



FAIRBANKS CITY COUNCIL
AGENDA NO. 2013-14
REGULAR MEETING July 22, 2013
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

REGULAR MEETING

I 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

* Regular Meeting Minutes of June 10, 2013

7. SPECIAL ORDERS

8. MAYOR'S COMMENTS AND REPORT

9. UNFINISHED BUSINESS

10. NEW BUSINESS

- *a) Resolution No. 4585 – A Resolution Authorizing Purchase of a Snow Storage Site in the Amount of \$199,900. Introduced by Mayor Cleworth.
- *b) Resolution No. 4586 – A Resolution Authorizing the City of Fairbanks to Request Funds from the Alaska Division of Homeland Security and Emergency Management under the FY2013 Homeland Security Grant Program. Introduced by Mayor Cleworth.
- *c) Resolution No. 4587 – A Resolution Awarding a Contract to Paving Products, Inc., for the 10th Avenue, Kellum, and McGown Streets Pedestrian Improvements Project in the Amount of \$636,531.45. Introduced by Mayor Cleworth.

11. DISCUSSION ITEMS (INFORMATION AND REPORT)

Committee Reports

12. COMMUNICATIONS TO COUNCIL

- *a) Appointment to the Public Safety Commission
- *b) Public Safety Commission Meeting Minutes of April 16, 2013
- *c) Public Safety Commission Meeting Minutes of May 14, 2013
- *d) Public Safety Commission Meeting Minutes of June 11, 2013
- *e) Chena Riverfront Commission Meeting Minutes of June 12, 2013
- *f) Permanent Fund Review Board Meeting Minutes of April 17, 2013

13. COUNCIL MEMBERS' COMMENTS

14. CITY ATTORNEY'S REPORT

15. CITY CLERK'S REPORT

16. EXECUTIVE SESSION – Labor Negotiations:
 - a) International Brotherhood of Electrical Workers (IBEW)
 - b) Public Safety Employees Association (PSEA)
 - c) AFL-CIO

17. ADJOURNMENT



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, JUNE 10, 2013
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

The City Council convened at 7:00 p.m. on the above date, following a Work Session on Gas Trucking and Distribution, 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
 John Eberhart, Seat F

Absent: Lloyd Hilling, Seat E (Unexcused)

Also Present: Pat Cole, Chief of Staff
 Warren Cummings, Fire Chief
 Ernie Misewicz, Assistant Fire Chief
 Paul Ewers, City Attorney
 D. Danyielle Snider, Deputy City Clerk
 Carmen Randle, Controller
 Jim N. Soileau, Chief Financial Officer
 Laren Zager, Police Chief

INVOCATION

The Invocation was given by Deputy City Clerk Danyielle Snider.

FLAG SALUTATION

Mayor Cleworth led the Flag Salutation.

CITIZEN'S COMMENTS

Dan Britton, President and CEO of Fairbanks Natural Gas (FNG) – Mr. Britton spoke to the handout distributed in the work session and stated that some of the information is inaccurate. He clarified that FNG estimates the project at \$35 million, of which \$20 million will be FNG's investment. He stated that the remainder of the funding is projected to come from a state tax credit which cannot be guaranteed or applied for until the plant is built. Mr. Britton explained that FNG plans to construct a 2.5 million gallon tank which will offer a 17-day gas supply during peak season. He pointed out that the numbers in the handout represent the cost of expansion for FNG, not the investments that will be made in the existing service area. Mr. Britton stated that FNG's projected customer base varies greatly from that of the Interior Gas Utility (IGU) and the Alaska Industrial Development and Export Authority (AIDEA) because there is a difference in

opinion as to how many customers are available in the same geographic area. He stated that FNG has taken an overall conservative approach to projections on rates and performance so that they can meet financial commitments and debt servicing, as well as the expectations of shareholders and customers. Mr. Britton stated that FNG has applied to the Regulatory Commission of Alaska (RCA) for an expanded certificated area that would include service to North Pole. He indicated that FNG has had intentions to expand its service to North Pole since they started business in 1998. He spoke to the criticism FNG has received for “not doing enough” and stated that FNG is the only entity that has invested in the community to provide natural gas service. He commented that FNG has been actively working to increase supply so that they can serve more residents. He indicated that supply is the only thing preventing FNG’s expansion and that no other entity will be successful until there is a larger supply. Mr. Britton expressed his disappointment in the IGU application to the RCA, stating that it is not based on a realistic financial plan.

Mr. Matherly asked Mr. Britton to speak to his definition of a serviceable customer.

Mr. Britton stated that structures such as small cabins or multiple cabins on one property are considered by FNG to be unserviceable customers. He stated that the difference in customer numbers between FNG, IGU and AIDEA is a discrepancy in the count of serviceable structures and likely customers within the Borough. Mr. Britton stated that FNG takes a more conservative approach to potential customers than IGU and AIDEA.

Ms. Staley asked what a long-term gas supply contract would look like.

Mr. Britton stated that long-term contracts vary. He indicated that for FNG the contract would be a minimum of ten years. He stated that in Anchorage the natural gas investment is only in pipe, but that in Fairbanks the investment would include a production facility, trailers, trucks, storage, and pipe. He indicated that it is a much more complex process for Fairbanks and that the investment must be larger in capacity to the initial service parameters.

Mayor Cleworth asked Mr. Britton if he envisions IGU playing a part in distribution to North Pole if FNG is successful in obtaining the expanded certificated area from the RCA.

Mr. Britton commented that the IGU may play a facilitating role in the gas distribution. He stated that IGU may also be able to advocate for increased natural gas usage. He stated that currently, the IGU does not have the authority to bond based on taxpayers and that their role is somewhat limited. Mr. Britton stated that FNG has the experience and that their projections are based on actual costs.

Mayor Cleworth stated that the City has ambitious plans for Lemeta and Slaterville. He asked Mr. Britton how that correlates with what FNG is doing to expand.

Mr. Britton replied that FNG is spending about \$1 million this year in expansion and distribution. He explained that in Slaterville alone, FNG is investing over \$100,000 in pre-installation of pipe. He stated that FNG will be servicing six additional schools this year which will expand their service into many new areas of the community. Mr. Britton commented that it

is likely that FNG will consider installing pipe in Lemeta next year when the City reconstructs the streets.

Mayor Cleworth commented that it will be two years before anything will happen on the North Slope. He asked Mr. Britton if FNG is relying solely on that project for distribution or if they are working on other contracts.

Mr. Britton replied that FNG is actively working on contracts in the Cook Inlet and that the situation looks optimistic. He stated that it may not solve the problem with supply, but indicated that FNG will be able to store more natural gas over the summer months once the larger storage tank is in place.

Wallace Cox, 1223 Skyline Drive, Fairbanks – Mr. Cox stated that he grew up in Oklahoma but that he is an Alaskan by choice. He spoke to the number of utilities that would be cost-effective to have in one area and stated that nearly the entire state of Oklahoma is served by one gas utility. He stated that he doesn't see the need for two gas utilities in the Fairbanks area. Mr. Cox indicated that the IGU has joined the quest for natural gas as a competitor instead of a facilitator. He stated that he was the President of the Chamber of Commerce in 1988 and that he was approached by an entity then who wanted to build a pipeline from the Cook Inlet to Fairbanks. He stated that the Power and Energy Committee did a super job at developing the Chamber's position on the pipeline, but the plan never came to fruition. Mr. Cox stated that his specialty field in the Army was in project management, material acquisition and research and development. He stated that one of the most important things to consider in the gas distribution project is the timeline and that delay and confusion will only cost more money.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger spoke to the need for the City to invest in its roads. He spoke to the huge pothole on the corner of 7th Avenue and Cushman Street. He commented that he has seen better street maintenance in some third world countries than in Fairbanks. Mr. Buberger mentioned other potholes north of Minnie Street, north of Farewell Street in Hamilton Acres, in the Lemeta area and on South Cushman Street. He commended the City for the recent improvements on Rickert Street. He spoke to the Volunteers in Policing Program and asked if it was still active. He commented that having volunteer fire fighters at the Fairbanks Police Department would be a great way to provide hands-on training for those interested in a fire fighting career.

Frank Turney, 201 7th Avenue, Fairbanks – Mr. Turney quoted Justice Louis Brandeis as having once stated that the most important office of government is the citizen. He requested that Mayor Cleworth expedite the results from the Alaska Crime Lab testing in regards to the death of Mr. Wallace, a local man who burned to death in the Downtown Post Office. Mr. Turney spoke to the nepotism in the Fairbanks Police Department and asked for a policy to be implemented on the matter. He stated his hopes that someday the Chief of Police would be an elected position rather than an appointed one. Mr. Turney stated that thanks to Joanie Skilbred, a Civil War veteran has been located in the Clay Street Cemetery. He spoke to the problem with cigarette butts littering the downtown area and suggested that the City place buckets of sand throughout the area for cigarette disposal. He stated that he doesn't blame citizens for turning down the Local Improvement District (LID) which would have levied a tax on downtown property owners

for clean and safe services. He wished everyone a Happy Father's Day. Mr. Turney stated that he would like to see a Proclamation in recognition of Floyd Terry.

