



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, JUNE 09, 2014
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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

Council Members Present: 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
 Janey Hovenden, City Clerk
 Jim Williams, Chief of Staff
 Stephanie Johnson, Dispatch Center Manager
 Michael J. Schmetzer, City Engineer
 Barbara Sunday, Director HR/Risk Management/Purchasing
 Pat Smith, Development Manager
 Jim N. Soileau, Chief Financial Officer
 Laren Zager, Police Chief
 Keith Anderson, Interim IT Director

INVOCATION

The Invocation was given by City Clerk Janey Hovenden.

FLAG SALUTATION

Mayor Eberhart led the Flag Salutation.

CITIZEN'S COMMENTS

David van den Berg, 332 Slater Drive, Fairbanks – Mr. van den Berg stated that he is the Executive Director of the Downtown Association (DTA) of Fairbanks. He provided the Council with an update on the Community Service Patrol (CSP) expansion, the Downtown Market and the storm drains artwork project on Cushman Street. He invited everyone to check out the market in Golden Heart Plaza every Monday from 4 – 8 P.M. throughout the summer. He commended the City's Environmental Manager Jackson Fox for heading up the storm drains artwork project. Mr. van den Berg provided CSP statistics for last two months since its

expansion City-wide and stated that in May of 2014 there was a 64% increase in transports compared to May of 2013.

Mr. Hilling asked if the 64% increase should be attributed to the service area expansion of the CSP.

Mr. van den Berg replied affirmatively.

Mayor Eberhart requested that Mr. van den Berg send him the CSP statistic information in writing.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger spoke to the huge pothole on 7th Avenue between Cushman and Noble Streets and asked the Council to comment on the problem. He spoke to the poor condition of the streets within the City of Fairbanks. He stated that some of the repairs that have been done are a joke at best. He commented that it is time the Council looked at the quality of service Fairbanks taxpayers are getting for their money. Mr. Buberger stated that he has also heard tourists ask where the crosswalks are on some of the intersections. He stated that he recently observed three police vehicles on the Wendell Street Bridge dealing with what he assumed to be one intoxicated individual and questioned the need for three patrol officers at one incident.

Mr. Hilling referenced Mr. Buberger's comments regarding the lack of signage on speed humps in Shannon Park and Hamilton Acres at the last meeting. He stated that he did not notice any missing signage when he drove through the subdivisions and asked Mr. Buberger to clarify the locations where proper signage is missing.

Mr. Buberger replied that there are signs right at the crest of the speed humps. He mentioned the humps in front of Nordale Elementary School specifically.

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney stated that it is Hemp History Week and referenced the pocket guide to hemp food that he distributed to Council Members. He stated that the U.S. market for hemp products is currently over \$500 million in annual sales. He stated that SB 359 and HB 315 are signs of the growing support to legalize industrial hemp as a U.S. crop. Mr. Turney stated that a non-partisan congressional research service issued a positive report on industrial hemp in December. He stated that the Co-op Market Grocery and Deli now carries many hemp products. Mr. Turney shared that Memorial Day at the Clay Street Cemetery was well-attended with many veterans of war and friends and families. He acknowledged that Mayor Eberhart is the first City Mayor to make a presentation at the Cemetery and thanked him for doing so. He spoke to the dandelion problem at the Cemetery and mentioned the many uses for the flower. Mr. Turney spoke to the need for public restrooms in downtown Fairbanks and stated that he witnessed two inebriates using the newly-painted storm drains as a toilet. Mr. Turney related a message to Mayor Eberhart from a man he recently spoke with who was pulled over by a Fairbanks Police Officer. He stated that the man was experiencing low blood sugar and was trying to get to the store. He commented that the officer did not cite the man for a violation but detained him for 45 minutes. Mr. Turney stated that he encouraged the man to contact Mayor Eberhart.

Diane Fleeks, 202 10th Avenue, Fairbanks – Ms. Fleeks read aloud a letter from Bob Eley, President of the Fairbanks Community Museum (FCM), opposing the sale of Old City Hall. The letter questioned whether an engineer’s report on the building had been done and suggested that the City may carry liability if all the problems with the structure were not disclosed prior to the sale. In the letter, Mr. Eley also questioned if the buyer would have sufficient finances to successfully convert the old structure into a craft distillery and if the distillery business would benefit in the revitalization of downtown Fairbanks. Mr. Eley expressed doubt that a distillery would be the best use of Historic City Hall and stated that the museum has had a difficult time finding an alternate location that is both affordable and large enough for its exhibits. The letter provided statistics on the museum’s visitor traffic and spoke to the Mr. Eley’s disappointment that he was left out of the discussions regarding the potential sale.

