



FAIRBANKS CITY COUNCIL  
AGENDA NO. 2014-21  
**REGULAR MEETING NOVEMBER 03, 2014**  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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PRELIMINARY MEETING

- I 5:30 P.M. Work Session with Explore Fairbanks
  - II 6:10 P.M. Work Session with Fairbanks Economic Development Corporation
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REGULAR MEETING

7:00 P.M.

- 1. ROLL CALL
- 2. INVOCATION
- 3. FLAG SALUTATION
- 4. 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).

- 5. CITIZENS COMMENTS, oral communications to Council on any item not up for Public Hearing. Testimony is limited to five (5) 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 phone, electronic and messaging devices.
- 6. APPROVAL OF PREVIOUS MINUTES

7. SPECIAL ORDERS

- a) The Fairbanks City Council, Sitting as a Committee of the Whole, will hear interested citizens concerned with the 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. Public Testimony will be taken and limited to five (5) minutes.

Type: Beverage Dispensary, License #4395

To: The Banks Alehouse / Goethe, LLC  
1243 Old Steese Hwy, Fairbanks

From: Boston's / Goethe, LLC  
Same Location

8. MAYOR'S COMMENTS AND REPORT

9. 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. PUBLIC HEARING was held on August 25, 2014. POSTPONED from the Regular Meeting of September 8, 2014.
- 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.
- 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.

10. 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.
- \*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.

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

11. DISCUSSION ITEMS (INFORMATION AND REPORT)

- a) Committee Reports

12. COMMUNICATIONS TO COUNCIL

- \*a) Approval of the 2015 City Council Meeting Schedule
- \*b) Appointment to the Fairbanks Diversity Council
- \*c) Permanent Fund Review Board Meeting Minutes of July 23, 2014
- \*d) Fairbanks Diversity Council Meeting Minutes of September 4, 2014

13. COUNCIL MEMBERS' COMMENTS

14. CITY CLERK'S REPORT

15. CITY ATTORNEY'S REPORT

16. EXECUTIVE SESSION – Labor Negotiations: AFL-CIO and Public Safety Employees Association (PSEA).

17. ADJOURNMENT


# MEMORANDUM

City of Fairbanks Clerk's Office

Janey Hovenden, MMC, City Clerk

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TO: Mayor John Eberhart  
City Council Members

FROM: Janey Hovenden, MMC, City Clerk 

SUBJECT: Application for Liquor License Transfer

DATE: October 28, 2014

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An application has been received by the State Alcohol Beverage Control Board for transfer of ownership (Stock Transfer Only – Lori Meltvelt to Tiro Alaska, Ltd, in the amount of 10%) and a Restaurant Designation Permit for the following liquor license:

Type: Beverage Dispensary, License #4395

To: The Banks Alehouse / Goethe, LLC  
1243 Old Steese Hwy, Fairbanks

From: Boston's / Goethe, LLC  
Same Location

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

There are no departmental objections to the transfer of this license.

Sponsored by: Mayor Eberhart  
Introduced: August 11, 2014

**ORDINANCE NO. 5953**

**AN ORDINANCE RATIFYING A LABOR AGREEMENT BETWEEN  
THE CITY OF FAIRBANKS AND THE PUBLIC SAFETY  
EMPLOYEES ASSOCIATION, FAIRBANKS POLICE  
DEPARTMENT CHAPTER**

**WHEREAS**, the Collective Bargaining Agreement between the City and the PSEA, Fairbanks Police Department Chapter, expired on December 31, 2013; and

**WHEREAS**, the PSEA and City Administration have reached a tentative agreement for a new three-year agreement which incorporates the labor goals of the City Council.

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

**SECTION 1.** That the attached three-year collective bargaining agreement is hereby ratified.

**SECTION 2.** That this ordinance becomes effective upon ratification of the agreement by PSEA.

**SECTION 3.** That once ratified, the collective bargaining agreement shall be effective from January 1, 2014, through December 31, 2016.

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

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Janey Hovenden, MMC, City Clerk

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

FISCAL NOTE PSEA ORDINANCE 5953

	Description	Estimated Costs			
		Year 1 (2014)	Year 2 (2015)	Year 3 (2016)	Total
Retro Pay	1-time Payment (\$1,750) in lieu of retro pay (difficult to go back and pay 10% wage increase on 4/10 schedule)	\$ 119,000	\$ -	\$ -	\$ 119,000
Health Benefits	Increase Health Contribution per member by \$250 per month	\$ 51,000	\$ 204,000	\$ 204,000	\$ 459,000
3/12 Wages and Overhead	Reduce PSEA membership working hours from 40 hours per week to 36 hours per week. Increase base wages by 10% & factor in overhead changes)	\$ (8,180)	\$ (32,719)	\$ (32,719)	\$ (73,618)
3/12 shift Diff	Swing Shift (from 5% to 4%), Mid Shift (10% to 8%)	\$ (12,934)	\$ (51,736)	\$ (51,736)	\$ (116,406)
3/12 Leave Bank Adjustment	10% increase in wages will result in 1-time adjustment to accrued leave values	\$ 74,846	\$ -	\$ -	\$ 74,846
3/12 Overtime	10% increase in wages will result in adjustment to OT and associated benefits	\$ 20,801	\$ 83,205	\$ 83,205	\$ 187,211
Earned Leave	Members with over 10 years of service will earn 300 hours per year (increase of 60 hours per year)	\$ 35,676	\$ 105,282	\$ 99,333	\$ 240,291

**TOTAL: \$ 280,209    \$ 308,032    \$ 302,083    \$ 890,324**  
 3.44%                      0.33%                      -0.07%                      3.65%

Adjusted (as proposed) FY Budgets: \$ 8,421,965    \$ 8,449,788    \$ 8,443,839    \$ 25,315,592

Original PSEA 2014 Personnel Budget (Police) \$ 6,273,955    \$ 6,273,955    \$ 6,273,955    \$ 18,821,865

Original PSEA 2014 Personnel Budget (Dispatch) \$ 1,867,801    \$ 1,867,801    \$ 1,867,801    \$ 5,603,403

Original 2014 PSEA Labor Budget (Total) \$ 8,141,756    \$ 8,141,756    \$ 8,141,756    \$ 24,425,268

**COLLECTIVE BARGAINING AGREEMENT**  
**BETWEEN**  
**THE CITY OF FAIRBANKS**  
**AND**  
**THE PUBLIC SAFETY EMPLOYEES ASSOCIATION**  
**FAIRBANKS POLICE DEPARTMENT CHAPTER**  
**2014 - 2016**

This Agreement is reached between the City of Fairbanks (Employer or City) and the Public Safety Employees Association (the Association or PSEA) for the uses and purposes herein mentioned.

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**ARTICLE 1**  
**POLICY AND PURPOSE**

**Section 1.1** It is the policy of the City and PSEA to continue harmonious and cooperative relationships between City employees and the employer to ensure orderly and uninterrupted operations of government.

**Section 1.2** The welfare of the City and its Employees is dependent largely upon the service the City renders the public. Improvements in this service and economy in operating and maintaining expenses are promoted by willing cooperation between the City management, employee organizations and each employee to render honest, efficient and economical service.

**Section 1.3** The purposes of this Agreement are:

- A. To promote the settlement of labor disagreements by conference, to prevent strikes and lockouts, to stabilize conditions in work in the areas affected by this Agreement, to prevent avoidable delays and expense, and generally to encourage a spirit of helpful cooperation between the Employer and employee groups to their mutual advantage.
- B. To recognize the legitimate interest of the employees of the City to participate through collective bargaining in the determination of terms and conditions of their employment.
- C. To promote fair and reasonable working conditions.
- D. To promote individual efficiency and service to the citizens of the City.
- E. To avoid interruption or interference with the efficient operation of City Government.
- F. To provide a basis for the adjustment of matters of mutual interest by means of amicable discussion.
- G. To pay wages, benefits and other compensation to the members in accord with the provisions of this Agreement, and not based upon personal favoritism or discrimination.

## **ARTICLE 2** **DURATION**

**Section 2.1** This Agreement shall become effective the first day of the pay period following mutual ratification by the City Council and the Membership of the Association in accord with an election and shall remain in effect until December 31, 2016.

**Section 2.2** Either party desiring to commence such negotiations shall give written notice to the other at least sixty (60) days prior to December 31, 2016, but not sooner than one hundred twenty (120) days prior to the expiration date of this Agreement. Upon receipt of such notice, negotiations shall begin within fifteen (15) days. Unless otherwise agreed, no modification or change shall become effective prior to the expiration date without the mutual written consent of the parties.

**Section 2.3** In the event that the termination date on this Agreement shall occur during the course of negotiations for a renewal of the Agreement, the terms and conditions of this Agreement shall be extended until such time as a new agreement is reached.

**Section 2.4** This Agreement shall be binding upon the successors and assigns of the parties, and no provision, term or obligation herein contained shall be changed in any respect by any change in ownership, management, location, or bargaining unit.

**ARTICLE 3**  
**RECOGNITION**

**Section 3.1 Recognition.** The City recognizes PSEA as the exclusive representative of all PSEA positions designated in this Agreement for part-time, permanent, seasonal and temporary employees in the City for collective bargaining with respect to salaries, wages, hours and other terms and conditions of employment.

**Section 3.2 Classifications.**

- A. Additional classifications or reclassification shall be included within the Bargaining Unit or exempt from on the basis of the Alaska Labor Relations Agency criteria.
- B. Should irresolvable differences as to inclusion or exclusion of additional classifications or reclassification to the Bargaining Unit occur, either party may request that the jurisdiction be determined in accordance with Alaska Statutes.

**ARTICLE 4**  
**NEGOTIATIONS**

Not more than three (3) employee negotiators shall be permitted to attend and participate in negotiations during their normal workday without loss of compensation. All negotiators shall be assigned to day shift duty (Monday through Friday) during the period of negotiations. Due to the nature of prolonged negotiations members may be required to participate during off duty hours. Off-duty members will not be compensated for their time while required to attend such meetings, but shall be given hour for hour time off in lieu of time so spent for negotiations. The parties will meet at mutually agreeable times. It is not the intent of the parties for the negotiators to receive overtime pay while performing negotiation duties in excess of the workday. Said designated negotiators shall be permitted to use duty time or administrative time to participate in preparation and actual negotiations (and caucuses on negotiation days) should scheduled negotiations occur on members' regular duty days. Nothing prohibits other members from attending negotiations using scheduled leave or off-duty time. Should designated negotiators become unavailable PSEA may substitute negotiators.

**ARTICLE 5**  
**CITY – ASSOCIATION RELATIONS**

**Section 5.1** Recognizing the mutual benefits derived from the process of democratic collective bargaining, the City will not discourage new employees from joining the Fairbanks Police Department employees' Association/PSEA. It is hereby agreed by the Association and the City that there shall be no discrimination against any employee because of membership in or lawful activity on behalf of the Association.

**Section 5.2** The Association agrees that its members, who are employees of the City, will individually and collectively perform loyal and efficient service and that they will use their influence and best efforts to protect the property and interest of the City and to cooperate with the City to this end at all times.

- A. The Association agrees that during the life of this Agreement, the Association, its agents or its members will not authorize, instigate, aid, engage in or condone any work stoppage or concerted slowdown, mass illness, refusal to work or strike against the Employer.
- B. The City agrees that during the life of this Agreement, there shall be no lockout.
- C. The Association further agrees that its members shall, in each and every instance, cross the picket line of any other organization in order to perform assigned duties.

**Section 5.3** Any provision of this Agreement judicially found to be in violation of applicable City, State or Federal law and subsequent amendments thereto shall be null and void, but all other provisions of this Agreement shall remain in full force and effect. In the event any provision of this Agreement is declared unlawful, in a manner described above, the parties hereto agree to meet within fifteen (15) days and for a reasonable period thereafter until final negotiations or appropriate substitute clauses have been satisfied.

**Section 5.4** The Association agrees that it will actively combat absenteeism and other practices which may hamper the City's operation and that the Association will vigorously support the City in efforts to improve efficiency and the quality of law enforcement and further to promote good will between the City and the Bargaining Unit members.

**ARTICLE 6**  
**MANAGEMENT RIGHTS**

The City under this Agreement has and will retain the right to represent and manage the City and the City's property and to direct its working forces, including the right to hire, to set staffing levels, to promote and demote, to reclassify, and to discipline or discharge any personnel in its employ for good and just cause in the interest of the City, provided it does not conflict with the provisions of this Agreement. Nothing in this Agreement is intended to, or is to be construed in any way, to interfere with the recognized prerogative of the City to manage and control its business.

**ARTICLE 7**  
**PSEA SECURITY**

**Section 7.1 Agency Shop.**

- A. It is recognized that PSEA owes the same responsibilities to all employees and is to provide benefits and services to all Bargaining Unit members whether or not they are members of PSEA. All employees shall, as a condition of continued employment, either become a member of PSEA and pay PSEA dues or pay an agency fee to PSEA equal to the amount of PSEA dues assessed uniformly against all PSEA members in this Bargaining Unit. Payment of PSEA dues or agency fee shall commence within thirty (30) days after the date of hire, or the date the position becomes covered by this Agreement.
  
- B. Upon the written request by PSEA to the City, a Bargaining Unit member employed for more than thirty (30) days who is not complying with the membership or agency shop provisions of this Agreement shall be terminated upon notification to the City by PSEA.
  
- C. Persons hired in a Bargaining Unit position shall be informed, at the time of the employment offer of the PSEA membership obligation under this Agreement. The employee shall be allowed up to a maximum of one hour, during normal working hours, to perform the PSEA enrollment activity and shall report to the PSEA office for membership discussion within ten (10) working days after reporting to work.

**Section 7.2 Check off and Payroll Deductions.**

- A. The City agrees to deduct on a regular basis from the payroll check of all Association members, the regular monthly dues, assessments and fees, and voluntary contributions of members of the Association.
  
- B. The Business Manager of PSEA shall notify the City Finance Department in writing of a decrease or increase in authorized dues or fees deducted. The City shall then make the appropriate changes in payroll deductions. The City shall remit the employee's authorized PSEA deductions to the duly authorized representative of PSEA, together with a list of the names of the employees from whose pay deductions are made. All changes in address of employees shall be transmitted to PSEA immediately.
  
- C. PSEA, or their designee, shall have a right to receipts from deductions of PSEA and PAC dues, initiation fees or agency fees, PSEA-sponsored insurance premiums and PSEA-sponsored employee benefits as previously authorized or as may be authorized by the Bargaining Unit Member. No other employee organization shall be accorded payroll deduction privileges with regard to



the Bargaining Unit.

**Section 7.3 Payroll Deductions/Direct Deposit.** Employees shall be accorded payroll deduction and direct payroll deposit privileges to the financial institution of the employee's choice on pay day, limited to two specified deductions and one deposit for the balance of the payment.

**Section 7.4 Meeting Space and Bulletin Boards.**

- A. When not previously reserved, appropriate meeting space in the buildings owned or leased by the City, shall be available for meetings of PSEA.
- B. The City shall furnish adequate bulletin boards for use by PSEA. The City shall not unreasonably restrict or interfere with material posted on these boards.
- C. The City shall, if available at the Police Station or City Hall, provide the FPDEA President private office space, as needed, to conduct PSEA business.

**Section 7.5 List of Bargaining Unit Members.** The City agrees to furnish PSEA each month with a roster of all employees working under the jurisdiction of PSEA.

**Section 7.6** No member shall be discriminated against or penalized for the upholding of the Association's principles due to service on a committee, nor shall the City interfere in the relations between any member and the Association, nor will the City attempt to restrain any member from Association membership or activities.

**Section 7.7** The Association assumes all obligations and responsibilities for this Bargaining Unit. The Association agrees that this Agreement is binding on each and every member of this Bargaining Unit and that its members, individually or collectively, accept full responsibility for carrying out all of the provisions of this Agreement.

**Section 7.8** It shall be a condition of employment that all members presently employed in a position covered by this Agreement shall be and remain a member of the Association for the life of this Agreement. Members of the Association in good standing on the effective date of this Agreement shall remain members in good standing for the life of this Agreement. employees hired on or after its effective date, within thirty (30) days following the beginning of employment, must become and remain members in good standing for the life of this Agreement or pay to the Association an agency fee in an amount equal to the Association's uniform dues and fees in lieu thereof. "Good standing" is to be deemed as paying the Association's uniform dues and fees as required.

**Section 7.9** Upon the failure of any member to comply with the provisions of Section 7.1.A, the Association shall notify the City in writing of such failure, and thereupon the member shall not be continued in employment. Termination shall become effective ten (10) days after receipt of notice to the City by the Association. If the member pays the Association uniform dues and fees before the expiration of the ten (10) days, the member shall be considered in good standing and not be discharged for that reason.

**Section 7.10** The Association agrees to provide representation to all Bargaining Unit employees, whether or not they are members of the chapter as defined by State law.

**Section 7.11** The City of Fairbanks recognizes PSEA as the sole representative of all designated positions listed in Article 19 for collective bargaining with respect to salaries, wages, hours and other terms and conditions of employment and shall not negotiate or handle grievances with any employee, organization or individual other than PSEA

**Section 7.12**

- A. The Chapter Chair and Vice-Chair of the Fairbanks Police Department employees Association Chapter of PSEA as well as two other employees, hereinafter called "Employee Representatives" will be designated by PSEA. They shall be employees of the Fairbanks Police Department or the Fairbanks Emergency Communications Center and members of the Association. The Employee Representatives shall be permitted during regular working hours to perform their official representative duties handling requests, complaints and grievances arising under this Agreement. There may be occasions when workload will prevent the granting of such time until a later date. In the absence of compelling circumstances to the contrary, the employee will be made available. Normal protocol will be observed with their respective supervisors prior to engaging in their duties as an Employee Representative. It is agreed that the Employee Representative conducting the representative duties shall whenever possible, meet outside the presence of other employees. When it is mandatory to conduct grievances or other matters during day shift hours, the Employee Representative and affected grievant(s) may be re-assigned by the Department Head to the day shift duty time to handle these matters, provided that this does not interfere with Department operations.
  
- B. The Employee Representatives shall not receive overtime pay while performing Employee Representative duties in excess of the work day, nor shall an Employee Representative extend his/her work day in such a manner as to receive overtime because part of the work day was used to perform Employee Representative duties with approval of the Department Head. An Employee Representative shall not be entitled to special privileges as a result of holding

such office, except as provided in sub-section (C).

- C. Notwithstanding any other provision of this Agreement, in the event of layoffs, the Chapter Chair and Vice-Chair shall be the last person(s) within his/her classification to be laid off. Should it come to pass that the entire classification containing a Chapter Chair or Vice-Chair is eliminated by layoff or reclassification, the Chair or Vice-Chair has no greater seniority rights within a lower classification for which he/she is eligible to "bump down" into (if any exists) than is otherwise conferred by this Agreement. If both the Chair and Vice-Chair work in the same classification, the Chapter Chair shall be the last person laid off.

**Section 7.13** PSEA staff shall be permitted to visit work areas at reasonable times consistent with workload and operational needs. Such representatives shall be recognized by the City as having the final authority to speak for the Association in all matters covered by this Agreement.

## **ARTICLE 8**

### **GRIEVANCE PROCEDURE**

**Section 8.1** It is the mutual desire of the City and the Association to provide for the prompt adjustment of grievances in a fair and reasonable manner, with a minimum amount of interruption of the work schedules. Every reasonable effort shall be made by both the City and the Association to resolve grievances at the earliest step possible. In the furtherance of this objective, the City and the Association have adopted the following procedure.

**Section 8.2** A grievance is defined as any dispute arising from the interpretation, application or alleged violation of a provision of this Agreement. However, any dispute involving the commencement date or termination of this Agreement shall not be considered a grievance and shall not be submitted to the grievance-arbitration procedure set forth herein, but instead any such questions concerning commencement or termination of this Agreement shall be specifically reserved for judicial review. Any written resolution of a grievance (at any level of the grievance procedure) shall be binding upon both parties.

**Section 8.3 Step One.** When an employee has a grievance, the employee (accompanied by an Association representative if the employee chooses) shall verbally discuss the matter with his/her immediate supervisor and attempt to resolve the problem. The grievance must be brought to the attention of the immediate supervisor within thirty (30) calendar days of the employee having, through the exercise of reasonable diligence, knowledge of the grievance. If the grievance cannot be resolved through verbal discussion, the grievance shall be formalized in writing, signed by the member, and presented to the immediate supervisor within seven (7) calendar days of the oral discussion. The grievance shall state the article and section number of this Agreement allegedly violated and the manner in which the member believes that section has been violated. The immediate supervisor shall investigate the grievance and shall indicate in writing a response to the grievance within seven (7) calendar days following the day on which the written grievance was presented. The written grievance and the response of the immediate supervisor shall then be delivered to the next level of supervision, with a copy to the grievant(s), and the Association for further handling at the next step of this procedure. The seven (7) calendar day time frame shall apply for each level within this step and delivery of the grievance to the Department Head.

**Section 8.4 Step Two.** Grievances not settled in the first step may be delivered to the Department Head who shall attempt to settle the grievance within ten (10) calendar days after the submission of the grievance to him/her. Within this time frame, the Department Head shall meet together with the grievant, PSEA Representative and other witnesses as appropriate and attempt to resolve the issue(s). The Department Head shall mail or deliver a written decision to PSEA

within this ten (10) day time frame. If the written decision of the Department Head is not satisfactory to the grievant, he/she shall have seven (7) calendar days to decide if he/she wishes to appeal the grievance to Step Three of this procedure.

**Section 8.5 Step Three.** After receipt of a grievance the City Mayor shall have fourteen (14) calendar days to meet with all involved parties and to issue a written decision to PSEA. If the response states that the nature of the grievance and/or the portion of this Agreement allegedly violated is not stated or cannot be determined from the documentation submitted, the party submitting the grievance may, within seven (7) calendar days, amend or augment the documentation submitted. If amended or augmented, the City Mayor or the Association, as the case may be, shall have seven (7) additional calendar days to submit a final written response. If the decision of the City Mayor is unsatisfactory to the grievant, PSEA may, within fifteen (15) calendar days of the delivery of the decision, demand that the matter be submitted to binding arbitration.

**Section 8.6 Arbitration.**

- A. The arbitration notice shall include the nature of the matter to be arbitrated and the Agreement provision(s) allegedly violated. When the demand to submit a grievance to binding arbitration is made, PSEA and the City shall meet at a date and time mutually agreeable within fourteen (14) calendar days to select an arbitrator. Upon the failure of the two parties to agree upon an arbitrator, both parties agree to request the Federal Mediation and Conciliation Service to submit a list of nine (9) names of persons, with prior service as a neutral arbitrator involving the interpretation of collective bargaining agreements who are available for service within six (6) months of request. Within fourteen (14) days of receipt of the list, the City and Association representatives shall alternately strike one name from the list until one name remains. The side to strike the first name shall be chosen by lot.
- B. Arbitration of the grievance shall commence as soon as agreeable. The Arbitrator shall make a written report of his/her findings to PSEA and the City within thirty (30) calendar days of the conclusion of the hearing or thirty (30) calendar days following submission of any post-hearing briefs. The Arbitrator will be governed by Labor Arbitration Rules of the American Arbitration Association (AAA) as amended and in effect at the time the grievance is filed. The decision of the Arbitrator shall be final and binding on both parties to this Agreement and enforceable under the provisions of AS 09.43.010-180, as may be amended.
- C. The authority of the Arbitrator shall be limited to the application and interpretation of this Agreement. The Arbitrator shall consider and decide

only the specific issue or issues submitted in writing and shall have no authority to decide other issues. He/she shall have no authority to amend, alter, modify or otherwise change the terms or scope of this Agreement. The final decision of the Arbitrator shall be implemented as soon as possible, but not later than thirty (30) days after the final decision is rendered.

**Section 8.7** Each grievance or dispute will be submitted to a separately convened arbitration proceeding, except where the City and PSEA mutually agree to have more than one grievance or dispute submitted to the same arbitrator. Multiple grievances relating to a single issue shall be consolidated into one proceeding heard by a single arbitrator. Any dispute as to consolidation will be resolved by written motion without testimony by the first arbitrator chosen to resolve a series of grievances where consolidation is sought.

**Section 8.8** The City and PSEA shall bear the expense of their respective representatives and witnesses. The other expenses involved in such arbitration proceeding shall be paid by the non-prevailing party, as determined by the Arbitrator.

**Section 8.9** Any member called as a witness by either side will continue to receive his/her regular rate of pay while attending the hearing but not to exceed the member's regular working hours. Should the meetings be scheduled outside of the member's regular working hours, or extended beyond the regular working hours, no compensation shall be paid by the City for the time outside regular hours. Off-duty members will not be compensated for their time while required to attend such hearings, but shall be given hour for hour time off in lieu of time so spent at arbitration hearings.

**Section 8.10** Except for appeals of disciplinary actions in accordance with Article 8, when any matter in dispute has been referred to the Grievance Procedure set forth above, the conditions and provisions prevailing prior to the time the dispute arose shall not be changed until the decision is rendered. If the Arbitrator so rules, the decision shall be made retroactive to the time the dispute began.

**Section 8.11** In the event either party, after notice, fails to answer a grievance within the time required at any step of the Grievance Procedure, or either party fails to appeal the answer given to the next step of the Grievance Procedure within the time allowed, the grievance shall be considered settled against the side which has defaulted. However, any of the time limits or required steps of the grievance arbitration procedure may be extended or waived by written mutual agreement of PSEA and the City. Before either party claims a default, it will give a courtesy call to the other party. Grievances settled by default will not be the basis of establishing the precedent for the settlement of any other grievance.

**Section 8.12** Any grievance that originates from a level above Step One of the Grievance Procedure shall be submitted directly to the step or level from which it originates.

**Section 8.13** Grievances filed by PSEA on behalf of itself or as a class action, and grievances filed by the City, shall be filed at Step Three.

**Section 8.14 Demotion/Discharge.** [moved to 18.9]

**ARTICLE 9**  
**EMPLOYEE BENEFITS AND RIGHTS**

**Section 9.1 Retirement.** The City and all employees covered under this Agreement will participate in the Public Employee's Retirement System of Alaska administered by the Public Employee's Retirement Board of the State of Alaska, and any other mutually agreeable plan or plans.

**Section 9.2 Health Benefits.**

- A. For each member, the City shall contribute \$1,290 per month to PSEA's Health and Welfare Trust Plan effective the first full month after this agreement is ratified.
- B. The City agrees to maintain a pre-tax deduction account at the election of each employee as allowed under federal law for the purpose of setting aside monies for the purpose of subsidizing uncovered costs of medical insurance. The City will contribute \$1200.00 per year per employee, pro-rated monthly, to a pre-tax IRS section 125 plan to be used for qualified expenses (un-reimbursed health care, employee premium costs, child care, etc.).

**Section 9.3 Injured Employee Rights & Responsibilities (Non-work related injury)**

- A. Temporary Incapacity. When a member becomes injured and temporarily cannot perform his/her normal duties and has an evaluation from an appropriate medical professional indicating light duty would be appropriate, the City will endeavor to assign the member to light duty.
- B. Permanent Incapacity. If a member is determined by an appropriate medical professional to be permanently unable to perform his or her normal job functions, the Association and the City agree that the member may be terminated, subject to grievance/arbitration procedures.
  - 1. For a period of twelve (12) months following the finding of permanent incapacity, if a position exists within the PSEA Unit that the permanently incapacitated member qualifies for and can perform they will be given preference in the hiring process for that position. It will be the responsibility of the member to monitor potential job openings and apply.
- C. Nothing in this section abrogates any provision of Workers' Compensation law or rules or any requirements of state or federal law.



## **Section 9.4 Work Related Injuries.**

- A. Members who suffer an injury or disability which is covered under the provisions of state Workers' Compensation shall be entitled to the protections and provisions of those laws, as such apply at the time of the injury/disability. In the event that competent medical authority deems that an employee will not ever be able to perform their regular assigned tasks, they shall be separated on the same basis as a layoff due to a reduction in force; subject to recall to a position which is within their ability to perform without job modification, and at the appropriate pay rate generally accorded the new position.
- B. A paid administrative leave of absence for up to twelve (12) consecutive months from the date of the discovery of an initial injury/illness shall be provided for a member who has suffered an illness or injury in the line of duty that would normally qualify them for Workers' Compensation. In such instances, the member may be assigned work at the discretion of the department providing such work assignment does not adversely affect the nature of the illness or injury. Should it be determined the member shall not be eligible to return to full duty and applies for retirement, and retirement is granted prior to the twelve (12) months expiration of administrative leave, the department's obligation under this provision shall then be nullified. It is the intent of this provision that a member would be fully compensated for that period of time covered by administrative leave. Members will retain their Workers Compensation check and notify Payroll of any change in status or compensation. When the member returns to duty, to insure the member's PERS contributions are made whole, the member will complete the PERS Workers Compensation and LWOP Claim and Verification form and submit to the PERS Administrator. When the PERS Administrator determines the member's indebtedness the member will submit a copy of the memo from the PERS Administrator with the indebtedness amount to Payroll. Payroll will work with the member to set up a payroll deduction for repayment or lump sum payment. In the event a lump sum payment is issued it is incumbent upon the member to pay the PERS indebtedness amount directly to the PERS Administrator.

In extraordinary circumstances, the parties may mutually agree to modify the provisions of this section. This provision does not apply to probationary recruit employees in training at the academy. These employees, however, shall be subject to eligibility of the Alaska Workers' Compensation Act.

- C. When, due to a work related injury, a member becomes injured and cannot perform his/her normal duties and has an evaluation by an appropriate medical professional indicating the employee may perform light duty, the City shall endeavor to assign the member to light duty in regular pay status.

D. Nothing in this section abrogates any provision of Workers' Compensation law and rules or any provision of federal law regarding employment of the disabled, to include the Americans with Disabilities Act.

**Section 9.5 Physical Examination.** Each member will be provided the opportunity to have a biennial physical examination, beginning during their second year of employment, by an appropriate medical professional. The examination will consist of a list of specific items to be determined by a joint labor-management committee solely to determine fitness for duty. The City will pay all costs of this examination, without the consideration of the member's health insurance. The City shall not receive or maintain any report of the employee's examination, other than to be notified if the member is not fit for duty.

**Section 9.6 "For Cause" Examinations.** When, in the opinion of the City, there arises a documented incident or incidents which raise specific questions as to the physical, mental or psychological ability of an employee to perform their normal work assignments, an examination, including all relevant controlled substance test procedures, by an appropriate medical professional may be ordered by the City.

If the examination demonstrates, in the opinion of the appropriate medical professional conducting the examination, that the employee is physically, mentally or psychologically incapable of performing their normal work assignments, the employee will be allowed to seek a second opinion from an appropriate medical professional of their choice. If the results of these two examinations are not in agreement, then a third opinion will be solicited from an appropriate medical professional mutually agreeable to the City and employee. The results of the third examination shall be final and binding. The City shall pay for all examinations and connected expenses involved with this section. In the event the physical, mental or psychological condition of any employee prevents them from adequately performing their normal work assignments, the City may place them in a classification they can perform within the Department. Should no classification be vacant, the employee will be laid off or terminated subject to any applicable procedures within this Agreement regarding lay-offs and seniority.

For the purposes of Sections 9.4, 9.5 and 9.6, an "appropriate medical professional" means a licensed physician or a licensed physician's assistant if the employee's physical ability to perform normal work assignments is in question, or a licensed psychiatrist or licensed psychologist if the employee's mental or psychological ability to perform normal work assignments is in question.

**Section 9.7 Indemnification.**

A. In the event any claim or claims are made by a person or persons against any employee for actions done while in the scope of employment covered by the

terms of this Agreement, the claim shall be defended by the City and any liability which is incurred by an employee covered by this Agreement as a result of the claim or claims shall be paid by the City. Any claim or claims, or liability resulting there from, shall not be paid by the City if the claim or claims are based upon acts or omissions of any employee resulting from recklessness, gross negligence or intentional misconduct.

- B. In the event the City resolves an action or claim involving a member for purely pragmatic reasons not involving any misbehavior by the member, the City will issue a letter to the member stating the reasons for the settlement, with a copy placed in the member's personnel file.
- C. This section shall be read in conjunction with the terms of any City ordinance providing for indemnification of City employees and the protection of both this section and the ordinance shall apply, provided that, in the event of any conflict, the provisions providing the maximum protection to the employee shall prevail.

**Section 9.8 Training.** The City will endeavor to provide commissioned officers and dispatch personnel with forty (40) hours per year of APSC Certified Training or the functional equivalent, excluding firearms qualifications, and state or federally mandated training such as Haz-mat and Blood Borne Pathogen training that are not discretionary and will be provided.

Absent an unforeseen emergency, active canine (K-9) teams shall be afforded a minimum of four (4) hours of training time each week during regular duty hours.

**Section 9.9** The City shall make every effort to provide adequate parking facilities and electrical connections for head bolt heaters for employees' personal vehicles at existing installations. Parking and electrical connections for head bolt heaters shall be provided at no charge to employees at any newly constructed facility. The City shall make every effort to provide adequate parking facilities and electrical connections for head bolt heaters at any facility leased hereafter.

**Section 9.10 Conduct Based Investigations.**

- A. The City and the Association agree that it is imperative that all investigations of claims of member misconduct are conducted by the City in a manner which upholds the highest standards of the Department, preserves the faith of the public in the integrity of the department and its members, and also protects and safeguards the rights of the members. In order to ensure that any such investigations are conducted in a manner that is conducive to good order and discipline, the parties agree to the following provisions:

B. Investigation of conduct subject to criminal action only.

- 1) If a member is under investigation by the City, whether instituted by the City or as a result of a complaint being filed against the member, and the member is interrogated or interviewed by the City agents for conduct that may subject the member to criminal prosecution, the member shall be given the same "Rights Warning" that is then currently in use by police officers of the City when conducting interviews of criminal suspects.
- 2) A member's position with this Department shall not afford him/her any greater or lesser rights than are enjoyed by other citizens of this City and State when subject to criminal investigations or proceedings.
- 3) Any such investigation and interview/interrogation shall be conducted in accordance with existing criminal law and procedures then currently in effect in this State.

C. Investigation of conduct subject to both criminal and administrative actions.

- 1) If a member is under investigation, instituted by the Department or as a result of a complaint being filed against the member for alleged conduct that may result in both administrative actions (disciplinary or punitive) and criminal prosecution, the City shall not "merge" the criminal investigation and the administrative, but shall instead conduct separate and distinct investigations, each conducted by a different person. Prior to a criminal interview/interrogation the member shall be advised of the "Rights Warning" that is then currently in use by police officers of the City when conducting interviews of criminal suspects. The member will also be informed when it is contemplated that the matter may be referred to a criminal prosecutor for review.
- 2) In the course of the administrative investigation of the allegation(s), a member refusing to respond to questions or submit to interview/interrogation shall be informed that failure to answer questions which are specifically directed and narrowly related to the performance of his/her official duties, including cooperation with other agencies involved in criminal investigations, may subject the member to disciplinary charges, including insubordination, which may result in his/her dismissal from the Department. Compelled statements so given in an administrative investigation will not be used against the member in any criminal prosecution, nor will the City provide any form of such statements to any other person or agency unless so ordered by a court of competent jurisdiction. In the event of demand for production of the contents of such statements, the City will notify the member of the demand, and will assert the privilege on behalf of the member.

- 3) All compelled statements given in the course of an administrative investigation may be used against the member in relation to any subsequent departmental administrative charges which may result in disciplinary or punitive actions against the member.
- 4) If the member so requests, any interview/interrogation will be suspended for a reasonable period of time to allow the Association representative or counsel to attend. The representative shall not be a person subject to the same or related investigation.
- 5) Any interview will be held at a mutually agreeable location provided by the City.
- 6) The interview shall be recorded and a transcript and copy of the recording shall be provided to PSEA.

D. Investigation of conduct subject to disciplinary or punitive action only.

- 1) If a member is under administrative (noncriminal) investigation instituted by the Department or as a result of a complaint being filed against the member for conduct that may subject the member to administrative disciplinary or punitive action only, the investigation will be conducted in accordance with the safeguards listed below.
- 2) When available the member shall be notified of the investigation in a timely fashion not to exceed one week (7 calendar days) from the time that the complaint is discovered by the Department Head, except for investigations of "on-going" type of conduct.
- 3) The member shall be informed of his/her rights as specified in this section as well as the name and authority of the officer in charge of the investigation. The member shall also be informed of the name of all persons who will be present during the interview/interrogation and questions shall be asked by no more than two (2) interviewers at any meeting.
- 4) Before an interrogation/interview is commenced, the member shall be informed of the nature of the investigation and provided a list of all known allegations. Except for anonymous complaints, the member shall be informed of the name(s) of all complainants.
- 5) The member shall not be subjected to offensive language or threatened with punitive actions, except that a member refusing to respond to questions or submit to interview-interrogation shall be informed that failure to answer questions which are specifically directed and narrowly related to the

performance of his/her official duties, including cooperation with other agencies involved in criminal investigations, may subject the member to disciplinary charges, including insubordination, which may result in his/her dismissal from the Department.

