



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, AUGUST 25, 2014
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

The City Council convened at 7:00 p.m. on the above date, following a 6:00 p.m. Work Session with the Chena Riverfront Commission, to conduct a Regular Meeting of the Fairbanks City Council at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor John Eberhart presiding and with the following Council Members in attendance:

Council Members Present: Renee Staley, Seat A
 Perry Walley, Seat B
 Bernard Gatewood, Seat C
 Jim Matherly, Seat D
 Lloyd Hilling, Seat E
 Chris Anderson, Seat F

Absent: None

Also Present: Warren Cummings, Fire Chief
 Paul Ewers, City Attorney
 D. Danyielle Snider, Deputy City Clerk
 Stephanie Johnson, Dispatch Center Manager
 Carmen Randle, Controller
 Keith Anderson, Acting IT Director
 Michael J. Schmetzer, City Engineer
 Barbara Sunday, Director HR/Risk Management/Purchasing
 Pat Smith, Development Manager
 Jim N. Soileau, Chief Financial Officer
 Brad Johnson, Acting Police Chief
 Eric Jewkes, Police Administrative Lieutenant

INVOCATION

The Invocation was given by Deputy City Clerk Danyielle Snider.

FLAG SALUTATION

Mayor Eberhart led the Flag Salutation.

APPROVAL OF AGENDA AND CONSENT AGENDA

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

Mr. Matherly pulled Ordinance No. 5954 from the Consent Agenda.

Mr. Hilling pulled Ordinance No. 5955 and Ordinance No. 5956 from the Consent Agenda.

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

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

CITIZEN'S COMMENTS

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger spoke to the recent events involving police in Ferguson, Missouri, and stated that there have been a number of killings by police officers in the Fairbanks area since he moved here in 1975. He stated that he has never seen a Native Alaskan police officer on the City's police force and suggested that the City take the proper measures to increase diversity. Mr. Buberger spoke to the benefits of making the police chief an elected position and to his belief that police officers should be subject to polygraph testing. He stated that he has witnessed police officers lying under oath in court and suggested that the City of Fairbanks increase efforts to control its police officers.

Floyd Terry, PO Box 73514, Fairbanks – Mr. Terry spoke to his efforts to get a roller skating rink opened in Fairbanks. He stated that he has recently been accused of trying to obtain local government funding to start a skating rink and clarified that all the time and money he has put into those efforts has come from his own pocket. He spoke to the need to replace local businesses that have closed their doors with new businesses in order to revitalize the local economy. He spoke to non-profit organizations that have asked local government for funding and again clarified that he has not done that. He stated that the community wants and needs a skating rink but indicated that he does not have any more time or patience to dedicate to the project.

Nicholas Clark, 249 Brighton Drive, Fairbanks – Mr. Clark stated that he is a member of the Fairbanks Firefighters Union (FFU) Local 1324. He stated that good leadership stems from social influence, not authority or power. He commented that by non-funding the arbitrator's award for FFU, the City Council was simply exercising its authority. He questioned the kind of message the City is sending to the community, other labor unions and future hires. Mr. Clark spoke to how poor leadership and the failing retirement system discourage employees from staying long-term. He indicated that the Council showed disrespect by not advancing the ordinance to allow for a public hearing and discussion on the arbitrator's award. Mr. Clark stated that when leaders practice ethics, they gain the respect and admiration of employees. He suggested that unclear actions and choices can foster distrust and a lack of confidence. He stated that as a firefighter, he cannot choose who he will help and explained that no matter what the circumstance, he must treat all citizens with equal respect while putting his personal opinions aside. Mr. Clark concluded by stating that it is never too late to right a wrong.

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

APPROVAL OF PREVIOUS MINUTES

- a) Regular Meeting Minutes of June 23, 2014.

APPROVED on the CONSENT AGENDA.

- b) Regular Meeting Minutes of July 7, 2014.

APPROVED on the CONSENT AGENDA.

- c) Regular Meeting Minutes of July 21, 2014.

APPROVED on the CONSENT AGENDA.

- d) Regular Meeting Minutes of August 11, 2014.

APPROVED on the CONSENT AGENDA.

SPECIAL ORDERS

- a) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Application for a New Liquor License and Restaurant Designation Permit.

Type:	Restaurant/Eating Place
DBA:	Raven Landing Center, License #5344
Licensee/Applicant:	Retirement Community of Fairbanks
Location:	1222 Cowles Street, Fairbanks, AK

Mr. Anderson, seconded by **Mr. Gatewood**, moved to WAIVE PROTEST on the Application for New Liquor License and Restaurant Designation Permit.

Mayor Eberhart called for Public Testimony.

Susan Motter, 1087 Coppet Street, Fairbanks – Ms. Motter stated that she is the General Manager at Raven Landing Senior Community. She stated that Raven Landing has opened three apartment buildings and a Community Center in the last four years and that the facilities house 74 residents. She explained that, as the centerpiece of the Raven Landing community, she would like to see the Community Center obtain a beer and wine liquor license. She stated that the Center is now open to the public and has recently hosted some large catering events by using another entity's liquor license. Ms. Motter indicated that a liquor license will help financially support the Community Center without burdening the residents.