Mayor Cleworth expressed appreciation for the regular attendees at City Council Meetings. He stated that David Lerman passed away and expressed his sympathies.

APPROVAL OF AGENDA AND CONSENT AGENDA

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

Mr. Eberhart pulled Resolution No. 4577 from the Consent Agenda.

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

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

APPROVAL OF PREVIOUS MINUTES

a) Regular Meeting Minutes of April 22, 2013.

PASSED and APPROVED on the CONSENT AGENDA.

b) Regular Meeting Minutes of May 6, 2013.

PASSED and APPROVED on the CONSENT AGENDA.

c) Regular Meeting Minutes of May 20, 2013.

PASSED and APPROVED on the CONSENT AGENDA.

MAYOR'S COMMENTS AND REPORT

Mayor Cleworth commented that the mill levy rate decreased by a small amount this year and stated that the City hopes to be able to continue that trend. He spoke to the recent passing of Tom Freeman, a long-time member of the Permanent Fund Review Board. **Mayor Cleworth** commented on the article in the News Miner regarding parking meters and expressed his opinion that meters would not work well in Downtown Fairbanks. He explained that parking meters would not operate properly in the extreme cold and that they would be expensive to maintain. He stated that the Fairbanks Parking Authority will look at the option and bring a recommendation to the Council. **Mayor Cleworth** spoke to the complaints about the loud speakers at Fort Wainwright. He stated that the folks on the military base are aware of the problem and are working to mitigate the noise. He stated that the City has received the draft Environmental Impact Statement (EIS) for the proposed transfer of F-16's from Eielson to Joint Base Elmendorf-Richardson (JBER). He stated that many local residents and government officials questioned the Site Activation Task Force (SATAF) report that was released within the last year. He commented that the point of the move is to save money but indicated that he has

not found any savings in the SATAF report. He spoke to the public hearings the air force held on the topic earlier this year and stated that many of the questions and concerns of the community have not yet been addressed. **Mayor Cleworth** shared that the local mayors met with an Air Force General last week and that he met with the Governor earlier in the day regarding the matter. He indicated that local residents should stay involved and deliver the message to the Air Force that they have not satisfied the concerns of the community. He announced that the public testimony period in response to the EIS has been extended from the original ten-day period. **Mayor Cleworth** stated that the Chamber of Commerce Board recently held a presentation on national health care and commented that the more he learns about the new program the more disheartened he becomes. He expressed his fear that employer health care costs will increase. He spoke to a second presentation held by the Chamber of Commerce Board regarding workman's comp. He stated that Alaska pays the highest workman's comp rates and some of the highest medical costs in the nation. He spoke to legislation in Juneau that will try to curb some of those costs. **Mayor Cleworth** mentioned the window replacement taking place in some parts of City Hall. He spoke to gas distribution and to the importance of listening to all sides of an issue. He expressed his admiration for the IGU and specifically to Frank Abegg for his work on the Board. He stated that it is the City's right and role to be involved with the utility and to question and discuss their decisions. **Mayor Cleworth** asked the Council if they would like to have future presentations with entities involved in gas distribution.

NEW BUSINESS

- a) Resolution No. 4576 – A Resolution Awarding a Contract to Exclusive Paving, Inc., for the Slaterville Subdivision Road Resurfacing & Drainage Improvements Project FB-13-01 in the Amount of \$1,426,111.12. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4577 – A Resolution Authorizing the City of Fairbanks to Apply for and Accept Funds from the Alaska Division of Homeland Security for the FFY2013 Emergency Management Performance Grant. Introduced by Mayor Cleworth.

Mr. Gatewood, seconded by **Mr. Walley**, moved to APPROVE Resolution No. 4577.

Mr. Eberhart asked for clarification on what the grant funds would be used for.

Fire Chief Cummings explained that last year the Borough decided to cut Fairbanks and North Pole out of emergency management planning since they did not have area-wide emergency management powers. He stated that the change caused both municipalities to have to take on emergency management planning and duties for themselves. He stated that the Fire Chief has been named the Emergency Manager for the City of Fairbanks. Chief Cummings explained that in 2012, the City obtained \$5,000 in grant funding to offset the cost in salary for staff time and that this year the grant offers \$10,000 in funding with a \$10,000 match. He clarified that there would be no additional cost to the City.

Mayor Cleworth asked Chief Cummings to speak to the history of the emergency management powers.

Chief Cummings stated that when he began working for the City, they held the Civil Defense role which was a predecessor of emergency management. He explained that the Borough took over the responsibilities sometime in the 1970's. He stated that when the Borough started looking into their powers, they couldn't find anything indicating that they held the area-wide emergency management powers. Chief Cummings stated that the three mayors met and determined that the Cities of North Pole and Fairbanks could take over their own emergency management programs.

Mayor Cleworth stated that there was always an assumption that there was legislation from the municipalities transferring emergency management powers from the Cities to the Borough, but none could be found. He pointed out that the grant opportunities for emergency management went to the Borough for many years. He explained that the City can now apply for emergency management funding on its own.

Chief Cummings commented that now the City can be reimbursed for work that has been done all along.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4577 AS FOLLOWS:

YEAS: Gatewood, Walley, Eberhart, Matherly, Staley

NAYS: None

ABSENT: Hilling

Mayor Cleworth declared the MOTION CARRIED and Resolution No. 4577 APPROVED.

- c) Resolution No. 4578 – A Resolution Authorizing the Mayor to Accept Funding for Wickersham Street Improvements. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- d) Resolution No. 4579 – A Resolution Fixing the Rate of Tax Levy for Municipal Purposes for the 2013 Real Property Tax of the City of Fairbanks, Alaska. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- e) Resolution No. 4580 – A Resolution to Accept Funding from the Alaska Division of Homeland Security and Emergency Management for SFY2014 Local Emergency Planning Committee (LEPC). Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- f) Ordinance No. 5920 – An Ordinance to Place Before the Voters the Question of Amending Charter Section 11.1, Annual Elections: Time. Introduced by Mayor Cleworth.

ADVANCED on the CONSENT AGENDA.

DISCUSSION ITEMS

Committee Reports

COMMUNICATIONS TO COUNCIL

- a) Reappointments to the Bed Tax Discretionary Fund Committee

APPROVED on the CONSENT AGENDA.

- b) Memo Regarding the Sale of Old City Hall

ACCEPTED on the CONSENT AGENDA.

COUNCIL MEMBERS' COMMENTS

Mr. Gatewood stated that he wouldn't mind having more presentations on gas distribution but commented that he is unclear on the idea of two utilities. He stated that he doesn't envision the IGU as a classic utility but sees it more as a facilitator of funding. He commented on the unique nature of Interior Alaska and stated that he has never heard of two municipalities sharing powers as the Borough and City of Fairbanks do. He expressed his opinion that it would be no big deal to have two utilities in operation unless one became a burden or hindrance to the other. **Mr. Gatewood** recalled the discussions last year regarding gas distribution and to the emphasis placed on forming a united plan to present to the Governor. He relayed his respect for FNG and commended Mr. Britton for his work in the field. He stated that he does not want to see the IGU become a direct competitor with FNG or any other business of that nature and clarified that he believes they are currently fulfilling the role for which they were intended. **Mr. Gatewood** stated that it is the City's obligation to keep the IGU Board on track. He expressed appreciation for the gas distribution work session and stated that he would be happy to welcome more discussion on the topic and more opportunity for the Council to ask questions. He spoke to how close Fairbanks is to getting natural gas and stated that he doesn't want to see anything hold up the project.

Mayor Cleworth asked Mr. Gatewood which entities he would like to invite for future discussions and presentations.

Mr. Gatewood stated that he would not advocate for another work session or presentation, but that he would be open to one. He commented that if the City schedules another presentation, he would like FNG to be invited.

Mr. Walley commented that he would have liked to have had more time to ask questions during the work session. He spoke to the significant cost to homeowners to switch over to new heating systems once natural gas comes to Fairbanks. **Mr. Walley** spoke to Mr. Britton and FNG's

consistency in the plan to bring gas supply to the Interior and stated that he is not in favor of more than one gas utility in the Fairbanks area.

Ms. Staley commented that she would like to continue having the presentations once a quarter. She expressed interest in having IGU's consultant present at the next gas distribution work session. She spoke to the discrepancy between the various entities' estimates. **Ms. Staley** stated that she was happy to learn that the Air Force had extended the public hearing on the EIS and agreed with Mayor Cleworth that the movement of the F16's would not offer much in cost savings to the Air Force. She thanked Mayor Cleworth for his comments regarding parking meters and stated that she anticipates discussion on the matter at the next Golden Heart Parking Services (formerly Fairbanks Parking Authority) meeting.

