



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, SEPTEMBER 23, 2013  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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The City Council convened at 7:00 p.m. on the above date, following a 6:00 p.m. Work Session with Polaris Building owner Marc Marlow, to conduct a Regular Meeting of the Fairbanks City Council at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor Jerry Cleworth 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  
John Eberhart, Seat F (Telephonic)

Absent: None

Also Present: Pat Cole, Chief of Staff (Telephonic)  
Warren Cummings, Fire Chief  
Ernie Misewicz, Assistant Fire Chief  
Paul Ewers, City Attorney  
Janey Hovenden, City Clerk  
Michael J. Schmetzer, City Engineer

**INVOCATION**

The Invocation was given by City Clerk Janey Hovenden.

**FLAG SALUTATION**

Mayor Cleworth led the Flag Salutation.

**CITIZEN'S COMMENTS**

Frank Turney, 329 6th Avenue, Fairbanks – Mr. Turney stated that Mr. Lerman is still present at the Council meetings in spirit. He commented that Mr. Marlow, owner of the Polaris Building, was a champion to Mr. Lerman. Mr. Turney spoke to the upcoming labor contract negotiations for the police department and suggested that the department needs more tools in order to keep the officers honest. He referenced specifically the need for voice analysis and polygraph testing for employees who are already on the City's payroll. Mr. Turney suggested that Mr. Gatewood introduce an ordinance in support of requiring labeling of genetically modified foods. He stated that he heard Mr. Eberhart question a judgment against Mr. Marlow and commented that it was under Mr. Eberhart's employment in the City Attorney's Office that the City lost \$1.5 million in the Despain/Rice lawsuit. Mr. Turney stated that after the lawsuit, Mr. Eberhart fled the City.

**Mayor Cleworth** interrupted Mr. Turney with a warning to be cautious in his testimony.

Mr. Turney encouraged residents to get out and vote in the upcoming election. He apologized to the City Clerk for distributing Vivian Stiver's campaign brochures at City Hall.

Gene Therriault, 4694 Palo Verde Avenue, Fairbanks – Mr. Therriault stated that he is representing the Alaska Energy Authority (AEA). He provided a brief update to the Council on the Interior Energy Project. He indicated that there are three different phases to the project: Alaska Industrial Development and Export Authority's (AIDEA) work with potential partners for the plant on the North Slope; AEA's research and evaluation of local distribution, which includes their own proposed service area; and telephonic surveys asking potential consumers within the high and medium-density areas at what price point would they make a conversion to natural gas.

**Mayor Cleworth** thanked Mr. Therriault for the update.

**Mr. Walley** asked Mr. Therriault what kind of savings a distribution system would offer to residents who are already using natural gas.

Mr. Therriault stated that the goal is to hit \$15/million BTU of heat. He explained that currently consumers are paying roughly \$20/million BTU.

**Mayor Cleworth** asked Mr. Therriault to speak to the timeline of the liquefied natural gas (LNG) plant on the North Slope and to the partnering/capital that is involved.

Mr. Therriault replied that the current concept involves a single limited liability company (LLC) with partners that could possibly include the State of Alaska. He explained that interested partners were notified that they must make a commitment to bring at least \$20 million dollars to the table in order to remain in the mix. He indicated that there is much negotiation currently underway with potential partners and stated that the timeline for a fully-operational distribution system is the end of 2015.

**Mr. Hilling** asked Mr. Therriault if he believes that Fairbanks Natural Gas (FNG) will begin building a distribution system within the core area between now and 2015.

Mr. Therriault expressed his hope that whoever gets the RCA approval for the service territory will execute the advanced placement of pipe. He stated that there have been discussions on how to get pipeline built sooner rather than later.

**Mr. Hilling** asked about the timeline for the plant, assuming commitments are made and funding is in place.

Mr. Therriault stated that it is likely that there will be some guarantee of the LNG plant by this fall.

**Mr. Hilling** asked Mr. Therriault if he believes that FNG will begin expanding their service area once it is confirmed that the LNG plant will be built.

Mr. Therriault replied that he believes they will.

**Mayor Cleworth** stated that FNG has been “piggy-backing” on construction projects throughout the City by laying pipe in areas that have never been serviced.

