



FAIRBANKS CITY COUNCIL
AGENDA NO. 2014-09
REGULAR MEETING MAY 05, 2014
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

REGULAR MEETING

7:00 P.M.

1. ROLL CALL
2. INVOCATION
3. FLAG SALUTATION
4. CITIZENS COMMENTS, oral communications to Council on any item not up for Public Hearing. Testimony is limited to five (5) minutes. Any person wishing to speak needs to complete the register located in the hallway. Normal standards of decorum and courtesy should be observed by all speakers. Remarks should be directed to the City Council as a body rather than to any particular Council Member or member of the staff. In consideration of others, kindly silence all cell phone, electronic and messaging devices.
5. APPROVAL OF AGENDA AND CONSENT AGENDA

(Approval of Consent Agenda passes all routine items indicated by an asterisk (*). Consent Agenda items are not considered separately unless a Council Member so requests. In the event of such a request, the item is returned to the General Agenda).
6. APPROVAL OF PREVIOUS MINUTES
 - *a) Regular Meeting Minutes of February 10, 2014
 - *b) Regular Meeting Minutes of February 24, 2014

7. SPECIAL ORDERS

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

Applicant: Waste Connections of Alaska, Inc.
D/B/A: Alaska Waste-Interior, LLC
Address: 3941 Easy Street

NOTE: FGC Sec. 14-366 states that final action must be taken by the City Council on all applications for commercial refuse collector licenses.

8. MAYOR'S COMMENTS AND REPORT

9. UNFINISHED BUSINESS

- a) Ordinance No. 5946, as Amended – An Ordinance Amending the 2014 Operating and Capital Budgets for the Second Time. Introduced by Mayor Eberhart. SECOND READING AND PUBLIC HEARING.

10. NEW BUSINESS

- *a) Resolution No. 4623 – A Resolution to Apply for and Accept a FFY2014 Bulletproof Vest Partnership Grant from the United States Department of Justice. Introduced by Mayor Eberhart.
- *b) Resolution No. 4624 – A Resolution to Apply for and Accept Funding from the Alaska Highway Safety Office for FFY2015 Traffic Safety Programs. Introduced by Mayor Eberhart.
- *c) Resolution No. 4625 – A Resolution to Apply for and Accept Funding from the Bureau of Justice for the FFY2014 Edward Byrne Memorial Justice Assistance Grant (JAG). Introduced by Mayor Eberhart.
- *d) Resolution No. 4626 – A Resolution to Apply for and Accept Funding from the Alaska Department of Public Safety for the SFY2015 Edward Byrne Memorial Justice Grant (JAG). Introduced by Mayor Eberhart.
- *e) Resolution No. 4627 – A Resolution to Apply for a FFY2014 COPS Hiring Program Grant from the United States Department of Justice. Introduced by Mayor Eberhart.

11. DISCUSSION ITEMS (INFORMATION AND REPORT)
 - a) Committee Reports

12. COMMUNICATIONS TO COUNCIL
 - a) Proposed Findings and Conclusions – Board of Adjustment Appeal
 - *b) Appointment to the Building Code Review and Appeals Commission
 - *c) Permanent Fund Review Board Meeting Minutes of January 20, 2014

13. COUNCIL MEMBERS' COMMENTS

14. CITY ATTORNEY'S REPORT

15. CITY CLERK'S REPORT

16. EXECUTIVE SESSION – Labor Negotiations: IBEW and PSEA

17. ADJOURNMENT



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, FEBRUARY 10, 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 Fairbanks Metropolitan Area Transportation System (FMATS), 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: Paul Ewers, City Attorney
Janey Hovenden, City Clerk
Jim Williams, Chief of Staff
Ryan Rickels, IT Director
Tony C. Shumate, Director Personnel/Purchasing/RM
Laren Zager, 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 stated that in 2000 he and John Shackley requested that a resolution be introduced recognizing Dr. Martin Luther King, Jr. He stated that prior to that, former Mayor Hayes introduced legislation in Dr. King's honor. He indicated that one of the resolutions was approved and one was not. Mr. Turney expressed appreciation to Council Member Hilling for having introduced Resolution No. 4613 pertaining to medical marijuana. He spoke to numerous studies and articles indicating that children may benefit by using the drug for various ailments and suggested a change to the resolution that would allow children to legally obtain the drug for medical purposes. Mr. Turney spoke to Marinol, a synthetic marijuana that is used to treat cancer patients. Mr. Turney recognized Mr. Fred Knutson for his service to the Fairbanks community.

Mystiek Lockery, 1870 Dawson Road, North Pole – Ms. Lockery stated her support for Resolution No. 4613 and spoke to various medical benefits that the drug offers. She indicated that adults and children can benefit from medical marijuana use. She reported a story about a child who suffered from uncontrollable tantrums and stated that the child’s fits were greatly reduced by smoking marijuana. Ms. Lockery stated that in some cases medical marijuana has not only stopped certain types of cancers from growing but has begun to kill cancer cells. She stated that medical marijuana is less harmful and has fewer side effects than many other pharmaceuticals.

Mr. Matherly asked Ms. Lockery if the child who smoked marijuana to help with tantrums was cured by the drug.

Ms. Lockery stated that the child was not fully cured but indicated that it helped improve the child’s quality of life. She stated that even if the child had to smoke a joint every day for the rest of their life, the drug would not physically harm them.

Mr. Matherly questioned the harmful effects of inhaling the drug.

Ms. Lockery stated that studies have shown that the only effect on the lungs from smoking marijuana is pre-cancerous lesions in the main bronchial tube. She stated that even that side effect can be eliminated if the drug is first vaporized then inhaled. Ms. Lockery spoke in favor of Mr. Turney’s suggested amendment.

Mr. Hilling asked Ms. Lockery to speak to the difference between a doctor’s authority to prescribe or recommend the drug according to state law.

Ms. Lockery stated that she spoke with a doctor who gave recommendations for marijuana. She stated that the doctor informed her that in Alaska, doctors cannot legally prescribe marijuana but can only medically recommend its use.

Mr. Hilling asked Ms. Lockery if there was any immediate urgency for the approval of Resolution No. 4613 in relation to the efforts to introduce the proposition to voters in the fall.

Ms. Lockery indicated that the sooner the resolution is passed, the better it will be. She offered a suggestion in writing to Mr. Hilling for a possible amendment.

Amy Geiger, 4400 Stanford Drive, Fairbanks – Ms. Geiger, on behalf of the Fairbanks Convention and Visitors Bureau (FCVB), introduced and distributed the 2014 Explore Fairbanks Visitor’s Guide. She credited the work in creating the guide to FCVB’s photographer, designers and staff. She pointed out new elements, improvements and changes to the guide. She spoke to the uniqueness of the Fairbanks community and to how local residents sometimes take living here for granted.

Mayor Eberhart commented that the pamphlet looks great. He asked Ms. Geiger to pass on thanks to FCVB for allowing the City to use some of their photographs on the City website.

Floyd Terry, PO Box 73514, Fairbanks – Mr. Terry stated that there should be a proclamation or some sort of recognition given to all the local fire departments that participated in fighting the recent fire at a Fairbanks apartment complex. He commended a neighboring business, Krazee Zeek's, for providing temporary shelter for the victims at the time of the disaster. He suggested that there be recognition by the City Council for not only the fire departments but also Krazee Zeek's and the Red Cross. Mr. Terry spoke to his dream of having a skating rink in the Fairbanks area. He stated that he would like to hold a community meeting to see how much local interest there is in a roller skating rink. He asked members of the public to mail him a letter if they are interested in the idea. Mr. Terry stated that a roller skating rink is needed in the community to get kids off of the streets and away from drugs.

Donna Gilbert, 2223 South Cushman Street, Fairbanks – Ms. Gilbert stated that Mayor Eberhart's campaign opened a "can of worms" with Alaska Public Offices Commission (APOC) shortly before the 2013 election. She stated that the issue involved a corporation that she holds stock in and another mayoral candidate, Vivian Stiver. Ms. Gilbert stated that she did not complain and was more than willing to pay the price if a mistake was made. She indicated that the APOC complaint may have cost Ms. Stiver the election. Ms. Gilbert accused Mr. Eberhart's attorney, Mike Walleri, of making disparaging comments and spreading rumors about not only her but also Mr. Dennis Wise. She stated that she will not allow the defamation to go unaddressed. Ms. Gilbert stated that she has remained silent until now because of Mayor Eberhart's recent inauguration and because of other sensitive issues that have been before the Council recently such as the resolution regarding Dr. Martin Luther King, Jr. She expressed her intent to itemize all of Mayor Eberhart's campaign contributions and bring them to light. She suggested that some organizations should not have contributed to Mayor Eberhart's campaign due to a possible conflict of interest. She spoke to the use by Mayor Eberhart of his former employer's time and equipment and suggested that it may have been a violation of APOC regulations. Ms. Gilbert questioned the process by which the City's new Chief of Staff was appointed. She stated that she is not accusing Mayor Eberhart of having violated any laws or regulations but clarified that there is certainly an appearance of such.

Sean Reilly, 1507 21st Avenue, Fairbanks – Mr. Reilly stated that he feels compelled to speak to Resolution No. 4613 and that there may have been a lot of misinformation provided on the topic of medical marijuana. He commented that previous speakers did not present any evidence that medical marijuana can help individuals with autism, particularly children. Mr. Reilly stated that he has a son with autism and strongly cautioned the Council not to amend the resolution to include the recommended use of the drug by children. He explained that a child's lungs, brain and other major organs are very immature compared to those of an adult. He pointed out that children are not legally able to make decisions for themselves.

Mr. Hilling asked Mr. Reilly if he could produce facts to support his belief that marijuana may be harmful to children due to their physical immaturity.

Mr. Reilly suggested that Mr. Hilling explore autism websites such as www.autismspeaks.org or www.nationalautismassociation.org. He stated that he did not come to the meeting prepared or with the intent to speak to Resolution No. 4613. He stated that while his 9-year-old son suffers from verbal and physical issues he believes that "drugging him up" would be unbecoming and would not be best for the child.

Bill Robertson, 3270 Sunstead Avenue, Fairbanks – Mr. Robertson spoke to Ordinance No. 5936 pertaining to the Clay Street Cemetery Commission and stated that he serves as the Commission’s Chair. He expressed concern with finding qualified individuals to serve on the Commission if the requirements state that they must be residents of the City. He suggested that the size of the Commission be increased from five members to seven members and stated that the positions could remain vacant until a special need arose. He stated that the Commission has received large contributions through grant organizations to place new headstones throughout the cemetery. Mr. Robertson reported that there is an increasing number of youth visiting the cemetery who enjoy listening to the stories behind the individuals buried there.

Ms. Staley asked Mr. Robertson how difficult it is to find new members to join the Commission.

Mr. Robertson replied that it may require a little arm twisting but joked that he is good at that. He stated that he also noticed in Ordinance No. 5936 that the Commission is required to file minutes with the City Clerk to be approved by the City Council. He added that the Commission is already doing that.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger referenced an article in the Fairbanks Daily News Miner on February 2, 2014 that indicated that good customer service starts with the restroom. He commented that tourists could be considered “customers” of Fairbanks and should be treated as such. Mr. Buberger stated that he has seen individuals publically relieve themselves in Fairbanks. He spoke to the lack of public restrooms in Fairbanks and stated that maybe the City should ask FCVB to advertise that we are a City without public restrooms. He commented that the City’s newly-constructed roundabouts pale in comparison to some he has seen in other countries.

Mr. Matherly had to leave the meeting due to a family emergency.

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

APPROVAL OF AGENDA AND CONSENT AGENDA

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

Mr. Hilling pulled Resolution No. 4613 and Ordinance No. 5936 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.

MAYOR’S COMMENTS AND REPORT

Mayor Eberhart stated that when he came into office there were a number of existing and upcoming vacancies on City Boards and Commissions. He stated that the current City Code

pertaining to the Clay Street Cemetery Commission states that all members of the Commission must be City residents. He recognized that not all current members of the Commission meet that requirement and that the City Clerk's Office has suggested that the ordinance be amended to allow some members to live outside the City limits. He mentioned that since there have been times that the minutes from the Clay Street Cemetery Commission have not been submitted to the City in a timely manner, the Clerk's Office may also be able to assist the Commission with those types of administrative duties. **Mayor Eberhart** stated that he had not considered expanding the Commission and indicated that it may be difficult to try to find more citizens to serve. He asked Mr. Robertson if there was anything else he would like him to address.

Mr. Robertson stated that it may be helpful to the Commission if the membership could be expanded by two members. He added that the two additional seats might only be filled as needed for special projects on a temporary basis.

Mayor Eberhart pointed out that if the size of the Commission grows, the minimum number of members for a quorum also goes up. He suggested that another option may be to form a subcommittee or ask for citizens in the community to volunteer their time to help with special projects. **Mayor Eberhart** stated that there are no City Boards or Commissions that have part-time members.

Mr. Robertson stated that the Commission plans to have a website available to the public with all the names of the individuals buried at the Clay Street Cemetery. He stated that the website will also have photos of all the monuments at the cemetery.

Mayor Eberhart read aloud a Proclamation recognizing Fred Knutson as an outstanding citizen for his service to the Fairbanks community. **Mayor Eberhart** stated that February is Black History Month in the U.S. and Canada and gave a brief explanation of how it came to be celebrated. He stated that the first celebration of Black History Month was in 1970 at Kent State University and that it became a nationally-recognized celebration under President Ford in 1976. **Mayor Eberhart** thanked City Clerk Hovenden for the quarterly report. He welcomed new Chief of Staff, Jim Williams, and stated that Mr. Williams is an Air Force veteran and was most recently employed by Tanana Chief's Conference as the IT Director and CIO. **Mayor Eberhart** briefed the Council on the numerous meetings he has attended since the last Regular City Council Meeting. He stated that he was fortunate enough to have participated as a guest in the official start of the Yukon Quest. He stated that the Fairbanks Memorial Hospital will need a resolution from the City of Fairbanks to conduct an \$81 million expansion in 2015. He shared that he and the Chief of Staff will begin meeting with Department Heads to discuss executive summaries and to explore ways to become more efficient and reduce costs. **Mayor Eberhart** stated that his administration is also looking into the possibility of starting an Employee Assistance Program at the City. He stated that he and Department Heads recently attended an Emergency Operations Plan (EOP) meeting to discuss and to continue developing a hazard mitigation plan and a Continuity of Operations Plan (COOP) for the City. **Mayor Eberhart** stated that he and Ms. Staley will be flying to Juneau the following day to meet with the Interior Delegation and lobbyists concerning the City's capital requests. He announced that the Fairbanks North Star Borough (FNSB) Assembly would be considering a budget amendment at their next meeting to appropriate \$25,000 in funding to the Community Service Patrol (CSP).

NEW BUSINESS

- a) Resolution No. 4611 – A Resolution Amending the Schedule of Fees and Charges for Services by Adjusting Refuse Collection Rates and Certain Occupational License Application Fees. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4612 – A Resolution Awarding a Contract to NC Machinery for a Self-Contained Snow Blower in the Amount of \$436,040.00. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 4613 – A Resolution Pleading with the Alaska Governor and Legislature to Restore the Rights of Sufferers to Obtain Medical Marijuana, with Prescription and without Prejudice. Introduced by Council Member Hilling.

Mr. Hilling, seconded by **Mr. Anderson**, moved to APPROVE Resolution No. 4613.

Mr. Hilling stated that the issues brought up during Public Testimony may be reason to postpone Resolution No. 4613. He stated that he would like Ms. Lockery to supply him with documentation to support her claim that marijuana can be beneficial to children with certain types of ailments. **Mr. Hilling** expressed appreciation to Mr. Reilly for speaking for the other side of the issue. He stated that he has always believed that marijuana should not be used by children but indicated that he would keep an open mind. He discussed the difference between using the word prescription versus recommendation and welcomed input from the City Attorney and fellow Council Members.

Mr. Gatewood stated that if it is true that doctors cannot actually prescribe marijuana to patients, it would be misleading to leave the term “prescription” in Resolution No. 4613. He spoke to the fourth whereas where it refers to “enormous suffering” and asked if there is a quantification associated with the term.

Mr. Hilling agreed that the term “prescription” should not be used unless it is allowable under Alaska statute. He stated that there is certainly enormous suffering in the world and spoke to his belief that marijuana may help alleviate some of that suffering.

Ms. Staley asked if anyone has thought about bringing in a medical professional to speak to the issue.

Mr. Hilling thanked Ms. Staley for her suggestion and stated that it may be beneficial to hear from two medical professionals who speak from opposing sides of the medical marijuana issue.

Mr. Hilling, seconded by **Mr. Anderson**, moved to POSTPONE Resolution No. 4613 to the Regular Meeting of February 24, 2014.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO POSTPONE RESOLUTION NO. 4613 TO THE REGULAR MEETING OF FEBRUARY 24, 2014 AS FOLLOWS:

YEAS: Hilling, Walley, Staley, Gatewood, Anderson
NAYS: None
ABSENT: Matherly

Mayor Eberhart declared the MOTION CARRIED.

d) Ordinance No. 5936 – An Ordinance Amending FGC Sections 2-486 and 2-487 Regarding the Clay Street Cemetery Commission. Introduced by Mayor Eberhart.

Mr. Gatewood, seconded by **Ms. Staley**, moved to ADVANCE Ordinance No. 5936 to the Regular City Council Meeting of February 24, 2014.

Mr. Hilling stated that he took Mr. Robertson's testimony regarding the membership makeup of the Clay Street Cemetery Commission to heart.

Mr. Hilling, seconded by **Mr. Gatewood**, moved to AMEND Ordinance No. 5936 by increasing the membership from five to seven members.

Ms. Staley commented that since the Golden Heart Parking Services Board increased its membership to seven members, it has been more difficult to gather a quorum to hold a meeting.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 5936 BY INCREASING THE MEMBERSHIP FROM FIVE TO SEVEN MEMBERS AS FOLLOWS:

YEAS: Staley, Gatewood, Hilling, Anderson, Walley
NAYS: None
ABSENT: Matherly

Mayor Eberhart declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 5936, AS AMENDED, TO THE REGULAR MEETING OF FEBRUARY 24, 2014 AS FOLLOWS:

YEAS: Walley, Gatewood, Hilling, Anderson, Staley
NAYS: None
ABSENT: Matherly

Mayor Eberhart declared the MOTION CARRIED and Ordinance No. 5936, as Amended, ADVANCED.

DISCUSSION ITEMS

Committee Reports

Golden Heart Parking Services Board – **Ms. Staley** stated that the Board has not met yet in 2014 and shared that the body has changed its meeting schedule to bi-monthly. She reminded everyone that tickets are on sale for the Arctic Winter Games and stated that the event has gathered about 2,600 volunteers.

COMMUNICATIONS TO COUNCIL

- a) Permanent Fund Review Board Meeting Minutes of October 23, 2013.

ACCEPTED on the CONSENT AGENDA.

- b) Appointment to the Landscape Review and Appeals Commission.

APPROVED on the CONSENT AGENDA.

COUNCIL MEMBERS' COMMENTS

Mr. Gatewood stated that he had no comments.

Mr. Walley stated that he had no comments.

Ms. Staley thanked Mr. Anderson for agreeing to substitute for her at the next Borough Assembly meeting. She expressed appreciation for the informative Work Session with FMATS. **Ms. Staley** requested to be excused from the Regular City Council Meeting of March 24, 2014.

Mayor Eberhart called for objection to Ms. Staley's request to be excused on March 24, 2014 and hearing none, so ORDERED.

Mr. Anderson stated that he had no comments.

Mr. Hilling stated that he had no comments.

Mr. Anderson, seconded by **Ms. Staley**, moved to go into Executive Session for the purpose of discussing IBEW and 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 – IBEW and PSEA

The City Council met in Executive Session to discuss IBEW and PSEA Labor Contract Negotiations. 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 9:30 P.M.

JOHN EBERHART, MAYOR

ATTEST:

JANEY HOVENDEN, MMC, CITY CLERK

Transcribed by: DS



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, FEBRUARY 24, 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 Marc Marlow concerning the Polaris Building, 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: Ernie Misewicz, Assistant 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
Pat Smith, Development Manager
Laren Zager, Police Chief

INVOCATION

The Invocation was given by City Clerk Janey Hovenden.

FLAG SALUTATION

Mayor Eberhart led the Flag Salutation.

CITIZEN'S COMMENTS

Gene Redden, 2395 Woodminster Court, Fairbanks – Mr. Redden stated that last summer the Behavioral Health Center announced that they were broke and closed their doors. He explained that the staff was reduced from 60 employees to about 20 and that mental health services were picked up by an agency based out of Anchorage. He stated that local vocational, social and housing services went away quickly causing much displacement for locals with mental illnesses. Mr. Redden stated that in October he began researching ways to open a drop-in center for the mentally ill that would provide a safe shelter and meals during the day. He explained that with the help of others in the community the Northern Door Clubhouse opened its doors on January 6, 2014 at the location of the old Behavioral Health Center. He stated that the clubhouse staff is

made up of 100% volunteers and that the program is run by those who come in. He stated that the initial operational costs are being covered by a small grant from the Mental Health Trust. He added that Access Alaska is serving as the fiscal agent for the operation and the Interior AIDS Association is carrying the organization on their liability policy. He stated that the Fairbanks Food Bank is supplying the program with food and the North Star Council on Aging is preparing soup three days a week for those in need. Mr. Redden commended the Fairbanks community for getting the program started. He informed the Council that the current lease will expire at the end of May, 2014 and that the program will likely run out of money around the same time. Mr. Redden stated that his dream is to continue operating the clubhouse as a volunteer program. He stated that in order to do so he will need a permanent location, a paid director/coordinator and a funding source for supplies. Mr. Redden invited Mayor Eberhart and the Council to visit the clubhouse on South Cushman Street.

Mr. Hilling asked Mr. Redden if he had a suggestion as to how the City may be able to help the clubhouse.

Mr. Redden indicated that he would like to see the City provide a small amount of funding to operate the program or a building in which to operate.

Mr. Anderson asked Mr. Redden to clarify Access Alaska's involvement.

Mr. Redden stated that Access Alaska is managing the grant funding on behalf of the program. He stated that they are overseeing the fiscal portion of the operation and that if government agencies such as the City or Borough chose to contribute, that funding would also be administrated by Access Alaska.

Mr. Walley asked how big the current location of the clubhouse is.

Mr. Redden replied that the space is about 4,000 – 5,000 square feet including the commercial kitchen.

Mr. Walley asked Mr. Redden to speak to the grant that is covering operational costs.

Mr. Redden stated that the grant was for \$10,000. He explained that \$5,000 will be used for utilities, \$1,000 for insurance, and \$4,000 for supplies. He stated that he is unsure as to who owns the building but indicated that it is being sub-leased to him by the Behavioral Health Center that operates out of Anchorage.

Mayor Eberhart asked Mr. Redden to confirm that the dollar amount he is seeking from the City Council and the Borough Assembly is \$58,000.

Mr. Redden confirmed the amount.

Mayor Eberhart stated that he has requested that the Northern Door Clubhouse be added to the next Finance Committee Agenda. He added that if the Council chooses to give funding to the Northern Door Clubhouse it would take a budget amendment.

Bob Eley, 931 Fourth Avenue, Fairbanks – Mr. Eley stated that he is testifying on behalf of the Fairbanks Community Museum. He shared that the organization is still interested in Old City Hall and would like to remain in the space. He indicated, however, that the museum cannot come up with enough funds to pay current market value for the building. Mr. Eley stated that he would like to explore other options for purchasing the structure. He stated that the Fairbanks Community Museum would eventually like to renovate the building which may require grant funding. He pointed out that it is difficult to obtain grants without owning the building.

Mr. Hilling asked Mr. Eley to expound on his vision to renovate the entire building into one big museum.

Mr. Eley stated that plans have been drawn up to make most of the building space, including the upstairs, part of the museum. He indicated that grants would be needed to put in elevators.

Mr. Hilling asked Mr. Eley to email the Council a draft of the building plans.

Shelley Ebenal, 178 Crest Drive, Fairbanks – Ms. Ebenal stated that she is the Executive Director for the Greater Fairbanks Community Hospital Foundation (GFCHF). She stated that Resolution No. 4614 is being introduced as a result of Alaska Industrial Development and Export Authority's (AIDEA) requirement that local governments approve the location of the surgery project for Fairbanks Memorial Hospital (FMH). Ms. Ebenal clarified that Resolution No. 4614 in no way obligates the City of Fairbanks for bonds or any other liability.

Mr. Matherly asked why a new build-out is necessary.

Ms. Ebenal explained that the surgery unit is currently located in the north tower of FMH which is in the oldest part of the hospital. She stated that if there was a major disaster the current area would have to evacuate and the hospital could not continue normal operations. She indicated that rebuilding the entire section to meet seismic qualifications would be more fiscally responsible than upgrading the old section to meet standards.

Shirley Lee, 457 Cindy Drive, Fairbanks – Ms. Lee stated that she is speaking to the Council on behalf of the Tanana Chiefs Conference (TCC). She commended Mayor Eberhart for introducing Ordinance No. 5939 to create a Fairbanks Diversity Council. Ms. Lee stated that she recently had her DNA tested and was shocked to learn that she is 33% Finnish. She stated that that made her think about what the "DNA of Fairbanks" would be. She spoke to the deep roots of Fairbanks and to the large Alaska Native heritage of the community. Ms. Lee stated that Fairbanks is a rich tapestry of varying cultures and backgrounds and expressed her belief that a Diversity Council would give a greater voice to the diverse population in the community. She stated that the reward of creating a Diversity Council would greatly outweigh the cost. Ms. Lee expressed her strong support for the adoption of Ordinance No. 5939.

Karen Parr, 949 McGown Street, Fairbanks – Ms. Parr spoke in support of Ordinance No. 5939. She stated that she has been in the Fairbanks area since 1961 and that shortly after moving here, her husband played a significant role in getting the City to create a Human Rights Council. She spoke to the improvements that society has made since that time and stated that a strong, forward-looking community is one that works together and gets along.

Rosalind Kan, 2568 Talkeetna Avenue, Fairbanks – Ms. Kan stated that she has lived in the Fairbanks community for more than 40 years and expressed her satisfaction with the introduction of Ordinance No. 5939. She spoke to the cultural diversity of the community and commented that there are 40 – 50 different languages being spoken in Fairbanks. Ms. Kan spoke to equal treatment of all citizens and stated that cultural diversity is an asset and a resource within the community. She recommended that Ordinance No. 5939 include language that speaks directly to the positive aspects of diversity and clarifies the foundation for creating a Diversity Action Plan.

