often allow other agencies and instrumentalities of the state to use their facilities at no cost and expressed hope that the cooperation would continue. Mr. Avery spoke to other events that take place at Pioneer Park which are hosted by non-profit entities and expressed his belief that those organizations will choose to hold their events outside City limits if Ordinance No. 5960 does not pass.

Richard Sweet, 414 Le Ann Drive, Fairbanks – Ofc. Sweet stated that he is the second-least senior officer at FPD, having been hired less than three years ago. He explained that he is retired U.S. Army and that he chose to stay in Fairbanks because he and his family love Alaska. Ofc. Sweet spoke to the acceptance he has felt at FPD and spoke highly of their mentoring and training programs. He stated that his concerns are primarily with how the City will be able to recruit and retain police officers. Ofc. Sweet spoke to his experience with recruitment in the Army and stated that things like a 20-year retirement, competitive wages and the chance to serve community and country are all items that attract applicants. He encouraged the Council to approve the proposed PSEA contract.

Eric Jewkes, 911 Cushman Street, Fairbanks – Lt. Jewkes stated that he has been with FPD for over 20 years and distributed an article speaking to the outstanding work that FPD crisis negotiators did during the recent armed standoff in Fairbanks. He stated that the entire article is about negotiation and bargaining rules. Lt. Jewkes pointed out that both parties asked for several things during the standoff and that those requests were met as promised. He stated that even though there were loopholes and justifiable reasons for FPD to have not upheld their end of the agreement in the standoff, they were true to their word because it was the right thing to do. Lt. Jewkes stated that often there is a big difference between doing what is allowed and what is right. He stated that while he was not a part of PSEA's negotiating team recently, he has been in the past and that he knows how the process works. He expressed that he is disheartened, both personally and professionally, by the Council's reconsideration of Ordinance No. 5953. He stated that FPD officers are an outstanding group of individuals who hold themselves and each other accountable to do the right thing. He commented that the process that led the contract to where it now stands was not the right one. Lt. Jewkes stated that he believes in leading by example and that he does not demand any more of the Council than he demands of himself. He acknowledged the tremendous responsibility of the Council and joked that he would not want the Council's job. Lt. Jewkes stated that the agreement was made and that breaking the rules to take

it back is hard for him to accept. He urged the Council to uphold the adoption of Ordinance No. 5953.

Peyton Merideth, 3017 Riverview Drive, Fairbanks – Det. Merideth stated that he is a detective at FPD. He congratulated Mr. Cleworth and Mr. Pruhs for their victory in the recent municipal election. He spoke to the proposed increase to annual leave for FPD officers with 10 years or more of service and clarified that the bump is not the same as the longevity pay that the City gave in the past. Det. Merideth compared the annual leave benefit of FPD with that of other municipalities around the state and pointed out that even with the proposed increase to senior officers' leave package, Fairbanks would still offer second to the lowest annual leave package for senior officers of those other municipalities. Det. Merideth stated that he has always wanted to be a police officer and that he still takes pride in his work, knowing that sometimes he can help change someone's life for the better. He stated that in his job, he must work within a set of rules set forth by case law, the court system, the State of Alaska Constitution and the United States Constitution. Det. Merideth explained that he was ecstatic when the Council voted to adopt Ordinance No. 5953 and disappointed when he heard that a Council Member wished to change their vote and bring the ordinance back to the Council for reconsideration. He expressed his belief that the reconsideration was fundamentally wrong and urged the Council to take this opportunity to make things right. Det. Merideth concluded with the words of former Police Chief Zager, "In my 30 years in this profession... I have found no organization more dedicated, more talented, or more resilient than the Fairbanks Police Department."

Lee Despain, PO Box 80647, Fairbanks – Mr. Despain stated that Donna Gilbert had planned to attend the meeting but was recently injured and opted not to speak at this time. He referenced a recent News Miner article where Ofc. Dupee claimed that FPD officers have been treated unfairly by the City Council. Mr. Despain stated that if you evaluate the City/Union negotiation process, you will find that each union puts the City's lead negotiator into public office. He indicated that there may have been some misrepresentation to the Council of the impact of moving to a 36-hour work week at FPD and that he just recently found out that it was the lead negotiator who proposed the shortened work week to PSEA. Mr. Despain expressed his opinion that the Council was lied to and applauded them for taking another look at the PSEA contract. He stated that it appears whoever briefed the Council on the proposed contract fudged the overtime costs. Mr. Despain asked whose dollars will fund the contract costs that are outside the budget. He stated that, to his knowledge, overtime costs have never been controlled by the Police or Fire Department. He stated that Ofc. Dupee's wages and benefits totaled \$118,000 in 2014 and that another senior officer's wage and benefit package for 2014 was over \$188,000.