Mr. Therriault added that the legislature made an appropriation for the remaining schools within the City limits to be converted. He stated that this will also benefit some residential areas close to the schools.

**Mr. Hilling** asked Mr. Therriault to speak to AEA’s estimation of how much additional pipe would be needed to service Fairbanks and the surrounding area.

Mr. Therriault replied that approximately 794 miles of pipe would need to be added to the total service area. He stated that within City limits, AEA estimates that 131 miles of pipe will need to be built.

**Mr. Hilling** asked if areas outside the Borough could be serviced via trucking.

Mr. Therriault replied that propane is more likely to be used as a heat source in the outlying areas.

**Mr. Hilling** stated that it has been the hope that the price of natural gas would be about half of the cost of fuel oil. He asked Mr. Therriault if that is still the projection.

Mr. Therriault replied that half the cost is still the target.

Floyd Terry, PO Box 73514, Fairbanks – Mr. Terry stated that since it is election time, it would be a good time to remember David Lerman. He spoke to Mr. Lerman’s consistency in attending City Council Meetings. Mr. Terry referenced an article from the Fairbanks Daily News Miner (FDNM) which spoke to low candidacy filing in the upcoming election. He stated that he wonders if the low participation gives any indication as to how the voter turnout will be. He spoke to several individuals that he knows that are relocating from Fairbanks to other places in the U.S. and stated that something needs to be done to make people want to stay in Fairbanks. Mr. Terry presented a list of local businesses that have closed since 1981 and stated that the energy crisis is not the only cause. He spoke to the need for town meetings in the community. He suggested if parking were free and available in downtown Fairbanks it may draw more people into the area and criticized the cost of parking in the Fairbanks Parking Garage.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger commented on the weather and expressed hope that the City addresses the remaining potholes before winter sets in. He stated that he has called in a number of potholes and indicated that some were fixed but some were not. Mr. Buberger stated that the City should work on making public restroom facilities available in downtown Fairbanks. He spoke to the work session regarding the Polaris Building and suggested that Mr. Marlow is a professional speaker that knows how to seek public funds for projects. He spoke to others who seek “free money,” referencing police officers and those who seek bed tax grant dollars.

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

### APPROVAL OF AGENDA AND CONSENT AGENDA

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

**Mayor Cleworth** pointed out that Ordinance No. 5925 under New Business should not be asterisked as a Consent Agenda item. He stated that the ordinance is up for public hearing.

**Mayor Cleworth** called for objection and, hearing none, so ORDERED.

City Clerk Hovenden read the Consent Agenda into the record.

### APPROVAL OF PREVIOUS MINUTES

a) Regular Meeting Minutes of July 8, 2013.

PASSED and APPROVED on the CONSENT AGENDA.

### MAYOR'S COMMENTS AND REPORT

**Mayor Cleworth** read aloud the Interior Alaska Community Preparedness Proclamation. He credited Fire Chief Cummings, Assistant Fire Chief Misewicz and Amber Courtney for their work in developing the City's Continuity of Operations Plan (COOP) and Emergency Operations Plan (EOP). He stated that the next emergency preparedness exercise, Arctic Shield, will take place in 2014. **Mayor Cleworth** referenced an article in the *Alaska Dispatch* which spoke to the still growing \$12 billion debt of the Public Employees Retirement System (PERS) in the State of Alaska. He stated that the staggering liability is starting to become more of a focus for the governor and legislature. **Mayor Cleworth** spoke to the grant that the Commission on Historic Preservation gave to the City that went towards the restoration of two classrooms in the north tower of City Hall. He stated that the rooms are almost completed and offered to give Council Members a tour after the meeting. He stated that City Attorney Paul Ewers has been working with Jean Lester to get the collection of historic portraits moved to City Hall. **Mayor Cleworth** invited Jo Kuchle with the Golden Heart Community Foundation (GHCF) to come forward for a presentation to the City Council.

Ms. Kuchle gave a slide presentation on the GHCF. She outlined the foundation's mission, outreach and leadership in the community and statewide. She spoke to the growth of the foundation's partner, the Alaska Community Foundation, over the past 15 years.

**Mr. Matherly** asked if the GHCF would replace the Rasmuson Foundation or the Bill Gates Foundation or add to the funding that is available.