Greg Allison, 436 Spence Avenue, Fairbanks – Mr. Allison stated that he is representing Explore Fairbanks as their Director of Tourism. He provided an update to the Council on the efforts of the Tourism Department, specifically the efforts targeting Japanese tourism. He shared that a celebration was held on February 10, 2014 recognizing the 10-year anniversary for Japan Airline charter services to Fairbanks. Mr. Allison commented that the tourism team at Explore Fairbanks continues its efforts to internationally promote Fairbanks as a year-round travel destination. He thanked the City for reinvesting bed tax dollars into destination marketing.

Dr. Michael Fitch, 1814 Carr Avenue, Fairbanks – Dr. Fitch stated that he is the founder of Concierge Medicine of Alaska and spoke in favor of the creation of a Fairbanks Diversity Council. He stated that Fairbanks is a liberal city but commented that sometimes the aspects of diversity are overlooked. Dr. Fitch stated that he also serves as the Vice President of the JP Jones Community Development Center and is the co-founder of Black Professional Advisor, an organization that was created to meet the needs of youth within the community. He spoke to how diversity within a community has a direct influence on its economics. Dr. Fitch encouraged Council Members to consider the many benefits to adopting Ordinance No. 5939. He suggested that the ordinance be amended to allow the Vice Chair of the Diversity Council to be elected from its membership.

Mr. Hilling asked Dr. Fitch to explain what he meant by his comment that Fairbanks is a liberal community.

Dr. Fitch stated that he believes the Fairbanks community is liberal in its ideals regarding personal freedom and expression. He stated that he grew up in North Carolina, a very conservative state. He commented that Fairbanks seems to have taken some unique and “new age” steps to becoming more liberal.

Ana Richards, 1244 Viewpointe Drive, Fairbanks – Ms. Richards expressed her support for Ordinance No. 5939. She stated that she has lived in the community for more than 25 years and has watched the community grow both in numbers and in diversity throughout those years, partly due to the University of Fairbanks and the military. She indicated that some local residents may feel isolated or uninvolved in the public process and spoke to better integration and citizen involvement. Ms. Richards spoke to social capital and to how communities that work together prosper in many areas. She encouraged the City Council to adopt Ordinance No. 5939 on behalf of the Latinos Unidos del Norte organization.

Joe Blackburn, 3350 Liberty Court, North Pole – Mr. Blackburn thanked Mayor Eberhart for introducing Ordinance No. 5939 and strongly urged the Council to adopt it. He stated that he has

served in the military and has traveled many places but cannot think of a better place to live than Fairbanks, Alaska. He stated, however, that Fairbanks still has issues concerning equality and fairness. Mr. Blackburn indicated that a Diversity Council will enhance the balance of equality, will make people more aware of the concerns within the community, and may allow for consideration of new and fresh ideas.

Sean Reilly, 1507 21st Avenue, Apt. C, Fairbanks – Mr. Reilly wholeheartedly endorsed the adoption of Ordinance No. 5939 and echoed the comments of Dr. Fitch and others regarding inclusion, diversity and stabilization of the local economy. He stated that as an individual with a disability it can be challenging to get around in Fairbanks, especially during the winter months. Mr. Reilly asked the City Council to consider that point of view and to possibly appoint a representative of the disabled population to the Fairbanks Diversity Council. He spoke to Resolution No. 4613, as Amended, regarding the rights of sufferers to legally obtain marijuana. He stated that Mr. Hilling, the resolution’s sponsor, had asked him to do some research on the effects of marijuana to children and individuals with autism. Mr. Reilly pointed out that the resolution currently reads that all sufferers—regardless of age—should have the right to legally obtain the drug. He presented an argument from the National Association of School Nurses that opposes the use of marijuana to treat medical ailments and suggests that there is not enough evidence to support its usage. Mr. Reilly also stated that the American Medical Association links the use of marijuana by youth to a loss in IQ. He observed that the Council on Science and Public Health states that with the movement towards liberalization regarding marijuana laws there is an inadequate establishment of safeguards in place to protect individuals. He spoke to a variety of treatments for autism as cited on the National Autism Website and stated that there was no recommendation for marijuana treatment.

Floyd Terry, PO Box 73514, Fairbanks – Mr. Terry spoke to his efforts to bring the community together over the past 16 years by way of a skating rink. He read aloud an advertisement from 1907 inviting Fairbanks residents to the skating rink on Fourth Avenue. Mr. Terry stated that his latest endeavor is to drum up community interest to open a roller skating rink in Fairbanks. He stated that roller skating is not a thing of the past and invited interested citizens to contact him.

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

APPROVAL OF AGENDA AND CONSENT AGENDA

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

Mr. Walley pulled Ordinance No. 5939 from the Consent Agenda.

Mr. Gatewood pulled Resolution No. 4616 from the Consent Agenda.

Mr. Hilling pulled Ordinance No. 5937 from the Consent Agenda.

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

Mayor Eberhart informed the Council that the City’s Property Manager, Patrick Smith, came to him earlier in the day indicating that Ordinance No. 5937 may need more work before its introduction. He stated that Mr. Smith requested that the Council completely pull the ordinance from the agenda.

Mayor Eberhart called for objection to pulling Ordinance No. 5937 from the Agenda 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 December 9, 2013.

PASSED and 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 Applications for renewal.

Lic #	Establishment Name	License Type	Premise Location	Owner Name
104	Red Lantern Steak & Spirits	Beverage Dispensary	820 Noble St	Westmark Hotels, Inc.
435	Garden Island Party Store	Package Store	246 Illinois	Market Basket Inc.
703	Gavora's Liquor #1	Package Store	250 Third Street Graehl	Market Basket Inc.
704	Gavora's Liquor #2	Package Store	1255 Airport Way	Market Basket Inc.
995	Safeway Store #2754	Package Store	3627 Airport Way	Safeway Inc.
999	Oaken Keg #3410	Package Store	30 College Road	Safeway Inc.
1134	Thrifty Liquors	Package Store	1410 Cushman Street	Market Basket Inc.
2424	Sophie Station Hotel	Beverage Dispensary-Tourism	1717 University Ave S	Fountainhead Development Inc.
2565	El Dorado Bar & Grill	Beverage Dispensary	530 Third Ave.	El Dorado Bar & Grill Inc.
3074	Wedgewood Resort	Beverage Dispensary-Tourism	212 Wedgewood Dr.	Fountainhead Development Inc.
3170	The Odom Corporation	Wholesale - General	3101 Peger Rd - Bay 1	The Odom Corporation
3381	Food Factory	Restaurant/Eating Place	44 College Road	CNR Enterprise LLC
3489	Arctic Bar	Beverage Dispensary	623 Old Steese Hwy. Fairbanks	Arctic Inuk Inc.
3616	Wedgewood Resort-Bear Lodge	Beverage Dispensary-Tourism Duplicate	212 Wedgewood Dr.	Fountainhead Development Inc.
4174	Big Daddy's Bar-B-Q & Banquet Hall	Beverage Dispensary	107 Wickersham St	RTG LLC
4344	Siam Dishes	Restaurant/Eating Place	338 Old Steese Hwy	Air Choummittaphanh & Southsakone Pheunmany

4530	Barracuda's Beach Bar	Beverage Dispensary	1288 Sadler Way	Xavier's Inc.
4720	Trappers Tavern	Beverage Dispensary	1446 S Cushman	Gallantino's Inc.
4816	Mayan Palace	Beverage Dispensary	3401 Airport Way	Taco Azteca Incorporated
4831	Wasabi Bay Restaurant	Restaurant/Eating Place	1448 S Cushman St	Soon Teack Park

Mr. Gatewood, seconded by **Mr. Matherly**, moved to WAIVE PROTEST on all the Liquor License Applications for renewal except Barracuda's Beach Bar, License #4530.

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

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON ALL THE LIQUOR LICENSE APPLICATIONS FOR RENEWAL EXCEPT BARRACUDA'S BEACH BAR, LICENSE #4530, AS FOLLOWS:

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

NAYS: None

Mayor Eberhart declared the MOTION CARRIED.

Mr. Gatewood, seconded by **Mr. Anderson**, moved to PROTEST Barracuda's Beach Bar due to the Fire Department's recommendation until such time as a physical inspection of the premises can be performed and it passes all the necessary requirements. The protest may be lifted administratively when all inspections are passed.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO PROTEST BARRACUDA'S BEACH BAR DUE TO THE FIRE DEPARTMENT'S RECOMMENDATION UNTIL SUCH TIME AS A PHYSICAL INSPECTION OF THE PREMISES CAN BE PERFORMED AND IT PASSES ALL NECESSARY REQUIREMENTS AS FOLLOWS:

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

NAYS: None

Mayor Eberhart declared the MOTION CARRIED.

MAYOR'S COMMENTS AND REPORT

Mayor Eberhart thanked all those who spoke in favor of Ordinance No. 5939 to create a Fairbanks Diversity Council and expressed hope that it would be advanced to a second reading. He read aloud a Joint Proclamation by the Mayors of the Fairbanks North Star Borough, the City of North Pole and the City of Fairbanks recognizing dispatch services, public works personnel and fire department workers within the community for their work in responding to the recent fire on Geraghty Avenue. **Mayor Eberhart** specifically recognized City Public Works heavy equipment operator Ben Siebels for his careful work in uncovering two victims from debris. He recognized Julie Ritchie, Martie Kappel and Brenda Geier from the City's Dispatch Center for rapidly coordinating medical, fire and police response from seven agencies to respond to the fire. **Mayor Eberhart** read aloud Joint Proclamations in recognition of University Battalion Chief Greg Coon and City Firefighter Sergey Streltsov for rescuing a family of five from the second story of a burning apartment building. **Mayor Eberhart** read aloud a Joint Proclamation

honoring the American Red Cross and its Director, Michell Daku, for their timely and compassionate assistance to victims of the Geraghty Avenue fire in January. **Mayor Eberhart** congratulated City Attorney, Paul Ewers, on his recent appointment to the Alaska Municipal League/Joint Insurance Association (AML/JIA) Board of Trustees. He provided a summary of the meetings he had attended since the last Council Meeting including his trip to Juneau to meet with legislators and interior delegates in regard to the City's legislative requests. He stated that with input from Chief of Staff Jim Williams, the administration chose to lower the request for the voice-over-internet protocol system from \$600,000 to \$350,000. **Mayor Eberhart** stated that he and Ms. Staley also met with many representatives while in Juneau. He spoke to the many other meetings he had attended, both within the City and throughout the community. He shared that the Borough has agreed to contribute \$25,000 to the Community Service Patrol (CSP) and stated that there is an upcoming meeting with the Downtown Association to discuss the expansion of the program. **Mayor Eberhart** stated that the City continues to work with the FNSB School District on a work-study program that would allow local students to work part time in City offices to learn about local government while earning credit.

UNFINISHED BUSINESS

- a) Resolution No. 4613 – A Resolution Pleading with the Alaska Governor and Legislature to Restore the Rights of Sufferers to Obtain Medical Marijuana, with Prescription and without Prejudice. Introduced by Council Member Hilling. POSTPONED from the Regular Meeting of February 10, 2014.

Mr. Anderson, seconded by **Mr. Walley**, moved to APPROVE Resolution No. 4613.

Mr. Hilling, seconded by **Mr. Anderson**, moved to SUBSTITUTE Resolution No. 4613, as Amended, for Resolution No. 4613.

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

Mr. Matherly expressed concern with including language specifying that children should have the right to legally obtain marijuana. He suggested using a general term such as “patients.”

Mr. Hilling read aloud the final paragraph in Resolution No. 4613, as Amended. He acknowledged Mr. Matherly's concern regarding marijuana and children and agreed that an amendment should be introduced.

Mr. Hilling, seconded by **Mr. Anderson**, moved to AMEND Resolution No. 4613, as Amended, by striking “adults (and children with the strictest rationale and supervision)” and replacing it with “patients.”

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND RESOLUTION NO. 4613, AS AMENDED, AS FOLLOWS:

YEAS: Anderson, Matherly, Staley, Hilling

NAYS: Gatewood, Walley

Mayor Eberhart declared the MOTION CARRIED.

Mr. Gatewood stated that he is struggling with the resolution on marijuana. He acknowledged that marijuana has some medicinal qualities and may have a place in medicine but stated that there are still many unknowns. He stated that he has done his own research and spoke out against the use of the drug by children. **Mr. Gatewood** indicated that he would not support such legislation until a sufficient amount of research had been done to convince him otherwise.

Mr. Anderson stated that he somewhat agrees with Mr. Gatewood's comments but spoke to the State of Alaska's acknowledgement of an individual's right to have marijuana. He pointed out that state law is inconsistent in that it does not allow for individuals to obtain the drug. He stated that he will support Resolution No. 4613, as Amended.

Mr. Matherly stated that he is not a fan of marijuana but that he agrees with Mr. Anderson's comments regarding the inconsistency in state law. He stated that he agrees with Mr. Gatewood's comments as well.

Mr. Hilling expressed his appreciation for the discussion. He clarified that state law does not completely prohibit individuals from obtaining the drug for medicinal purposes but makes it so difficult to obtain that it drives many users to obtain it illegally. He agreed with Mr. Gatewood's comments which spoke out against children smoking marijuana. **Mr. Hilling** stated that the primary purpose of Resolution No. 4613, as Amended, is to address the supply of marijuana for those individuals who need it for medical purposes and to encourage consistency in state law.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4613, AS AMENDED, AS FOLLOWS:

YEAS: Hilling, Anderson, Walley, Matherly

NAYS: Staley, Gatewood

Mayor Eberhart declared the MOTION CARRIED and Resolution No. 4613, as Amended, APPROVED.

- b) Ordinance No. 5936, as Amended – An Ordinance Amending FGC Sections 2-486 and 2-487 Regarding the Clay Street Cemetery Commission. Introduced by Mayor Eberhart. SECOND READING AND PUBLIC HEARING.

Mr. Matherly, seconded by **Ms. Staley**, moved to ADOPT Ordinance No. 5936, as Amended.

Mr. Gatewood, seconded by **Ms. Staley**, moved to SUBSTITUTE an Amended version of Ordinance No. 5936, as Amended.

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

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

Mr. Gatewood expressed confusion regarding Section 2-487(a) of the ordinance. He stated that the makeup of the membership described in 2-487(a)(1)-(3) does not account for all seven members.

Mayor Eberhart stated that Section 2-487(a)(3) should read, “Five at-large public members or four at-large public members if a council member is appointed to the commission.”

City Attorney Ewers confirmed that the math was incorrect and that Mayor Eberhart’s suggested change would take care of the problem.

Mayor Eberhart called for objection to making the change to Section 2-487(a)(3) of Ordinance No. 5936, as Amended, and, hearing none, so ORDERED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5936, AS AMENDED, AS FOLLOWS:

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

NAYS: None

Mayor Eberhart declared the MOTION CARRIED and Ordinance No. 5936, as Amended, ADOPTED.

NEW BUSINESS

- a) Resolution No. 4614 – A Resolution Consenting to and Approving the Location of the Greater Fairbanks Community Hospital Foundation Incorporated’s Expansion Project Funded through Alaska Industrial Development and Export Authority. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4615 – A Resolution Re-Designating Check Signing Authority for Banking and Investment Accounts of the City of Fairbanks, Alaska. Introduced by Mayor Eberhart.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 4616 – A Resolution Authorizing the City of Fairbanks to Accept Funds from the Fireman’s Fund Insurance Company. Introduced by Mayor Eberhart.

Mr. Gatewood, seconded by **Ms. Staley**, moved to APPROVE Resolution No. 4616.

Mr. Gatewood recognized that the funding in Resolution No. 4616 does not require a match but asked what “public recognition of the award” is intended to mean.

Assistant Fire Chief, Ernie Misewicz, explained that the department typically recognizes the Fireman's Fund Insurance Company through a newspaper article for their support of the Fairbanks community.

Mr. Gatewood asked how many alarms could be purchased with the \$5,041 and how they would be distributed to residents within the City's fire service area.

Mr. Misewicz replied that Lakeview Terrace residents would be the first recipients of the alarms. He stated that the City would advertise the remaining alarms and install them in other households as needed. He indicated that the grant would cover the purchase of about 400 alarms.

Mr. Hilling asked Mr. Misewicz asked what type of organization the Fireman's Fund Insurance Company is.

Mr. Misewicz explained that it is a private company that makes funds available for various projects related to fire safety.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4616 AS FOLLOWS:

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

NAYS: None

Mayor Eberhart declared the MOTION CARRIED and Resolution No. 4616 APPROVED.

d) Ordinance No. 5937 – An Ordinance Authorizing Lease of City-Owned Property to the Fairbanks Convention and Visitor's Bureau. Introduced by Mayor Eberhart.

PULLED from AGENDA by Motion of the Council.

e) Ordinance No. 5938 – An Ordinance Amending FGC Section 2-332 Regarding the Membership of the Commission on Historic Preservation. Introduced by Mayor Eberhart.

ADVANCED on the CONSENT AGENDA.

f) Ordinance No. 5939 – An Ordinance Enacting FGC Sections 2-490 through 2-494 Creating a Fairbanks Diversity Council. Introduced by Mayor Eberhart.

Mr. Matherly, seconded by **Ms. Staley**, moved to ADVANCE Ordinance No. 5939.

Mr. Walley pointed out that Section 2-491 of the Fairbanks General Code (FGC) is already being used for Officers, Employees, and Departments and suggested that Section 2-491 be moved within Ordinance No. 5939 to Section 2-490.

City Attorney Ewers stated that he will provide a renumbering scheme in an As Amended version prior to the second reading of Ordinance No. 5939.

Mr. Walley asked Mayor Eberhart to speak to the reasons behind the introduction of Ordinance No. 5939 and to what he would like to accomplish by creating a Fairbanks Diversity Council.

Mayor Eberhart explained that his goal for a City Diversity Council is to be inclusive of all citizens and to hear the concerns of all the diverse groups within the community. He indicated that the Diversity Council should not be limited to ethnic groups but might also include representation for the disabled, the senior citizens and the gay population in the Fairbanks area. **Mayor Eberhart** spoke to how the idea of forming a Diversity Council developed throughout his campaign for City Mayor. He stated that the Council may ask the Diversity Council to research and offer a recommendation on an array of issues pertaining to diversity. He stated that the City Council or the Borough Assembly may want to assign additional tasks to the Diversity Council. **Mayor Eberhart** stated that one of the significant duties of the Diversity Council will be to create a Diversity Action Plan as described in Ordinance No. 5939. He stated that the Diversity Council may be asked to look at ways to attract Native Alaskan applicants to the Fairbanks Police force.

Mr. Gatewood stated that he does not believe there needs to be a specific reason or incident to spur the formation of a Fairbanks Diversity Council. He stated that racism still exists in the Fairbanks community every day and that Mayor Eberhart was approached by citizens concerned with the issue during his campaign. **Mr. Gatewood** stated that diversity is about recognizing the differences in people, accepting one another, and getting along as a community. He stated that the Diversity Council would be a good step in addressing the discrimination throughout the Fairbanks community.

Ms. Staley expressed concern with the large membership of the proposed Council. She stated that it may be difficult to get people to show up for meetings and asked Mayor Eberhart how he arrived at fifteen members.

Mayor Eberhart stated that eight members would constitute a quorum and commented that he gathered input from members in the community on how large a Fairbanks Diversity Council should be. He listed a few of the diverse groups and cultures with the Fairbanks area and stated that the 15-member Council would be filled rather quickly when you take the wide array of representation into account. He indicated that there has been a large amount of interest from the community.

Ms. Staley asked Mayor Eberhart if he believes that future mayors will want to serve as the Diversity Council Chair.

Mayor Eberhart replied that his intent in naming the City Mayor as Chair is that he wanted to give the Diversity Council stature and significance. He stated that the City Council may want to amend Ordinance No. 5939 in order to allow for a designee of the City Mayor to serve as the non-voting Chair.

Mr. Matherly thanked citizens for their testimony and the City Council for the discussion regarding the Diversity Council. He stated that Fairbanks is quite a melting pot and that Ordinance No. 5939 is a good start in addressing diversity. He asked for clarification on Section

2-494(a)(3) in regard to what effect it would have on City union employees. **Mr. Matherly** also asked how members of the Diversity Council would be selected and appointed.

Mayor Eberhart explained that City employees serve the multi-cultural Fairbanks community. He stated that Section 2-494(a)(3) is there to help ensure that employees are sensitive to that diversity. He explained that while most City employees are union, the administration still has management rights to provide or require certain training as necessary. **Mayor Eberhart** stated that his hope is to reinforce to City employees through training that they are public servants to a diverse community.

Mr. Matherly asked if the unions could oppose or refuse such training.

Mayor Eberhart stated that he would argue that the City has a right to require diversity training under its management rights. He stated that if Ordinance No. 5939 is adopted he will ask the City Clerk's Office to advertise all vacancies in the Fairbanks Daily News Miner and on the City's website. **Mayor Eberhart** stated that he will try to draft some guidelines for selection and commented that he does not believe finding applicants will be a problem. He reminded the City Council that they will have the opportunity to confirm or reject all recommendations for City-appointed seats to the Diversity Council.

Mr. Anderson stated that he has seen a similar process in action at TCC. He spoke to his own native culture and to the varying customs and communications within different cultures and backgrounds. He suggested that a community needs motivation and inspiration in order to get along and stated that communication through understanding and tolerance is the key.

Mr. Hilling commented that Mr. Anderson and Mr. Gatewood's words were inspiring. He stated that he feels that America has come a long way in eradicating racism but admitted that he may overstate that progress in his own mind. He stated that his wife was born in Korea and spoke briefly to the differences in American and Korean culture. **Mr. Hilling** commented that learning about other cultures can provide new perspective and allow for compromise. He spoke to diversifying the makeup of City employees. He reminded the City Council of Ms. Kan's suggested amendments to Ordinance No. 5939 during Public Testimony. **Mr. Hilling** asked if there would be ordinances needed by the City and Borough to implement a Diversity Action Plan recommended by the Fairbanks Diversity Council.

Mayor Eberhart stated that there are already equal opportunity laws in place.

Mr. Hilling asked Mayor Eberhart to speak to the limitations regarding employee discipline and jurisdiction in Section 2-493(12).

Mayor Eberhart explained that it is not the place of the Diversity Council to deal with employee discipline issues. He stated that jurisdiction is a separate issue and indicated that the Diversity Council would not have any jurisdiction over issues of federal or state law.

Mr. Hilling stated that he believes the term "culturally competent" in Section 2-494(a) means to have mastered an understanding of the various minority groups within the community.

Mayor Eberhart commented that the term can also be interpreted to mean culturally aware or culturally sensitive. He shared with the City Council that much of Ordinance No. 5939 was drafted by the late Patrick Cole before his passing.

Ms. Staley asked if the administrative duties of the Diversity Council would have a significant impact on the City Clerk's Office.

Mayor Eberhart stated that in his mind the City Clerk's Office should perform those types of administrative tasks for City meetings. He added that if the Clerk's Office needs more resources, the issue can be addressed in the future.

Ms. Staley stated that her intent in asking such a question is only to ensure that the Clerk's Office has the manpower to administer the additional duties.

Mayor Eberhart indicated that Chief of Staff Jim Williams is exploring ways to automate some manual processes at City Hall.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 5939 AS FOLLOWS:

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

NAYS: None

Mayor Eberhart declared the MOTION CARRIED.

DISCUSSION ITEMS

Committee Reports

Golden Heart Parking Services (GHPS) Board – **Ms. Staley** stated that the Board met but did not have a quorum to conduct business. She stated that GHPS currently uses Cornerstone Collections to collect on delinquencies and added that they are no longer allowing for service fees to be charged. She stated that she plans to work with City Attorney Ewers to discuss options.

Tiger Team – **Ms. Staley** gave an overview of the proposed addition of F-35's to Eielson Air Force Base. She announced that there would be a noon presentation by the Chamber of Commerce at the Carlson Center on February 25, 2014 and invited everyone to attend. She stressed the importance of local support of the opportunity to boost the economy of the Fairbanks community.

Fairbanks Convention and Visitor's Bureau (FCVB) Board of Directors – **Mr. Matherly** stated that the Board recently met and discussed the new logo, the possibility of new board members and the annual review of FCVB President Deb Hickok.

FMATS Policy Committee – **Mr. Walley** stated that at their last meeting the Committee finalized layouts for the nine historic plaques in the green space on Illinois Street. He stated that installation of the plaques should be finished by the end of March. He shared that the Dennis

Road Extension Project scored very low at the FMATS Technical Committee and indicated that the state will close the project. **Mr. Walley** stated that the Policy Committee also approved a motion to submit an appropriations request to Senator Mark Begich for the Cushman Bridge Projects and for a study on the relocation of the railway yards in Fairbanks and North Pole. He stated that the Chena Small Tracts Project is set to move forward with the State of Alaska design although there was much controversy surrounding the project. **Mr. Walley** shared that the Technical Committee recommended postponing action on the College Road Rehabilitation Project funding until a decision is made in regard to scope. He stated that the Polaris sculpture for the green space on Illinois Street is currently being constructed and that they have estimated the amount of time to polish the final product at a remarkable 3,000 hours. He indicated that installation of the sculpture should take place in August or September of 2014. **Mr. Walley** stated that the South Cushman Project is gearing up and spoke to the design of the new street and sidewalks.

COMMUNICATIONS TO COUNCIL

- a) Chena Riverfront Commission Meeting Minutes of September 11, 2013.

ACCEPTED on the CONSENT AGENDA

- b) Chena Riverfront Commission Meeting Minutes of December 11, 2013.

ACCEPTED on the CONSENT AGENDA

COUNCIL MEMBERS' COMMENTS

Mr. Matherly apologized for having to leave the last Regular City Council Meeting early. He stated that he along with many of his family members will be attending the funeral for Governor Mike Stepovich on February 28. He expressed appreciation for the Council's comments throughout the meeting, specifically in regard to the discussion on the creation of a Diversity Council. He applauded the public for coming to speak to the Council. **Mr. Matherly** stated that he was happy to hear the Proclamations read in recognition of the outstanding work done by responders to the Geraghty fire. He stated that after speaking with Marc Marlow about the Polaris Building he has a better understanding of the magnitude of work to be done and funding to be obtained in order to renovate the structure. He stated that he now feels more optimistic about the issue and believes that Mr. Marlow is making progress.