Darlene Herbert, 906 Woodlawn Road, Fairbanks – Ms. Herbert stated that the Council was voted into office to make decisions that are fair to everyone. She commented that it seems that some officers are overpaid, but added that the job of a police officer is a very difficult one. She stated that there are many other jobs that are high-risk and reminded the Council that it is the taxpayers who pay FPD's wages. Ms. Herbert commented that if FPD officers feel that they are underpaid, they should look for work elsewhere.

Lake Williams, 945 Senate Loop, Fairbanks – Mr. Williams stated that he believes in good faith bargaining and expressed appreciation for both the City Council and FPD employees. He stated that only the Council can determine whether the City has bargained in good faith and whether

they feel they have been properly informed throughout the process. He congratulated the recently-elected Council Members. Mr. Williams expressed his opinion that granting the reconsideration was not an act of good faith on the Council's part. He stated that he does not enjoy seeing the negative part of the community displayed in City Council Meetings and expressed hope that the Council would make a decision they could live with.

**Mr. Gatewood** asked Mr. Williams to speak to the rumors he has heard.

Mr. Williams replied that he does not wish to partake in the rumors. He stated that there was a recent election and that there are some sore feelings around Fairbanks. He stated that he hopes Fairbanks can move forward as a community.

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, heard interested citizens concerned with the below-referenced Liquor License Application for Transfer of Ownership (Stock Transfer – Lori Meltvelt to Tiro Alaska, Ltd. In the amount of 10%) and Restaurant Designation Permit.

Type:	Beverage Dispensary, License #4395
To:	The Banks Alehouse / Goethe, LLC
Location:	1243 Old Steese Hwy, Fairbanks
From:	Boston's / Goethe, LLC
Location:	Same Location

**Mr. Gatewood**, seconded by **Mr. Matherly**, moved to WAIVE PROTEST on the Liquor License Application for Transfer of Ownership and Restaurant Designation Permit

**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 RESTAURANT DESIGNATION PERMIT AS FOLLOWS:

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

**Mayor Eberhart** declared the MOTION CARRIED.

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

**Mayor Eberhart** stated that November is Native American Heritage month, a time to reflect on the profound ways that early Americans shaped our nation's character and culture. He stated that

Native Americans' contributions continue to enrich communities and strengthen our country. **Mayor Eberhart** stated that he recently met with a number of community groups to explore the possibility of applying for a grant that would fund public restroom facilities in downtown Fairbanks. He spoke to the many activities, meetings and events that the Mayor's Office has been involved in since the last Regular City Council Meeting. He announced that there will be a community open house at the JP Jones Center for Bjerremark Subdivision Improvements on November 6, from 6 – 8 p.m. **Mayor Eberhart** stated that budget meetings with Department Heads and City Council Members have begun and will occur at 7 a.m. each morning throughout the week. He stated that the mill rate will go up due to insurance costs and a high number of workers' compensation claims. He shared that the 2015 draft budget shows a \$1.1 million surplus. **Mayor Eberhart** reminded everyone that Election Day is Tuesday, November 4 and encouraged everyone to get out and vote.

### UNFINISHED BUSINESS

- a) Ordinance No. 5953 – An Ordinance Ratifying a Labor Agreement Between the City of Fairbanks and the Public Safety Employees Association, Fairbanks Police Department Chapter. Introduced by Mayor Eberhart. PUBLIC HEARING was held on August 25, 2014. POSTPONED from the Regular Meeting of September 8, 2014.

NOTE: Because Ordinance No. 5953 was postponed, the motion to ADOPT was already on the floor (the motion to ADOPT was made by Mr. Anderson, seconded by Ms. Staley, at the Regular Meeting of September 8, 2014).