Mr. Matherly stated that he received the letter from Mr. Eley. He asked Ms. Fleeks if Mr. Eley or any of the museum staff has sat down with the potential new owner, Patrick Levy, to discuss his plans for the structure.

Ms. Fleeks stated that she sits on the Board for the museum and that they have not met with Mr. Levy.

Mr. Anderson asked Ms. Fleeks if there is a possibility of asbestos being present in the building.

Ms. Fleeks stated that it is her understanding that there may be asbestos in the building. She stated that she has worked in the building for over 10 years and indicated that they have dealt with asbestos in the past.

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

APPROVAL OF AGENDA AND CONSENT AGENDA

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

Mr. Gatewood pulled Resolution No. 4633 and the Appointments to the Fairbanks Diversity Council from the Consent Agenda.

Mr. Hilling pulled Ordinance No. 5947 from the Consent Agenda.

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

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

APPROVAL OF PREVIOUS MINUTES

a) Regular Meeting Minutes of March 24, 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 Liquor License Application for Transfer of Ownership and Name Change.

Type: Beverage Dispensary, License #4530

From: Barracuda's Beach Bar / Xavier's, Inc.
1288 Sadler Way, Fairbanks

To: Regency Fairbanks Hotel / Pacific Rim Associates, Inc.
Same Location

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

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

Mr. Gatewood stated that he sees no departmental protests in the agenda packet for the transfer. He stated that when the license was up for renewal the last time, he recalls a recommendation to protest from the Fire Department until a physical inspection of the premises passed all necessary requirements. He stated that since there is no protest from the Fire Department this time, he will assume that the premises passed inspection.

Fire Chief Cummings stated that he would have to check the file to see when the last inspection was. He indicated that the location will be inspected prior to opening for business.

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

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

NAYS: None

Mayor Eberhart declared the MOTION CARRIED.

MAYOR'S COMMENTS AND REPORT

Mayor Eberhart introduced the City's new HR Director, Barbara Sunday. He provided the Council with information about Ms. Sunday's professional background. He stated that nominations for the Fairbanks Diversity Council (FDC) are up for approval later in the meeting. He informed the Council that the City has sent the remainder of the applications to the Fairbanks North Star Borough (FNSB) for consideration in their three appointments to the FDC. He stated that he hopes to hold the first meeting of the FDC in June or July. **Mayor Eberhart** provided a report to the Council on his recent visit to the Mayor's Institute on City Design in Louisville,

Kentucky. He stated that the list of potential projects was narrowed down to the core downtown area of Fairbanks. He explained that he made a 15-minute presentation to a resource team made up of architects, designers, property developers and mayors who volunteer their time to the Institute. He stated that he expects to receive the report within the next few weeks. **Mayor Eberhart** spoke to the many activities and meetings that he and others in his office have been involved in since the last meeting. He stated that the next PSEA Labor Negotiations meeting is scheduled for June 11 at 9 A.M. in the Council Chambers. **Mayor Eberhart** shared that Chief of Staff Jim Williams held the first-ever strategic planning session with Council Members and Department Heads to discuss the vision and objectives for the City of Fairbanks over the next few years. **Mayor Eberhart** recognized Assistant Fire Chief Ernie Misewicz for having received a Certificate of Appreciation for his outstanding support to the U.S. Northcom's Vigilant Guard Program during the planning and execution of the Vigilant Guard Alaska exercise. **Mayor Eberhart** announced that property values went up 3.11% from 2013 according to the latest valuation from the Borough. He stated that as a result, the City will recognize additional revenue of approximately \$140,000. He shared that the City also received the final payoff on the note for the Weeks Field property of \$192,000.

UNFINISHED BUSINESS

a) Ordinance No. 5947 – An Ordinance Ratifying a Labor Agreement Between the City of Fairbanks and the International Brotherhood of Electrical Workers Local 1547. Introduced by Mayor Eberhart. SECOND READING AND PUBLIC HEARING.

Mr. Anderson, seconded by **Mr. Gatewood**, moved to ADOPT Ordinance No. 5947.