Mr. Hilling had no comments.

Mr. Anderson stated that he really appreciated the meeting. He congratulated City Attorney Ewers on becoming a member of the AML/JIA Board of Trustees and recognized City Clerk Hovenden for her Presidency in the Alaska Association of Municipal Clerks (AAMC). He stated that he recently attended a Women of Excellence dinner at the JP Jones Community Center with Lottie Fleeks who was honored along with six other women throughout the community for their extraordinary accomplishments. **Mr. Anderson** stated that he also attended orientation for the 2014 Arctic Winter Games over the weekend and commented on the incredible projected turnout and organization of the event.

Mr. Gatewood expressed appreciation for Council discussion and Public Testimony throughout the meeting. He congratulated City Attorney Ewers on his new membership to the AML/JIA Board of Trustees and commended City Clerk Hovenden for having recently obtained her Master Municipal Clerk (MMC) designation from the International Institute of Municipal Clerks (IIMC). He expressed his pride in the City of Fairbanks employees. **Mr. Gatewood** stated that in regard to diversity, he would define cultural competency as understanding the reasons behind a culture's traditions and customs. He commented that this type of understanding is a lifelong learning process that everyone should strive for. He expressed appreciation for the advancement of Ordinance No. 5939 to create a Fairbanks Diversity Council. He commended those who were recognized for their response to the Geraghty fire and commented on the tragedy of the disaster. **Mr. Gatewood** stated that he looks forward to getting to know the new Chief of Staff.

Mr. Walley expressed his appreciation for the way the City Council communicates with one another. He indicated that he may be somewhat ignorant to the diversity issue because he does not notice an individual's color or race. He stated that Mr. Gatewood and Mr. Anderson's comments provided a different perspective for him to consider. **Mr. Walley** expressed appreciation for Mayor Eberhart's comments on the diversity issue as well.

Ms. Staley stated that she also appreciated the meeting discussion and commented that working with everyone at the City is fun. She thanked Mr. Anderson for covering for her at the last Borough Assembly meeting. **Ms. Staley** encouraged everyone to buy tickets for the upcoming 2014 Arctic Winter Games and stressed the importance of volunteering for and attending the events.

Mr. Walley requested that reminders be sent out to Council Members for the schedule to attend Borough Assembly meetings.

ADJOURNMENT

Mr. Gatewood moved to ADJOURN the meeting.

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

Mayor Eberhart declared the meeting adjourned at 9:40 P.M.

JOHN EBERHART, MAYOR

ATTEST:


JANEY HOVENDEN, MMC, CITY CLERK

Transcribed by: DS



MEMORANDUM

TO: Mayor John Eberhart
City Council Members

FROM: D. Danyielle Snider, Deputy City Clerk 

SUBJECT: Application for Commercial Refuse Collector License

DATE: April 24, 2014

Please find attached a copy of the Application for a Commercial Refuse Collector License submitted by Waste Connections of Alaska, Inc., d/b/a/ Alaska Waste-Interior, LLC. All requirements for licensure per FGC Chapter 14, Article IX have been submitted.

Pursuant to FGC Section 14-366, the Council shall take final action on all applications for Commercial Refuse Collection Licenses and may approve, modify, limit, deny or approve with restrictions or limitations attached, including designation of service areas. Where approved by the City Council, the City Clerk shall issue a Commercial Refuse Collector's License to the applicant under the seal of the City of Fairbanks.

FGC Chapter 14, Article IX is attached for your reference.



CITY OF FAIRBANKS

RECEIVED
APR 23 2014

CITY CLERKS OFFICE

COMMERCIAL REFUSE COLLECTOR LICENSE APPLICATION

800 Cushman Street, Fairbanks, AK 99701
(907) 459-6716

TYPE OF LICENSE: NEW RENEWAL FEES DUE/COLLECTED: \$2000.00

Business Name: Waste Connections of Alaska - Alaska Waste Interior		
Owner or Representative's Name: Matt O'Connell <i>Owner: Alaska Waste - Interior, LLC</i>		
Business Mailing Address: 3941 Easy Street	City, State: Fairbanks, AK	Zip: 99701
Business Physical Address: 3941 Easy Street	City, State: Fairbanks, AK	Zip: 99701
Phone: 907-452-2009	Fax Phone: 907-452-2030	E-mail Address:

Application Requirements

\$2,000.00 Bi-Annual License Fee

Current State of Alaska Business License AND Current City of Fairbanks Business License

Attachments: Detailed Vehicle Information, Insurance, Experience Statement, and Certification

Complete Application with Appropriate Signature(s)

All required documents must be submitted with the signed application, the Clerk's Office cannot accept incomplete applications.

Mode of Doing Business: Sole Proprietorship Partnership Corporation

Name of Sole Proprietor, Partner(s), or Corporate Officer(s): Steven Bouck
Office(s) Held: President
Name of Sole Proprietor, Partner(s), or Corporate Officer(s): Darrell Chamliiss
Office(s) Held: COO Executive VP of Operations

Operation of Business

Name as it will appear on exterior of vehicles: Alaska Waste	
Color Scheme: Green Body - White Cab	Lettering: White
Location of the office from which applicant will do business: 3941 Easy Street, Fairbanks AK 99701	
Location of the garage or yard from which vehicles will operate: 3941 Easy Street, Fairbanks AK 99701	

Required Attachments for Submittal and Consideration	
✓	VEHICLE INFORMATION: A listing and description of the vehicles which will be operated under the license; including the make, model, year, serial number, license number, and owner of record of each vehicle.
✓	INSURANCE: A copy of policies of liability or indemnity insurance providing coverage and protection against loss through personal injury or property damage arising from negligence on the part of the owner or driver of all vehicles to be operated under the license; such insurance to afford coverage in an amount not less than \$50,000 per person for personal injury sustained, as further limited by minimum coverage of \$100,000 for all personal injuries sustained in any one accident, and to also provide coverage in the amount of \$25,000 for property damage arising out of any accident. Each policy shall further contain a clause, addendum or endorsement providing that the insurer or his local agent will give written notice of the cancellation, revocation, termination or expiration of that policy, such notice to be submitted to the city clerk not later than five days prior to such eventuality.
✓	EXPERIENCE: A statement as to the applicant's experience as a commercial refuse collector and that he/she has complied with such certification requirements as may be required by the state.
✓	CERTIFICATION: A copy of the certification issued by the SOA Public Utilities Commission.

Applicant's Statement for Commercial Refuse Collector License	
<p>I, <u>Matt O'Connell</u> certify that I am the owner/partner/officer of <u>Waste Connections of Alaska - Alaska Waste</u> and that the answers to the foregoing questions and other statements contained herein are true and complete to the best of my knowledge and belief. I understand that any materially false statement on this application may be subject to revocation or denial of a license. I certify that I have complied with such certification requirements as may be required by the State of Alaska, by and through the Public Utilities Commission, which are currently embodied in AS 42.05.221 et seq. I agree to make available to the City Clerk a report containing the names and addresses of all customers. I agree to maintain adequate books of accounts pertaining to transactions conducted under this license will make such records available to the Mayor for inspection, if so asked. I certify that I will collect and charge such fees only for the collection and hauling of commercial garbage, rubbish, and ashes as are authorized in the license. I certify that I will utilize the landfill area designated by the Borough, and upon such fees as provided for purposes of disposing of all refuse collected under a refuse collector's license. I certify that I have read and fully understand Fairbanks General Code 14.336 through 14.397 and will comply with the requirements and responsibilities therein.</p>	
<p><u>Matt O'Connell</u> Printed Name of Company Owner/Partner/Officer</p>	<p><u>Matt O'Connell</u> Signature</p>

The Fairbanks General Code is attached to this application for your convenience; it is provided as a courtesy, but is the distinct responsibility of the Applicant to understand the requirements and to be compliant. Signing of the above Oath, acknowledges having read the Code and certifies that he/she understands it. If the Applicant has any questions regarding those responsibilities, the questions should be asked prior to issuance of a permit.

Please make all necessary copies for your records before submission of your application to the Clerk's Office. There will be a per page charge for any copying requested in accordance with FGC 2-775. Thank you in advance for your cooperation.

Administrative Use Only	
Approved By: <u>Jonny Clord</u>	Date: <u>4/23/14</u>
Denied By:	Date:
Reason for Denial:	

For additional information and/or forms, please visit the City of Fairbanks web site at:
www.ci.fairbanks.ak.us

PART II - CODE OF ORDINANCES
Chapter 14 - BUSINESSES
ARTICLE IX. - COMMERCIAL REFUSE COLLECTOR

DIVISION 2. LICENSE

DIVISION 2. LICENSE

[Sec. 14-361. Required; fee, duration.](#)

[Sec. 14-362. Application required.](#)

[Sec. 14-363. Contents of application.](#)

[Sec. 14-364. Insurance.](#)

[Sec. 14-365. Recommendation to city council.](#)

[Sec. 14-366. Approval of city council; issuance.](#)

[Sec. 14-367. Effect of issuance.](#)

[Sec. 14-368. Suspension, revocation.](#)

[Sec. 14-369. Transferability.](#)

[Secs. 14-370—14-390. Reserved.](#)

Sec. 14-361. Required; fee, duration.

- (a) *Required.* No person shall operate as a commercial refuse collector in the city without first obtaining a refuse collector's license.
- (b) *Fee, duration.* The fee for such license shall be as set forth in the city's schedule of fees and charges for services.

(Code 1960, §§ 1.115(10), 12.203(a), (b); Ord. No. 5744, § 34, 7-1-2008)

Sec. 14-362. Application required.

Any person desiring to engage in business as a commercial refuse collector shall make application for such license through the city clerk to the city council upon forms furnished by the city.

(Code 1960, § 12.203(c))

Sec. 14-363. Contents of application.

- (a) The application for a refuse collector's license shall contain the following:
- (1) The date of the application.
 - (2) The complete legal name and address of the company to whom the license, if granted, is to be issued.
 - (3) The nature of the company under which the applicant intends to do business (sole proprietorship, partnership, association, corporation).
 - (4) The name and address of the owner of the company if a sole proprietorship; or the names and addresses of the partners or members if the company is a partnership or association; or the names, addresses and positions of the corporate officers if the company is a corporation.
 - (5) The exact name which the applicant will display upon the exterior of the vehicles to be operated under the license. The distinctive color scheme which the applicant intends to apply to the exterior of each vehicle to be operated under the license, including the color scheme of any lettering or numbers to appear on the exterior.
 - (6) The year for which the license is sought.
 - (7) The location of the office from which the applicant intends to conduct its business and also the business phone number at which said applicant can be contacted.
 - (8) The location of the garage or yard from which the vehicles are to operate upon the granting of a license.
 - (9) The number of vehicles which will be operated under the license, and the description, including the make, model (year), engine or serial number, state license number, and record owner, of each

PART II - CODE OF ORDINANCES
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ARTICLE IX. - COMMERCIAL REFUSE COLLECTOR

DIVISION 2. LICENSE

- vehicle, and the amount of bodily injury and property damage insurance coverage on each vehicle, the name of the insurer, and the insurance policy number.
- (10) A statement by the applicant as to experience as a commercial refuse collector and a statement by the applicant that he has complied with such certification requirements as may be required by the state by and through the public utilities commission, which are currently embodied in AS 42.05.221 et seq., along with a certified copy of the certificate issued to applicant by the public utilities commission.
- (11) A statement by the applicant that he agrees to submit to the city clerk within ten days following the issuance of a commercial refuse collector's license, a report containing the names and addresses of all commercial and residential customers within the city presently being served by the applicant, and thereafter shall submit within ten days following the close of each month of operations under the license, a report of any additions to or deletions from such list of customers; a statement by the applicant that he will accept responsibility for payment to the city of all sales taxes due to the city on all payments made to the licensee for the services rendered by the licensee within the city and a statement that the applicant will maintain adequate books of account pertaining to transactions conducted under and by virtue of the refuse collector's license, which books and records shall be open to the mayor for inspection, upon reasonable notification and request.
- (12) A statement by the applicant that he will collect and charge such fees only for the collection and hauling of commercial garbage, rubbish and ashes as are authorized in the license; that the applicant will abide by all lawful rules, directives and orders to be issued under and by virtue of this article; and that the applicant will utilize the landfill area designated by the borough, and upon such fees as provided for purposes of disposing of all refuse collected under a refuse collector's license.
- (b) The application shall be subscribed by the applicant or, where proper, a partner or officer of the applicant; shall set forth the capacity in which the subscriber acts; the name of the company for whom he acts; and, if a corporation, shall bear the corporate seal.
(Code 1960, § 12.203(d))

Sec. 14-364. Insurance.

There shall be submitted with the application for a commercial refuse collector license copies of policies of liability or indemnity insurance providing coverage and protection against loss through personal injury or property damage arising from negligence on the part of the owner or driver of all vehicles to be operated under the license; such insurance to afford coverage in an amount not less than \$50,000.00 per person for personal injury sustained, as further limited by minimum coverage of \$100,000.00 for all personal injuries sustained in any one accident, and to also provide coverage in the amount of \$25,000.00 for property damage arising out of any one accident. Each policy shall further contain a clause, addendum or endorsement providing that the insurer or his local agent will give written notice of the cancellation, revocation, termination or expiration of that policy, such notice to be submitted to the city clerk not later than five days prior to such eventuality.

(Code 1960, § 12.203(e))

Sec. 14-365. Recommendation to city council.

After completing his review of the application for a commercial refuse collector license and any reports submitted to him, the city clerk shall make his recommendation to the city council.

(Code 1960, § 12.203(f))

Sec. 14-366. Approval of city council; issuance.

- (a) The city council shall take final action on all applications for a commercial refuse collector license submitted for a license, and may approve, modify, limit, deny or approve with restrictions or limitations attached, including designation of service areas, each application thus submitted to it. Where approved

PART II - CODE OF ORDINANCES
Chapter 14 - BUSINESSES
ARTICLE IX. - COMMERCIAL REFUSE COLLECTOR

DIVISION 2. LICENSE

by the city council, the city clerk shall issue a commercial refuse collector's license to the applicant under the seal of the city.

- (b) Prior to approving any additional licenses for commercial refuse collection over those then in effect, or before approving any rate changes for commercial refuse collection, or before changing any of the terms and conditions respecting commercial refuse collection within the city, the city council shall provide written notice, by certified mail, to all existing licensees of the action which it proposes to take, and give such existing licensees a reasonable time in which to voice any objections, such time not to exceed 21 days.

(Code 1960, § 12.203(g))

Sec. 14-367. Effect of issuance.

The securing of a commercial refuse collector's license by an applicant shall in itself constitute an agreement with the city to abide by this article and such license regulations as are promulgated by the city clerk and approved by the city council, that such applicant will haul refuse for any person in the city making application, for such service upon proper payment, or upon arrangements satisfactorily made for payment or compensation as provided in this article, it being the intention of this section to make it incumbent upon all licensed commercial refuse collectors to respond to calls from any person in the city who desires the licensee's service except for just cause shown, and thereupon to perform the service requested within a reasonable period of time, which shall be construed to be not more than three days. Failure on the part of a licensee to so call and perform any proper service thus requested and authorized in this section shall be unlawful.

(Code 1960, § 12.203(h))

Sec. 14-368. Suspension, revocation.

- (a) A commercial refuse collector's license may be temporarily suspended or permanently revoked, by action of the city council, for any of the following occurrences:
- (1) Breach of any condition, limitation or modification imposed by the city council in approving the application for license.
 - (2) Breach by the licensee of any covenant or agreement undertaken by the licensee under such license, and the breach by the licensee of any of the terms and provisions of its currently effective tariffs on file with the city council.
 - (3) Delinquency in payment to the city of consumer sales taxes.
 - (4) Any false statement in the application.
 - (5) Violation of any of the provisions of this article, applicable sections of [chapter 66](#) or of the license regulations.
 - (6) Failure to give regular service to customers.
 - (7) Failure to maintain insurance, provided in [section 14-364](#)
- (b) The city council shall give due notice to the licensee and shall hold a public hearing before suspending or revoking a license.

(Code 1960, § 12.203(i))

Sec. 14-369. Transferability.

A commercial refuse collector's license is nontransferable.

(Code 1960, § 12.203(j))

Secs. 14-370—14-390. Reserved.

ORDINANCE NO. 5946, AS AMENDED

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

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

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

SECTION 1. There is hereby appropriated to the 2014 General Fund budget from the following sources of revenue for the City of Fairbanks in the amount indicated to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2014 and ending December 31, 2014:

	APPROVED BUDGET	AS AMENDED
Taxes, (all sources)	\$ 19,920,196	\$ 19,920,196
Charges for Services	4,372,020	4,372,020
Intergovernmental Revenues	4,387,280	4,541,084
Licenses & Permits	1,438,000	1,444,914
Fines, Forfeitures & Penalties	1,022,185	1,022,185
Interest & Penalties	130,500	130,500
Rental & Lease Income	158,744	158,744
Other Revenues	215,000	215,000
Other Financing Sources	3,335,131	(664,869)
	<hr/>	<hr/>
Total appropriation	\$ 34,979,056	\$ 31,139,774

SECTION 2. There is hereby appropriated to the 2014 budget expenditures for the City of Fairbanks in the amount indicated:

DESCRIPTION	APPROVED BUDGET	AS AMENDED
Mayor and Council	\$ 502,467	\$ 502,467
Office of the City Attorney	175,761	175,761
Office of the City Clerk	344,049	344,049
Finance Department	903,321	903,321
Information Technology	1,404,586	1,404,586
General Account	5,560,395	5,725,431
Risk Management	1,040,819	1,040,819
Police Department	7,105,660	7,105,660
Dispatch Center	2,048,745	2,048,745
Fire Department	6,351,259	6,351,259
Public Works Department	7,530,572	7,530,572
Engineering Department	489,065	489,065
Building Department	655,195	655,195
Total appropriation	<u>\$ 34,111,894</u>	<u>\$ 34,276,930</u>
12/31/13 general fund balance	\$ 13,270,041	\$ 13,270,040
Increase to fund balance	867,162	(3,137,156)
Nonspendable	(424,514)	(424,514)
Committed for snow removal	(250,000)	(250,000)
Committed self insurance	<u>(785,248)</u>	<u>(785,248)</u>
12/31/14 Unassigned balance	<u>\$ 12,677,441</u>	<u>\$ 8,673,122</u>

SECTION 3. There is hereby appropriated to the 2014 Capital Fund budget from the following sources of revenue for the City of Fairbanks in the amount indicated to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2014, and ending December 31, 2014.

	APPROVED BUDGET	AS AMENDED
Transfer from Permanent Fund	\$ 514,960	\$ 514,960
Transfer from General Fund	500,000	1,500,000
Transfer Ambulance Mileage from General Fund	65,000	65,000
Budgeted Garbage Equipment Replacement	219,545	219,545
Equipment Replacement - Public Works	250,000	250,000
Equipment Replacement - Building Department	10,000	10,000
Equipment Replacement - Police	180,000	180,000
Equipment Replacement - Dispatch	80,000	80,000
Equipment Replacement - Fire	250,000	250,000
Equipment Replacement - IT	110,000	110,000
Property Repair & Replacement	145,000	145,000
Total appropriation	<u>\$ 2,324,505</u>	<u>\$ 3,324,505</u>

SECTION 4. There is hereby appropriated to the 2014 capital budget, expenditures for the City of Fairbanks in the amount indicated:

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>APPROVED BUDGET</u>	<u>AS AMENDED</u>
14	Information Tech. Department	637,300	637,300
20	Police Department	180,000	180,000
21	Dispatch Department	555,488	555,488
30	Fire Department	572,829	572,829
50	Public Works Department	1,955,463	1,955,463
	Total appropriation	\$ 3,901,080	\$ 3,901,080
	12/31/13 capital fund balance	\$ 6,139,228	\$ 6,008,764
	Decrease to fund balance	(1,576,575)	(576,575)
	12/31/14 Assigned fund balance	<u>\$ 4,562,653</u>	<u>\$ 5,432,189</u>

SECTION 5. All appropriations made by this ordinance lapse at the end of the fiscal year to the extent they have not been expended or contractually committed to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2014 and ending December 31, 2014.

SECTION 6. The effective date of this ordinance shall be the _____ day of April 2014.

JOHN EBERHART, MAYOR

AYES:
NAYS:
ABSENT:
ADOPTED:

ATTEST:

APPROVED AS TO FORM

Janey Hovenden, MMC, City Clerk

Paul J. Ewers, City Attorney

FISCAL NOTE

ORDINANCE 4946, AMENDING THE 2014 OPERATING AND CAPITAL BUDGETS FOR THE SECOND TIME

ESTIMATED REVENUES and OTHER FINANCING SOURCES (USES)

(\$3,839,282) Decrease

1. Taxes – No Change
2. Charges for Services – No Change
3. Intergovernmental Revenues – \$153,804 Increase
 - (\$ 11,232) Decrease for SOA revenue sharing
 - \$165,036 Increase for SOA PERS on behalf payments
4. Licenses & Permits – \$6,914 Increase to Business Licenses
5. Fines, Forfeitures & Penalties – No Change
6. Interest & Penalties – No Change
7. Rental & Lease Income – No Change
8. Other Revenues – No Change
9. Other Financing Sources & (Uses) – (\$4,000,000) Decrease
 - \$3,000,000 Increase to Transfer to the Permanent Fund
 - \$1,000,000 Increase to Transfer to the Capital Fund

FISCAL NOTE CONTINUED
ESTIMATED EXPENDITURES

\$165,036 INCREASE

1. Mayor & Council – ~~\$2,222~~ Increase **NO CHANGE**
 - ~~\$1,188~~ Increase Salaries (IBEW CBA)
 - ~~\$1,030~~ Increase Benefits (IBEW CBA)
 - ~~\$ 4~~ Increase Leave (IBEW CBA)
2. City Attorney's Office – ~~\$2,494~~ Increase **NO CHANGE**
 - ~~\$1,311~~ Increase Salaries (IBEW CBA)
 - ~~\$1,032~~ Increase Benefits (IBEW CBA)
 - ~~151~~ Increase Leave (IBEW CBA)
3. City Clerk's Office – ~~\$4,575~~ Increase **NO CHANGE**
 - ~~\$2,429~~ Increase Salaries (IBEW CBA)
 - ~~\$2,061~~ Increase Benefits (IBEW CBA)
 - ~~\$ 85~~ Increase Leave (IBEW CBA)
4. Finance Department – ~~\$21,768~~ Increase **NO CHANGE**
 - ~~\$11,302~~ Increase Salaries (IBEW CBA)
 - ~~\$ 8,267~~ Increase Benefits (IBEW CBA)
 - ~~\$ 2,199~~ Increase Leave (IBEW CBA)
5. Information Technology – ~~\$15,861~~ Increase **NO CHANGE**
 - ~~\$8,754~~ Increase Salaries
 - ~~\$6,167~~ Increase Benefits
 - ~~\$ 940~~ Leave
6. General Account – \$165,036 Increase for SOA PERS on behalf payments
7. Risk Management – No Change

8. Police Department – ~~\$3,708~~ Increase **NO CHANGE**

- ~~\$1,838~~ Increase Salaries
- ~~1,664~~ Increase Benefits
- ~~206~~ Increase Leave

9. Dispatch – ~~\$2,857~~ Increase **NO CHANGE**

- ~~\$ 1,677~~ Increase Salaries (IBEW CBA)
- ~~\$ 1,037~~ Increase Benefits (IBEW CBA)
- ~~\$ 143~~ Increase Leave (IBEW CBA)

10. Fire Department – ~~\$6,357~~ Increase **NO CHANGE**

- ~~\$ 3,779~~ Increase Salaries (IBEW CBA)
- ~~\$ 2,036~~ Increase Benefits (IBEW CBA)
- ~~\$ 542~~ Increase Leave (IBEW CBA)

11. Public Works – ~~\$4,668~~ Increase **NO CHANGE**

- ~~\$ 2,461~~ Increase Salaries (IBEW CBA)
- ~~\$ 1,555~~ Increase Benefits (IBEW CBA)
- ~~\$ 652~~ Increase Leave (IBEW CBA)

12. Engineering – ~~\$32,381~~ Increase **NO CHANGE**

- ~~\$17,306~~ Increase Salaries (IBEW CBA)
- ~~\$11,860~~ Increase Benefits (IBEW CBA)
- ~~\$ 3,215~~ Leave (IBEW CBA)

13. Building Department – ~~\$15,758~~ Increase **NO CHANGE**

- ~~\$ 8,946~~ Increase Salaries (IBEW CBA)
- ~~\$ 6,167~~ Increase Benefits (IBEW CBA)
- ~~\$ 645~~ Increase Leave (IBEW CBA)

FISCAL NOTE CONTINUED

Capital Fund

1. REVENUES

- No change

2. OTHER FINANCING SOURCES (USES)

- \$1,000,000 Increase to transfer from General Fund

3. EXPENDITURES

- No Change

4. INTERNAL TRANSFERS

- No Change

Introduced by: Mayor John Eberhart
Finance Committee Review: April 29, 2014
Introduced: May 5, 2014

RESOLUTION NO. 4623

A RESOLUTION TO APPLY FOR AND ACCEPT A FFY2014 BULLETPROOF VEST PARTNERSHIP GRANT FROM THE UNITED STATES DEPARTMENT OF JUSTICE

WHEREAS, protective ballistic vests (often called “bulletproof” vests) are required by policy to be worn by all Fairbanks Police officers; and

WHEREAS, the City can obtain a Bulletproof Vest Partnership grant from the United States Department of Justice to provide 50% of the retail price for the vests; and

WHEREAS, the City would request \$4,875.00 to supplement the purchase of vests for newly hired officers and to replace out-dated vests;

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

PASSED and APPROVED this 5th Day of May 2014.

