



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, MAY 12, 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
 Carmen Randle, Controller
 Michael J. Schmetzer, City Engineer
 Jim N. Soileau, Chief Financial Officer
 Brad Johnson, Deputy Police Chief

INVOCATION

The Invocation was given by City Clerk Janey Hovenden.

FLAG SALUTATION

Mayor Eberhart led the Flag Salutation.

CITIZEN'S COMMENTS

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney spoke to the lovely spring weather. He stated that he missed the PSEA labor negotiations meetings where they discussed polygraph examinations for police officers. He spoke to the need for voice analysis examinations and polygraph testing for police officers who are being considered for employment. He stated that FPD had a voice analysis device in the past and asked why it was eliminated. Mr. Turney asked why it is taking so long for the crime lab to determine what flammable material contributed to the death of Johnny Wallace in 2013 in the Downtown Post Office. He stated that he will be spending a lot of time at the Clay Street Cemetery over the summer and encouraged anyone who observes problems at the cemetery to contact him at 457-2333. Mr. Turney stated that he took a

ride with Victor Buberger recently and commented that there are probably twice as many potholes in Fairbanks this year than there were last year. He encouraged the City Council to study the language in the labor contract for the City of Ketchikan Police Department regarding polygraph examinations.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger thanked those that do not like to hear what he has to say because it lets him know that they are listening. He thanked the Public Works Department and its Director Mike Schmetzer for being one of the hardest working employees in the City of Fairbanks. Mr. Buberger spoke to the problems that speed bumps cause in neighborhoods and stated that the speed bumps in Hamilton Acres and Shannon Park are disgusting and need better signage. He compared street conditions in the City of Fairbanks to those of a Third World country. Mr. Buberger suggested that the Mayor and Council work with the Native organizations to build a casino in downtown Fairbanks on the river.

Mr. Hilling asked Mr. Buberger what types of problems he has observed with speed bumps in neighborhoods.

Mr. Buberger replied that they can be so abrupt as to cause damage to vehicles, even if the driver is traveling at the posted speed limit. He added that speed bumps in Hamilton Acres and Shannon Park are not well-marked to warn drivers in advance.

Stephen Anderson, 302 Cowles Street, Fairbanks – Mr. Anderson stated that he is the Plans Examiner for the City's Building Department and an International Brotherhood of Electrical Workers (IBEW) Local 1547 Shop Steward for City Hall employees. He stated that he is taking the opportunity to speak on behalf of the IBEW because of the failures of the last two proposed contracts by the Council. Mr. Anderson urged the Council to act approvingly with the newly-proposed agreement which extends the current IBEW contract for another year with a 2.5% increase for 2014 only.

Jerry Cleworth, 907 Park Drive, Fairbanks – Mr. Cleworth stated that the most important thing the City Council can do is to do a good job on labor contract negotiations. He indicated that mistakes made during negotiations can have a long-lasting effect on future Councils. He stated that in order to be successful, the Council needs to be well-versed with each contract, to be consistent across all four bargaining units, to understand the goals of the City pertaining to labor and to be steadfast in the goals for collective bargaining. Mr. Cleworth stated that the problem with the proposed contract is that it is inconsistent with the AFL/CIO collective bargaining agreement (CBA) that was ratified last October and will likely cause problems for the City in negotiations with the PSEA. He read aloud a memorandum to the Council that he and the late Pat Cole had drafted which stressed the goal of the City to be consistent with the AFL/CIO contract during IBEW negotiations. He stated that he sees nothing in the proposed IBEW contract indicating that the City was successful in its goals for those negotiations.

Mr. Hilling asked Mr. Cleworth to speak to how the percentage increase of the AFL/CIO differs from that of the proposed contract for IBEW.

Mr. Cleworth explained that the AFL/CIO agreed to a 1.5% package rate increase in with a one-time "signing bonus" that equated to about 1% (a total increase valued approximately at 2.5%).

He stated that the 1.5% increase will become part of the employee rate and will carry forward in perpetuity. He continued by stating that the IBEW's proposed agreement offers employees a 2.5% increase in 2014 with no one-time payment which means that IBEW employees will realize the full 2.5% in years to come while AFL/CIO will only gain the 1.5% in perpetuity.

Mr. Hilling asked Mr. Cleworth to speak to IBEW's argument that with the rate of inflation, members are not really gaining anything with a 2.5% increase.