Mayor Eberhart called for Public Testimony.

Jeff Whipple, 441 Keeling Road, North Pole – Mr. Whipple spoke in support of Ordinance No. 5947 stating that the City is in good financial condition, partly due to the leadership and wise management of the City Council and partly due to the dedication of City employees. He stated that he works in the Engineering Department and is involved with right-of-way acquisition and construction management. Mr. Whipple stated that he has a good relationship with property and business owners throughout the community and listed the many recent and current projects the City's Engineering Department is involved in. He expressed his concern with the rising costs of healthcare, food and energy. He commented that it would be a wise decision to take care of the employees that make the City operate.

Lake Williams, 945 Senate Loop, Fairbanks – Mr. Williams stated that he is the President of the AFL/CIO Crafts Council. He spoke in favor of Ordinance No. 5947 and stated that he has heard the Council's concern with keeping the increase to IBEW employees the same as that of the AFL/CIO. He stated that the AFL/CIO bargaining unit supports the IBEW contract and will not begrudge another group for getting more. He added, however, that the AFL/CIO will use it as a tool in the next round of labor negotiations. Mr. Williams stated that AFL/CIO employees are fortunate to have fairly stable healthcare costs. He spoke to the instability of healthcare and expressed empathy for IBEW employees who are seeing significant increases to their health premiums.

Mr. Hilling asked Mr. Williams to clarify his statement that he will not begrudge another group for getting a larger increase.

Mr. Williams spoke to the individuality of each bargaining unit the City deals with, stating that it presents a problem when the Council tries to treat them all the same. He indicated that he does not want the IBEW bargaining unit to settle for less than what they believe they should receive. He stated that when he bargained on behalf of the AFL/CIO, he felt that his group got the best deal that they could get from the City at that time. Mr. Williams stated that he trusted the numbers that were presented to him during negotiations and acknowledged that things change. He stated that he will not testify against the IBEW bargaining unit receiving a 2.5% increase.

Sam Carlson, 2029 Red Berry Road, Fairbanks – Mr. Carlson thanked the Mayor and Council for their service to the Fairbanks community and for allowing him the opportunity to speak. He requested the Council's support of Ordinance No. 5947.

Shannon Kumpula, PO Box 82277, Fairbanks – Ms. Kumpula thanked the Council for taking the time to hear and consider Public Testimony. She stated that she is an Accounting Specialist in the City's Finance Department and helps manage the City's payroll. She stated that while consistency among bargaining units is a great goal, the reality is that the four union contracts held with the City are growing further apart each year. Ms. Kumpula stated that the contracts vary in nearly every area: workers' compensation, acting pay, compensation for working out-of-class, temporary hiring to cover employee leave, and the out-of-pocket healthcare cost to employees. She pled with the Council to adopt Ordinance No. 5947.

Mr. Gatewood asked Ms. Kumpula if she believes that the 2014 increase given to the AFL/CIO is the same as the proposed 2.5% increase to the IBEW.

Ms. Kumpula replied that while she understands that the increases may be applied differently and that the 1% to IBEW will be carried forward in future years, the increase amount for both bargaining units for 2014 is still 2.5%.

Dominic Lozano, 2980 North Point Court, Fairbanks – Mr. Lozano stated that he is the President of the Fairbanks Firefighters Union (FFU). He spoke in support of the IBEW contract and pointed out that the four unions that bargain with the City do not bargain against each other. He stated that each unit has its own priorities and cannot be treated the same by the City. He stated that each has its own unique holidays, leave system, workers' compensation, health care and retirement system. Mr. Lozano stated that the City's negotiating team works very hard under the directives of the City Council to come up with an agreement that is fair to both sides. He stated that it is not the job of the City Council to renegotiate the contract or pick and choose which parts they like; rather it is the Council's job to fund the negotiated contract. Mr. Lozano commented on the large amount of money that was transferred out of the City's General Fund at the last meeting and stated that the City can afford to fund the IBEW contract. He stated that he and the FFU supports the proposed contract.