- 6) The member is entitled to have present at an interview/interrogation an Association representative or counsel selected by PSEA. The Association representative may question the member as well as offer rebuttal as necessary. The representative shall not be a person subject to the same or related investigation.
- 7) If, prior to or during the interview/interrogation of a member, it is deemed that he/she will be charged with a criminal offense, the member will be immediately informed of the "Rights Warning" that is then currently in use by police officers of this City when conducting custodial criminal interviews of suspects and a separate criminal investigation shall be initiated in accord with Article 9, Section 12.
- 8) In the event that the City chooses to proceed criminally against the member for a violation of the law and the member so requests, the interview/interrogation will be suspended for a reasonable period of time to allow the Association representative or counsel to attend. The representative shall not be a person subject to the same or related investigation.
- 9) The member or the City may record the interview/interrogation after advising that a recording will be made and each shall have access to other's recording, if any are made.
- 10) The member is entitled to a copy of the completed investigative report including any related existing transcripts of interviews/interrogations prior to the imposition of disciplinary or punitive action against the member.

E. General Administrative Investigations Guidelines.

- 1) All administrative investigations conducted by the Department involving allegations against its members shall adhere to these general guidelines.
- 2) All administrative investigations and their outcomes shall be treated as personnel matters and as such shall be confidential provided that a generic notice of the outcome of disciplinary actions shall be made available for review by Department employees without identifying information.
- 3) Investigation of conduct shall be conducted in a timely manner without unnecessary delay.

- 4) Nothing in this Agreement shall abridge the right of a supervisor at any level to counsel with, advise or admonish a member under his/her command in private.
- 5) No promise of reward shall be made as an inducement to answering any question.
- 6) Any interrogation/interview must be conducted at a reasonable hour, preferably at a time when the member is on duty, or during the normal waking hour of the member, unless the seriousness of the investigation requires otherwise.
- 7) The interview shall only be voice recorded; video recording will only be used upon prior "case by case" written approval of the Department Head. A transcript and copy of the interview shall be provided by the City to PSEA.
- 8) The interview shall be held at a location provided by the City that is mutually agreeable to both PSEA and the City.
- 9) No PSEA elected official shall be compelled to testify about any knowledge that he or she has gained as a result of his or her office.
- 10) The interview/interrogation shall allow the member to attend to bodily functions as necessary.
- 11) The member shall be compensated at the overtime rate if the interview/interrogation is conducted at a time other than the employee's working hours. However, the City may, at the discretion of the Department Head, reassign a member under investigation to administrative duties, Monday through Friday, 0800 to 1700 hours for the duration of the investigation.
- 12) The Association is entitled to a copy of the completed investigation report including any related existing transcripts of interviews/interrogations prior to the impositions of disciplinary or punitive action against the member. Materials shall be provided to PSEA upon completion of any investigation.
- 13) All administrative investigations will include one of the following dispositions for each allegation:
  - a) **SUBSTANTIATED (or "Sustained")**: Means that the act of misconduct or violation complained of occurred. The standard of proof is a preponderance of the evidence.

- b) **UNSUBSTANTIATED (or "Not Sustained")**: Means that there was insufficient evidence to prove or disprove the allegation.
- c) **EXONERATED**: Means that the act alleged did occur but the member's actions were lawful and proper.
- d) **UNFOUNDED**: Means that the act alleged did not occur.
- e) **OTHER MISCONDUCT NOTED**: Means the investigation revealed an act of misconduct or violation not alleged in the complaint.

**Section 9.11 Reserved.**

**Section 9.12 Reserved.**

**Section 9.13 Use of Lie Detector Devices.** No member may be compelled to submit to a Lie Detector exam against his/her will. The exercise of this right may not in any way be used against the member in any disciplinary action nor will testimony or evidence of the refusal be admissible at a subsequent hearing, trial or other proceeding. This does not preclude the use of a Lie Detector Device where the member and the Department mutually agree to its use nor does it mandate that a member has a right to demand a Lie Detector Examiner investigation.

**Section 9.14 Financial Disclosure.** No member may be required to disclose personal information, including but not limited to property possessed, sources and amounts of income, debts, and personal or domestic expenditures (including those of any member of his/her family or immediate household), unless any of the following conditions exist:

- A. Such information is obtained under proper legal procedure; or
- B. Probable cause to suspect a conflict of interest with respect to the performance of his/her official duties; or
- C. It is necessary for the Department to ascertain the desirability of assigning the member to a specialized unit assignment in which there is a strong possibility that bribes or other inducements may be offered.

**Section 9.15 Searches.** No member shall be subject to unreasonable search and seizure. Members shall enjoy the right to privacy in their individual work areas, lockers, electronic devices maintained by the employee for work purposes or other space provided by the Department except that searches of these areas may be conducted in the member's presence; or with the member's consent; or



with a valid search warrant; or when the member has been notified in advance (at least 24 hours) that a search will be conducted. This provision shall not prevent the Department from conducting routine inspections of work areas, break areas, locker rooms, vehicles, and other Department owned or leased facilities and equipment, for cleanliness, neatness, serviceability, compliance with directives and other needs of the Department for the welfare of its members and successful completion of its mission. Nothing in this section shall prevent the Department from retrieving equipment, reports or other items needed for the continuance of operation from a member's locker or other secured space when the member is not available.

**Section 9.16 Political Activities.**

- A. All members are prohibited from engaging in political activities at any time while in uniform.
- B. All members are prohibited from engaging in political activity while on duty.
- C. The Department may prohibit or restrict members from using the Department's premises for political activities without permission of the Department Head.
- D. All employees are prohibited from soliciting political contributions from fellow employees or those on eligibility list(s), other than in connection with ballot measures affecting their wages, hours and working conditions, except that they may make appeals for any kind of political contributions to the public generally, even though this may include fellow employees.

**Section 9.17 Revocation of Driver's License.** No Employee may be deprived of pay or seniority based upon the revocation of his or her driver's license for a violation or violations of the law which result from the direct orders of his or her superior to specifically commit such violation or violations.

**Section 9.18 Break Areas.** The parties agree that the Employer shall provide areas designated as non-smoking "Employee Break Areas" which shall be large enough to accommodate the employees using such areas. Association members are encouraged to make suggestions to the Employer as to the location of acceptable areas.

**Section 9.19 Work Environment.** The City shall provide adequate ventilation, temperature controls, sanitary facilities, space and privacy.

**Section 9.20 Political Pressure.** In accordance with Section 4.4 of the City Charter, except for the purpose of inquiry, the Council and its members shall deal with the administrative service solely through the City Mayor and neither the Council nor any member thereof shall give orders to any subordinates of the

City Mayor. No employee shall be subjected to any disciplinary action by the City Council or its members.

**Section 9.21 Deferred Compensation.** Employees covered by this Agreement shall continue to be eligible to participate in the City's deferred compensation programs.

**ARTICLE 10**  
**SCHEDULE AND PAY RULES - POLICE**

**Section 10.1 GENERAL RULES.**

- A. WORK WEEK - The work week in this Agreement shall consist of a thirty – six (36) to forty (40) hours minimum in pay status from the start of the employee’s regularly scheduled duty day unless a mutually agreed alternative schedule is in place.
- B. REPORTING LATE FOR DUTY - When members report for work later than the scheduled starting time, they shall be placed on leave without pay for the period of their absence and their finishing time will not be extended to make up for the lost time. Periods of less than one-quarter (1/4) hour shall be deducted in quarter hour (1/4) increments.
- C. CONSECUTIVE DAYS OFF - Regardless of schedule worked, each member shall be entitled to regularly scheduled days off each week. The numbers of days off are defined by the schedule the employee works.
- D. SPECIAL ASSIGNMENT SCHEDULES - Members volunteering for special assignments may be assigned a work week by the City, consistent with the mission of that specific assignment.
- E. SHIFT SWAPS - Shift swaps, to be used as a judicious management tool, are allowed under this Agreement if approved by the Department Head.
- F. TIME OFF BETWEEN SHIFTS – Each member shall have a minimum of eight (8) hours off duty from the time their last shift ends until the next scheduled shift begins. An exception to this rule is Court Duty.
- G. MAXIMUM CONSECUTIVE HOURS WORKED - Except for work performed in an emergency or life-threatening situation, no member may routinely work more than fourteen (14) consecutive hours if other employees are available. The parties further agree that there are situations, such as shift change day and certain days for the relief dispatcher and sergeant, where a member will occasionally be required to work more than 12 non-consecutive hours in a day.
- H. SHIFT BIDDING - Shift preference will be bid by classification seniority by assignment within the department. In the event a member would be forced into a situation where they were required to work the same tour beyond two tour rotations, that member may be bumped up in seniority for that one tour bid. Shift preference shall be used to bid each shift as provided in this section and subsections. There will be quarterly shift rotations. No member shall remain on the same shift more than three consecutive rotations.

1. SUPERVISION BY A FAMILY MEMBER - Employees may not bid a shift which would require them to be evaluated or evaluate a spouse, parent, child, sibling or any member of that employee's household. This provision applies to shift, not overtime bidding. However, the Department Head shall have the ability to require either to move to a different shift.
  2. SHIFT BID POSTING REQUIREMENTS - Shift schedules and tour assignments shall be posted no later than six (6) months prior to the commencement of the applicable tour of duty. Leave shall not be denied should the department be unable to meet this deadline.
- I. HARDSHIP REQUEST - Upon application of a member to the Department Head, a member may be reassigned to any shift/assignment due to personal hardship or other approved reason.
- J. PERSONNEL ASSIGNMENTS –
1. DISCIPLINARY REASSIGNMENT - Members who are demoted or reassigned as the result of a disciplinary action shall be reassigned a shift until the next regularly scheduled preference bid.
  2. TEMPORARY ASSIGNMENTS - Temporary assignments, except for training duties or operational necessity, shall not exceed three years.
    - a. VOLUNTARY VACANCY OF TEMPORARY ASSIGNMENT - Members voluntarily electing to leave a temporary assignment early shall be assigned a shift until the next regularly scheduled preference bid.
    - b. INVOLUNTARY VACANCY OF TEMPORARY ASSIGNMENT - A member leaving such a position other than for the reasons stated above (i.e., non-disciplinary forced transfer) will be allowed to bid for a rotation which is more than thirty (30) days from its start date.
  3. NEW HIRES SHIFT ASSIGNMENT - Newly hired probationary employees shall be assigned a duty schedule by the City.
  4. PLAN FOR INDIVIDUAL IMPROVEMENT SCHEDULING - Employees placed on a "Plan for Individual Improvement" shall be assigned a duty schedule by the City. Upon successful completion of the Plan, the employee's right to bid shift preference shall be restored at the next shift bidding.
  5. TRAFFIC UNIT ASSIGNMENT - The department may assign officers, on a non-temporary basis, to the traffic unit, so long as those assigned

positions do not exceed more than one-half (1/2) of the overall unit strength.

### **Section 10.2 COURT ATTENDANCE.**

- A. ON-DUTY ATTENDANCE: Members required to appear for court as a result of actions performed in the line of duty shall suffer no loss in regular earnings, but shall be compensated during service at the member's rate of pay if on-duty. Any witness fees shall be turned over to the City.
- B. OFF-DUTY ATTENDANCE: If members are off-duty, they shall receive pay at the appropriate overtime rate with a two (2) hour minimum pay. The appearance requirement of the off-duty employee shall be limited to what is necessary to appear and attend at court.
- C. JURY DUTY: Any member who is required to serve on jury duty during a normally scheduled work day will be reassigned to dayshift for that day. Any payment for jury service will be signed over to the City and the member will receive their normal wage for that day. Should the member be excused from service, they are expected to report to their supervisor and complete the remaining hours of their work day.

### **Section 10.3 SHIFT DEFINITIONS AND SHIFT DIFFERENTIAL PAY.**

- A. DAY SHIFT - The "day" shift is any shift beginning between 0500 hours and 1159 hours. Shifts beginning during the "day" shift hours are paid no shift differential.
- B. SWING SHIFT - The "swing" shift is any shift beginning between 1200 hours and 1859 hours. Shifts beginning during the "swing" shift hours are paid a 4% shift differential.
- C. MIDNIGHT SHIFT - The "midnight" shift is any shift beginning between 1900 hours and 0459 hours. Shifts beginning during the "midnight" shift hours are paid an 8% shift differential.

### **Section 10.4 OVERTIME / PREMIUM PAY.**

(See also, Article 4 and sections 7.12(B) and 8.9)

- A. PAYMENT INCREMENTS - Overtime shall be measured in one-quarter (1/4) hour increments.
- B. FIRST DAY OF THE WEEK - For purposes of this section, the employee's first duty day establishes the first day of the week.

- C. EMPLOYEE'S TWENTY-FOUR HOUR DAY - For purposes of determining overtime, the employee's twenty-four (24) hour period begins at the commencement of the employee's duty assignment start time.
- D. PERSONAL LEAVE USED - Personal Leave, other than for injury or illness, taken during a day does qualify as work time for purposes of computing overtime worked beyond scheduled shift hours on a single day.
- E. SHIFT DIFFERENTIAL APPLIED TO OVERTIME - When a member works overtime hours on a shift that qualifies for shift differential pay, the City shall compute overtime pay on the basis of the following formula: Basic hourly rate plus shift differential, if any, multiplied by 1.5.
- F. WORK GREATER THAN 12 HOURS IN A 24 HOUR PERIOD - Those hours of work over twelve (12) hours (13 consecutive hours for those working 12 hour shifts) in any employee's 24 hour day will be paid at the basic rate plus shift differential multiplied by two (2).
- G. WORK GREATER THAN 12 CONSECUTIVE HOURS - Those hours of work over twelve (12) consecutive hours (13 consecutive hours for those working 12 hour shifts) will be paid at the basic rate plus shift differential multiplied by two (2).
- H. VOLUNTEERED OVERTIME - All volunteered overtime is paid at the basic rate, plus any shift differential, multiplied by 1.5.
- I. SHORT NOTICE VACANCIES - For purposes of this section, "short notice" means less than eight hours' notice from time of notification until the start time of the shift needing to be filled.
  - 1. FILLING VACANCY WITH ON-DUTY STAFF - When members are needed to meet personnel requirements on short notice, overtime will first be offered on a seniority basis to on-duty members in the needed classification, and then to members in the needed classification who are scheduled to work the next shift. If neither of said classification members volunteer by seniority, the Department may require that the on-duty member with least seniority in the needed classification remain on duty until other personnel can be located and report for duty.
  - 2. FILLING VACANCY WITH OFF-DUTY STAFF - The member called on short notice to work overtime from off duty status shall be paid for actual overtime worked, with a minimum of two hours of overtime.
  - 3. FILLING VACANCY FOR 12 HOUR SHIFT SCHEDULE- When filling vacancies on a 12 hour schedule follow the medium notice procedure.

- J. MEDIUM NOTICE OVERTIME – (MORE THAN 8 HOURS BUT LESS THAN 72 HOURS) – When members are needed to meet personnel requirements known more than 8 hours but less than 72 hours prior to actual assignment.
  - 1. POSTING OF OVERTIME - Overtime will be offered in accordance with Long Notice. Overtime will be offered by posting and/or individual solicitation, in a manner agreed upon by both parties.
  
- K. LONG NOTICE OVERTIME - (GREATER THAN 72 HOURS NOTICE) - When members are needed to meet shift staffing requirements known at least seventy-two (72) hours prior to the actual assignment.
  - 1. POSTING OF STAFFING OVERTIME - Overtime will be determined by posting a volunteer overtime list. Overtime will be offered to employees bidding, based upon departmental needs, giving preference to classification seniority within the needed classifications.
    - a) Order of Officer Staffing:
      - (1) Police Officer
      - (2) Sergeants
      - (3) Lieutenants
      - (4) Detectives
    - b) Order of Supervising Staffing:
      - (1) Lieutenants
      - (2) Sergeants
  
- L. SPECIAL MISSION OVERTIME - The Department may assign overtime for specific missions of limited duration based upon the qualifications of the member and/or the specific needs of the assignment; i.e., polygraph, prior drug training, prostitution cases, etc.
  
- M. OTHER OVERTIME – All other overtime shall be bid out based upon departmental seniority.
  
- N. NO VOLUNTEERS / FORCED OVERTIME - In the event no volunteers are obtained in the above processes, then overtime shall be assigned in order of inverse order of seniority. However, absent an emergency or life-threatening situation and to avoid employee "burnout", no member will routinely work more than fourteen (14) consecutive hours nor be forced to work overtime on all of their off duty days. In such instances, the next least senior member may be assigned to work.
  
- O. ERRORS IN AWARDING OVERTIME - Should the City, by error or omission, violate the provisions of this section by failing to offer overtime work to a senior eligible member who could have worked the overtime, then the overtime work shall be

offered to senior member(s) at a mutually agreeable time, for the same number of hours originally worked. An overtime situation need not exist for this time to be worked.

- P. MINIMUM CALL BACK RATE - Members reporting to work and not put to work shall receive two (2) hours pay at their regular rate unless notified not to report at the end of their previous work day or two (2) hours prior to the start of the shift.

**Section 10.5 SPECIAL MISSION ASSIGNMENTS.** The Department Head shall designate members and determine the call-out of special elements of the department, i.e., Tactical Team, Sexual Assault Unit, Traffic Units, Canine Units. Flexible scheduling is an essential element of these units.

**Section 10.6 COMPENSATORY TIME OFF.** Except for grant funded positions or assignments where compensatory time is not reimbursed, compensatory time off in lieu of overtime may be accrued, at the member's discretion, at the appropriate overtime rate. Compensatory time off shall be taken at mutually agreeable times.

- A. COMPENSATORY TIME CASH OUT - Any compensatory time earned must be taken during the calendar year in which it is earned or paid at the end of that calendar year.
- B. COMPENSATORY TIME CARRY OVER FOR NEW MEMBERS - Members, during their first three years of employment, with notice to Payroll will be allowed to carry over up to 80 hours of compensatory time, but they will be required to either take or cash out all accumulated compensatory time by December 31 of the year following the third anniversary of their date of hire.
- C. REQUESTING TO CARRY OVER COMPENSATORY TIME - Members may be allowed to carry over compensatory time into the following year with approval from the Mayor.
- D. PAYMENT ON SEPARATION FROM SERVICE - Should a member separate from service for any reason, the member's compensatory time shall be paid at termination at the dollar value in effect at the date of termination.

**Section 10.7 MEAL BREAK.** A meal break of thirty (30) minutes shall be allowed on each shift. Those employees who are subject to recall to work on their meal break shall be considered in on-duty pay status during the meal break. In the event of either denial of meal break or recall from the meal break, the member shall be given the chance or opportunity to eat as time permits.

- A. MEAL BREAK COMPENSATION - Members shall be paid fifteen dollars (\$15.00) in meal compensation if they worked two (2) hours beyond their scheduled shift.



**Section 10.8 RELIEF BREAKS.** All members shall be allowed one (1) relief break not to exceed fifteen (15) minutes in duration during the first (1st) half of the shift, and fifteen (15) minutes during the second (2nd) half of the shift. When working overtime, paid relief breaks of fifteen (15) minutes shall be taken every two (2) hours. When working other than a regular shift, fifteen (15) minute relief breaks may be taken every two (2) hours. Personnel working a 12 hour shift schedule will be afforded a third relief break.

**Section 10.9 TIME CHANGES.** When time changes to or from Alaska Standard Time, members shall be paid only for actual hours worked.

**Section 10.10 TRAINING REQUIREMENT.** Any person hired to perform the duties of any position covered by this Agreement shall successfully complete training and be capable of performing all required duties of the position prior to working in solo capacity. Solo capacity shall mean working independently without direct supervision as determined by the Department Head.

**Section 10.11 OFFICER VEHICLE PROGRAM.** The parties agree to continue an officer vehicle availability program. The parties agree that the operation, continuation and guidelines of this program are at the City's discretion, after due regard to Association input.

**Section 10.12 POLICE PATROL SUPERVISION.** The City may continue the current practice of utilizing Sergeants as Shift Commanders on the assigned Lieutenant's RDOs and periods of leave.

A. SERGEANTS WORKING AS WATCH COMMANDER - Sergeants may not work shift commander overtime unless the overtime has been offered to and refused by all patrol shift Lieutenants first.

1. Pay Calculation - A Sergeant shall be paid at a 5% premium above his/her current base wage rate while working as acting Shift Commander.

B. ACTING LIEUTENANTS - Acting Lieutenants may be utilized on a continuing basis for a period up to twelve (12) months, which may be extended by mutual consent. Acting Lieutenants shall enjoy all emoluments of a regular Lieutenant during the period he/she is in acting capacity.

**Section 10.13 POLICE ADMINISTRATION.**

A. DEPUTY CHIEF ASSIGNMENT - The Department Head may assign a Deputy Chief/s from the ranks of Lieutenants. Selection and term of service is based on criteria established by the Department Head. The Deputy Chief/s remains

in the Bargaining Unit.

1. The Deputy Chief will be supervised by the Department Head and will perform the duties assigned to him/her by the Department Head. Except for any disciplinary action based upon just cause, the Deputy Chief maintains his/her normal classification of Lieutenant. The Deputy Chief will receive performance pay at ten percent (10%) above the base pay of a top step Lieutenant. The Deputy Chief will not be eligible for shift differential and will not retain patrol seniority for bidding purposes while in that assignment. All time accrued in that position will be credited upon their reassignment to another assignment. Reassignment of the Deputy Chief to another assignment will not reflect negatively against his/her personnel file and will not be considered a discredit on his service record.

B. LIEUTENANT ASSIGNMENTS - Lieutenants assigned to positions other than Shifts (such as Investigations and Special Operations) shall serve a minimum two (2) year assignment. If mutually agreed upon by the City and the incumbent, the assignment may be extended up to a maximum of five (5) years. Except for just cause, Lieutenants in these assignments may not be removed prior to completion of a two (2) year assignment.

**Section 10.14 SUPERVISOR COMPENSATORY TIME.** The nature of the work in Patrol requires Lieutenants or Sergeants working as watch commanders to report in prior to their scheduled shift for briefing, and to routinely work beyond their shift to complete necessary duties. The Department agrees to credit each member referenced above with one-half (.5) hour comp per week if the member works up to 24 hours per work week in that capacity, or one (1) hour comp per week if the member works in excess of 24 hours in that capacity per week.

**Section 10.15 STANDBY.** Members may be required to periodically report their whereabouts in order to be available for work on short notice. In such instances, the member's names shall be placed on a standby roster for the designated period of time of such a requirement. Assignments to a standby roster as well as the direct callouts from such an assignment shall be equitably rotated among members normally required to perform the anticipated duties.

If a member is required to be on call for immediate recall to work, the member shall be paid one hour of pay at the overtime rate for each time period of twelve (12) hours or less of standby. When assigned to standby on a non-floating holiday, the member shall receive two hours of overtime for each time period of twelve (12) hours or less of standby.

Standby pay is for the purpose of compensating the member for being available for work. Standby pay is not intended as compensation for any work

performed by the member, and will be paid in addition to any applicable compensation in the event the member is recalled to duty. Members on standby status shall remain available by telephone and shall remain physically and mentally fit for immediate duty. Standby shall not be used to avoid maintaining minimum staffing levels as set by the Department.

### **Section 10.16 SCHEDULES.**

A. Implementation of the below schedules requires unanimous individual participation in the specific units for which it is intended to cover, i.e. patrol, investigations, and others. This agreement does not, however, require collective participation of all Department units.

B. FORTY HOUR WORK WEEK:

1. FIVE DAYS, EIGHT HOUR SHIFTS.

- a) For members who work a five/eight shift, all work performed in excess of forty (40) hours within a week or eight (8) hours within a twenty-four hour period shall be paid at one and one-half (1.5) times the basic rate of pay.
- b) Any required overtime that deprives the member working 5/8s of 24 consecutive hours off shall be paid at the basic rate plus shift differential times two.

2. FOUR DAYS, TEN HOUR SHIFTS.

- a) A mutually agreeable alternative to the normal five (5) day, eight (8) hour work week shall be four (4) work days preceded or followed by three (3) consecutive days off. The member is guaranteed four (4) ten (10) hour days within the work week provided he/she is ready, willing and able to work, unless suspended, on lay-off or on leave without pay. The four-day work week shall consist of four (4) ten (10) hour work days. Hours worked on a normal workday shall be paid in accordance with the Agreement, based on a ten (10) hour work day. Accordingly, members shall receive overtime compensation for all hours exceeding ten (10) hours in work status per day.
- b) A designated holiday will be observed on the calendar day for which it falls for all shift assigned employees. For routine work week employees assigned to the 4/10 alternative, if the holiday falls on the employee's first or second regularly scheduled day off, it will be observed on the last regular scheduled day of work in that week. If

the holiday falls on the employee's third regularly scheduled day off, it shall be observed on the following day.

- c) Restrictions: Scheduling shall be arranged so that each member is normally afforded a minimum of sixty (60) consecutive hours of off-duty time during days off. Except for emergencies or life-threatening circumstances, no member may routinely work more than fourteen (14) consecutive hours if other employees are available.
- d) A member who works a 4/10 schedule shall be paid overtime for all hours worked in excess of ten (10) hours in a day.
- e) Any member who is required to work any hours which prevents them from having forty-eight (48) consecutive hours off will be paid at the basic rate plus shift differential, if any, multiplied by 2.

#### C. 36 HOUR WORK WEEK:

1. Overall Description: In its simplest form, the program is intended to merely redefine the work week down from 40 hours to 36 hours leaving all other provisions of the Agreement intact. Specifically:
  - a) Leave accrual remains as provided in the Agreement.
  - b) PERS time-in-service accrual remains unaffected, and the City would continue to make contributions as normal (though perhaps based on a smaller reported income).
  - c) All seniority provisions and accrual remains as currently specified, to include all applicable bidding processes.
2. Other mutually agreed upon schedules are permitted in addition to those below on a limited basis for operational necessity.
3. FOUR DAY, NINE HOUR SHIFTS.
  - a) The member is guaranteed four (4) nine (9) hour days within the work week provided he/she is ready, willing and able to work, unless suspended, on lay-off or on leave without pay. The four-day work week shall consist of four (4) nine (9) hour work days. Hours worked on a normal workday shall be paid in accordance with the Agreement, based on a nine (9) hour work day. Accordingly, members shall receive overtime compensation for all hours exceeding nine (9) hours in work status per day.

- b) A designated holiday will be observed on the calendar day for which it falls for all shift assigned employees. For routine work week employees assigned to the 4/9 alternative, if the holiday falls on the employee's first or second regularly scheduled day off, it will be observed on the last regular scheduled day of work in that week. If the holiday falls on the employee's third regularly scheduled day off, it shall be observed on the following day.
- c) Restrictions: Scheduling shall be arranged so that each member is normally afforded a minimum of sixty (60) consecutive hours of off-duty time during days off. Except for emergencies or life-threatening circumstances, no member may routinely work more than fourteen (14) consecutive hours if other employees are available.

4. THREE DAY, TWELVE HOUR SHIFT

- a) The member is guaranteed three (3) twelve (12) hour days within the work week provided he/she is ready, willing and able to work, unless suspended, on lay-off or on leave without pay. The three-day work week shall consist of three (3) twelve (12) hour work days. Hours worked on a normal workday shall be paid in accordance with the Agreement, based on a twelve (12) hour work day. Accordingly, members shall receive overtime compensation for all hours exceeding twelve (12) hours in work status per day.
- b) A designated holiday will be observed on the calendar day for which it falls for all shift assigned employees. For routine work week employees assigned to the 3/12 alternative, if the holiday falls on the employee's first or second regularly scheduled day off, it will be observed on the last regular scheduled day of work in that week. If the holiday falls on the employee's third or fourth regularly scheduled day off, it shall be observed on the following day.
- c) Restrictions: Scheduling shall be arranged so that each member is normally afforded a minimum of eighty-four (84) consecutive hours of off-duty time during days off. Except for emergencies or life-threatening circumstances, no member may routinely work more than fourteen (14) consecutive hours if other employees are available.

- 5. Overtime: The nature of the 36 hour work week brings with it some modifications to how overtime can be administered. The following list describes specific overtime provisions that are unique to the 36 hour

work week.

a) FOUR DAY, NINE HOUR SHIFTS

- (1) When measured **weekly**, overtime will accrue after a full 40 hours of duty have been performed; however rules governing overtime in a day and/or consecutively will apply.
- (2) When measured **daily**, overtime accrues at this rate: Those hours of work (a) over 9 consecutive hours up to 12 hours, or (b) up to 12 hours in any day will be paid at the basic rate plus shift differential multiplied by one and a half. Those hours of work (a) over 12 hours in any day, or (b) those hours of work over 12 consecutive hours, will be paid at the basic rate plus shift differential multiplied by two.
- (3) Any hours which a member is required to work during their weekend which prevents the employee from having forty-eight consecutive hours off will be paid at the base rate plus shift differential times two. Where this provision may conflict with other straight time/overtime language, this provision shall prevail (in favor of the employee).

b) THREE DAY, TWELVE HOUR SHIFT

- (1) When measured **weekly**, overtime will accrue after a full 40 hours of duty have been performed; however rules governing overtime in a day and/or consecutively will apply.
- (2) When measured **daily**, overtime accrues at this rate: Those hours of work (a) over 12 consecutive hours up to 13 hours, or (b) over 12 hours in any day up to 13 hours, will be paid at the basic rate plus shift differential multiplied by one and a half. Those hours of work (a) over 13 hours in any day, or (b) those hours of work over 13 consecutive hours, will be paid at the basic rate plus shift differential multiplied by two.
- (3) Any hours which a member is required to work during their weekend which prevents the employee from having forty-eight consecutive hours off will be paid at the base rate plus shift differential times two. Where this provision may conflict with other straight time/overtime language, this provision shall prevail (in favor of the employee).

6. Miscellaneous Provisions:

- a) The 36-hour work week will be in place for a minimum of one year from the signing of this Agreement. With 90-days' notice, either party can choose to end the 36-hour shift schedule. If the City ends the new shift schedule, PSEA will return to a 4/10 shift schedule retaining a 0.28% wage increase for each month the 36 hour shift schedule was in place. If PSEA ends the new shift schedule, PSEA will return to a 4/10 shift schedule retaining a 0.20% wage increase for each month the 36 hour shift schedule was in place. Moreover, if this happens and there is one or more years remaining on this Agreement, the parties agree to re-open negotiations on wages for the remaining year(s) of this Agreement.
  
- b) Field Training: The 3/12 schedule is an inappropriate schedule for any type of field training. It is the department's resolute policy to provide recruits with the best training possible, which includes matching up the most appropriate FTO with the individual recruit. This requires that the department reserve the right to remove an FTO from the 3/12s schedule temporarily, and only for the amount of time necessary, to properly train new employees. All effort will be made to minimize this disruption.

**ARTICLE 11**  
**SCHEDULE AND PAY RULES - DISPATCH**

**Section 11.1 GENERAL RULES.**

- A. WORK WEEK - The work week in this Agreement shall consist of a thirty – six (36) to forty-eight (48) hours minimum in pay status from the start of the employees regularly scheduled duty day unless a mutually agreed alternative schedule is in place.
- B. REPORTING LATE FOR DUTY - When members report for work later than the scheduled starting time, they shall be placed on leave without pay for the period of their absence and their finishing time will not be extended to make up for the lost time. Periods of less than one-quarter (1/4) hour shall be deducted in quarter hour (1/4) increments.
- C. CONSECUTIVE DAYS OFF - Regardless of schedule worked, each member shall be entitled to regularly scheduled days off each week. The numbers of days off are defined by the schedule the employee works.
- D. SPECIAL ASSIGNMENT SCHEDULES - Members volunteering for special assignments may be assigned a work week by the City, consistent with the mission of that specific assignment.
- E. SHIFT SWAPS - Shift swaps, to be used as a judicious management tool, are allowed under this Agreement if approved by the Department Head.
- F. TIME OFF BETWEEN SHIFTS – Each member shall have a minimum of eight (8) hours off duty from the time their last shift ends until the next scheduled shift begins. An exception to this rule is Court Duty.
- G. MAXIMUM CONSECUTIVE HOURS WORKED - Except for work performed in an emergency or life-threatening situation, no member may routinely work more than fourteen (14) consecutive hours if other employees are available. The parties further agree that there are situations, such as shift change day and certain days for the relief dispatcher and sergeant, where a member will occasionally be required to work more than 12 non-consecutive hours in a day.
- H. SHIFT BIDDING - Shift preference will be bid by classification seniority by assignment within the department. In the event a member would be forced into a situation where they were required to work the same tour beyond three tour rotations, that member may be bumped up in seniority for that one tour bid. Shift preference shall be used to bid each shift as provided in this section and subsections. There will be quarterly shift rotations. No member shall remain on the same shift more than three consecutive rotations.



1. SUPERVISION BY A FAMILY MEMBER - Employees may not bid a shift which would require them to be evaluated or evaluate a spouse, parent, child, sibling or any member of that employee's household. This provision applies to shift, not overtime, bidding. However, the Department Head shall have the ability to require either to move to a different shift.
  2. SHIFT BID POSTING REQUIREMENTS - Shift schedules and tour assignments shall be posted no later than six (6) months prior to the commencement of the applicable tour of duty. Leave shall not be denied should the department be unable to meet this deadline.
- I. HARDSHIP REQUEST - Upon application of a member to the Department Head, a member may be reassigned to any shift/assignment due to personal hardship or other approved reason.
- J. PERSONNEL ASSIGNMENTS –
1. DISCIPLINARY REASSIGNMENT - Members who are demoted or reassigned as the result of a disciplinary action shall be reassigned a shift until the next regularly scheduled preference bid.
  2. TEMPORARY ASSIGNMENTS - Temporary assignments, except for training duties or operational necessity, shall not exceed three years.
    - a. VOLUNTARY VACANCY OF TEMPORARY ASSIGNMENT - Members voluntarily electing to leave a temporary assignment early shall be assigned a shift until the next regularly scheduled preference bid.
    - b. INVOLUNTARY VACANCY OF TEMPORARY ASSIGNMENT - A member leaving such a position other than for the reasons stated above (i.e. non-disciplinary forced transfer) will be allowed to bid for a rotation which is more than thirty (30) days from its start date.
  3. NEW HIRES SHIFT ASSIGNMENT - Newly hired probationary employees shall be assigned a duty schedule by the City.
  4. PLAN FOR INDIVIDUAL IMPROVEMENT SCHEDULING - Employees placed on a "Plan for Individual Improvement" shall be assigned a duty schedule by the City. Upon successful completion of the Plan, the employee's right to bid shift preference shall be restored at the next shift bidding.

**Section 11.2 COURT ATTENDANCE.**

- A. ON-DUTY ATTENDANCE: Members required to appear for court as a result of actions performed in the line of duty shall suffer no loss in regular earnings, but shall be compensated during service at the member's rate of pay if on duty. Any witness fees shall be turned over to the City.
- B. OFF-DUTY ATTENDANCE: If members are off-duty, they shall receive pay at the appropriate overtime rate with a two (2) hour minimum pay. The appearance requirement of the off-duty employee shall be limited to what is necessary to appear and attend at court.
- C. JURY DUTY: Any member who is required to serve on jury duty during a normally scheduled work day will be reassigned to dayshift for that day. Any payment for jury service will be signed over to the City and the member will receive their normal wage for that day. Should the member be excused from service, they are expected to report to their supervisor and complete the remaining hours of their work day.

**Section 11.3 SHIFT DEFINITIONS AND SHIFT DIFFERENTIAL PAY.**

- A. DAY SHIFT - The "day" shift is any shift beginning between 0500 hours and 1159 hours.
- B. SWING SHIFT - The "swing" shift is any shift beginning between 1200 hours and 1859 hours.
- C. MIDNIGHT SHIFT - The "midnight" shift is any shift beginning between 1900 hours and 0459 hours

**Section 11.4 OVERTIME / PREMIUM PAY.**

(See also, Article 4 and sections 7.12(B) and 8.9)

- A. PAYMENT INCREMENTS - Overtime shall be measured in one-quarter (1/4) hour increments.
- B. FIRST DAY OF THE WEEK - For purposes of this section, the employee's first duty day establishes the first day of the week.
- C. EMPLOYEE'S TWENTY-FOUR HOUR DAY - For purposes of determining overtime, the employee's twenty-four (24) hour period begins at the beginning of the employee's scheduled normal duty start time.
- D. PERSONAL LEAVE USED - Personal Leave, other than for injury or illness, taken during a day does qualify as work time for purposes of computing overtime worked beyond scheduled shift hours on a single day.