Mary Ann Borchert, 2450 Locksley Court, Fairbanks – Ms. Borchert stated that she serves on the Board for the Retirement Community of Fairbanks and that she manages the Raven Landing Senior Community. She expressed support for Ms. Motter's comments and for the liquor license. Ms. Borchert stated that meals are served six days per week and that they are open to the public.

Mr. Hilling asked if beer and wine would be available at all hours or just at meal times.

Ms. Borchert replied that beer and wine would be available during dinners or special occasions.

Kathy Ellingson, 715 Pearson Court, Ester – Ms. Ellingson stated that she also serves on the Board of Directors for the Retirement Community of Fairbanks. She spoke highly of the organization and the facilities and stated that it is a wonderful location to host events. She spoke in support of the liquor license.

Karen Parr, 949 McGown Street, Apt. 3E, Fairbanks – Ms. Parr stated that she lives at Raven Landing and is also the President of the Board of Directors for the Retirement Community of Fairbanks. She encouraged the Council to waive protest on the liquor license.

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

Mr. Hilling stated that research has shown that two glasses of wine can extend one's life. He spoke in support of the liquor license.

Mr. Matherly stated that he has visited the facility and spoke in support of the Raven Landing organization and liquor license.

Mr. Gatewood expressed his respect for the Retirement Community of Fairbanks and indicated that he would support the liquor license.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE APPLICATION FOR NEW LIQUOR LICENSE AND DESIGNATION PERMIT AS FOLLOWS:

YEAS: Gatewood, Walley, Anderson, Matherly, Staley, Hilling

NAYS: None

Mayor Eberhart declared the MOTION CARRIED.

MAYOR'S COMMENTS AND REPORT

Mayor Eberhart spoke to the recent editorial in the News Miner regarding meeting transparency at the City of Fairbanks. He stated that the article claimed that the City Council did not comply with the laws and requirements to clearly specify the subject matter of the Executive Session on August 11. **Mayor Eberhart** expressed his belief the article did a disservice to the City Council and stated that each member of the Council works hard and tries to do the right thing. He added that the City strives for transparency. He spoke to the two items that appeared on the published agenda for that Executive Session: a) John Eberhart vs. APOC, and b) Labor Negotiations – Fairbanks Firefighters Union. He stated that it was public knowledge at that point that the City Council had not funded the arbitration award for FFU and that it was clear that the City and Union would return to the negotiating table. **Mayor Eberhart** stated that he may not have had a problem with publically discussing the John Eberhart vs. APOC matter, but that he could not waive executive privilege due to the reputations of other parties involved. He stated that the City did not intend in any way to disregard the law and indicated that the City may provide more detail about Executive Session topics in the future. **Mayor Eberhart** listed the

numerous meetings and events that the Mayor's Office had participated in since the last Regular Meeting of the Council. He stated that he recently attended the Alaska Conference of Mayors in Nome, Alaska, where he learned that the Alaska Municipal League (AML) will focus on three main priorities for 2015: 1) ensuring that municipalities statewide receive the total \$60 million in state revenue sharing, 2) maintaining the Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) rates for municipalities at 22%, and 3) securing state law mandated reimbursement from the state to municipalities for revenue lost by senior citizen and veteran property tax exemptions. He stated that, due to those exemptions, the property tax revenue lost statewide is about \$59 million annually and pointed out that the state has not been paying those reimbursements. **Mayor Eberhart** updated the Council on the hiring process for the new Chief of Police and IT Director. He spoke optimistically in regard to the future of the local economy, citing a variety of statistics that indicated significant improvements since 2013.

Mr. Hilling asked which Alaska law requires the state to reimburse municipalities for lost property tax revenue. He asked if the City of Fairbanks could take any type of action against the state.

Mayor Eberhart replied that the state statute was discussed at the Alaska Conference of Mayors. He stated that the City may introduce a resolution in support of AML's efforts to send to them prior to their annual meeting in November. He clarified that there has not been talk about litigation and deferred to the City Attorney.

City Attorney Paul Ewers stated that there is a possibility that the City could take legal action.

UNFINISHED BUSINESS

- a) Ordinance No. 5953 – An Ordinance Ratifying a Labor Agreement Between the City of Fairbanks and the Public Safety Employees Association, Fairbanks Police Department Chapter. Introduced by Mayor Eberhart. SECOND READING AND PUBLIC HEARING.

Mr. Anderson, seconded by **Mr. Matherly**, moved to ADOPT Ordinance No. 5953.

Mayor Eberhart called for Public Testimony.