Denise Kendrick, 892 Runamuck Avenue, North Pole – Ms. Kendrick stated that she is a City of Fairbanks employee and an IBEW member. She asked every IBEW member in the audience to stand. Ms. Kendrick spoke to the hard work and dedication of City employees. She stated that

FNSB School District employees received a 1.4% increase to wages but pointed out that 85% of their health care is covered by the employer. She stated that by having a percentage of the costs covered by the employer, the employee and the employer share in annual increases to health care. She stated that a 1.4% increase would be a fair increase if the City shared more in employee health care costs. Ms. Kendrick indicated that the Council cannot compare the IBEW bargaining unit to other groups until they have considered all the finite details. She spoke to the remarkable improvements within the Finance Department since she began working for the City of Fairbanks 15 years ago and again spoke to the dedication and hard work of City staff.

Janice Wagner, 557 Long Spur Loop, Fairbanks – Ms. Wagner stated that while she has received wage increases over the years, she does not believe that those increases have kept up with the rate of inflation. She stated that her standard of living is not the same as it was 10 years ago and that she views the increase to health care each year as a cut in pay. Ms. Wagner stated that other City employees she has talked to have been amazed at how much IBEW employees pay in health care. She urged the Council to give strong consideration to adopting Ordinance No. 5947 and thanked the Council for their service to the community.

Mr. Hilling asked Ms. Wagner to speak to how her increasing health care costs are different than that of most City taxpayers.

Ms. Wagner acknowledged that everyone's health care costs are increasing. She clarified her point that the City's share vs. the IBEW employees' share is disproportionate to that of other agencies.

John Ferree, 939 Smallwood Trail, Fairbanks – Mr. Ferree stated that he is the Assistant Business Manager for the IBEW Local 1547 and has been involved in negotiations with the City for this contract since December of 2013. He stated that both his bargaining team and the City's bargaining team have worked hard to arrive at the proposed agreement. He expressed appreciation to the IBEW members who testified and informed the Council that IBEW employees pay more than \$800 per month in health premiums out of their own pockets. He stated that on April 1 an increase of 5% to the IBEW health costs was implemented. Mr. Ferree stated that the City's IBEW employees are paying the highest percentage of health care costs of any bargaining unit he deals with, including those in the private sector. He stated that the employees need some help and indicated that the proposed agreement does not necessarily provide all the relief that they need. He stated that his bargaining team feels that they have bargained hard with the City but have not reached equity for the members' standard of living. He clarified that he believes bargaining was done in good faith and that the IBEW bargaining unit will stand by the proposed agreement. Mr. Ferree expressed appreciation for the role of the City Council and commended them for dealing responsibly with the City of Fairbanks taxpayers' dollars. He spoke in favor of the adoption of Ordinance No. 5947.

Mr. Matherly asked Mr. Ferree what he believes is a good percentage for an employer to contribute towards employee health care, based on his experience.

Mr. Ferree stated that being a Trustee on the IBEW's health plan, he is aware of the dilemma with health care. In response to Mr. Matherly's question, he stated that it is logical that an employer wants to see its employees contribute towards their own health care. He stated that the

highest employee-paid contribution he has seen outside of this contract is about \$250 per month for the exact same health plan. Mr. Ferree stated that in many of the agreements he deals with, the employee pays \$120 - \$140 per month out of their own pocket and added that some are completely covered by the employer.

Mr. Gatewood asked Mr. Ferree to speak to the increase to IBEW health care rates versus the proposed 2.5% increase.

Mr. Ferree stated that under the current agreement, increases are calculated against wages, pension and health care as a package. He stated that the 2.5% proposed increase would only cover about 1/2 of the 5% increase to the IBEW employees' health care costs.

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

Mayor Eberhart pointed out that in the second whereas of the ordinance, the number should read 5948 instead of 5848. He asked if any Council Members objected to correcting the typo.

No Members objected.

Mr. Walley thanked all those who testified on Ordinance No. 5947 and sympathized with employees on the health care issue. He spoke to the Council's discussion surrounding the AFL/CIO labor contract last October and stated that he is in support of granting IBEW employees a 2.5% increase if it mirrors the increase granted to the AFL/CIO. **Mr. Walley** spoke to the need to be fair to not only City employees, but also to Fairbanks taxpayers. He stated that he is not inclined to support Ordinance No. 5947.

Mr. Hilling asked if Ordinance No. 5947 or its attachment had changed since the last Regular Meeting.

Mayor Eberhart replied that nothing had changed since the last meeting.

Mr. Hilling stated that he is having difficulty grasping any inconsistency between the AFL/CIO increase and the proposed IBEW increase. He spoke to the only minor difference being that the IBEW is proposing a one-year, 2.5% increase while the AFL/CIO agreed to a one-year, 1.5% increase with an equivalent one-time payout equivalent to 1%. **Mr. Hilling** stated that if the IBEW contract is up for negotiation again later in the year, he does not understand the presumption that the City would be locked into the full increase in perpetuity.