Mayor Cleworth asked Ms. Staley if she would like to have a work session with only the IGU.

Ms. Staley replied that she would prefer to have a work session with IGU and their consultant and that she would like to see paperwork prior to that meeting.

Mr. Eberhart expressed his condolences in the passing of David Lerman. He expressed confusion from the work session discussion regarding IGU's role in gas distribution. He commented that State Representative Thompson had mentioned in a recent meeting that the IGU may be overstepping its restrictions and that the City may need to reassert itself. **Mr. Eberhart** asked Mayor Cleworth if he or some other representative from the City regularly attends the IGU Board meetings.

Mayor Cleworth replied that two members of the IGU Board are appointed by the City, Frank Abegg and Michael Meeks. He stated that he does not personally meet with them on a regular basis. He spoke to IGU's filing with the RCA for the expanded certificated area two weeks after FNG filed for the same area. **Mayor Cleworth** pointed out that the language in the presentation states that the IGU must go before the Borough Assembly and both City Councils before they may directly compete with another entity. He stated that after the City adopted its legislation regarding gas utility powers, the Assembly made some minor changes before adopting their ordinance. He stated that he intends to look into the language presented in the work session to see if it is accurate with the legislation that was adopted. **Mayor Cleworth** encouraged the Council to relay any concerns to the IGU Board.

Mr. Eberhart stated that he would be happy to hear more presentations and commented that more information is a good thing. He indicated that there was some conflicting information presented and that he believes the City Council should help the gas distribution project in any way possible. **Mr. Eberhart** announced that the Public Safety Commission (PSC) would meet on June 11 at 11:30 at the Fairbanks Police Department but that he will not be able to attend. He stated that members will continue the discussion on the public safety officer (PSO) concept.

Mayor Cleworth commented that a total PSO conversion is not likely in the City of Fairbanks because there is too much conflict on the issue. He stated that the City and the PSC continue to look into other options to improve efficiencies in the public safety departments. He indicated that some of the changes may require modification of union labor contracts.

Mr. Eberhart announced that June 12 – 15 is “Juneteenth,” a celebration commemorating the abolishment of slavery in the United States. He provided a brief history of the historical event. He provided information about the local events that would take place throughout the week.

Mr. Matherly acknowledged David Lerman’s dedication to City Council meetings and to his consistency in attending. He stated that although he disagreed with Mr. Lerman at times, he never questioned Mr. Lerman’s love of the Fairbanks community. He encouraged the public to be actively involved in local government. **Mr. Matherly** thanked Mr. Turney for his comments regarding Floyd Terry and stated that he would consider Mr. Turney’s suggestion to honor Mr. Terry through a Proclamation. He mentioned the Civil War veteran that was identified in the Clay Street Cemetery and commented on how interesting Frank Turney’s job in the cemetery must be. **Mr. Matherly** asked gas distribution stakeholders what they would like the Council to do. He stated that he would have liked for someone to have suggested that the City do away with the IGU and let FNG proceed with the certification process through the RCA. He commented that he does not want to see too many meetings on the topic but asked what would happen if the IGU was granted the certificated area of North Pole. He stated that he feels more confused after the work session. **Mr. Matherly** stated that he still believes in the IGU under its intended purpose and stated that he would like to know what North Pole and the Borough think of what IGU is currently doing. He spoke to Mr. Bartos’ comments regarding his meeting with the Governor and stated that it sounds as if the Governor is on board with the Lowell Group and FNG’s plan for gas distribution. He again expressed confusion as to the ultimate goal and stated that he would like to have another gas distribution meeting with more time for the Council to ask questions. **Mr. Matherly** spoke in favor of adding radar speed signs in Fairbanks neighborhoods. He commented on the mess that littered cigarette butts create. He announced that Fairbanks Counseling and Adoption would be holding their Annual Mosquito Meander on June 13 and encouraged everyone to attend the event.

Mr. Gatewood commented that back in the fall when Flint Hills and GVEA were still “players” in the gas distribution project, he recalled the Governor asking for a united plan from the community. He stated that he doesn’t believe the Governor has endorsed any one entity’s plan.

Mayor Cleworth stated that he believes what Mr. Matherly was referring to in reference to Mr. Bartos’ comments about the Governor is the general support of the Governor for gas distribution and trucking to Interior Alaska. He clarified that when the Governor was in Fairbanks a few weeks ago, he acknowledged all the various plans. **Mayor Cleworth** stated that when the City gave the utility powers to the Borough, there were restrictions for which he and the Council were criticized: 1) that the gas utility should be a facilitator and a safety net for funding, and 2) that the IGU *must* have permission from all three local municipalities before competing with another gas utility within the certificated area. **Mayor Cleworth** stated that at this point, he does not believe the IGU has violated those restrictions. He spoke to his hopes that the various entities could work together to make the gas distribution project a success for the Fairbanks community.

Mr. Walley asked if a party could withdraw their application from the RCA within the six-month period after applying for a certificated area.

Mayor Cleworth replied affirmatively.

Mr. Matherly asked Mayor Cleworth if he believes that the Lowell Group and FNG would like IGU to withdraw their RCA application.

Mayor Cleworth replied that he believes the other groups feel that the IGU is an impediment for gas distribution. He stated that he believes the IGU feels they can serve a wider area than FNG.

Mr. Matherly asked if the City has any power to influence the IGU to withdraw.

Mayor Cleworth stated that if the Council feels strongly that the IGU should withdraw their application with the RCA, they should write a resolution stating such and forward it to the Borough. He stated that such a resolution would serve only as an advisement.

Mr. Matherly, seconded by **Mr. Gatewood**, moved to go into Executive Session for the purpose of discussing Fairbanks Fire Fighters Union Labor 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 – Fairbanks Fire Fighter’s Union

The City Council met in Executive Session to discuss Fairbanks Fire Fighters Union Labor Negotiations. Direction was given to staff and no action was taken.

ADJOURNMENT

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

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

Mayor Cleworth declared the meeting adjourned at 10:03 P.M.

JERRY CLEWORTH, MAYOR

ATTEST:

JANEY HOVENDEN, CMC, CITY CLERK

Transcribed by: DS

Introduced by: Mayor Cleworth
Finance Committee: June 4, 2013
Date: July 22, 2013

RESOLUTION NO. 4585

A RESOLUTION AUTHORIZING PURCHASE OF A SNOW STORAGE SITE IN THE AMOUNT OF \$199,900

WHEREAS, a well located snow storage site reduces Public Works costs and expedites snow removal services for surrounding City residents; and

WHEREAS, City staff has for several years attempted to locate suitable property for snow storage on the east side of South Fairbanks; and

WHEREAS, after diligent search, a desirable property has been identified and is currently offered for sale by the owner, Fairbanks Community Food Bank Service, Inc. (Food Bank); and

WHEREAS, said property is identified as Lot 3A of Block 6 Bjerremark Subdivision, comprising 1.35 acres, and is efficiently located at 25th and Cushman; and

WHEREAS, the Food Bank's asking price of \$199,900 is supported by broker opinion and the property is currently valued by the FNSB Assessor at \$265,599; and

WHEREAS, City staff will conduct a due diligence inspection of the property by contracting for a Phase II Environmental Assessment; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fairbanks,

SECTION 1. That the Mayor is hereby authorized to execute a Purchase Agreement substantially in the form of attached "Exhibit A" to purchase said property for \$199,900, and such other documents as approved by the City attorney and being necessary to complete the transaction.

SECTION 2. That the proposed land purchase is subject to Council approval of a Budget Amendment to be submitted by the City's Chief Financial Officer, increasing the 2013 Capital Budget for these purposes.

PASSED, APPROVED and EFFECTIVE this 22nd day of July, 2013.

JERRY CLEWORTH, MAYOR

AYES:
NAYS:
ABSENT:
APPROVED:

ATTEST:

APPROVED AS TO FORM:

Janey Hovenden, City Clerk

Paul Ewers, City Attorney

PURCHASE AGREEMENT
FOOD BANK → CITY OF FAIRBANKS
2416 S. CUSHMAN • LOT 3A BLOCK 6 BJERREMARK

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RESOLUTION No. 4585
EXHIBIT 'A'

1. Parties.

(a) **Seller.** **FAIRBANK COMMUNITY FOOD BANK SERVICE, INC.**
 an Alaska nonprofit corporation
 725 26th Avenue
 Fairbanks, Alaska 99701
 Phone: (907) 452-7761 (Sam Kirstein)
 EIN: _____

(b) **Buyer.** **CITY OF FAIRBANKS**, an Alaska municipality
 800 Cushman Street
 Fairbanks, Alaska 99701
 Phone: (907) 459-6766 (Pat Smith)
 EIN: _____

2. Property. The Food Bank agrees to sell, and the City agrees to buy, the real property that is commonly known as 2416 S. Cushman St., Fairbanks, Alaska 99701 and that is more particularly described as:

Lot 3A, THE REPLAT OF LOTS 3, 4, 5, 6, 7, 8, 9, & 10 OF
 BLOCK 6 BJERREMARK SUBDIVISION INST.#119.146,
 according to the plat filed February 6, 2006 as Plat Number 2006-25
 in the records of the Fairbanks Recording District, Fourth Judicial
 District, State of Alaska, including appurtenances thereof.