Jeff Johnson, 3283 Riverview Drive, Fairbanks – Mr. Johnson thanked the Mayor and Council for their work and commended City employees for their service to the citizens of Fairbanks. He stated that he has served on the Finance Committee for over ten years and spoke to the proposed PSEA contract. Mr. Johnson spoke to paid holidays, overtime, longevity benefits and to the proposed increase in annual leave for senior employees. He stated that the proposed changes would impact overtime, wages and PERS and would offer even more benefits to the more senior employees who already have a better pension package than new hires. He suggested that the changes would do a disservice to newly-hired, younger employees. Mr. Johnson spoke in opposition to lowering the police department's regular work week to 36 hours instead of 40 hours. He stated that several positions would have to be added to the department to accommodate the proposed increase in annual leave. Mr. Johnson spoke against granting a larger increase of 3.5% to the PSEA when the City gave other unions a 2.5% increase. He

explained that with the limitations of the tax cap on City revenue, the Council will have to pull from the infrastructure or lay off employees to fund increases beyond the rate of inflation. Mr. Johnson closed by stating that the City cannot afford the proposed PSEA contract.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney spoke to his suspicions of the police department in the handling of the Johnny Wallis investigation. He expressed his frustration that polygraph and drug testing were not addressed in the proposed contract for PSEA.

Payton Merideth, 800 Cushman Street, Fairbanks – Mr. Merideth stated that he has been employed by the City of Fairbanks Police Department for nearly 15 years and that he has seen a number of contracts go before the Council during that time. He stated that in past years, negotiations seem to have gone smoothly and parties have negotiated in good faith. Mr. Merideth stated that he has lived in the Fairbanks area since he was four years old. He spoke to the need for a competitive labor contract in order to attract applicants, retain good employees and compete with other departments from around the state. He spoke to one of the more controversial portions of the contract which proposes an increase of 60 hours in annual leave for those employees who have been employed with the City for more than 10 years. He explained that police department employees currently receive 240 hours of annual leave per year. He provided annual leave accrual statistics from other police departments across the state: Juneau, 330 hours/year; Ketchikan, 310 hours/year; Sitka, 360 hours/year; Soldotna, 330 hours/year; Alaska State Troopers (AST), 420 hours/year; and Dutch Harbor, 480 hours/year. He concluded by asking the Council to ratify Ordinance No. 5953.

Mr. Gatewood asked Mr. Merideth what he believes is so attractive about the proposed contract.

Mr. Merideth replied that the increases to annual leave and wages and the increase to the City's health care contribution are the items that are most attractive to him. He added that the previous comment indicating that the police department employees would begin earning overtime after a 36-hour workweek was incorrect. He clarified that they would not begin earning overtime until 40 hours worked in a week.

Mr. Hilling asked Mr. Merideth to speak to competitiveness among departments and how it may contribute to attrition within the Fairbanks Police Department (FPD).

Mr. Merideth provided a recent example of a young officer who just came out of training who will likely be hired by AST instead of FPD. He stated that while droves of employees are not leaving to seek employment elsewhere, many are simply not applying for employment at the City of Fairbanks. Mr. Merideth stated that when he first applied at FPD in the 1990's, the testing had to be held at the Bunnell Auditorium at the University of Alaska, Fairbanks (UAF) due to the large number of applicants. He stated that the department is lucky to get 20 applicants to show up for testing right now.

Mr. Matherly stated that it is his understanding that the new 36-hour work week concept is something the department would like to implement on a trial basis. He asked Mr. Merideth to speak to what would happen if PSEA or the City had to modify the 36-hour work week.

Mr. Merideth stated that the 36-hour work week was a concept that the two parties came up with together and mutually agreed upon. He commented that the proposal will benefit both the City and FPD. He pointed out that there are provisions in the contract that will allow either party to pull out of that portion of the agreement. Mr. Merideth spoke to morale within the department, stating that FPD employees will work whatever shift the administration imposes. He added that the new work week was also introduced because it will benefit the FPD Dispatch Center.

Mr. Gatewood asked Mr. Merideth if he believes that other fields have increased their applicant pools to the detriment of police work.

Mr. Merideth replied that that may be the case, but that he believes it is more about being competitive in the job market and attracting qualified applicants. He stated that he does not believe that there is a decrease in the number of individuals that want to be police officers or that the problems with the PERS system is discouraging young people from applying.

Jerry Cleworth, 907 Park Drive, Fairbanks – Mr. Cleworth clarified that the idea of reducing the workweek from 40 to 36 hours is not new. He explained that the concept was introduced by Chief Zager under the administration of Mayor Strle, that it was studied extensively and that it was determined not to be a viable option. He stated that the reduced hourly work week would translate to lesser service to the City taxpayers. Mr. Cleworth commented that despite efforts throughout the years, the City has been unable to get a good handle on overtime in the public safety departments. He spoke against the proposed increases to wages and the City's contribution to healthcare, stating that those items would set a precedent for other labor contracts. Mr. Cleworth stated that the proposed bonus leave is something that the Council fought for over 10 years to do away with in the PSEA labor contract because it created major scheduling problems. He stated that if the City exercises the opt-out provision in the proposed contract it will cost over \$500,000. He spoke to the amount of overtime estimated in the cover letter, showing the costs of the proposed changes and stated that he feels that number is grossly understated. He commended former Chief Zager for creating the current staffing system at the police department which gives a shift commander the authority to determine whether to call additional staff for overtime, instead of having a minimum staffing clause. He spoke against the approval of the contract stating that the City cannot afford it and would be "bleeding red ink" by year two. In closing, he also spoke out against the proposition of establishing a union office for PSEA at City Hall asking the Council if they were prepared to give all the other unions the same use of space at City Hall.