- E. SHIFT DIFFERENTIAL APPLIED TO OVERTIME - When a member works overtime hours on a shift that qualifies for shift differential pay, the employee will be paid the overtime rate plus applicable shift differential.
- F. WORK GREATER THAN 12 HOURS IN A 24 HOUR PERIOD - Those hours of work over twelve (12) hours (13 hours for those working in 12 hour shifts) in any employee's 24 hour day will be paid at the basic rate plus shift differential multiplied by two (2).
- G. WORK GREATER THAN 12 CONSECUTIVE HOURS - Those hours of work over twelve (12) consecutive hours (13 consecutive hours for those working 12 hour shifts) will be paid at the basic rate plus shift differential multiplied by two (2).
- H. VOLUNTEERED OVERTIME - All volunteered overtime is paid at the basic rate, plus any shift differential, multiplied by 1.5
- I. SHORT NOTICE VACANCIES - For purposes of this section, "short notice" means less than twenty-four hours' notice from time of notification until the start time of the shift needing to be filled.
  - 1. FILLING VACANCY WITH ON-DUTY STAFF - When members are needed to meet personnel requirements on short notice, overtime will first be offered on a seniority basis to on-duty members in the needed classification, and then to members in the needed classification who are scheduled to work the next shift. If neither of said classification members volunteer by seniority, the Department may require that the on-duty member with least seniority in the needed classification remain on duty until other personnel can be located and report for duty.
  - 2. FILLING VACANCY WITH OFF-DUTY STAFF - The member called on short notice to work overtime from off duty status shall be paid for actual overtime worked, with a minimum of two hours of overtime.
- J. LONG NOTICE VACANCIES – For purposes of this section, "long notice" means greater than twenty-four hours notice from the time of notification until the start time of the shift needing filled.
  - 1. OVERTIME BIDDING-VOLUNTARY – Will be available for bidding known vacancies through the Auctions module of Telestaff. Auctions will be opened for bid as needed to fill vacancies
    - a) SIGN UP ALL – The Telestaff "Sign Up All" feature will be utilized for awarding any additional long term overtime after the initial monthly auction has been awarded. The senior member who has signed up

for the available shift will be awarded the overtime.

2. FORCED OVERTIME – For long notice overtime where no volunteers are obtained, the Telestaff “buckets” feature will be used to determine the appropriate employee to force for the vacancy.
    - a) QUALIFYING TIME FOR BUCKETS – For purposes of this Agreement, overtime of all types will be tallied in the employee’s time bucket. If either party desires to change the type of time used to calculate the time bucket, a change can be made on mutual agreement.
    - b) TIME PERIOD FOR BUCKETS – For purposes of this Agreement the time bucket will be reset to zero at the beginning of each rotation.
  3. SYSTEM OUTAGE – In the event Telestaff is unavailable for bidding auctions or forced fill through the time bucket feature, all overtime bidding will revert to a manual paper process. Volunteered overtime will be awarded by seniority and forced overtime will be assigned in order of inverse seniority and applicable working rules.
- K. SPECIAL MISSION OVERTIME - The Department may assign overtime for specific missions of limited duration based upon the qualifications of the member and/or the specific needs of the assignment .
- L. ERRORS IN AWARDING OVERTIME - Should the City, by error or omission, violate the provisions of this section by failing to offer overtime work to a senior eligible member who could have worked the overtime, then the overtime work shall be offered to senior member(s) at a mutually agreeable time, for the same number of hours originally worked. An overtime situation need not exist for this time to be worked.
- M. MINIMUM CALL BACK RATE - Members reporting to work and not put to work shall receive two (2) hours pay at their regular rate unless notified not to report at the end of their previous work day or two (2) hours prior to the start of the shift.

**Section 11.5 COMPENSATORY TIME OFF.** Except for grant funded positions or assignments where compensatory time is not reimbursed, compensatory time off in lieu of overtime may be accrued, at the member's discretion, at the appropriate overtime rate. Compensatory time off shall be taken at mutually agreeable times.

- A. COMPENSATORY TIME CASH OUT - Any compensatory time earned must be taken during the calendar year in which it is earned or paid at the end of that calendar year.

- B. COMPENSATORY TIME CARRY OVER FOR NEW MEMBERS - Members, during their first three years of employment, with notice to Payroll will be allowed to carry over up to 80 hours of compensatory time, but they will be required to either take or cash out all accumulated compensatory time by December 31 of the year following the third anniversary of their date of hire.
- C. REQUESTING TO CARRY OVER COMPENSATORY TIME - Members may be allowed to carry over compensatory time into the following year with approval from the Mayor.
- D. PAYMENT ON SEPARATION FROM SERVICE - Should a member separate from service for any reason, the member's compensatory time shall be paid at termination at the dollar value in effect at the date of termination.

**Section 11.6 MEAL BREAK.** A meal break of thirty (30) minutes shall be allowed on each shift of eight (8) hours or greater in duration. Those employees who are subject to recall to work on their meal break shall be considered in on-duty pay status during the meal break. In the event of either denial of meal break or recall from the meal break, the member shall be given the chance or opportunity to eat as time permits.

- A. MEAL BREAK COMPENSATION - Members shall be paid fifteen dollars (\$15.00) in meal compensation if they worked two (2) hours beyond their scheduled shift.

**Section 11.7 RELIEF BREAKS.** All members shall be allowed two (2) fifteen (15) minute breaks for every eight (8) hours worked and one (1) additional fifteen (15) minute break for each additional four (4) hour increment.

**Section 11.8 TIME CHANGES.** During Daylight Savings Time changes, members shall be paid only for actual hours worked.

**Section 11.9 TRAINING REQUIREMENT.** Any person hired to perform the duties of any position covered by this Agreement shall successfully complete training and be capable of performing all required duties of the position prior to working in solo capacity. Solo capacity shall mean working independently without direct supervision as determined by the Department Head.

**Section 11.10 SHIFT LEADS ACTING AS DEPARTMENT HEAD.** Recognizing the FECC provides services well beyond the City of Fairbanks and the critical mission of the Communications center, the parties agree to continue the use of Shift Leads acting as the Department Head during absences.

- A. When the Department Head is unavailable for more than twelve (12) hours to

physically respond to the Center if needed, one of the Shift Leads will be recommended by the Department Head for appointment by the Mayor as Acting Department Head. The added duties of this assignment include performance of all duties of the Department Head, including appearance at interagency meetings and taking responsibility for overall operations of the Center, including staffing a dispatch console when needed.

- B. During normal work hours, the Acting Dispatch Center Department Head will receive a premium equal to 5% of their normal hourly wage. This premium shall be included in the calculation of applicable overtime at the Agreement rate during periods acting as the Department Head.
- C. Standby provisions as outlined in section 11.13 shall apply to times when the Acting Dispatch Center Department Head is not on duty but available to report to work as needed.

**Section 11.11 ACTING SHIFT LEADS.** Acting Shift Leads may be utilized on a continuing basis for a period up to twelve (12) months, which may be extended by mutual consent. Acting Shift Leads shall enjoy all emoluments of regular Shift Leads during the period he/she is in acting capacity.

**Section 11.12 SUPERVISOR COMPENSATORY TIME.** The nature of the work in Dispatch requires Shift Leads to routinely work beyond their shift to complete necessary duties. The department agrees to credit each Shift Lead with one-half (.5) hour comp per week if the member works up to 24 hours per work week, or one (1) hour comp per week if the member works in excess of 24 hours per week.

**Section 11.13 STANDBY.** Members may be required to periodically report their whereabouts in order to be available for work on short notice. In such instances, the member's names shall be placed on a standby roster for the designated period of time of such a requirement. Assignments to a standby roster as well as the direct callouts from such an assignment shall be equitably rotated among members normally required to perform the anticipated duties.

- A. If a member is required to be on call for immediate recall to work, the member shall be paid one hour of pay at the overtime rate for each time period of twelve (12) hours or less of standby. When assigned to standby on a non-floating holiday, the member shall receive two hours of overtime for each time period of twelve (12) hours or less of standby.
- B. Standby pay is for the purpose of compensating the member for being available for work. Standby pay is not intended as compensation for any work performed by the member, and will be paid in addition to any applicable compensation in the event the member is recalled to duty.

Members on standby status shall remain available by telephone and shall remain physically and mentally fit for immediate duty. Standby shall not be used to avoid maintaining minimum staffing levels as set by the Department.

**Section 11.14 SCHEDULES.**

A. Management reserves the right to implement blended schedules within units.

B. FORTY HOUR WORK WEEK SCHEDULES:

1. FIVE DAYS, EIGHT HOUR SHIFTS.

a) For members who work a five/eight shift, all work performed in excess of forty (40) hours within a week or eight (8) hours within a twenty-four hour period shall be paid at one and one-half (1.5) times the basic rate of pay.

b) Any required overtime that deprives the member working 5/8s of 24 consecutive hours off shall be paid at the basic rate plus shift differential times two.

2. FOUR DAY, TEN HOUR SHIFTS.

a) A mutually agreeable alternative to the normal five (5) day, eight (8) hour work week shall be four (4) work days preceded or followed by three (3) consecutive days off. The member is guaranteed four (4) ten (10) hour days within the work week provided he/she is ready, willing and able to work, unless suspended, on lay-off or on leave without pay. The four-day work week shall consist of four (4) ten (10) hour work days. Hours worked on a normal workday shall be paid in accordance with the Agreement, based on a ten (10) hour work day. Accordingly, members shall receive overtime compensation for all hours exceeding ten (10) hours in work status per day.

b) A member who works a 4/10 schedule shall be paid overtime for all hours worked in excess of ten (10) hours in a day.

c) Any member who is required to work any hours which prevents them from having forty-eight (48) consecutive hours off will be paid at the basic rate plus shift differential, if any, multiplied by 2.

C. FECC TWELVE-HOUR SCHEDULE WORK RULES.

1. A mutually agreeable alternative for FECC to the normal forty hour work week schedules (five (5) day, eight hour work week or four (4) day, 10

hour work week) shall consist of a work week of an alternating schedule of three (3) 12 hour consecutive work days, followed by four (4) consecutive days off, and four (4) 12 hour work days followed by three (3) consecutive days off.

2. Any member who is required to work any hours which prevents them from having forty-eight (48) consecutive hours off will be paid at the basic rate plus shift differential, if any, multiplied by 2.
3. There will be a total of 4 Shift Leads, with one being assigned to each shift.
4. Because the 12 hour work schedule has members working 36 hours one week and 48 hours the next, hours worked after the members regularly scheduled hours for the week will be paid at the appropriate overtime rate plus applicable shift differential.

D. THIRTY SIX HOUR WORK WEEK SCHEDULES:

1. Overall Description: In its simplest form, the program is intended to merely redefine the work week down from 40 hours to 36 hours leaving all other provisions of the Agreement intact. Specifically:
  - a) Leave accrual remains as provided in the Agreement.
  - b) PERS time-in-service accrual remains unaffected, and the City would continue to make contributions as normal (though perhaps based on a smaller reported income).
  - c) All seniority provisions and accrual remains as currently specified, to include all applicable bidding processes.
2. Other mutually agreed upon schedules are permitted in addition to those below on a limited basis for operational necessity.
3. FOUR DAY, NINE HOUR SHIFTS.
  - a) The four-day work week shall consist of four (4) nine (9) hour work days. Hours worked on a normal workday shall be paid in accordance with the Agreement, based on a nine (9) hour work day. Accordingly, members shall receive overtime compensation for all hours exceeding nine (9) hours in work status per day.
  - b) A designated holiday will be observed on the calendar day for which it falls for all shift assigned employees.



- c) Restrictions: Scheduling shall be arranged so that each member is normally afforded a minimum of sixty (60) consecutive hours of off-duty time during days off. Except for emergencies or life-threatening circumstances, no member may routinely work more than fourteen (14) consecutive hours if other employees are available.

#### 4. THREE DAY, TWELVE HOUR SHIFT

- a) The member is guaranteed three (3) twelve (12) hour days within the work week provided he/she is ready, willing and able to work, unless suspended, on lay-off or on leave without pay. The three-day work week shall consist of three (3) twelve (12) hour work days. Hours worked on a normal workday shall be paid in accordance with the Agreement, based on a twelve (12) hour work day. Accordingly, members shall receive overtime compensation for all hours exceeding twelve (12) hours in work status per day.
- b) A designated holiday will be observed on the calendar day for which it falls for all shift assigned employees.
- c) Restrictions: Scheduling shall be arranged so that each member is normally afforded a minimum of eighty-four (84) consecutive hours of off-duty time. Except for emergencies or life-threatening circumstances, no member may routinely work more than fourteen (14) consecutive hours if other employees are available.

- 5. Overtime: The nature of the 36 hour work week brings with it some modifications to how overtime can be administered. The following list describes specific overtime provisions that are unique to 12-hour shifts:

#### a) FOUR DAY, NINE HOUR SHIFTS

- 1. When measured **weekly**, overtime will accrue after a full 40 hours of duty have been performed; however rules governing overtime in a day and/or consecutively will apply.
- 2. When measured **daily**, overtime accrues at this rate: Those hours of work (a) over 9 consecutive hours up to 12 hours, or (b) up to 12 hours in any day will be paid at the basic rate plus shift differential multiplied by one and a half. Those hours of work (a) over 12 hours in any day, or (b) those hours of work over 12 consecutive hours, will be paid at the basic rate plus shift differential multiplied by two.

3. Any hours which a member is required to work during his or her four-day weekend which prevents the employee from having forty-eight (48) consecutive hours off will be paid at the base rate plus shift differential times two. Where this provision may conflict with other straight time/overtime language, this provision shall prevail (in favor of the employee).

b) THREE DAY, TWELVE HOUR SHIFT

1. When measured **weekly**, overtime will accrue after a full 40 hours of duty have been performed; however rules governing overtime in a day and/or consecutively will apply.
2. When measured **daily**, overtime accrues at this rate: Those hours of work (a) over 12 consecutive hours up to 13 hours, or (b) over 12 hours in any day up to 13 hours, will be paid at the basic rate plus shift differential multiplied by one and a half. Those hours of work (a) over 13 hours in any day, or (b) those hours of work over 13 consecutive hours, will be paid at the basic rate plus shift differential multiplied by two.
3. Any hours which a member is required to work during his or her four-day weekend which prevents the employee from having forty-eight consecutive hours off will be paid at the base rate plus shift differential times two. Where this provision may conflict with other straight time/overtime language, this provision shall prevail (in favor of the employee).

E. Miscellaneous Provisions:

1. The 36-hour work week will be in place for a minimum of one year from the signing of this Agreement. With 90-days' notice, either party can choose to end the 36-hour shift schedule. If the City ends the new shift schedule, PSEA will return to a 4/10 shift schedule retaining a 0.28% wage increase for each month the 36 hour shift schedule was in place. If PSEA ends the new shift schedule, PSEA will return to a 4/10 shift schedule retaining a 0.20% wage increase for each month the 36 hour shift schedule was in place. Moreover, if this happens and there is one or more years remaining on this Agreement, the parties agree to re-open negotiations on wages for the remaining year(s) of this Agreement.
2. Field Training: The 36 hour work week schedule is an inappropriate schedule for any type of field training. It is the Department's resolute policy to provide recruits with the best training possible, which includes

matching up the most appropriate FTO with the individual recruit. This requires that the Department reserve the right to remove an FTO from the 36 hour work week schedule temporarily, and only for the amount of time necessary, to properly train new employees. All effort will be made to minimize this disruption.

**ARTICLE 12**  
**HOLIDAYS**

**Section 12.1.** The following days shall be considered holidays with no deductions in pay:

New Year's Day	-	January 1
Dr. Martin Luther King, Jr. Day	-	3rd Monday in January
Memorial Day	-	Last Monday in May
Independence Day	-	July 4
Labor Day	-	1st Monday in September
Veteran's Day	-	November 11
Thanksgiving Day	-	4th Thursday in November
Christmas Day	-	December 25

And such other days as the City Council, by Resolution, may fix as holidays for all City employees. Should any other City employees be awarded any holidays in addition to the above, such additional holidays shall be holidays for the members of this Bargaining Unit as well. In addition, each member shall receive two (2) paid personal days of leave each year, to be scheduled at the mutual consent of the parties. A personal holiday does not carry over to successive years and has no monetary value: if not taken each year it is lost.

**Section 12.2** Members will be paid for the scheduled holiday benefit, regardless of duty status, at the base hourly rate times the number of regularly scheduled hours. In addition, if a member works on a holiday, then the member will be paid at a Holiday Premium rate which is equal to the 1.5 times the base hourly rate of pay (plus shift differential, if applicable) for the number of regularly scheduled hours worked. After regular scheduled shift hours, normal overtime rules apply.

**Section 12.3** A designated holiday will normally be observed on the calendar day on which it falls, except that members who are regularly scheduled to work on Monday through Friday will observe the preceding Friday when the holiday falls on Saturday, and will observe the following Monday when the holiday falls on Sunday. Normally only those members designated in advance by the appropriate supervisor will be required to work on a designated holiday.

**Section 12.4** If a holiday falls during an employee's vacation or extended leave due to illness/injury, the employee shall receive holiday pay equal to that employee's regular scheduled shift for the holiday and shall not be charged leave time for that day. Regular employees on lay-off shall be paid holidays if they have worked or received compensation for any part of the month in which the holiday occurs.

**Section 12.5 Holiday Compensatory Time.** A member who works a holiday under this Article may elect to accrue compensatory time off at the appropriate rate in lieu of receipt of monetary payments pursuant to this Article.

**ARTICLE 13**  
**LEAVE**

**Section 13.1**

A. Personal Leave shall accumulate at the rate shown below. Employment for eight (8) or more days shall be considered employment for a full pay period for the purpose of computing personal leave.

1. One - Two Years: 160 hours per calendar year;
2. Three – Five Years: 200 hours per calendar year;
3. Over Five Years: 240 hours per calendar year.
4. Over 120 months: 300 hours per calendar year.

B. Members who have an annual leave balance that exceeds seven hundred fifty (750) hours as of the effective date of the Agreement shall be exempt from this provision until such time as their annual leave balance falls below seven hundred fifty (750) hours. Cash value of leave will not exceed seven hundred fifty (750) hours except for members exempt under this provision.

**Section 13.2 Leave Requests.** Scheduled personal leave may be taken at any time mutually agreeable to the Department Head, or designee, and the employee. When Personal Leave is used for illness the employee shall notify the supervisor not later than one (1) hour prior to the employee's scheduled reporting time. Such use of Personal Leave shall not be denied. The parties agree to work together to prevent the misuse of Personal Leave as sick leave.

**Section 13.3 Scheduled Personal Leave.**

A. Except in emergency situations, members' scheduled Personal Leave may be taken at a time agreeable with the employee and consistent with operational requirements. Vacation schedules shall be bid, and be awarded, by the amount of unused personal leave. The employee with the most Personal Leave on the date of a request, less any previously approved leave but unused, shall be number one for bid purposes. If Personal Leave is equal, classification seniority will determine priority. An employee shall notify the Department Head through his/her supervisor at least one (1) day in advance when not more than two (2) days of leave are desired, or at least one (1) week in advance when longer periods of leave are desired. Leave requests for periods of leave in excess of two (2) days shall be considered confirmed if not denied to the employee by the appropriate authority within five (5) working days of the request. The written denial shall be given to the employee.

- B. An employee's scheduled leave may be denied, canceled, or terminated by the Department Head when the leave is not consistent with operational requirements. In case of such denial, the leave will accrue until taken.
- C. Only earned leave may be requested or taken. Employees may not take scheduled Personal Leave until completing six months of service with the Department.
- D. Employees serving a probationary period on their original appointment leaving the City service without satisfactorily completing their probationary period shall not be entitled or compensated for any accrued leave.

**Section 13.4 Termination.** Upon termination of any employee covered by this Agreement, accrued Personal Leave shall be cashed out at 105% of then current value.

**Section 13.5 Draw down of Personal Leave.** Employees may elect to "cash out" leave hours at 105% of then current value, provided that members may not "cash out" below 80 hours. The "cashed out" hours will be included with the employee's next regular paycheck or directed to be deposited into the employee's Deferred Compensation account. Cash outs are not considered compensable hours for pension benefit payments, which will not be included in the cash out payment.

**Section 13.6 Exceptions Regarding Leave Cash Outs.**

- A. Employees electing to utilize their leave bank cash out for Deferred Compensation catch up shall be exempt from the hour limit on Personal Leave draw down.
- B. In the event of a financial, medical, or personal hardship affecting the employee or his or her spouse and/or dependents, or other special circumstances as approved by the Mayor, the employee shall upon request to the Employer receive payment for all accrued Personal Leave. If a dispute arises as to what constitutes a hardship, a Labor-Management Committee with two representatives from each party will convene. If the Committee's decision results in a tie, the Mayor will decide the issue. The employee shall receive payment within ten (10) working days of the request for payment.
- C. A laid off or reclassified employee who has bumped or moved into a lower paying job classification shall be credited with Personal Leave at the value it accrued on the day prior to reclassification.

**Section 13.7 Leave Without Pay.**

- A. At the request of the employee, the Mayor may grant an employee leave without pay when it is in the best interest of the City to do so.
- B. The employee request may be considered when the employee has shown by his or her record to be of more than average value to the City and where it is desirable to retain the employee even at some sacrifice. During the employee's approved leave of absence at the discretion of the Department Head and with the prior written approval of the Mayor, the employee's position may be filled by limited-term appointment, temporary promotion or temporary reassignment of any employee. At the expiration of the leave without pay the employee has the right to, and shall be reinstated to, the position vacated if the position still exists; or, if not, to any other vacant position in the same class. Approved leave without pay shall not constitute a break in service, but any period in excess of ten (10) days in any calendar year may not be creditable for vesting or retirement under the State of Alaska Public Employees Retirement System. Longevity credits for purposes of completing probation, pay anniversary date and accumulation of leave benefits shall be suspended during the period of leave without pay. City medical benefits shall continue during any period of leave without pay.
- C. At the request of the employee, the Mayor may grant an employee a voluntary reduction in hours if and when the Mayor determines it is in the best interest of the City to do so.
- D. Seniority rights shall remain unchanged for an employee during any period of leave without pay taken in accordance with the provisions of this section.

**Section 13.8 Military Leave.** An Employee who has completed his/her probationary period and who is a member of any reserve component of the United States Armed Forces will be allowed leave of absence for required training or duty for a period not exceeding twenty (20) working days per calendar year. Such military leave shall be with basic rate if all military pay, not to include reimbursements for lodging, food, etc., the employee receives for the duties performed on such leave is paid to the City. The Mayor may grant additional periods of military leave in the event of hardship due to an extended involuntary employee call up in conformity with federal and state law.

**Section 13.9** The City will comply with the Family Medical Leave Act and the Alaska Family Leave Act.

**Section 13.10 Funeral Leave.** Any employee's Personal Leave or Leave Without Pay may be used for illness or bereavement.

**Section 13.11 Donated Leave.** Employees may assist other employees in time of need, with Department Head approval. The following shall be the vehicle for



that purpose.

- A. Each employee wishing to donate Personal Leave will fill out, date and sign a leave slip showing the amount of leave the employee wishes to donate in increments of not less than four (4) hours and deliver said leave slip to the Finance Department.
- B. The leave will be converted to the cash value of the donating employee's leave and paid to the receiving employee at his/her equivalent hourly rate.
- C. Each leave slip will have written or typed along the bottom "Leave donated to (Employee name)."

**Section 13.12 Business Leave.**

- A. There is hereby created a chapter business leave bank which shall be administered by the City with a monthly report of the balance and withdrawals provided to the Chapter Chair. The Chapter Chair reserves the right to require employees to transfer up to four (4) hours of annual leave into the chapter leave bank. Such request shall only be made upon approval of the Executive Board and only if the balance in the bank is not sufficient to cover withdrawal requests.
- B. In addition, any employee at the employee's option may transfer additional annual leave to the Bank. Transfers may be made at any time during the duration of this Agreement with no maximum limit of the number of days except that any employee may not transfer more leave than is posted on the employee's annual leave balance at the time of the authorization. The employee's leave balance will then be reduced by the amount of leave transferred to the Bank.
- C. Withdrawal requests from the Bank will be for purposes designated by the Chapter Chair and the Finance Director shall be notified. The release of employees for chapter leave shall be handled on the same basis and release from duty for annual leave, except that such release shall not be unreasonably withheld by their supervisor.

## **ARTICLE 14** **PAY PERIODS**

**Section 14.1** Pay periods covering days worked from the first (1st) to the fifteenth (15th) and from the sixteenth (16th) to the last day of the month shall be established. Pay days shall normally be on the fifteenth (15th) and the last day of each month. If pay day falls on Saturday, Sunday, or a holiday, then pay day shall be the last scheduled work day before the break period.

**Section 14.2** The City reserves the right to establish a bi-weekly pay period upon thirty (30) calendar days' notice to the Association. If established, pay day shall fall on every other Friday. If pay day falls on a holiday, then pay day shall be the last scheduled work day before the holiday break period. If the City Finance Department changes any member's time sheet, the City Finance Department shall notify the member and the Administrative Assistant as soon as possible and prior to the next scheduled pay day.

### **Section 14.3 Employee Time Sheets.**

- A. The City shall furnish each member with an itemized statement of earnings and deductions specifying hours paid, straight time, overtime, personal leave pay, holiday pay and other compensation payable to the member which is included in the check. Pay checks shall be available no later than 1200 hours on each pay day, except for circumstances beyond the control of the City.
- B. Time Sheets shall be made available by the Employer for inspection by the employee or PSEA Representative upon twenty-four (24) hours' notice by the Association.

**Section 14.4** The City shall make available during regular business hours to each member an itemized accounting specifying both the Employer's and Employee's contributions to the PERS system for that employee.

## **ARTICLE 15** **PROBATION**

**Section 15.1** All Department employees shall serve a probationary period effective from the date of hire and extending six (6) months beyond completion of mandatory training. The time period of six (6) months means actual time worked including regular days off, but does not include leave without pay. Such time must be satisfactorily made up before probationary periods will be considered completed. Based upon performance evaluations, the probationary period may be extended in lieu of termination at the discretion of the Department Head for a period not to exceed one-half (1/2) of the original probationary time. This extension is in addition to any time being made up as noted above.

### **Section 15.2**

- A. The probationary, or working test period, is an integral part of the promotional process. It shall be utilized to observe closely the member's work, to secure the most effective adjustment of a new or promoted employee to their position, and to dismiss a probationary member whose performance does not meet required work standards.
  
- B. Employees who are promoted or transferred at their own initiative shall complete a probationary period of six (6) months for all positions, however, the employee may be demoted to their former position at any time during this probationary period without the right to file a grievance.

**Section 15.3** Employees who accept a promotion out of the Bargaining Unit are entitled to bump back to their former position in the Bargaining Unit if they do not successfully complete probation in the promoted position. Employees who bump back are entitled to regain their Bargaining Unit seniority as of the date they accepted promotion. If the employee's former position is not available, the promoted employee shall have first preference to occupy any vacant Bargaining Unit position for which the employee is otherwise qualified, but in no event shall a promoted employee be permitted to bump a Bargaining Unit employee into a lower rank or layoff status.

**ARTICLE 16**  
**LAYOFF & RECALL**

**Section 16.1** The Department Head, upon approval of the Mayor, or designee, may lay off an employee when deemed necessary by reason of shortage of funds or work, the abolition of the position, or other material changes which are outside the employee's control and which do not reflect discredit upon the service of the employee. The City will meet with the Association to consider any alternatives to layoffs. The duties performed by any laid off employee may be re-assigned to other employees within that classification who are already working. A layoff of less than twenty-four (24) months, after which the employee returns to work at the first available opportunity, shall not be considered a separation. Longevity credits for purposes of completing probation, pay anniversary date, and the accumulation of leave benefits shall be suspended during the period of layoff.

**Section 16.2** In case of layoff the sequence of downward bumping will be in accordance with the following classifications. Regular full time employees will take precedence over part time or temporary employees:

Lieutenant  
Sergeant  
Detective  
Police Officer/Investigator  
Administrative Assistant  
Lead Dispatcher  
Dispatcher  
Evidence Custodian  
Call Taker / Public Safety Assistant  
Clerk

**Section 16.3**

- A. Layoffs shall be made in inverse order of seniority within the affected classification, except as provided elsewhere in this Agreement for Chapter Chair and Vice-Chair. Except when moving into the Police Officer classification, a laid off member will be allowed to move into any parallel or lower classification where the laid off employee has more overall Department seniority than the least senior person in that classification. In the case where a laid off member seeks to move into the Police Officer classification, departmental seniority alone shall govern.
  
- B. The member shall have five (5) working days from the date he/she receives the layoff notice and a layoff list of all positions in the classification seniority

group in which to exercise an election. Each member displaced by this procedure shall, in turn, have the right to use this procedure.

- C. If two or more members have identical classification group seniority or departmental seniority, the order of layoff shall be determined by the following:
  - 1. A veteran shall be given preference over a non-veteran in accord with Alaska Statutes.
  - 2. In any case that cannot be determined by the application of veteran's preference, seniority shall be determined alphabetically by last name at the time of hire.
- D. No regular or probationary member shall be laid off while there are emergency, temporary, provisional, seasonal or volunteer members serving in the same classification group performing work which could reasonably be assigned to regular or probationary members, based upon the minimum qualifications for the classification.
- E. No permanent Bargaining Unit employee shall be laid off because a non-Bargaining Unit employee wishes to return from his/her position to a Bargaining Unit position.
- F. No temporary, provisional or seasonal members shall be hired while regular or probationary member(s) are on layoff status unless no laid off member offered the position accepts. A laid off member may reject a non-permanent job without losing layoff recall rights. Notice to the laid off member shall include the estimated duration of the job if the City reasonably expects the position to be less than full-time regular.
- G. If the City hires a recalled member for a position which lasts thirty (30) days or less, the recalled member shall receive fifteen percent (15%) above base wage in lieu of benefits.
- H. If the position lasts over thirty (30) days, the recalled member shall be given regular status during the period of recall. In such event, the recalled member shall not be entitled to the fifteen percent (15%) in lieu of benefits.

**Section 16.4** In every case of layoff, or proposed layoff of any regular or probationary member, the City shall give the member at least sixty (60) days' written notice in advance of the effective date. Concurrently, all members on the layoff list from which the laid off member may exercise an election shall receive notice of the layoff, its effective date and the possibility of being displaced. The member laid off through the displacement process shall receive

notice in advance of the potential layoff and at least ten (10) working days' written notice in advance of the effective date of actual layoff.

### **Section 16.5**

- A. Procedure. Upon layoff, the laid off member shall be placed on the layoff list for that classification group from which the member was laid off, and for the Bargaining Unit. Recall rights exist for five (5) years from the effective date of the layoff.
1. The classification layoff list shall be ranked in inverse order of layoff. The recalled position shall be offered to the first member on the classification layoff list.
  2. If the seniority group layoff list is exhausted and eligible member(s) decline appointment or are not available, then the position shall be offered to the qualified member with the most City seniority of those members on the Bargaining Unit layoff list. In order to receive recall notice from the bargaining unit layoff list, the member shall provide written notice to the City at the time of lay-off of interest and possession of skills and abilities to perform the available jobs. The City shall exhaust the Bargaining Unit layoff list.
  3. The laid off member who is offered a recall must have the skills and abilities to perform the position for which recalled. Vacant positions which are to be filled may be filled through promotion provided no member is on layoff from the classification. However, if later again vacated, the position may subsequently be filled only in accordance with this article.
  4. Upon recall to the original position, the member's salary shall be adjusted upward, step for step, to the appropriate range.
  5. If a member is recalled to a position in which he/she has attained regular status, the recalled member shall be appointed to that position as a permanent member. If a member is recalled to a position in which he/she has not attained regular status, the recalled member shall be appointed to that position as a probationary member.
- B. Notice of Recall. Notice of recall shall be sent to all eligible laid off members by Certified Mail to the last address provided the City Personnel Office by the member and to the Association office in writing. The members on the recall list shall within fourteen (14) days after receipt of the recall notice notify the City in writing as to his/her decision regarding the recall offer. The member at the top of the recall list shall have the first opportunity to accept the position

provided he/she possesses the qualifications for the position being recalled. If the City does not receive notice as required above from the member first eligible for recall within fourteen (14) days of when the recall notice was postmarked, then that member goes to the bottom of the recall list, and the next individual on the list who responded to the notice of recall and who possesses the qualifications for the position will be offered the position.

**ARTICLE 17**  
**SENIORITY**

**Section 17.1 Termination of Seniority.** Department Seniority shall be terminated upon:

- A. Discharge;
- B. Resignation;
- C. Layoff for a period of five (5) years or more, or inability to return to work from a job-incurred injury or illness of five (5) years or more; or
- D. Willful abandonment of position (Failure to report for duty within three days following approved absence).

**Section 17.2 Seniority Preserved.** Department Seniority shall not be interrupted by:

- A. Periods of approved leave, including Workers' Compensation absences;
- B. Military leave for Reserve Training;
- C. Active military duty when recall for such duty is beyond the control of the member;
- D. Promotion out of the Bargaining Unit during the first six (6) months; or
- E. Retirement disability up to five (5) years.

**Section 17.3** The member with the longest term of credited service with the Department shall be number one (1) on the Department Seniority list and all other members shall be listed accordingly. The Department shall yearly prepare and prominently post a Department Seniority roster in each work area of the Department. Seniority, as defined in this Agreement, shall in no way conflict or interfere with the designation of any member as senior for command purposes on a detail or case. If a senior officer is not selected for promotion, it shall be the responsibility of the person making the selection, if requested by the member, to issue an explanation to the member why such member was not selected to command.

**Section 17.4**

- A. If a member is promoted into a classification in the Fairbanks Police Department outside this Bargaining Unit, his/her classification seniority shall



continue to accrue in his/her former position for up to (6) six months after promotion. Thereafter, the Bargaining Unit and classification seniority of the member promoted outside the Bargaining Unit shall terminate.

- B. Employees promoted out of this Bargaining Unit who are involuntarily demoted or whose positions are eliminated shall be returned with departmental seniority and shall have their classification seniority restored for the classification they occupy, if any. If the seniority of the returning member is sufficient, this may necessitate the layoff of a less senior Bargaining Unit member in accordance with the seniority provisions of this Agreement.

### **Section 17.5**

- A. If a member transfers to a different classification within the Bargaining Unit, his/her former classification is frozen at the time of occupancy of the new classification.
- B. If a member is involuntarily returned from a Bargaining Unit position to his/her former classification due to disciplinary action, his/her classification seniority within the departing position will not accrue toward his/her classification seniority in the former position.
- C. If a member is involuntarily returned from a Bargaining Unit position to his/her former classification due to non-disciplinary reasons, the time spent in his/her involuntary classification will accrue toward his/her classification seniority in his/her former position upon return to his/her former position.
- D. If a member accepts a promotion to another position within the Bargaining Unit, the member will continue to accrue classification seniority in his/her former position for up to eight (8) months. If the promoted member remains in his/her current position beyond eight (8) months, his/her former classification seniority will be frozen at the time reflecting the date of his/her promotion.

**ARTICLE 18**  
**DISCIPLINARY ACTION**

**Section 18.1** Whenever employee performance, attitude, work habits or personal conduct at any time falls to a level unsatisfactory to their supervisor, the supervisor shall inform the employee promptly and specifically of such lapses and give counsel and guidance. A letter or departmental form of counseling, as distinguished from a letter of reprimand, shall not be considered disciplinary action and shall not be subject to the grievance procedure, nor shall it be placed in the employee's personnel file. If appropriate and justified, a reasonable period of time for improvement may be allowed before initiating disciplinary action. In some instances a specific incident may justify severe disciplinary action in and of itself; however, the action to be taken depends on the seriousness of the incident and the records contained in the employee's personnel file.

**Section 18.2** In situations where an oral or written counseling/warning has not resulted in the expected improvement, or where a more severe initial action is warranted, a written reprimand will be sent to the member, a copy shall be placed in the member's personnel file and a copy will be sent to PSEA.