Mr. Walley clarified that the percentage wage increase granted in the current year will become part of the employees' wage and will continue on in years to come.

Ms. Staley commented that she believes the individuality of each bargaining unit is what drove the Council to negotiate a one-year contract.

Mayor Eberhart stated that there have been cases in other municipalities where employees have had to take wage cuts because of an economic downturn. He reminded the Council that all parts

of the contract would be reopened to negotiation in October and that there is no guarantee that union employees will receive a wage increase each year.

Mr. Anderson expressed his support for Ordinance No. 5947 stating that the City and the IBEW reached the agreement through good faith bargaining. He spoke to the issue of trust between employees and the Council.

Mr. Hilling stated that he can see how the Council has been inconsistent in a certain sense, but expressed his belief that a change in the consensus of the Council does not equate to a breach in good faith bargaining. He spoke to his own struggles with the health care issue and sympathized with union members. **Mr. Hilling** stated that the consistency issue is of utmost importance to him and expressed his intent to vote against Ordinance No. 5947.

Mr. Matherly stated that these types of issues are never easy to deal with. Speaking to IBEW employees, he stated that the Council's decision on the contract should in no way speak for how they believe City employees perform. **Mr. Matherly** stated that Council Members must consider both the taxpayers and City employees while attempting to be as fair as possible. He stated that he is torn on the issue.

Mr. Gatewood stated that he believes the Council gave the City's negotiating team the go-ahead for the 2.5% for the IBEW agreement. He acknowledged the difference between the AFL/CIO increase and the proposed IBEW increase for 2014. **Mr. Gatewood** stated that it is virtually impossible to treat every union the same and expressed his belief that the City has accomplished fairness to the best of its ability. He stated that he will vote in support of Ordinance No. 5947 because he believes the 2.5% increase is fair for the IBEW employees.

Mr. Matherly emphasized the importance of morale in the workplace and stated that a lack of it can cause severe damage to a business or organization. He stated that while it is the prerogative of City employees to request an increase to offset the rising cost of living, it is also their responsibility review their own personal budgets and identify areas where they may save money. **Mr. Matherly** stated that he respects the testimony of the IBEW members and commented that the Council does not take the issue lightly.

Mr. Walley expressed his respect for City employees and acknowledged their hard work. He stated that he does not see a problem with rejecting the proposed contract and going back to the negotiating table with IBEW to propose the same increase that the AFL/CIO received.

Mr. Hilling agreed that morale is a huge issue and that City employees are of top quality. He stated that with respect to increases, it is definitely possible for the City to treat all unions the same. He mirrored Mr. Walley's suggestion on how to proceed with IBEW labor negotiations.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5947 AS FOLLOWS:

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

Mayor Eberhart declared the MOTION CARRIED and Ordinance No. 5947 ADOPTED.

- b) Ordinance No. 5948 – An Ordinance Amending the 2014 Operating and Capital Budgets for the Third Time. Introduced by Mayor Eberhart. SECOND READING AND PUBLIC HEARING.

Mr. Walley, seconded by **Mr. Matherly**, moved to ADOPT Ordinance No. 5948.

Ms. Staley, seconded by **Mr. Matherly**, moved to SUBSTITUTE Ordinance No. 5948, as Amended, for Ordinance No. 5948.

Mayor Eberhart called for a brief recess.

The City Council reconvened after an eight minute recess.

Mayor Eberhart called for objection to the motion to SUBSTITUTE Ordinance No. 5948, as Amended, for Ordinance No. 5948 and, hearing none, so ORDERED.

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

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5948, AS AMENDED, AS FOLLOWS:

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

NAYS: None

Mayor Eberhart declared the MOTION CARRIED and Ordinance No. 5948, as Amended, ADOPTED.

NEW BUSINESS

- a) Resolution No. 4631 – A Resolution Awarding a Contract to Exclusive Paving, Inc. for the Lemeta Subdivision Improvements Project FB-14-23 in the Amount of \$1,893,911. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4632 – A Resolution Fixing the Rate of Tax Levy for Municipal Purposes for the 2014 Real Property Tax of the City of Fairbanks, Alaska. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 4633 – A Resolution Approving the Sale of Old City Hall for the Amount of \$180,000.00. Introduced by Mayor Eberhart.