Ms. Kuchle stated that it does not replace the other foundations but it adds to the available funding. She explained that the Bill Gates Foundation could give to the Golden Heart Community Foundation if they chose to do so and that the Rasmuson Foundation has given to the GHCF in the form of a matching grant.

**Mr. Matherly** asked Ms. Kuchle if there is an application process with an advisory body to determine the granting of funds.

Ms. Kuchle replied affirmatively. She explained that the GHCF is still very new and has not built up its grant funds yet. She offered to distribute brochures about the GHCF to the Council.

**Mr. Hilling** asked how much an individual or entity must donate in order to qualify as a founding donor.

Ms. Kuchle replied that a minimum donation has not been set. She stated that the smallest donation to date has been \$100.

**Mr. Hilling** expressed an interest in donating to the GHCF. He asked Ms. Kuchle to speak to the top two or three specific types of charities or programs that the organization hopes to support.

Ms. Kuchle stated that Mr. Gatewood is currently working on a partnering project with the Fairbanks Memorial Hospital and that others are trying to give GHCF exposure. She explained that since the Internal Revenue Service requirements for scholarships are difficult to meet, the organization may not offer scholarships right away.

### **UNFINISHED BUSINESS**

- a) Ordinance No. 5925 – An Ordinance to Amend Fairbanks General Code Section 86-95(b) Regarding Chauffeur’s License Appeals. Introduced by Council Member Eberhart.  
SECOND READING AND PUBLIC HEARING.

**Mr. Gatewood**, seconded by **Mr. Matherly**, moved to ADOPT Ordinance No. 5925.

**Mayor Cleworth** called for Public Testimony.

Victor Buberger – Mr. Buberger urged the City Council to get out of the business of regulating chauffeurs. He stated that regulation of the industry should be left to the courts.

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

**Mr. Eberhart** explained that the purpose of Ordinance No. 5925 is to clarify that the Council may waive compliance of the requirements of FGC Section 86-77(a), unless the applicant has been convicted of a non-appealable offense as outlined in Section 86-95(b).

**Mr. Matherly**, in reference to Mr. Buberger’s testimony, asked City Attorney Ewers to speak to other entities throughout the state that regulate chauffeurs.

City Attorney Ewers explained that the State of Alaska and the criminal justice system does not address chauffeur licensing. He stated that if someone has a felony drug offense or is a registered sex offender, they do not lose their driver's license.

**Mr. Matherly** stated that he is glad the City is continuing to regulate chauffeurs since the state does not.

**Mayor Cleworth** asked if Mr. Eberhart meant for the language of Ordinance No. 5925 to apply specifically to Section 86-77(a)(6) or to the entirety of Section 86-77(a).

**Mr. Eberhart** stated that it was intended for the entire subsection (a) but deferred to City Attorney Ewers.

City Attorney Ewers stated that he does not believe that referring to the entire subsection (a) is a problem even though most appeals are a result of a denial for offenses listed in Section 86-77(a)(6).

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5925 AS FOLLOWS:

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

NAYS: None

**Mayor Cleworth** declared the MOTION CARRIED and Ordinance No. 5925 ADOPTED.

### **NEW BUSINESS**

- a) Ordinance No. 5926 – An Ordinance to Amend Fairbanks General Code Sections 2-651 and 2-655 Regarding Budget Preparation and Funding for Multiyear Contracts. Introduced by Mayor Cleworth.

ADVANCED on the CONSENT AGENDA.

- b) Ordinance No. 5927 – An Ordinance Amending Certain Provisions of the Fairbanks General Code Chapters 14, 46, and 78 in Response to the Revision of Minor Offense Rules by the State of Alaska. Introduced by Mayor Cleworth.

ADVANCED on the CONSENT AGENDA.

- c) Ordinance No. 5928 – An Ordinance to Amend the Fairbanks Landscape Ordinances, Codified as Chapter 10, Article XV, Sections 10-435 through 10-441. Introduced by Mayor Cleworth.

ADVANCED on the CONSENT AGENDA.

- d) Ordinance No. 5929 – An Ordinance Approving an Amendment to the Collective Bargaining Agreement Between the City of Fairbanks and the Public Safety Employees Association Local 803 Regarding Emergency Dispatchers. Introduced by Mayor Cleworth.

ADVANCED on the CONSENT AGENDA.