**Section 18.3** An employee may be suspended without pay and/or demoted by his/her Department Head with approval of the Mayor, or designee, for reasons of misconduct, negligence, inefficiency, insubordination, disloyalty, unauthorized absence, or other justifiable reason when alternate personnel actions are not appropriate. Employees shall be furnished an advance written notice at least twenty-four (24) hours prior to the effective date containing the nature of the proposed action. Said employee shall be advised that he/she is entitled to have a PSEA Staff representative present at any meeting where disciplinary actions are contemplated or possible. If a member is suspended for a period of days, rather than a term of consecutive hours, the term "day" shall be deemed to mean that the member is suspended for the full twenty-four (24) hours of such day.

**Section 18.4** The Mayor or designee may dismiss any member for just cause. Reasons for dismissal may include but shall not be limited to:

- A. Failure to meet prescribed standards of work, morality and ethics to an extent that makes a member unsuitable for employment in the Department;
- B. Theft or unjustified destruction of City property;
- C. Incompetence, inefficiency or negligence in the performance of duty;
- D. Insubordination;

- E. Conviction of a felony, or a misdemeanor involving moral turpitude;
- F. Notoriously disgraceful personal conduct;
- G. Unauthorized absence;
- H. Acceptance of any consideration which was given or accepted with the expectation of influencing the member in the performance of his/her duties;
- I. Falsification of records or use of official position for personal advantage;
- J. Threatening or intimidating action against another member.

**Section 18.5** When a member is terminated, or effects a separation, the member shall be paid all accrued earnings in accordance with State law and the provisions of this Agreement.

**Section 18.6** An employee may appeal disciplinary action under this section pursuant to the grievance procedure as set forth under Article 8 of this Agreement. If the employee fails to appeal the suspension and/or demotion, the action shall become effective on the date specified. During the appeals procedure of any discipline less than termination, the employee shall be retained in duty status, or placed on leave with pay, at the discretion of the Mayor or designee.

**Section 18.7** The City agrees all permanent Employees who have completed probationary requirements shall be given thirty (30) days' notice of separation, or thirty (30) days' pay, computed at the base hourly rate, in lieu of notice.

**Section 18.8** All employees who have been in employment thirty (30) days or more shall give the City two (2) weeks' notice before leaving his or her employment unless mutually agreed beforehand between the City and the employee. Notation of failure to give notice will be placed in the employee's personnel file.

**Section 18.9 Standards for Demotion/Discharge.** No member shall be disciplined, demoted or discharged except for "just cause."

**Section 18.10 Controlled Substance & Alcohol Testing.** The parties agree to a random drug / alcohol testing procedure administered by the City Human Resources department.

**ARTICLE 19**  
**CLASSIFICATION AND HOURLY WAGE RATES**

**Section 19.1** Special Duty Pay: FTOs performing department-sanctioned on-the-job training, Lieutenants and Sergeants assigned to Investigations, and K-9 officers will receive a five percent (5%) allowance for the performance of these duties. This allowance will be calculated on the base wage of the employee.

**Section 19.2** Differential: All members assigned to shift work will receive a shift differential for the hardship which the shift work causes of four percent (4%) for swing shift and eight percent (8%) for mid-shift for all hours worked. When a member is assigned to a relief duty tour which involves working multiple shifts during a work week, he/she shall receive the higher differential for which the member is eligible for all hours worked during such periods of the tour.

**Section 19.3 Pay Scale.**

Classification	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Sergeant - 2012</b>	34.2026	35.8687	37.6780	38.6049	39.5316	39.9068	40.2708
2014 @ 10%	37.6229	39.4556	41.4458	42.4654	43.4848	43.8975	44.2979
<b>Detective - 2012</b>	33.5296	34.5336	36.2106	37.1374	38.0091	38.3622	38.7262
2014 @ 10%	36.8826	37.9870	39.8317	40.8511	41.8100	42.1984	42.5988
<b>Police Officer - 2012</b>	29.2377	30.7162	32.2387	34.5115	35.8576	36.1886	36.5306
2014 @ 10%	32.1615	33.7878	35.4626	37.9627	39.4434	39.8075	40.1837
<b>P.O. Recruit I - 2012</b>	24.8577	-	-	-	-	-	-
2014 @ 10%	27.3435	-	-	-	-	-	-
<b>P.O. Recruit II - 2012</b>	26.3250	-	-	-	-	-	-
2014 @ 10%	28.9575	-	-	-	-	-	-
<b>P.O. Recruit III - 2012</b>	27.7813	-	-	-	-	-	-
2014 @ 10%	30.5594	-	-	-	-	-	-
<b>Dispatcher - 2012</b>	21.6469	22.7282	23.8536	25.5306	26.5347	26.7774	27.0311
2014 @ 10%	23.8116	25.0010	26.2390	28.0837	29.1882	29.4551	29.7342
<b>Lead Dispatcher - 2012</b>	22.7393	23.8536	25.0672	26.8104	27.8696	28.1123	28.3771
2014 @ 10%	25.0132	26.2390	27.5739	29.4914	30.6566	30.9235	31.2148
<b>Front Desk Call Taker - 2012</b>	19.4735	20.4554	21.4704	22.9821	23.8977	24.0963	24.3390
2014 @ 10%	21.4209	22.5009	23.6174	25.2803	26.2875	26.5059	26.7729
<b>Admin. Assistant - 2012</b>	21.6469	22.7282	23.8536	25.5306	26.5347	26.7774	27.0311
2014 @ 10%	23.8116	25.0010	26.2390	28.0837	29.1882	29.4551	29.7342
<b>Evidence Custodian - 2012</b>	22.7393	23.8536	25.0672	26.8104	27.8696	28.1123	28.3771
2014 @ 10%	25.0132	26.2390	27.5739	29.4914	30.6566	30.9235	31.2148
<b>Evidence Custodian II - 2012</b>	21.6469	22.7282	23.8536	25.5306	26.5347	26.7774	27.0311
2014 @ 10%	23.8116	25.0010	26.2390	28.0837	29.1882	29.4551	29.7342
<b>Clerk - 2012</b>	17.5426	18.4694	19.3852	20.3450	21.1505	21.3601	21.5587
2014 @ 10%	19.2969	20.3163	21.3237	22.3795	23.2656	23.4961	23.7146
<b>Clerk PT - 2012</b>	20.1685	21.2410	22.2934	23.3938	24.3266	24.5658	24.7931
2014 @ 10%	22.1854	23.3651	24.5227	25.7332	26.7593	27.0224	27.2724
<b>Lieutenant - 2012</b>	39.0351	40.1054	41.1866	42.2788	43.4042	43.8125	44.2096
2014 @ 10%	42.9386	44.1159	45.3053	46.5067	47.7446	48.1938	48.6306

- A. The pay scale will be increased by 10% on <<October 1st, 2014>>, subject to Work Rules provisions in sections 10 and 11 of this Agreement.
- B. No employee shall experience a reduction in pay as a result of this newly negotiated schedule, but shall be moved to the next step which results in a pay increase.
- C. The terms and steps of Recruit Officer pay are specified in the Definitions section of this agreement, paragraph "S."
- D. PSEA will agree to a one-time payment of \$1,750.00 per member in lieu of retroactive pay.

**Section 19.4 Lateral Hires.** Newly hired officers who have at least three (3) years of experience as a sworn law enforcement officer or dispatcher with a qualified police agency may be paid at the appropriate step of the Police Officer or dispatcher Pay Scale, not to exceed the fourth (4<sup>th</sup>) year step.

**Section 19.5**

- A. An employee who involuntarily changes classification, for other than disciplinary reasons will begin at the "Start Step" within that classification, unless that would result in a pay decrease. In that case the employee will continue to earn his/her current wage until qualified for the next step increase within the new classification which will result in a pay increase. Employees receiving a promotion to a higher classification will move to a step which results in a higher wage.
- B. If the change to a lower classification is voluntary, the employee will move to the step that corresponds to the step held in the higher classification at the time of voluntary demotion. Two examples:
  - 1. A top step Sergeant elects to move to Detective. Pay shall be top step Detective, even if this is a pay reduction.
  - 2. A step 1 Sergeant elects to move to Detective. Pay will be at step 1 Detective.
- C. In the event of a disciplinary demotion, the employee will be paid at the step appropriate to the previous time in the lower classification.

**Section 19.6** If the City creates new or changed job classifications or duties not set forth in current job descriptions, the City and Chapter shall negotiate on the appropriate rates for such classifications or new duties before the

implementation of any changes. If the parties are unable to agree upon a rate for a new or changed classification, interest arbitration will be used.

**Section 19.7** Where new types of equipment or procedures are instituted resulting in new or changed job classifications not established by this Agreement, the City and Chapter shall meet and confer on the appropriate rates for such classifications.

**ARTICLE 20**  
**EDUCATION PAY**

**Section 20.1 Education and Certification Pay.**

- A. All costs to obtain and maintain required licensing or certification shall be paid by the City. All training conducted in accordance with this section shall be considered as duty time.
  
- B. Commissioned employees through the rank of sergeant who obtain an Alaska Police Standards Council (APSC) certificate shall receive an adjustment of \$1,250.00 for an Intermediate Certificate and \$2,750.00 for an Advanced Certificate, added to the employee's base wage starting on the next following paycheck, after issuance by APSC.
  
- C. Lieutenants shall receive compensation for advanced certification pay in the amount of \$3,000.00 annually, paid the second payroll of the year.

**Section 20.2** With prior approval of the Department Head, employees who are continuing their education by attending college on their off-duty time where they majored in criminal justice, administration of justice, or related approved fields of study, will be reimbursed by the City for tuition, books, and other costs of education upon the successful completion of the course and upon the presentation of a documented expense account. Successful completion of the course shall mean the conclusion of any quarterly or semester course in any subject directly related to the obtaining of the degree in the major above stated or the equivalent thereof with a grade of "C" or better.

**Section 20.3** Members, with prior approval from the Department Head, may be reimbursed for tuition and books for successful completion of courses or seminars which relate directly to the member's current job classification.

**Section 20.4** It is the objective of the City to keep Lieutenants up to date on current practices of their profession. Each Lieutenant may choose to attend, at City expense up to a maximum of \$1,500.00 direct cost (airfare, hotel, per diem, and course material), at least one work-related seminar or training course of the employee's choice every calendar year.

**Section 20.5 Commitment to Professional Development.** The parties recognize that the City operates in a constrained fiscal environment. The City and the Association will continue working together to identify training opportunities for employee professional development.

**ARTICLE 21**  
**ADMINISTRATION OF PAY**

**Section 21.1 Pay for Working in a Higher Classification. Temporarily Working Out of Class and Acting Appointments.**

- A. Any Employee who is assigned by the Department Head the responsibilities and the duties of a classification for more than (1) one hour, other than that in which the Employee normally holds, shall be paid at the highest classification's rate when filling said position. Any employee who is assigned duties of a position below the classification which the employee normally holds, shall continue to be paid at the rate the employee normally receives. Members will not be required to work outside their classification for a consecutive period beyond six (6) months in a calendar year unless otherwise agreed between the City and the Association.
  
- B. Compensation for Service as Acting Department Head. When a Department Head is on personal leave and unavailable for more than 12 hours to physically respond to the work if needed, another employee may be appointed by the Mayor or designee as Acting Department Head. The added duties of this assignment include performance of all duties of the Department Head, including appearance at interagency meetings and taking responsibility for overall operations of the Department including performing normal duties and, if needed, performing duties of other Department employees. While serving as Acting Department Head, the employee shall receive the higher rate of pay. Any leave cash out will be at the regular rate, not the higher rate.

**Section 21.2 Show Up Pay.**

- A. Employees reporting to work on overtime and not assigned to work shall receive two (2) hours pay at their regular rate unless notified not to report at the end of their previous work day.
  
- B. Nothing in this agreement bars the City and the Association from agreeing upon a "flex" schedule.

**Section 21.3 Schedule Changes.** When making employee schedule changes, the Employer shall notify the employee of any contemplated change in writing or electronic notification at least seven (7) calendar days prior to the same taking effect. If the employee is not given at least seven (7) calendar days' notice of the change, the employee will be paid at the rate of time and one-half (1-1/2) for all hours worked on the first day of the new schedule. Additional hours scheduled prior to an employee's regular starting time are not schedule changes when the regular work day is also worked. This provision shall



not apply to temporary deviations to an employee's schedule caused by unforeseen circumstances outside the control of the Employer.

## **ARTICLE 22**

### **EQUIPMENT AND CLOTHING**

**Section 22.1 City Issued.** Employees who are issued equipment for City use shall have that equipment receipted to them and shall be responsible for its proper use. When the equipment issued becomes damaged, broken, unsafe or unserviceable, it shall be turned in to the City to be repaired or replaced. Employees shall use all reasonable means to protect and secure all City property, equipment and supplies. Upon termination of employment, each employee shall return to the City any property of any kind belonging to the City

**Section 22.2 Special Clothing.** The City agrees to provide work gloves, rubber boots, coveralls, and such other protective clothing for use by members as duties require.

**Section 22.3 Equipment and Clothing Property.** Employees shall not be responsible for lost, damaged or stolen property or cargo in cases when the employee followed Department policy in securing, operating, or handling said property or cargo.

**Section 22.4 Personal Property.** In the event the Department Head approves the use of the employee's personal property during such employee's normal duties, the City shall reimburse the employee for the repair or replacement of said personal property in the event it is stolen or damaged all in accordance with Section 22.3, provided that the City will not be responsible for damage to employee property that is inappropriate for on duty use.

**Section 22.5 Improved Equipment.** The City shall make an effort to provide employees with equipment that will allow the employee to work efficiently and improve productivity, i.e., computers, word processors, vehicles, and all other equipment and instruments necessary to perform the work.

- A. No employee shall be required to operate any unsafe equipment. No disciplinary action or other form of discrimination shall be instituted against any employee for questioning whether a piece of equipment is safe.
- B. No non-sworn employee shall drive a patrol car unless it is prominently marked "out of service".

**Section 22.6 Cleaning Allowance.** Police Department members covered by this Agreement shall receive a cleaning allowance in the amount of sixty-five dollars (\$65.00) per month, except for those complete months when the member is on Worker's Compensation leave or leave without pay, for the life of

this Agreement. If the employee resigns or is terminated, the employee shall surrender all issued items or the cost of such items not surrendered shall be deducted from the employee's final check.

**Section 22.7 Initial Issue Uniforms.**

A. Each commissioned member shall be issued the following City owned property for use:

**Police Department**

Badges	(1 shirt & 1 flat)
Shirts (Short Sleeve)	3
Shirts (Long Sleeve)	3
Trousers	3
Ties	3
Hat (Summer) w/Rain Cover	1
Hat (Winter)	1
Parka	1
Utility Jacket	1
Raincoat	1
Gloves	1 pair per year
Bullet Proof Vest (Level 2A minimum)	1
Dept. Approved Duty Footwear	\$125/yr. For summer footwear \$150/yr. For winter footwear
	Both footwear allowances to be paid in a single disbursement of \$275 in January of each year.
Gun belt set with Weapon	1
Coveralls*	1 set

All the above items will be replaced by the City on an "as needed" basis to ensure each member has a full complement of issued items in good serviceable condition.

\*As required by the Department.

B. The City shall provide each Commissioned Officer with an approved side arm for use on and off duty. Upon retirement, the Commissioned Officer will be presented with his/her sidearm and badge.

C. All non-uniformed commissioned officers and uniformed civilian employees shall be given up to \$500.00 reimbursement per year to maintain/replace approved clothing for their on duty use.

D. The Department will pay each commissioned officer \$150.00 in January of each year for incidental purchases of duty equipment.

**ARTICLE 23**  
**FILLING OF VACANCIES**

**Section 23.1**

- A. Promotion/transfer - When a vacancy occurs or a new position is established within the Bargaining Unit for which there is no one on the layoff list, the parties agree that the vacancy shall be filled from among Bargaining Unit members if a qualified member applies.
- B. The parties understand and agree that all City employees shall be engaged and promoted solely on the basis of merit and fitness. The City shall maintain an equitable examination process to assist in determining applicant qualifications. Applicants will be required to pass a professionally prepared examination. Examinations shall be practical in character and shall relate to the duties and responsibilities of the position for which the applicant is being examined and shall fairly test the relative merit and fitness of persons examined to perform the duties of the position to which they seek appointment. Examinations may be composed of written examinations, assessment centers, oral examinations, physical examinations, psychological evaluations, training and experience, or any combination thereof, provided that any component of the examination process shall be applied uniformly among applicants at each stage of the evaluation process. The applicant's training, experience and previous work experience shall be considered.

**Section 23.2** Vacancy announcements shall specify the position's opening date, the date the notice was posted, the job description and title, and other pertinent information concerning the closing date. A copy of all such notices relative to positions within the coverage of this Agreement shall be posted on the Association bulletin board.

**Section 23.3** Applications are to be accepted for vacant or newly created positions within the Bargaining Unit. They shall be made in writing on regular application forms. The announcement from the Personnel Office will state instructions for their acceptance.

**Section 23.4** When a vacancy occurs or a new position is established, the Department Head shall give first preference to the promotion or transfer of any member from within the Police Department. The announcement shall be circulated and members shall indicate, in writing, their desire to apply for the position. All interested employees who possess the requisite qualifications, as listed in the job description, will receive an interview prior to the commencement of further recruitment. Employees offered and accepting a promotional opportunity will be placed at the entry-level step or such other step of the higher range that will provide an increase in salary. The length of service

will remain unbroken and all accrued benefits shall remain unchanged. A new classification seniority date shall apply from the date of entry into the new position.

**Section 23.5** Bargaining Unit members who have completed their initial probationary period shall have the right to compete for any vacancy within the Bargaining Unit for which they may be qualified. All accrued benefits and length of service shall remain unbroken.

**Section 23.6** Consistent with Section 19.4, regular Bargaining Unit employees seeking promotional or lateral transfer or transfers to a different a class within the same salary range or a voluntary demotion to class with a lower salary range may apply and compete for open or vacant positions in the Bargaining Unit.

**Section 23.7** Open or vacant positions shall be filled on merit and fitness. In the exercise of the City's discretion in making a promotion, the following guidelines will be observed:

- A. Applicants must meet minimum qualifications in recruitment announcements.
- B. Applicants must satisfactorily pass competitive examinations when applicable.
- C. Performance evaluation reports, if available, will be considered.
- D. Attendance is relevant, and will be considered.
- E. Seniority will govern only when qualifications are equal.
- F. Pre-test qualifications required for the rank of Detective and Sergeant shall be an APSC Intermediate Certificate and two (2) years of continuous duty as a certified law enforcement officer.
- G. Pre-test qualifications required for the rank of Lieutenant shall include an advanced certification from the APSC, and an equivalent of time-in-rank and/or college education as presently required by City promotional standards.

In the event no employee applies or meets the qualifications as set forth above, the City may recruit and select from other agencies.

**Section 23.8** Promotions within or between all sworn classifications shall be probationary for a six (6) month period during which an employee may be demoted to his previous position.

### **Section 23.9**

- A. Employees in the Bargaining Unit on probationary status shall receive written performance evaluations at least monthly and at the completion of the probationary period. Regular employees, upon request, shall have an evaluation at least annually.
  
- B. Any employee dissatisfied with a written evaluation may make a written rebuttal to it which shall become a part of the evaluation record.

## **ARTICLE 24**

### **PERSONNEL RECORDS**

**Section 24.1** The Mayor shall provide for the maintenance of a personnel file which includes those documents which reflect an individual's complete status as an employee from date of hire to termination. Only one such file shall be maintained by the City.

**Section 24.2** The personnel file includes employee's employment application, reports of medical examinations, reports of results of employment investigations, reports of work performance, progress and disciplinary actions, personnel actions and survivor benefits forms.

#### **Section 24.3**

A. An individual employee shall have access to his/her personnel file, or to any closed Administrative Investigation(AI) file or to any information pertaining to the employee which is maintained in the personnel file, at any reasonable time. A member shall have the opportunity to comment upon any adverse materials in the member's personnel file. Personnel Files are confidential. They may be inspected by the Department Head or those authorized by the Department Head.

B. An employee may review all files pertaining to the employee with the exception of the Pre-Employment File.

**Section 24.4** Except for oral reprimands and written counseling forms, a record of disciplinary actions must be contained in the employee's personnel file.

**Section 24.5** Nothing in this Agreement shall prevent supervisors from maintaining and utilizing Supervisor Files. Specifically, these files may contain prior evaluations, notes of observations and information including favorable and unfavorable remarks reflecting on the employee's duty performance during the reporting period under evaluation.

**Section 24.6** A record of the following disciplinary actions shall be placed in the employee's personnel file:

- A. Written reprimands;
- B. Suspension without pay;
- C. Involuntary transfer;
- D. Demotion;



- E. All administrative and criminal investigations, formal or informal which result in disciplinary action against the employee;
- F. Last Chance Agreement; and
- G. Termination.

**Section 24.7** Except for Supervisor Files maintained by the Department, no other disciplinary, personnel, or private files shall be maintained by the City without permission from the employee and the Association.

**Section 24.8** Documents reflecting disciplinary action contained within a member's personnel file which are dated five (5) years or older, shall not be examined nor considered for use at subsequent disciplinary or promotional proceedings. Access to such documents shall be limited as provided for in Section 24.3 of this Article.

**Section 24.9** Documents reflecting citizen complaints shall not be maintained in the personnel file unless investigated and sustained.

**Section 24.10** Any item removed from the personnel files shall be forwarded to the employee.

**ARTICLE 25**  
**POLICIES AND PROCEDURES**

**Section 25.1** A manual of policies and procedures shall be maintained and made accessible to each employee of the Department.

**Section 25.2** The Department shall issue proposed policies and procedures thirty (30) days in advance of their effective date. Any changes that affect a mandatory subject of bargaining shall be held in abeyance unless the right to negotiate is waived by the Association in writing or inaction after a reasonable period of time, or the negotiations do not result in an agreement between the parties.

**ARTICLE 26**  
**TRAVEL AND PER DIEM**

**Section 26.1 Official Travel Outside City of Fairbanks.** It is the intent of this section to provide reimbursement for actual and necessary expenses incurred by Bargaining Unit members because of travel on City business/duty. The per diem rate shall be forty (\$40.00) per day, and shall be adjusted upward to match any higher amount set by the City Code. In addition to per diem and hotel reimbursement, members shall be reimbursed for ground travel expenses and other incidental expenses upon the presentation of receipts. Employees may receive travel advances for anticipated travel expenses, when requested in advance. Per diem rates shall be based on eight (8) hour days. Time less than four (4) hours shall be considered half days and the member shall receive \$25.00. Time shall begin when the employee leaves his/her home on City business/ duty and shall end when returning home. Per Diem shall not apply to periods of annual leave.

**Section 26.2 Use of Personal Vehicles.** Employees are not authorized or obligated to use their privately owned vehicles for City business unless expressly authorized to do so by the Department Head or designee for official business; reimbursement for such use shall be at the IRS mileage reimbursement rate in effect on the date of travel. The City will repay the member for reasonable loss, including damages, resulting from such use so long as the loss was not the result of gross negligence, recklessness or intentional misconduct.

**Section 26.3 Travel for Shift Employees.** Unless agreed upon by the City and employee, there shall be at least 12 hours between the conclusion of a regular scheduled on duty work shift and departure for travel. Administrative leave shall be granted to the employee if needed to provide this 12 hours of rest time.

**ARTICLE 27**  
**ORAL OR WRITTEN AGREEMENT**

**Section 27.1** No member covered by this Agreement shall be asked or required by the City to make any written or oral agreement which may in any way conflict with this Agreement.

**Section 27.2** No member covered by this Agreement shall ask or require the City to make any written or oral agreement which may in any way conflict with this Agreement.

## **ARTICLE 28**

### **TEMPORARY HIRES**

**Section 28.1** "Non-permanent employee" in this Agreement is defined as a temporary hire not to exceed six (6) months.

**Section 28.2** It is recognized that the need exists to hire temporaries in positions similar in duties and requirements to regular positions in the Association. The City and the Association now agree that all determinations concerning the terms and conditions of temporary employment shall be made independently by the City except as provided for in this section or as specifically provided for in subsequent sections of this Agreement. The parties agree that there will not be a concerted effort to abuse the hiring and utilization of temporaries.

**Section 28.3** An employee may be employed in a temporary position for a maximum of 1,040 hours per each twelve-month period; however, a temporary period of employment may be extended by mutual written agreement of the parties to this Agreement. All City records relating to hours worked of temporary employees shall be open for Association inspection. The City shall state in writing at the time of initial hiring whether the employee is a regular or temporary employee.

**Section 28.4** Temporary employees shall not be entitled to paid personal leave, holiday pay or other benefits enjoyed by regular employees. All temporary employees shall be compensated on an hourly basis for actual work performed. In lieu of benefits, temporary employees shall receive an additional compensation of fifteen percent (15%) above the starting wage rate. Seniority will accrue pro-rata based on hours of service. Breaks will be pro-rated dependent on the number of hours in a shift.

**Section 28.5** Temporary hires will only be assigned overtime after the City offered the overtime to regular Association members of the same classification.

**Section 28.6** The City may utilize temporary hires as needed in accordance with Article 10 and 11.

**Section 28.7** All hours worked over forty (40) hours per week by temporary employees shall be considered overtime and payable at one and one-half (1.5) times the rate of pay as set forth in Article 19, Section 3.

**ARTICLE 29**  
**PART-TIME EMPLOYEES**

**Section 29.1** A "Part-Time employee" is a permanent employee who works fewer than thirty (30) hours a week, including the employment of two (2) persons to fill one (1) regular full-time position.

**Section 29.2** The City and the Association recognize the need to hire part-time employees in positions similar in duties and requirements to regular positions in the Association. The City and the Association agree that all determinations concerning the terms and conditions of part-time employment shall be made independently by the City except as provided in this Agreement. The City will not abuse the hiring and utilization of part-time employees.

**Section 29.3** All employer records relating to hours worked of part-time employees shall be open for Association inspection.

**Section 29.4** Part-time employees shall not be entitled to paid personal leave, holiday pay or other benefits enjoyed by regular employees. All part-time employees shall be compensated on an hourly basis for actual work performed. In lieu of benefits, part-time employees shall receive an additional compensation of fifteen percent (15%) above the starting wage rate. Seniority will accrue pro-rata based on hours of service. Breaks will be pro-rated dependent on hours of service.

**Section 29.5** Part-time hires will only be assigned overtime after the City has offered overtime to regular Association members of the comparable Association classification.

**Section 29.6** The City may utilize part-time hires as needed in accordance with Article 10 and 11.

**Section 29.7** All hours worked by part-time employees over forty (40) hours per week shall be considered overtime and payable at one and one-half (1.5) times the rate of pay as set forth in Article 19.3, above.

**ARTICLE 30**  
**MISCELLANEOUS**

**Section 30.1** All prior letters of agreement and understanding to the prior agreements shall be deleted unless again signed after the effective date of this Agreement or unless incorporated specifically within this Agreement.

**Section 30.2** In the case of any difference or conflict between the provisions of this Agreement and the provisions of the Fairbanks Personnel Ordinance or the provisions of any City imposed policy or rules, the provisions of this Agreement shall govern. In the event that any portion of this Agreement is found by a court to be invalid, the provisions of Section 5.3, shall apply. Only during any interim period between such finding of invalidity and subsequent Agreement shall the Fairbanks Personnel Ordinance Code govern.

**Section 30.3** No individual from outside the Fairbanks Police Department will be used to perform duties that consist of part of, or all of the duties of Association members, without prior approval of the Association. This section does not prohibit shared operations with City Departments, Volunteers in Policing, Emergency Services Patrol, law enforcement agencies, police reserves, and contractual employment of temporary staff for background checks, police topic instructors, and consultants. Reserve members shall meet the pre-employment requirements of a non-commissioned member.

**Section 30.4** Notwithstanding any other Agreements previously in effect, this Agreement constitutes the entire agreement between the City and the Association, and no verbal statements shall supersede any of its provisions. This Agreement constitutes the sole and complete agreement between the City and the Association, and embodies all the terms and conditions governing the employment of the members of the Association. Any proposed changes affecting the employee's wages, hours, or other terms and conditions of employment shall be negotiated prior to implementation. Both sides have had the opportunity to raise other issues, but have chosen not to do so. In addition, both sides have abandoned issues that were discussed but not incorporated into this Agreement. Topics that were raised but not incorporated, abandoned, overlooked, or not addressed in this Agreement have no legal effect on the parties.

**Section 30.5 Work-Study Job Training Program.** Recognizing the value of the High School Work Based Learning programs, the parties agree to a partnership program by the City with local high schools for the purpose of work-study job training. Students participating in work-study opportunities, whereby they work with City employees covered by this Agreement, will be exempted from membership in the Union and will not be eligible for wages and benefits as provided under this Agreement. The City may establish compensation for

participants in this program so long as it does not negatively impact wages and benefits for City employees covered by this Agreement. Participation in this program is viewed as a learning opportunity and is not intended to displace staffing levels.



**ARTICLE 31**  
**DEFINITION OF TERMS**

Words used within this Agreement shall have their ordinary meaning unless they are recognized "terms of art" or fall within the express definitions hereinafter described:

- A. "Anniversary Date" of hire shall mean the date at which an employee has completed a service year of fifty-two (52) weeks of paid service. Unless otherwise provided for herein, anniversary dates will be delayed to reflect non-paid absences.
- B. "Bargaining Unit" in this Agreement means all employees represented by the PSEA working in classifications listed at Article 19.
- C. "Base rate" shall mean the minimum contract rate for a classification.
- D. (reserved)
- E. "City" means the City of Fairbanks, Alaska.
- F. "Classification" (verb) is the act of grouping positions in classes with regard to:
  - 1. duties and responsibilities;
  - 2. requirements as to education, knowledge, experience and ability;
  - 3. tests and fitness; and,
  - 4. ranges of pay.
- G. "Classification" or "class" (noun) is the resulting designation of one or more positions into a single grouping.
- H. "Day(s)" as used in this Agreement providing time constraints on the parties means calendar days, exclusive of holidays unless otherwise specified herein.
- I. "Department" means the Fairbanks Police Department or Fairbanks Emergency Communications Center, or any subsequently formed department which includes Police/Dispatch functions, likewise, "Department Head" shall refer to the person designated to have administrative authority over the Police/Dispatch functions, whether that person be denominated as "Department Head" or otherwise .
- J. "Duty Day" means any day on which a member is assigned to work a shift.

- K. "Emergency Situation"; The normal and accepted meaning, however, this does not include routine manpower shortages.
- L. "Employee" has the same meaning as "member," *infra*.
- M. "Employer" means the City of Fairbanks, Alaska.
- N. "FGC" means the Fairbanks General Code.
- O. "Holiday Rate" means two and one half times basic rate of pay plus applicable shift differential.
- P. "Member" in this Agreement means an employee who holds probationary or permanent status working in a job class that has been designated by the City and who holds membership in the Association; except where the circumstances so indicate, "member" and "employee" are used interchangeably in this Agreement.
- Q. "Non-permanent Employee" in this Agreement is defined as a temporary hire not to exceed six (6) months.
- R. "Personnel File" in this Agreement means all those documents, reports, written or otherwise recorded evaluations of a person's performance while performing duties on behalf of the Employer, and any other work-related material pertaining to that person that is kept in that file.
- S. "Police Officer Recruit" refers to employees hired within the entry level position that is divided into three components for pay purpose as follows: the compensation rate for "Police Officer Recruit I" is paid from the date of hire through completion of the Police Academy; "Recruit II" pay is paid from the date of completion of the academy through successful completion of Training; and, "Recruit III" pay is paid from the successful completion of Training until 6 months later.
- T. "Promotion" shall be the change of an employee from one class to another which will provide an increase in salary or which has a higher maximum base rate of pay.
- U. "Shift" means the normally scheduled work hours on a duty day.
- V. "Tour" is a four month shift assignment.
- W. "Transfer" in this Agreement means the voluntary or involuntary assignment or reassignment of a member's work area or duty assignment.



**ARTICLE 32**  
**EXECUTION OF AGREEMENT**

THIS AGREEMENT, CONSISTING OF \_\_\_\_ PAGES, WAS RATIFIED BY THE CITY OF FAIRBANKS CITY COUNCIL ON \_\_\_\_ AND BY THE MEMBERSHIP OF THE ASSOCIATION ON \_\_\_\_\_.

CITY OF FAIRBANKS

PUBLIC SAFETY EMPLOYEES  
ASSOCIATION

\_\_\_\_\_  
John Eberhart,                      Date  
Mayor, City of Fairbanks

\_\_\_\_\_  
Jake Metcalfe,                      Date  
Executive Director, PSEA

\_\_\_\_\_  
James Williams,                      Date  
Chief of Staff

\_\_\_\_\_  
Ron Dupee,                      Date  
Chapter Chair

\_\_\_\_\_  
Brad Johnson,                      Date  
Chief of Police (Interim)

\_\_\_\_\_  
Dave Duncan,                      Date  
Negotiator

\_\_\_\_\_  
Stephanie Johnson,                      Date  
FECC Manager

\_\_\_\_\_  
Doug Welborn,                      Date  
Negotiator

\_\_\_\_\_  
Brenda Geier,                      Date  
Negotiator

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**ORDINANCE NO. 5958**

**AN ORDINANCE AMENDING THE 2014 OPERATING AND  
CAPITAL BUDGETS FOR THE SIXTH TIME**

**WHEREAS**, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2014 operating and capital budgets; and

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows** [amendments shown in **bold** font; deleted text or amounts in ~~font~~]:

**SECTION 1.** There is hereby appropriated to the 2014 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, 2014 and ending December 31, 2014 (see pages 2 and 3):

## GENERAL FUND

<u>REVENUE</u>	APPROVED BUDGET	INCREASE (DECREASE)	AS AMENDED
Taxes, (all sources)	\$ 20,060,196	\$ 46,471	\$ 20,106,667
Charges for Services	4,372,020	153,225	4,525,245
Intergovernmental Revenues	4,541,084	24,200	4,565,284
Licenses & Permits	1,444,914	72,476	1,517,390
Fines, Forfeitures & Penalties	1,022,185	(89,485)	932,700
Interest & Penalties	130,500	4,897	135,397
Rental & Lease Income	158,744	-	158,744
Other Revenues	215,000	31,253	246,253
Other Financing Sources	(700,543)	13,687	(686,856)
Total revenue appropriation	<u>\$ 31,244,100</u>	<u>\$ 256,724</u>	<u>\$ 31,500,824</u>
<u>EXPENDITURES</u>			
Mayor and Council	\$ 507,865	\$ -	\$ 507,865
Office of the City Attorney	178,104	-	178,104
Office of the City Clerk	348,914	3,000	351,914
Finance Department	923,640	-	923,640
Information Technology	1,420,382	-	1,420,382
General Account	5,725,431	5,600	5,731,031
Risk Management	1,040,819	-	1,040,819
Police Department	7,206,291	-	7,206,291
Dispatch Center	2,051,459	121,268	2,172,727
Fire Department	6,357,074	57,432	6,414,506
Public Works Department	7,534,588	-	7,534,588
Engineering Department	522,431	75,722	598,153
Building Department	670,308	-	670,308
Total expenditure appropriation	<u>\$ 34,487,306</u>	<u>\$ 263,022</u>	<u>\$ 34,750,328</u>
12/31/13 general fund balance	\$ 13,270,040		\$ 13,270,040
Decrease to fund balance	(3,243,206)	(6,298)	(3,249,504)
Nonspendable	(424,514)	-	(424,514)
Committed for snow removal	(250,000)	-	(250,000)
Assigned self insurance	(785,248)	-	(785,248)
12/31/14 Unassigned balance	<u>\$ 8,567,072</u>	<u>\$ (6,298)</u>	<u>\$ 8,560,774</u>
Minimum unassigned fund balance requirement is 20% of budgeted annual expenditures but not less than \$4,000,000.			<u><u>\$ 6,950,066</u></u>

## CAPITAL FUND

<u>REVENUE</u>	<u>APPROVED BUDGET</u>	<u>INCREASE (DECREASE)</u>	<u>AS AMENDED</u>
Transfer from Permanent Fund	\$ 514,960		\$ 514,960
Transfer from General Fund	1,784,545		1,784,545
Equip Replacement			
Public Works	250,000		250,000
Building	10,000		10,000
Police	180,000		180,000
Dispatch	80,000		80,000
Fire	250,000		250,000
IT	110,000		110,000
Property Repair & Replacement	145,000		145,000
	<u>\$3,324,505</u>	<u>\$ -</u>	<u>\$3,324,505</u>
 <u>EXPENDITURES</u>			
IT Department	\$ 637,300	\$ -	\$ 637,300
Police Department	180,000	-	180,000
Dispatch Department	582,130	-	582,130
Fire Department	572,829	-	572,829
Public Works Department	1,955,463	-	1,955,463
Total appropriation	<u>\$3,927,722</u>	<u>-</u>	<u>3,927,722</u>
 12/31/13 capital fund balance	\$6,008,764	\$ -	\$6,008,764
Decrease to fund balance	<u>(603,217)</u>	<u>-</u>	<u>(603,217)</u>
12/31/14 Assigned fund balance	<u>\$5,405,547</u>	<u>\$ -</u>	<u>\$5,405,547</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, 2014 and ending December 31, 2014.