Mr. Cleworth stated that the small increases granted to larger bargaining units with other government agencies prove that organizations recognize their inability to keep up with the rate of inflation. He expressed his belief that City employees have done fairly well over the last three years, having gained a total of about 7.5%. He explained that the City cannot keep up with the rate of inflation partly due to the tax cap.

Mr. Hilling asked Mr. Cleworth if he would recommend that the City offer the IBEW an equivalent one-time increase as they did with the AFL/CIO and the exempt staff.

Mr. Cleworth replied affirmatively.

Mayor Eberhart asked Mr. Cleworth if he knows what the Fairbanks North Star Borough (FNSB) contributes towards healthcare premiums for its teachers belonging to the Fairbanks Education Association (FEA).

Mr. Cleworth stated that the healthcare premium for much of the Borough staff is about \$1800 per month and that the Borough pays the majority of that cost. He indicated that high healthcare costs are one of the problems that the Borough's Budget Review Committee brought to the Assembly this year. He commented that the City cannot compete with the Borough in healthcare contributions and longevity pay to employees.

Mayor Eberhart asked Mr. Cleworth if he knows what percentage the State of Alaska pays toward healthcare for State Troopers.

Mr. Cleworth replied that he does not know but commented that the State has a lot more money than the City.

John Ferree, 939 Smallwood Trail, Fairbanks – Mr. Ferree stated that he is the Assistant Business Manager for the IBEW Local 1547. He spoke in support of the ratification of the proposed contract and stated that if the Council would like to treat all unions the same, there are unique things that should be addressed in each contract. Mr. Ferree stated that the City's IBEW employees are paying significant costs out of their pocket for healthcare premiums. He stated that the 7.5% increase over a three-year period that Mr. Cleworth cited does not keep up with the rate of inflation. He expressed his belief that a 2.5% increase is not excessive and that the current financial health of the City of Fairbanks is in part due to the efforts of the IBEW employees. He stated that the IBEW has listened to the Council's discussion over the past few months and has presented a one-year agreement that will hopefully be agreeable. Mr. Ferree stated that the IBEW did not come to the negotiating table looking for exorbitant increases or drastic changes. He urged the City Council to advance Ordinance No. 5947.

Mr. Matherly asked Mr. Ferree to speak to the differences between the AFL/CIO contract and the IBEW contract.

Mr. Ferree replied that it would be difficult to speak to the intricacies within other union contracts, especially since some bargaining units negotiate healthcare and pension separately. He stated that the differences between contracts are why they are each negotiated separately.

Mr. Matherly stated that PSEA looks at its healthcare costs annually and asked Mr. Ferree how often the IBEW reviews its plan.

Mr. Ferree stated that he serves on the Alaska Electrical and Health Welfare Board of Trustees and that he is intricately familiar with the health plan. He stated that the plan is very efficient and cost-effective and that the administrative costs for the plan are under 3% which is very respectable industry-wide. Mr. Ferree stated that premium increases have been held at about 4-5% every year while most health providers have been faced with much larger increases.

Mayor Eberhart asked Mr. Ferree if the IBEW membership agreed to the internship program and job sharing agreement the City would like to implement.

Mr. Ferree replied affirmatively.

Mayor Eberhart asked if it would be fair to say that both sides asked for concessions but agreed that those items could wait until the next year to be negotiated.

Mr. Ferree replied that Mayor Eberhart was correct.

Mr. Hilling asked Mr. Ferree how he and the IBEW membership might react if they were in the position of the AFL/CIO members while another union was granted a higher CPI increase.

Mr. Ferree stated that he deals with those issues every day because of the nature of his job. He stated that in Fairbanks alone, the IBEW has about 30 bargaining units. He stated that economic and business conditions are unique at every juncture. He commented that he keeps the emotion out of negotiations and does his best to bargain with the City in good faith. He explained that by signing a contract, each party agrees that fairness has been achieved.

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.

Mayor Eberhart stated that he has been advised by the City Attorney to clarify that Agenda Item 16(b) should be titled "Arbitration/Claim Settlement with PSEA."

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

Mayor Eberhart stated that he was just informed earlier in the day of the need to introduce Resolution No. 4630. He stated that the resolution is being hand-carried because the City's Engineering Department believes that if it is not expedited, it will delay the project by a month. He requested that the Council either agree to hold a Special Meeting to consider the resolution or unanimously vote to add it to the proposed agenda.