**Mr. Gatewood** requested a staff report on the financial portion of the PSEA contract.

**Mayor Eberhart** announced that former Chief Zager is standing by if the Council would like to speak with him.

**Mr. Gatewood** stated that there has been quite a bit of discussion surrounding the cost of the PSEA contract. He asked Chief Financial Officer Jim Soileau to speak to the affordability of the contract.

Mr. Soileau went through the increased costs of the proposed contract line by line. He stated that the Finance Department has drawn up three different financial scenarios that include all PSEA employees. He spoke to the financial effects of the reduced work week, wage increases, leave banks, overtime and the increased leave for senior officers.

**Mr. Gatewood** asked Mr. Soileau to speak to the costs if a party chooses to opt out.

Mr. Soileau stated that neither party may opt out until 12 months into the contract. He explained that if the City opts out, PSEA will keep the retro pay and the City's increased healthcare contribution. He stated that the 10% wage increase would be reduced to a 3.36% increase, which would also reduce leave banks. He explained that if the City opted out of the contract, the cost compared to the previous three years would be \$559,000. He stated that if PSEA opted out, it would cost the City about \$500,000.

**Mayor Eberhart** clarified that the amount Mr. Soileau quoted is not a penalty, but would be the cost of the portions of the contract that the City would still have to fund.

**Ms. Staley** asked under what conditions the City may opt out.

**Mayor Eberhart** stated that Council may choose to opt out at their own discretion after a year. He again stated that former Chief Zager is standing by to answer questions if the Council so desires. **Mayor Eberhart** asked Chief of Staff Jim Williams if Mr. Zager intends on taking a position on the PSEA contract.

Mr. Williams replied that Mr. Zager does not intend to take a position.

**Mr. Pruhs** asked Mr. Soileau to speak to overages in budgeted overtime over the past year at the Police and Dispatch Departments.

Mr. Soileau stated that in 2013, FPD budgeted \$350,000 for overtime and came in about 7.5% below budget. He stated that in 2012, FPD exceeded the budgeted overtime by 6%, but still came in under budget in salaries for the year.

**Mayor Eberhart** asked Dispatch Manager Stephanie Johnson to come forward.

**Mr. Gatewood** asked how the proposed PSEA contract would benefit the Dispatch Center.

Ms. Johnson stated that the Dispatch Center is a separate department from FPD and spoke to the ways that the differences have been addressed in the proposed contract. She stated that the new working rules in the contract will allow her to maintain different shift schedules in her department than at FPD and will provide for more efficient staffing. Ms. Johnson indicated that the contract may also allow more flexibility and fairness in distributing forced overtime.

**Mayor Eberhart** asked Ms. Johnson to speak to the large amount of turnover in her department and to how the proposed contract may impact the retention problem.

Ms. Johnson stated that when she has spoken with former PFD dispatchers who have found employment in the same field elsewhere, they have said that they earn a higher wage at their new job with less out of pocket healthcare expense. She stated that it takes 8 – 10 months to train new dispatchers and that the City is losing a tremendous amount of money each time a trained dispatcher leaves. Ms. Johnson stated that the proposed contract should make the FPD Dispatch Center more competitive with other agencies.

**Mayor Eberhart** asked Mr. Williams who came up with the idea of the 36-hour work week.

Mr. Williams replied that the idea was introduced in the spring when the City and PSEA were nearly at an impasse. He explained that the idea was originally Chief Zager's and was presented to the Council in Executive Session, then introduced to PSEA after Council provided their input.

**Mayor Eberhart** asked Mr. Williams to comment on the notion that the hours lost in the reduced work week would cause excessive overtime.



Mr. Williams stated that the Police Department incurs overtime due to the nature of the job. He stated that the Finance Department estimated the overtime budget at a 50% rate. Mr. Williams stated that his research of payroll records indicates that the actual backfill rate at FPD is 13%.

**Mr. Walley** asked how much it would cost the City in the third year of the PSEA contract if the City opted out.

Mr. Soileau replied that for year 2016 it would cost the City \$452,843 if the City opted out and \$429,078 if PSEA opted out.