**SECTION 3.** The effective date of this ordinance shall be the \_\_\_\_th day of October 2014.

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

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM

\_\_\_\_\_  
Janey Hovenden, MMC, City Clerk

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

## **FISCAL NOTE**

### **ORDINANCE 5958, AMENDING THE 2014 OPERATING AND CAPITAL BUDGETS FOR THE SIXTH TIME**

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

\$256,724 Increase (see attachment 1 for detail)

1. Taxes – \$46,471 Increase
2. Charges for Services – \$153,225 Increase
3. Intergovernmental Revenues – \$24,200 Increase
4. Licenses & Permits – \$72,476 Increase
5. Fines, Forfeitures & Penalties – (\$89,485) Decrease
6. Interest & Penalties – \$4,897 Increase
7. Rental & Lease Income – No Change
8. Other Revenues – \$31,253 Increase
9. Other Financing Sources & (Uses) – \$13,687 Increase

FISCAL NOTE CONTINUED  
ESTIMATED EXPENDITURES

\$263,022 INCREASE

1. Mayor & Council – No Change
2. City Attorney’s Office – No Change
3. City Clerk’s Office – \$3,000 Increase
  - \$3,000 Increase to Other Outside Contracts for criminal background checks
4. Finance Department – No Change
5. Information Technology – No Change
6. General Account – \$5,600 Increase
  - \$ 30,600 Increase to Contribution to other agencies for increase in bed tax
  - \$(25,000) Decrease to Emergency Service Patrol
7. Risk Management – No Change
8. Police Department – No Change
9. Dispatch – \$121,268 Increase
  - (\$81,784) Decrease to Salaries
  - \$203,146 Increase to Overtime
  - (\$ 94) Decrease to Benefits
10. Fire Department – \$57,432 Increase
  - \$47,859 Increase to Benefits - retroactive health increase of \$113.95 per employee per month from January 1, 2014 through October 31, 2014
  - \$ 9,573 Increase for health Benefits for November and December 2014 at \$113.95 per employee per month
11. Public Works – No Change
12. Engineering – \$75,722 Increase
  - \$44,912 Increase to Salaries
  - (\$ 4,419) Decrease to Overtime
  - \$35,229 Increase to Benefits

13. Building Department – No Change

## **FISCAL NOTE CONTINUED**

### **Capital Fund**

1. REVENUES

- No change

2. OTHER FINANCING SOURCES (USES)

- No Change

3. EXPENDITURES

- No Change

4. INTERNAL TRANSFERS

- No Change

**ORDINANCE NO. 5958, AS AMENDED**

**AN ORDINANCE AMENDING THE 2014 OPERATING AND  
CAPITAL BUDGETS FOR THE SIXTH TIME**

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Interest & Penalties	130,500	4,897	135,397
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Other Revenues	215,000	31,253	246,253
Other Financing Sources	(700,543)	13,687	(686,856)
	<b>\$ 31,244,100</b>	<b>\$ 256,724</b>	<b>\$ 31,500,824</b>
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Police Department	7,206,291	-	7,206,291
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Fire Department	6,357,074	57,432	6,414,506
Public Works Department	7,534,588	-	7,534,588
Engineering Department	522,431	75,722	598,153
Building Department	670,308	-	670,308
	<b>\$ 34,487,306</b>	<b>\$ 233,904</b>	<b>\$ 34,721,210</b>
12/31/13 general fund balance	\$ 13,270,040		\$ 13,270,040
Increase (Decrease) to fund balance	(3,243,206)	22,820	(3,220,386)
Nonspendable	(424,514)	-	(424,514)
Committed for snow removal	(250,000)	-	(250,000)
Assigned self insurance	(785,248)	-	(785,248)
12/31/14 Unassigned balance	<b>\$ 8,567,072</b>	<b>\$ 22,820</b>	<b>\$ 8,589,892</b>

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

**\$ 6,944,242**

## CAPITAL FUND

<u>REVENUE</u>	<u>APPROVED BUDGET</u>	<u>INCREASE (DECREASE)</u>	<u>AS AMENDED</u>
Transfer from Permanent Fund	\$ 514,960	-	\$ 514,960
Transfer from General Fund	1,784,545	-	1,784,545
Equip Replacement			
Public Works	250,000	-	250,000
Building	10,000	-	10,000
Police	180,000	-	180,000
Dispatch	80,000	-	80,000
Fire	250,000	-	250,000
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Property Repair & Replacement	145,000	-	145,000
	<u>\$3,324,505</u>	<u>\$ -</u>	<u>\$3,324,505</u>
 <u>EXPENDITURES</u>			
IT Department	\$ 637,300	\$ -	\$ 637,300
Police Department	180,000	-	180,000
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**SECTION 3.** The effective date of this ordinance shall be the \_\_\_\_ day of October 2014.

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

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM

\_\_\_\_\_  
Janey Hovenden, MMC, City Clerk

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

## **FISCAL NOTE**

### **ORDINANCE 5958, AMENDING THE 2014 OPERATING AND CAPITAL BUDGETS FOR THE SIXTH TIME**

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

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4. Licenses & Permits – \$72,476 Increase
5. Fines, Forfeitures & Penalties – (\$89,485) Decrease
6. Interest & Penalties – \$4,897 Increase
7. Rental & Lease Income – No Change
8. Other Revenues – \$31,253 Increase
9. Other Financing Sources & (Uses) – \$13,687 Increase

FISCAL NOTE CONTINUED  
ESTIMATED EXPENDITURES

~~\$263,022~~ \$233,904 INCREASE

1. Mayor & Council – No Change
2. City Attorney’s Office – No Change
3. City Clerk’s Office – \$3,000 Increase
  - \$3,000 Increase to Other Outside Contracts for criminal background checks
4. Finance Department – No Change
5. Information Technology – No Change
6. General Account – \$5,600 Increase
  - \$ 30,600 Increase to Contribution to other agencies for increase in bed tax
  - \$(25,000) Decrease to Emergency Service Patrol
7. Risk Management – No Change
8. Police Department – No Change
9. Dispatch – ~~\$121,268~~ **\$92,150** Increase
  - ~~(\$81,784)~~ **(\$89,673)** Decrease to Salaries
  - \$203,146 **\$188,184** Increase to Overtime
  - ~~(\$——94)~~ **(\$6,361)** Decrease to Benefits
10. Fire Department – \$57,432 Increase
  - \$47,859 Increase to Benefits - retroactive health increase of \$113.95 per employee per month from January 1, 2014 through October 31, 2014
  - \$ 9,573 Increase for health Benefits for November and December 2014 at \$113.95 per employee per month
11. Public Works – No Change
12. Engineering – \$75,722 Increase
  - \$44,912 Increase to Salaries
  - (\$ 4,419) Decrease to Overtime
  - \$35,229 Increase to Benefits

13. Building Department – No Change

**FISCAL NOTE CONTINUED**

**Capital Fund**

1. REVENUES

- No change

2. OTHER FINANCING SOURCES (USES)

- No Change

3. EXPENDITURES

- No Change

4. INTERNAL TRANSFERS

- No Change

**ORDINANCE NO. 5959**

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE  
SECTIONS 14-176 REGARDING OPEN CONTAINER OF ALCOHOLIC  
BEVERAGES**

**WHEREAS**, the City Council codified rules regarding possession of alcoholic beverages, codified at Fairbanks General Code Section 14-176; and

**WHEREAS**, current Fairbanks North Star Borough Code Section 9.12.030 has similar rules concerning possession of alcoholic beverages; and

**WHEREAS**, the Fairbanks community desires consistency in the enforcement rules related to open consumption and carrying of alcoholic beverages.

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS**, as follows [new text shown in **underline bold** font; deleted text in ~~strikethrough~~ font]:

**Sec. 14-176. ~~Open Containers Alcohol Offenses~~**

(a) **Open Container Prohibited**~~Limited~~. It shall be unlawful to carry, transport or possess an open container of alcoholic beverages on the public streets, sidewalks, alleys, parks, or other public places throughout the city; except that an open container of alcoholic beverages may be carried in a vehicle in a locked trunk or other secured location inaccessible to the driver and passengers within the vehicle.

(b) *Open containers defined*. "Open containers" means any original container or package without the Internal Revenue Service strip stamp intact upon such container or package; any container or package that has been opened at least once since purchase or manufacture; or any container or package containing **an** alcoholic beverage other than the original container or package.

(c) *Exceptions*. Open containers are permitted in areas outside the downtown area if the area is under borough or state control and if alcohol consumption is authorized by borough ordinance or state statute, including, but not limited to, parks and ball fields; or in situations **outside the downtown area** in which **a gathering of people on private residential property, with the consent of the** ~~an owner, or~~ legal occupant **of the property**, ~~or a gathering of people, outside the downtown area held with the consent of the owner or legal occupant of the premises on private residential property,~~ extends onto public areas immediately adjacent to the ~~host's~~ property.

**(d) Possession prohibited. No person may possess any alcoholic beverage in any park or other area open to the public where alcoholic beverages are prohibited.**

**(e)** ~~(d)~~ *Downtown area described.* "Downtown area" means the area of the city bounded by Cowles Street from First Avenue south to Airport Way, Airport Way east to the Steese Expressway, the Steese Expressway north to Third Street, Third Street west to Minnie Street, Minnie Street west to Illinois Street, Illinois Street south to Phillips Field Road, Phillips Field Road west to Pioneer Road, then south on a line extended from the intersection of Pioneer Road and Phillips Field Road across the Chena River to First Avenue, and then east on First Avenue to Cowles Street.

**(f)** ~~(e)~~ *Proxy-buying prohibited.* A person violates this section if that person purchases and/or provides alcoholic beverages to another knowing that there is a substantial probability that the recipient of the alcoholic beverages will violate subsection (a).

**(g)** ~~(f)~~ *Penalty.* A person convicted under subsection (a), **(d)**, or **(f)** of this section shall be fined not more than \$300.00 for the first offense, and not more than \$500.00 for each subsequent offense.

---

**John Eberhart, City Mayor**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

---

Janey Hovenden, MMC, City Clerk

---

Paul J Ewers, City Attorney



**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**

**WHEREAS**, the United States Department of Homeland Security provides funds through the Assistance to Firefighters Grant (AFG) to meet the firefighting and emergency response needs of fire departments and nonaffiliated emergency medical service organizations; and

**WHEREAS**, the City of Fairbanks Fire Department provides emergency medical attention to persons involved in active shooting events; and

**WHEREAS**, the City of Fairbanks Fire Department wishes to improve the protection of EMS personnel who respond to active shooting events; and

**WHEREAS**, the City of Fairbanks wishes to request \$31,200 to purchase helmets and bullet proof vests; and

**WHEREAS**, the City of Fairbanks is required to provide a 20% match in the amount of \$6,240 that will be provided from the Fire Department general fund and by local agencies;

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

**PASSED and APPROVED** this \_\_\_\_\_ Day of November 2014.

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

AYES:  
NAYS:  
ABSENT  
APPROVED:

ATTEST:

APPROVED AS TO FORM

\_\_\_\_\_  
Janey Hovenden, MMC, City Clerk

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

**CITY OF FAIRBANKS**

**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 4645

Abbreviated Title: UNITED STATES HOMELAND SECURITY ACTIVE SHOOTER

Department(s): FIRE DEPARTMENT & AREA FIRE DEPARTMENTS

Does the adoption of this ordinance or resolution authorize:

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

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

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes \_\_\_\_\_ No x

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

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

**II. FINANCIAL DETAIL:**

<b>PROJECTS:</b>	<b>Equipment</b>	<b>Contracts</b>	<b>Personnel OT</b>	<b>Total</b>
Active Shooter Equipment	\$31,200			\$31,200
				\$0
				\$0
				\$0
				\$0
<b>TOTAL</b>	<b>\$31,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$31,200</b>

<b>FUNDING SOURCE:</b>	<b>Equipment</b>	<b>Contracts</b>	<b>Personnel OT</b>	<b>Total</b>
U.S. Department of Homeland Security	\$24,960			\$24,960
Fairbanks Fire Department General Fund	\$1,440			\$1,440
Area Fire Departments	\$4,800			\$4,800
<b>TOTAL</b>	<b>\$31,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$31,200</b>

The City of Fairbanks plans to purchase two helmets and two bullet proof vests for each ambulance for a total of \$2,400 per ambulance. The City will purchase equipment for 3 ambulances servicing the Fairbanks area, 8 ambulances servicing the outlying areas, and 2 ambulances servicing the North Pole area. The City does not anticipate any additional costs for this purchase.

Reviewed by Finance Department: Initial mb Date 10/28/2014

**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**

**WHEREAS**, the United States Department of Homeland Security provides funds through the Assistance to Firefighters Grant (AFG) to meet the firefighting and emergency response needs of fire departments and nonaffiliated emergency medical service organizations; and

**WHEREAS**, the City of Fairbanks Fire Department wishes to improve the skills and knowledge of fire apparatus drivers and mutual aid departments; and

**WHEREAS**, the City of Fairbanks Fire Department wishes to provide a Driver Operator Course for staff to achieve a certification from the Alaska Fire Standards Council; and

**WHEREAS**, the City of Fairbanks wishes to request \$24,000 for personnel and contractual costs; and

**WHEREAS**, the City of Fairbanks is required to provide a 10% match in the amount of \$2,400 that will be provided from the Fire Department general fund;

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

**PASSED and APPROVED this \_\_\_\_\_ Day of November 2014.**

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

AYES:  
NAYS:  
ABSENT  
APPROVED:

ATTEST:

APPROVED AS TO FORM

\_\_\_\_\_  
Janey Hovenden, MMC, City Clerk

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

**CITY OF FAIRBANKS**

**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 4646

Abbreviated Title: UNITED STATES HOMELAND DRIVER CERTIFICATION TRAINING

Department(s): FIRE DEPARTMENT

Does the adoption of this ordinance or resolution authorize:

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

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

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes \_\_\_\_\_ No x

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

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

**II. FINANCIAL DETAIL:**

<b>PROJECTS:</b>	<b>Equipment</b>	<b>Contracts</b>	<b>Personnel OT</b>	<b>Total</b>
Driver Operator Course		\$2,000	\$22,000	\$24,000
				\$0
				\$0
				\$0
				\$0
				\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$2,000</b>	<b>\$22,000</b>	<b>\$24,000</b>

<b>FUNDING SOURCE:</b>	<b>Equipment</b>	<b>Contracts</b>	<b>Personnel OT</b>	<b>Total</b>
U.S. Department of Homeland Security		\$2,000	\$19,600	\$21,600
Fairbanks Fire Department General Fund			\$2,400	\$2,400
				\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$2,000</b>	<b>\$22,000</b>	<b>\$24,000</b>

The City of Fairbanks plans to have staff that is certified instructors to conduct a State Certified Driver Operator Course. The funding will be used to pay overtime wages and benefits for staff attending the course and back fill to allow staff to attend the course. The City does not anticipate any additional costs for this purchase.

Reviewed by Finance Department: Initial mb Date 10/28/2014

**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**

**WHEREAS**, the United States Department of Homeland Security provides funds through the Assistance to Firefighters Grant (AFG) to meet the firefighting and emergency response needs of fire departments and nonaffiliated emergency medical service organizations; and

**WHEREAS**, the City of Fairbanks Fire Department wishes to continue to upgrade and modernize its fire fleet in order to better serve the public; and

**WHEREAS**, the City of Fairbanks Fire Department wishes to upgrade an existing 15 year old aerial platform to meet current NFPA standards which will extend the life of the apparatus for another 20 years; and

**WHEREAS**, the City of Fairbanks wishes to request \$800,000 to upgrade the aerial platform; and

**WHEREAS**, the City of Fairbanks is required to provide a 10% match in the amount of \$80,000 that will be provided from the Fire Department capital fund;

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

**PASSED and APPROVED this \_\_\_\_\_ Day of November 2014.**

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

AYES:  
NAYS:  
ABSENT  
APPROVED:

ATTEST:

APPROVED AS TO FORM

\_\_\_\_\_  
Janey Hovenden, MMC, City Clerk

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

**CITY OF FAIRBANKS**

**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 4647

Abbreviated Title: UNITED STATES HOMELAND AERIAL PLATFORM

Department(s): FIRE DEPARTMENT

Does the adoption of this ordinance or resolution authorize:

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

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

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes \_\_\_\_\_ No x

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

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

**II. FINANCIAL DETAIL:**

<b>PROJECTS:</b>	<b>Equipment</b>	<b>Contracts</b>	<b>Personnel OT</b>	<b>Total</b>
Aerial Platform	\$800,000			\$800,000
				\$0
				\$0
				\$0
				\$0
				\$0
<b>TOTAL</b>	<b>\$800,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$800,000</b>

<b>FUNDING SOURCE:</b>	<b>Equipment</b>	<b>Contracts</b>	<b>Personnel OT</b>	<b>Total</b>
U.S. Department of Homeland Security	\$720,000			\$720,000
Fairbanks Fire Department Capital Fund	\$80,000			\$80,000
				\$0
<b>TOTAL</b>	<b>\$800,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$800,000</b>

The City of Fairbanks plans to upgrade Platform One. Platform One is 15 years old and has some significant maintenance issues. The upgrade will reduce current maintenance and operation costs by 33% and will result in an estimated savings of \$300,000 over the purchase of a new fire apparatus.

Reviewed by Finance Department: Initial mb Date 10/28/2014

**ORDINANCE NO. 5960**

**AN ORDINANCE TO AMEND FGC SECTION 14-71  
MULTI-VENDOR EVENTS**

**WHEREAS**, the City amended Business Licensing requirements in April 2007; and

**WHEREAS**, the City amended the multi-vendor events ordinance in April 2014; and

**WHEREAS**, since the April 2014 amendment, it has become clear that additional exemptions to the multi-vendor permit requirement may be warranted.

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

**SECTION 1.** Fairbanks General Code Chapter 14, Article III, is hereby amended as follows [new text in **underlined bold** font; deleted text in ~~striketrough~~ font]:

**Sec. 14-71. Definitions.**

*Multi-vendor event* means an event such as a public show, bazaar, marketplace, festival, trade show, or other activity involving multiple vendors held at a single location. This includes events taking place with the same vendors over multiple weeks at a single location, not to exceed 15 cumulative days within a calendar year. Exempt from this article are:

**1.** Events held for the primary purpose of providing basic, on-site health and wellness services at no cost;

**2. Non-public events hosted by nonprofit organizations held in conjunction with conferences or conventions;**

**3. Events sponsored by an agency or instrumentality of the United States, or of the state of Alaska, or a municipality or other political subdivision thereof; and**

**4. events sponsored by community-based nonprofit organizations engaged in charitable, educational or civic pursuits.**

*Multiple-vendor event permit* means a permit issued by the city clerk to the sponsor of a multi-vendor event.

*Sponsor* means any individual, business or organization that organizes and manages a multi-vendor event.

**SECTION 2.** That the effective date of this Ordinance shall be the \_\_\_\_ day of November 2014.

---

**John Eberhart, City Mayor**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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Janey Hovenden, MMC, City Clerk

---

Paul J. Ewers, City Attorney



# CALENDAR 2015

## 2015 CITY COUNCIL MEETINGS and HOLIDAY LIST

<b>JANUARY</b>	<b>05</b> <b>19</b>	<b>JULY</b>	<b>06</b> <b>20</b>
<b>FEBRUARY</b>	<b>09</b> <b>23</b>	<b>AUGUST</b>	<b>10</b> <b>24</b>
<b>MARCH</b>	<b>09</b> <b>23</b>	<b>SEPTEMBER</b>	<b>14</b> <b>21</b>
<b>APRIL</b>	<b>06</b> <b>20</b>	<b>OCTOBER</b>	<b>05</b> <b>19</b>
<b>MAY</b>	<b>11</b> <b>18</b>	<b>NOVEMBER</b>	<b>09</b> <b>23</b>
<b>JUNE</b>	<b>08</b> <b>22</b>	<b>DECEMBER</b>	<b>07</b> <b>14</b>

**NOTE:** Any deviation from FGC is a result of City Holidays, budget deadlines or AAMC/AML Conference conflicts.

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### 2015 CITY HOLIDAYS

<b>New Year's Day</b>	<b>Thursday</b>	<b>January 1, 2015</b>
<b>President's Day</b>	<b>Monday</b>	<b>February 16, 2015</b>
<b>Memorial Day</b>	<b>Monday</b>	<b>May 25, 2015</b>
<b>Independence Day</b>	<b>Friday</b>	<b>July 3, 2015</b>
<b>Labor Day</b>	<b>Monday</b>	<b>September 7, 2015</b>
<b>Veteran's Day</b>	<b>Wednesday</b>	<b>November 11, 2015</b>
<b>Thanksgiving Day</b>	<b>Thursday</b>	<b>November 26, 2015</b>
<b>Christmas Day</b>	<b>Friday</b>	<b>December 25, 2015</b>

*Golden Heart City*


Visit us on the Web at [www.fairbanksalaska.us](http://www.fairbanksalaska.us)

10/30/2014

*City of Fairbanks*



**MEMORANDUM**

To: City Council Members  
From: John Eberhart, City Mayor   
Subject: Request for Concurrence – Fairbanks Diversity Council  
Date: October 27, 2014

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Ordinance No. 5939, as Amended, creating the Fairbanks Diversity Council reads:

*The FDC shall be composed of volunteer citizens who shall be residents or employees of the City of Fairbanks or Fairbanks North Star Borough, plus, as non-voting members, the City Mayor, a City Council Member and the City Human Resources Director.*

Since Mr. Chris Anderson was serving as the City Council Representative to the Diversity Council and is no longer a part of the governing body, I request your concurrence to the appointment of City Council Member Bernard Gatewood to take Mr. Anderson's place. Mr. Gatewood's term on this Council will expire with his public office as a City Council Member.

Thank you.

DDS/

City of Fairbanks  
Permanent Fund Review Board  
(Quarterly Meeting Minutes)  
July 23, 2014

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

Board Members Present: Ron Woolf  
Council Member Bernard Gatewood  
Patty Mongold  
Jennifer Imus

Board Members Absent: Kara Moore

Also Present: Paul Ewers, City Attorney  
Jim Soileau, Chief Financial Officer  
Carmen Randle, Controller  
Bert Wagnon, Senior Vice President, Investments - APCM  
Jason Roth, Senior Vice President, Investments - APCM

The board approved the minutes from the April 30, 2014 meeting.

Jim Soileau reviewed the account's performance through June 30, 2014:

- \$120,900,747 - June 30, 2014 balance
- \$ 1,759,031 - Dividend and interest earnings
- \$ 444,300 - Realized gains
- \$ 4,059,188 - Unrealized gains
- \$ 3,794,816 - City deposits
- \$ 79,761 - Management and custodial fees
- \$ 6,182,758 - 2nd quarter earnings - net of expenses

Jim reviewed the 2014 appropriation calculation and drawn down schedule.  
(See attachment 2)

Council Member Gatewood asked for an update of the accounts value. Bert reported the approximate value was \$121.7 million on July 23, 2014.

APCM presented the portfolio's performance; allocation and selection effect, and reviewed the compliance report. (See attached – APCM investment review for the period ending June 30, 2014).

Reported Performance							
2nd Quarter		Year to Date		Last 12 Months		Inception to Date	
Account	Benchmark	Account	Benchmark	Account	Benchmark	Account	Benchmark
3.58%	3.55%	5.45%	5.75%	12.72%	12.29%	5.58%	5.16%
	0.13% <sup>1</sup>		0.13% <sup>1</sup>		0.50% <sup>2</sup>		
<u>3.58%</u>	<u>3.68%</u>	<u>5.45%</u>	<u>5.88%</u>	<u>12.72%</u>	<u>12.79%</u>	<u>5.58%</u>	<u>5.16%</u>

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

APCM recommended a change to the international bond allocation. The advisor suggested replacing the performance measurement for the International Bond Index Fund allocation class from Barclays Capital Global Treasury ex-US Capped index to Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index. (See page 36 and 37 of attachment 1)

In accordance with FGC 2-262, the Chief Financial Officer (CFO) gave written consent for the change on an interim basis. (See attachment 2). The CFO will forward an ordinance to the Council for formal approval. Patty Mongold made a motion to approve the interim change. Jennifer Imus seconded the motion. The Board unanimously passed the motion.

Jason Roth discussed the Alaska Municipal League Investment Pool (AMLIP) investment for cash and alternatives. (See attachment 2)

The Board set the next quarterly meeting for Wednesday October 22, 2014 at 1:30 P.M.

The meeting adjourned at approximately 2:40 P.M.

Minutes approved October 22, 2014.

  
 Minutes prepared by Jim Soileau

# INVESTMENT REVIEW

*for period ending June 30, 2014*

## Fairbanks Permanent Fund

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TRUSTED ADVISORS • MORE EXPERTS • BETTER ACCESS

AGENDA PACKET - November 03, 2014



ALASKA PERMANENT  
CAPITAL MANAGEMENT

Registered Investment Adviser

Page 133 of 190

# Account Summary

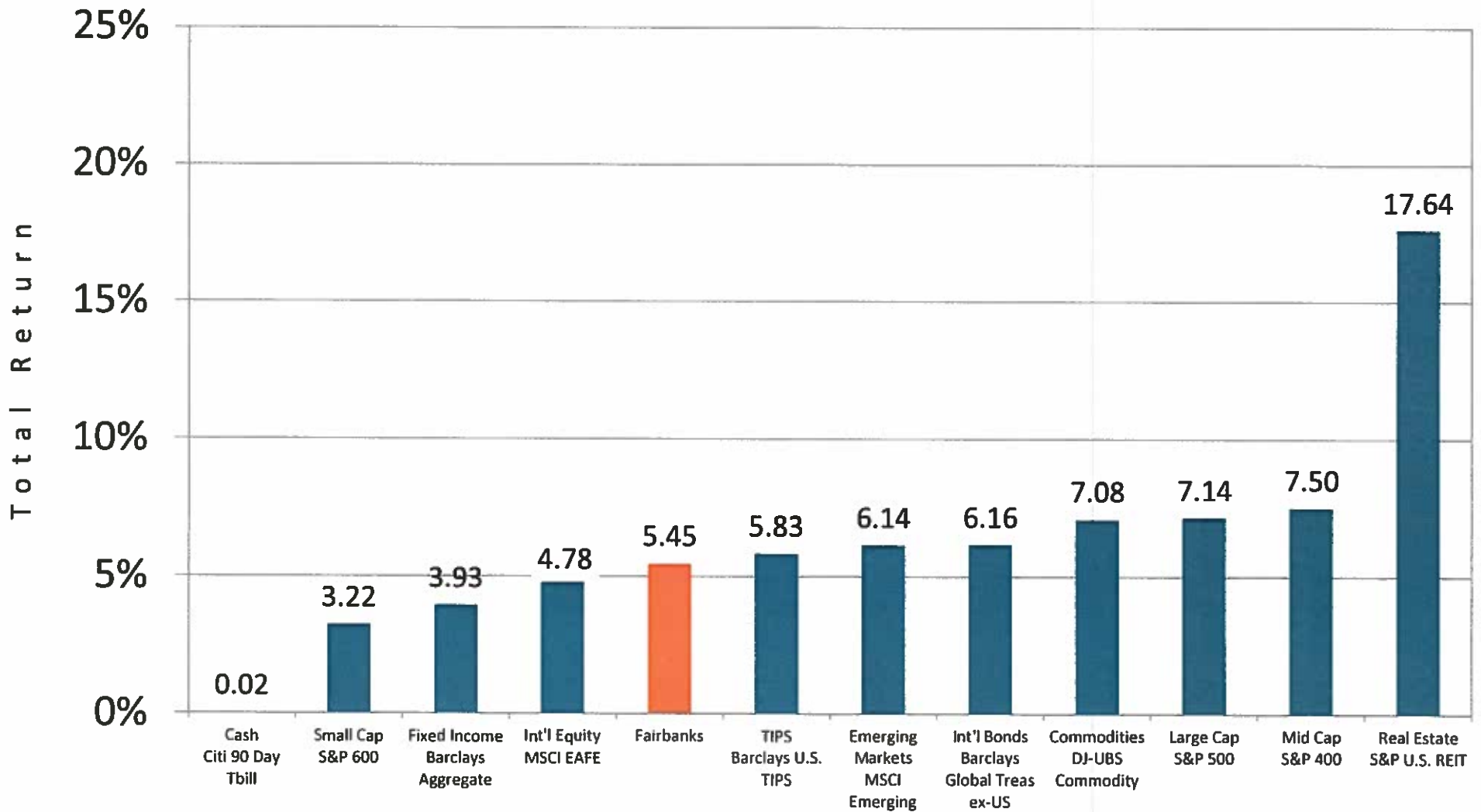
Account Inception		<b>January 1998</b>
Current Market Value <i>June 30, 2014</i>		<b>\$120,891,323</b>
Annualized Account Return <i>January 31, 1998 – June 30, 2014; Gross of Fees</i>		<b>+5.58%</b>
Annualized Benchmark Return <i>January 31, 1998 – June 30, 2014</i>		<b>+5.16%</b>
Current Allocation	<b>45% Equity / 55% Bonds</b>	

# 2014 Market Review

**MARKET  
REVIEW**

# Asset Class Performance YTD as of June 30, 2014

## Fairbanks Permanent Fund



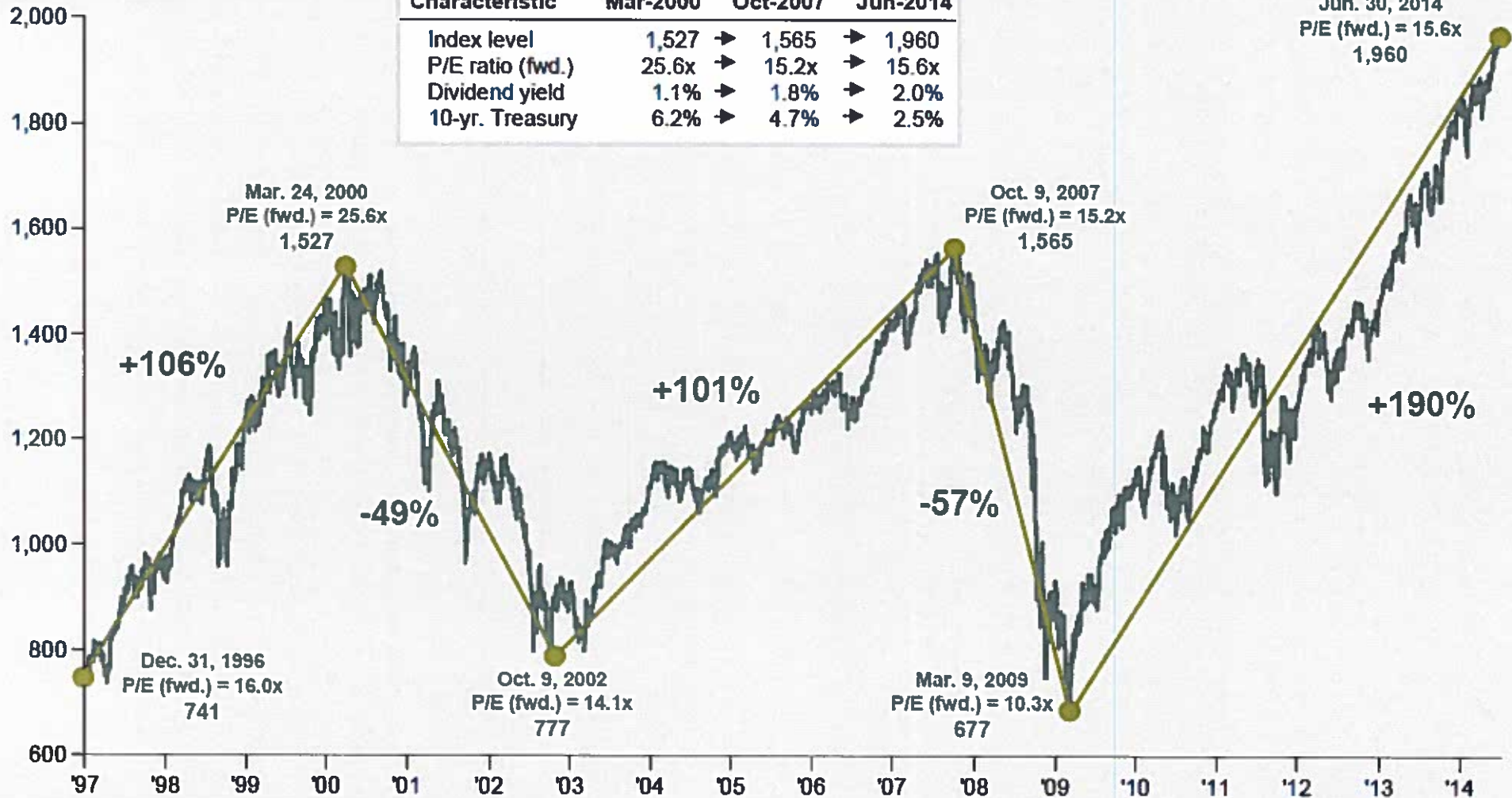
Performance is gross of fees. Individual asset class performance is represented by the stated index return.





# Equity Markets At All Time Highs

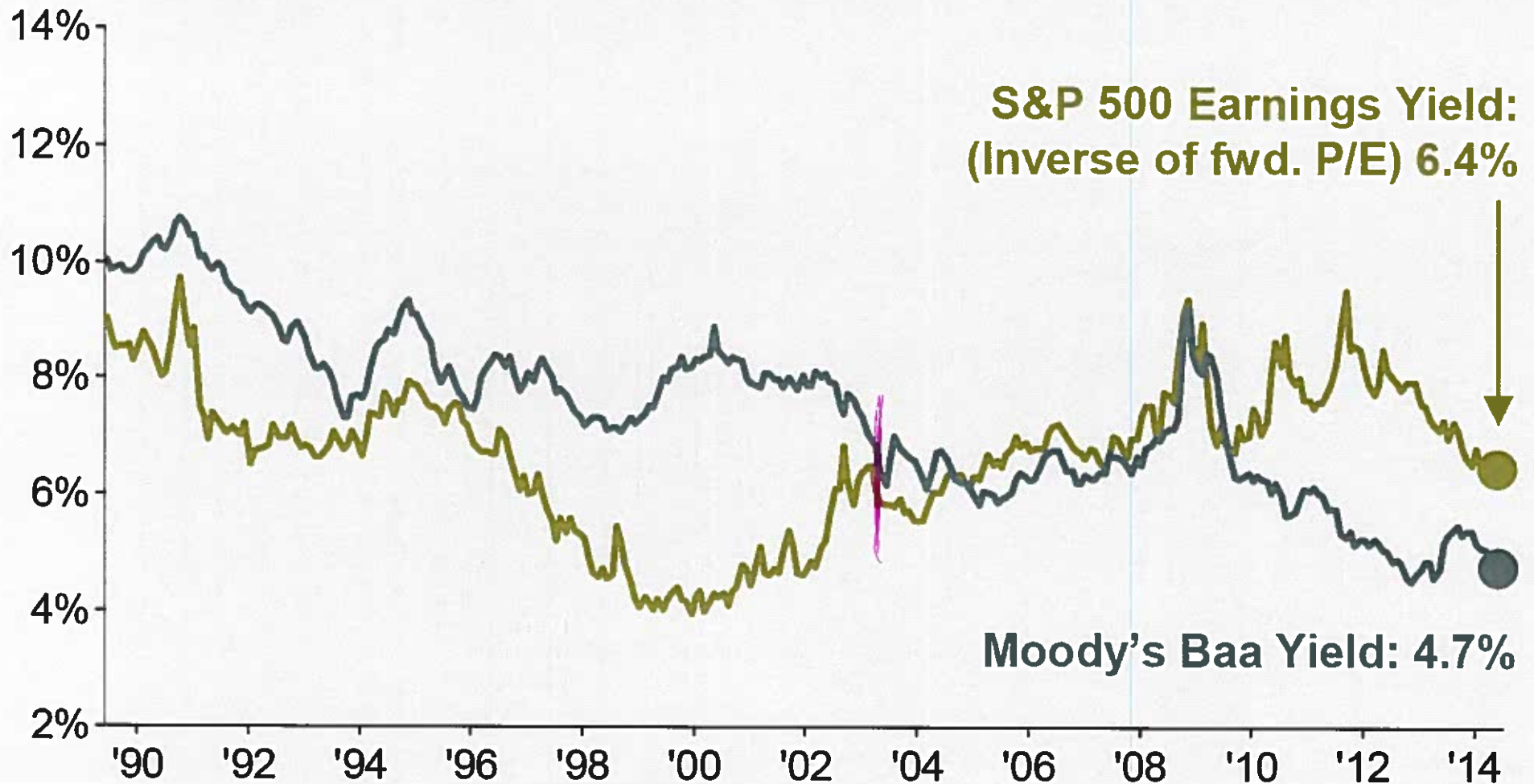
## S&P 500 Index



Source: J.P. Morgan Asset Management. Data as of June 30, 2014.