## DISCUSSION ITEMS

### Committee Reports

FMATS Policy Committee – **Mr. Walley** gave an account of the September 18 meeting. He commented that the meeting was brief and uneventful. He stated that there was some tension at the meeting due to the state's decision to override the Committee's recommendation to landscape and place trees in the small section of land near the Illinois Street Bridge. **Mr. Walley** stated that a motion to table a revised operating agreement for the Committee was approved and indicated that the agreement will be sent back to the Technical Committee for revision.

## COMMUNICATIONS TO COUNCIL

- a) Re-appointments to the Chena Riverfront Commission

APPROVED on the CONSENT AGENDA.

- b) Chena Riverfront Commission Meeting Minutes of July 10, 2013

ACCEPTED on the CONSENT AGENDA

- c) Clay Street Cemetery Commission Meeting Minutes – January 25, 2011 to date

ACCEPTED on the CONSENT AGENDA

## COUNCIL MEMBERS' COMMENTS

**Mr. Eberhart** stated that he is currently working in Port Angeles, Washington and expressed appreciation for being permitted to attend the meeting telephonically. He thanked Jo Kuchle for the information she provided about GHCF. In reference to the Polaris Building, **Mr. Eberhart** expressed his belief that the Council should stick to their course of action. He encouraged residents to participate in the upcoming election.

**Mr. Hilling** stated that he is unclear on Mr. Turney's question regarding polygraph and voice analysis testing for police officers. He stated that he understands that after being hired, the City may not require an officer to be tested. He asked Mayor Cleworth if that is correct.

**Mayor Cleworth** replied affirmatively and stated that the PSEA collective bargaining agreement (CBA) does not allow for it.

**Mr. Hilling** asked if there was anything stopping the City from telling the union that polygraph and voice analysis testing is required.

**Mayor Cleworth** replied that the City has the right to ask that modifications be made to the CBA to allow for polygraph and voice analysis testing.

**Mr. Hilling** spoke to the random mutations of genes using corn as an example. He stated that what we now know as sweet corn was once very bitter and gritty. He stated that he is a bit skeptical that human modification of those genes can be harmful. **Mr. Hilling** commented on how accessible and responsive Public Works and Engineering Director Mike Schmetzer was when he recently called City Hall regarding a question his neighbor had. He thanked the mayor for having such an efficient staff. **Mr. Hilling** asked for clarification on the deadline the Council placed on Mr. Marlow for the Polaris Building.

**Mayor Cleworth** answered that the deadline for Mr. Marlow is the end of September.

**Mr. Hilling** stated that it seems almost silly to set deadlines for Mr. Marlow because he believes that Mr. Marlow has the motivation to move forward with the renovation of the building. He stated his belief that the Council should wait for Mr. Marlow to begin renovation. He asked if it would be appropriate to make a motion to extend the deadline for the start of construction.

**Mayor Cleworth** explained that the Building Department set the original deadline for Mr. Marlow as they would for any abatement project. He stated that Mr. Marlow did not meet that deadline but has reported that he continues to make progress on the project. **Mayor Cleworth** stated that he does not believe it is necessary to make a motion to extend the deadline because the City does not have the funds to tear down the building. He indicated that Mr. Marlow still has plenty of time and that he will find out soon whether renovation of the structure is feasible and whether or not he will have future tax credits. **Mayor Cleworth** explained that by setting deadlines and sticking to them, the City is doing everything that is legally necessary for an eventual condemnation.

**Mr. Hilling** expressed his excitement for the restoration of the classrooms at City Hall. He commended Mr. Gatewood for being involved in and co-chairing the GHCF.

**Mr. Matherly** stated that Mr. Hilling reminds him of Andy Rooney from *60 Minutes*. He stated that he has no resistance to placing pressure on Mr. Marlow because he believes it will help move things forward. He shared that Stan Stephens of Stan Stephens Charters recently passed away and spoke to the gentleman's contributions and influence in the visitor's industry. **Mr. Matherly** stated that there will be ceremonies for Mr. Stephens in Anchorage, Juneau and Fairbanks sometime in October. He commented that this is the last Council Meeting prior to the 2013 Municipal Election. He expressed appreciation for Mr. Floyd Terry's passion and love for the Fairbanks community. **Mr. Matherly** stated that all five of his sons played football over the summer and that his three youngest boys' teams are undefeated with the championship game scheduled for September 28. He encouraged everyone to attend not only that game but other youth sporting events in the community. He cautioned the public that winter is coming and that road conditions may soon worsen.