**Mr. Matherly** stated that, contrary to some opinions, he did not file a reconsideration of Ordinance No. 5953 because of the upcoming election. He expressed his respect for FPD and stated that he separated the PSEA contract issue from the hiring of the new Police Chief. **Mr. Matherly** explained that he felt the need to look at the contract again because of the financial effect it would have on the City of Fairbanks. He defended the Council's decision to suspend the rules to allow for the reconsideration by stating that the motion is within the rules set forth in the Code. He stated that he believes it would be nearly impossible to opt out of the 36-hour work week once it is in place. **Mr. Matherly** clarified that he still has great concern for the Dispatch Department. He stated that he received over 55 emails regarding the PSEA issue and that he responded to each one explaining his reasoning for the reconsideration.

**Mr. Cleworth** stated that he read Mr. Dupee's opinion in the newspaper and that he agreed with some of the statements made. He clarified that labor negotiations between the City and unions are always open to the public as mandated in the Fairbanks General Code. He spoke to his experience in negotiating with PSEA and stated that when he was City Mayor, it only took one week to come to an agreement between the two parties. **Mr. Cleworth** stated that as Mayor, he enjoyed working with FPD and had an open door policy. He explained that former Chief Zager came up with the concept of the 36-hour work week about five years ago in an effort to cut costs, but expressed his belief that it was not a good idea then and is not a good idea now. He stated that the shortened work week would equate to a reduction in the police force which would be regressive. **Mr. Cleworth** briefly spoke to the staffing history at FPD and stated that the department is currently above the national average for Fairbanks' size. He stated that every Police Chief he has known has asked for more staffing. He pointed out that five of the current 47 FPD staff are grant-funded positions. He opposed the notion that the reduction in the work week could be justified by an expanded Community Service Patrol (CSP). He stated that it is nice to have an expanded CSP, but indicated that the program is dependent on grant funding and donations. **Mr. Cleworth** spoke to overtime at FPD and stated that it is somewhat inevitable. In reference to the document he distributed to the Council, he directed the Council to review what it would cost the City to give all union employees the same proposed monthly increase to their healthcare premiums. He stated that the increased healthcare contribution would actually exceed a 2% package rate increase for City employees. **Mr. Cleworth** commented that by agreeing to the proposed contract, the City would be moving backwards in many ways. He stated that the City's annual leave policy is a good and liberal policy. He compared the proposed PSEA contract to the most recent contracts of other unions the City is under agreement with and to other government/union contracts in Alaska. **Mr. Cleworth** read aloud portions of the Fairbanks General Code pertaining to the Council's goals during labor negotiations. He commented that

the opt out clause is unaffordable and that the PSEA contract would bind the hands of future Councils and administrations. He stated that while agreeing to the PSEA contract would make a lot of people happy, it would make many people unhappy because the City cannot afford the same for the other unions.

**Mayor Eberhart** stated that he is unsure why CSP keeps being mentioned as a problem in terms of funding. He explained that there is \$115,000 in state and borough contributions set aside for the CSP in 2015 and that there is a total of \$275,000 in designated CSP funding for the next two or more years. **Mayor Eberhart** stated that in the meantime, there are efforts being made in conjunction with the Downtown Association to increase private donations to the CSP. He reminded the Council that the CSP's work is an unfunded mandate by the State of Alaska and indicated that some of the funding burden should fall on the state. **Mayor Eberhart** stated that the notion that a healthcare contribution increase for PSEA would mean an equal increase for the other unions is a fallacy because each union is different.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5953 AS FOLLOWS:

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

- b) Ordinance No. 5958 – An Ordinance Amending the 2014 Operating and Capital Budgets for the Sixth Time. Introduced by Mayor Eberhart. PUBLIC HEARING was held on October 20, 2014. POSTPONED from the Regular Meeting of October 20, 2014.

NOTE: Because Ordinance No. 5958 was postponed, the motion to ADOPT was already on the floor (the motion to ADOPT was made by Mr. Anderson, seconded by Mr. Hilling, at the Regular Meeting of October 20, 2014).