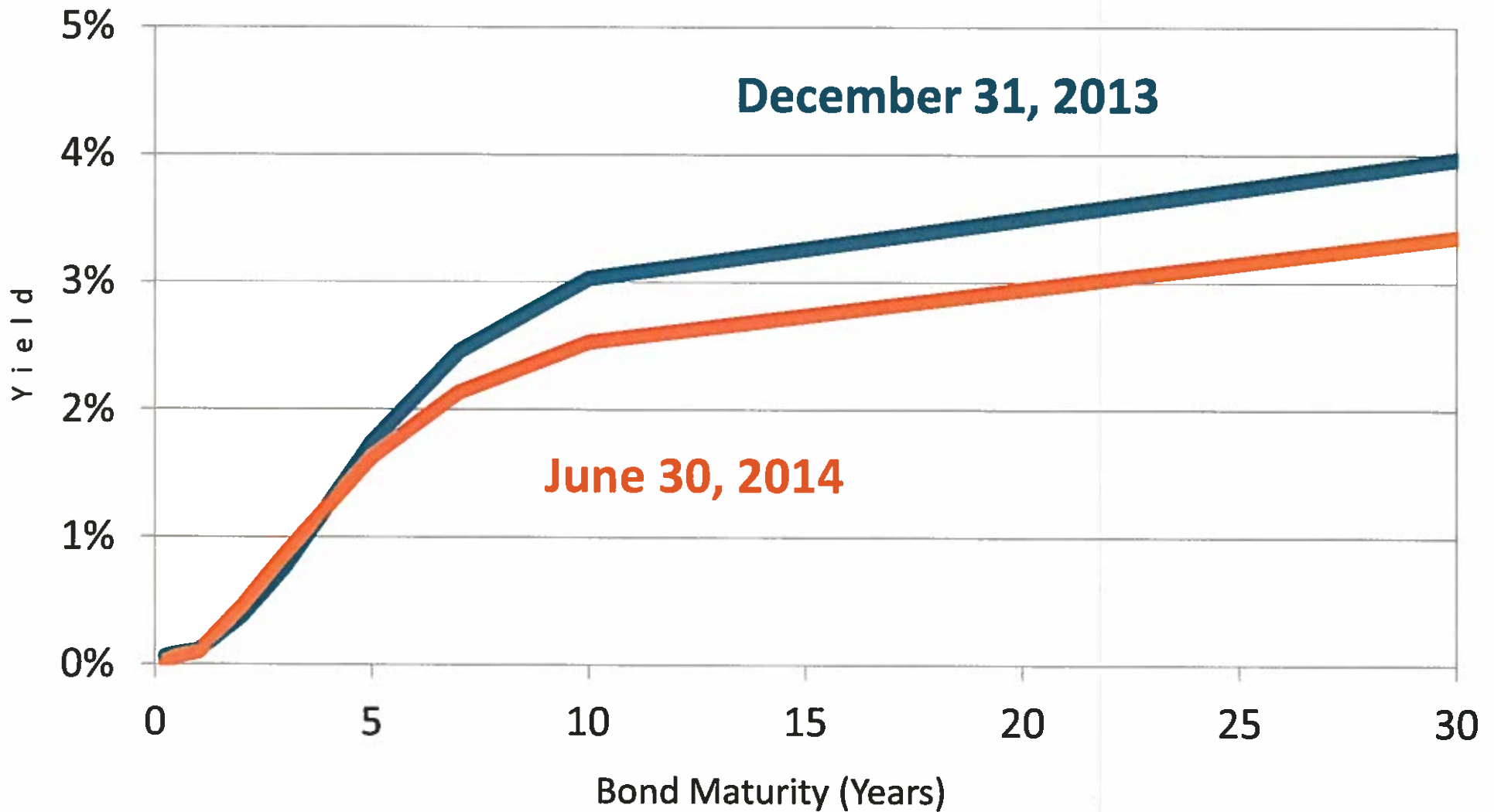
# Stocks Still Attractive Relative to Bonds

## S&P 500 Earnings Yield vs. Baa Bond Yield



Source: J.P. Morgan Asset Management. Data as of June 30, 2014.

# Bond Yields Have Fallen YTD

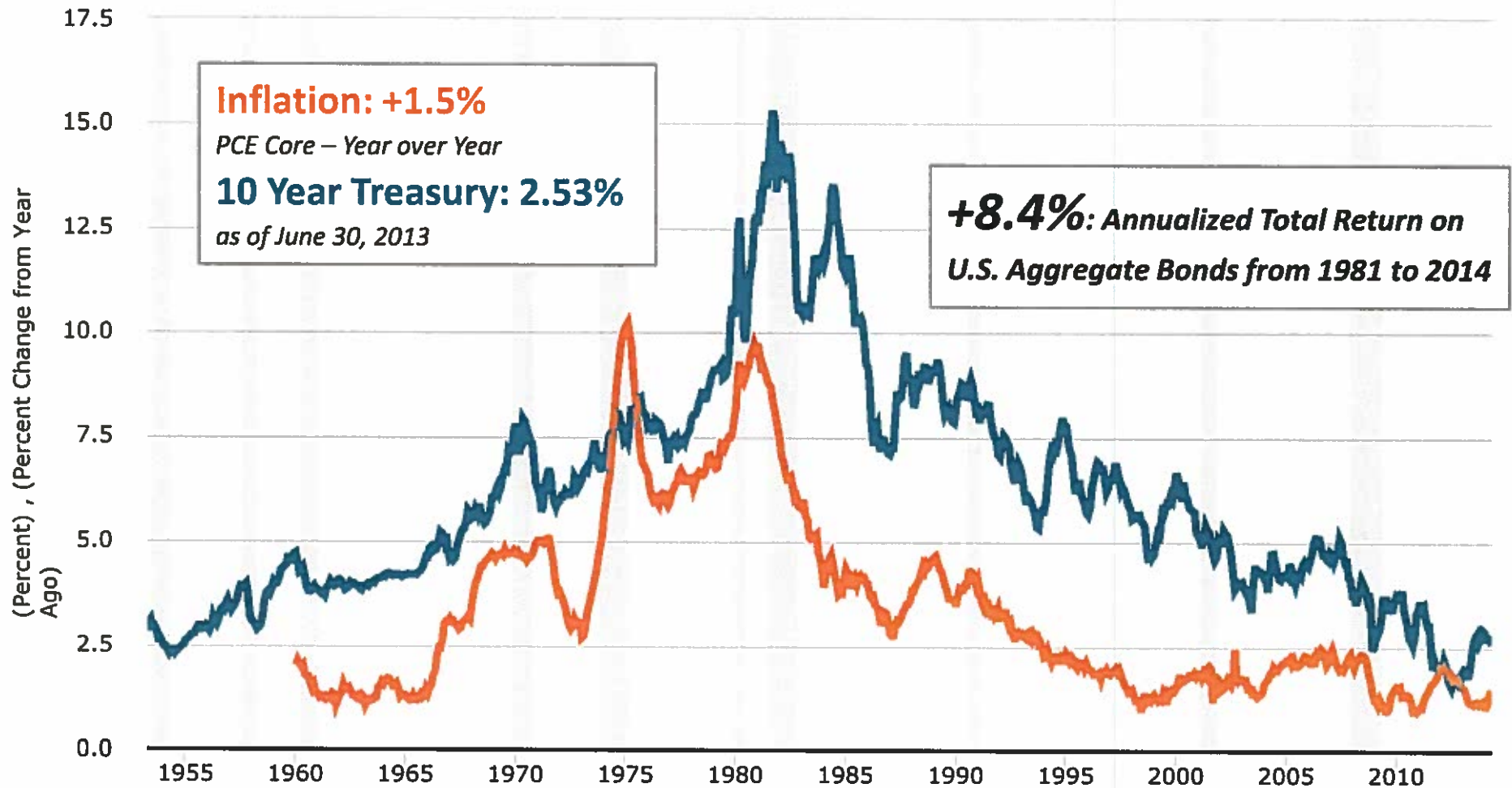


Data: Bloomberg

# Interest Rates and Inflation Near Historic Lows

FRED 

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



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



# Portfolio Review

*as of June 30, 2014*

**PORTFOLIO  
REVIEW**

# Historical Market Value as of June 30, 2014

*Fairbanks Permanent Fund*

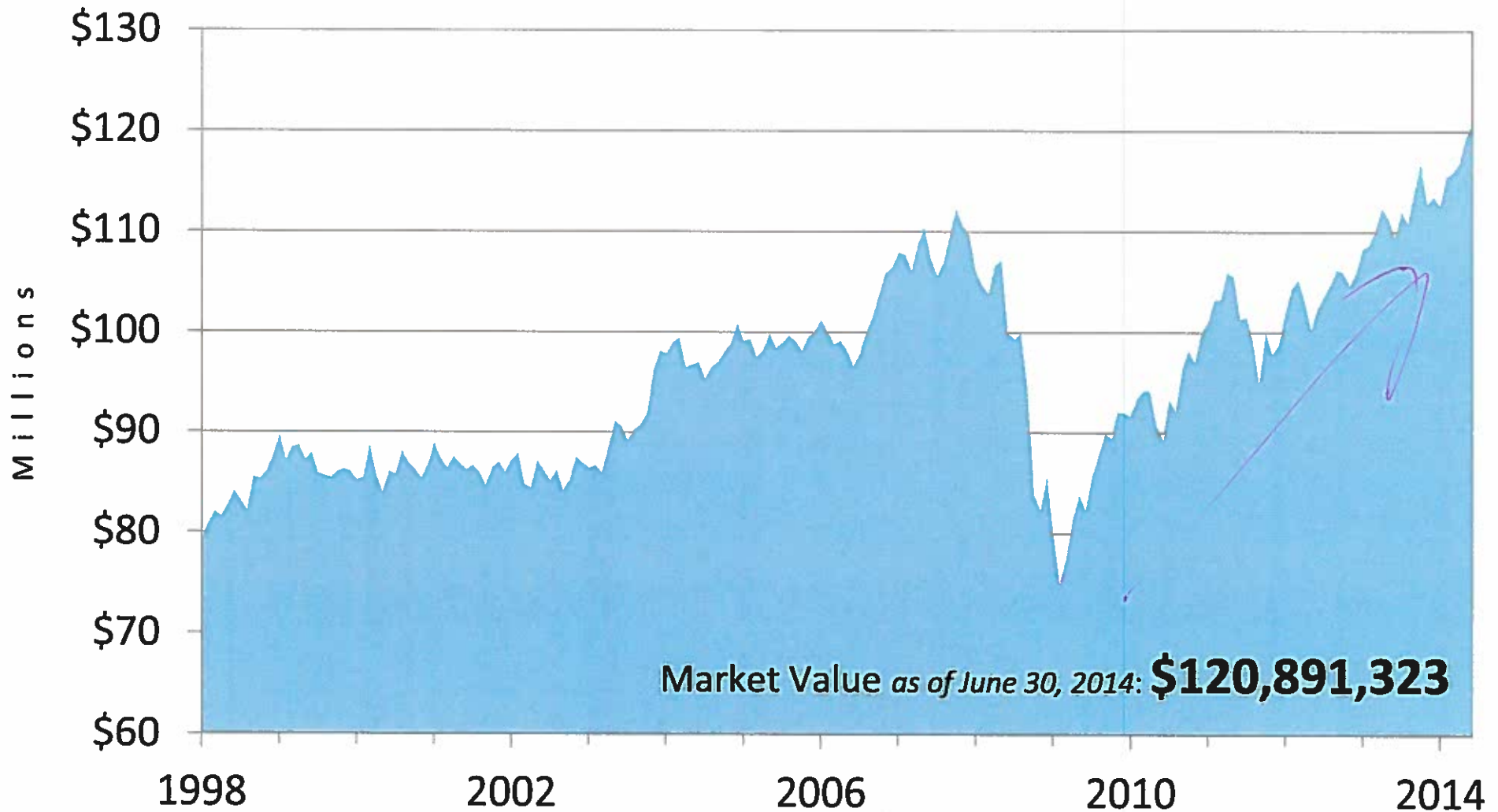
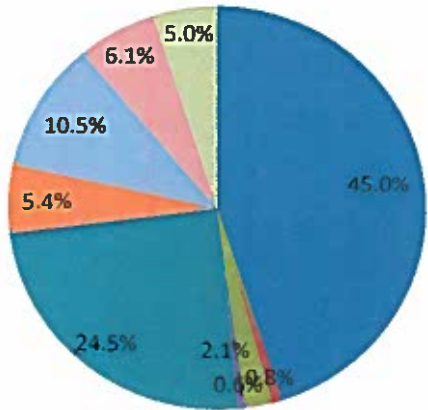


Chart shows month-end portfolio market value from January 1998 to June 2014.

**PORTFOLIO  
REVIEW**

# Asset Allocation as of June 30, 2014

## Fairbanks Permanent Fund



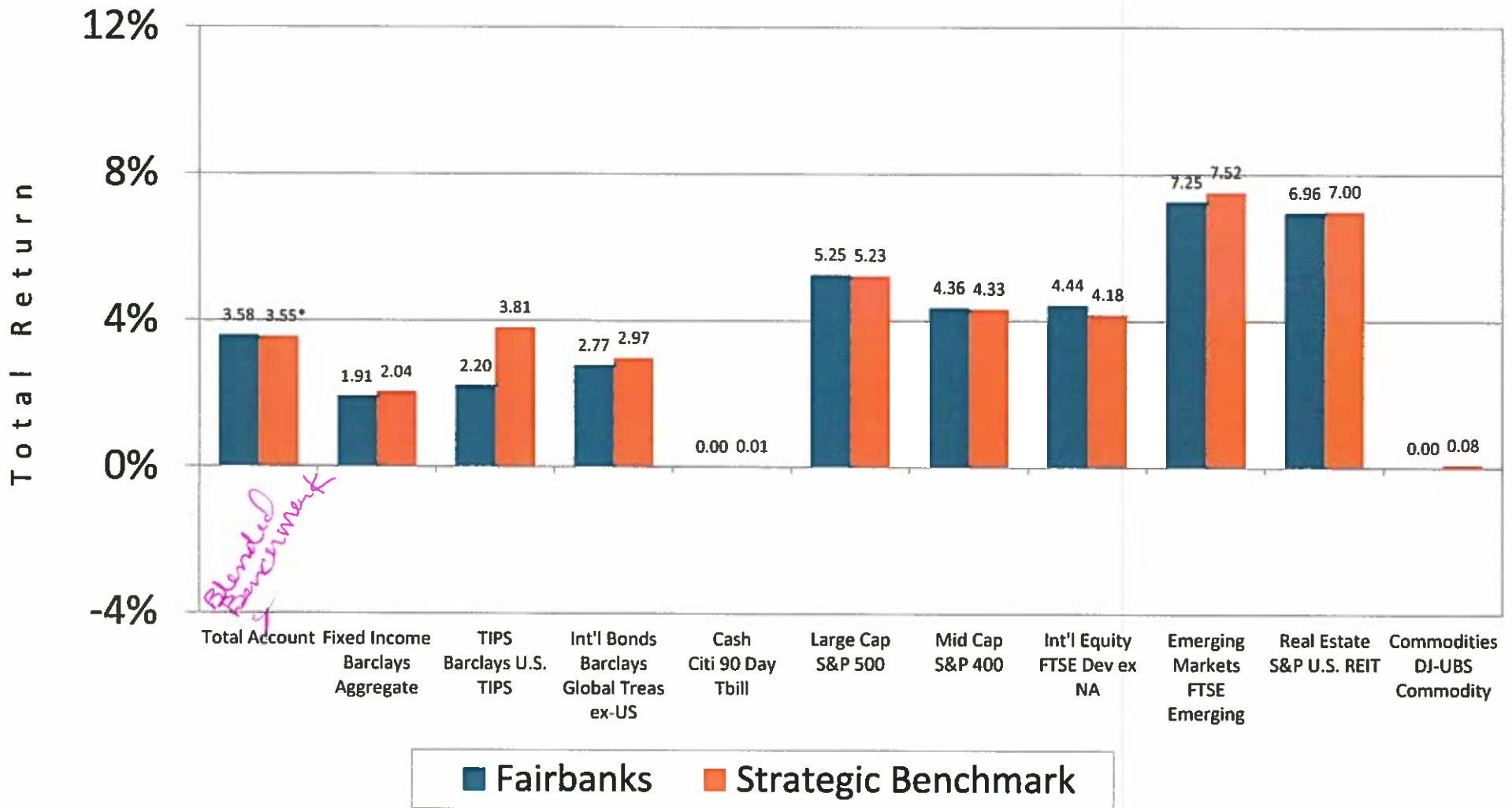
- U.S. Fixed Income
- U.S. TIPS
- International Bonds
- Cash
- Large Cap
- Mid/Small Cap
- International
- Emerging Markets
- Real Estate
- Commodities

Asset Class	% Assets	Strategic Benchmark	Range	Market Value
<b>Fixed Income</b>	<b>48.5%</b>	<i>U.S. bond</i> <b>55%</b>	<b>40-70%</b>	<b>\$58,595,468</b>
U.S. Fixed Income	45.0%	40	30-70	\$54,351,352
U.S. TIPS	0.8%	5	0-10	\$931,960
International Bonds	2.1%	5	0-10	\$2,583,513
Cash	0.6%	5	0-10	\$728,643
<b>Equities</b>	<b>51.5%</b>	<i>U.S. over</i> <b>45%</b>	<b>30-60%</b>	<b>\$62,295,855</b>
Large Cap	24.5%	22	15-50	\$29,652,467
Mid/Small Cap	5.4%	5	0-10	\$6,577,245
International	10.5%	9	0-15	\$12,633,429
Emerging Markets	6.1%	4	0-10	\$7,395,372
Real Estate	5.0%	5	0-10	\$6,037,343
<b>Commodities</b>	<b>0.0%</b>	<b>0%</b>	<b>0-10</b>	<b>\$0</b>
<b>Total</b>				<b>\$120,891,323</b>

**PORTFOLIO  
REVIEW**

# Account Performance Second Quarter 2014

## Fairbanks Permanent Fund



\* 50 bps hurdle 3.67%. Performance is gross of fees.



- **Q2 portfolio return of +3.58%** vs. blended benchmark return of **+3.55%**. Over-weights to domestic U.S. and emerging market equities were positive contributors.
- **Actively managed fixed income Q2 return of +1.91%** vs. Barclays Aggregate return of **+2.04%**. Shorter duration detracted from relative performance as global interest rates fell again during Q2.

**PORTFOLIO  
REVIEW**

# Performance Attribution Second Quarter 2014

## Fairbanks Permanent Fund

	April 14	May 14	June 14	Q2 2014
<b>Allocation Effect</b>				
Aggregate Bonds	(0.00)	(0.00)	(0.02)	(0.02)
Domestic Large Cap	(0.00)	0.01	0.02	0.03
Domestic Mid Cap	(0.01)	0.00	0.01	(0.00)
Domestic Small Cap	0.00	0.00	0.00	0.00
International Equity	0.01	0.00	0.00	0.01
Emerging Market Equity	(0.01)	0.04	0.04	0.08
Real Estate	(0.00)	(0.00)	0.00	(0.00)
TIPS	(0.02)	(0.02)	0.03	(0.01)
International Bonds	(0.01)	0.03	(0.01)	0.02
Commodities	0.00	0.00	0.00	0.00
Cash	(0.00)	(0.02)	0.01	(0.01)
<b>Total</b>	<b>(0.05)</b>	<b>0.04</b>	<b>0.10</b>	<b>0.09</b>
<b>Selection Effect</b>				
Aggregate Bonds	0.01	(0.03)	(0.03)	(0.05)
Domestic Large Cap	(0.00)	0.00	0.00	0.00
Domestic Mid Cap	(0.00)	(0.00)	0.01	0.00
Domestic Small Cap	0.00	0.00	0.00	0.00
International Equity	0.03	0.00	(0.01)	0.03
Emerging Market Equity	0.03	(0.04)	(0.00)	(0.02)
Real Estate	(0.00)	0.00	0.00	(0.00)
TIPS	(0.00)	(0.01)	0.00	(0.01)
International Bonds	(0.01)	(0.01)	0.01	(0.00)
Commodities	0.00	0.00	0.00	0.00
Cash	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.04</b>	<b>(0.08)</b>	<b>(0.03)</b>	<b>(0.06)</b>
<b>Total Attribution</b>	<b>(0.00)</b>	<b>(0.04)</b>	<b>0.07</b>	
<b>Bench Return</b>	0.85	1.62	1.04	
<b>Account Return</b>	0.85	1.58	1.11	
<b>Difference</b>	(0.00)	(0.04)	0.07	

Portfolio Return = Allocation Effect + Selection/Interaction Effect

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

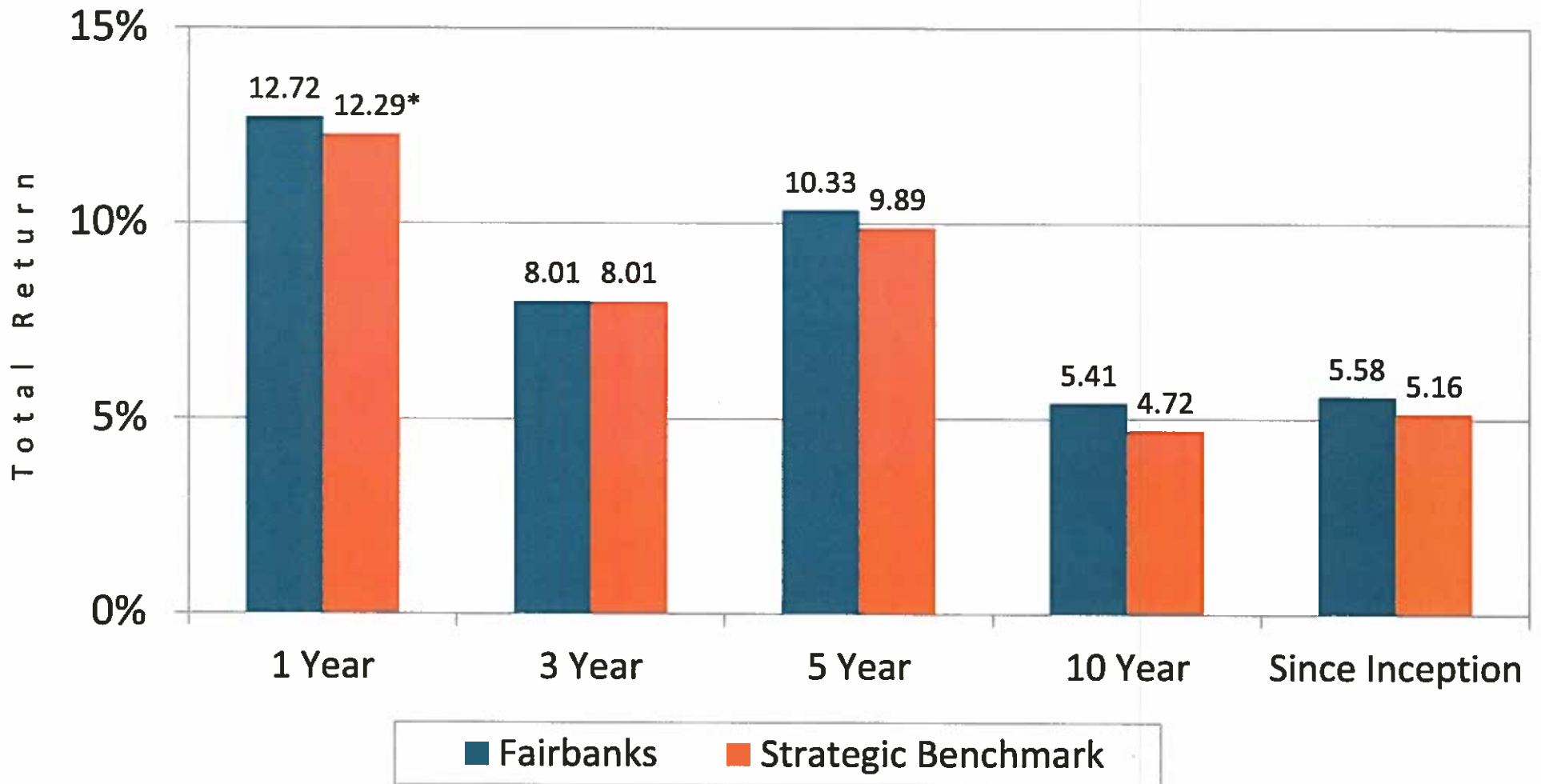
3.55 vs. 3.58  
= .03

ED = .03

**PORTFOLIO  
REVIEW**

# Account Performance as of June 30, 2014

## *Fairbanks Permanent Fund*



\* 50 bps hurdle 12.79%.

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

■ **Bonds** (*Underweight*)

- **Treasuries overvalued**; yields at historic lows; held as insurance against flight to quality/deflation
- Maintain below index duration
- Overweight **spread product** (corporate bonds)

■ **Equities** (*Overweight*)

- Maintain overweight to **emerging markets**
  - ◆ EM's long term growth prospects remain intact
  - ◆ Better fiscal situation than developed countries
- Small overweight to **international developed**
  - ◆ Valuations are attractive as economies exit recession

# Outlook and Positioning

- **Global multi-speed economic expansion continues**
  - U.S. bouncing back, Japan improving, Europe shaky, China wildcard
  - Inflation picking up in U.S. (+2% YoY), but still little wage pressure and unused capacity which limits price increases.
- **Coordinated monetary easing with rates pinned close to zero**
  - U.S. short term rate increases a year away
- **Maintain slight overweight to equities and shorter fixed income maturity structure**
  - Large stocks fair value in U.S., cheaper in developing countries
  - Smaller stocks pricey and starting to lag
  - Rates low and bonds somewhat overvalued but inflation remains tame



# Compliance Report

# Background

April 21, 2010

To: Permanent Fund Review Board

From: City of Fairbanks, Finance Department and APCM

Subject: Compliance

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

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

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

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

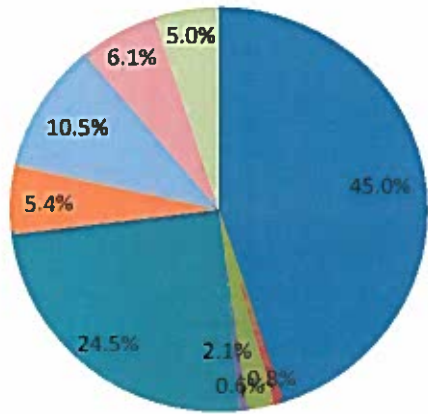
# Item 1

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



# Asset Allocation as of June 30, 2014

## Fairbanks Permanent Fund



Asset Class	% Assets	Strategic Benchmark	Range	Market Value
<b>Fixed Income</b>	<b>48.5%</b>	<b>55%</b>	<b>40-70%</b>	<b>\$58,595,468</b>
U.S. Fixed Income	45.0%	40	30-70	\$54,351,352
U.S. TIPS	0.8%	5	0-10	\$931,960
International Bonds	2.1%	5	0-10	\$2,583,513
Cash	0.6%	5	0-10	\$728,643
<b>Equities</b>	<b>51.5%</b>	<b>45%</b>	<b>30-60%</b>	<b>\$62,295,855</b>
Large Cap	24.5%	22	15-50	\$29,652,467
Mid/Small Cap	5.4%	5	0-10	\$6,577,245
International	10.5%	9	0-15	\$12,633,429
Emerging Markets	6.1%	4	0-10	\$7,395,372
Real Estate	5.0%	5	0-10	\$6,037,343
<b>Commodities</b>	<b>0.0%</b>	<b>0%</b>	<b>0-10</b>	<b>\$0</b>
<b>Total</b>				<b>\$120,891,323</b>

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

**COMPLIANCE  
REPORT**

# Portfolio Appraisal as of June 30, 2014

## Fairbanks Permanent Fund

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>CORPORATE BONDS</b>									
600,000	CITIGROUP INC 5.500% Due 10-15-14	101.14	606,826	101.44	608,664	0.50	33,000	6,967	0.54
500,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	98.36	491,795	102.88	514,380	0.43	23,750	7,917	0.44
500,000	CITIGROUP INC 4.750% Due 05-19-15	104.97	524,875	103.65	518,260	0.43	23,750	2,771	0.61
500,000	BANK OF MONTREAL 2.850% Due 06-09-15	100.59	502,930	102.37	511,835	0.42	14,250	871	0.33
250,000	HSBC FINANCE CORP 5.500% Due 01-19-16	106.89	267,235	107.09	267,732	0.22	13,750	6,187	0.89
350,000	UNITED HEALTH GROUP INC 5.375% Due 03-15-16	114.09	399,322	107.94	377,804	0.31	18,812	5,539	0.69
500,000	AT&T INC 2.950% Due 05-15-16	104.33	521,670	103.93	519,670	0.43	14,750	1,885	0.83
500,000	JOHNSON & JOHNSON 2.150% Due 05-15-16	104.26	521,320	103.00	515,005	0.43	10,750	1,374	0.54
1,250,000	TORONTO-DOMINION BANK (144A) 1.625% Due 09-14-16	99.93	1,249,162	101.84	1,273,000	1.05	20,312	6,037	0.78
500,000	BANK AMER CORP 5.625% Due 10-14-16	99.93	499,670	109.79	548,970	0.45	28,125	6,016	1.27
675,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	104.71	706,819	110.80	747,900	0.62	37,969	8,016	0.86
500,000	MORGAN STANLEY 5.750% Due 10-18-16	110.27	551,340	110.28	551,390	0.46	28,750	5,830	1.20
1,000,000	UBS AG LONDON PRIV PLACEMENT (144A) 2.250% Due 03-30-17	100.93	1,009,300	102.97	1,029,710	0.85	22,500	5,687	1.15
500,000	VERIZON COMMUNICATIONS 5.500% Due 04-01-17	118.36	591,795	111.86	559,285	0.46	27,500	6,875	1.11
750,000	BANK OF NEW YORK MELLON 1.969% Due 06-20-17	102.60	769,522	102.17	766,267	0.63	14,767	451	1.22
500,000	CAMPBELL SOUP CO. 3.050% Due 07-15-17	106.83	534,130	104.99	524,970	0.43	15,250	7,032	1.37

**COMPLIANCE  
REPORT**

# Portfolio Appraisal as of June 30, 2014

## Fairbanks Permanent Fund

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
500,000	INTERNATIONAL BUSINESS MACHS 5.700% Due 09-14-17	106.27	531,328	113.93	569,655	0.47	28,500	8,471	1.25
750,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	105.77	793,260	113.93	854,505	0.71	46,500	11,625	1.77
500,000	WELLS FARGO & CO 5.625% Due 12-11-17	99.58	497,920	113.79	568,935	0.47	28,125	1,562	1.51
500,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	497,860	114.48	572,400	0.47	28,750	11,979	1.58
575,000	MCDONALDS CORP M/T/N 5.350% Due 03-01-18	107.54	618,377	113.56	652,970	0.54	30,762	10,254	1.53
1,000,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	101.74	1,017,425	114.58	1,145,830	0.95	56,250	9,375	1.68
500,000	GLAXOSMITHKLINE CAP INC 5.650% Due 05-15-18	104.59	522,950	114.69	573,455	0.47	28,250	3,610	1.71
1,000,000	US BANCORP 1.950% Due 11-15-18	100.30	1,003,040	100.66	1,006,580	0.83	19,500	2,492	1.79
500,000	CATERPILLAR FINANCIAL 7.150% Due 02-15-19	99.16	495,805	123.11	615,560	0.51	35,750	13,506	1.90
600,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	101.40	608,421	122.04	732,216	0.61	45,000	17,000	2.43
600,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	102.81	616,886	112.94	677,646	0.56	28,200	10,653	1.77
500,000	JP MORGAN CHASE & CO 6.300% Due 04-23-19	118.62	593,085	118.23	591,160	0.49	31,500	5,950	2.28
600,000	MICROSOFT CORP 4.200% Due 06-01-19	102.24	613,416	111.19	667,134	0.55	25,200	2,100	1.81
750,000	ADOBE SYSTEMS INC 4.750% Due 02-01-20	112.47	843,502	111.23	834,240	0.69	35,625	14,844	2.58
775,000	COMCAST CORP 5.150% Due 03-01-20	116.47	902,635	114.59	888,111	0.73	39,912	13,304	2.38
500,000	NBCUNIVERSAL MEDIA LLC 5.150% Due 04-30-20	114.02	570,115	114.75	573,770	0.47	25,750	4,363	2.42
500,000	PEPSICO INC 3.125% Due 11-01-20	108.06	540,290	104.17	520,875	0.43	15,625	2,604	2.41

**COMPLIANCE  
REPORT**

# Portfolio Appraisal as of June 30, 2014

## *Fairbanks Permanent Fund*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
750,000	DOW CHEMICAL CO* 4.250% Due 11-15-20	108.13	810,952	108.71	815,317	0.67	31,875	4,073	2.75
1,000,000	CAMPBELL SOUP CO 8.875% Due 05-01-21	129.52	1,295,200	134.14	1,341,360	1.11	88,750	14,792	3.26
786,000	CARGILL INC. (144a) 4.307% Due 05-14-21	98.06	770,763	109.84	863,319	0.71	33,853	4,420	2.73
750,000	GENERAL MILLS INC 3.150% Due 12-15-21	102.88	771,577	102.07	765,495	0.63	23,625	1,050	2.84
500,000	BELLSOUTH CORP 6.000% Due 11-15-34	97.52	487,595	111.32	556,580	0.46	30,000	3,833	5.10
500,000	MCDONALDS CORP 5.700% Due 02-01-39	120.31	601,570	121.72	608,605	0.50	28,500	11,875	4.26
	Accrued Interest				263,189	0.22			
			25,751,686		27,093,751	22.41		263,189	

← 30

## Items 3 & 4

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



**COMPLIANCE  
REPORT**

# Purchases and Sales from March 31, 2014 to June 30, 2014

## Fairbanks Permanent Fund

Portfolio Name	Trade Date	Settle Date	Quantity	Security	Unit Price	Amount	Yield On Cost	Spread Over TSY	Sector	Sec Type Code
<b>PURCHASES</b>										
FAIRBANKS PERMANENT	05-07-14	05-12-14	24,185.0000	VANGUARD FTSE EMERGING MA	41.36	1,000,231.14	2.62		Emerging Market Equi	emus
FAIRBANKS PERMANENT	05-08-14	05-09-14	5,802.4800	VANGUARD INST'L S&P500 IN	172.34	1,000,000.00	1.91		Domestic Large Cap E	mfus
FAIRBANKS PERMANENT	06-20-14	06-25-14	500,000	MCDONALDS CORP 5.700% Due 02-01-39	120.31	601,570.00	4.35	100	Corporate Bonds	cbus
FAIRBANKS PERMANENT	06-23-14	06-23-14	732.8060	VANGUARD INST'L S&P500 IN	179.83	131,780.53	1.83		Domestic Large Cap E	mfus
FAIRBANKS PERMANENT	06-24-14	06-27-14	500,000	MORGAN STANLEY 5.750% Due 10-18-16	110.27	551,340.00	1.22	60	Corporate Bonds	cbus
FAIRBANKS PERMANENT	06-26-14	06-30-14	4,750,000	US TREASURY NOTES 0.500% Due 06-30-16	100.07	4,753,154.30	0.47		US Treasury Notes	tnus
						<u>8,038,075.97</u>	<u>2.24</u>			
<b>REINVESTED DIVIDENDS</b>										
FAIRBANKS PERMANENT	03-31-14	03-31-14	751.0240	VANGUARD INST'L S&P500 IN	170.15	127,786.71	1.93		Domestic Large Cap E	mfus
							<u>2.22</u>			
<b>SALES</b>										
FAIRBANKS PERMANENT	05-01-14	05-01-14	500,000	CREDIT SUISSE NEW YORK 5.500% Due 05-01-14	100.00	500,000.00	?		Corporate Bonds	cbus
FAIRBANKS PERMANENT	06-24-14	06-27-14	500,000	MORGAN STANLEY 6.000% Due 04-28-15	104.52	522,590.00	0.57	52	Corporate Bonds	cbus
						<u>1,022,590.00</u>	<u>0.29</u>			
							0.29			