City Attorney Ewers explained that the Fairbanks General Code (FGC) states that the item must have unanimous consent to be added to the agenda and that another unanimous vote of the Council must take place to approve the resolution when the item comes up for consideration.

Mr. Hilling, seconded by **Mr. Matherly**, moved to ADD Hand-carried Resolution No. 4630 to the Agenda as item 10(e) of New Business.

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

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 10, 2014.

PASSED and APPROVED on the CONSENT AGENDA.

MAYOR'S COMMENTS AND REPORT

Mayor Eberhart expressed his hope that all mothers in the Fairbanks community had a good Mother's Day. He announced that PSEA Labor Negotiations would continue on May 13, 2014 from 8 A.M. to noon at City Hall and that random drug testing and polygraph examinations in administrative investigations will be discussed. **Mayor Eberhart** asked Garry Hutchison, CPA, to come forward and present the City's Annual Audit Report to the Council.

Mr. Hutchison distributed and reviewed the Auditor's Communication with Those Charged with Governance and the City's Annual Financial Report. He announced that the City received a clean opinion with no material weaknesses. He commended the City's Finance Department for their diligent work in managing the fiscal responsibilities of the City.

Mayor Eberhart, in response to Mr. Buberger's testimony, shared that Public Works Director Mike Schmetzer was going to provide an update on potholes and projects but was hurt earlier in the day and cannot make the presentation. He stated that Mr. Schmetzer will provide the update at the next Regular Meeting. **Mayor Eberhart** announced that at the last Borough Assembly Meeting, the Assembly agreed to give the City of Fairbanks \$50,000 towards the Community Service Patrol (CSP). He stated that he has written a letter to the Governor stressing the importance of emergency service patrol in Fairbanks. He spoke more about the operation of the

CSP and stated that Police Chief Zager has informed him that there will be one FPD officer on foot patrol downtown throughout the summer. He stated that he has asked FPD's Data Management Team to begin running statistics to show the impacts of the CSP. **Mayor Eberhart** summarized the activities of the Mayor's Office and the meetings he has attended since the last Regular Meeting. He stated that he, Mike Schmetzer and Environmental Manager Jackson Fox recently met with Trinity Simons, Director of the Mayor's Institute on City Design in Louisville, Kentucky, to discuss the list of project and design ideas for the City of Fairbanks. **Mayor Eberhart** spoke about the economic future of Fairbanks, mentioning the variety of new businesses that are opening and the possibility of more military personnel relocating to the area. He spoke highly of the City's first work-study student, Jada Anderson, and stated that she will be ending her temporary work with the City to join the U.S. Air Force. He stated that the City hopes to hire more students for summer work.

NEW BUSINESS

- a) Resolution No. 4628 – A Resolution to Accept Funding from the Alaska Division of Homeland Security and Emergency Management for SFY2015 Local Emergency Planning Committee (LEPC). Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4629 – A Resolution Authorizing the City of Fairbanks to Apply for and Accept Funds from the Alaska Division of Homeland Security for the FFY2014 Emergency Management Performance Grant. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- c) 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.

Mr. Anderson, seconded by **Ms. Staley**, moved to ADVANCE Ordinance No. 5947.

Mr. Hilling expressed that his concern with the proposed contract is the issue of equal treatment across the unions. He stated that wages should not be based on an employee's cost of living. He stated that tax payers' cost of living is also rising. **Mr. Hilling** spoke against giving one union a higher increase than another. He added, however, that he would support a one-year, 1.5% increase with a one-time "signing bonus" for IBEW employees.

Mayor Eberhart stated that this is the third time an IBEW contract has been proposed to the Council this year and advised against the rejection of Ordinance No. 5947. He expressed his belief that the proposed agreement is within the parameters of authority that the Council gave him during negotiations. He stated that it is disappointing to see a former City Mayor give public testimony discouraging the Council from advancing the proposal. **Mayor Eberhart** stated that IBEW members are not being offered a generous deal, given that the inflation rate in 2013 was 3.1%. He stated that while contracts should be as consistent as possible, they cannot

all be the same. He urged the Council to support City employees and advance Ordinance No. 5947.

Mr. Hilling asked Mayor Eberhart how he would justify not holding to the language of equal treatment among unions in the Code.

Mayor Eberhart replied that the Code states that the Mayor “shall look for a common policy on boiler plate language which will be consistent in each contract.” He stated that he has tried to do that with the contract negotiations that he has been involved with.