John Eberhart, Mayor

AYES:
NAYS:
ABSENT
APPROVED:

ATTEST:

APPROVED AS TO FORM

Janey Hovenden, MMC, City Clerk

Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4623

Abbreviated Title: FFY2014 BULLETPROOF VEST PARTNERSHIP GRANT

Does the adoption of this ordinance or resolution authorize:

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

2) additional support or maintenance costs? Yes _____ No x

If yes, what is the estimate? _____

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

If yes, how many positions? _____

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

II. FINANCIAL DETAIL:

ESTIMATED EXPENDITURES	2014	2015	2016	Beyond	Total
Personnel Wages					\$0.00
Personnel Benefits					\$0.00
Supplies					\$0.00
Contractual					\$0.00
Equipment		\$4,875.00			\$4,875.00
Administration					\$0.00
Travel					\$0.00
TOTAL	\$0.00	\$4,875.00	\$0.00	\$0.00	\$4,875.00

ESTIMATED FUNDING SOURCES	2014	2015	2016	Beyond	Total
General Fund		\$2,437.50			\$2,437.50
Capital Fund					\$0.00
Federal Grant		\$2,437.50			\$2,437.50
State Grant					\$0.00
Local Contract					\$0.00
Cash Match					\$0.00
In-Kind Match					\$0.00
Other					\$0.00
TOTAL	\$0.00	\$4,875.00	\$0.00	\$0.00	\$4,875.00

Reviewed by Finance Department:

Initial mb

Date 4/23/2014

RESOLUTION NO. 4624

**A RESOLUTION TO APPLY FOR AND ACCEPT FUNDING FROM THE ALASKA
HIGHWAY SAFETY OFFICE FOR FFY2015 TRAFFIC SAFETY PROGRAMS**

WHEREAS, the City of Fairbanks has received supplemental funding from the Alaska Highway Safety Office (AHSO) for local law enforcement; and

WHEREAS, the City has received positive citizen feedback regarding continued traffic enforcement, particularly in the apprehension of DUI offenders; and

WHEREAS, the City is applying to retain two dedicated DUI Traffic Enforcement employees for wages and benefits in the amount of \$261,512, and a required match of in-kind support in the amount of \$261,512 will be provided; and

WHEREAS, the City is eligible to receive \$24,000 to participate in High Visibility Enforcement activities to reduce accidents and injuries by impaired drivers by conducting seat belt and DUI enforcement, and no match is required; and

WHEREAS, the City is eligible to receive \$10,000 to attend highway safety conferences and events, and no match is required; and

WHEREAS, the City plans to request a total of \$295,512 from Alaska Highway Safety Office and provide a match of \$261,512 with currently budgeted City staff expenditures;

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

PASSED and APPROVED this 5th Day of May 2014.

John Eberhart, Mayor

AYES:
NAYS:
ABSENT
APPROVED:

ATTEST:

APPROVED AS TO FORM

Janey Hovenden, MMC, City Clerk

Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4624

Abbreviated Title: FFY2015 ALASKA HIGHWAY SAFETY OFFICE GRANT

Does the adoption of this ordinance or resolution authorize:

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

2) additional support or maintenance costs? Yes _____ No x

If yes, what is the estimate? see note below

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

If yes, how many positions? _____

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

II. FINANCIAL DETAIL:

ESTIMATED EXPENDITURES	2014	2015	2016	Beyond	Total
Personnel Wages DUI Officers	\$52,548	\$144,146			\$196,694
Personnel Benefits DUI Officers	\$24,079	\$63,239			\$87,318
Personnel Wages Supv & Commander	\$45,798	\$137,396			\$183,194
Personnel Benefits Supv & Commander	\$19,579	\$58,739			\$78,318
Equipment					\$0
Contractual	\$750	\$750			\$1,500
Travel		\$10,000			\$10,000
TOTAL	\$142,754	\$414,270	\$0	\$0	\$557,024

ESTIMATED FUNDING SOURCES	2014	2015	2016	Beyond	Total
General Fund	\$65,377	\$196,135			\$261,512
Capital Fund					\$0
Federal Grant	\$77,377	\$218,135			\$295,512
State Grant					\$0
Company Grant					\$0
Cash Match					\$0
In-Kind Match					\$0
Other					\$0
TOTAL	\$142,754	\$414,270	\$0	\$0	\$557,024

NOTE: The City will be applying the salaries and benefits paid to the Supervisor and Commander of the Traffic Unit as matching funds. The City may have incidental costs associated with the DUI Enforcement Officers such as meals and training that will not exceed the approved budget.

Reviewed by Finance Department: Initial mb Date 4/23/2014

RESOLUTION NO. 4625

**A RESOLUTION TO APPLY FOR AND ACCEPT FUNDING FROM THE BUREAU
OF JUSTICE FOR THE FFY2014 EDWARD BYRNE MEMORIAL JUSTICE
ASSISTANCE GRANT (JAG)**

WHEREAS, the City of Fairbanks has received notification of funding through the Bureau of Justice for the FFY2014 Edward Byrne Memorial Justice Assistance Grant (JAG) Program in the amount of \$36,041; and

WHEREAS, the City of Fairbanks has used federal and state JAG funds in combination to retain an officer in our local Statewide Drug Enforcement Unit (SDEU) for the purpose of conducting area-wide drug and alcohol investigations; and

WHEREAS, the City of Fairbanks is not required to provide a match;

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

PASSED and APPROVED this 5th Day of May 2014.

John Eberhart, Mayor

AYES:
NAYS:
ABSENT
APPROVED:

ATTEST:

APPROVED AS TO FORM

Janey Hovenden, MMC, City Clerk

Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4625

Abbreviated Title: FFY2014 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT

Does the adoption of this ordinance or resolution authorize:

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

2) additional support or maintenance costs? Yes _____ No x

If yes, what is the estimate? see note below

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

If yes, how many positions? _____

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

II. FINANCIAL DETAIL:

ESTIMATED EXPENDITURES	FY2014	FY2015	FY2016	FY2017	Total
Personnel Wages	\$43,036	\$43,036			\$86,072
Personnel Benefits	\$18,919	\$18,919			\$37,838
Supplies					\$0
Contractual					\$0
Equipment					\$0
Travel					\$0
Construction					\$0
TOTAL	\$61,955	\$61,955	\$0	\$0	\$123,910

ESTIMATED FUNDING SOURCES	FY2014	FY2015	FY2016	FY2017	Total
General Fund					\$0
Capital Fund					\$0
Federal Grant	\$18,021	\$18,020			\$36,041
State Grant	\$43,934	\$43,935			\$87,869
Local Grant					\$0
Cash Match					\$0
In-Kind Match					\$0
Other					\$0
TOTAL	\$61,955	\$61,955	\$0	\$0	\$123,910

NOTE: The City may have incidental costs associated with the position such as meals and training that will not exceed the approved budget.

Reviewed by Finance Department: Initial mb Date 4/24/2014

RESOLUTION NO. 4626

**A RESOLUTION TO APPLY FOR AND ACCEPT FUNDING FROM THE ALASKA
DEPARTMENT OF PUBLIC SAFETY FOR THE SFY2015 EDWARD BYRNE
MEMORIAL JUSTICE ASSISTANCE GRANT (JAG)**

WHEREAS, the City of Fairbanks has received notification that funding is available through the Alaska Department of Public Safety for the SFY2015 Edward Byrne Memorial Justice Assistance Grant (JAG) Program; and

WHEREAS, the City of Fairbanks has used state and federal JAG funds in combination to retain an officer in our local Statewide Drug Enforcement Unit (SDEU) for the purpose of conducting area-wide drug and alcohol investigations; and

WHEREAS, the City of Fairbanks plans to request \$87,869, and a match is not required;

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

PASSED and APPROVED this 5th Day of May 2014.

John Eberhart, Mayor

AYES:
NAYS:
ABSENT
APPROVED:

ATTEST:

APPROVED AS TO FORM

Janey Hovenden, MMC, City Clerk

Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4626

Abbreviated Title: SFY2015 ALASKA DPS JUSTICE ASSISTANCE GRANT

Does the adoption of this ordinance or resolution authorize:

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

2) additional support or maintenance costs? Yes _____ No x

If yes, what is the estimate? see note below

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

If yes, how many positions? _____

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

II. FINANCIAL DETAIL:

ESTIMATED EXPENDITURES	FY2014	FY2015	FY2016	FY2017	Total
Personnel Wages	\$43,036	\$43,036			\$86,072
Personnel Benefits	\$18,919	\$18,919			\$37,838
Supplies					\$0
Contractual					\$0
Equipment					\$0
Travel					\$0
Construction					\$0
TOTAL	\$61,955	\$61,955	\$0	\$0	\$123,910

ESTIMATED FUNDING SOURCES	FY2014	FY2015	FY2016	FY2017	Total
General Fund					\$0
Capital Fund					\$0
Federal Grant	\$18,021	\$18,020			\$36,041
State Grant	\$43,934	\$43,935			\$87,869
Local Grant					\$0
Cash Match					\$0
In-Kind Match					\$0
Other					\$0
TOTAL	\$61,955	\$61,955	\$0	\$0	\$123,910

NOTE: The City may have incidental costs associated with the position such as meals and training that will not exceed the approved budget.

Reviewed by Finance Department: Initial mb Date 4/24/2014

Introduced by: Mayor John Eberhart
Finance Committee Review: April 29, 2014
Introduced: May 5, 2014

RESOLUTION NO. 4627

**A RESOLUTION TO APPLY FOR A FFY2014 COPS HIRING PROGRAM GRANT
FROM THE UNITED STATES DEPARTMENT OF JUSTICE**

WHEREAS, the City of Fairbanks Police Department and the Fairbanks North Star Borough School District entered into a cooperative agreement to provide two School Resource Officers until June 30, 2014 through a COPS Hiring Recovery Program Grant; and

WHEREAS, the City of Fairbanks Police Department and the Fairbanks North Star Borough School District want to continue the program by rehiring two School Resource Officers through the FFY2014 COPS Hiring Program (CHP) Grant; and

WHEREAS, the CHP Grant will provide \$125,000 per officer for salaries and benefits over the three-year grant period for a total of \$250,000 for two officers; and

WHEREAS, the City of Fairbanks is required to provide a 25% annual cash match during the three year grant period; and

WHEREAS, the City of Fairbanks is required to maintain the positions for a minimum of one year following the three-year grant period; and

WHEREAS, the City of Fairbanks plans to enter into a cooperative agreement with the Fairbanks North Star Borough School District to provide the funds to rehire two School Resource Officers and to retain the officers in the fourth year;

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

PASSED and APPROVED this 5th Day of May 2014.

John Eberhart, Mayor

AYES:
NAYS:
ABSENT
APPROVED:

ATTEST:

APPROVED AS TO FORM

Janey Hovenden, MMC, City Clerk

Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4627

Abbreviated Title: FFY2014 COPS HIRING PROGRAM GRANT

Does the adoption of this ordinance or resolution authorize:

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

2) additional support or maintenance costs? Yes No x

If yes, what is the estimate? see note below

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

If yes, how many positions? 2

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

II. FINANCIAL DETAIL:

ESTIMATED EXPENDITURES	FFY2014	FFY2015	FFY2016	FFY2017	Total
Personnel Wages	\$123,414	\$132,052	\$141,294	\$151,186	\$547,946
Personnel Benefits	\$58,518	\$60,584	\$62,794	\$65,160	\$247,056
Supplies					\$0
Contractual					\$0
Equipment					\$0
Travel					\$0
Construction					\$0
TOTAL	\$181,932	\$192,636	\$204,088	\$216,346	\$795,002

ESTIMATED FUNDING SOURCES	FFY2014	FFY2015	FFY2016	FFY2017	Total
General Fund					\$0
Capital Fund					\$0
Federal Grant	\$84,000	\$84,000	\$82,000	\$0	\$250,000
State Grant					\$0
Local Agreement (FNSBSD)	\$69,932	\$80,636	\$94,738	\$216,346	\$461,652
Local Agreement Match (FNSBSD)	\$28,000	\$28,000	\$27,350	\$0	\$83,350
In-Kind Match					\$0
Other					\$0
TOTAL	\$181,932	\$192,636	\$204,088	\$216,346	\$795,002

NOTE: The City may have incidental costs associated with the position such as meals and training that will not exceed the approved budget.

Reviewed by Finance Department: Initial mb Date 4/23/2014

IN THE MATTER OF V2014-003

Fairbanks City Council
Board of Adjustment Appeal
From the FNSB Planning Commission

FINDINGS AND CONCLUSIONS

Kal Kennedy appealed to the Fairbanks City Council sitting as a board of adjustment pursuant to FNSB Code Sec. 18.52.030. Kennedy appealed the denial by the Borough Planning Commission of his request for a lot size variance (V2014-003). A hearing on the appeal was held at the regularly scheduled City Council meeting on April 21, 2014. At the conclusion of the hearing, the Council, by a vote of 5 to 1, granted the appeal, thereby reversing the denial of Kennedy's request for a variance by the Planning Commission.

Findings

Kennedy is the owner of Lots 1A, 1B and 1C, Block 4 of Executive Park Subdivision (located at 1503 Washington Drive – east of Washington Drive and north of Adams Drive). Currently located on these lots are a 42-unit apartment complex and a single-family home/office. Kennedy requested a lot size variance to the Multiple-Family Residential zone (MF) lot size requirement of 2,000 square feet per dwelling unit.

Executive Park Subdivision was platted as a Planned Unit Development in 1975. The three lots now owned by Kennedy consist of 69,606 square feet. A 24-unit apartment complex was constructed in 1977 under the then Multiple Residential zone. The Multiple Residential zone had a 55% maximum buildable area limitation but no minimum area per dwelling unit requirement. The foundation for an additional 18 units was constructed, but no further development was done at that time. In 1988, the zoning for this area changed to Multiple-Family Residential. This zone requires a minimum of 2,000 square feet per dwelling unit. A variance

(V042-95) was granted to a previous owner of this property in 1995 to allow the completion of the 18 additional dwelling units. The 18-unit addition was constructed on the existing foundation, and the single-family residence/office was constructed in 1997 for the apartment manager.

Kennedy wishes to add three 235 square foot efficiency-style apartments. This would increase the total number of living units from 42 to 45. These apartments would be vertical units. They would be positioned between the two existing buildings, would be well within the existing set back minimums, and would result in no loss of landscape buffers. There are currently enough parking spaces to accommodate the proposed units.

As part of the variance process, 88 “Dear Property Owner” letters were sent out by the Borough to area residents. One letter was returned (supporting the variance). Two email messages were received (one against and one asking for clarification). Two phone calls were received (one against and one making an inquiry). The Borough Planning Commission found that the requested variance, if granted, would not jeopardize public health, safety or welfare, traffic or parking conditions, or increase danger of fire because there did not appear to be any sight-distance, snow removal, or road safety issues that would be made worse if the new dwelling units were added.

Conclusions

The Council finds that the property in question does present special conditions. As noted in the facts above, the property is subject to a variance granted to a previous owner. That variance recognized that the foundation for the 18-unit expansion had been started on the property before the Borough changed the zoning for this property. Kennedy requests a variance so he can construct three small dwelling units in the vacant space between the two existing

buildings. This addition would result in a *de minimus* change to the density of the property, a density that currently exceeds the current zoning standard but that was acceptable under the prior zoning. The proposed addition would be within the existing set back minimums, would result in no loss of landscape buffers, would not trigger the need for additional parking spaces, and would not jeopardize public health, safety or welfare.

The decision of the Borough Planning Commission is reversed and Kennedy's request for a variance is granted.

City of Fairbanks



MEMORANDUM

To: City Council Members
From: John Eberhart, City Mayor *J. Eberhart for Mayor Eberhart*
Subject: Request for Concurrence – Building Code Review & Appeals Commission
Date: April 30, 2014

There has been a vacancy in one of the two alternate seats on the Building Code Review and Appeals Commission for quite some time. This vacancy has been publically noticed.

Mr. Michael Dean is a qualified candidate who has applied to serve on this Commission. I hereby request your concurrence to the following appointment to the alternate seat on the Commission:

Alternate Seat: Mr. Michael Dean Term to expire: December 31, 2018

Mr. Dean's application and resume are attached.

Thank you.

DDS/

Application Form

Profile

Michael

First Name

Dean

Last Name

[REDACTED]

Email Address

[REDACTED]

Street Address

Suite or Apt

Fairbanks

City

AK

State

[REDACTED]

Postal Code

Mailing Address

Non-Resident

What district do you live in?

Home: [REDACTED]

Primary Phone

Business: [REDACTED]

Alternate Phone

[REDACTED]

Employer

Structural Engineer

Job Title

Which Boards would you like to apply for?

Building Code Review & Appeals Commission

Interests & Experiences

Please tell us about yourself and why you want to serve.

Why are you interested in serving on a board or commission? What life experience can you contribute to the benefit of the board or commission?

Service to the community and to my engineering professional through application of my engineering experience and education

Brief Personal Biography (or attach resume):

Resume attached

[REDACTED]

Upload a Resume or CV

Professional Licenses/Training:

Alaska PE (CE 10119, SE 13530)

Demographics

Some boards and commissions require membership to be racially, politically or geographically proportionate to the general public. The following information helps track our recruitment and diversity efforts.

Ethnicity

Political Party

Male

Gender

Date of Birth

Sexual Orientation

City of Fairbanks
Permanent Fund Review Board
(Quarterly Meeting Minutes)
January 20, 2014

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

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

Board Members Absent: None

Also Present: Mayor Eberhart
Jim Soileau, Chief Financial Officer
Carmen Randle, Controller
Jason Roth, Senior Vice President, Investments - APCM
Brandy Niclai, Senior Investment Analyst - APCM

Incoming board member Jennifer Imus introduced to the board.

The board approved the minutes from the October 23, 2013 meeting.

Jim Soileau reviewed the account's performance through December 31, 2013:

- \$113,497,971 - Year end value
- \$ 3,218,200 - Dividend and interest earnings
- \$ 2,931,855 - Realized gains
- \$ 4,572,145 - Unrealized gains
- \$ 1,357,805 - City deposits
- \$ 166,887 - Management and custodial fees
- \$ 10,555,313 - 2013 earnings net of expense

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

Council Member Gatewood asked for an update of the accounts value. Jason reported the approximate value was \$114.2 million on January 16, 2014.

APCM presented the portfolio's performance; allocation and selection effect, and reviewed the compliance report. (See attached – APCM Investment review for the period ending December 31, 2013).

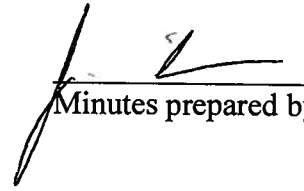
Reported Performance							
4th Quarter		Year to Date		Last 12 Months		Inception to Date	
Account	Benchmark	Account	Benchmark	Account	Benchmark	Account	Benchmark
3.44%	3.02%	10.08%	8.47%	10.08%	8.47%	5.41%	4.96%
	0.13% ¹		0.50% ²		0.50% ²		
3.44%	3.15%	10.08%	8.97%	10.08%	8.97%	5.41%	4.96%

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

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

The meeting adjourned at approximately 2:35 P.M.

Minutes approved April 30, 2014.


 Minutes prepared by Jim Soileau

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

January 9, 2014

	Audited 2009	Audited 2010	Audited 2011	Audited 2012	Unaudited 2013	Average
Marketable securities						
Cash and investments	559,720	1,225,492	1,184,042	559,813	2,800,293	\$ 1,281,872
Fixed income securities	59,807,821	50,535,399	48,907,802	53,526,329	58,547,265	53,864,883
Equity securities	31,107,843	47,837,719	48,306,738	51,471,548	53,745,224	48,493,814
Interest receivable	483,800	425,369	391,778	405,700	405,189	418,327
Total marketable securities	91,938,784	100,023,979	98,770,360	105,963,390	113,497,971	102,038,896
Nonmarketable securities						
Tract G-3, Replat of Tract G, ASLS 80-84	153,319	147,353	140,981	134,388	127,139	140,632
Tract G-2A South Davis Park Subdivision	135,464	130,157	124,472	118,633	112,183	124,182
Weeks Field - Note Receivable	781,500	781,500	-	-	-	312,600
Ret Comm Fbks and Weeks Dev LLC	-	-	385,589	385,589	-	154,238
Community Development Inc.	-	-	481,881	172,330	172,330	185,308
Korean Comm of Fairbanks	-	-	-	15,140	10,008	5,030
Interest Receivable - Notes	19,734	69,152	16,908	37,632	17,459	32,177
Breadline	-	-	58,039	53,777	42,425	30,848
	1,090,017	1,128,162	1,207,850	917,489	481,544	965,013
Liabilities	16,265	17,472	12,593	10,347	3,329	12,001
Total Permanent Fund Value	93,012,536	101,134,669	99,985,617	106,870,532	113,976,186	102,991,908

2012 PILOT Replacement to General Fund (four percent of five-year average)	<u>\$ 4,119,676</u>
2012 Transfer from Permanent Fund for Capital (one half of one percent of five-year average)	<u>\$ 514,960</u>
2014 Total	<u>4,634,636</u>

Date	Operating Draw	Capital Draw	Total
30-Jun	2,059,838	514,960	2,574,798
30-Nov	2,059,838	-	2,059,838
Total	4,119,676	514,960	4,634,636

2014, \$4,634,636	2014 BUDGET	GF	4,091,537
		Capital	511,442
			<u>4,339,312</u>
2013 4,381,518	Budget Amendment	GF	28,139
253,118		Capital	3,518
			<u>31,657</u>

Fairbanks Permanent Fund

INVESTMENT REVIEW

for period ending December 31, 2013



Agenda

- 2013 Market Recap
- Portfolio Review
- 2014 Economic and Market Outlook
- Compliance Report

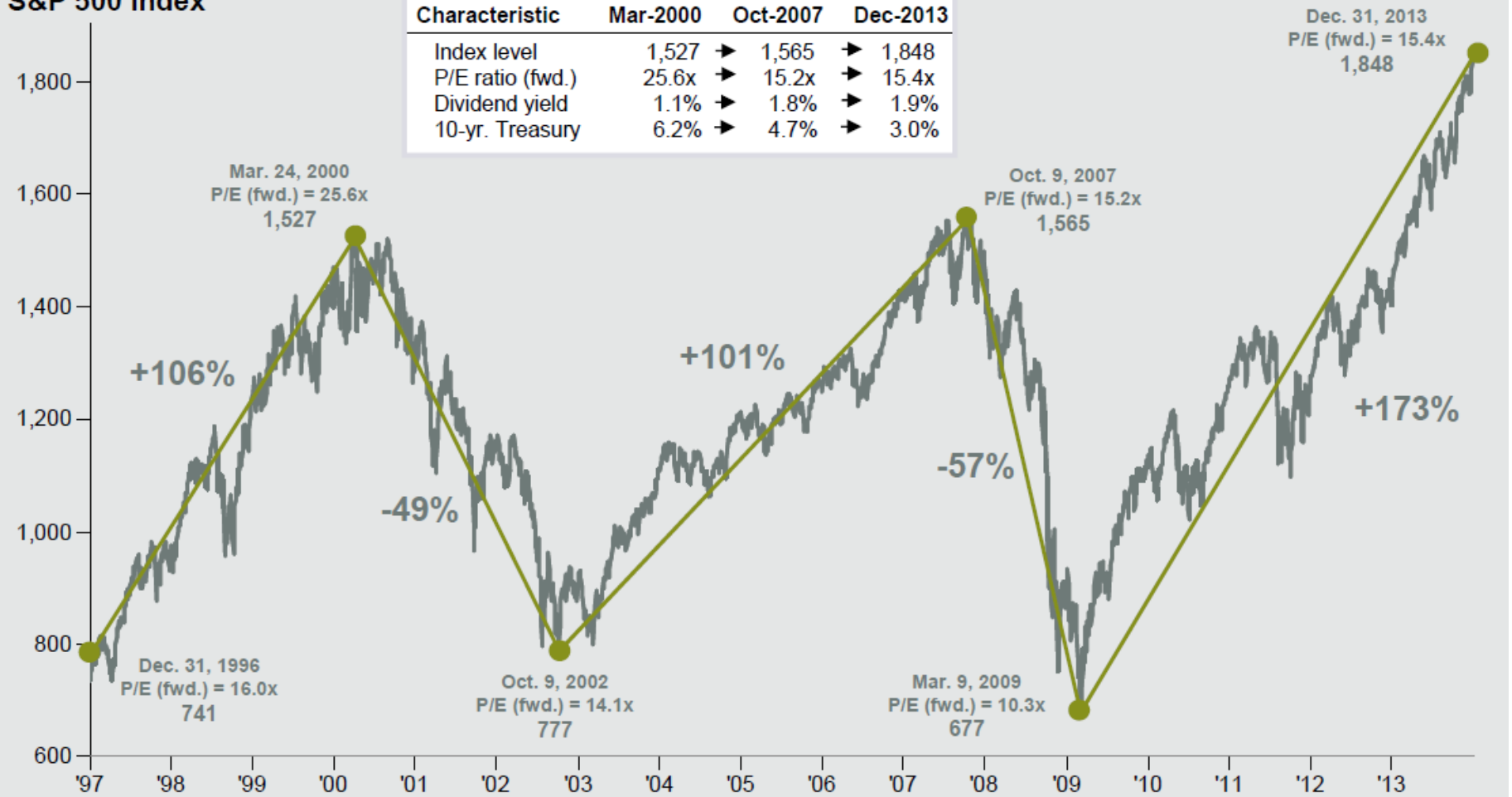
2013 Market Recap

2013: Three Themes

- Improving macroeconomic fundamentals
 - U.S. unemployment rate dropped from 7.9% to 6.7%
 - Improving housing market and strong auto sales
 - Eurozone emerged from recession
 - China's growth slowed as it transitions to domestic consumption
- Monetary easing by central banks around the world
 - “Abenomics” in Japan has given inflation a much needed boost
- P/E expansion pushed U.S. equities to record highs
 - Ratio went from 12x to 15x forward earnings during the year