Mr. Walley expressed concern with the abbreviated work week. He asked Mr. Cleworth if he believes the City will have to hire more positions and how much more he believes the City will have to pay in overtime as a result of the change.

Mr. Cleworth replied that overtime has always been a difficult problem to solve and that the proposed changes will only make the problem worse. He spoke to the history of negotiations with the PSEA and to the origination of the reduced work week concept.

Mr. Matherly asked Mr. Cleworth to speak to the consequences the ratification of the proposed contract would have on the FPD Dispatch Center.

Mr. Cleworth stated that overtime is also a big issue in the Dispatch Center and that dispatchers eventually get burned out in their positions. He commented that overtime and staff shortages have been a long-time problem for Dispatch Manager Stephanie Johnson.

Ron Dupee, 800 Cushman Street, Fairbanks – Mr. Dupee stated that he was born and raised in Fairbanks. He stated that he has been employed as a police officer at FPD for about nine years, that he is the President of the PSEA chapter, and that this was his first year being a part of the PSEA negotiating team. Mr. Dupee spoke to the numerous issues with the Fairbanks Dispatch Center and stated that the proposed 36-hour work week would offer a solution to some of those problems. He explained that as part of the plan, the Public Safety Assistants (PSA's) and the Community Service Patrol (CSP) will make up the work hours lost by the reduced work week. Mr. Dupee spoke to the other proposals within the contract including the changes to annual leave and stated that he believes the contract as a whole is fair and equitable to both parties. He clarified that FPD does not backfill a position every time an officer is on leave and that, in certain cases, multiple officers are not allowed to take leave on the same dates.

Mr. Gatewood asked how the PSA's and the CSP would make up the hourly gap in the reduced work week.

Mr. Dupee replied that the CSP takes many of the transient calls that FPD has had to respond to in the past. He stated that the new PSA positions will start handling more of the administrative tasks to alleviate the workload of police officers.

Mr. Anderson asked Mr. Dupee if he believes FPD employees are getting burnt out.

Mr. Dupee stated that Dispatch employees have had as much as 152 hours of overtime in one pay period. He commented that dispatchers in Juneau are making 35% more in wages with cheaper benefits. He stated that similar work in the Fairbanks area offers a higher hourly wage, less-costly benefits and little to no overtime.

Ms. Staley asked how unplanned staffing shortages would be addressed if the reduced work week concept is implemented.

Mr. Dupee stated that officers assigned to light duty can still perform administrative tasks in the office. He commented that FPD needs more police officers regardless of whether the proposed contract is ratified. He explained that a 36-hour work week does not automatically mean that employees will be assigned to three, 12-hour shifts. He stated that management and administration would determine what the schedule would look like.

Ms. Staley asked Mr. Dupee to speak to the current attrition rate at FPD.

Mr. Dupee replied that he is unsure of the exact numbers, but stated that there are a number of junior officers who have applied for jobs elsewhere. He illustrated the rate of attrition by informing the Council that he started at the bottom and is now ranked 10 out of 25 in seniority after only nine years with FPD. He stated that only two officers have retired during that time period.

Ms. Staley asked what Mr. Dupee's proposal would be to sustain the reduced work week if the CSP is not funded in the future.

Mr. Dupee clarified that only one-third of the Fairbanks Police Department would have enough seniority to qualify for the increased leave. He stated that if the CSP program were to end, FPD employees would simply pick up the pieces and continue to do their respective jobs.

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

Mr. Gatewood stated that the Council considered the reduced work week when it was first introduced because it was supposed to be a cost savings for the City. He asked how the numbers got to where they are.

Chief Financial Officer Jim Soileau explained that the original concept introduced by former Chief Zager called for a 10% reduction in time and a 10% increase to wages, which translated to a \$20 savings per person, per pay period. He stated that the leave, health and retro-pay offset the savings. Mr. Soileau pointed out that the fiscal note reflects the savings and increases in more detail.

Mr. Matherly spoke to the earlier testimony where it was mentioned that the City would "bleed red ink" in year two of the contract. He asked Mr. Soileau to elaborate on that.

Mr. Soileau clarified that forecasts are only predictions of what is likely to happen. He spoke to the forecast he had prepared for the proposed contract, sharing his calculation that the City would have a positive fund balance of \$362,000. He stated that he projects that there will be a \$30,000 loss in year three. Mr. Soileau spoke to the significance of property values, stating that property taxes make up more than half of the City's total revenue. He explained that historically, the City sees a surplus at the end of each year because some departments do not spend all of their budgeted funds. Mr. Soileau spoke to trends in various revenues and how he used those trends to draft the forecast.