Mr. Matherly, seconded by **Mr. Hilling**, moved to APPROVE Resolution No. 4633.

Mr. Gatewood stated that he pulled the item for discussion because of the public opposition to the sale. He stated that he believes the Council gave the City's Property Manager, Patrick Smith, the go ahead to seek buyers for the property. **Mr. Gatewood** stated that the Council indicated in the past that they would like the City to get out of the landlord business. He spoke to the historical significance of the structure and to the prospective owners' desire to purchase the property and renovate it into a distillery.

Mr. Matherly stated that there are many older buildings of significance in Fairbanks. In response to Diane Fleeks' testimony and Bob Eley's letter, he stated that he is confident that no one would purchase the property without an engineer's inspection. He stated that it will be up to the bank to determine whether the property is eligible for a loan. **Mr. Matherly** commented that he does not begrudge Mr. Levy's idea of opening a distillery and that he does not place a bar and a distillery in the same category. He stated that the Council did not place limitations on who may purchase the property based on its historical value and spoke in favor of Resolution No. 4633.

Ms. Staley stated that many years ago that section of downtown Fairbanks was a fashion center. She spoke in support of a distillery stating that it would bring a new attraction to the area.

Mr. Anderson spoke against Resolution No. 4633. He recalled things that stood out in his mind about the historical structure. He stated that he is not against the distillery business but that he enjoys the historical and cultural value of the type of property under consideration for sale. He stated that he does not believe a distillery in the downtown area would be much of a tourist attraction and that a museum is better suited for the location. **Mr. Anderson** pointed out that the Borough has not taken any action in regard to the distillery and that he is unsure whether the Governor will sign the bill concerning distillery operations in the State of Alaska. He spoke to the problems with the Old City Hall structure. He expressed his surprise that the resolution is being introduced at such an early date and suggested that a distillery may be better suited for a different location.

Mr. Matherly expressed appreciation for Mr. Anderson's comments. He stated that there are many locations downtown that celebrate the history and culture of Fairbanks and that he is hesitant to hold onto the property for too long for fear that there may not be another selling opportunity in the future.

Mayor Eberhart spoke to how the sale of Old City Hall had come about over the past couple years. He stated that the current tenants were given about a year to try to come up with a plan to purchase the building or present an offer to the City. He stated that he has not seen a solid business plan from the tenants and that the Council gave the direction to sell the property. **Mayor Eberhart** stated that Mr. Levy made has offered the appraised value of the property which is contingent upon a zoning allowance from the Borough. He shared that he recently had the opportunity of touring a bourbon distillery in Louisville, Kentucky and spoke to how professional and historically informative the experience was.

Mr. Hilling expressed his belief that Mr. Levy will do whatever he can to maximize his profits from the distillery. He stated that both Mr. Eley's and Mr. Anderson's points were very well-made but that he believes the building will always be known as Historic City Hall. He spoke to his hope that the museum could find a new location. **Mr. Hilling** stated that he believes the distillery will be a hotspot for local residents to visit, regardless if it turns out to be a tourist attraction.

Mr. Walley spoke to the need to reinvest in and revitalize downtown Fairbanks and stated that that is what Mr. Levy is trying to do. In regard to possible asbestos and other issues with the structure, he stated that he is sure all matters would be addressed in the disclosure statements prior to the sale. **Mr. Walley** stated that he is in favor of Resolution No. 4633.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4633 AS FOLLOWS:

YEAS: Staley, Matherly, Gatewood, Hilling, Walley

NAYS: Anderson

Mayor Eberhart declared the MOTION CARRIED and Resolution No. 4633 APPROVED.

- d) Ordinance No. 5949 – An Ordinance Authorizing Public Sale of Surplus City-Owned Property. Introduced by Mayor Eberhart.

Mr. Matherly, seconded by **Ms. Staley**, moved to ADVANCE Ordinance No. 5949.

Mr. Hilling stated that he would like to hear a report from Patrick Smith.

Property Manager Patrick Smith stated that most of the properties referenced in Ordinance No. 5949 were acquired through foreclosure. He provided a brief explanation of the reasons for foreclosure either by the City or the Borough. He stated that he is interested in seeing the properties back on the tax rolls and that by selling the properties, the City will recover some public funds. He stated that pursuant to City Code, the properties must first go through the sealed bid auction process, and if that is not successful, they may be sold "over the counter." He stated that the attachments to Ordinance No. 5949 show the locations of all the properties.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 5949 AS FOLLOWS:

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

NAYS: None

Mayor Eberhart declared the MOTION CARRIED.