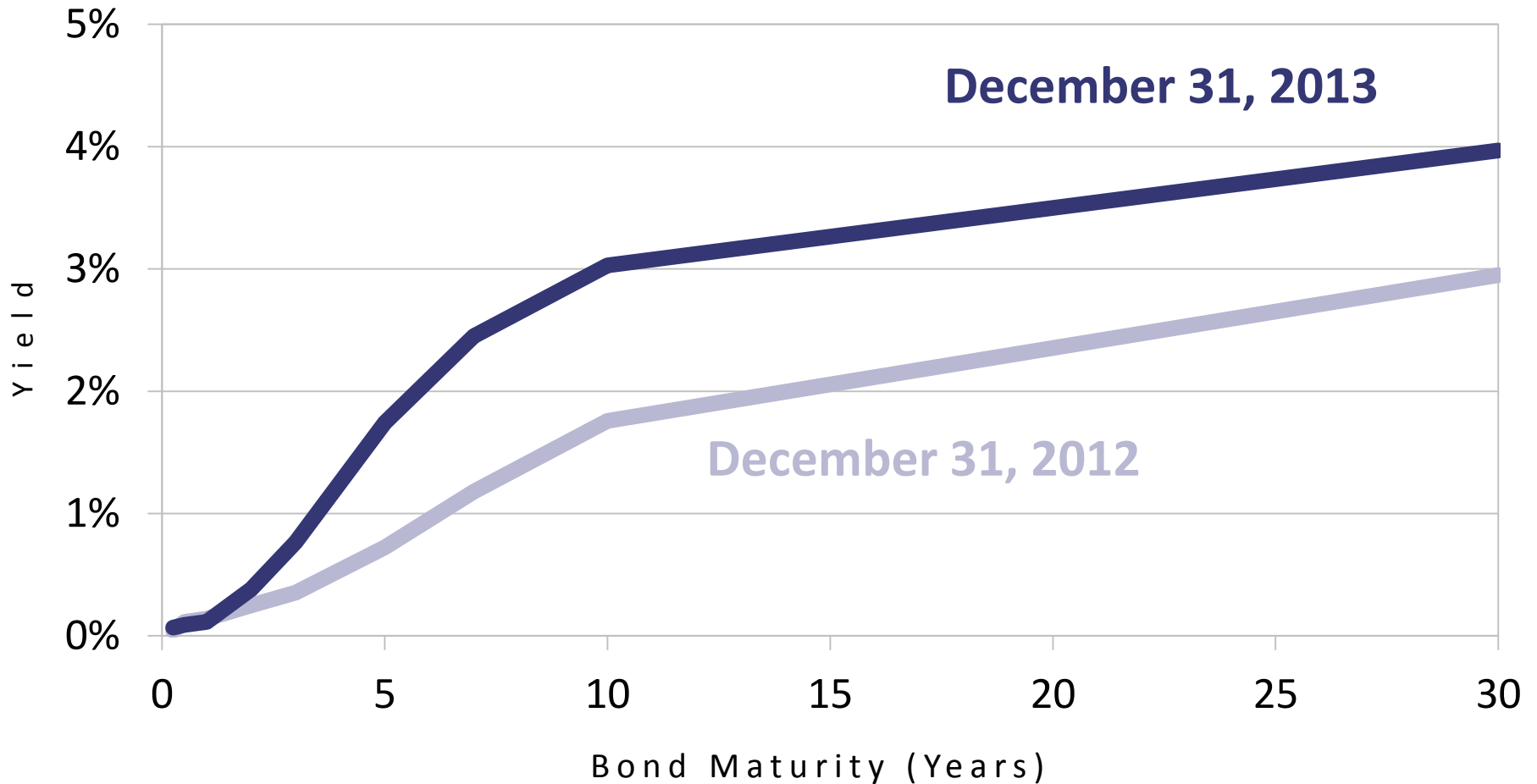
P/E Expansion Drove Markets in 2013

S&P 500 Index



Bond Yields Rose in 2013

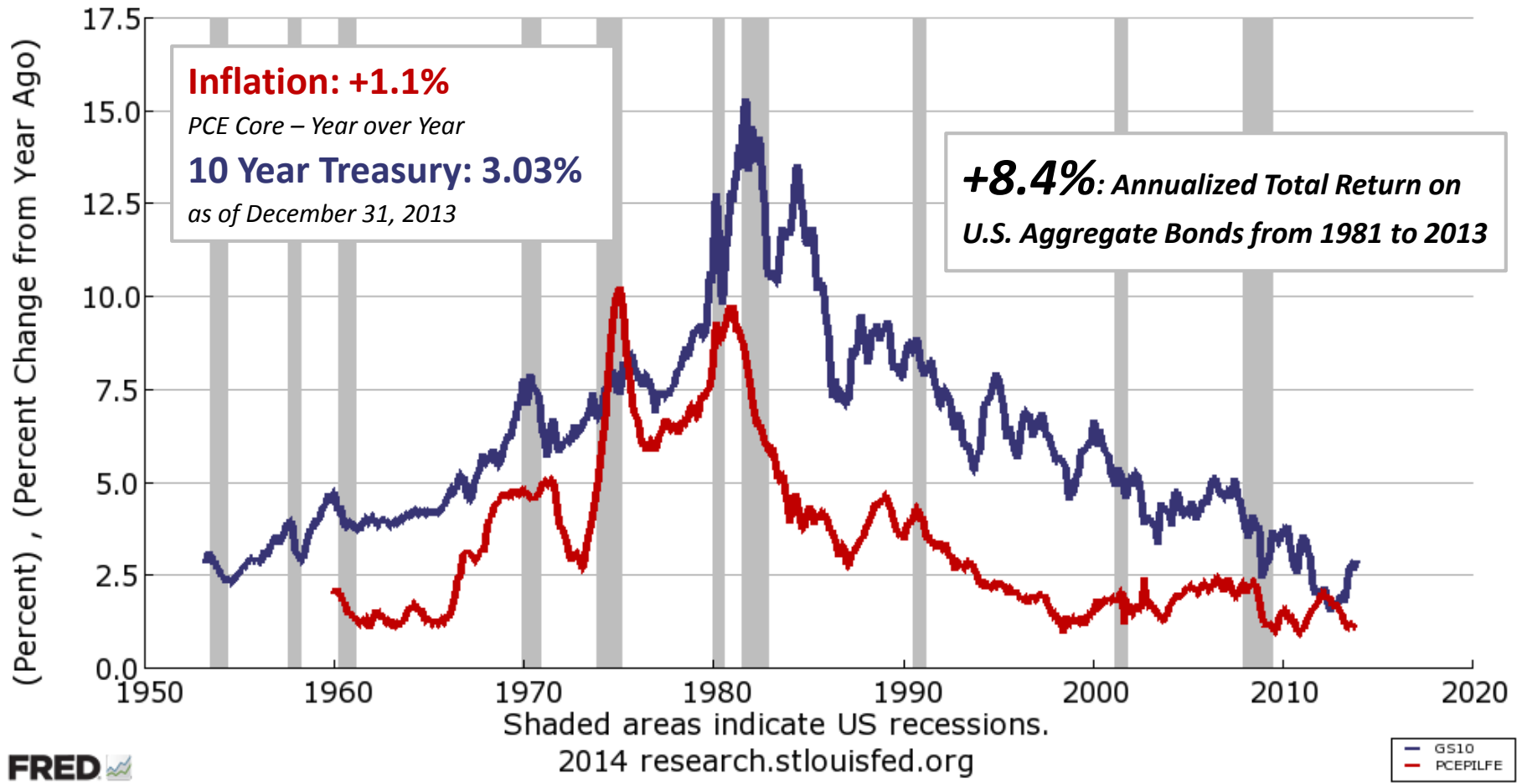
U.S. Treasury Yield Curve



Interest Rates and Inflation Near Historic Lows

10-Year Treasury Constant Maturity Rate (GS10)

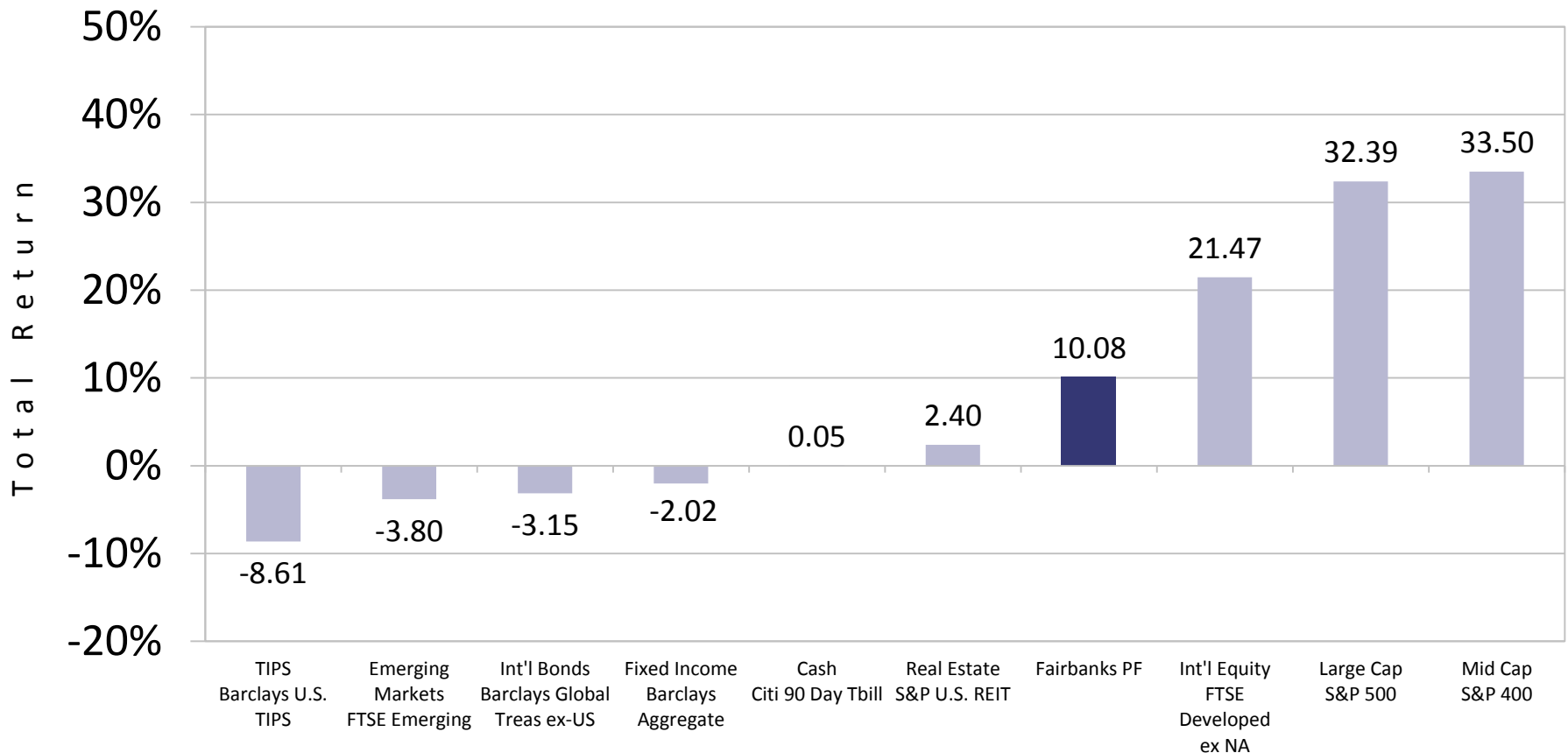
Personal Consumption Expenditures Excluding Food and Energy (Chain-Type Price Index) (PCEPILFE)



Asset Class Returns

Account Performance

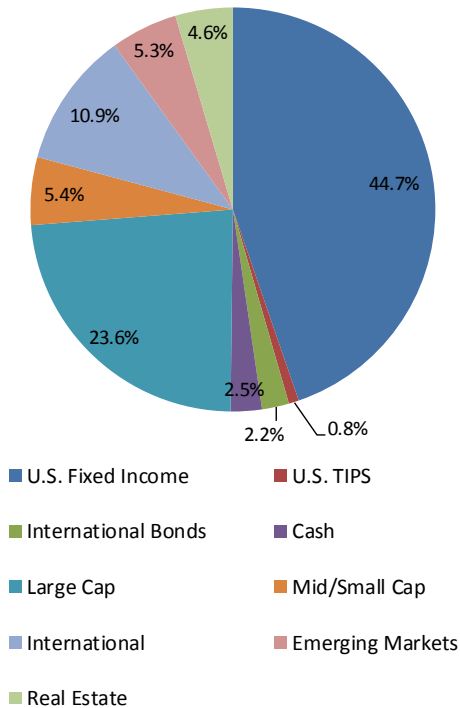
Calendar Year 2013



Account performance is gross of fees. Individual asset class performance is represented by a respective index.

Portfolio Review

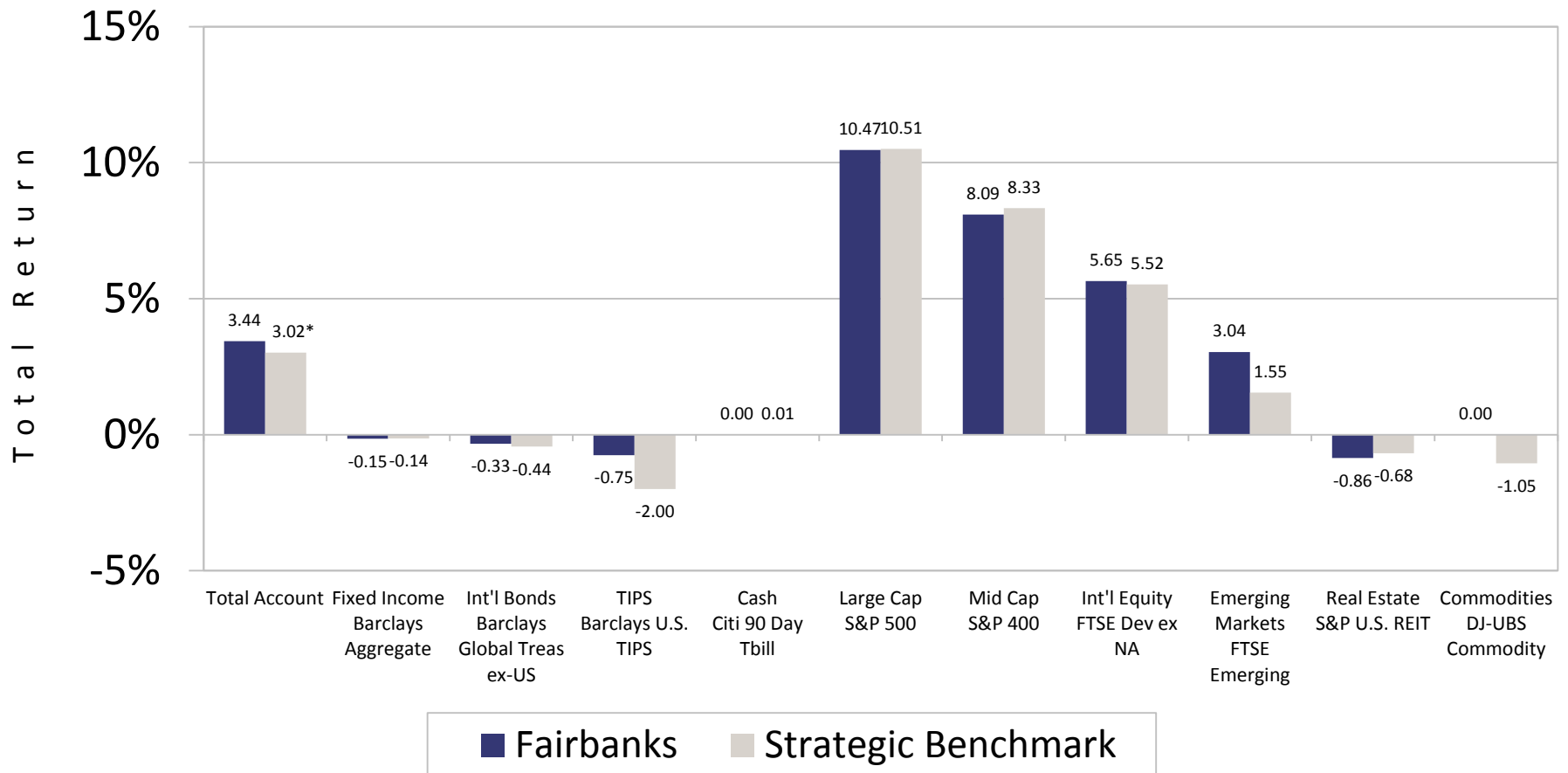
Asset Allocation for Fairbanks Permanent Fund *as of December 31, 2013*



Asset Class	% Assets	Strategic Benchmark	Range	Market Value
Fixed Income	50.2%	55%	40-70%	\$56,954,526
U.S. Fixed Income	44.7%	40	30-70	\$50,768,072
U.S. TIPS	0.8%	5	0-10	\$915,024
International Bonds	2.2%	5	0-10	\$2,453,084
Cash	2.5%	5	0-10	\$2,818,346
Equities	49.8%	45%	30-60%	\$56,547,265
Large Cap	23.6%	22	15-50	\$26,765,419
Mid/Small Cap	5.4%	5	0-10	\$6,151,112
International	10.9%	9	0-15	\$12,363,497
Emerging Markets	5.3%	4	0-10	\$6,059,181
Real Estate	4.6%	5	0-10	\$5,208,055
Commodities	0.0%	0%	0-10	\$0
Total				\$113,501,790

Portfolio Review

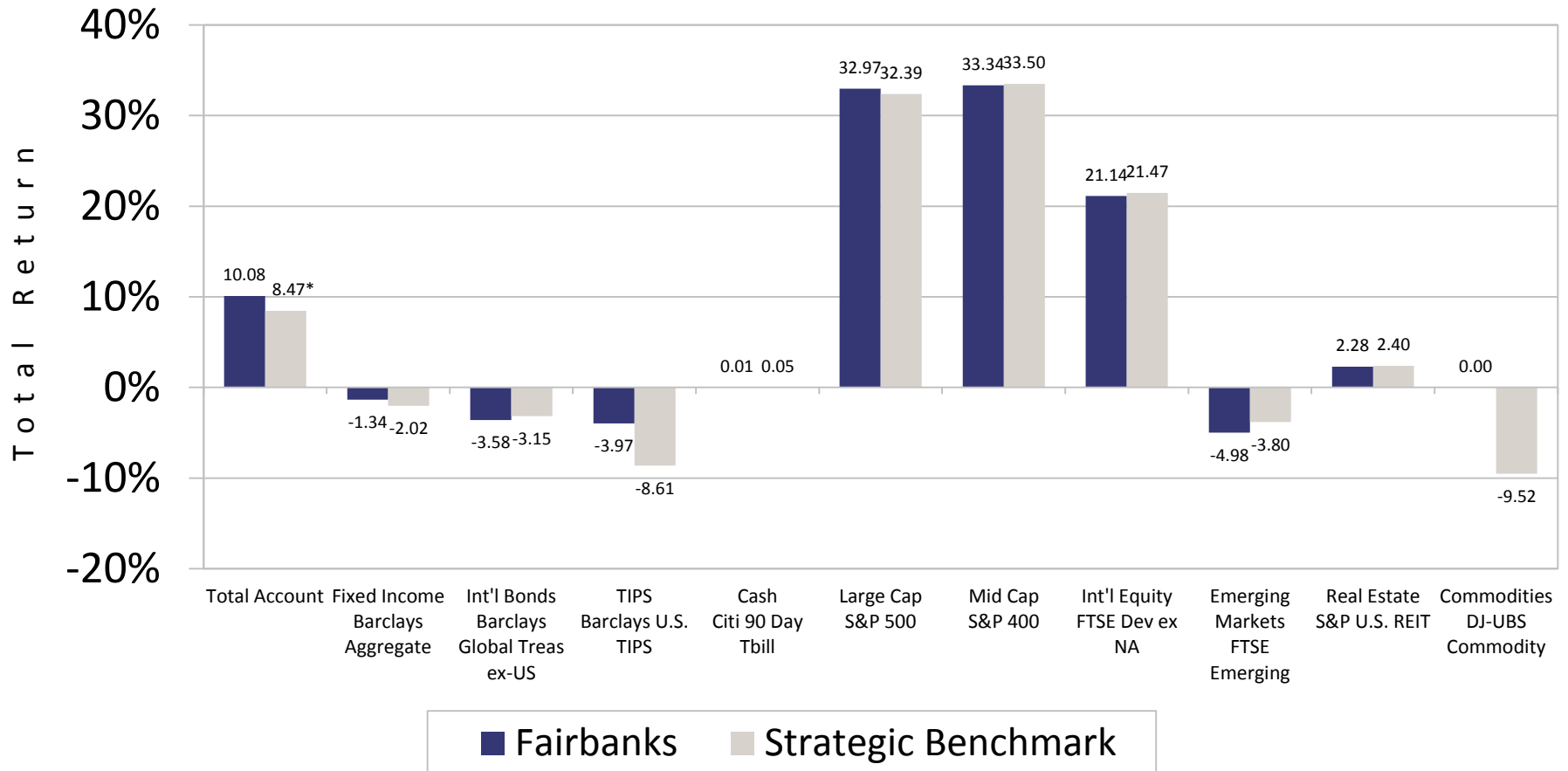
Account Performance Fourth Quarter 2013



* 50 bps hurdle 3.15%. Performance is gross of fees.

Portfolio Review

Account Performance *Calendar Year 2013*



* 50 bps hurdle 8.97%. Performance is gross of fees.

- Q4 portfolio return of **+3.44%** vs. blended benchmark return of **+3.02%**. An **overweight to U.S. and developed Int'l equities** and an **underweight to TIPS and Int'l bonds** were positive contributors.
- Actively managed fixed income **Q4 return of -0.15%** vs. **Barclays Aggregate return of -0.14%**

Portfolio Review

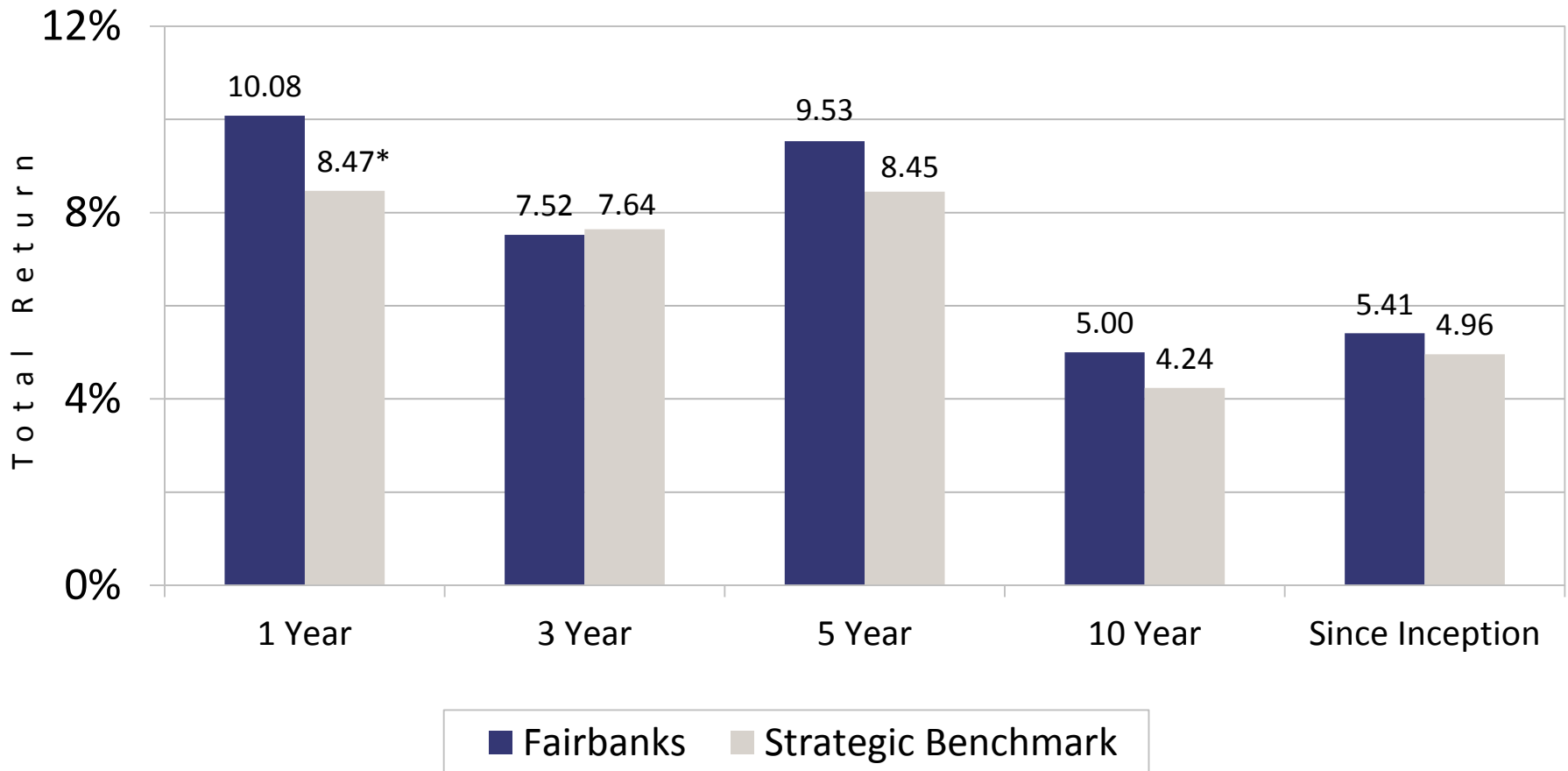
	October 13	November 13	December 13	Q4 2013
Allocation Effect				
Aggregate Bonds	(0.04)	(0.01)	(0.03)	(0.09)
Domestic Large Cap	0.00	0.02	0.03	0.05
Domestic Mid Cap	0.01	0.01	0.01	0.04
Domestic Small Cap	0.00	0.00	0.00	0.00
International Equity	0.02	0.01	0.02	0.05
Emerging Market Equity	0.03	(0.03)	(0.02)	(0.02)
Real Estate	(0.01)	0.01	0.00	0.00
TIPS	0.08	0.05	0.08	0.21
International Bonds	0.03	0.04	0.03	0.10
Commodities	0.00	0.00	0.00	0.00
Cash	(0.00)	0.00	0.01	0.00
Total	0.12	0.10	0.12	0.34
Selection Effect				
Aggregate Bonds	(0.05)	0.09	(0.05)	(0.01)
Domestic Large Cap	0.00	(0.00)	(0.01)	(0.01)
Domestic Mid Cap	(0.01)	0.01	(0.01)	(0.01)
Domestic Small Cap	0.00	0.00	0.00	0.00
International Equity	(0.01)	(0.02)	0.04	0.01
Emerging Market Equity	(0.04)	0.07	0.05	0.08
Real Estate	0.00	(0.00)	(0.01)	(0.01)
TIPS	0.00	0.01	0.00	0.01
International Bonds	0.00	(0.01)	0.01	0.00
Commodities	0.00	0.00	0.00	0.00
Cash	0.00	0.00	0.00	0.00
Total	(0.11)	0.14	0.03	0.06
Total Attribution	0.01	0.24	0.15	
Bench Return	2.34	0.21	0.46	
Account Return	2.35	0.45	0.61	
Difference	0.01	0.24	0.15	

Portfolio Return = Allocation Effect + Selection/Interaction Effect

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

Portfolio Review

Account Performance *as of December 31, 2013*



* 50 bps hurdle 8.97%.