3. Purchase price. The purchase price is \$199,900.00, payable in full at closing.

4. Closing costs and other expenses. The parties allocate closing costs and other expenses as follows:

Item	City	F. Bank	Item	City	F. Bank
Owner's title policy (est. \$882)	50%	50%	Property taxes (see ¶ 9)	Prorate	Prorate
Seller's title policy, if desired (est. \$75)		100%	Inspections (see ¶ 12)	100%	
Title company cancellation fee, if applicable (\$250)	100%		Legal and professional fees	Pay own	Pay own
Title company closing fee (optional) (est. \$350)	50%	50%			
Recording fees	50%	50%			

If this transaction does not close for any reason, closing costs and other expenses remain allocated as indicated in the table above.

5. Closing and recording. The Food Bank's attorney handles closing unless the City wants to have Yukon Title Company handle closing at the City's expense (approximately \$350). Closing takes place as soon as practicable after the parties sign this *Purchase Agreement* and the inspection period (see Paragraph 12) ends.

"Closing" means depositing with the closing agent (the Food Bank's attorney or Yukon Title Company) all documents, signatures, and funds needed to complete the transaction. Recording occurs as soon as practicable after closing.

6. Title report and title insurance. The City orders a preliminary commitment for title insurance (title report) from Yukon Title Company. Yukon Title also provides a copy to the Food Bank's attorney. The City may withdraw from the transaction during the inspection period (see Paragraph 12) if title as described in the title report is not acceptable to the City.

7. Form of deed. The Food Bank conveys title with a special warranty deed prepared by the Food Bank's attorney and approved as to form by the City. The deed warrants that the Food Bank conveys title free of encumbrances and adverse claims arising through the Food Bank but makes no other warranties.

8. Possession. The City has possession of the Property at recording.

9. Property taxes. The parties prorate 2013 property taxes as of the date of recording (the Food Bank pays through and including the date of recording, the City pays thereafter). The closing agent collects each party's pro rata share of 2013 taxes at closing and disburses funds to the Borough after recording.

If the parties do not know the 2013 tax amount at closing because the mill rate has not been set, the parties prorate taxes using the 2012 mill rate and the 2013 assessed value. The party that underpaid (if either) reimburses the other party on request, outside of closing, when the actual amount of 2013 taxes is known.

10. As-is sale. The Food Bank sells the Property as-is, and the City buys the Property as-is. The Food Bank makes no representations or warranties other than the specific representations and warranties contained in this *Purchase Agreement*.

11. Buyer's research; environmental audit. The City has a right and duty to make, at the City's expense, whatever inspections, tests, and inquiries the City needs to satisfy itself that the Property is acceptable and suitable for the purposes for which the City intends to use it.

The City intends to conduct an environmental audit that may include Phase I and Phase II assessments (including sampling of soils and groundwater). The City (or its environmental contractor) gives the Food Bank a written description of the proposed scope of work and obtains the Food Bank's approval before the City (or its contractor) performs any on-site sampling. The City gives the Food Bank all information and reports that the City generates or obtains and gives the City's contractor permission to share information with the Food Bank.

12. Inspection period (ends 7/31). The City's inspection period begins when both parties have signed this *Purchase Agreement* and ends at 5:00 p.m. on Wednesday, July 31, 2013. If the Property is acceptable to the City and the City intends to proceed with this transaction, the City notifies the Food Bank in writing before the inspection period ends. Otherwise, this transaction terminates and the City signs a rescission agreement.

13. No seller improvements required. The Food Bank is not required to make any improvements to the Property (including any environmental cleanup) for this transaction.

14. Waiver of AS 34.70 (disclosure form). To the extent that AS 34.70 (requiring disclosures in certain residential real estate transactions) may apply to this transaction, the parties waive completion of an AS 34.70 disclosure form (the *State of Alaska Residential Real Property Disclosure Statement*, which is available at www.dced.state.ak.us/occ/pub/rec4229.pdf) and sign a waiver form.

15. Marketing and backup offers. The Food Bank may continue to market the Property and accept backup offers while this transaction is pending.

16. Risk of loss. The Food Bank bears the risk of loss and damage to the Property that occurs before recording. If the Property is materially damaged before recording, the City may withdraw from this transaction.

17. Buyer's rights not assignable. The City's rights under this *Purchase Agreement* are not assignable without the Food Bank's written consent.

18. Agents, commissions (none). Neither the City nor the Food Bank is represented by a real estate licensee or other person to whom a commission is owed in connection with this transaction.

19. No merger. The provisions of this *Purchase Agreement* survive closing and recording and do not merge into the deed by which the Food Bank conveys title to the City.

20. Interpretation. This *Purchase Agreement* is not interpreted more favorably for one party than for another party. Captions are not considered when interpreting this *Purchase Agreement*.

21. Copies. For convenience, the parties may sign faxed copies, e-copies, and counterparts of this *Purchase Agreement* and other documents. The parties and other participants (including the closing agent) are authorized and instructed to rely on faxed copies, e-copies, and counterparts.

22. Entire agreement. This *Purchase Agreement* contains the entire agreement between the City and the Food Bank. It supersedes all prior written and oral agreements and understandings relating to this transaction.

23. City Council approval. This transaction is contingent upon approval by the City Council by resolution. The City Council will promptly make and act on a proposed resolution approving this *Purchase Agreement*. The Food Bank may withdraw from this transaction if the City Council has not passed a resolution by _____, 2013.

BUYER:

SELLER:

CITY OF FAIRBANKS

FAIRBANKS COMMUNITY FOOD BANK
SERVICE, INC.

By _____
Title _____
Date _____

By _____
Title _____
Date _____

RESOLUTION NO 4586

A RESOLUTION AUTHORIZING THE CITY OF FAIRBANKS TO REQUEST FUNDS FROM THE ALASKA DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT UNDER THE FY2013 HOMELAND SECURITY GRANT PROGRAM

WHEREAS, the Alaska Division of Homeland Security and Emergency Management provides funds to enhance the ability of states, territories, and urban areas to prepare for, prevent, and respond to terrorist attacks and all-hazards events; and

WHEREAS, the City of Fairbanks wishes to upgrade and modernize its response capabilities for Homeland Security and natural disaster; and

WHEREAS, the City of Fairbanks wishes to request up to \$848,503 and no match is required;

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 AND EFFECTIVE THIS 22ND DAY OF JULY 2013.

Jerry Cleworth, City Mayor

AYES:
NAYS:
ABSENT:
APPROVED:

ATTEST:

APPROVED AS TO FORM:

Janey Hovenden, CMC, City Clerk

Paul J. Ewers, City Attorney

RESOLUTION 4586 – ATTACHMENT

2013 Homeland Security Grant Projects
Rating by Department Heads

Priority	Project	Cost
#1	Dispatch Console Upgrade Replaces 3 of 7 outdated consoles in the current system. No additional costs, replaces current system.	\$ 300,000
#2	Fire Department SCBA Air Bottles/Fit Tester No additional costs, replaces current system.	\$ 33,000
#3	Managed W-Fi Network for all City Facilities (including exterior and long-range antennas) No additional costs, replaces outdated system.	\$ 107,180
#4	Fire Department Replacement of Multi Gas Monitoring Tests for CO, flammables and lack of oxygen. Estimate \$500 per year increase for sensor replacement as additional gas monitoring added.	\$ 77,193
#5	Fire Department Additional Equipment to Outfit Heavy Rescue Vehicle on order. Enhance collapse and other rescue incidents. New equipment maintenance and supplies for training estimated at \$2,000 per year.	\$ 95,579
#6	Tier 2 Seismic Study (City Cold Storage Bldg, FFD Sta #3, and estimate for Tier 2 on FFD Sta #2, Fire Tng Center, and City Hall. No additional costs unless corrections are made on findings.	\$ 80,000
	(subtotal)	\$ 692,952
	Grant Training & Exercise Projects	
	State Wide Arctic Shield 2014 Exercise The City of Fairbanks will conduct a three day structural collapse exercise (to exercise all three FFD shifts). The grant will also include funding for shift training before the exercise. Also under this 2014 exercise, the City will enter into a Memorandum of Agreement with Fairbanks Memorial Hospital for them to participate in the Arctic Shield 2014 exercise to receive patients from both Valdez and Anchorage under the exercise's earthquake scenario. No additional ongoing costs.	\$ 150,481
	State Wide Arctic Shield 2014 Exercise After Action Meeting To be held in Anchorage after the March 27-April 3, 2014 exercise. Funding for three people to attend. No additional ongoing costs.	\$ 5,070
	(subtotal)	\$ 155,551
	GRANT REQUEST TOTAL	\$ 848,503