DISCUSSION ITEMS

Committee Reports

FMATS Policy Committee – **Mr. Walley** stated that the Committee has met a couple of times since the last City Council Meeting. He provided an update regarding an amendment to the Transportation Improvement Program (TIP) for the College Road Rehabilitation Project. He reported that the Committee approved the scope of services for the preparation of the FMATS Freight Mobility Plan and increased design funding for the South Cushman Project by \$92,000. **Mr. Walley** stated that the FMATS Technical Committee was tasked with developing an initial recommendation for fund allocations for the Unified Planning Work Program (UPWP). He stated that there is a budgetary document that outlines the planning efforts of FMATS over the next two years beginning in October of 2014. **Mr. Walley** stated that the historical plaques have arrived and should be installed in the coming week. He announced the good news that FMATS MPO Coordinator, Donna Gardino, has agreed to stay in her current position.

COMMUNICATIONS TO COUNCIL

- a) Deferred Compensation Committee Update

ACCEPTED on the CONSENT AGENDA

- b) Clay Street Cemetery Commission Meeting Minutes of April 3, 2013

ACCEPTED on the CONSENT AGENDA

- c) Clay Street Cemetery Commission Meeting Minutes of September 4, 2013

ACCEPTED on the CONSENT AGENDA

- d) Clay Street Cemetery Commission Meeting Minutes of February 5, 2014

ACCEPTED on the CONSENT AGENDA

- e) Appointment to the Clay Street Cemetery Commission

APPROVED on the CONSENT AGENDA

- f) Appointments to the Fairbanks Diversity Council

Mr. Anderson, seconded by **Mr. Hilling**, moved to APPROVE the Appointments to the Fairbanks Diversity Council.

Mr. Gatewood stated that he recalled the number of appointees to the Fairbanks Diversity Council to total 15, of which 12 would be appointed and confirmed by the City of Fairbanks and 3 by the Borough. He stated that he did not recall participation from the Council as being part of the original ordinance.

Mayor Eberhart stated that the original ordinance provided that the City Mayor would nominate 12 public members and the Borough Mayor would nominate 3 public members. He stated that the ordinance also provides that three non-voting members will be made up of the

City Mayor (who shall also serve as the Chair), the City HR Director, and a City Council Member.

Mr. Gatewood stated that Mayor Eberhart's list of nominees represents a great amount of diversity and that he supports the nominations.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE THE APPOINTMENTS TO THE FAIRBANKS DIVERSITY COUNCIL AS FOLLOWS:

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

NAYS: None

Mayor Eberhart declared the MOTION CARRIED.

COUNCIL MEMBERS' COMMENTS

Mr. Anderson stated that he had no comments.

Mr. Hilling requested that City Engineer and Public Works Director Mike Schmetzer come forward to address Mr. Buberger's complaints regarding poor street conditions in Fairbanks.

Mr. Schmetzer stated that he has been with the City of Fairbanks for eight years and provided information about his education and background. He stated that he has been involved engineering and designing projects in 15 other U.S. states and in several other countries and expressed his belief that engineering in Fairbanks is especially difficult because of the extreme climate. Mr. Schmetzer spoke to the "Three W's" which are the three major complications with road construction and repair in Alaska: water, wicking and winter. He stated that his departments are doing the best that they can to build and maintain roads in the City of Fairbanks. Mr. Schmetzer commented that with an Engineering staff of six, the City has rebuilt an estimated \$50 million in roads throughout the community. He spoke to the major improvements that have taken place and to projects slated in the coming years. Mr. Schmetzer stated that on January 2, 2009, he started keeping a detailed log of every complaint/request/problem that comes into the Public Works Department. He informed the Council that the log is now on entry number 5,631. He stated that in 2013 and 2014, there were a total of 83 calls regarding potholes, of which 24% were reported by him, the Public Works Director.

Mr. Hilling asked Mr. Schmetzer to address the quality of pothole patching by his crew.