**Mr. Cleworth**, seconded by **Mr. Pruhs**, moved to SUBSTITUTE Ordinance No. 5958, as Amended, for Ordinance No. 5958.

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

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

**Mr. Cleworth** stated that he is satisfied with the proposed numbers for the Dispatch Department. He indicated that he has a problem with Item 10 of Estimated Expenditures in the Fiscal Note pertaining to the retroactive health increase for the Fire Department. **Mr. Cleworth** asked City Attorney Paul Ewers if the Fire Fighters Union (FFU) will still head to court regardless of the Council's action on Ordinance No. 5958, as Amended.

City Attorney Ewers stated that FFU has been in court but that his plan is to head them off and take them in a different direction. He expressed hope that the issue would be out of court soon. He commented that the adoption of Ordinance No. 5958, as Amended, will likely make their claim irrelevant.

**Mr. Cleworth** asked Mr. Ewers what the City's position was regarding health care during the FFU arbitration last year.

Mr. Ewers explained that the 4.75% wage increase given to FFU up front for a three-year contract was actually a \$250,000 better deal for the union than what the IBEW and AFL-CIO received for their package rate increases in their respective agreements with the City. He noted that the FFU health care premiums went down during that time by \$200 - \$300 per month.

**Mr. Cleworth** asked Mr. Ewers if he was allowed to present the City's one request of FFU to the arbitrator.

Mr. Ewers stated that he was not given the opportunity to present the City's request to the arbitrator. He explained that when FFU rejected the City's offer and vice versa, all prior offers were no longer valid.

**Mr. Cleworth** stated that the fire fighters used to be under the PSEA health care program, but commented that it was not good for them or for the City. He stated that since then the fire fighters came up with their own plan. **Mr. Cleworth** stated that the fire fighters have always wanted the City to fund 80% of their health care premium and explained that the City cannot afford to do so for all union contracts. He stated that each union can structure their health plans however they see fit and spoke more to the history of negotiations with the FFU. **Mr. Cleworth** stated that FFU likes to go to arbitration because it is problematic for the City of Fairbanks. He read aloud portions of an article from *The Boston Globe* titled "Arbitration's Intolerable Bind" which spoke to how binding arbitration is not a good mechanism for drawing up binding contracts between unions and state and local governments. The article also spoke to how unions use binding arbitration to their benefit and to how the process erodes self-government. **Mr. Cleworth** stated that the City offered to pay the equivalent of 80% of FFU's health premiums and it was rejected and mentioned that FFU negotiations would be opening up in about six months.

Mr. Ewers pointed out that FFU also wanted \$60,000 for a health trust account in addition to the 80% health care contribution.

**Mr. Cleworth**, seconded by **Mr. Pruhs**, moved to AMEND Ordinance No. 5958, as Amended, by eliminating the \$57,432 increase to the Fire Department (Item 10 of Estimated Expenditures in the Fiscal Note).

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 5958, AS AMENDED, BY STRIKING THE \$57,432 INCREASE TO THE FIRE DEPARTMENT AS FOLLOWS:

YEAS: Cleworth, Pruhs, Walley, Staley, Matherly

NAYS: Gatewood

**Mayor Eberhart** declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5958, AS AMENDED, AS FOLLOWS:

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

**Mayor Eberhart** declared the MOTION CARRIED and Ordinance No. 5958, as Amended, ADOPTED.

- c) Ordinance No. 5959 – An Ordinance Amending Fairbanks General Code Section 14-176 Regarding Possession of Alcoholic Beverages. Introduced by Mayor Eberhart. SECOND READING AND PUBLIC HEARING.

**Mr. Matherly**, seconded by **Mr. Cleworth**, moved to ADOPT Ordinance No. 5959.

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

**Mr. Cleworth** asked for a report on the reasoning behind Ordinance No. 5959.

Mr. Ewers explained that police officers working in the downtown area noticed a loophole in City Code regarding possession of alcoholic beverages. He explained that while possessing an open container of alcohol and drinking in public are against City Code, the ordinance does not address unopened containers of alcohol. Mr. Ewers stated that the Borough prohibits alcohol in its parks downtown.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5959 AS FOLLOWS:

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

**Mayor Eberhart** declared the MOTION CARRIED and Ordinance No. 5959 ADOPTED.

### **NEW BUSINESS**

- a) Resolution No. 4645 – A Resolution Authorizing the City of Fairbanks to Apply for Funds from the United States Department of Homeland Security for EMS Active Shooter Equipment. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4646 – A Resolution Authorizing the City of Fairbanks to Apply for Funds from the United States Department of Homeland Security for Driver Certification Training. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 4647 – A Resolution Authorizing the City of Fairbanks to Apply for Funds from the United States Department of Homeland Security to Upgrade the Aerial Platform. Introduced by Mayor Eberhart.