Performance is gross of fees and annualized for periods greater than one year. Inception performance begins January 31, 1998.

■ **Bonds** (*Underweight*)

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

■ **Equities** (*Overweight*)

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

2014 Economic and Market Outlook

- The IMF is forecasting **global growth of +3.6% in 2014**, an improvement over the +2.9% in 2013 and +3.2% in 2012. They expect **U.S. growth to improve to +2.6% in 2014**.
- **Global monetary easing remains in place.** While the Fed is “tapering” its bond purchases, it has pledged to **keep short rates close to zero until 2015** given high unemployment (6.7%) and low inflation (+1.3% YoY).
- The **U.S. equity markets** were up strongly in 2013 but it was **mainly multiple expansion and not earnings driven**, so stocks are a bit pricey. The overseas markets have better valuations.
- **The jump in yields last year** – from 1.75% to 3% on 10 year Treasuries – has **improved bond valuation**, especially given low inflation. Bonds provide ballast in portfolios. Still, a shorter maturity structure is warranted in some portfolios.
- Wildcards include ongoing **European integration and deflation risks**, another false dawn in **Japan**, a debt induced slowdown in **China**, and the possibility of a **spike in U.S. interest rates** if the economy improves and the Fed changes course. (All of these are unlikely, but possible.)

Compliance Report

April 21, 2010

To: Permanent Fund Review Board

From: City of Fairbanks, Finance Department and APCM

Subject: Compliance

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

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

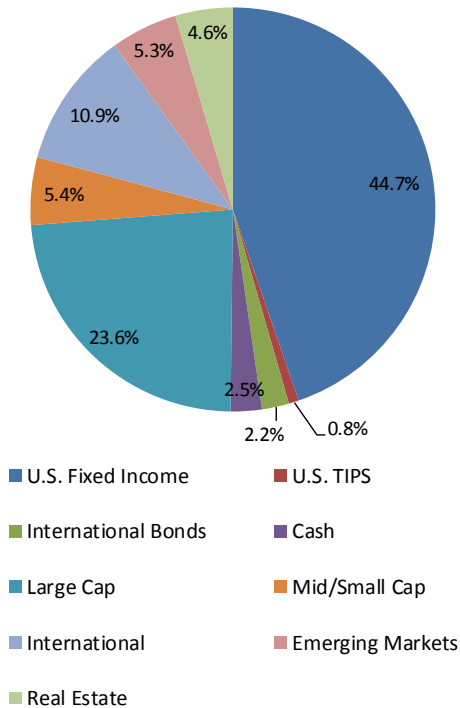
1. Equity and Fixed-income limitations as well as range limitations within the two categories.
2. Corporate debt limitation of 30% of total portfolio market value.
3. Limitation on the purchase of any bond in excess of 600 basis points above a comparable duration US treasury.
4. Limitation on the purchase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

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

Compliance Report

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

Asset Allocation for Fairbanks Permanent Fund *as of December 31, 2013*



Asset Class	% Assets	Strategic Benchmark	Range	Market Value
Fixed Income	50.2%	55%	40-70%	\$56,954,526
U.S. Fixed Income	44.7%	40	30-70	\$50,768,072
U.S. TIPS	0.8%	5	0-10	\$915,024
International Bonds	2.2%	5	0-10	\$2,453,084
Cash	2.5%	5	0-10	\$2,818,346
Equities	49.8%	45%	30-60%	\$56,547,265
Large Cap	23.6%	22	15-50	\$26,765,419
Mid/Small Cap	5.4%	5	0-10	\$6,151,112
International	10.9%	9	0-15	\$12,363,497
Emerging Markets	5.3%	4	0-10	\$6,059,181
Real Estate	4.6%	5	0-10	\$5,208,055
Commodities	0.0%	0%	0-10	\$0
Total				\$113,501,790

Compliance Report

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

Portfolio Appraisal – as of December 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CORPORATE BONDS									
500,000	CREDIT SUISSE NEW YORK 5.500% Due 05-01-14	99.90	499,485	101.63	508,150	0.45	27,500	4,583	0.59
450,000	US BANCORP 4.200% Due 05-15-14	104.98	472,396	101.41	456,340	0.40	18,900	2,415	0.40
600,000	CITIGROUP INC 5.500% Due 10-15-14	101.14	606,826	103.71	622,290	0.55	33,000	6,967	0.76
500,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	98.36	491,795	104.62	523,110	0.46	23,750	7,917	0.76
500,000	MORGAN STANLEY 6.000% Due 04-28-15	99.88	499,380	106.50	532,515	0.47	30,000	5,250	1.04
500,000	CITIGROUP INC 4.750% Due 05-19-15	104.97	524,875	105.22	526,125	0.46	23,750	2,771	0.94
500,000	BANK OF MONTREAL 2.850% Due 06-09-15	100.59	502,930	103.38	516,900	0.46	14,250	871	0.49
250,000	HSBC FINANCE CORP 5.500% Due 01-19-16	106.89	267,235	108.41	271,037	0.24	13,750	6,187	1.32
350,000	UNITED HEALTH GROUP INC 5.375% Due 03-15-16	114.09	399,322	109.46	383,117	0.34	18,812	5,539	1.02
500,000	AT&T INC 2.950% Due 05-15-16	104.33	521,670	104.27	521,375	0.46	14,750	1,885	1.12
500,000	JOHNSON & JOHNSON 2.150% Due 05-15-16	104.26	521,320	103.36	516,815	0.46	10,750	1,374	0.72
1,250,000	TORONTO-DOMINION BANK (144A) 1.625% Due 09-14-16	99.93	1,249,162	101.77	1,272,125	1.12	20,312	6,037	0.96
500,000	BANK AMER CORP 5.625% Due 10-14-16	99.93	499,670	111.44	557,190	0.49	28,125	6,016	1.42
675,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	104.71	706,819	111.89	755,237	0.67	37,969	8,016	1.27
1,000,000	UBS AG LONDON PRIV PLACEMENT (144A) 2.250% Due 03-30-17	100.93	1,009,300	103.02	1,030,230	0.91	22,500	5,687	1.30
500,000	VERIZON COMMUNICATIONS 5.500% Due 04-01-17	118.36	591,795	112.73	563,665	0.50	27,500	6,875	1.47
750,000	BANK OF NEW YORK MELLON 1.969% Due 06-20-17	102.60	769,522	101.08	758,130	0.67	14,767	451	1.64

Portfolio Appraisal – as of December 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
500,000	CAMPBELL SOUP CO. 3.050% Due 07-15-17	106.83	534,130	104.31	521,545	0.46	15,250	7,032	1.79
500,000	INTERNATIONAL BUSINESS MACHS 5.700% Due 09-14-17	106.27	531,328	114.83	574,150	0.51	28,500	8,471	1.56
750,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	105.77	793,260	113.00	847,537	0.75	46,500	11,625	2.54
500,000	WELLS FARGO & CO 5.625% Due 12-11-17	99.58	497,920	114.62	573,100	0.50	28,125	1,562	1.77
500,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	497,860	115.31	576,540	0.51	28,750	11,979	1.84
575,000	MCDONALDS CORP M/T/N 5.350% Due 03-01-18	107.54	618,377	113.62	653,344	0.58	30,762	10,254	1.93
1,000,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	101.74	1,017,425	114.84	1,148,370	1.01	56,250	9,375	2.03
500,000	GLAXOSMITHKLINE CAP INC 5.650% Due 05-15-18	104.59	522,950	115.11	575,570	0.51	28,250	3,610	2.02
500,000	CATERPILLAR FINANCIAL 7.150% Due 02-15-19	99.16	495,805	122.92	614,615	0.54	35,750	13,506	2.37
600,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	101.40	608,421	121.80	730,782	0.64	45,000	17,000	2.89
600,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	102.81	616,886	111.69	670,164	0.59	28,200	10,653	2.27
600,000	MICROSOFT CORP 4.200% Due 06-01-19	102.24	613,416	110.22	661,338	0.58	25,200	2,100	2.19
750,000	ADOBE SYSTEMS INC 4.750% Due 02-01-20	112.47	843,502	107.95	809,610	0.71	35,625	14,844	3.30
775,000	COMCAST CORP 5.150% Due 03-01-20	116.47	902,635	111.56	864,567	0.76	39,912	13,304	3.08
500,000	PEPSICO INC 3.125% Due 11-01-20	108.06	540,290	100.11	500,575	0.44	15,625	2,604	3.10
750,000	DOW CHEMICAL CO* 4.250% Due 11-15-20	108.13	810,952	106.51	798,855	0.70	31,875	4,073	3.19
786,000	CARGILL INC. (144a) 4.307% Due 05-14-21	98.06	770,763	103.77	815,671	0.72	33,853	4,420	3.71
750,000	GENERAL MILLS INC 3.150% Due 12-15-21	102.88	771,577	97.89	734,167	0.65	23,625	1,050	3.45
500,000	BELLSOUTH CORP 6.000% Due 11-15-34	97.52	487,595	100.64	503,225	0.44	30,000	3,833	5.94
	Accrued Interest				230,136	0.20			
			22,608,597		23,718,214	20.90		230,136	

Compliance Report

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

Purchases and Sales – from 9/30/2013 to 12/31/2013

Portfolio Name	Trade Date	Settle Date	Quantity	Security	Unit Price	Amount	Yield On Cost	Spread Over TSY	Sector	Sec Type Code
PURCHASES										
FAIRBANKS PERMANENT	12-27-13	12-30-13	3,000,000	US TREASURY NOTES 1.250% Due 08-31-15	101.59	3,047,578.13	0.29		US Treasury Notes	tnus
FAIRBANKS PERMANENT	12-27-13	12-27-13	831.9200	VANGUARD INST'L S&P500 IN	168.64	140,294.99	?		Domestic Large Cap E	mfus
						3,187,873.12	0.28			
							0.28			
SALES										
FAIRBANKS PERMANENT	11-07-13	11-07-13	250,000	BP CAPITAL MARKETS PLC 5.250% Due 11-07-13	100.00	250,000.00	?		Corporate Bonds	cbus
FAIRBANKS PERMANENT	12-10-13	12-13-13	24,700.0000	VANGUARD MSCI EAFE ETF	40.38	997,430.39	?		International Equity	ifus
FAIRBANKS PERMANENT	12-10-13	12-11-13	6,032.4550	VANGUARD INST'L S&P500 IN	165.77	1,000,000.00	?		Domestic Large Cap E	mfus
FAIRBANKS PERMANENT	12-10-13	12-13-13	7,641.0000	ISHARES S&P MIDCAP 400	130.87	999,979.37	?		Mid Cap Equity	dfus
						3,247,409.76	0.00			
							0.00			

Compliance Report

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

Portfolio Holdings (Expanded)

12/31/2013												Port				
	Pos	Moody's	S&P	Cpn	Px Close	Mkt Val	Wgt	YTW	Mod Dur	OAD	OAC	Group	Sector	CUSIP	Issuer	Mty
FAIRBANK (019)		Aa3	AA-	3.843		54,485,767	100.00	1.75	4.17	4.36	0.360					
ADBE 4 ¼ 02/01/20	750,000.00	Baa1	A-	4.750	108.21	826,449	1.52	3.25	5.21	5.32	0.339	Software	Technology	00724FAB7	ADOBE SYSTEMS INC	02/01/2020
BAC 5 ½ 10/14/16	500,000.00	Baa2	A-	5.625	111.31	562,557	1.03	1.47	2.58	2.59	0.083	Banks	Financial	060505CS1	BANK OF AMERICA CORP	10/14/2016
BK 1.969 06/20/17	750,000.00	A1	A+	1.969	100.83	756,659	1.39	1.72	3.34	3.36	0.132	Banks	Financial	064058AA8	BANK OF NEW YORK MELLON	06/20/2017
BMO 2.85 06/09/15	500,000.00	Aaa		2.850	103.38	517,790	0.95	0.49	1.41	1.41	0.027	Banks	Financial	063679BV5	BANK OF MONTREAL	06/09/2015
BSCMS 2005-PWR8 A4	500,000.00	Aaa		4.674	104.28	514,970	0.95	1.03	1.18	1.20	0.021	Commercial MBS	Mortgage Securities	07383F7W2	BSCMS 2005-PWR8 A4	06/11/2041
C 4 ¼ 05/19/15	500,000.00	Baa2	A-	4.750	105.12	528,390	0.97	1.01	1.34	1.34	0.025	Banks	Financial	172967FD8	CITIGROUP INC	05/19/2015
C 5 ½ 10/15/14	600,000.00	Baa2	A-	5.500	103.58	628,446	1.15	0.93	0.77	0.77	0.010	Banks	Financial	172967EZ0	CITIGROUP INC	10/15/2014
CARGIL 4.307 05/14/21	786,000.00	A2	A	4.307	103.92	821,224	1.51	3.69	6.27	6.44	0.482	Agriculture	Consumer Non-cyclical	141781AY0	CARGILL INC	05/14/2021
CAT 7.15 02/15/19	500,000.00	A2	A	7.150	122.70	627,029	1.15	2.41	4.32	4.38	0.240	Machinery-Constr&Mining	Industrial	14912L4E8	CATERPILLAR FINANCIAL SE	02/15/2019
CD 2005-CD1 A4	1,000,000.00	Aaa	AAA	5.218	106.40	1,068,318	1.96	1.08	1.52	1.52	0.031	Commercial MBS	Mortgage Securities	12513EAG9	CD 2005-CD1 A4	07/15/2044
CMCSA 5.15 03/01/20	775,000.00	A3	A-	5.150	111.96	881,000	1.62	3.01	5.25	5.37	0.345	Media	Communications	20030NBA8	COMCAST CORP	03/01/2020
COP 5 ½ 10/15/16	675,000.00	A1	A	5.625	112.57	767,853	1.41	1.04	2.59	2.60	0.083	Oil&Gas	Energy	20825TAA5	CONOCOPHILLIPS CANADA	10/15/2016
CPB 3.05 07/15/17	500,000.00	A2	BBB+	3.050	104.64	530,227	0.97	1.69	3.31	3.33	0.134	Food	Consumer Non-cyclical	134429AV1	CAMPBELL SOUP CO	07/15/2017
CS 5 ½ 05/01/14	500,000.00	A1	A	5.500	101.64	512,764	0.94	0.58	0.33	0.33	0.004	Banks	Financial	22546QAA5	CREDIT SUISSE NEW YORK	05/01/2014
CSFB 2005-C2 A3	500,000.00	Aaa	AAA	4.691	100.03	340,486	0.62	4.47	0.84	0.83	0.011	Commercial MBS	Mortgage Securities	225458RR1	CSFB 2005-C2 A3	04/15/2037
DOW 4 ¼ 11/15/20	750,000.00	Baa2	BBB	4.250	105.88	798,143	1.46	3.26	5.74	6.05	0.404	Chemicals	Basic Materials	260543CC5	DOW CHEMICAL CO/THE	11/15/2020
EXC 6.2 10/01/17	750,000.00	Baa2	BBB	6.200	113.05	859,484	1.58	2.53	3.34	3.37	0.137	Electric	Utilities	30161MAE3	EXELON GENERATION CO LLC	10/01/2017
FG A16590	1,063,778.00			6.000	112.41	86,240	0.16	2.47	3.57	2.88	-0.414	FGLMC Collateral	Mortgage Securities	31296RKB3	FG A16590	12/01/2033
FG A36703	750,000.00			4.500	106.20	118,719	0.22	-2.43	0.96	3.96	-1.522	FGLMC Collateral	Mortgage Securities	31297SNU5	FG A36703	08/01/2035
FG A77796	2,925,873.00			5.500	109.51	195,819	0.36	-3.85	1.17	2.59	-1.533	FGLMC Collateral	Mortgage Securities	3128LBUV8	FG A77796	05/01/2038
FG B17355	1,012,036.00			5.000	106.43	182,512	0.33	1.87	2.07	1.94	-0.102	FGLMC Collateral	Mortgage Securities	312970E44	FG B17355	12/01/2019
FG B17982	1,000,000.00			4.000	105.59	168,862	0.31	-0.48	1.29	2.07	-0.358	FGLMC Collateral	Mortgage Securities	3129702P0	FG B17982	03/01/2020
FG C01403	1,000,000.00			6.000	112.24	31,976	0.06	2.62	3.64	3.13	-0.448	FGLMC Collateral	Mortgage Securities	31292HRV2	FG C01403	09/01/2032
FG E01136	2,000,000.00			5.500	105.05	38,821	0.07	1.02	1.16	1.17	0.023	FGLMC Collateral	Mortgage Securities	31294KHM0	FG E01136	03/01/2017
FG G05253	2,016,834.00			5.000	107.91	247,685	0.45	-4.51	0.93	3.17	-2.271	FGLMC Collateral	Mortgage Securities	3128M7E28	FG G05253	02/01/2039
FG G08264	1,500,000.00			6.000	111.60	218,041	0.40	-2.01	1.67	2.57	-0.673	FGLMC Collateral	Mortgage Securities	3128MJJ0J	FG G08264	04/01/2038
FH 1G2124	1,000,000.00			5.882	106.85	141,598	0.26	2.42	2.08	1.90	-0.137	FHLMC Collateral	Mortgage Securities	3128QSLD6	FH 1G2124	08/01/2037
FH 847740	500,000.00			4.835	104.34	19,312	0.04	1.49	0.95	1.07	0.553	FHLMC Collateral	Mortgage Securities	3128JRS56	FH 847740	04/01/2037
FHLB 4 ¼ 03/13/20	200,000.00	Aaa	AA+	4.125	109.36	221,192	0.41	2.49	5.44	5.56	0.362	Sovereign	Government	3133XXP50	FEDERAL HOME LOAN BANK	03/13/2020
FHLMC 5 ½ 11/17/17	500,000.00	Aaa	AA+	5.125	114.44	575,315	1.06	1.30	3.55	3.58	0.153	Sovereign	Government	3137EAB6A	FREDDIE MAC	11/17/2017
FHLMC 6 ¼ 07/15/32	500,000.00	Aaa	AA+	6.250	126.09	644,856	1.18	4.21	11.56	11.97	1.940	Sovereign	Government	3134A4KX1	FREDDIE MAC	07/15/2032
FN 254195	2,008,126.00			5.500	104.87	42,795	0.08	1.04	1.16	1.18	0.022	FNMA Collateral	Mortgage Securities	31371KKG5	FN 254195	02/01/2017
FN 745552	800,000.00			2.251	105.06	89,564	0.16	1.11	1.15	2.10	0.304	FNMA Collateral	Mortgage Securities	31403DH51	FN 745552	02/01/2036
FN 814349	1,000,000.00			4.500	106.55	140,473	0.26	1.24	2.06	1.77	-0.361	FNMA Collateral	Mortgage Securities	31406MWJ1	FN 814349	03/01/2020
FN 819922	1,000,001.00			5.500	107.59	111,120	0.20	1.67	2.03	1.85	-0.021	FNMA Collateral	Mortgage Securities	31406T4F5	FN 819922	04/01/2020
FN 819924	1,000,000.00			4.500	106.55	97,576	0.18	1.29	2.09	1.84	-0.339	FNMA Collateral	Mortgage Securities	31406T4H1	FN 819924	04/01/2020
FN 820607	733,971.00			1.946	104.51	121,321	0.22	1.03	0.78	1.28	0.676	FNMA Collateral	Mortgage Securities	31406UU89	FN 820607	03/01/2035
FN 826090	990,000.00			2.251	103.25	69,694	0.13	1.61	0.92	1.38	0.544	FNMA Collateral	Mortgage Securities	31407BXT1	FN 826090	07/01/2035
FN 838293	1,500,000.00			2.231	104.34	182,175	0.33	1.39	1.13	1.31	0.763	FNMA Collateral	Mortgage Securities	31407RKE3	FN 838293	08/01/2035
FN 888348	1,425,707.00			5.000	106.98	142,499	0.26	0.07	1.49	2.12	-0.160	FNMA Collateral	Mortgage Securities	31410F5H4	FN 888348	05/01/2022
FN 943054	1,000,000.00			2.398	105.67	87,217	0.16	1.20	1.40	1.15	0.761	FNMA Collateral	Mortgage Securities	31413EE35	FN 943054	08/01/2037
FN 968813	2,957,641.00			6.000	111.85	262,093	0.48	-1.21	1.90	2.99	-0.078	FNMA Collateral	Mortgage Securities	31414KYJ3	FN 968813	01/01/2038
FN AA6013	1,135,102.00			4.500	106.37	248,631	0.46	-4.04	0.82	4.62	-1.763	FNMA Collateral	Mortgage Securities	31416PVF1	FN AA6013	05/01/2039
FN AD2331	922,796.00			4.000	106.54	264,819	0.49	1.99	3.31	3.01	-1.024	FNMA Collateral	Mortgage Securities	31418PSV8	FN AD2331	03/01/2025

Portfolio Holdings (Expanded)