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4586

Abbreviated Title: FY2013 HOMELAND SECURITY GRANT PROGRAM

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 x No _____

If yes, what is the estimate? \$2,500 per year

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	2013	2014	2015	Beyond	Total
Personnel Wages		\$74,698			\$74,698
Personnel Benefits		\$45,783			\$45,783
Supplies					\$0
Contractual	\$80,000	\$30,000			\$110,000
Equipment	\$300,000	\$312,952			\$612,952
Administration					\$0
Travel		\$5,070			\$5,070
TOTAL	\$380,000	\$468,503	\$0	\$0	\$848,503

ESTIMATED FUNDING SOURCES	2013	2014	2015	Beyond	Total
General Fund					\$0
Capital Fund					\$0
Federal Grant	\$380,000	\$468,503			\$848,503
State Grant					\$0
Local Contract					\$0
Cash Match					\$0
In-Kind Match					\$0
Other					\$0
TOTAL	\$380,000	\$468,503	\$0	\$0	\$848,503

Reviewed by Finance Department:

Initial mb

Date 7/18/2013

RESOLUTION NO 4587

**A RESOLUTION AWARDING A CONTRACT TO PAVING PRODUCTS, INC
FOR 10TH AVENUE, KELLUM, AND MCGOWN STREETS PEDESTRIAN
IMPROVEMENTS PROJECT IN THE AMOUNT OF \$636,531.45**

WHEREAS, in accordance with FGC Chapter 54, Article IV, Competitive Bidding, bids were solicited for the FMATS Pedestrian Improvements Project (FB-13-09); and

WHEREAS, the successful low and apparent responsive bidder for the project is Paving Products, Inc of Fairbanks, Alaska; and

WHEREAS, funding for this project is provided to the City of Fairbanks through the Alaska Department of Transportation & Public Facilities and Fairbanks Memorial Hospital;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fairbanks,

SECTION 1. That the Bid by Paving Products, Inc., in the amount of six hundred thirty-six thousand, five hundred thirty-one dollars and forty-five cents (\$636,531.45) is hereby approved for award.

SECTION 2. That the Mayor is hereby authorized to execute a contract and such other documents in a form approved by the City Attorney as may be necessary to effect award of the contract.

PASSED, APPROVED AND EFFECTIVE THIS 22ND DAY OF JULY 2013.

Jerry Cleworth, City Mayor

AYES:
NAYS:
ABSENT:
APPROVED:

ATTEST:

APPROVED AS TO FORM:


Janey Hovenden, CMC, City Clerk

Paul J. Ewers, City Attorney

City Of Fairbanks



MEMORANDUM

To: City Council Members
From: Jerry Cleworth, City Mayor 
Subj: Public Safety Commission
Date: July 22, 2013

William "Bill" Satterberg has resigned from the Public Safety Commission. I thereby request your concurrence to the appointment of the following citizen to the remainder of the term:

Seat B: Mr. Thomas Temple – Appointment. Term to expire: December 31, 2015

Thank you.

ABC/



CITY OF FAIRBANKS
 Office of the City Clerk
 800 Cushman Street
 Fairbanks, Alaska 99701-4615
 Office: 907 459-6774
jjhovenden@ci.fairbanks.ak.us

**BOARDS AND COMMISSIONS
 APPLICATION FORM**

DATE: 6-21-2013
 NAME: Thomas I. Temple
 BOARD: Public Safety Commission

The information provided below will be made available to the public. The Clerk's Office will provide a mailing address, at least one phone contact, and an e-mail address, please indicate your preferred method of contact with the public by placing a check mark in the appropriate box(es).

- RESIDENCE ADDRESS: 3535 Rosie Creek Road Fairbanks AK 99709
- MAILING ADDRESS: 709 Fourth Ave. Fairbanks AK 99701
- BUSINESS ADDRESS: 709 Fourth Ave. Fairbanks AK 99701
- CELL PHONE: () _____ WORK PHONE: (907) 452-4454
- HOME PHONE: (907) 457-2947 E-MAIL: office@satterberg.net

Statement of Interest:

I would like to serve on the Public Safety Commission
with the goal of improving public safety in our community.

Brief Personal Biography (or attach resume):

See attached biographical statement

Professional Licenses/Training:

Attorney, licensed in AK since 2001

Please return this application to the City Clerk's Office.

FOR INTERNAL USE ONLY

Date Seated on Board	Date of Resolution or Council Action	Term Dates

I enlisted in the Marines at age seventeen, serving as a machine gunner during the Gulf War.

Subsequently, I worked various jobs to pay my way through college and law school at George Mason University.

After law school, I moved to Alaska and served as a prosecutor with the District Attorney's Offices in Fairbanks, Anchorage, and Barrow.

Since 2004, I have been in private practice with the Satterberg Law Offices in Fairbanks, focusing on criminal defense and civil litigation. I have tried cases in Fairbanks, Anchorage, Unalaska, Barrow, and Delta Junction.

I enjoy camping, fishing, gardening, shooting competitively, or otherwise enjoying life in Alaska with Amy, my wife of twenty years, and our five children, ages three through eleven. My family is, indeed, my finest personal accomplishment.

I am blessed to be an Alaskan, and would be honored to serve on the City of Fairbanks Public Safety Commission.

PUBLIC SAFETY COMMISSION

April 16, 2013
11:30 AM
City Council Chambers (hosted by FECC)

PSC Members:

John Eberhart (Seat A - 2014)	Robert Fox (Seat E - 2015)
Bill Satterberg (Seat B - 2015)	Nathan Smoot (Seat F - 2013)
Peter Stern (Seat C - 2013) : Chairman	Carl Cox (Seat G - 2014)
Buzzy Chiu (Seat D - 2014)	Thomas Carter (Seat H - 2014)

Regular Meeting Minutes

CALLED TO ORDER: 11:36 am

ATTENDANCE: John Eberhart, Peter Stern, Buzzy Chiu Robert Fox, Nathan Smoot, Carl Cox and Thomas Carter. Bill Satterberg was excused.

AGENDA: Agenda was adopted as published.

APPROVE MINUTES: The minutes from the January 8, 2013 Regular meeting and the February 12, 2013 Special meeting were approved without objection.

PUBLIC COMMENTS: None

DEPARTMENT REPORTS:

FECC: Lead Dispatcher Kristi Meredith reported that the center is at full staffing, although three individuals are currently still in training.

FFD: AC Misewicz distributed the Jan – Mar 2013 response statistics. Two recruits finishing up training, should be on shift effective May 1st, bringing FFD back to full operational staffing (13 per shift).

Q: Impact of transports from CAIHC? Number of transports by CAIHC and other area clinics is being looked at. Although distance is short, there is a medical necessity to have it done by EMS personnel due nature of the medical condition of patients.

Q Status of new ambulance? Medium Duty Ambulance should be in Fairbanks late May, early June. Current State capital budget still has funding for a Heavy Duty Rescue – should know final approval status by July 1st.

Q: Cause of Aurora Energy fire known yet? Being investigated by electrical engineers from GVEA and AE and final report expected in a month or two.

FPD: Chief Zager distributed the preliminary 2012 FPD statistics, indicating they were draft, not final. These represent all events conducted by the Police Department, not just crime related activities. Advertisement for the 2 clerk positions to restore the records department has started. Discussion regarding variation in Calls for Service/Officer variations. Impacted by a variety of factors, one of which is the avg number of officers available during the month. These numbers are not necessarily caused by vacancies, but are impacted by light duty, vacations, training, military leave, etc. Expect activities to increase during summer, simply as a factor of more people in area. Impacted by tourism as well as our military population at full complement as there are no deployment or training activities scheduled for the summer.

Q: Noticed increase in traffic stops. This is part of the officer involvement campaign, but noted that it has not resulted in an increase of citations, nor was it intended to do that. The goal was not to write more tickets but to have more interactions with the public.

Q: Plans for Downtown Area this summer? Returning SRO expected to be assigned to foot patrol.

Q: Is CSP expanding their area? Has no knowledge that they plan to do so. They call when they need us, and if they call we go. CSP vital to FPD ability to manage.

Q: Feedback/Complaints re Flashing Yellow Arrow turn signals? Not that he is aware of. FECC reported they have not received any phone calls on the subject.