Controller Carmen Randle pointed out that the forecast does not take an "opt out" by either party into consideration.

Mr. Gatewood asked Chief of Staff Jim Williams what he believes the contract might do to help the Dispatch Center.

Mr. Williams explained that at the current staffing levels, it is not uncommon for a dispatcher to work five, 12-hour shifts and two additional partial shifts in one week. He stated that the goal is to provide some relief and time off to Dispatch employees by attracting new applicants and increasing the staffing.

Dispatch Manager Stephanie Johnson stated that the staffing situation is actually worse than what Mr. Williams stated. She shared that there are three individuals currently in training and that there are four new employees starting on September 2. Ms. Johnson explained that the

contract would help her department because it would raise the pay rate to be more competitive with other dispatch centers.

The Council continued the staff report with the Chief of Staff and Chief Financial Officer. They had a lengthy discussion about the budget forecast and the proposed changes to the PSEA contract.

Ms. Staley asked about the history of the PSEA contract, prior to her being on the City Council.

Ms. Randle and Mr. Soileau provided a history of the contract.

Mr. Hilling asked if the City would charge the union rent for the use of office space at City Hall.

Mayor Eberhart replied that he does not think the City would charge rent and clarified that the union may only have office space if it is available.

Mr. Matherly asked why the issue of office space at City Hall is in the contract.

Mr. Williams explained that the union has already been using City office space whenever available, but that the contract has never addressed it.

Mr. Hilling asked Mr. Soileau if it is fair to say that the proposed contract is a \$300,000 increase over the prior year.

Mr. Soileau replied affirmatively.

Mr. Hilling asked what percentage of City employees are PSEA employees.

Ms. Randle stated that of the 188 City employees, 68 belong to PSEA.

Mr. Hilling asked how AFL-CIO and IBEW contracts compared to the proposed PSEA contract in regard to City cost in the first year.

Mr. Soileau replied that for IBEW, the increased cost to the City in the first year was \$106,000 for 43 employees. He spoke to the trends in tax revenue over the past few years and what those increases have translated to in dollar amounts.

Mr. Gatewood asked how much it would cost the City of Fairbanks for the other union contracts if the PSEA contract is ratified.

Mayor Eberhart stated that the City deals with four collective bargaining agreements (CBA's). He commented that each contract is very unique and that the Council should not try to use a cookie-cutter approach in negotiations. He clarified that there is nothing in the proposed PSEA contract that was not within the authority granted to the negotiating team by the Council.

Mr. Gatewood asked Mayor Eberhart if he believes that whatever is done with the PSEA contract will have no effect on the other labor contracts.

Mayor Eberhart replied that there is no “me too” clause and that nothing will automatically happen with the other contracts. He stated that when looking at labor agreements, the Council needs to look at the cost for all three years, not just the first year.

Mr. Walley asked Finance staff to speak to the percentage of increased revenue from the Permanent Fund over the next couple of years.

Mr. Soileau replied that the forecast assumed a 6% growth for the Permanent Fund.

Mr. Walley spoke to the large cost to the City if either party were to opt out of the agreement after a year.

Mr. Matherly acknowledged that ratifying the contract would be somewhat of a leap of faith. He recognized the major problems in the Dispatch Center and asked Ms. Johnson to speak to the ways the contract will help her retain good employees.

Ms. Johnson stated that the pay increase will make wages more competitive and fair. She expressed concern with what would happen if either party opted out. She added that the new contract will also allow more flexibility with the dispatchers’ schedules.

Mr. Gatewood stated that a “leap of faith” is a good way to characterize the contract. He acknowledged that the contract would be a good opportunity to address the problems in the Dispatch Center, but indicated that outside of that issue, he is struggling with the agreement. He expressed concern that the City would be the one taking the hit if either party chose to opt out. **Mr. Gatewood** expressed concern that the reduced work week concept came from a police chief that is no longer with the City. He related that he was torn on whether to support the contract but admitted that the major items were all discussed by the Council and bargained within the parameters given to the negotiating team. He stated that there are certain elements he wants to support but indicated that he is struggling to support the ordinance.

Mr. Walley indicated that he is also struggling with the ratification of Ordinance No. 5953. He stated that the main sticking point for him is that PSEA will have the ability to opt out without penalty, therefore not assuming any risk. He commented that he is also struggling with the contract because of the Council’s duty to remain consistent among all labor agreements.

Mr. Walley stated that negotiating each year is difficult, but that it is a matter of commitment.

Ms. Staley stated that the proposed contract is fascinating. She indicated that in the long-term, the contract would cost a lot less money than what was forecasted. She stated that her only hesitation to ratifying the contract is with the proposed increase to vacation time.