**Mr. Pruhs**, seconded by **Mr. Walley**, moved to APPROVE Resolution No. 4647.

**Mr. Cleworth**, seconded by **Mr. Matherly**, moved to SUBSTITUTE Resolution No. 4647, as Amended, for Resolution No. 4647.

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

Assistant Fire Chief Ernie Misewicz stated that the Fire Department is looking to refurbish one of the old platform trucks. He explained that when the grant terms came out, they noticed that the requirements did not allow for the refurbishing of existing apparatus. He stated that the more stringent requirements are the reason for the amended version of Resolution No. 4647.

**Mr. Cleworth** asked how often the City normally replaces the apparatus. He asked if the equipment is sellable and if obtaining parts is becoming a problem.

Mr. Misewicz replied that the City tries to replace the equipment every 20 years and rotate the old ones into a reserve status. He explained that parts are becoming difficult to find for both of the trucks that the City owns.

**Mr. Cleworth** asked who the engine manufacturer is for the truck the City is currently using.

Mr. Misewicz replied that the City is currently using two trucks. He stated that one of the truck's engines is made by KME and the other one is made by American LaFrance.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4647, AS AMENDED, AS FOLLOWS:

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

NAYS: None

**Mayor Eberhart** declared the MOTION CARRIED and Resolution No. 4647, as Amended, APPROVED.

- d) Ordinance No. 5960 – An Ordinance to Amend Fairbanks General Code Section 14-71 Multi-Vendor Events. Introduced by Mayor Eberhart.

ADVANCED on the CONSENT AGENDA.

## **DISCUSSION ITEMS**

### Committee Reports

Fairbanks Diversity Council – **Mr. Gatewood** stated that he was appointed to the Diversity Council as former Council Member Anderson's replacement and attended the October 23

meeting. He stated that the membership is made up of an enthusiastic group of individuals and spoke to the Borough's appointments to the Diversity Council. **Mr. Gatewood** stated that at the last meeting Mae Marsh, the Director of Diversity and Equal Opportunity at UAF, performed diversity training for the group. He shared that the Diversity Council will participate in strategic planning with City Chief of Staff Jim Williams at the next meeting on December 9 at 5:30 p.m.

Permanent Fund Review Board – **Mr. Gatewood** shared that the Community Development, Inc. note for the Raven Landing project has been paid in full and the City will not be receiving any more payments to the Permanent Fund for that debt. He spoke to the status of the City's investments and indicated that stocks have been down. **Mr. Gatewood** stated that as of October 21, 2014 the Permanent Fund balance was \$120,307,000.00 and expressed satisfaction with where the City's portfolio is going. He asked Mr. Soileau when the annual report would be presented to the Council.

Mr. Soileau stated that the report would likely be presented in January 2015.

**Mr. Pruhs** asked Mr. Gatewood if he could provide him with information on how the Fund is managed and under what parameters it operates.

**Mr. Gatewood** replied affirmatively.

#### COMMUNICATIONS TO COUNCIL

- a) Approval of the 2015 City Council Meeting Schedule  
APPROVED on the CONSENT AGENDA.
- b) Appointment to the Fairbanks Diversity Council  
APPROVED on the CONSENT AGENDA.
- c) Permanent Fund Review Board Meeting Minutes of July 23, 2014  
ACCEPTED on the CONSENT AGENDA.
- d) Fairbanks Diversity Council Meeting Minutes of September 4, 2014  
ACCEPTED on the CONSENT AGENDA.

#### COUNCIL MEMBERS' COMMENTS

**Ms. Staley** stated that it is good to be back in Fairbanks but commented that she will have to call in for some of the Finance Committee meetings. She stated that she hopes to have Mr. Cleworth help with the Golden Heart Parking Services (GHPS) Board. She expressed her desire to remain on the Public Safety Commission (PSC) and thanked FPD for allowing her to participate in a ride-along to experience first-hand what police officers do on the job. **Ms. Staley** stated that the vote on the PSEA contract was a difficult one and indicated that there were too many unknowns for the Council to approve the ordinance.