Q: Status of VIP's. Still active and working from FPD. New expansion of FPD bldg. is well on on its way.

Q: Noticed variety of patrol cars on street – was this be design? Goal was not diversity, but it has worked out that way. Ideal units will be AWD, have 4/6 cylinder engines for fuel efficiency and heated storage area vs trunk for storing equipment and gear, so entertaining SUV type vehicles. Currently looking at Ford with police package for next purchases. Color scheme is also transitioning to Black & White. Universally recognized and also much more economical to have marked as vehicles already start out either black or white.

BUSINESS: Presentation by Pat Cole and Chief Zager regarding PSO concept which looks at combining public safety resources from the Fire and Police departments.

NEXT MEETING:

Special meeting – Continuation of PSO programs - impact on Fire Dept : Chief Cummings – May 14, 2013 at FFD,

MEETING ADJOURNED: at 1:08 pm

PUBLIC SAFETY COMMISSION

**May 14, 2013
11:30 AM
Fairbanks Fire Department**

PSC Members:	John Eberhart (Seat A - 2014)	Robert Fox (Seat E - 2015)
	Bill Satterberg (Seat B - 2015)	Nathan Smoot (Seat F - 2013)
	Peter Stern (Seat C - 2013) Chairman	Carl Cox (Seat G - 2014)
	Buzzy Chiu (Seat D - 2014)	Thomas Carter (Seat H - 2014)

Special Meeting Minutes

Called to order at 11:38

Attendance: John Eberhart, Bill Satterberg (1145), Peter Stern, Buzzy Chiu, Nathan Smoot, Carl Cox.
Excused: Robert Fox and Thomas Carter

Memo of May 8, 2013 from Pat Cole to Commission Chair Stern was reviewed. In summary, the City is looking for ways to optimize the existing capabilities of the Police and Fire Departments and is not currently looking to engage in a fully integrated PSO program. Mayor Cleworth indicated that while Fairbanks is not expected to see any personnel cuts, there is limited prospect for any increase in staffing for either department. His goal is to find ways to use existing personnel in both departments more effectively. Discussion was held regarding various aspects of a sworn officers duties that do not need to be performed by an officer, and that might be accomplished by FFD. There was also discussion regarding the costs and merits of training police officers to provide some level of EMS, and to be trained to perform a reliable situation size up for fire incidents and basic support functions. Considerable debate discussed the roles the two departments serve at various emergency functions and how those roles would affect priorities. There was also some discussion of auxiliary support, both for the Fire and Police departments from citizen volunteers.

Topic for next work session – June 11, 2013 at Fairbanks Police Department: Take a closer look at the list of specific tasks that might be reassigned or shared by the two departments. Specifically look for barriers in the various collective bargaining agreements.

Adjourn: 1305

Approved (7/9/13)

PUBLIC SAFETY COMMISSION

**May 14, 2013
11:30 AM
Fairbanks Fire Department**

PSC Members:

John Eberhart (Seat A - 2014)

Bill Satterberg (Seat B - 2015)

Peter Stern (Seat C - 2013) : Chairman

Buzzy Chiu (Seat D - 2014)

Robert Fox (Seat E - 2015)

Nathan Smoot (Seat F - 2013)

Carl Cox (Seat G - 2014)

Thomas Carter (Seat H - 2014)

Special Meeting Agenda

ADOPT AGENDA

PUBLIC COMMENT

BUSINESS

PSO Concept

Continuation of Last Month's Discussion

NEXT MEETING

Proposed: June 11, 2013

Fairbanks Police Department

CLOSING COMMENTS

ADJOURN

Submitted by: Lisa Howard (amended 5/13/13)



City of Fairbanks

May 8, 2013

To: Peter Stern, Chair
Public Safety Commission

From: Patrick Cole

Subject: Your List of Issues/Questions

Peter, thank you for your effort to list the issues relating to our discussion of adaptation of the Public Safety Officer Concept. We have re-formatted your topics along with some preliminary responses and observations from the City public safety administration. Note that the Mayor is not advocating a "full" PSO Sunnyvale-like concept at this time, but rather changes that optimize the existing capabilities of current positions.

1. Daily non sworn tasks.

See accompanying list of potential expansion of FFA and FPD functions and duties. Note that

2. How much time would be "saved" from a sworn officer's time by not having to do these tasks?

That depends on how many tasks are shared; the greater the overlap, the more efficient the two departments become.

3. Suggested that fire prevention efforts would increase. How?

Fire company walk through of bars, community events and facilities open to the public would spot potential fire code violations like blocked exits, improper storage of flammable liquids, over occupancy, deficient emergency vehicle access, etc. Mere presence would lead to greater awareness and owner self-correction. Understand that this was once done. Company inspections have been discussed for years. No reason why FPD employees could also become aware of potential fire prevention problems as they perform their work.

4. Training police officers in first aid would be beneficial. Role confusion on scene might not be a good thing.

Assume EMT level trained personnel always defer to paramedics or higher level EMT? FPD provides some level of first aid now (depending on officer and circumstances), and help in rescues, etc. No confusion now, so why would there be in the future?

AST ONCE TRAINED TROOPERS TO EMT LEVEL, NOT DONE NOW, WHY?

5. AED deployment in patrol cars might be a better choice.

Good start, but why not provide greater service?

6. Training costs for fire and police need to be investigated and expanded. The numbers presented don't seem correct

Numbers presented as starting point with input of Fire Department Administration. You are correct that PowerPoint did not include the annual 24 hours of refresher training.

7. Need a time line for the apartment fire on 16th ave April 21. Impact if there had been a delayed response.

Warren & Ernie asked to work on this question.

8. Unless there is a unified CBA what CBA governs a grievance from the other department?

While not certain I understand the question, the best practice would be a "joint crafts" amendment to the PSEA and FFU CBA and to clarify expanded/overlapping duties in new CBA. Currently, six unions work under one Joint Crafts contract which includes flexibility to address changing work loads.

Hiring

9. If a candidate comes with both police and fire experience/certification how much advantage would they get in the hiring process? Run the risk of losing excellent employees with only police or fire experience or education

Question assumes full PSO. City Fire Department currently grants priority to paramedics. No current problems in recruiting qualified candidates in either department.

10. If a police officer goes on military leave and a fire fighter agrees to a transfer to cover that absence, what is the impact on the fire budget regarding overtime while that firefighter is working as a pso?

This question assumes full PSO, not contemplated at this point.

Minority hire

11. Neither Dept. has very good records on minority hire. PSO will only make that worse.

This question assumes full PSO, not contemplated at this point.

12. Go back over impact of PSO on ISO manning rating

Defer to Warren & Ernie; do not see any effect.

13. Discuss how commercial insurance rates are set.

Defer to Warren & Ernie.

14. Impact on insurance rates for ISO class changes

Defer to Warren & Ernie.

15. Need to look at shift changes to 10/14hr to truly share personnel?

This question assumes full PSO, not contemplated at this point. Optimum PSO schedule is 3/12 – 4/12 hours/week for 42 hour average. Get copy from Warren.

16. FAI airport staffs by shift not fill in.

Do not understand.

17. Mutual aid 2 way street. How might staffing be handled with pso?

This question assumes full PSO, not contemplated at this point

18. Police have no minimum staffing level. Left up to shift commander.

True.

19. Risk of closing Sta 4 while pso's do police tasks, resulting in delayed response.

Any new task assumed by FFD personnel would be dropped in event of a call. Primary duty would always be suppression response. Would be looking for either in-station added duties for Station 4 personnel or duties that would not delay response.

20. UAF info, How many dual degree (fire science and criminal justice) students in past 10 years?

Do not know.

21. IF the pso concept concentrates on patrol officers or firefighters rather than upper ranking positions, as people move up the promotion ladder how long will the city benefit from a pso if it has to shoulder the cost of training them?

This question assumes full PSO, not contemplated at this point. Note: normal time as FF is about five years.

22. If the city has problems retaining public safety employees won't the most turn over be in the lower ranks?

Not aware of any problem retaining public safety employees. We find in the Fire Department, turnover is roughly half via retirement and half by resignation. Police turnover is not "lower rank-centric" to quote Chief Zager.

23. If uniformed the same, safety issue for unarmed fire fighters

This question assumes full PSO, not contemplated at this point.

24. If a PSO as a police officer walks through a bar and notices life safety issues what happens? The same establishment refused to allow fire fighters to do an inspection then what?

This question assumes full PSO, not contemplated at this point.

25. How does public know if they talking to a fire fighter or a police officer? Are they possibly implicating themselves as they give medical history involving drug use?

This question assumes full PSO, not contemplated at this point.

26. What is the measurement to be used if more sworn officers are on patrol for determining better service is the end result?