Mr. Hilling stated that he is concerned with the reduction in the police labor force when the department appears to already be short-staffed. He commented that he is astounded by the proposed wage increase to make up for the loss in hours. He spoke to the loss in work efficiency and increase in errors when employees work more than eight hours in a shift. **Mr. Hilling** stated that if an individual has four days off per week, they may tend to become complacent and develop a loss in dedication to their job. He stated that the reduced work week may also make

shifts more inflexible, resulting in an increase to overtime. **Mr. Hilling** spoke to the need to try to remain financially consistent among all labor contracts. He expressed his opinion that it should not be the burden of City taxpayers to subsidize the increasing healthcare costs of City employees, especially when the taxpayers themselves are experiencing increases to their own healthcare costs. **Mr. Hilling** stated his belief that the City should find a way to satisfy the citizens of Fairbanks without being unfair to employees. He stated that he does not see attrition as a huge issue at FPD and that he believes Fairbanks is attracting enough qualified applicants for the police force. He spoke against putting language in the contract obligating the City to provide PSEA with office space in City Hall whenever space is available. **Mr. Hilling** indicated that he will likely vote against the adoption of Ordinance No. 5953.

Mr. Matherly stated that he does not look at the reduction in the hourly work week as a reduction in the police force.

Lieutenant Jewkes interrupted the meeting to give Mayor Eberhart an urgent message.

Mayor Eberhart announced that FPD had just received multiple calls threatening to shoot everyone. He stated that officers present will close the blinds and stand guard for the remainder of the meeting. He asked the Council if they wished to continue the meeting.

Council Members did not object to continuing the meeting.

Mr. Matherly continued to express his thoughts on the proposed contract. He stated that the Council has received a lot of bad press recently in regard to collective bargaining.

Mr. Anderson stated that it is no secret that he will vote in favor of ratifying the contract. He stated that if the City does not support its employees, it will drive a wedge between the City and its employees. He spoke to the benefits of approving the contract and stressed the importance of supporting City employees by granting that approval.

Mayor Eberhart stated that many hours and days went into the negotiating process. He commented that it is absurd to get hung up on the minor details such as providing the union with office space at City Hall. He stated that the City has a good faith obligation to approve the contract and that the fiscal note shows clear savings in wages and shift differential. **Mayor Eberhart** reminded the Council that the City is on the low end of the scale on health care contributions for employees and that he fears the legislature will someday prohibit the City from non-funding if the funds are available. He shared that the City Council was slammed hard at the AFL-CIO convention. **Mayor Eberhart** pointed out that the extra leave in the proposal will only apply to about one-third of the police employees. He indicated that the added leave and the reduced work week will greatly improve employee retention. He stated that former Chief Zager's view was that the 10% increase in wages would be more than made up by the increased use of PSA's and the expanded CSP and that funding for the CSP looks promising for the life of the proposed PSEA contract. **Mayor Eberhart** clarified that a three-day, 12-hour weekly schedule is not guaranteed for FPD and that it will be left up to the administration to decide.

Mr. Gatewood addressed section 7.4(c) of the contract, pointing out that the language specifies that the City shall provide *private* office space, if available. He spoke to his own experiences as

a union member. He stated that the City not only has an obligation to its employees, but to all the citizens it serves. **Mr. Gatewood** expressed his faith that it would all work out whether the contract passes or fails and reminded everyone that if it does fail, it should not be construed as a slight against the police department. He stated that he wants to do the right thing, but that he does not believe the Council owes it to the police department to approve the contract. **Mr. Gatewood** indicated that he is undecided on how he will vote. He stated that the Council must look beyond just one union and beyond City employees and look to the bigger picture, Fairbanks residents.

Mr. Anderson clarified that by providing the best for City employees, the Council would be providing the best service to City residents.

Mr. Hilling agreed that he would like to provide residents with the best possible City employees, but that there has to be a balance in cost. He stated that he wants to have the best possible police force within the constraints of what the City can afford and that he, as a Council Member, serves to represent City residents. He stated that the union is there to represent the employees. **Mr. Hilling** stated that in his opinion, the earlier comments about non-funding were not relevant to the discussion.

Mr. Walley stated that there was a reason why the Council did not have faith in a similar proposal in the past. He spoke to each Council Member's role as a steward of the City. He acknowledged that there are some real problems in the police and dispatch departments that need attention and stated that the contract is a tough issue.

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

YEAS: Matherly, Staley, Anderson, Eberhart

NAYS: Hilling, Walley, Gatewood

Mayor Eberhart declared the MOTION CARRIED and Ordinance No. 5953 ADOPTED.

Mayor Eberhart called for a five minute recess.

NEW BUSINESS

- a) Ordinance No. 5954 – An Ordinance Authorizing the Lease of City-Owned Real Property to Yukon Quest International, Ltd. Introduced by Council Member Matherly.

Mr. Matherly, seconded by **Mr. Walley**, moved to ADVANCE Ordinance No. 5954.