## Item 5

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



**COMPLIANCE  
REPORT**

# Portfolio Holdings (Expanded) as of June 30, 2014

## Fairbanks Permanent Fund

	Pos	Moody's	S&P	Cyn	Px Class	Mkt Val	Wat	YTW	Mod Dur	OAD	OAC	Port Group	Sector	CUSIP	Issuer	Mty
FAIRBANK (019)		Aa3	A+	4.013		55,960,244	100.00	1.79	4.72	4.86	0.433					
ADBE 4 % 02/01/20	750,000	Baa1	A-	4.750	111.05	847,613	1.51	2.61	4.86	4.93	0.292	Software	Technology	00724FAB7	ADOBE SYSTEMS INC	02/01/2020
BAC 5 % 10/14/16	500,000	Baa2	A-	5.625	109.65	554,198	0.99	1.33	2.15	2.15	0.059	Banks	Financial	060505CS1	BANK OF AMERICA CORP	10/14/2016
BK 1.969 06/20/17	750,000	A1	A+	1.969	102.00	765,401	1.37	1.28	2.88	2.90	0.099	Banks	Financial	064058AA8	BANK OF NEW YORK MELLON	06/20/2017
BMO 2.85 06/09/15	500,000	Aaa		2.850	102.36	512,626	0.92	0.34	0.93	0.93	0.013	Banks	Financial	063679BV5	BANK OF MONTREAL	06/09/2015
BSCMS 2005-PWR8 A4	500,000	Aaa		4.674	102.46	467,850	0.84	1.19	0.73	0.76	0.010	Commercial MBS	Mortgage Securities	07383F7W2	BEAR STEARNS COMMERCIAL MORTGA	06/11/2041
C 4 % 05/19/15	500,000	Baa2	A-	4.750	103.56	520,519	0.93	0.71	0.87	0.87	0.012	Banks	Financial	172967FD8	CITIGROUP INC	05/19/2015
C 5 % 10/15/14	600,000	Baa2	A-	5.500	101.38	615,166	1.10	0.74	0.29	0.29	0.003	Banks	Financial	172967EZ0	CITIGROUP INC	10/15/2014
CARGIL 4.307 05/14/21	786,000	A2	A	4.307	108.67	858,495	1.53	2.91	5.95	6.06	0.427	Agriculture	Consumer Non-cyclical	141781AY0	CARGILL INC	05/14/2021
CAT 7 15 02/15/19	500,000	A2	A	7.150	122.89	627,865	1.12	1.95	3.96	4.01	0.203	Machinery-Constr&Mining	Industrial	14912L4E8	CATERPILLAR FINANCIAL SE	02/15/2019
CD 2005-CD1 A4	1,000,000	Aaa	AAA	5.401	103.91	1,003,299	1.79	1.24	0.99	1.09	0.018	Commercial MBS	Mortgage Securities	12513EAG9	CD COMMERCIAL MORTGAGE TRUST	07/15/2044
CMCSA 5 15 03/01/20	775,000	A3	A-	5.150	114.59	901,253	1.61	2.38	4.91	4.98	0.298	Media	Communications	20030NBA8	COMCAST CORP	03/01/2020
CMCSA 5 15 04/30/20	500,000	A3	A-	5.150	114.47	576,631	1.03	2.47	5.07	5.15	0.312	Media	Communications	63946BAD2	NBCUNIVERSAL MEDIA LLC	04/30/2020
COP 5 % 10/15/16	675,000	A1	A	5.625	110.82	755,961	1.35	0.85	2.16	2.16	0.059	Oil&Gas	Energy	20825TAA5	CONOCOPHILLIPS CANADA	10/15/2016
CPB 3.05 07/15/17	500,000	A2	BBB+	3.050	105.13	532,652	0.95	1.32	2.87	2.89	0.102	Food	Consumer Non-cyclical	134429AV1	CAMPBELL SOUP CO	07/15/2017
CPB 8 % 05/01/21	1,000,000	A2	BBB+	8.875	133.44	1,348,959	2.41	3.36	5.36	5.44	0.366	Food	Consumer Non-cyclical	134429AG4	CAMPBELL SOUP CO	05/01/2021
CSFB 2005-C2 A3	500,000	Aaa	AAA	4.691	99.71	312,724	0.56	5.00	0.39	0.46	0.004	Commercial MBS	Mortgage Securities	225458RR1	CREDIT SUISSE FIRST BOSTON MOR	04/15/2037
DOW 4 % 11/15/20	750,000	Baa2	BBB	4.250	108.67	819,040	1.46	2.70	5.39	5.61	0.331	Chemicals	Basic Materials	260543CC5	DOW CHEMICAL CO/THE	11/15/2020
EXC 6.2 10/01/17	750,000	Baa2	BBB	6.200	113.62	863,636	1.54	1.86	2.95	2.97	0.108	Electric	Utilities	30161MAE3	EXELON GENERATION CO LLC	10/01/2017
FG A16590	1,063,778			6.000	113.98	85,881	0.15	1.85	3.39	2.96	-0.138	FGLMC Collateral	Mortgage Securities	31296RKB3	Freddie Mac	12/01/2033
FG A36703	750,000			4.500	108.62	98,418	0.18	2.27	3.87	3.54	-1.804	FGLMC Collateral	Mortgage Securities	31297SNUS	Freddie Mac	08/01/2035
FG A77796	2,925,873			5.500	111.75	163,938	0.29	1.79	3.23	2.49	-0.542	FGLMC Collateral	Mortgage Securities	3128LBUV8	Freddie Mac	05/01/2038
FG B17355	1,012,036			5.000	106.55	155,258	0.28	1.27	1.77	1.72	-0.015	FGLMC Collateral	Mortgage Securities	312970E44	Freddie Mac	12/01/2019
FG B17982	1,000,000			4.000	106.20	153,661	0.27	0.76	1.93	1.79	-0.253	FGLMC Collateral	Mortgage Securities	3129702P0	Freddie Mac	03/01/2020
FG C01403	1,000,000			6.000	113.54	28,675	0.05	-0.64	2.13	2.97	-0.161	FGLMC Collateral	Mortgage Securities	31292HRY2	Freddie Mac	09/01/2032
FG E01136	2,000,000			5.500	104.43	28,516	0.05	0.55	0.92	1.04	0.019	FGLMC Collateral	Mortgage Securities	31294KHM0	Freddie Mac	03/01/2017
FG G05253	2,016,834			5.000	110.98	218,398	0.39	1.84	3.52	2.40	-1.666	FGLMC Collateral	Mortgage Securities	3128M7E28	Freddie Mac	02/01/2039
FG G08264	1,500,000			6.000	112.46	180,095	0.32	-1.32	1.84	2.70	-0.116	FGLMC Collateral	Mortgage Securities	3128MIJ0	Freddie Mac	04/01/2038
FH 1G2124	1,000,000			5.883	106.24	140,341	0.25	2.37	1.88	1.84	-0.074	FHLMC Collateral	Mortgage Securities	3128Q5LD6	Freddie Mac	08/01/2037
FH 847740	500,000			2.425	105.73	19,266	0.03	1.22	1.40	1.10	-0.123	FHLMC Collateral	Mortgage Securities	3128JRS56	Freddie Mac	04/01/2037
FHLB 4 % 03/13/20	200,000	Aaa	AA+	4.125	111.76	225,973	0.40	1.94	5.07	5.15	0.311	Sovereign	Government	3133XXP50	FEDERAL HOME LOAN BANK	03/13/2020
FHLMC 6 % 07/15/32	500,000	Aaa	AA+	6.250	138.23	705,495	1.26	3.40	11.73	12.05	1.923	Sovereign	Government	31344AKX1	FREDDIE MAC	07/15/2032
FN 254195	2,008,126			5.500	104.18	31,483	0.06	0.97	0.99	1.04	0.019	FNMA Collateral	Mortgage Securities	31371KKG5	Fannie Mae	02/01/2017
FN 745552	800,000			2.094	105.96	87,567	0.16	0.87	1.25	1.74	-0.157	FNMA Collateral	Mortgage Securities	31403DH51	Fannie Mae	02/01/2036
FN 814349	1,000,000			4.500	106.32	128,092	0.23	-0.34	1.36	1.72	-0.213	FNMA Collateral	Mortgage Securities	31406MWJ1	Fannie Mae	03/01/2020
FN 819922	1,000,001			5.500	107.73	97,163	0.17	1.43	1.94	1.87	0.028	FNMA Collateral	Mortgage Securities	31406T4F5	Fannie Mae	04/01/2020
FN 819924	1,000,000			4.500	106.32	86,746	0.16	1.13	1.92	1.77	-0.203	FNMA Collateral	Mortgage Securities	31406T4H1	Fannie Mae	04/01/2020
FN 820607	733,971			1.946	105.49	119,799	0.21	0.79	0.89	0.94	-0.022	FNMA Collateral	Mortgage Securities	31406U089	Fannie Mae	03/01/2035
FN 826090	990,000			2.251	104.23	69,153	0.12	1.36	1.08	1.26	-0.211	FNMA Collateral	Mortgage Securities	314078XT1	Fannie Mae	07/01/2035
FN 838293	1,500,000			2.235	105.33	176,555	0.32	1.06	1.12	1.39	-0.177	FNMA Collateral	Mortgage Securities	31407RKE3	Fannie Mae	08/01/2035
FN 888348	1,425,707			5.000	106.60	122,739	0.22	2.03	2.28	2.26	0.002	FNMA Collateral	Mortgage Securities	31410F5H4	Fannie Mae	05/01/2022
FN 943054	1,000,000			2.337	106.62	76,925	0.14	0.83	1.42	1.26	-0.042	FNMA Collateral	Mortgage Securities	31413EE35	Fannie Mae	08/01/2037
FN 968813	2,957,641			6.000	113.45	209,319	0.37	1.74	1.97	2.96	0.066	FNMA Collateral	Mortgage Securities	31414KYJ3	Fannie Mae	01/01/2038
FN AA6013	1,135,102			4.500	108.42	230,525	0.41	2.48	4.24	4.08	-2.202	FNMA Collateral	Mortgage Securities	31416PVF1	Fannie Mae	05/01/2039
FN AD2331	922,796			4.000	106.74	238,373	0.43	1.67	2.95	2.61	-1.158	FNMA Collateral	Mortgage Securities	31418PSV8	Fannie Mae	03/01/2025

**COMPLIANCE  
REPORT**

# Portfolio Holdings (Expanded) as of June 30, 2014

## Fairbanks Permanent Fund

	Pos	Moody's	SBP	Cpn	Px Chge	Mkt Val	Wgt	YTW	Mod Dur	OAD	OAC	Port		CUSIP	Issuer	Mty
												Group	Sector			
FAIRBANK (019)		Aa3	A+	4.013		55,960,244	100.00	1.79	4.72	4.86	0.433					
FN AD7073	577,378			4.000	106.74	133,256	0.24	1.69	2.98	2.66	-1.193	FNMA Collateral	Mortgage Securities	31418U2F0	Fannie Mae	06/01/2025
FNMA 6 ¼ 05/15/29	2,250,000	Aaa	AA+	6.250	134.84	3,051,410	5.45	3.27	10.42	10.72	1.454	Sovereign	Government	31359MEU3	FANNIE MAE	05/15/2029
G2 2563	2,545,290			6.500	113.96	32,425	0.06	2.62	3.55	3.60	0.074	GNMA2 Collateral	Mortgage Securities	36202CZ48	Government National Mortgage A	03/20/2028
GE 5 ¼ 05/01/18	1,000,000	A1	AA+	5.625	114.54	1,154,613	2.06	1.69	3.47	3.50	0.147	Diversified Finan Serv	Financial	36962G3U6	GENERAL ELEC CAP CORP	05/01/2018
GENMT 2009-4 A	1,000,000	Aaa		3.800	101.21	1,013,732	1.81	0.56	0.37	0.37	0.003	Credit Card ABS	Asset Backed Securities	36159JBT7	GE CAPITAL CREDIT CARD MASTER	11/15/2017
GIS 3 15 12/15/21	750,000	A3	BBB+	3.150	102.29	768,137	1.37	2.80	6.42	6.72	0.489	Food	Consumer Non-cyclical	370334BM5	GENERAL MILLS INC	12/15/2021
GN 587075	2,000,000			6.500	114.69	35,769	0.06	2.76	3.87	3.93	0.065	GNMA Collateral	Mortgage Securities	36201MFQ0	Government National Mortgage A	05/15/2032
GN 617115	1,500,000			5.500	112.18	198,496	0.35	-12.06	3.73	3.80	-0.079	GNMA Collateral	Mortgage Securities	36290TSC4	Government National Mortgage A	06/15/2036
GS 7 ¼ 02/15/19	600,000	Baa1	A-	7.500	121.99	748,802	1.34	2.44	3.92	3.97	0.200	Banks	Financial	38141EA25	GOLDMAN SACHS GROUP INC	02/15/2019
GSK 5.65 05/15/18	500,000	A1	A+	5.650	114.72	577,129	1.03	1.71	3.51	3.54	0.150	Pharmaceuticals	Consumer Non-cyclical	37737ZAD9	GLAXOSMITHKLINE CAP INC	05/15/2018
HSBC 5 ¼ 01/19/16	250,000	Baa1	A	5.500	107.03	273,735	0.49	0.93	1.47	1.47	0.034	Diversified Finan Serv	Financial	40429CFN7	HSBC FINANCE CORP	01/19/2016
IBM 5.7 09/14/17	500,000	Aa3	AA-	5.700	113.80	577,378	1.03	1.29	2.93	2.95	0.110	Computers	Technology	459200GJ4	IBM CORP	09/14/2017
JNI 2.15 05/15/16	500,000	Aaa	AAA	2.150	102.99	516,296	0.92	0.54	1.84	1.84	0.043	Pharmaceuticals	Consumer Non-cyclical	478160AY0	JOHNSON & JOHNSON	05/15/2016
JPM 4 ¼ 03/01/15	500,000	A3	A	4.750	102.81	521,895	0.93	0.54	0.66	0.66	0.012	Banks	Financial	46625HCEB	JPMORGAN CHASE & CO	03/01/2015
JPM 6.3 04/23/19	500,000	A3	A	6.300	118.19	596,799	1.07	2.29	4.19	4.24	0.215	Banks	Financial	46625HHL7	JPMORGAN CHASE & CO	04/23/2019
JPMCC 2007 CB19 A4	500,000	Aa2	A+	5.892	109.48	549,697	0.98	2.13	2.50	3.54	0.169	Commercial MBS	Mortgage Securities	46630VAD4	JP MORGAN CHASE COMMERCIAL MOR	02/12/2049
JPMCC 2007-LD12 A4	500,000	Aaa	A-	5.882	111.74	561,049	1.00	1.67	2.67	2.82	0.098	Commercial MBS	Mortgage Securities	46632HAD3	JP MORGAN CHASE COMMERCIAL MOR	02/15/2051
LBUBS 2006-C7 A2	700,000		AAA	5.300	98.29	323,813	0.58	6.63	1.29	1.98	0.051	Commercial MBS	Mortgage Securities	50180CAB6	LB-UBS COMMERCIAL MORTGAGE TRU	11/15/2038
MCD 5.35 03/01/18	575,000	A2	A	5.350	113.57	663,169	1.19	1.53	3.32	3.35	0.140	Retail	Consumer Cyclical	58013MEE0	MCDONALD'S CORP	03/01/2018
MCD 5.7 02/01/39	500,000	A2	A	5.700	121.00	616,780	1.10	4.31	13.96	14.29	2.895	Retail	Consumer Cyclical	58013MEH3	MCDONALD'S CORP	02/01/2039
MS 5 ¼ 10/18/16	500,000	Baa2	A-	5.750	110.14	556,447	0.99	1.26	2.16	2.16	0.059	Banks	Financial	61746BDB9	MORGAN STANLEY	10/18/2016
MSFT 4.2 06/01/19	600,000	Aaa	AAA	4.200	111.08	668,513	1.19	1.83	4.47	4.52	0.238	Software	Technology	594918AC8	MICROSOFT CORP	06/01/2019
PEP 3 ¼ 11/01/20	500,000	A1	A-	3.125	104.14	523,238	0.94	2.42	5.71	5.82	0.386	Beverages	Consumer Non-cyclical	7134488R8	PEPSICO INC	11/01/2020
PG 4 7 02/15/19	600,000	Aa3	AA-	4.700	112.71	686,820	1.23	1.82	4.14	4.19	0.213	Cosmetics/Personal Care	Consumer Non-cyclical	742718DN6	PROCTER & GAMBLE CO/THE	02/15/2019
T 0 ¼ 06/30/16	4,750,000			0.500	100.08	4,753,710	8.49	0.46	1.99	1.99	0.050	Sovereign	Government	912828WQ9	US TREASURY N/B	06/30/2016
T 1 ¼ 08/15/22	1,000,000			1.625	94.90	955,083	1.71	2.32	7.50	7.69	0.655	Sovereign	Government	912828TJ9	US TREASURY N/B	08/15/2022
T 1 ¼ 06/30/20	2,600,000			1.875	99.88	2,596,953	4.64	1.90	5.65	5.75	0.368	Sovereign	Government	912828VJ6	US TREASURY N/B	06/30/2020
T 2 ¼ 08/15/23	3,500,000			2.500	100.54	3,551,498	6.35	2.43	8.05	8.27	0.775	Sovereign	Government	912828V56	US TREASURY N/B	08/15/2023
T 2 ¼ 02/15/19	500,000			2.750	105.51	532,686	0.95	1.51	4.31	4.36	0.223	Sovereign	Government	912828KD1	US TREASURY N/B	02/15/2019
T 2.95 05/15/16	500,000	A3	A-	2.950	103.87	521,177	0.93	0.87	1.82	1.83	0.043	Telecommunications	Communications	00206RAW2	AT&T INC	05/15/2016
T 3 ¼ 02/15/39	1,375,000			3.500	104.14	1,449,827	2.59	3.25	16.41	16.97	3.738	Sovereign	Government	912810QA9	US TREASURY N/B	02/15/2039
T 3 ¼ 05/15/21	500,000			3.125	106.73	535,605	0.96	2.07	6.18	6.30	0.451	Sovereign	Government	912828QN3	US TREASURY N/B	05/15/2021
T 5 ¼ 02/15/29	1,000,000			5.250	128.07	1,300,281	2.32	2.88	10.63	10.96	1.500	Sovereign	Government	912810FG8	US TREASURY N/B	02/15/2029
T 6 11/15/34	500,000		A-	6.000	113.05	568,980	1.02	4.97	12.16	12.45	2.131	Telecommunications	Communications	079860AK8	BELLSOUTH CORP	11/15/2034
TD 1 ¼ 09/14/16	1,250,000	Aaa		1.625	101.86	1,279,287	2.29	0.77	2.16	2.16	0.059	Banks	Financial	891145RB2	TORONTO-DOMINION BANK	09/14/2016
TI 1 ¼ 01/15/18	750,000			1.625	109.06	931,822	1.67	-0.89	1.73	3.71	0.152	Sovereign	Government	912828HN3	TSY INFL IX N/B	01/15/2018
UBS 2 ¼ 03/30/17	1,000,000	Aaa		2.250	103.24	1,038,073	1.86	1.05	2.66	2.66	0.085	Banks	Financial	90349CAA2	UBS AG LONDON	03/30/2017
UNH 5 ¼ 03/15/16	350,000	A3	A	5.375	107.81	382,809	0.68	0.77	1.63	1.63	0.038	Healthcare-Services	Consumer Non-cyclical	91324PAQ5	UNITEDHEALTH GROUP INC	03/15/2016
USB 1.95 11/15/18	1,000,000	A1	A+	1.950	100.58	1,008,226	1.80	1.81	4.09	4.21	0.195	Banks	Financial	91159HHE3	US BANCORP	11/15/2018
USD	728,643	Aaa	AAA	0.000	1.00	728,643	1.30	0.00	0.00	0.00	0.000					
VZ 5 ¼ 04/01/17	500,000	Baa1	BBB+	5.500	110.95	561,543	1.00	1.43	2.55	2.56	0.081	Telecommunications	Communications	92343VAG9	VERIZON COMMUNICATIONS	04/01/2017
WFC 5 ¼ 02/01/18	500,000	A2	A+	5.750	114.05	582,163	1.04	1.69	3.22	3.25	0.134	Banks	Financial	92976WBH8	WACHOVIA CORP	02/01/2018
WFC 5 ¼ 12/11/17	500,000	A2	A+	5.625	113.74	570,196	1.02	1.52	3.17	3.19	0.122	Banks	Financial	949746NX5	WELLS FARGO & COMPANY	12/11/2017



## Item 6

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

## Items 7 & 8

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



# Distribution by Quality as of June 30, 2014

## Fairbanks Permanent Fund

	Port					Bench				
	Mkt Val	Wgt	OAD	CTD	%TD	Mkt Val	Wgt	OAD	CTD	%TD
FAIRBANK (019)	\$ 55,978,169	100.00	4.86	4.86	100.00	\$ 21,421,771,696	100.00	5.77	5.77	100.00
AAA	\$ 31,571,190	56.40	5.41	3.05	62.76	\$ 15,141,801,171	70.68	5.39	3.81	66.03
AA	\$ 2,815,065	5.03	3.38	0.17	3.50	\$ 1,096,279,649	5.12	5.47	0.28	4.85
A	\$ 16,410,259	29.32	4.06	1.19	24.49	\$ 2,383,193,425	11.13	6.83	0.76	13.17
BBB < 10%	\$ 5,181,655	9.26	4.86	0.45	9.26	\$ 2,698,910,143	12.60	7.06	0.89	15.42
BB						\$ 57,982,669	0.27	7.39	0.02	0.35
B						\$ 821,901	0.00	5.13	0.00	0.00
Not Rated						\$ 42,782,738	0.20	5.42	0.01	0.17

**Portfolio Duration as a % of Benchmark**

**84%**

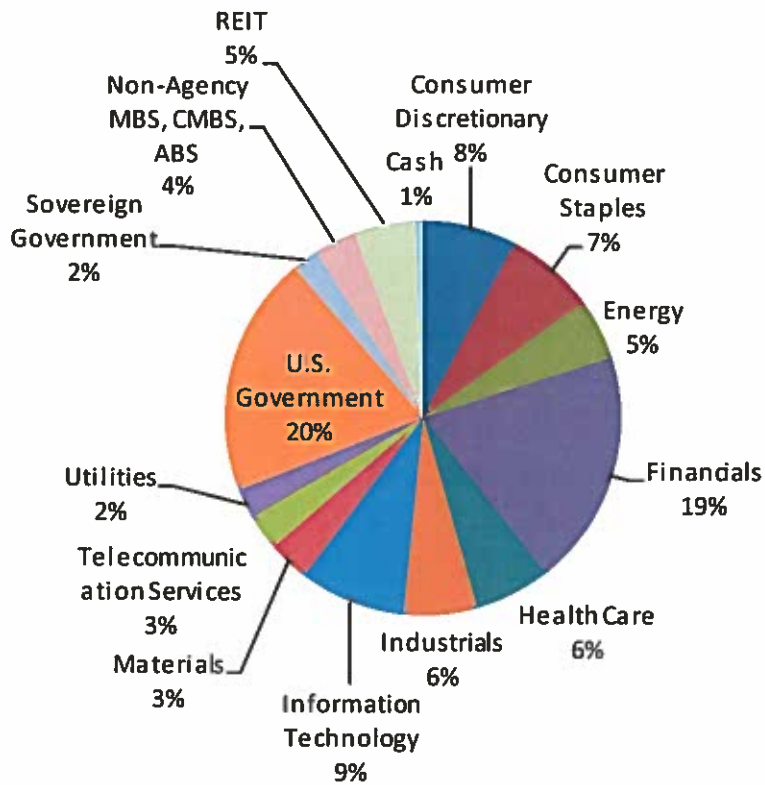
Duration gauges price sensitivity of fixed income securities and represents the expected percentage change in market value when interest rates change by 1%.

## Item 9

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

# GICS Sector Concentration\* as of June 30, 2014

## Fairbanks Permanent Fund



Sector	Market Value	% of Portfolio
Consumer Discretionary	9,207,425	8%
Consumer Staples	8,920,297	7%
Energy	6,105,318	5%
Financials	23,409,728	19%
Health Care	7,470,160	6%
Industrials	7,256,948	6%
Information Technology	10,415,327	9%
Materials	4,112,954	3%
Telecommunication Services	3,564,863	3%
Utilities	2,889,243	2%
U.S. Government - Treasury/Agency/Agency MBS	23,936,782	20%
Sovereign Government	2,583,513	2%
Non-Agency MBS, CMBS, ABS	4,252,779	4%
REIT	6,037,343	5%
Commodities	-	0%
Cash	728,643	1%
<b>Total Portfolio</b>	<b>\$ 120,891,323</b>	<b>100%</b>

Includes Individual Bond and ETF Holdings

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

*everything < 25%*

# International Fixed Income



# International Fixed Income

- APCM is recommending a change to the international bond allocation. Currently the portfolio has a **5% allocation** to international bonds, which is invested in the **SPDR Barclays Intl. Treasury Bond Exchange Traded Fund** (Ticker BWX). This fund invests in investment grade non-US sovereign bonds and has an internal fee of 50 basis points. ETF  
pdf
- APCM recommends maintaining the 5% allocation to international bonds while **changing the investment vehicle to the Vanguard Total International Bond ETF** (Ticker BNDX) for the following reasons:
  1. The fee on the Vanguard fund is 20 basis points per annum vs. 50 basis points per annum for the current Barclays ETF.
  2. Both funds invest in investment grade credit quality.
  3. The Vanguard ETF invests in both non-US sovereign debt as well as other investment grade securities, while the Barclays ETF invests only in non-US sovereign debt.
  4. The Vanguard ETF hedges the foreign exchange currency risk while the Barclays ETF does not. Hedging should reduce the fund's volatility.
  5. Duration of the Vanguard ETF is approximately 6.8 years while the Barclays ETF is approximately 7.1, so the new fund has slightly less interest rate risk.

# International Fixed Income

- This is not a major change for the Permanent Fund, but more of a refinement whereby the Fund still obtains the diversification of the non-US segment of the portfolio but in a more efficient manner. The change should improve the overall risk/reward tradeoff by reducing the volatility of this segment of the portfolio.
- Implementing this change requires the following:
  - Sec.2-260.(b)(12).
    - Delete: ...Barclays Capital Global Treasury ex-US Capped Index...*
    - Insert: ...Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index...*
  - Sec.2-261.(b)(8).
    - Delete: ...Barclays Capital Global Treasury ex. US Capped Index...*
    - Insert: ...Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index.*
  - Note: Sec.2-262 is available should the Board wish to implement immediately.



**Vanguard**

# Vanguard Total International Bond ETF

**BNDX**

As of June 30, 2014

## Investment approach

- Seeks to track the performance of the Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged).
- Employs hedging strategies that seek to protect against uncertainty in exchange rates.
- Passively managed, using index sampling.
- Fund remains fully invested.
- Broad exposure across major bond markets outside of the United States.
- Low expenses minimize net tracking error.

## About the benchmark

- Broad-based measure of the global, investment-grade, fixed-rate debt markets.
- Includes government, government agency, corporate, and securitized non-U.S. investment grade fixed-income investments all issued in currencies other than the U.S. dollar.
- Capped exposure (20%) to any particular bond issuer, including foreign governments.
- Hedged to offset currency exchange rate fluctuations.

## Performance history

Total returns<sup>2</sup> for period ended in June 30, 2014

BNDX (Inception 05/31/2013)	Quarter	Year to date	1 year	Since inception
Net asset value (NAV) return <sup>3</sup>	2.03%	4.28%	5.57%	3.84%
Market price return <sup>4</sup>	2.02	4.26	5.61	4.13
Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)	2.08	4.42	5.94	4.20

*The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at [vanguard.com/performance](http://vanguard.com/performance).*

Investors cannot invest directly in an index.

Investment Products: Not FDIC Insured • No Bank Guarantee • May Lose Value

## Quick facts

Benchmark	Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)
Expense ratio <sup>1</sup>	0.20%
30-day yield (SEC)	1.4%
Dividend schedule	Monthly
ETF total net assets	\$1,439 million
Fund total net assets	\$25,172 million
Inception date	May 31, 2013

## Trading information

Ticker symbol	BNDX
CUSIP number	92203J407
IIV (intra-day ticker)	BNDX.IV
Exchange	NASDAQ

## ETF attributes

	Total International Bond ETF	Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)
Number of bonds	2,720	7,761
Average duration	6.8 years	6.8 years
Average effective maturity	8.4 years	8.4 years
Short-term reserves	0.9%	—

<sup>1</sup> As reported in the most recent prospectus. A fund's current expense ratio may be lower or higher than the figure reported in the prospectus.

<sup>2</sup> Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Fund performance figures assume the reinvestment of dividends and capital gains distributions; the figures are pre-tax and net of expenses. The above widely used comparative index represents unmanaged or average returns on various financial assets that can be compared with the fund's total returns for the purpose of measuring relative performance.

<sup>3</sup> As of 4 p.m., Eastern time, when the regular trading session of the New York Stock Exchange typically closes.

<sup>4</sup> Market price returns are calculated using the midpoint between the bid and offer prices at the time NAV is calculated, typically 4 p.m., Eastern time.



Precise in a world that isn't.

As of 06/30/2014

# SPDR® Barclays International Treasury Bond ETF

# BWX

**INDEX TICKER**  
LTXUTRUU

**INTRADAY NAV TICKER**  
BWIV

**KEY FEATURES**  
Tax-efficient\*  
Low turnover  
Liquidity  
Low cost\*

**FUND INCEPTION DATE**  
10/02/2007

**OBJECTIVE**  
The SPDR® Barclays International Treasury Bond ETF seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the Barclays Global Treasury ex-US Capped Index.

Ordinary brokerage commissions may apply.

**ABOUT THIS BENCHMARK**

The SPDR® Barclays International Treasury Bond ETF uses a passive management strategy designed to track the total return performance of the Barclays Global Treasury Ex-US Capped Index. The Index tracks fixed-rate local currency sovereign debt of investment grade countries outside the United States.

PERFORMANCE	FUND BEFORE TAXES (%)		FUND AFTER TAXES (%)		INDEX (%)
	NAV	MARKET VALUE	PRE-LIQUIDATION	POST-LIQUIDATION	
TOTAL RETURN					
QTD	2.72	2.80	2.57	1.54	2.97
YTD	5.80	5.79	5.57	3.28	6.16
<b>ANNUALIZED</b>					
1 YEAR	9.52	9.66	8.77	5.37	10.19
3 YEAR	1.89	2.02	0.93	1.07	2.47
5 YEAR	4.16	4.07	3.46	2.95	4.70
SINCE FUND INCEPTION	4.46	4.50	3.73	3.19	5.19

(%)

**Gross Expense Ratio**

**0.50**

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit [spdrs.com](http://spdrs.com) for most recent month-end performance.

The market price used to calculate the Market Value return is the midpoint between the highest bid and the lowest offer on the exchange on which the shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. If you trade your shares at another time, your return may differ.

Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index.

After-tax returns are calculated based on NAV using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

The gross expense ratio is the fund's total annual operating expense ratio. It is gross of any fee waivers or expense reimbursements. It can be found in the fund's most recent prospectus.

\*Frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

\*Passive management and the creation/redemption process can help minimize capital gains distributions.

\*SPDR® is a registered trademark of Standard & Poor's Financial Services LLC ("S&P") and has been licensed for use by State Street Corporation. STANDARD & POOR'S, S&P, S&P 500 and S&P MIDCAP 400 are registered trademarks of Standard & Poor's Financial Services LLC. No financial product offered by State Street Corporation or its affiliates is sponsored, endorsed, sold or promoted by S&P or its affiliates, and S&P and its affiliates make no representation, warranty or condition regarding the advisability of buying, selling or holding units/shares in such products. Further limitations and important information that could affect investors' rights are described in the prospectus for the applicable product.

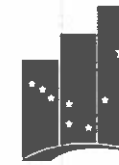
Distributor: State Street Global Markets, LLC, member FINRA, SIPC, a wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. Certain State Street affiliates provide services and receive fees from the SPDR ETFs.