	12/31/2013											Port				
	Pos	Moody's	S&P	Cpn	Px Close	Mkt Val	Wgt	YTW	Mod Dur	OAD	OAC	Group	Sector	CUSIP	Issuer	Mty
FN AD7073	577,378.00			4.000	106.54	148,981	0.27	2.03	3.38	3.07	-1.029	FNMA Collateral	Mortgage Securities	31418U2F0	FN AD7073	06/01/2025
FNMA 6 ¼ 05/15/29	2,250,000.00	Aaa	AA+	6.250	124.80	2,825,975	5.19	4.06	10.42	10.81	1.502	Sovereign	Government	31359MEU3	FANNIE MAE	05/15/2029
G2 2563	2,545,290.00			6.500	114.12	35,484	0.07	2.65	3.62	3.67	0.079	GNMA2 Collateral	Mortgage Securities	36202CZ48	G2 2563	03/20/2028
GE 5 ¼ 05/01/18	1,000,000.00	A1	AA+	5.625	114.81	1,157,498	2.12	2.04	3.87	3.91	0.182	Diversified Finan Serv	Financial	36962G3U6	GENERAL ELEC CAP CORP	05/01/2018
GEMNT 2009-4 A	1,000,000.00	Aaa		3.800	102.63	1,027,976	1.89	0.77	0.86	0.85	0.012	Credit Card ABS	Asset Backed Securities	36159JB77	GEMNT 2009-4 A	11/15/2017
GIS 3.15 12/15/21	750,000.00	A3	BBB+	3.150	97.53	732,527	1.34	3.51	6.95	7.17	0.573	Food	Consumer Non-cyclical	370334BM5	GENERAL MILLS INC	12/15/2021
GN 587075	2,000,000.00			6.500	114.24	38,751	0.07	3.34	4.41	4.56	0.123	GNMA Collateral	Mortgage Securities	36201MFQ0	GN 587075	05/15/2032
GN 617115	1,500,000.00			5.500	110.15	221,407	0.41	2.75	3.71	3.95	-0.190	GNMA Collateral	Mortgage Securities	36290TSC4	GN 617115	06/15/2036
GS 7 ½ 02/15/19	600,000.00	Baa1	A-	7.500	121.77	747,635	1.37	2.89	4.27	4.33	0.237	Banks	Financial	38141EA25	GOLDMAN SACHS GROUP INC	02/15/2019
GSK 5.65 05/15/18	500,000.00	A1	A+	5.650	115.51	581,161	1.07	1.93	3.91	3.95	0.186	Pharmaceuticals	Consumer Non-cyclical	377372AD9	GLAXOSMITHKLINE CAP INC	05/15/2018
HSBC 5 ¼ 01/19/16	250,000.00	Baa1	A	5.500	108.38	277,134	0.51	1.34	1.91	1.91	0.052	Diversified Finan Serv	Financial	40429CFN7	HSBC FINANCE CORP	01/19/2016
IBM 5.7 09/14/17	500,000.00	Aa3	AA-	5.700	114.86	582,771	1.07	1.55	3.34	3.37	0.140	Computers	Technology	459200GJ4	IBM CORP	09/14/2017
INJ 2.15 05/15/16	500,000.00	Aaa	AAA	2.150	103.36	518,159	0.95	0.72	2.31	2.31	0.066	Pharmaceuticals	Consumer Non-cyclical	478160AY0	JOHNSON & JOHNSON	05/15/2016
JPM 4 ¾ 03/01/15	500,000.00	A3	A	4.750	104.60	530,930	0.97	0.78	1.13	1.13	0.023	Banks	Financial	46625HC8	JPMORGAN CHASE & CO	03/01/2015
JPMCC 2007-CB19 A4	500,000.00	Aa2	A+	5.706	111.15	558,124	1.02	2.14	2.92	2.95	0.106	Commercial MBS	Mortgage Securities	46630VAD4	JPMCC 2007-CB19 A4	02/12/2049
JPMCC 2007-LD12 A4	500,000.00	Aaa	A-	5.882	111.75	561,206	1.03	2.28	3.12	3.15	0.121	Commercial MBS	Mortgage Securities	46632HAD3	JPMCC 2007-LD12 A4	02/15/2051
LBUBS 2006-C7 A2	700,000.00		AAA	5.300	102.14	336,496	0.62	3.98	1.60	1.60	0.047	Commercial MBS	Mortgage Securities	50180CAB6	LBUBS 2006-C7 A2	11/15/2038
MCD 5.35 03/01/18	575,000.00	A2	A	5.350	113.78	664,500	1.22	1.89	3.73	3.76	0.174	Retail	Consumer Cyclical	58013MEE0	MCDONALD'S CORP	03/01/2018
MS 6 04/28/15	500,000.00	Baa2	A-	6.000	106.46	537,562	0.99	1.07	1.28	1.27	0.023	Banks	Financial	61747YCE3	MORGAN STANLEY	04/28/2015
MSFT 4.2 06/01/19	600,000.00	Aaa	AAA	4.200	110.69	666,226	1.22	2.10	4.87	4.95	0.284	Software	Technology	594918AC8	MICROSOFT CORP	06/01/2019
PEP 3 ¾ 11/01/20	500,000.00	A1	A-	3.125	100.53	505,268	0.93	3.04	6.08	6.25	0.444	Beverages	Consumer Non-cyclical	713448BR8	PEPSICO INC	11/01/2020
PG 4.7 02/15/19	600,000.00	Aa3	AA-	4.700	112.33	684,659	1.26	2.14	4.53	4.60	0.255	Cosmetics/Personal Care	Consumer Non-cyclical	742718DN6	PROCTER & GAMBLE CO/THE	02/15/2019
T 1 ¼ 08/31/15	3,000,000.00			1.250	101.60	3,060,568	5.62	0.29	1.64	1.64	0.037	Sovereign	Government	912828NV8	US TREASURY N/B	08/31/2015
T 1 ¾ 07/31/15	2,500,000.00			1.750	102.34	2,576,686	4.73	0.27	1.56	1.55	0.034	Sovereign	Government	912828NP1	US TREASURY N/B	07/31/2015
T 1 ¼ 08/15/22	1,000,000.00			1.625	90.69	913,008	1.68	2.85	7.88	8.18	0.738	Sovereign	Government	912828TJ9	US TREASURY N/B	08/15/2022
T 1 ¼ 06/30/20	2,600,000.00			1.875	97.46	2,533,984	4.65	2.30	6.07	6.23	0.430	Sovereign	Government	912828VJ6	US TREASURY N/B	06/30/2020
T 2 ½ 08/15/23	1,000,000.00			2.500	95.82	967,539	1.78	3.00	8.38	8.71	0.860	Sovereign	Government	912828VS6	US TREASURY N/B	08/15/2023
T 2 ¾ 02/15/19	1,400,000.00			2.750	104.73	1,480,609	2.72	1.78	4.74	4.82	0.269	Sovereign	Government	912828KD1	US TREASURY N/B	02/15/2019
T 2.95 05/15/16	500,000.00	A3	A-	2.950	104.12	522,464	0.96	1.19	2.29	2.29	0.065	Telecommunications	Communications	00206RAW2	AT&T INC	05/15/2016
T 3 ¾ 02/15/39	1,375,000.00			3.500	93.84	1,308,291	2.40	3.89	16.08	16.78	3.738	Sovereign	Government	912810QA9	US TREASURY N/B	02/15/2039
T 3 ¼ 05/15/21	500,000.00			3.125	104.11	522,532	0.96	2.51	6.55	6.75	0.516	Sovereign	Government	912828QN3	US TREASURY N/B	05/15/2021
T 5 ¼ 02/15/29	1,000,000.00			5.250	120.09	1,220,547	2.24	3.52	10.70	11.14	1.571	Sovereign	Government	912810FG8	US TREASURY N/B	02/15/2029
T 6 11/15/34	500,000.00		A-	6.000	102.79	517,790	0.95	5.77	11.86	12.20	2.103	Telecommunications	Communications	079860AK8	BELLSOUTH CORP	11/15/2034
TD 1 ¾ 09/14/16	1,250,000.00	Aaa		1.625	101.76	1,278,036	2.35	0.96	2.63	2.64	0.085	Banks	Financial	891145RB2	TORONTO-DOMINION BANK	09/14/2016
TII 1 ¼ 01/15/18	750,000.00			1.625	108.71	915,278	1.68	-0.51	1.96	4.17	0.191	Sovereign	Government	912828HN3	TSY INFL IX N/B	01/15/2018
UBS 2 ¼ 03/30/17	1,000,000.00	Aaa		2.250	103.03	1,035,952	1.90	1.29	3.12	3.13	0.116	Banks	Financial	90349CAA2	UBS AG LONDON	03/30/2017
UNH 5 ¾ 03/15/16	350,000.00	A3	A	5.375	109.86	390,059	0.72	0.85	2.08	2.08	0.058	Healthcare-Services	Consumer Non-cyclical	91324PAQ5	UNITEDHEALTH GROUP INC	03/15/2016
USB 4.2 05/15/14	450,000.00	A1	A+	4.200	101.41	458,767	0.84	0.40	0.37	0.37	0.005	Banks	Financial	91159HGR5	US BANCORP	05/15/2014
USD	2,818,346.39	Aaa	AAA	0.000	1.00	2,818,346	5.17	0.00	0.00	0.00	0.000				US DOLLAR SPOT	
VZ 5 ¼ 04/01/17	500,000.00	Baa1	BBB+	5.500	112.61	569,907	1.05	1.51	2.98	2.99	0.109	Telecommunications	Communications	92343VAG9	VERIZON COMMUNICATIONS	04/01/2017
WFC 5 ¾ 02/01/18	500,000.00	A2	A+	5.750	115.30	588,484	1.08	1.84	3.62	3.66	0.167	Banks	Financial	92976WBH8	WACHOVIA CORP	02/01/2018
WFC 5 ¾ 12/11/17	500,000.00	A2	A+	5.625	114.44	573,777	1.05	1.81	3.58	3.61	0.155	Banks	Financial	949746NX5	WELLS FARGO & COMPANY	12/11/2017

Compliance Report

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

Compliance Report

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

Duration-Weighted Distribution by Quality

Detail											
12/31/2013	Port						Bench				
	Mkt Val	Wgt	OAD	CTD	%TD	Mkt Val	Wgt	OAD	CTD	%TD	
FAIRBANK (019)	\$ 51,675,370	100.00	4.60	4.60	100.00	\$ 20,588,465,102	100.00	5.63	5.63	100.00	
AAA	\$ 30,629,363	59.28	2.73	3.04	66.05	\$ 14,295,522,688	69.44	3.91	3.72	66.05	
AA	\$ 2,805,796	5.43	3.79	0.21	4.48	\$ 999,891,040	4.86	5.24	0.25	4.51	
A	\$ 14,489,885	28.04	3.51	0.99	21.41	\$ 2,174,012,577	10.56	6.43	0.68	12.06	
BBB	\$ 3,750,326	7.26	5.11	0.37	8.06	\$ 2,415,872,972	11.73	6.63	0.78	13.79	
BB						\$ 34,247,310	0.17	5.47	0.01	0.16	
B						\$ 1,757,770	0.01	1.19	0.00	0.00	
Not Rated						\$ 667,160,744	3.24	5.97	0.19	3.44	

Portfolio Duration as a % of Benchmark

82%

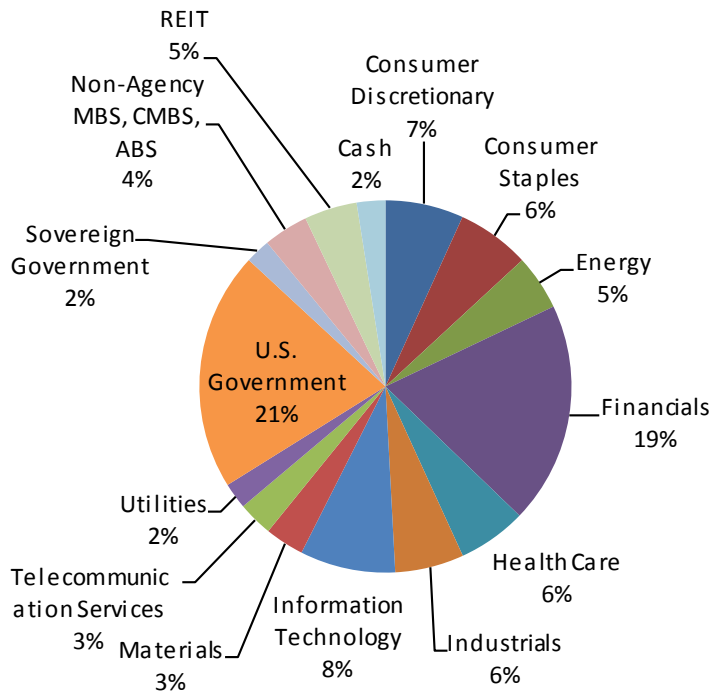
Duration gauges price sensitivity of fixed income securities and represents the expected percentage change in market value when interest rates change by 1%.

Compliance Report

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

GICS Sector Concentration

GICS* Sector Concentration for Fairbanks Permanent Fund as of December 31, 2013



Sector	Market Value	% of Portfolio
Consumer Discretionary	7,712,178	7%
Consumer Staples	7,191,648	6%
Energy	5,456,520	5%
Financials	21,860,155	19%
Health Care	6,779,727	6%
Industrials	6,799,579	6%
Information Technology	9,407,262	8%
Materials	3,850,993	3%
Telecommunication Services	3,431,176	3%
Utilities	2,568,185	2%
<hr/>		
U.S. Government - Treasury/Agency/Agency MBS	23,551,509	21%
Sovereign Government	2,453,084	2%
Non-Agency MBS, CMBS, ABS	4,413,372	4%
REIT	5,208,055	5%
Commodities	-	0%
Cash	2,818,346	2%
<hr/>		
Total Portfolio	\$ 113,501,790	100%

Includes Individual Bond and ETF Holdings

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

ALASKA
PERMANENT
CAPITAL MANAGEMENT COMPANY

IS RELATIONSHIP DRIVEN AND VIEWS ITSELF AS
A LONG-TERM PARTNER WITH ITS CLIENTS

YOUR BUSINESS IS IMPORTANT TO US!

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Appendix

S&P 500: 2013

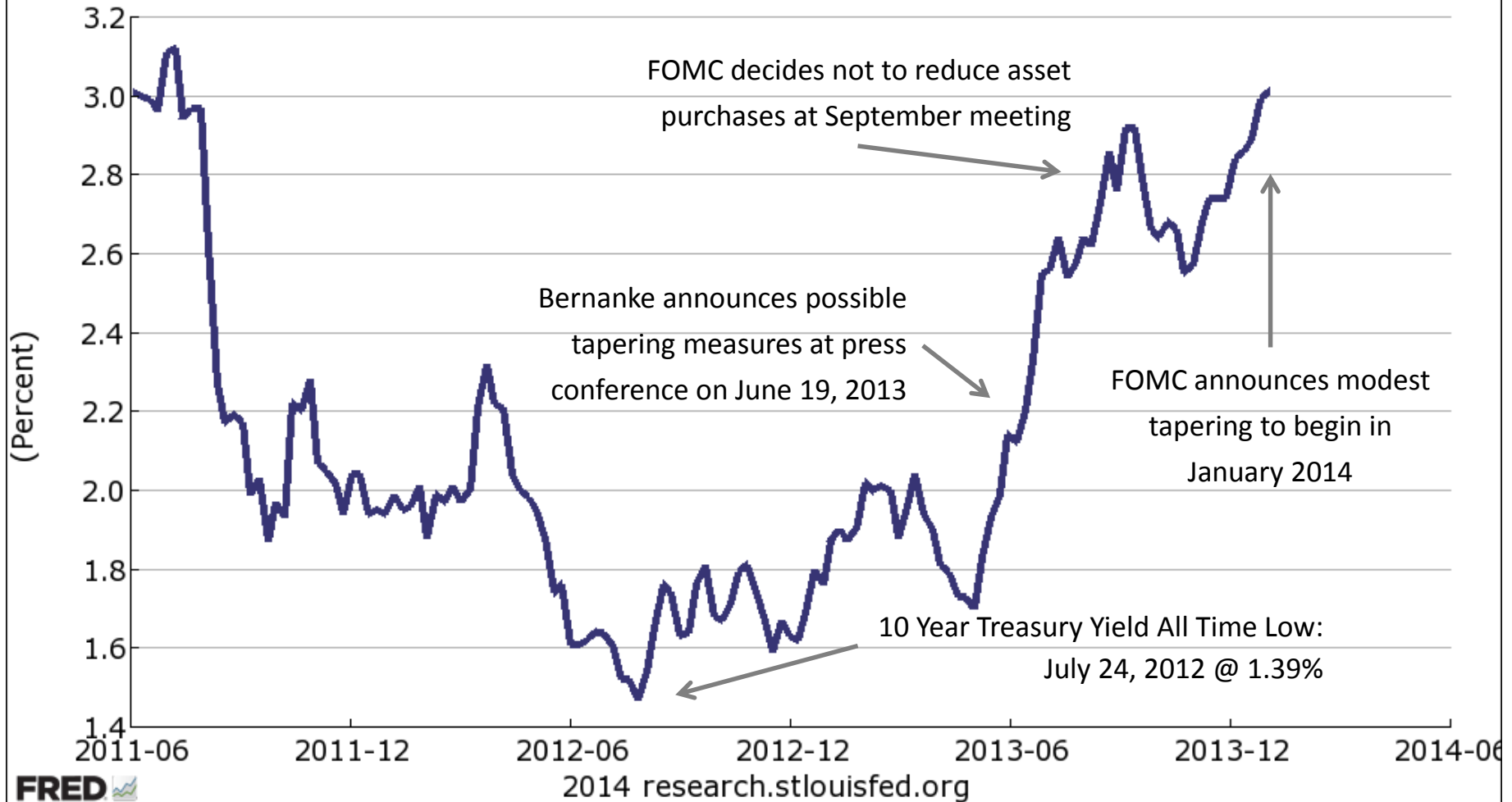


Quarter	S&P 500	Jobs	U.S. GDP
Q1	+10.6%	+547k	+1.1%
Q2	+2.9%	+499k	+2.5%
Q3	+5.2%	+502k	+4.1%
Q4	+10.5%	+598k*	+1.5%*

Data Through December 31, 2013. * Bloomberg Consensus Estimate

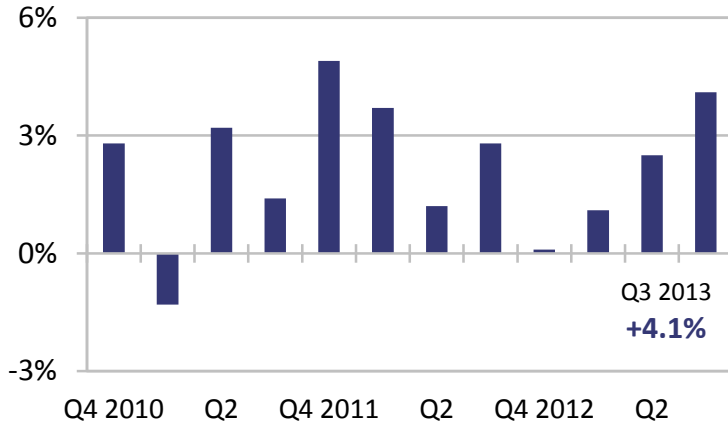
Bond Yields Rose in 2013

10-Year Treasury Constant Maturity Rate (DGS10)
Source: Board of Governors of the Federal Reserve System



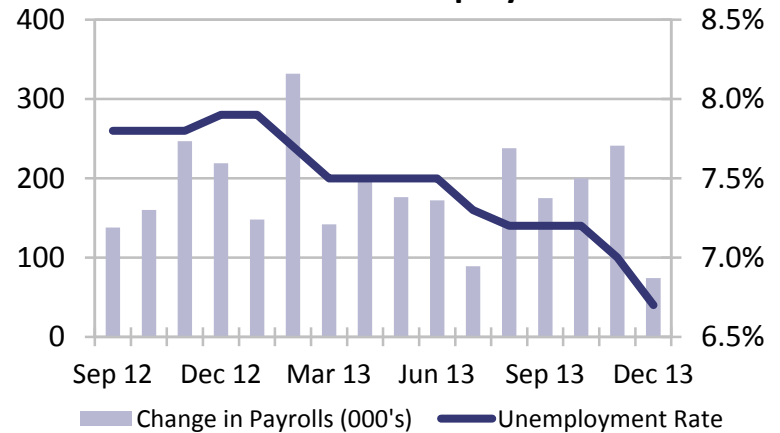
Economy & Financial Markets

Gross Domestic Product



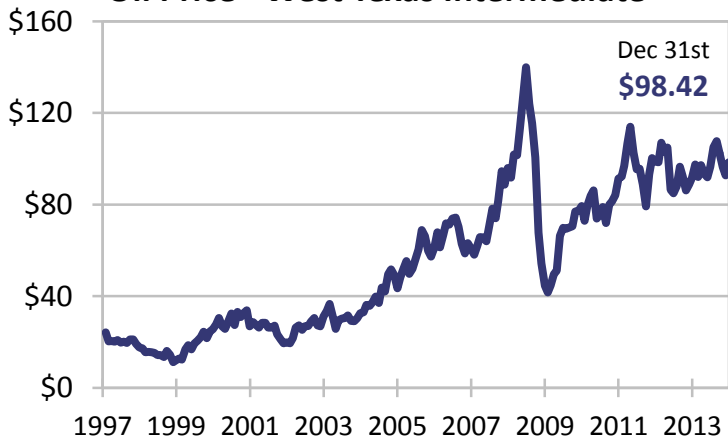
Bureau of Economic Analysis

Job Growth and Unemployment Rate



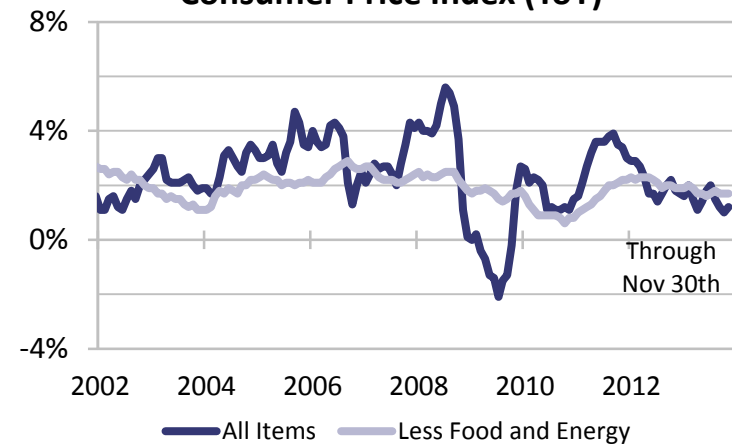
Bureau of Labor Statistics

Oil Price - West Texas Intermediate



Bloomberg

Consumer Price Index (YoY)



Bureau of Labor Statistics

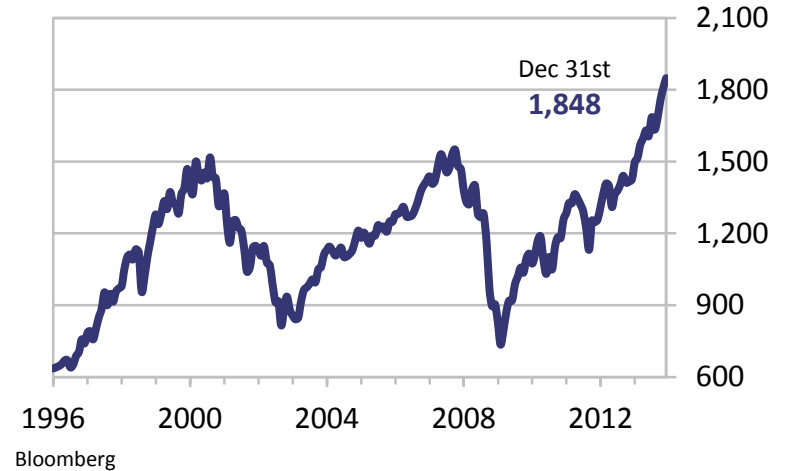
Economy & Financial Markets

Total Return (%) as of December 31, 2013

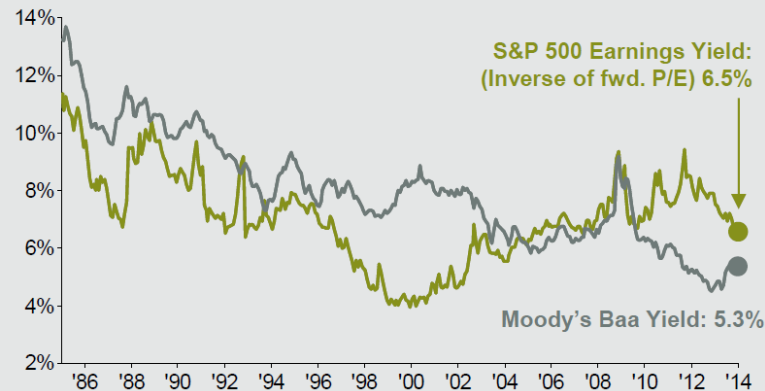
	Q4 2013	1 Year	3 Years	5 Years
Domestic Equities				
Large Cap S&P 500	10.5	32.4	16.2	17.9
Mid Cap S&P 400	8.3	33.5	15.6	21.9
Small Cap S&P 600	9.8	41.3	18.4	21.4
International Equities				
Developed MSCI EAFE	5.7	22.8	8.2	12.4
Emerging MSCI Emerging Markets	1.8	-2.6	-2.1	14.8
Other				
Commercial Property S&P U.S. REIT	-0.7	2.4	9.4	16.7
Commodities DJ-UBS Commodity	-1.1	-9.5	-8.1	1.5
Fixed Income				
Total Bond Market Barclays Aggregate	-0.1	-2.0	3.3	4.4
1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov	0.1	0.4	0.8	1.3
Int'l Treasury Barclays Global Tsy ex-US	-0.4	-3.2	2.4	3.8

Returns are annualized for periods greater than one year

S&P 500 Index

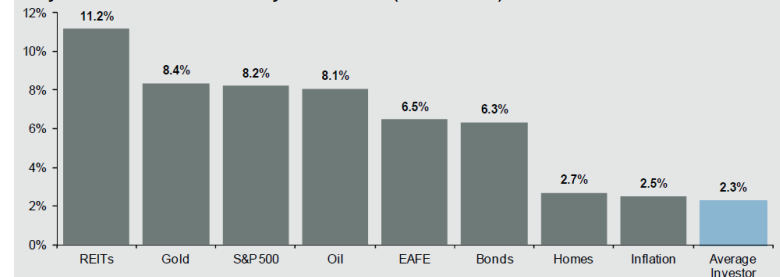


S&P 500 Earnings Yield vs. Baa Bond Yield



Sources: Standard & Poor's, Moody's, J.P. Morgan Asset Management
Data as of 12/31/2013.

20-year Annualized Returns by Asset Class (1993 – 2012)

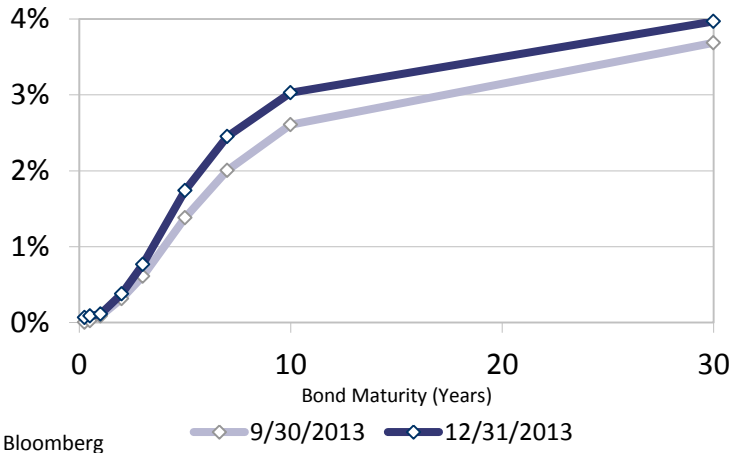


Source: J.P. Morgan Asset Management

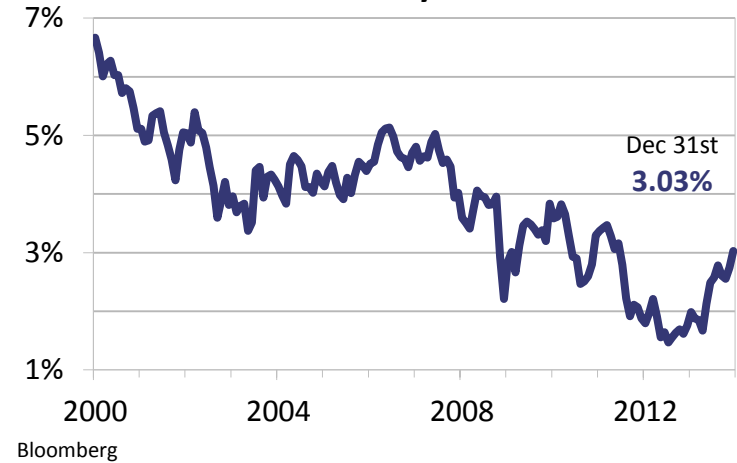
Average asset allocation investor return is based on an analysis by Dalbar Inc. All returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/12 to match Dalbar's most recent analysis.

Economy & Financial Markets

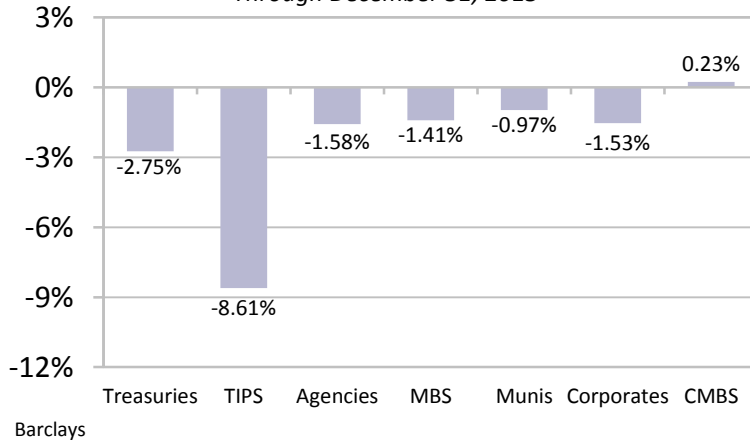
U.S. Treasury Yield Curve Comparison



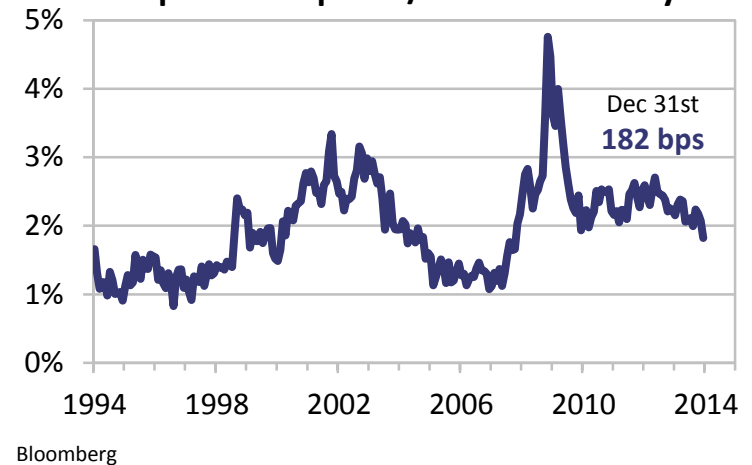
10 Year Treasury Note Yield



2013 Bond Total Return Through December 31, 2013



Corporate A Spread/10 Year Treasury



Current Outlook

Economic Outlook

The U.S. economy is expanding slowly as decent private sector growth is offset by a contraction in government spending. The economy grew at +4.1% in the third quarter, however inventory building added to growth and final demand posted a more modest +2.0% gain. Rising interest rates have crimped the housing market and policy uncertainties have made consumers and businesses wary.