Mr. Matherly pointed out a few grammatical and technical errors in the lease agreement. He spoke in support of the ordinance and summarized the terms of the lease. He stated that Marti from the Yukon Quest indicated that she would like to see a little more clarification on Item 9 in the lease agreement.

City Development Manager Pat Smith clarified that the language in Item 9 is standard for all City leases. He stated that it is possible in a long-term lease for the Lessee to be responsible for property taxes.

Mr. Matherly addressed Item 15(b)(i) asking what type of liability coverage for fire insurance the Lessee is required to carry since the City will carry fire insurance.

Mr. Smith stated that the language assumes negligence. He deferred back to Mr. Matherly because of his expertise and background in insurance.

Mr. Matherly explained that typically, a tenant should carry a renter's and medical hazard insurance and liability coverage in case of personal injury due to negligence. He stated that the owner is normally responsible for any damages that are related to the property or structure.

Mayor Eberhart stated that he has spotted a few other typos in the contract that he will forward for correction. He asked Mr. Smith if there was supposed to be an amount stated on the Liability Insurance Clause.

Mr. Smith replied that he would like to receive some input on the liability insurance dollar amount. He stated that he would prefer it to be \$1 million.

Mr. Matherly commented that \$1 million is a standard amount.

Mr. Hilling asked if the lease is standard for the most part or if it is exceptional in any way because it is more of a commercial property.

Mr. Matherly confirmed that it is a commercial property and that the lease was written as such.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 5954 AS FOLLOWS:

YEAS: Walley, Matherly, Gatewood, Anderson, Hilling, Staley

NAYS: None

Mayor Eberhart declared the MOTION CARRIED and Ordinance No. 5954 ADVANCED.

b) Ordinance No. 5955 – An Ordinance Amending the 2014 Operating and Capital Budgets for the Fifth Time. Introduced by Mayor Eberhart.

Mr. Anderson, seconded by **Mr. Hilling**, moved to ADVANCE Ordinance No. 5955.

Mr. Hilling asked if the changes in the expenditures for Police and Dispatch are directly related to the PSEA labor contract.

Mr. Soileau explained that the proposed changes to the expenditures were mostly related to the PSEA contract. He confirmed that two of the proposed changes were for increases to two Engineering positions.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 5955 AS FOLLOWS:

YEAS: Staley, Matherly, Gatewood, Anderson
NAYS: Hilling, Walley
Mayor Eberhart declared the MOTION CARRIED and Ordinance No. 5955 ADVANCED.

- c) Ordinance No. 5956 – An Ordinance Amending Fairbanks General Code Chapter 34, Article V, Tobacco Smoke, to Make Offenses Amenable to Resolution without Court Appearance. Introduced by Mayor Eberhart.

Mr. Anderson, seconded by **Mr. Hilling**, moved to ADVANCE Ordinance No. 5956.

Mr. Hilling asked about the purpose of subsection (c) in Ordinance No. 5956, Section 34-122. He stated that the language seems to defeat the intent of the law.

City Attorney Ewers replied that the language in Section 34-122(c) is already in the code. He stated that the purpose of the ordinance is to make the smoking in public places violation a non-mandatory court appearance.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 5956 AS FOLLOWS:

YEAS: Hilling, Anderson, Walley, Staley, Matherly, Gatewood
NAYS: None
Mayor Eberhart declared the MOTION CARRIED and Ordinance No. 5956 ADVANCED.

DISCUSSION ITEMS

Committee Reports

Golden Heart Parking Services (GHPS) Board – **Ms. Staley** reported that the Board of Directors is still shy one board member. She asked if it would be possible for the City to advertise the vacancy.

Mayor Eberhart stated that all City Board and Commission vacancies are advertised on the City's website and in the newspaper. He clarified that since (GHPS) is a separate entity, he is unsure whether the City may advertise on their behalf.

City Attorney Ewers advised that it would not be appropriate to advertise the position in the newspaper. He stated that it would be okay for the City to post the vacancy to social media as information only.

Ms. Staley stated that the GHPS Board recently discussed ideas for the top level of the parking garage since much of the space is not being used. She stated that some of the ideas were to hold a concert or a roller derby during the summer months. **Ms. Staley** stated that she recently spoke with Mr. Marc Marlow, owner of the Polaris Building. She explained that he is working to gather monetary allocation that would produce equity to the project. **Ms. Staley** announced that the Greater Fairbanks Chamber of Commerce will be making a presentation at the Carlson Center on August 26 at noon on unmanned aerial vehicles. She shared that the Borough will be holding a public meeting the same afternoon at 2:30 p.m. on the same topic.

FMATS Policy Committee – **Mr. Walley** stated that he was unable to attend the last meeting due to a new addition to his family. He stated that he will have report at the next meeting.

COMMUNICATIONS TO COUNCIL

- a) Clay Street Cemetery Commission Meeting Minutes of July 2, 2014

ACCEPTED on the CONSENT AGENDA.

- b) Chena Riverfront Commission Meeting Minutes of July 9, 2014

ACCEPTED on the CONSENT AGENDA.