**Mr. Gatewood** thanked Mayor Cleworth for allowing Ms. Kuchle to make the GHCF presentation during his comments. He expressed hope that the foundation would be successful in building and growing within the next several years. In reference to the issue of the Polaris Building, **Mr. Gatewood** stated that he has no problem with requesting periodic status updates from Mr. Marlow. He agreed that the City does not have the estimated \$3 – 5 million to demolish the structure and added that he would not support pulling from City funds to do so. He expressed hope that Mr. Marlow's efforts are deliberate and sincere. **Mr. Gatewood** encouraged the public to get out and vote in the upcoming election and wished all candidates running for public office good luck.

**Mr. Walley** stated that the games Mr. Matherly mentioned in his comments would be broadcast live on KCBF 820 radio. He stated that he does not feel bad for holding Mr. Marlow's feet to the fire in reference to the Polaris Building because Mr. Marlow failed to respond to the Council all summer. **Mr. Walley** expressed excitement that the construction season in Fairbanks is nearly over. He acknowledged Mr. Terry's testimony regarding the decline in local businesses in Fairbanks and stated that the problem is concerning. He stated that he recently noticed a 2% fuel surcharge increase on the Golden Valley Electric Association (GVEA) bill for one of his properties. He spoke to the high cost of energy in general and stated that he is excitedly looking forward to the completion of the LNG plant on the North Slope in 2015. **Mr. Walley** stated that he is concerned with the cost of converting heating devices to units that are compatible with natural gas. **Mr. Walley** related his interactions with Stan Stephens when he was a young radio account executive and Mr. Stephens was his client.

**Mayor Cleworth** stated that 1st Avenue and Smythe Street have been completed and are now open.

**Ms. Staley** agreed that the Council should stick to the deadlines for Mr. Marlow and stay in contact to keep him on schedule. She thanked Gene Therriault for the update on Interior energy issues and stated that she was recently asked to be a part of a focus group for AIDEA. She stated that she had to decline because she would be out of town during that time but encouraged community participation in the focus groups. She thanked Mr. Terry for being a regular attendee at City Council Meetings and acknowledged his ideas of family values and community involvement. In reference to Mr. Terry's testimony regarding the Fairbanks Parking Garage, **Ms. Staley** stated that one of the benefits of the garage is that vehicle plug-ins are available for use. She expressed excitement to tour the renovated classrooms at City Hall. She announced that Golden Heart Parking Services (GHPS) hearing would be held on September 25 at 8:00 A.M. She thanked Mr. Gatewood for attending the last FNSB Assembly Meeting in her stead.

### **CITY CLERK'S REPORT**

Approval of Election Judges for the 2013 Municipal Election

APPROVED on the CONSENT AGENDA

**Mr. Matherly**, seconded by **Mr. Hilling**, moved to go into Executive Session for the purpose of discussing AFL/CIO labor contract negotiations.

**Mayor Cleworth** called for objection and, hearing none, so ORDERED.

**Mayor Cleworth** called for a five minute recess.

**EXECUTIVE SESSION**

a) Labor Contract Negotiations – AFL/CIO

The City Council met in Executive Session to discuss AFL/CIO labor negotiations. Direction was given to staff and no action was taken.

**ADJOURNMENT**

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

**Mayor Cleworth** called for objection and, hearing none, so ORDERED.

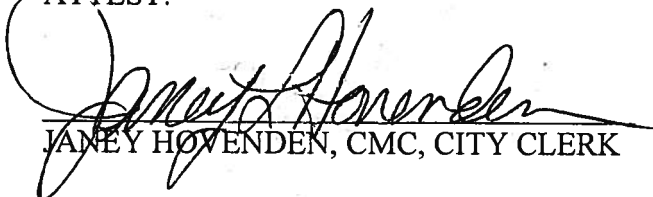
**Mayor Cleworth** declared the Meeting adjourned at 9:20 P.M.



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JOHN EBERHART, MAYOR

ATTEST:



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JANEY HOWENDEN, CMC, CITY CLERK

Transcribed by: DS