Mr. Hilling asked City Attorney Ewers if he could provide any other input as to Code specificity on consistency in labor negotiations.

City Attorney Ewers stated that there is more language regarding consistency between bargaining units in Section 42-1(n)(5).

Mr. Hilling stated that the one area the Council can be consistent in is remuneration and again spoke in support of a one-year, 1.5% increase with a one-time “signing bonus” for IBEW employees. He stated that he does not support the agreement as it is proposed.

Mr. Gatewood expressed appreciation for everyone’s input. He defended former Mayor Cleworth’s right to testify on the ordinance and stated that he did not feel that Mr. Cleworth undermined the Council. **Mr. Gatewood** stated that he has been a union member for nearly 30 years and has never begrudged another union for getting something that he did not get. He indicated that there is no real way to have four union contracts that look the same and shared that he has even seen employees within the same bargaining unit get different things. **Mr. Gatewood** expressed his intent to vote for advancement of the contract, but stated that he will not feel badly if the Council chooses not to advance it. He agreed that he believes Mayor Eberhart negotiated within the parameters set by the City Council but commented that the Council has a right to change their mind.

Mr. Anderson spoke in support of advancing Ordinance No. 5947 stating that he feels there is too much diversity among the unions to treat them all exactly the same. He spoke to treating them fairly and to bargaining in good faith to reach a mutual agreement.

Mr. Walley stated that while bargaining units may not be the same, the Council should still strive to be as consistent as possible. He expressed appreciation for Mr. Cleworth’s testimony and spoke to the long negotiation process that the IBEW contract has been through. **Mr. Walley** commented that moving forward in future negotiations, he would like to see the Council get it right the first time. He indicated that he would not support Ordinance No. 5947.

Mr. Matherly echoed Mr. Gatewood’s feelings toward Mr. Cleworth’s testimony. He agreed with Mr. Hilling’s statement that the Council can be consistent with how much of an increase they agree to give each union. He expressed appreciation for public testimony and for his peers’ comments and opinions. **Mr. Matherly** stated that he believes it would not look good for the City to reject the IBEW contract for a third time. He stated that the Council has been very

thoughtful and careful with union negotiations and indicated that he may vote to advance Ordinance No. 5947.

Ms. Staley stated that her issue with the IBEW contract has been the three-year agreement. She spoke to the individuality of the four different union contracts the City negotiates and expressed her intent to vote for the advancement of Ordinance No. 5947.

Mr. Gatewood expressed hope that each Council Member votes according to their conscience instead of being influenced to vote otherwise. He stated that he does not believe it will make the Council look bad if they were to reject the proposed agreement again. **Mr. Gatewood** stated that some inconsistencies across union contracts may originate from arbitration awards, but spoke to the Council's efforts to be as consistent as possible when dealing with all unions. He again encouraged fellow Council Members to vote according to their beliefs.

Mr. Matherly stated that if Ordinance No. 5947 is advanced, he intends to give the contract more thought and to research Mr. Cleworth's statement that none of the City's goals were met during IBEW negotiations.

Mr. Walley spoke to the difference between the AFL/CIO agreement and the proposed IBEW contract stating that it is an issue of the percentage increase amount and dictating to the bargaining unit how they may allocate that increase.

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

YEAS: Gatewood, Anderson, Matherly, Staley

NAYS: Walley, Hilling

Mayor Eberhart declared the MOTION CARRIED.

- d) Ordinance No. 5948 – An Ordinance Amending the 2014 Operating and Capital Budgets for the Third Time. Introduced by Mayor Eberhart.

ADVANCED on the CONSENT AGENDA.

- e) Hand-carried Resolution No. 4630 – A Resolution Awarding a Contract to Exclusive Paving, Inc. for the Arctic Park & Council Subdivision Improvements Project FB-14-21 in the Amount of \$1,197,991.00. Introduced by Mayor Eberhart.

Mr. Anderson, seconded by **Mr. Hilling**, moved to APPROVE Hand-carried Resolution No. 4630.

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

Ms. Staley asked what the term "Additive Alternate #1" means in the Bid Tabulation attached to Resolution No. 4630.

Public Works Director and City Engineer Mike Schmetzer apologized for the poor planning that brought about the hand-carrying of Resolution No. 4630. He explained that the "Additive Alternate #1" serves as a sort of contingency line item to ensure that there is enough money to complete the project. He stated that when money is leftover after completion of a main project, they will use those funds to improve the extra roads.