COUNCIL MEMBERS' COMMENTS

Ms. Staley commented that the vote on the PSEA contract was one of the hardest votes she has experienced as a Council Member. She expressed hope that it would all work out.

Mr. Walley asked to be excused for the Regular Meeting of October 6, 2014.

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

Mr. Walley stated that it was a difficult meeting. He stated that the Council must now move on and make the best of the situation. He commended the Dispatch and Police Departments for their quality of work and commented that he tends to vote on the fiscally conservative side. He stated that he believes the ratification of the PSEA contract is a game changer for labor negotiations.

Mr. Gatewood agreed that the vote on Ordinance No. 5953 was difficult. He stated that he has already moved on because his motto is: "No permanent friends, no permanent enemies, just permanent issues." He stated that this City Council has always been independent and that one cannot count on a Council Member to vote any particular way. **Mr. Gatewood** stated that as a Council, the group needs to do a better job in raising issues and concerns during Executive Sessions so that the negotiating team has better guidance and direction. He spoke briefly to the pressure from constituents and others and encouraged the Council to always vote their conscience on the issues that are before them. **Mr. Gatewood** spoke to the recent retirement of C. B. Bettisworth and commented on what a tremendous asset his business has been to the Fairbanks community. He stated that he and Mr. Walley recently went on a tour with lobbyist

Yuri Morgan and Fairbanks Natural Gas (FNG) President Dan Britton to look at all the new natural gas pipe being placed in various Fairbanks neighborhoods. **Mr. Gatewood** wished students the best with the start of the new school year.

Mr. Anderson spoke to the wide range of things to think about and discuss from the Chena Riverfront Commission (CRFC) presentation during the Work Session.

Mr. Hilling commented that the CRFC presentation was very informative. He agreed with Mr. Walley that the PSEA contract is a game changer for the City of Fairbanks in regard to labor negotiations, although he would not be serving on the Council after October. **Mr. Hilling** spoke to the quality of City employees, stating his belief that they all do a wonderful job.

Mr. Matherly thanked Lieutenant Jewkes and other police officers present for springing into action immediately following the shooting threat. He also thanked Mayor Eberhart for speaking to the Fairbanks Daily News Miner editorial during his comments. He expressed his opinion that the City did properly advertise the Executive Session topics. **Mr. Matherly** commended staff members Jim Williams, Jim Soileau and Carmen Randle for their hard work and for being available when he calls. He stated that in his vote on the PSEA contract, he considered the fact that he does not want to see City staff constantly tied up with labor negotiations, perhaps making them unable to focus on regular duties. **Mr. Matherly** stated that he recently attended a “say no on two” meeting for the upcoming state election. He encouraged everyone to educate themselves on the issues and vote in the election. He thanked Ms. Snider for filling in for City Clerk Hovenden. **Mr. Matherly** congratulated Mr. Walley and his wife on the new addition to their family. He commented that he enjoys listening to the Council’s discussion on important and sometimes controversial issues and stated that he especially appreciates hearing Mr. Gatewood’s perspective. **Mr. Matherly** commended the City administration for putting on the ceremony that rededicated City Hall to Patrick B. Cole.

CITY ATTORNEY’S REPORT

City Attorney Ewers, in reference to Mr. Hilling’s earlier question about property tax exemptions for senior citizens and veterans, stated that the law is in AS 29.45.030(g). He read aloud the subsection.

Mr. Matherly, seconded by **Mr. Anderson**, moved to go into Executive Session for the purpose of discussing Fairbanks Firefighters Union (FFU) Labor Negotiations.

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

EXECUTIVE SESSION

a) Labor Contract Negotiations – Fairbanks Firefighters Union

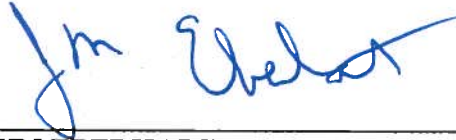
The City Council met in Executive Session to discuss the FFU labor contract. Direction was given to staff and no action was taken.

ADJOURNMENT

Mr. Anderson moved to ADJOURN the meeting.

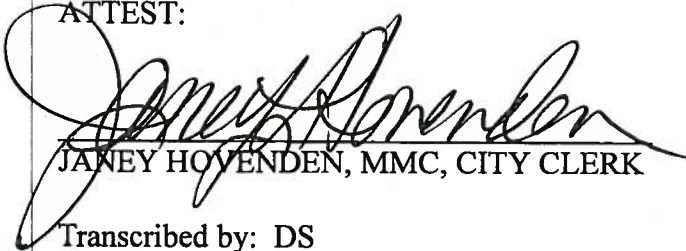
Mayor Eberhart called for objection and, hearing none, so ORDERED.

Mayor Eberhart declared the Meeting adjourned at 12:05 A.M.



JOHN EBERHART, MAYOR

ATTEST:



JANEY HOVENDEN, MMC, CITY CLERK

Transcribed by: DS