Goal is providing more service with existing staff via use of available human knowledge, experience and time.

27. Is lowering crime an achievable goal by having more officers on patrol?

Our goal is to increase the productivity of the employees we have within available funding. The relationship of police officer staffing to crime rates is complex.

28. Will the new reality be more undercover officers working on drug related crimes?

Not the objective of this proposal; if we are able to increase public safety services by expanding FFD services, there are many areas where FPD could provide enhance services..

29. Would traffic enforcement increase?

Same answer as No. 28. Note, it is certainly feasible for FFD personal to issue parking tickets, especially for issue like parking in emergency access areas, blocking fire hydrants, etc. Do not see any change in moving violations.

30. Will property crimes receive more attention?

Same answer as No. 28. It would certainly be feasible for FFD staff to take routine reports for stolen property, which would increase efficiency.

31. Will pso have any effect on filling SRO positions?

Assuming there will still be an SRO program, no. One can certainly imagine that a FFD employee could provide a positive effect in school program, but suspect current grant program has limitations. Further research needed.

32. Would pso staffing ensure summer downtown foot patrols?

Same answer as No. 28. Again, the presence of FFD personnel on the street would enhance public safety in that the FFD employee could act as "eyes and ears" of police. Certainly would be viewed favorably by the public

33. If pso result in more police staffing and it becomes the new "norm" what will be the new "norm" for EMS & fire staffing? Will residents of aurora, johnston and lemota find a new response "norm"?

This question assumes full PSO, not contemplated at this point

Cc: Mayor Cleworth
Fire Chief Cummings
Ass't Fire Chief Misewicz
Police Chief Zager

Attached: draft list

List of Potential Duties/Functions Added to FFD

	Topic	Comments/Follow up
a	Assist CSP	
b	Assist Title 47s	
c	Expand Fire Prevention – company inspections for obvious fire code issues at bars, events, commercial establishments, industrial operations etc.	
d	Assist VIPs at incident scenes	
e	Routine report-taking for property thefts	
f	Parking Citations related to emergency vehicle access/ fire hydrants, etc.	
1	District Attorney’s Office Daily Run. A portion of the duties could easily be accomplished by a civilian such as dropping off criminal complaints, reports, subpoenas etc	
2	Court run – Much of this detail centers around dropping off items for criminal court (original city charging documents, search warrant returns, bench warrant summons’ etc.) and items for probate which are most notably protective order return of service sheets	
3	Picking up paperwork at City Attorney, Clerks Office and mail room at city hall	
4	Landlord/tenant and other civil issues	
5	Correctable citations	
6	Child passenger safety seat checks and installations	
7	Creating calls in CAD, completing data entry and assigning/disposition of calls	
8	Police officer back ground checks (local checks through RMS/CAD)	
9	Picking up citations/stamps/paperwork at locations such as Graphic North Printing	

	Topic	Comments/Follow up
10	Other errands such as Larson's, Michiko's, public works, etc	
11	Equipment inventories	
12	Document pickup at Fairbanks Memorial Hospital	
13	Lowering/raising the flags at FPD/city hall	
14	Bank Deposit at Mt. McKinley	

List of Potential Duties/Functions Added to FPD

	Topic	Comments/Follow up
1	Add EMT training	
2	Ability to assist fire suppression on scene with minor incidents and communicate status to FFD responders.	
3	Offer option to train FPD employees to FF-1 level so they could respond & assist FFD at major incidents or multiple events under direction of Fire Officer	

PUBLIC SAFETY COMMISSION

**June 11, 2013
11:30 AM
Fairbanks Police Department**

PSC Members:

John Eberhart (Seat A - 2014)
Bill Satterberg (Seat B - 2015)
Peter Stern (Seat C - 2013) : Chairman
Buzzy Chiu (Seat D - 2014)

Robert Fox (Seat E - 2015)
Nathan Smoot (Seat F - 2013)
Carl Cox (Seat G - 2014)
Thomas Carter (Seat H - 2014)

Special Meeting Minutes

Call to Order at 11:40

Attendance: John Eberhart, Bill Satterberg, Peter Stern, Buzzy Chiu, Nathan Smoot and Thomas Carter.
Excused: Robert Fox and Carl Cox.

Mayor Cleworth restated the goal of achieving efficiencies in the service to the public. Review of the updated *List of Potential Duties/Functions to be added to FFD or FPD*. Items A, C, D, F & 6 were discussed. From these discussions, the Commission unanimously approved the following recommendations:

1. Support ETT training for FPD.
2. FPD to expand bar checks to include obviously fire code violations. FPD/FFD to develop training for officers and a reporting procedure.
3. Support City Council authorizing FFD personnel to issue parking citations related to blocking fire lanes and access to hydrants.
4. Support FFD in offering Safety Seat Checks to the public.

Next Meeting: July 9, 2013 – Regular Meeting to be hosted by Fairbanks Emergency Communications Center at Council Chambers in City Hall.

Adjourn: 13:05

Approved (7/9/13)

**List of Potential Duties/Functions Added to FFD or FPD
June 10, 2013 Status**

	Topic	Comments/Follow up
a	Assist CSP	Already happening; standby on possible enlargement for the future if needed
b	Assist Title 47s	Review and make needed changes to Dispatch protocols
c	Expand Fire Prevention – company inspections for obvious fire code issues at bars, events, commercial establishments, industrial operations etc.	Both Fire and Police Department staff to enlarge activities in this area. May require some operational changes in fire scheduling
d	Assist VIPs at incident scenes	No reason why this could not be implemented
e	Routine report-taking for property thefts	Possible FFD roles; may require CBA change
f	Parking Citations related to emergency vehicle access/ fire hydrants, etc.	No reason this not being done.
1	District Attorney’s Office Daily Run. A portion of the duties could easily be accomplished by a civilian such as dropping off criminal complaints, reports, subpoenas etc	On hold – possible role for new FPD clerk position.
2	Court run – Much of this detail centers around dropping off items for criminal court (original city charging documents, search warrant returns, bench warrant summons’ etc.) and items for probate which are most notably protective order return of service sheets	On hold – possible role for new FPD clerk position.
3	Picking up paperwork at City Attorney, Clerks Office and mail room at city hall	On hold – possible role for new FPD clerk position
4	Landlord/tenant and other civil issues	Off table for now.
5	Correctable citations @ FFD	Possible if schedule and procedure can be worked out.
6	Child passenger safety seat checks and installations	Chief Cummings doing research on this – possible City should transfer this program to other agencies.
7	Creating calls in CAD, completing data entry and	New FPD clerks will assume this function

	Topic	Comments/Follow up
	assigning/disposition of calls	
8	Police officer back ground checks (local checks through RMS/CAD)	On hold: this is not checking Police Officer's background, but day care providers, etc.
9	Picking up citations/stamps/paperwork at locations such as Graphic North Printing	Further discussion needed
10	Other errands such as Larson's, Michiko's, public works, etc	Further discussion needed
11	Equipment inventories	??
12	Document pickup at Fairbanks Memorial Hospital	??
13	Lowering/raising the flags at FPD/city hall	Covered
14	Bank Deposit at Mt. McKinley	Further discussion needed
new	Assist Operation Glow	Further discussion needed/
new	Utilize existing cross trained Fire/Police qualified employees	No reason qualified Police Officers employed at FFD could not work a shift on days off. Terms and conditions to be discussed with PSEA. Need to build in rest periods
new	Use FFA staff to train and supervise fire volunteers	CBA amendment needed.

List of Potential Duties/Functions Added to FPD

	Topic	Comments/Follow up
1	Add EMT training	Examine ETT status with AED and CPR skills added.
2	Ability to assist fire suppression on scene with minor incidents and communicate status to FFD responders.	Off table for now.
3	Offer option to train FPD employees to FF-1 level so they could respond & assist FFD at major incidents or multiple events under direction of Fire Officer	Off table for now
new	Train FPD staff to drive ambulance when insufficient	CBA amendments required. More thought needed.

	FFD staff available (3 rd , 4 th 5 th ambulance calls?)	

Fairbanks North Star Borough / City of Fairbanks
CHENA RIVERFRONT COMMISSION
MINUTES
June 12, 2013

The Fairbanks North Star Borough/City of Fairbanks Chena Riverfront Commission (CRFC) met on Wednesday, June 12, 2013 with Chair Anna Plager presiding. The following Commission members were in attendance: Susan Rainey, Gordon Schlosser, Julie Jones, John Jackovich, Lee Wood, Buki Wright and Bob Henszey.

Also present were: Brandy Schade, FNSB Community Planning; Donna Gardino, FMATS; Jackson Fox, City of Fairbanks; Barry Hooper, DOT and Laura McLean, FNSB Recording Clerk.

1. CALL TO ORDER

Plager called the meeting to order at 12:07 p.m.