Mr. Hilling asked Mr. Schmetzer to give his thoughts on the fast-tracking of Resolution No. 4630 and the fairness of the contract award.

Mr. Schmetzer admitted that he is responsible for the mistake that caused the resolution to be hand-carried. He stated that the same four companies that bid on nearly every job for the Engineering Department bid on the Arctic Park and Council Subdivision project. He stated that the next lowest bid was roughly \$100,000 more.

City Attorney Ewers clarified that there were no shortcuts taken in the bid process and that the rush for the resolution was due in part to the back-to-back Regular Meetings of the City Council.

Mr. Gatewood asked if cost overruns within the base bid are absorbed by the contract.

Mr. Schmetzer replied that they could be, but indicated that in his time with the City he does not believe that an overrun has occurred. He stated that there have been instances when the City has added or changed the work under contract. He stated that he expects that the bid amount will cover the entire project.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE HAND-CARRIED RESOLUTION NO. 4630 AS FOLLOWS:

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

NAYS: None

Mayor Eberhart declared the MOTION CARRIED and Hand-carried Resolution No. 4630 APPROVED.

COMMUNICATIONS TO COUNCIL

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

ACCEPTED on the CONSENT AGENDA

COUNCIL MEMBERS' COMMENTS

Mr. Matherly stated that it was nice to attend the Senior Citizens Luncheon recently where he was able to visit with FNSB Mayor Hopkins and the Governor. He stated that it was fun to see two individuals receive awards for being the oldest senior citizens present. **Mr. Matherly** expressed his regret for not having been able to attend the memorial for the State Troopers over the weekend due to work.

Mr. Hilling expressed appreciation for Mr. Gatewood's earlier comments encouraging the Council to vote according to their conscience. He stated that the tragedy involving the State Troopers was sobering and that he heard that the memorial was an extraordinary event.

Mr. Anderson, in response to Mr. Buberger's earlier suggestion, stated that a casino may indeed help the local economy. He stated that he was exploring that idea 15 – 20 years ago and then the State of Alaska passed a law that prohibited any casino-type gambling in the state. **Mr. Anderson** stated that the only hope for a casino in Fairbanks would be by using tribal land. He indicated that it would require a long, expensive legal process that no one seems to want to deal with. **Mr. Anderson** spoke to Mr. Turney's testimony regarding the death of Johnny Wallis and stated that he intends to follow up on the issue with the Chief of Police.

Mr. Gatewood offered his congratulations to all the high school and college graduates and to the parents and families who have supported their students. He spoke to the nature of labor negotiations and commented that issues will be worked out eventually.

Mr. Walley echoed Mr. Gatewood's comments regarding labor contract. He stated that he has no problem continuing negotiations until he feels that it is the right deal for the citizens of Fairbanks. He commended those in the community who participated in the Fairbanks clean-up day and stated that it makes a big difference.

Ms. Staley spoke to the history of how speed bumps came about in the Shannon Park and Hamilton Acres area. She congratulated all the graduates in the community and expressed her excitement that so many new businesses are coming to Fairbanks. She stated that it is inspiring to see individuals who are educated locally stay in the community and work locally. **Ms. Staley** expressed excitement to see what will happen with the IBEW labor contract proposal at the next meeting and stated that she looks forward to the Council's discussion and teamwork on the issue.

Mr. Hilling requested that Mayor Eberhart look into Mr. Buberger's complaint that there is a lack of signage for speed bumps in the Hamilton Acres and Shannon Park subdivisions.

Mayor Eberhart agreed to look into the issue.

Mr. Walley, seconded by **Ms. Staley**, moved to go into Executive Session for the purpose of discussing Public Safety Employees Association (PSEA) Labor Negotiations and the Arbitration/Claim Settlement with PSEA.

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
- b) Arbitration/Claim Settlement with PSEA

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

The Council reconvened in Regular Session.

Mr. Matherly, seconded by **Mr. Gatewood**, moved to APPROVE a \$25,000 payment to PSEA for Arbitration/Claim Settlement.

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

ADJOURNMENT

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

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

Mayor Eberhart declared the meeting adjourned at 10:30 P.M.



John D. Wade for Mayor Eberhart

JOHN EBERHART, MAYOR

ATTEST:

Janey Hovenden
JANEY HOVENDEN, MMC, CITY CLERK

Transcribed by: DS