Mr. Schmetzer explained that his pothole crews are limited to when the asphalt plants open, which is very dependent on the weather. He stated that in order to patch holes properly, the holes must be dry. He expressed his belief that the quality of road repair in Fairbanks has not declined and that he actively tries to improve the pothole repair process. Mr. Schmetzer stated that he is in regular contact with the Public Works Director in Whitehorse who experiences similar challenges in maintaining roads in an extreme climate. He stated that in 2012, the City put about 320 tons of asphalt into potholes and that there were about 40 complaints that year. He stated that the numbers have been consistent and equates to 1,200 – 1,400 potholes a year.

Mr. Hilling asked Mr. Schmetzer to speak to the lack of crosswalks in Fairbanks.

Mr. Schmetzer stated that crosswalks are not required by law wherever there is a signal. He explained that the signal itself is what dictates pedestrian traffic, not the crosswalk. He stated that as streets are rebuilt, crosswalks are being added. He spoke to the materials and process that is currently being used to prolong the life of the street paint.

Mr. Hilling asked if there is any law or rule that speaks to how long an individual may be detained for a traffic stop.

City Attorney Ewers replied that the law references a "reasonable" amount of time.

Mr. Hilling stated that he will be out of town for most of July. He asked to be excused for the Regular City Council Meetings of July 7 and 21, 2014. He stated that he will attend telephonically, if possible.

Mayor Eberhart called for objection to Mr. Hilling's request to be excused on July 7 and 21, 2014, and hearing none, so ORDERED.

Mr. Hilling spoke to the revitalization of downtown Fairbanks and to the possibility that the Polaris Building could be renovated into high-rise housing. He commented that sometimes the Council must set aside sentiment and emotions when dealing with City property in order to allow for change and growth. **Mr. Hilling** asked when the issue of the Explore Fairbanks log cabin lease would come before the Council.

Mr. Ewers stated that the lease is currently on month-to-month terms through Explore Fairbanks with the Yukon Quest. He stated that there has not been another time scheduled to discuss the issue.

Mr. Matherly offered his condolences to the family of Elizabeth Schack, a recent high school graduate who was killed in a vehicle accident. He commended Mr. Schmetzer for his good work and for being very accessible and approachable. He spoke briefly to the parking issue in downtown Fairbanks and stated that he does not want to see people avoid visiting the area because of Golden Heart Parking Services (GHPS). **Mr. Matherly** stated that his son recently attended "The Color Run" and spoke to other great events in Fairbanks. He spoke to the discussion surrounding the IBEW contract and expressed appreciation for everyone's comments on the matter.

Ms. Staley stated that the GHPS Board will be meeting on June 11 and that the Public Safety Commission will meet on June 10 at the Fairbanks Police Department at 11:30 A.M. She stated that she will be out of town for the next Regular Council Meeting of June 23 and asked to be excused. She stated that she is very excited to learn more about the City's strategic planning. **Ms. Staley** commented that Marc Marlow, owner of the Polaris Building, recently contacted her. She stated that he is having some problems with financing. She stated that the financing is complex partly because Mr. Marlow is pursuing a variety of avenues to finance the revitalization of the structure.

There was no objection to Ms. Staley's request to be excused on June 23, 2014.

Mr. Walley expressed appreciation to fellow members of the Council for their discussion and debate on issues. He stated that he is looking forward to the next strategic planning meeting on June 19 at 9 A.M.

Mr. Gatewood stated that he had no comments.

Mr. Matherly, seconded by **Mr. Anderson**, moved to go into Executive Session for the purpose of discussing PSEA Labor Contract Negotiations.

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

Mayor Eberhart called for a five minute recess.

EXECUTIVE SESSION

a) Labor Contract Negotiations – PSEA

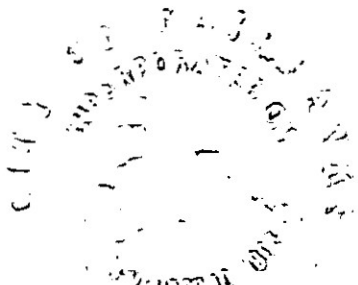
The City Council met in Executive Session to discuss PSEA Labor Contract Negotiations. Direction was given to staff and no action was taken.

ADJOURNMENT

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

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

Mayor Eberhart declared the meeting adjourned at 11:40 P.M.



John D. Walley for Mayor Eberhart

JOHN EBERHART, MAYOR

ATTEST:
Janey Hovenden

JANEY HOVENDEN, MMC, CITY CLERK
Transcribed by: DS