# Appendix

# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

### June 30, 2014



**ALASKA PERMANENT  
CAPITAL MANAGEMENT**  
Registered Investment Adviser

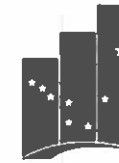
Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
4,750,000	US TREASURY NOTES 0.500% Due 06-30-16	100.07	4,753,154	100.09	4,754,085	3.93	23,750	65	0.46
500,000	US TREASURY NOTES 2.750% Due 02-15-19	104.27	521,374	105.52	527,615	0.44	13,750	5,166	1.51
2,600,000	US TREASURY NOTES 1.875% Due 06-30-20	98.02	2,548,609	99.91	2,597,556	2.15	48,750	132	1.89
500,000	US TREASURY NOTES 3.125% Due 05-15-21	104.06	520,312	106.76	533,790	0.44	15,625	1,996	2.07
1,000,000	US TREASURY NOTES 1.625% Due 08-15-22	90.36	903,555	94.94	949,380	0.79	16,250	6,105	2.31
3,500,000	US TREASURY NOTES 2.500% Due 08-15-23	98.19	3,436,641	100.59	3,520,790	2.91	87,500	32,873	2.43
1,000,000	U S TREASURY NOTES 5.250% Due 02-15-29	110.42	1,104,150	128.19	1,281,880	1.06	52,500	19,724	2.88
1,375,000	US Treasury Note 3.500% Due 02-15-39	86.77	1,193,038	104.34	1,434,730	1.19	48,125	18,080	3.24
	Accrued Interest				84,140	0.07			
			14,980,833		15,683,966	12.97		84,140	
<b>U.S. TREASURY INFLATION</b>									
848,625	US TREASURY INFLATION PROTECTED SECURITIES 1.625% Due 01-15-18	96.93	822,572	109.07	925,598	0.77	13,790	6,362	NA
	Accrued Interest				6,362	0.01			
			822,572		931,960	0.77		6,362	
<b>AGENCIES</b>									
200,000	FHLB 4.125% Due 03-13-20	111.21	222,430	111.72	223,446	0.18	8,250	2,475	1.94
2,250,000	FNMA 6.250% Due 05-15-29	128.42	2,889,495	134.29	3,021,637	2.50	140,625	17,969	3.31
500,000	FHLMC 6.250% Due 07-15-32	120.42	602,104	137.91	689,570	0.57	31,250	14,410	3.42
	Accrued Interest				34,853	0.03			
			3,714,029		3,969,507	3.28		34,853	

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

# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

June 30, 2014



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>FNMA &amp; FHLMC</b>									
30,093	FNMA POOL # 254195 5.500% Due 02-01-17	99.33	29,890	106.20	31,959	0.03	1,655	138	0.00
27,192	FGLMC POOL E01136 5.500% Due 03-01-17	99.55	27,069	106.17	28,870	0.02	1,496	125	0.00
145,173	FGLMC POOL B17355 5.000% Due 12-01-19	101.34	147,118	106.31	154,337	0.13	7,259	605	1.56
144,252	FGLMC POOL B17982 4.000% Due 03-01-20	97.59	140,781	106.09	153,042	0.13	5,770	481	1.00
120,070	FNMA POOL 814349 4.500% Due 03-01-20	98.62	118,414	106.34	127,687	0.11	5,403	450	1.30
89,820	FNMA POOL 819922 5.500% Due 04-01-20	102.41	91,989	108.42	97,385	0.08	4,940	412	1.32
81,313	FNMA POOL 819924 4.500% Due 04-01-20	99.55	80,951	106.34	86,472	0.07	3,659	305	1.30
114,710	FNCI 5.00% POOL 888348 5.000% Due 05-01-22	103.55	118,779	108.17	124,084	0.10	5,736	478	1.67
222,657	FNMA 4.00% POOL AD2331 4.000% Due 03-01-25	102.73	228,745	107.09	238,452	0.20	8,906	742	1.84
124,471	FNCI 4% POOL AD7073 4.000% Due 06-01-25	103.15	128,389	107.11	133,320	0.11	4,979	415	1.87
25,149	FGLMC POOL C01403 6.000% Due 09-01-32	101.81	25,605	113.84	28,631	0.02	1,509	126	2.09
75,032	FGLMC POOL A16590 6.000% Due 12-01-33	103.27	77,483	113.84	85,419	0.07	4,502	375	2.06
113,399	FRN - FNMA POOL 820607 1.946% Due 03-01-35	102.47	116,197	106.73	121,036	0.10	2,207	184	0.39
66,233	FNMA POOL 826090 4.737% Due 07-01-35	99.47	65,881	100.50	66,564	0.06	3,137	261	1.23
90,311	FHLMC # A36703 4.500% Due 08-01-35	95.69	86,416	108.39	97,888	0.08	4,064	339	2.14
167,340	FRN - FNMA POOL # 838293 2.234% Due 08-01-35	99.67	166,784	106.59	178,374	0.15	3,738	312	0.00
82,509	FNMA ARM POOL 745552 2.094% Due 02-01-36	100.53	82,943	105.12	86,738	0.07	1,728	144	0.83
18,189	FRN - FHLMC # 847740 2.425% Due 04-01-37	98.88	17,984	104.94	19,087	0.02	441	37	0.00
131,509	FRN - FHLMC # 1G2124 5.883% Due 08-01-37	99.81	131,263	107.17	140,941	0.12	7,737	645	2.55

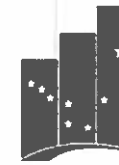
\*\*CMBS Note - No further purchases after 12/31/08



# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

June 30, 2014



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
72,019	FRN - FNMA POOL 943054 2.397% Due 08-01-37	100.94	72,694	106.73	76,869	0.06	1,726	144	0.74
183,720	FNCL 6.00% POOL 968813 6.000% Due 01-01-38	109.64	201,432	112.84	207,317	0.17	11,023	919	1.74
159,460	FHLMC # G08264 6.000% Due 04-01-38	100.76	160,668	112.23	178,969	0.15	9,568	797	1.96
146,125	FGLMC 5.5% POOL A77796 5.500% Due 05-01-38	108.01	157,827	111.47	162,884	0.13	8,037	670	1.72
196,077	FHLMC 5% POOL G05253 5.000% Due 02-01-39	107.02	209,848	110.67	217,002	0.18	9,804	817	2.41
211,914	FNCL 4.5 POOL AA6013 4.500% Due 05-01-39 Accrued Interest	103.59	219,522	108.34	229,596	0.19	9,536	795	2.71
					10,713	0.01			
			2,904,672		3,083,634	2.55		10,713	
<b>GNMA</b>									
28,325	GNMA POOL 2563 6.500% Due 03-20-28	100.44	28,449	115.81	32,804	0.03	1,841	153	2.29
31,047	GOV'T NAT'L MTG ASSN POOL# 587075 6.500% Due 05-15-32	101.25	31,435	115.92	35,990	0.03	2,018	168	2.72
176,255	GOV'T NAT'L MTGE ASSN POOL # 617115 5.500% Due 06-15-36 Accrued Interest	97.77	172,317	112.22	197,791	0.16	9,694	808	2.11
					1,129	0.00			
			232,201		267,715	0.22		1,129	
<b>ASSET-BACKED SECURITIES</b>									
1,000,000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17 Accrued Interest	107.25	1,072,500	101.26	1,012,574	0.84	38,000	1,689	0.45
					1,689	0.00			
			1,072,500		1,014,263	0.84		1,689	
<b>COMMERCIAL MORTGAGE-BACKED SECURITIES</b>									
312,441	CREDIT SUISSE FIRST BOSTON MTG 4.691% Due 04-01-37	100.48	313,942	100.67	314,539	0.26	14,657	1,221	2.60
328,505	LB-UBS COML MTG TR 2006-C7 5.300% Due 11-11-38	100.35	329,659	103.20	339,007	0.28	17,411	967	3.17
454,945	BEAR STEARNS COML MTG SECS INC 4.674% Due 06-11-41	100.54	457,423	102.55	466,528	0.39	21,264	1,772	1.08

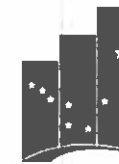
\*\*CMBS Note - No further purchases after 12/31/08



# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

June 30, 2014



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

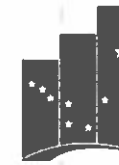
Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
961,623	FRN - CD 2005-C1 COMMERCIAL MTG TR 5.401% Due 07-15-44	100.09	962,446	103.98	999,884	0.83	51,938	4,328	1.17
500,000	FRN - J P MORGAN CHASE COML MTG SECS 5.892% Due 02-12-49	100.21	501,049	110.30	551,503	0.46	29,458	2,455	1.85
500,000	J P MORGAN CHASE COML MTG SECS 5.882% Due 02-15-51	100.50	502,481	110.77	553,859	0.46	29,410	2,451	2.03
	Accrued Interest				13,195	0.01			
			3,067,001		3,238,517	2.68		13,195	
<b>CORPORATE BONDS</b>									
600,000	CITIGROUP INC 5.500% Due 10-15-14	101.14	606,826	101.44	608,664	0.50	33,000	6,967	0.54
500,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	98.36	491,795	102.88	514,380	0.43	23,750	7,917	0.44
500,000	CITIGROUP INC 4.750% Due 05-19-15	104.97	524,875	103.65	518,260	0.43	23,750	2,771	0.61
500,000	BANK OF MONTREAL 2.850% Due 06-09-15	100.59	502,930	102.37	511,835	0.42	14,250	871	0.33
250,000	HSBC FINANCE CORP 5.500% Due 01-19-16	106.89	267,235	107.09	267,732	0.22	13,750	6,187	0.89
350,000	UNITED HEALTH GROUP INC 5.375% Due 03-15-16	114.09	399,322	107.94	377,804	0.31	18,812	5,539	0.69
500,000	AT&T INC 2.950% Due 05-15-16	104.33	521,670	103.93	519,670	0.43	14,750	1,885	0.83
500,000	JOHNSON & JOHNSON 2.150% Due 05-15-16	104.26	521,320	103.00	515,005	0.43	10,750	1,374	0.54
1,250,000	TORONTO-DOMINION BANK (144A) 1.625% Due 09-14-16	99.93	1,249,162	101.84	1,273,000	1.05	20,312	6,037	0.78
500,000	BANK AMER CORP 5.625% Due 10-14-16	99.93	499,670	109.79	548,970	0.45	28,125	6,016	1.27
675,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	104.71	706,819	110.80	747,900	0.62	37,969	8,016	0.86
500,000	MORGAN STANLEY 5.750% Due 10-18-16	110.27	551,340	110.28	551,390	0.46	28,750	5,830	1.20
1,000,000	UBS AG LONDON PRIV PLACEMENT (144A) 2.250% Due 03-30-17	100.93	1,009,300	102.97	1,029,710	0.85	22,500	5,687	1.15
500,000	VERIZON COMMUNICATIONS 5.500% Due 04-01-17	118.36	591,795	111.86	559,285	0.46	27,500	6,875	1.11

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

# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

### June 30, 2014



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
750,000	BANK OF NEW YORK MELLON 1.969% Due 06-20-17	102.60	769,522	102.17	766,267	0.63	14,767	451	1.22
500,000	CAMPBELL SOUP CO. 3.050% Due 07-15-17	106.83	534,130	104.99	524,970	0.43	15,250	7,032	1.37
500,000	INTERNATIONAL BUSINESS MACHS 5.700% Due 09-14-17	106.27	531,328	113.93	569,655	0.47	28,500	8,471	1.25
750,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	105.77	793,260	113.93	854,505	0.71	46,500	11,625	1.77
500,000	WELLS FARGO & CO 5.625% Due 12-11-17	99.58	497,920	113.79	568,935	0.47	28,125	1,562	1.51
500,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	497,860	114.48	572,400	0.47	28,750	11,979	1.58
575,000	MCDONALDS CORP M/T/N 5.350% Due 03-01-18	107.54	618,377	113.56	652,970	0.54	30,762	10,254	1.53
1,000,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	101.74	1,017,425	114.58	1,145,830	0.95	56,250	9,375	1.68
500,000	GLAXOSMITHKLINE CAP INC 5.650% Due 05-15-18	104.59	522,950	114.69	573,455	0.47	28,250	3,610	1.71
1,000,000	US BANCORP 1.950% Due 11-15-18	100.30	1,003,040	100.66	1,006,580	0.83	19,500	2,492	1.79
500,000	CATERPILLAR FINANCIAL 7.150% Due 02-15-19	99.16	495,805	123.11	615,560	0.51	35,750	13,506	1.90
600,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	101.40	608,421	122.04	732,216	0.61	45,000	17,000	2.43
600,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	102.81	616,886	112.94	677,646	0.56	28,200	10,653	1.77
500,000	JP MORGAN CHASE & CO 6.300% Due 04-23-19	118.62	593,085	118.23	591,160	0.49	31,500	5,950	2.28
600,000	MICROSOFT CORP 4.200% Due 06-01-19	102.24	613,416	111.19	667,134	0.55	25,200	2,100	1.81
750,000	ADOBE SYSTEMS INC 4.750% Due 02-01-20	112.47	843,502	111.23	834,240	0.69	35,625	14,844	2.58
775,000	COMCAST CORP 5.150% Due 03-01-20	116.47	902,635	114.59	888,111	0.73	39,912	13,304	2.38
500,000	NBCUNIVERSAL MEDIA LLC 5.150% Due 04-30-20	114.02	570,115	114.75	573,770	0.47	25,750	4,363	2.42
500,000	PEPSICO INC 3.125% Due 11-01-20	108.06	540,290	104.17	520,875	0.43	15,625	2,604	2.41

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

# Portfolio Appraisal

## FAIRBANKS PERMANENT FUND

June 30, 2014



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
750,000	DOW CHEMICAL CO* 4.250% Due 11-15-20	108.13	810,952	108.71	815,317	0.67	31,875	4,073	2.75
1,000,000	CAMPBELL SOUP CO 8.875% Due 05-01-21	129.52	1,295,200	134.14	1,341,360	1.11	88,750	14,792	3.26
786,000	CARGILL INC. (144a) 4.307% Due 05-14-21	98.06	770,763	109.84	863,319	0.71	33,853	4,420	2.73
750,000	GENERAL MILLS INC 3.150% Due 12-15-21	102.88	771,577	102.07	765,495	0.63	23,625	1,050	2.84
500,000	BELLSOUTH CORP 6.000% Due 11-15-34	97.52	487,595	111.32	556,580	0.46	30,000	3,833	5.10
500,000	MCDONALDS CORP 5.700% Due 02-01-39	120.31	601,570	121.72	608,605	0.50	28,500	11,875	4.26
	Accrued Interest				263,189	0.22			
			25,751,686		27,093,751	22.41		263,189	
<b>INTERNATIONAL FIXED INCOME FUNDS/ETF</b>									
42,485	SPDR BARCLAYS CAPITAL INTL D	56.06	2,381,843	60.81	2,583,513	2.14	NA		
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>									
165,048	VANGUARD INST'L S&P500 INDEX FUND	106.49	17,576,066	179.66	29,652,467	24.53	NA		
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>									
45,969	ISHARES CORE S&P MIDCAP 400 ETF	80.22	3,687,800	143.08	6,577,245	5.44	NA		
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>									
296,629	VANGUARD FTSE DEVELOPED MARKETS ETF	34.43	10,213,892	42.59	12,633,429	10.45	NA		
<b>EMERGING MARKET FUNDS/ETF</b>									
171,467	VANGUARD FTSE EMERGING MARKETS ETF	43.01	7,374,026	43.13	7,395,372	6.12	NA		
<b>REAL ESTATE</b>									
80,670	VANGUARD REIT ETF	49.55	3,996,989	74.84	6,037,343	4.99	NA		
<b>CASH AND EQUIVALENTS</b>									
	ALASKA MUNICIPAL LEAGUE INVESTMENT POOL		727,856		727,856	0.60			
	CASH RECEIVABLE		788		788	0.00	NA		
			728,643		728,643	0.60			
<b>TOTAL PORTFOLIO</b>			<b>98,504,751</b>		<b>120,891,323</b>	<b>100</b>	<b>3,441,470</b>	<b>415,271</b>	

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

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



**ALASKA PERMANENT  
CAPITAL MANAGEMENT**  
Registered Investment Adviser

Time Period	Percent Return Per Period																			
	Total Account	Blend	Fairbanks 50 bp hurdle	Fixed Income	BARC AGG BENCH	Domestic Large Cap Equity	S&P 500 LARGE CAPS BENCH	Domestic Mid Cap Equity	S&P 400 MIDCAP BENCH	Int'l Equity	FTSE DEVELOPED EX NA BENCH	Real Estate	S&P US REIT BENCH	Emerging Market Equity	FTSE EMERGIN MARKET BENCH	Commodities	BLOOMBERG COMMODITY	Cash and Equivalents	CI Group 3 Month TBNI Index - BENCH	
06-30-13 to 07-31-13	2.36	2.16	0.04	0.31	0.14	5.08	5.09	6.51	6.20	5.20	5.14	0.90	0.99	0.68	0.57	0.00	1.36	0.00	0.00	
07-31-13 to 08-31-13	-1.80	-1.71	0.04	-0.32	-0.51	-2.90	-2.90	-3.97	-3.75	-1.60	-1.06	-6.98	-6.99	-3.43	-2.82	0.00	3.40	0.00	0.00	
08-31-13 to 09-30-13	2.82	2.65	0.04	0.77	0.95	3.35	3.14	5.46	5.21	7.50	7.35	3.51	3.13	7.33	6.72	0.00	-2.55	0.00	0.00	
09-30-13 to 10-31-13	2.35	2.34	0.04	0.65	0.81	4.60	4.60	3.54	3.72	3.21	3.33	4.52	4.50	4.31	5.16	0.00	-1.48	0.00	0.00	
10-31-13 to 11-30-13	0.45	0.21	0.04	-0.20	-0.37	3.04	3.05	1.47	1.32	0.66	0.80	-5.25	-5.18	-0.92	-2.15	0.00	-0.80	0.00	0.00	
11-30-13 to 12-31-13	0.61	0.46	0.05	-0.62	-0.57	2.49	2.53	2.88	3.09	1.69	1.30	0.10	0.24	-0.30	-1.31	0.00	1.24	0.00	0.00	
12-31-13 to 01-31-14	-1.08	-0.59	0.04	1.27	1.48	-3.44	-3.46	-2.19	-2.12	-5.21	-4.06	4.28	4.14	-8.43	-6.69	N/A	0.30	0.00	0.00	
01-31-14 to 02-28-14	2.55	2.45	0.04	0.48	0.53	4.57	4.57	4.98	4.88	5.95	5.31	5.07	5.00	3.24	3.03	0.00	6.24	0.00	0.00	
02-28-14 to 03-31-14	0.35	0.26	0.04	-0.13	-0.17	0.82	0.84	0.37	0.37	-0.38	-0.54	0.49	0.54	4.62	3.88	0.00	0.41	0.00	0.00	
03-31-14 to 04-30-14	0.85	0.85	0.04	0.78	0.84	0.73	0.74	-1.58	-1.56	1.57	1.31	3.29	3.36	0.89	0.39	0.00	2.44	N/A	0.00	
04-30-14 to 05-31-14	1.58	1.61	0.04	0.90	1.14	2.37	2.35	1.72	1.78	1.77	1.73	2.40	2.39	3.04	3.78	0.00	-2.87	0.00	0.00	
05-31-14 to 06-30-14	1.11	1.04	0.05	0.05	0.05	2.07	2.07	4.24	4.14	1.04	1.09	1.13	1.11	3.17	3.20	0.00	0.60	0.00	0.00	
<b>Date to Date</b>																				
06-30-13 to 06-30-14	12.72	12.29	0.50	4.00	4.37	24.81	24.61	25.42	25.24	22.84	23.35	13.40	13.18	14.04	13.74	0.00	8.21	0.00	0.04	

**City of Fairbanks - Permanent Fund History  
2014 Permanent Fund Appropriation Calculation**

July 14, 2014

	Audited 2009	Audited 2010	Audited 2011	Audited 2012	Unaudited 2013	Average
<b>Marketable securities</b>						
Cash and investments	\$ 559,720	\$ 1,225,492	\$ 1,164,042	\$ 559,813	\$ 2,800,293	\$ 1,261,872
Fixed income securities	59,807,821	50,535,399	48,907,802	53,526,329	56,547,265	53,864,883
Equity securities	31,107,843	47,837,719	48,306,738	51,471,548	53,745,224	46,493,814
Interest receivable	463,600	425,369	391,778	405,700	405,189	418,327
<b>Total marketable securities</b>	<b>91,938,764</b>	<b>100,023,979</b>	<b>98,770,360</b>	<b>105,963,390</b>	<b>113,497,971</b>	<b>102,038,896</b>
<b>Nonmarketable securities</b>						
Tract G-3, Replat of Tract G, ASLS 80-64	153,319	147,353	140,981	134,388	127,139	140,632
Tract G-2A South Davis Park Subdivision	135,464	130,157	124,472	118,633	112,183	124,182
Weeks Field - Note Receivable	781,500	781,500	-	-	-	312,600
Ret Comm Fbks and Weeks Dev LLC	-	-	385,589	385,589	-	154,236
Community Development Inc.	-	-	481,881	172,330	172,330	165,308
Korean Comm of Fairbanks	-	-	-	15,140	10,008	5,030
Interest Receivable - Notes	19,734	69,152	16,908	37,632	17,459	32,177
Breadline	-	-	58,039	53,777	42,425	30,848
	<b>1,090,017</b>	<b>1,128,162</b>	<b>1,207,850</b>	<b>917,489</b>	<b>481,544</b>	<b>965,013</b>
<b>Liabilities</b>	<b>16,285</b>	<b>17,472</b>	<b>12,593</b>	<b>10,347</b>	<b>3,329</b>	<b>12,001</b>
<b>Total Permanent Fund Value</b>	<b>\$ 93,012,536</b>	<b>\$ 101,134,669</b>	<b>\$ 99,965,617</b>	<b>\$ 106,870,532</b>	<b>\$ 113,976,186</b>	<b>\$ 102,991,908</b>

2014 PILOT Replacement to General Fund (four percent of five-year average) \$ 4,119,676

2014 Transfer from Permanent Fund for Capital (one half of one percent of five-year average) \$ 514,960

2014 Total 4,634,636

2014 Drawdown Schedule			
Date	Operating Draw	Capital Draw	Total
30-May	2,059,838	514,960	2,574,798
30-Nov	2,059,838	-	2,059,838
<b>Total</b>	<b>4,119,676</b>	<b>514,960</b>	<b>4,634,636</b>

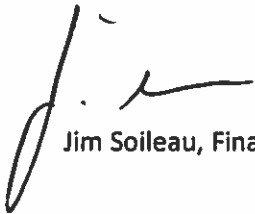
July 23, 2014

APCM is recommending a change to the international bond allocation. Currently the portfolio has a 5% allocation of international bonds, which is invested in the SPDR Barclay's Intl. Treasury Bond Exchange Traded Fund (Ticker BWX). This fund invests in investment grade non-US sovereign bonds and has an internal fee of 50 basis points.

APCM recommends maintaining the 5% allocation to international bonds while changing the investment vehicle to Vanguard Total International Bond ETF (Ticker BNDX) for the following reasons:

1. The fee on Vanguard fund is 20 basis points per annum versus 59 points per annum for the current Barclays ETF.
2. Both funds invest in investment grade credit quality.
3. The Vanguard ETF invests in investment grade credit quality
4. The Vanguard ETF invests in both non-US sovereign debts as well as other investment grade securities, while Barclays ETF invests only in non-US sovereign debt
5. The Vanguard ETF hedges the foreign exchange currency risk while the Barclays ETF does not. Hedging should reduce the fund's volatility
6. Duration of the Vanguard ETF is approximately 6.8 years while the Barclays ETF is approximately 7.1, so the new fund has slightly less interest rate risk.

After review of the facts presented above, I agree with changing the investment vehicle for the international funds (5%) from SPDR Barclays Intl to Vanguard Total International Bond (BNDX).



Jim Soileau, Finance Director

# Cash Discussion

- The Permanent Fund has a 5% allocation to cash (range restriction 0-10%). The intent in establishing this allocation was to accommodate cash flows into and out of the Fund.
- The Alaska Municipal League Investment Pool (AMLIP) is used as the investment vehicle for the cash allocation and the pool currently yields one basis point (0.01%). To the best of our knowledge most prime money market funds are paying next to nothing with one basis point being the most common amount.
- APCM can mitigate some portion of this low return by purchasing US Treasury bills, but the results will not be significant given the low yield environment. For example three month bills yield 1.5 basis points, six month bills yield 5 basis points and one year bills yield 7.5 basis points.

## Sample Yields on Prime/Government Money Market Funds

AMLIP	0.01%
Vanguard Prime MMF	0.01%
Charles Schwab MMF	0.01%
Fidelity Government MMF	0.01%



FAIRBANKS DIVERSITY COUNCIL  
REGULAR MEETING MINUTES – SEPTEMBER 4, 2014  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA



The **Fairbanks Diversity Council** convened at 5:30 p.m. on the above date to conduct a Regular Meeting at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Chair John Eberhart presiding and with the following members in attendance:

Members Present: Rita Davis, Seat L  
Montean Jackson, Seat C  
Ana Maria Richards, Seat A  
June Rogers, Seat D  
Doris Lenahan, Seat G  
Shirley Lee, Seat B  
Jo Ann Borges, Seat K  
Kathleen Wattum, Seat I  
Ernest Shipman, Seat H  
Michael Fitch, Seat E  
Jeff Walters, Seat M

Absent: Gary Grant, Seat F  
Douglas Toelle, Seat J

Also Present: Chris Anderson, Council Member  
Janey Hovenden, City Clerk  
Barbara Sunday, HR Director

### **WELCOME AND INTRODUCTIONS**

Chair Eberhart welcomed the committee members to the first meeting of the Fairbanks Diversity Council.

Members in attendance gave an introduction.

### **CITIZENS COMMENTS**

Ron Arnold stated that he was jazzed by the formation and content of the council and stated that he hopes to be a value to everyone.

### **UNFINISHED BUSINESS**

None

### **NEW BUSINESS**

- a) Ordinance No. 5939, As Amended

**Chair Eberhart** reviewed adopted Ordinance No. 5939, as Amended, and highlighted issued of importance to the committee.

- b) Open Meetings Act

City Clerk Hovenden pointed out the Commission Member Handout concerning the Open Meetings Act and encouraged all members to read it. She answered questions and provided clarifications.

- c) Discussion of Issues for the Fairbanks Diversity Council



Chair Eberhart offered his initial thoughts and topic suggestions for the Council to address: review the City's job application for nondiscrimination; find ways to improve diversity in the City and Borough governments; explore the possibility of making Dr. Martin Luther King Jr. Day a City Holiday; identify any need for cultural awareness or diversity training for City employees; determine whether racial profiling is an issue; discuss if there should be a conviction integrity review process.

Ms. Jackson asked if there is an entity that looks at conviction rates or closed cases as it relates to diverse populations or if there is a need for a law enforcement review committee.

Chair Eberhart responded that, to his knowledge, the City and the Public Safety Commission have never looked at those issues.

Mr. Walters suggested that the youth voice is important and many times they are amazing and can bring a fresh perspective to this body.

Chair Eberhart responded that there are two more seats to be filled by the Borough and added that he hoped Mayor Hopkins is looking to fill that void.

Mr. Walters also suggested that meeting every 3 months might not be enough. He stated that there are lots of important topics to discuss and that so few meetings might not be often enough.

Ms. Lee stated that all of the topics discussed are very important and asked that since Diversity Councils are not new, if there is a sample Diversity Action Plan available that the Council may use to fashion their own.

Chair Eberhart stated that he has not identified one but that it is certainly something that can be researched.

Mr. Arnold suggested several website locations and stated that he would be happy to share the information with anyone.

Ms. Richards stated that she was part of a similar board created by then-Mayor Whitaker at the Fairbanks North Star Borough. She explained that the initial work of the Board was for all members to receive diversity training. She stated that the Board did not proceed because the trainer moved out of town and the Mayor left office. Ms. Richards stated that the person who moved away has returned to town and will likely still has the information that may be helpful.

Ms. Jackson asked if there is a list of items that Fairbanks residents would like to see the Council address. She stated that Alaska is unique and that community members may bring unique topics to address and other things that might not fit into what happens elsewhere. Ms. Jackson asked the Mayor to present a list of top action items that are in the forefront by the next meeting.

Chair Eberhart responded that there is not a list in existence. He identified that part of the need for the Diversity Council is to hear from diverse community members that feel they are not being heard. He asked how Diversity Council members can ensure that they hear from those who feel they are not being heard and understood. He stated that input from each Council member would be critical.

Ms. Jackson asked—as it pertains to law enforcement—what action the Mayor is taking to change the hiring process at FPD, recruit from the diverse populations, and provide that level of opportunity to other entities.

Chair Eberhart stated that there are approximately twelve City boards and commissions and that as openings come up, he considers diversity in making his nomination. He provided examples of several such selections. Pertaining to hiring, he has asked how the City is going to improve diversity and discourage nepotism if all that the Mayor does is sign off on department head recommendations. He has directed that during the hiring process, Department Heads must send all qualified applicants to the Mayor who reserves the right to pick from the pool based on diversity. He shared that he has been attending interview panels which were initially made up of all Caucasian male members and stated that now panels are made up of diverse community members. Chair Eberhart explained that the City's Human Resources (HR) department now has a centralized application process which prescreens applicants then sends applicants for further testing or steps. He stated that there will be a new police chief and that there has been a discussion about community policing, transparency, communications, and diversity. He stated that the City has opened discussions with the Alaska Native Leadership and has regular meetings on how to improve the relationship which has been severely damaged as a result of the Hartman and Johnny Wallace cases. He indicated that forced diversity has been very unpopular with City departments and that he needs the help and new ideas of the Diversity Council.

Ms. Rogers stated that things would not have to be forced if people were more realistic in working together. She stated that when people meet to discuss issues—sometimes even native issues—there is no one in attendance with a diverse heritage. She expressed pride that the City has recognized a need for a change. She also addressed the need for more frequent meetings than quarterly.

Ms. Lee stated that diversity or cultural sensitivity training for city employees—especially police and fire—is essential. She stated that different cultures have different ways of communicating and she emphasized that the future of Alaska Native youth often depends on how well they can communicate. She recognized the need to not only educate City employees, but expressed hope that the Diversity Council could take it out to the entire community. She stated that often she is trailed by store security because she is a person of color. Ms. Lee conveyed her hopes that the group collectively, and as a strong voice, could bring this knowledge to the community like a “respect campaign.”

Mr. Shipman mentioned that one thing that the diversity committee at the School District focuses on is letting people know and feel that they are not being targeted. He emphasized that everyone has a culture and individuality and that we do not belong to one group. He stressed the need to infuse that in people and not blame anybody for their lack of diversity, but rather come together as one and respect differences. He cautioned that diversity itself can scare people away and that the Council needs to bring people in, not scare them away.

Mr. Anderson emphasized item number nine on page three of the ordinance regarding the development of constructive relationships with sectors of the community. He suggested community outreach via a full page ad listing the agencies, people and businesses that are supporting the idea of the Diversity Council to help kickoff this concept.

Dr. Fitch stated that some have lost hope and have stopped voicing their concerns. He agreed that while the Council should not experience opposition, unfortunately they will because there is no incentive for people to change their ways. He agreed that a newspaper ad and a website would be a great start to incentivize the public. He suggested a website that would give up-to-date information with a feature that allows the public to make comments. He stated that the Council could then take the top 10 comments to discuss as a committee to make the public feel that they are being heard. He stated that he expects that within a couple of months there will be citizens attending meetings to give their input but indicated that a webpage will allow for input from those unable to physically attend meetings.

Chair Eberhart stated that even after he was openly publishing the board and commission vacancies in the newspaper, he still had to do a lot of outreach in the diverse community to find interest. He stated that some people in the diverse communities may feel that it is a waste of time or that it will not make a difference, but expressed the need to get people interested because of their valuable input and ability to make a difference. He surmised by saying that if you want to dance you have to come to the party.

Ms. Richards shared that the Black Professional Advisors have started a template for a website called "Diversity in Fairbanks" which contains a list of different kinds of businesses that pay for advertising.

Ms. Lenahan asked what has been done in the City or State to attract different multi-cultural groups to apply for positions besides the traditional way. She asked what kind of training or mentoring is being done to help those individuals increase their skills and knowledge so that they can compete and be hired.

Chair Eberhart responded that all job vacancies are listed on one page of the City's website. He stated that in some departments like Public Works the diversity is good, but that it is not good in the Public Safety departments. He stated that he has inquired about what has been done to increase diversity and the answer has been that they went to some job fairs which did not really help. He stated that in attending a meeting of Mayors, a young Mayor from Rochester, NY said that she really improved the diversity in her police and fire departments by reaching out through ministers and preachers and they set up training courses on what to expect and how to test. He stated that the City needs to do more outreach.

Ms. Jackson stated that if you are not used to there being a "party" you are not sure that it is your time to be accepted. She indicated that it is going to take time to support many of the new programs the Mayor is implementing. She stated that once the word is out that there are opportunities, she believes that people will start coming to the party. She stated the need to have youth on the Council and expressed hope that Mr. Walters takes that back to Mayor Hopkins to consider for his appointments. Ms. Jackson stated that the Diversity Council must also provide a vehicle to bring in other groups such as the disabled, youth and seniors in the community. She stated that she would love to see the Fairbanks community have an Annual Respect Campaign and stated that the Council cannot just put a band aide on something by sending people to training and expecting them to remember it. She stated that there must be a mechanism in place to monitor, evaluate and assess how effective it is.

Mr. Walters agreed with the public relations comments. He asked how to get the word out that the Council exists. He also recognized the need to reach out to groups that feel disenfranchised and expressed his hope that the Council will find a way to reach out to those populations. He asked about statistics on different populations and stated that he hopes that issue will also be addressed.

Ms. Borges observed that the Diversity Council is a great group and that the community is not aware of their existence. She stated that each member should advocate and make themselves available to the community and to the Public Safety employees for assistance. She addressed the need for the Council to be introduced to the community and suggested that members be available for individual contact if needed to offer services to the community.

Chair Eberhart reminded members that Amber Courtney is the City's Public Information Officer and offered that she will be a good resource for media relations and getting the word out.

Ms. Wattum spoke to individual feelings about discrimination and diversity. She stated that if the Council explores the issue, they would find that discrimination happens every day. She stated that it is the subtle forms of discrimination that are felt every day, but that even those kinds of things can impact a community.

Ms. Richards agreed that individuals are a product of their own environment and that everyone has biases. She stated that that is why she proposes training or sessions to come up with a common language. She stated that the work must start from within.

Ms. Rogers stated that as much as she loves Fairbanks and is committed to it, she has a real problem with how the community has abandoned the downtown area. She stated that she has to remind people when speaking of the inebriates that they are persons who are intoxicated and that they are vulnerable and not to be feared. She stated that many locals do not come downtown and that some proudly say that they do not come downtown or are afraid to come downtown.

Ms. Jackson agreed with the perspective of Fairbanks, but disagreed as to the downtown being the most vulnerable. She stated that as a group, the Council needs to determine who is the most vulnerable. She stated that homeless people are all over Fairbanks and that South Fairbanks has the same reputation as the downtown area. She stated that the Diversity Council has a responsibility to lift the whole community up.

Ms. Rogers clarified that she considers South Fairbanks as part of downtown.

Mr. Shipman stated that one part of the town is highly developed and that he always wonders how people go grocery shopping from the South Side if they do not have transportation or are elderly. He pointed out that all of grocery stores have closed in that area and that there is no further development on that side of town for the population there. He agreed with Ms. Jackson that the community needs to come together and appreciate the whole city and everyone in it.

d) Appointment of Vice-Chairperson

Chair Eberhart explained that the vice chairperson would actively help run the meetings. He stated that the Council needs to move on the subject.

**Mr. Anderson**, seconded by **Ms. Jackson**, moved to NOMINATE Ana Richards as Vice Chair.

**Mr. Shipman** moved to nominate Ms. Jackson. **Ms. Jackson** declined the nomination.

**Ms. Richards** moved to nominate Doris Lenahan. **Ms. Lenahan** declined the nomination.

**Mr. Anderson**, seconded by **Ms. Jackson**, moved to CLOSE NOMINATIONS and APPOINTS Ana Richards as Vice Chair.

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

Chair Eberhart requested that members email items for future agendas. He stated that there were several requests for diversity training and asked if that is something that the Council would like in the near future.

Ms. Richards explained that training is very important and will help members understand each other. She stated that training will also help develop a common language and be a good start.

Mr. Shipman stated that he has received excellent training through the School District and mentioned some suggested trainers.

### **FDC MEMBERS COMMENTS**

Mr. Shipman stated that he is grateful to be a part of the Council and thanked everyone for welcoming him. He stated that his passion is to learn and grow. He commented that the Diversity Council is “big” and that he wants to be a part of it.

Mr. Anderson stated that he has never been so inspired by a group of people such as this one and expressed hope that the Council can keep the inspiration. He invited others to come speak to keep everyone inspired. He asked if it was possible to give a City email address to everyone.

Ms. Lenahan had no comments.

Ms. Jackson asked the Mayor to supply his top action items for the Council to consider and work on. She expressed thanks for the opportunity to serve on the Council.

Mr. Walters agreed that participating in training is important and indicated that he is willing to reach out to find trainers.

Ms. Davis stated that it would be more effective to hold meetings more frequently than quarterly.

Ms. Borges stated that there are going to be many more days of meeting together. She stated that it is very positive and that the Council needs to move forward and help the community.

Ms. Wattum stated that she is on board with the diversity training but would like to include some goal-setting and refine the Council’s issues.



Mr. Fitch stated that tonight should not be considered the first meeting of the Diversity Council because it was more of an introductory meeting. He stated that there should not be three months between meetings. He stated that if members were to evaluate this meeting, the biggest topic of discussion was to get the word out to the community that there is a party to come to. He stated that the seven items that the Mayor has supplied are all good topics. He suggested that there be a vote or prioritization on how the items are to be addressed. Mr. Fitch also suggested sending an email to have members prioritize the list, then structure subcommittees under that.

Ms. Rogers echoed Mr. Anderson's comments about the inspiration of the evening. She expressed that she has great respect for the group and that it is a wonderful feeling that there is such trust to speak freely. She spoke to the already-forming blend of the group and the trust of members in working for something good for the Fairbanks community.

Ms. Lee agreed that there is a need to prioritize the list and that not all the problems can be solved all at once. She suggested that the group conduct some strategic planning and prioritize a 3 year plan. She also suggested that the Council hold a potluck immediately prior to the next meeting to get to know one another better. She mentioned that the Episcopal Diocese has an anti-racism training that is very good as an option for training. She stated that she appreciated the evening and expressed her excitement in getting started.

Ms. Richards thanked everyone for appointing her as vice chair. She stated that diversity has been ingrained in her by her father.

#### MEETING DATES

- a) Establish Meeting Times
- b) Next Meeting Date

It was established that 5:30 p.m. was a good meeting time. Chair Eberhart stated it is clear that three months is too long for a next meeting so members agreed that October will be the next meeting date. He stated that he will work with Ana to obtain diversity training and a set date. He mentioned that the meeting will start a little earlier if there will be a potluck.

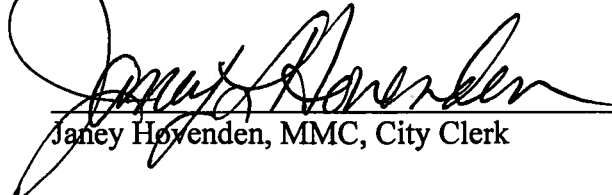
#### ADJOURNMENT

**Mr. Anderson** moved to ADJOURN the meeting.

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

**Chair Eberhart** declared the meeting adjourned at 7:45 P.M.

  
John Eberhart, Chair

  
Janey Hoyenden, MMC, City Clerk

Transcribed by: JH