The unemployment rate fell from 7.0% to 6.7% in December (the lowest level in 5 years) as payroll employment rose a disappointing 74,000. Job gains for the year have been respectable, averaging just over 180,000 per month in 2013.

The Bloomberg consensus among economists calls for +2.6% growth next year. The recovery remains modest and the economy is growing at about ½ the rate one normally expects coming out of a recession.

Over the summer, the OECD revised its growth forecasts to reflect a better outlook for developed countries and the widespread “loss of momentum” in emerging markets. It expects output in the U.S., Germany, and Japan to expand at +2.5% in Q3 and Q4. They noted that “growth in China has seemingly already passed the trough and looks set to recover in the second half.”

In early October, the IMF cut its world growth forecast for 2013 by 0.3% to +2.9% and lowered next years by 0.2% to +3.6% compared to the July forecast. Deteriorating emerging market prospects and the eventual Fed exit from easy money were the rationale. It lowered its forecast for U.S. growth next year to +2.6%.

Inflation Outlook

The CPI inflation rate rose +1.2% over the last 12 months through November. That compares to +2.1% in 2012 and +3.2% in 2011. Given the still high unemployment rate (modest wage pressure) and unused capacity in the U.S., tepid signs of recovery in the Eurozone, and slowing growth in China, inflation is unlikely to be a problem near term despite money printing by most of the world’s central banks. The consensus forecast compiled by Bloomberg calls for global inflation of roughly +2.7% in 2014, up slightly from the year before.

Commodities as measured by the broad based DJ-UBS Commodity Index were up +1.2% in December, but declined nearly -10% in 2013. Agriculture and precious metals were the sectors with the worst returns. Spot gold closed December at \$1,202 per ounce, down almost \$475 (or -28%) for the year. WTI oil closed 2013 at \$98 per barrel, down from its September peak of more than \$110.

Policy Actions

The Federal Reserve is worried about slow growth and high unemployment and is maintaining a ZIRP (zero interest rate policy). The Fed has stated that short term rates would remain low as long as the unemployment rate was 6.5% or higher and core inflation remained +2.5% or lower. That may be until 2015.

In December the Federal Reserve signaled its intentions to begin tapering the amount of assets purchased under its quantitative easing program. Starting in January 2014 the Fed will reduce monthly purchases by \$10 billion from the current level of \$85 billion, and expects similar sized reductions to be announced at future FOMC meetings. However the Fed continues to stress that the amount of purchases is data dependent and can be adjusted if necessary. In early January 2014 the Senate confirmed Janet Yellen as the next chair of the Federal Reserve. She is quite dovish and shares similar views with outgoing chair Ben Bernanke.

Democratic and Republican negotiators agreed on a budget compromise in early December that would increase domestic and military spending over the next two years and narrow the deficit by extending an already-approved 2% cut in Medicare spending through 2023. Its approval has reduced policy uncertainty and at least prevents the prospect of another government shutdown for 24 months. The next fight will be over the debt ceiling, which is scheduled to be reached in February.

January 2014

Current Outlook

International Developments

Europe continues to grapple with a banking system that was more levered than the U.S. The ECB and IMF have taken significant steps to shore up confidence and provide liquidity to EU governments struggling with deficit/debt problems. ECB President Mario Draghi has said that he will do “whatever it takes” to stabilize bond markets and save the euro. This has taken “tail risk” off the table and eased financial conditions (credit spreads have narrowed considerably and rates have fallen). Recent evidence of very low inflation (+0.8% year over year) prompted the ECB to cut interest rates in October.

The Eurozone emerged from recession in the second quarter but the unemployment rate there is 12.1% and the youth unemployment rate is close to 24%. Of note is recent talk to put “austerity” on the backburner and “go for growth.” There is also recognition that a banking union is necessary and work in Europe is underway towards that end. Europe is shaky but it does show some signs of bottoming.

Japan has initiated more fiscal stimulus and monetary easing to get inflation to a +2% target. The Japanese central bank has undertaken a monetary stimulus three times that of the U.S. in relative terms. Japanese equities have rallied sharply, amidst considerable volatility, since the stimulus measures were announced. Economic growth has improved and inflation has moved to over 1%.

Economic growth in China for Q3 was only +7.8%, down from +8% last year and the +10% growth investors had come to expect. It is worth noting that because the economy in China has doubled since 2006; growth today of +7% lifts the level of GDP by the same as +14% did in 2006. Over the past year, China’s real GDP has increased roughly \$0.8 trillion, while U.S. real GDP has increased \$0.3 trillion.

Bond Outlook

Treasury yields are up sharply since June despite good news on the inflation front. Taper talk by the Federal Reserve was the culprit. Ten year Treasury yields ended the month at 3.03%, up over 100 basis points since the start of 2013. The Barclays Aggregate bond index lost -0.46% in December, and was down -2.0% last year.

APCM remains overweight spread product including corporate bonds (especially financials) and CMBS securities. Spreads have narrowed recently. The run up in rates has certainly improved the valuation of the bond market. While interest rates are low by historical standards, so is inflation.

Equity Outlook

Domestic equity markets continued to rally in December, with the S&P 500 adding another +2.5% to an already stellar year of returns. For 2013 the large cap index was up +32.4%, its best performance since 1997. Mid and small cap companies did even better in 2013, returning +33.5% and +41.3% respectively. Stock appreciation has come mainly from multiple expansion as the P/E ratio on large cap stocks has risen from 12x to 15x over the year. Stocks are reasonable value but not cheap by any means, especially given the modest +3% sales growth and +4% earnings growth (year over year) we have seen of late. Stock buybacks have pushed earnings per share to +5% or so.

In overseas markets, the EAFE developed country index gained +1.5% in December, bringing its 2013 return to +22.8%. Japanese equities were up a whopping +59.3% in yen last year, however Yen depreciation trimmed those gains to a slightly more modest +30.5% in dollars.

The MSCI Emerging Markets lost -1.5% in December and returned -2.6% in 2013. Political turmoil, worries about sustainable growth, and increasing U.S. interest rates had undermined the case for emerging market equities. But stocks here still trade at a 10x P/E ratio, and while their economies are slowing, policymakers have room to ease and these countries are in better fiscal shape than the developed nations.

While APCM pared back equity exposure in September we still believe stocks are reasonable value and should do better than bonds going forward. Basic risk management principals and fuller valuations led us to cut U.S. stocks in favor of cash/bonds.

January 2014

Portfolio Appraisal

FAIRBANKS PERMANENT FUND

December 31, 2013



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
2,500,000	US TREASURY NOTES 1.750% Due 07-31-15	102.84	2,570,996	102.33	2,558,300	2.25	43,750	18,308	0.27
3,000,000	US TREASURY NOTES 1.250% Due 08-31-15	101.59	3,047,578	101.59	3,047,700	2.69	37,500	12,742	0.29
1,400,000	US TREASURY NOTES 2.750% Due 02-15-19	104.27	1,459,846	104.78	1,466,934	1.29	38,500	14,542	1.77
2,600,000	US TREASURY NOTES 1.875% Due 06-30-20	98.02	2,548,609	97.57	2,536,820	2.24	48,750	135	2.28
500,000	US TREASURY NOTES 3.125% Due 05-15-21	104.06	520,312	104.24	521,210	0.46	15,625	2,029	2.49
1,000,000	US TREASURY NOTES 1.625% Due 08-15-22	90.36	903,555	90.85	908,520	0.80	16,250	6,138	2.83
1,000,000	US TREASURY NOTES 2.500% Due 08-15-23	96.59	965,937	96.03	960,310	0.85	25,000	9,443	2.98
1,000,000	U S TREASURY NOTES 5.250% Due 02-15-29	110.42	1,104,150	120.37	1,203,750	1.06	52,500	19,830	3.50
1,375,000	US Treasury Note 3.500% Due 02-15-39 Accrued Interest	86.77	1,193,038	94.17	1,294,865	1.14	48,125	18,178	3.86
					101,344	0.09			
			14,314,022		14,599,753	12.86		101,344	
U.S. TREASURY INFLATION									
836,167	US TREASURY INFLATION PROTECTED SECURITIES 1.625% Due 01-15-18 Accrued Interest	98.37	822,572	108.68	908,747	0.80	13,588	6,277	NA
					6,277	0.01			
			822,572		915,024	0.81		6,277	
AGENCIES									
500,000	FHLMC 5.125% Due 11-17-17	111.91	559,567	114.10	570,495	0.50	25,625	3,132	1.38
200,000	FHLB 4.125% Due 03-13-20	111.21	222,430	109.66	219,326	0.19	8,250	2,475	2.43
2,250,000	FNMA 6.250% Due 05-15-29	128.42	2,889,495	125.36	2,820,690	2.49	140,625	17,969	4.02
500,000	FHLMC 6.250% Due 07-15-32 Accrued Interest	120.42	602,104	126.50	632,505	0.56	31,250	14,410	4.18
					37,985	0.03			
			4,273,596		4,281,001	3.77		37,985	

Portfolio Appraisal

FAIRBANKS PERMANENT FUND

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Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
40,630	FNMA POOL # 254195 5.500% Due 02-01-17	99.33	40,357	106.84	43,410	0.04	2,235	186	0.00
36,794	FGLMC POOL E01136 5.500% Due 03-01-17	99.55	36,627	106.20	39,077	0.03	2,024	169	0.25
170,823	FGLMC POOL B17355 5.000% Due 12-01-19	101.34	173,112	106.54	181,992	0.16	8,541	712	1.68
159,419	FGLMC POOL B17982 4.000% Due 03-01-20	97.59	155,583	105.58	168,318	0.15	6,377	531	1.20
131,380	FNMA POOL 814349 4.500% Due 03-01-20	98.62	129,569	106.56	139,996	0.12	5,912	493	1.46
102,846	FNMA POOL 819922 5.500% Due 04-01-20	102.41	105,328	109.17	112,273	0.10	5,657	471	1.38
91,260	FNMA POOL 819924 4.500% Due 04-01-20	99.55	90,854	106.55	97,242	0.09	4,107	342	1.46
132,686	FNCI 5.00% POOL 888348 5.000% Due 05-01-22	103.55	137,393	107.85	143,100	0.13	6,634	553	1.82
247,781	FNMA 4.00% POOL AD2331 4.000% Due 03-01-25	102.73	254,556	105.97	262,573	0.23	9,911	826	2.09
139,396	FNCI 4% POOL AD7073 4.000% Due 06-01-25	103.15	143,785	106.00	147,754	0.13	5,576	465	2.11
28,364	FGLMC POOL C01403 6.000% Due 09-01-32	101.81	28,878	111.88	31,733	0.03	1,702	142	2.84
76,382	FGLMC POOL A16590 6.000% Due 12-01-33	103.27	78,877	112.01	85,554	0.08	4,583	382	2.95
115,908	FRN - FNMA POOL 820607 1.946% Due 03-01-35	102.47	118,767	106.28	123,191	0.11	2,256	188	0.46
67,377	FNMA POOL 826090 4.737% Due 07-01-35	99.47	67,019	106.40	71,691	0.06	3,192	266	0.52
111,393	FHLMC # A36703 4.500% Due 08-01-35	95.69	106,589	106.02	118,101	0.10	5,013	418	2.83
174,285	FRN - FNMA POOL # 838293 2.231% Due 08-01-35	99.67	173,706	106.34	185,329	0.16	3,888	324	0.71
85,107	FNMA ARM POOL 745552 2.251% Due 02-01-36	100.53	85,555	105.17	89,511	0.08	1,916	160	0.84
18,437	FRN - FHLMC # 847740 4.835% Due 04-01-37	98.88	18,230	105.67	19,482	0.02	891	74	1.23
131,916	FRN - FHLMC # 1G2124 5.882% Due 08-01-37	99.81	131,669	105.74	139,487	0.12	7,759	647	2.95
82,381	FRN - FNMA POOL 943054 2.398% Due 08-01-37	100.94	83,153	106.29	87,563	0.08	1,975	165	0.84

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Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
233,292	FNCL 6.00% POOL 968813 6.000% Due 01-01-38	109.64	255,782	110.62	258,079	0.23	13,997	1,166	2.86
194,501	FHLMC # G08264 6.000% Due 04-01-38	100.76	195,975	110.22	214,387	0.19	11,670	973	2.99
178,070	FGLMC 5.5% POOL A77796 5.500% Due 05-01-38	108.01	192,329	108.99	194,073	0.17	9,794	816	3.04
228,654	FHLMC 5% POOL G05253 5.000% Due 02-01-39	107.02	244,714	107.70	246,265	0.22	11,433	953	3.10
232,925	FNCL 4.5 POOL AA6013 4.500% Due 05-01-39	103.59	241,287	105.84	246,526	0.22	10,482	873	3.06
	Accrued Interest				12,294	0.01			
			3,289,694		3,458,999	3.05		12,294	
GNMA									
30,947	GNMA POOL 2563 6.500% Due 03-20-28	100.44	31,082	114.62	35,473	0.03	2,012	168	1.60
33,761	GOV'T NAT'L MTG ASSN POOL# 587075 6.500% Due 05-15-32	101.25	34,183	115.30	38,925	0.03	2,194	183	2.94
200,173	GOV'T NAT'L MTGE ASSN POOL # 617115 5.500% Due 06-15-36	97.77	195,701	110.44	221,065	0.19	11,010	917	2.72
	Accrued Interest				1,268	0.00			
			260,966		296,731	0.26		1,268	
ASSET-BACKED SECURITIES									
1,000,000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	107.25	1,072,500	102.71	1,027,079	0.90	38,000	1,689	0.68
	Accrued Interest				1,689	0.00			
			1,072,500		1,028,768	0.91		1,689	
COMMERCIAL MORTGAGE-BACKED SECURITIES									
339,052	CREDIT SUISSE FIRST BOSTON MTG 4.691% Due 04-01-37	100.48	340,681	101.44	343,946	0.30	15,905	1,325	2.81
328,505	LB-UBS COML MTG TR 2006-C7 5.300% Due 11-11-38	100.35	329,659	103.68	340,580	0.30	17,411	967	3.26
491,992	BEAR STEARNS COML MTG SECS INC 4.674% Due 06-11-41	100.54	494,671	104.00	511,677	0.45	22,996	1,916	1.25
1,000,000	FRN - CD 2005-C1 COMMERCIAL MTG TR 5.218% Due 07-15-44	100.09	1,000,856	106.03	1,060,265	0.93	52,177	4,348	1.31
500,000	FRN - J P MORGAN CHASE COML MTG SECS 5.706% Due 02-12-49	100.21	501,049	111.04	555,204	0.49	28,530	2,378	2.17

Portfolio Appraisal

FAIRBANKS PERMANENT FUND

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Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
500,000	J P MORGAN CHASE COML MTG SECS 5.882% Due 02-15-51 Accrued Interest	100.50	502,481	111.91	559,546	0.49	29,410	2,451	2.24
					13,385	0.01			
			3,169,397		3,384,604	2.98		13,385	
CORPORATE BONDS									
500,000	CREDIT SUISSE NEW YORK 5.500% Due 05-01-14	99.90	499,485	101.63	508,150	0.45	27,500	4,583	0.59
450,000	US BANCORP 4.200% Due 05-15-14	104.98	472,396	101.41	456,340	0.40	18,900	2,415	0.40
600,000	CITIGROUP INC 5.500% Due 10-15-14	101.14	606,826	103.71	622,290	0.55	33,000	6,967	0.76
500,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	98.36	491,795	104.62	523,110	0.46	23,750	7,917	0.76
500,000	MORGAN STANLEY 6.000% Due 04-28-15	99.88	499,380	106.50	532,515	0.47	30,000	5,250	1.04
500,000	CITIGROUP INC 4.750% Due 05-19-15	104.97	524,875	105.22	526,125	0.46	23,750	2,771	0.94
500,000	BANK OF MONTREAL 2.850% Due 06-09-15	100.59	502,930	103.38	516,900	0.46	14,250	871	0.49
250,000	HSBC FINANCE CORP 5.500% Due 01-19-16	106.89	267,235	108.41	271,037	0.24	13,750	6,187	1.32
350,000	UNITED HEALTH GROUP INC 5.375% Due 03-15-16	114.09	399,322	109.46	383,117	0.34	18,812	5,539	1.02
500,000	AT&T INC 2.950% Due 05-15-16	104.33	521,670	104.27	521,375	0.46	14,750	1,885	1.12
500,000	JOHNSON & JOHNSON 2.150% Due 05-15-16	104.26	521,320	103.36	516,815	0.46	10,750	1,374	0.72
1,250,000	TORONTO-DOMINION BANK (144A) 1.625% Due 09-14-16	99.93	1,249,162	101.77	1,272,125	1.12	20,312	6,037	0.96
500,000	BANK AMER CORP 5.625% Due 10-14-16	99.93	499,670	111.44	557,190	0.49	28,125	6,016	1.42
675,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	104.71	706,819	111.89	755,237	0.67	37,969	8,016	1.27
1,000,000	UBS AG LONDON PRIV PLACEMENT (144A) 2.250% Due 03-30-17	100.93	1,009,300	103.02	1,030,230	0.91	22,500	5,687	1.30
500,000	VERIZON COMMUNICATIONS 5.500% Due 04-01-17	118.36	591,795	112.73	563,665	0.50	27,500	6,875	1.47
750,000	BANK OF NEW YORK MELLON 1.969% Due 06-20-17	102.60	769,522	101.08	758,130	0.67	14,767	451	1.64

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Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
500,000	CAMPBELL SOUP CO. 3.050% Due 07-15-17	106.83	534,130	104.31	521,545	0.46	15,250	7,032	1.79
500,000	INTERNATIONAL BUSINESS MACHS 5.700% Due 09-14-17	106.27	531,328	114.83	574,150	0.51	28,500	8,471	1.56
750,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	105.77	793,260	113.00	847,537	0.75	46,500	11,625	2.54
500,000	WELLS FARGO & CO 5.625% Due 12-11-17	99.58	497,920	114.62	573,100	0.50	28,125	1,562	1.77
500,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	497,860	115.31	576,540	0.51	28,750	11,979	1.84
575,000	MCDONALDS CORP M/T/N 5.350% Due 03-01-18	107.54	618,377	113.62	653,344	0.58	30,762	10,254	1.93
1,000,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	101.74	1,017,425	114.84	1,148,370	1.01	56,250	9,375	2.03
500,000	GLAXOSMITHKLINE CAP INC 5.650% Due 05-15-18	104.59	522,950	115.11	575,570	0.51	28,250	3,610	2.02
500,000	CATERPILLAR FINANCIAL 7.150% Due 02-15-19	99.16	495,805	122.92	614,615	0.54	35,750	13,506	2.37
600,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	101.40	608,421	121.80	730,782	0.64	45,000	17,000	2.89
600,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	102.81	616,886	111.69	670,164	0.59	28,200	10,653	2.27
600,000	MICROSOFT CORP 4.200% Due 06-01-19	102.24	613,416	110.22	661,338	0.58	25,200	2,100	2.19
750,000	ADOBE SYSTEMS INC 4.750% Due 02-01-20	112.47	843,502	107.95	809,610	0.71	35,625	14,844	3.30
775,000	COMCAST CORP 5.150% Due 03-01-20	116.47	902,635	111.56	864,567	0.76	39,912	13,304	3.08
500,000	PEPSICO INC 3.125% Due 11-01-20	108.06	540,290	100.11	500,575	0.44	15,625	2,604	3.10
750,000	DOW CHEMICAL CO* 4.250% Due 11-15-20	108.13	810,952	106.51	798,855	0.70	31,875	4,073	3.19
786,000	CARGILL INC. (144a) 4.307% Due 05-14-21	98.06	770,763	103.77	815,671	0.72	33,853	4,420	3.71
750,000	GENERAL MILLS INC 3.150% Due 12-15-21	102.88	771,577	97.89	734,167	0.65	23,625	1,050	3.45
500,000	BELLSOUTH CORP 6.000% Due 11-15-34	97.52	487,595	100.64	503,225	0.44	30,000	3,833	5.94
	Accrued Interest				230,136	0.20			
			22,608,597		23,718,214	20.90		230,136	

Portfolio Appraisal

FAIRBANKS PERMANENT FUND

December 31, 2013



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
INTERNATIONAL FIXED INCOME FUNDS/ETF									
42,485	SPDR BARCLAYS CAPITAL INTL D	56.06	2,381,843	57.74	2,453,084	2.16	NA		
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
158,113	VANGUARD INST'L S&P500 INDEX FUND	100.52	15,893,929	169.28	26,765,419	23.58	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
45,969	ISHARES S&P MIDCAP 400	80.22	3,687,800	133.81	6,151,112	5.42	NA		
INTERNATIONAL FUNDS/ETF									
296,629	VANGUARD MSCI EAFE ETF	34.43	10,213,892	41.68	12,363,497	10.89	NA		
EMERGING MARKET FUNDS/ETF									
147,282	VANGUARD EMERGING MARKET ETF	43.28	6,373,794	41.14	6,059,181	5.34	NA		
REAL ESTATE									
80,670	VANGUARD REIT ETF	49.55	3,996,989	64.56	5,208,055	4.59	NA		
CASH AND EQUIVALENTS									
	ALASKA MUNICIPAL LEAGUE INVESTMENT POOL		2,800,293		2,800,293	2.47			
	CASH RECEIVABLE		13,492		13,492	0.01	NA		
	DIVIDEND ACCRUAL		4,561		4,561	0.00			
			2,818,346		2,818,346	2.48			
TOTAL PORTFOLIO			95,177,938		113,501,790	100	1,899,944	404,378	

Alaska Permanent Capital Management Co.
PERFORMANCE HISTORY
GROSS OF FEES
CITY OF FAIRBANKS PERMANENT FUND
(Gross of Fees)



Time Period	Percent Return																		
	Per Period																		
	Total Account	Blend	Fairbanks 50 bp hurdle	Fixed Income	BARC AGG BENCH	Domestic Large Cap Equity	S&P 500 LARGE CAPS BENCH	Domestic Mid Cap Equity	S&P 400 MIDCAP BENCH	Int'l Equity	FTSE DEVELOPED EX NA BENCH	Real Estate	S&P US REIT BENCH	Emerging Market Equity	FTSE EMERGIN MARKET BENCH	Alternative Investments	DOW JONES UBS COMMODITY	Cash and Cash Equivalents	Citigroup 3 Month TBill Index - BENCH
12-31-12 to 01-31-13	1.85	1.84	0.04	-0.50	-0.70	5.19	5.18	7.28	7.22	3.83	4.79	3.74	3.71	0.07	2.24	0.00	2.40	0.00	0.01
01-31-13 to 02-28-13	0.38	0.34	0.04	0.37	0.50	1.49	1.36	0.85	0.98	-1.15	-0.73	1.22	1.26	-2.37	-2.41	0.00	-4.09	0.00	0.00
02-28-13 to 03-31-13	1.44	1.23	0.04	0.09	0.08	3.75	3.75	4.90	4.78	1.19	0.45	2.86	2.94	-1.27	-1.38	0.00	0.67	0.00	0.01
03-31-13 to 04-30-13	1.90	1.86	0.04	0.84	1.01	1.92	1.93	0.60	0.63	5.22	4.83	6.73	6.72	2.02	1.47	0.00	-2.79	0.00	0.01
04-30-13 to 05-31-13	-0.86	-1.16	0.04	-1.46	-1.78	2.51	2.34	2.22	2.26	-2.97	-2.28	-5.98	-5.93	-5.08	-3.04	0.00	-2.24	0.00	0.01
05-31-13 to 06-30-13	-1.72	-1.92	0.05	-1.21	-1.55	-1.34	-1.34	-2.02	-1.85	-2.81	-3.68	-2.02	-1.92	-5.39	-6.19	0.00	-4.71	0.00	0.00
06-30-13 to 07-31-13	2.36	2.16	0.04	0.31	0.14	5.08	5.09	6.51	6.20	5.20	5.14	0.90	0.99	0.68	0.57	0.00	1.36	0.00	0.00
07-31-13 to 08-31-13	-1.80	-1.71	0.04	-0.32	-0.51	-2.90	-2.90	-3.97	-3.75	-1.60	-1.06	-6.98	-6.99	-3.43	-2.82	0.00	3.40	0.00	0.00
08-31-13 to 09-30-13	2.82	2.65	0.04	0.77	0.95	3.35	3.14	5.46	5.21	7.50	7.35	3.51	3.13	7.33	6.72	0.00	-2.55	0.00	0.00
09-30-13 to 10-31-13	2.35	2.34	0.04	0.65	0.81	4.60	4.60	3.54	3.72	3.21	3.33	4.52	4.50	4.31	5.16	0.00	-1.48	0.00	0.00
10-31-13 to 11-30-13	0.45	0.21	0.04	-0.20	-0.37	3.04	3.05	1.47	1.32	0.66	0.80	-5.25	-5.18	-0.92	-2.15	0.00	-0.80	0.00	0.00
11-30-13 to 12-31-13	0.61	0.46	0.05	-0.62	-0.57	2.49	2.53	2.88	3.09	1.69	1.30	0.10	0.24	-0.30	-1.31	0.00	1.24	0.00	0.00
Date to Date																			
12-31-12 to 12-31-13	10.08	8.47	0.50	-1.30	-2.02	32.97	32.39	33.34	33.50	21.14	21.47	2.28	2.40	-4.98	-3.80	0.00	-9.52	0.00	0.05