**Mr. Walley** stated that it has been a long few months and expressed his appreciation to the Police and Dispatch Departments. He stated that there is a great deal of pressure on the Council during situations involving labor issues. He emphasized the importance of the fairness issue in regard to how the City bargains among unions and stated that the City must strive to be as fair as possible.

**Mr. Gatewood** echoed Mr. Walley's comments on the Council's goal to be as fair as possible in bargaining with the respective unions, but stated that each contract cannot be the same due to the varying nature of work between unions. He commented that the Council may have gotten caught up initially in the idea that the reduced work week for PSEA may save the City money and stated that he cannot blame the union for being upset with the Council. **Mr. Gatewood** stated that the PSEA labor contract is not just about the Police Department but is also about other City workers and the citizens of the City of Fairbanks. He expressed hope that PSEA and the City could come to an agreement that is palatable to both parties.

**Mr. Pruhs** thanked Mayor Eberhart, City Attorney Ewers and fellow Council Members for making his few weeks on the Council enjoyable. He commended Chief Financial Officer Jim Soileau for answering the Council's questions and providing valuable information in regard to the PSEA contract. He stated that he looks forward to continuing his work on the City Council.

**Mr. Cleworth** thanked Mayor Eberhart and City staff for the proposed 2015 budget and stated that it looks like a good starting point.

**Mr. Matherly** stated that he had to vote early in the State election and commented on the large early-voter turnout. He encouraged everyone to get out and vote and stated that this election will mark a big turning point for the State of Alaska. In regard to PSEA labor negotiations, **Mr. Matherly** stated that he feels he should listen harder, ask more questions and work harder as a City Councilman. He commended the Finance Department for their work on the 2015 budget and stated that he believes new IT Director Ben Barrio will make a fine addition to the City staff. **Mr. Matherly** expressed his interest in remaining on the Explore Fairbanks Board of Directors. He stated that there were about 40 people in attendance at the recent meeting regarding the new Club SinRock, including Council Members Staley and Cleworth and Chief of Staff Williams. He stated that the owner of the Club was also present and was very respectful and accommodating. He stated that it is an honor to serve with all his fellow Council Members.

**Mayor Eberhart** stated that he was unable to attend the Club SinRock meeting due to a scheduling conflict. He asked Mr. Cleworth if he is interested in becoming the Council representative to the GHPS Board or if he is just helping Ms. Staley on the Board.

**Mr. Cleworth** stated that he knows how busy Ms. Staley is and commented that he would be happy to help her on the GHPS Board.

**Mayor Eberhart** stated that the Fairbanks Downtown Association has requested a meeting to discuss parking and a couple other topics and asked Ms. Staley to forward the email she received about the meeting to Mr. Cleworth.

Ms. Staley stated that she would forward the information and shared that the meeting would take place on November 5 at 9 a.m.

**CITY ATTORNEY'S REPORT**

City Attorney Ewers advised that the City's Deferred Compensation Committee is in the process of finalizing a contract with MetLife. He stated that he hopes to present a full report and a resolution approving the contract soon.

**CITY CLERK'S REPORT**

City Clerk Hovenden advised that she included a written quarterly report from the City Clerk's Office in the Council's packets.

Mr. Matherly, seconded by Mr. Pruhs, moved to go into Executive Session for the purpose of discussing AFL-CIO and Public Safety Employees Association (PSEA) labor contract negotiations.

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

Mayor Eberhart called for a brief recess.

**EXECUTIVE SESSION**

a) Labor Contract Negotiations – AFL-CIO and PSEA

The City Council met in Executive Session to discuss AFL-CIO and PSEA labor contract negotiations. Direction was given to the negotiating team and no action was taken.

**ADJOURNMENT**

Mr. Pruhs, seconded by Ms. Staley, moved to ADJOURN the meeting.

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

Mayor Eberhart declared the Meeting adjourned at 11:10 P.M.



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JOHN EBERHART, MAYOR

ATTEST:



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JANEY HOVENDEN, MMC, CITY CLERK

Transcribed by: DS