2. APPROVAL OF AGENDA

A motion was made by Jones, seconded by Schlosser to approve the Agenda for June 12, 2013.

3. APPROVAL OF MINUTES OF May 8, 2013

Two blank names were filled in by the Commission: ACWA for the Green Infrastructure grant and Taylor for the Barnette Street Bridge problem. *A motion was made by Schlosser, seconded by Wood to approve the minutes for May 8, 2013. There were no objections.*

4. COMMUNICATIONS TO THE COMMISSION

Plager stated that she had received one communication from Matt Wilken that she will bring up with the first item on the agenda.

5. PUBLIC COMMENTS

None

6. NEW BUSINESS

None

7. UNFINISHED BUSINESS

A. Project List Review

Plager provided copies of the most recent Partnering Project Highlights and said that this list of “accomplishments” that the Chena Riverfront Commission has achieved since inception are better named “Partnering Project Highlights” or something similar. There was some discussion about elaborating on the project list to shorten the verbage and to indicate if the project was complete or in progress. **Jackovich** indicated a desire to develop a timeline for the project progress.

Plager further stated that one of the projects that the CRFC completed was the Guidelines for Project Review. It was noted that Hegarty-Lammers has volunteered to work with a committee on the Plan update that is due in 2014. **Plager** nominated Hegarty-Lammers

as the chair for this particular committee. Rainey, Wright, Wood and Jones also volunteered to work on this committee.

Plager reviewed the past purposes of the Project List from 2009-2010 and explained the past and future potential role of projects by Commission members. Both Rainey and Henszey stated their desire for the Commission to be pro-active when it comes to projects.

Editing began to the list of 9 projects, starting with Bike & Pedestrian Pathways. That new Committee is Jones, Chair, Jackovich, Schlosser, with ad hoc members Hooper and Gardino.

After brief discussion, the Hydrology Project was deleted due to lack of interest and lack of control over that issue, based on input from Jones.

The Landscape Design Committee was discussed. **Schlosser** asked if this committee could be combined with item 3, the Riparian Management project. **Henszey** added that item 3 was an effort to develop an actual riparian plan, however that has been on hold for several years. **Schade** commented that the Borough does have a landscape overlay. **Plager** asked if the landscape overlay that the Borough has is similar to the one that the City of Fairbanks has. **Schade** replied "Yes". **Schade** further clarified that the landscape overlay addresses parking lots and buffering between land uses.

Schlosser commented that he is on the Landscape Review Commission and it is his understanding that the landscape overlay only pertains to a certain section of the borough. **Schade** confirmed this. **Plager** suggested adding this to the Plan Updated issues and making a "riverfront landscape overlay" a long term objective.

Plager suggested changing item 3 to read "Riparian Zone and Public Education."

Jones commented that she can see several ways to update the current Project List. She suggested that the sub-committee which is responsible for updating the Plan also update the Project List and bring it back to the next meeting.

It was decided that if anyone has any ideas, they should e-mail their thoughts to Jones and she will bring a draft of the Project List to the next meeting.

A motion was made by Jones, seconded by Rainey, to request that Hegarty-Lammers clarify on the list of accomplishments whether or not the projects were completed or are still in progress and on-going. The motion passed unanimously.

Plager read an e-mail from Wilken to give an update on the status of the Public Education on River Safety Committee.

Wright commented that he was asked to relay to the CRFC that the two bridges (Cushman and Barnette Streets) are different heights from the water and though it is not the responsibility of the CRFC, he was asked to bring up the point at the meeting.

Gardino added that that topic is still under discussion with the DOT.

B. Chena Riverwalk Permit Update

Jones reported that she did not attend the meeting in Anchorage with the Railroad Board members. It is her understanding that they pulled the permit application from the agenda, but she did hear that one of the local folks who sits' on the board brought up the application request and the board has actually approved the permit request. However, there is still no agreement with the Railroad Land Office. It is her understanding that the

permit request was approved pending the language agreement between the City of Fairbanks and the Alaska Railroad Real Estate office.

Jones also commented that Festival Fairbanks has begun discussions with Fish and Wildlife Service and the borough to work the riparian zone in front of the Borough Building, including the matching funds for the Chena Riverwalk bike path. .

Also, there was discussion regarding the dock at Golden Heart Plaza. **Jones** stated that should they decide to replace the dock this year they probably can do so. She is in the process of getting an estimate for having a new dock built.

Henszey questioned where the foot bridges would be on the Chena Riverwalk with regards to the coal facility along the north side of the Chena. **Jones** replied that one will go across the river upstream of the coal plant and the other will cross downstream of the coal plant. **Jones** also commented that there is a possibility for the bridges to be used as utilidors and that the utility company is very excited about that possibility.

C. Wendell Street Bridge Update

Hooper stated that DOT has held the second of three public meetings. It was announced at the recent meeting that they are planning to pursue the path under the bridge alternative. DOT is also looking for input regarding lighting and railings. Public input has ended for the second meeting and that information will be used for planning the third meeting later this summer.

D. Planning Projects Poster

Schade displayed the poster that Henszey and Hegarty-Lammers and several members of the Commission collaborated on for the Chena River Summit. **Wood** asked if Schade would look into getting smaller versions of the poster for each of the commissioners' packets. **Schade** replied that she would look into it. **Plager** asked if it were possible to mount the poster on a wall somewhere within the Borough Administrative Center. **Schade** replied that she would look into it.

E. Historical Sign Project Update

Gardino stated that the Historical Sign Project team has had several meetings lately. They now have 9 plaques with captions and photo credits. Now there will be two more reviews of each plaque before the plaques are finalized. Design Alaska will come up with designs for the plaques and the team will comment and if necessary they will meet again to discuss any changes that the team feels necessary.

F. Local Improvement District

Wright commented that he had nothing new to report.

8. STAFF AND LIAISON COMMENTS

Fox commented that Jewelz Nutter with TVWA asked him to distribute maps to the commission which depict the Chena Riverwalk 2013 event that was held on June 8th. The event was a huge success. The City of Fairbanks held their annual stream clean-up day on the Noyes Slough in conjunction with this event and it too was a big success.

A motion was made by Jones, seconded by Jackovich, for the CRFC to write a letter to the TVWA and the Fairbanks Stormwater Advisory Committee thanking them for their work and

for their success with their respective events that were so successful. Jones volunteered to write the letters. The motion passed unanimously.

Fox commented that the Shoreline Park project is tentatively scheduled to be done at the end of July. The City of Fairbanks Public Works and the DOT are working together to get the "chute" removed. TVWA and Fish and Wildlife are working in conjunction with a group of students from the Student Conservation Association to replant the riparian area. The replanting will occur the first week of August. **Plager** asked who will be putting the connector path in. **Fox** replied DOT Maintenance will install the connector path.

Plager stated that she will get in contact with Wayne Jeffries to possibly schedule a field-trip for the CRFC during the month of August.

Gardino added that they will be starting the new Graehl Connector project this fall.

9. COMMISSIONERS COMMENTS

No comments were made.

10. AGENDA SETTING FOR July 10, 2013 COMMISSION MEETING

- A. Project List Review
- B. Historical sign project update
- C. Chena Riverwalk
- D. CRFC Plan update
- E. Moose Creek Dam ACOE report summary
- F. Letter of commendation to TVWA and FSWAC

11. ADJOURNMENT

A motion to adjourn was made by **Henszey** and was seconded by **Wood**. All were in favor.

/I

**City of Fairbanks
Permanent Fund Review Board
(Quarterly Meeting Minutes)
April 17, 2013**

The Permanent Fund Review Board (PFRB) convened at 1:18 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

Board Members Absent: Tom Freeman

Also Present: Mayor Jerry Cleworth
Pat Cole, Chief of Staff
Paul Ewers, City Attorney
Jim Soileau, Chief Financial Officer
Carmen Randle, Controller
Bert Wagnon, Senior Vice President, Investments - APCM
Brandy Niclai, Senior Investment Analyst - APCM
Jason Roth, Senior Vice President, Investments - APCM

The Board approved the minutes from the January 30, 2013 meeting.

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

- \$110,276,556 - Market value
- \$ 717,546 - Dividend and interest earnings
- \$ 10,545 - Realized gains
- \$ 3,210,973 - Unrealized Gains
- \$ 39,548 - Management and custodial fees
- \$ 3,899,517 - 1st quarter earnings - net of expenses
- \$ 412,750 - City deposits from lease payment and notes receivable

Jim reviewed the 2013 appropriation calculation and drawn down schedule. Changed 1st draw to June 30, 2013 (See attached 1)

Council Member Gatewood asked for an update of the accounts value. Bert reported the approximate value was \$110.8 million on April 28, 2013.

APCM presented the portfolio's performance, allocation and selection effect, and reviewed the compliance report. (See attached 2 – APCM Investment review for the period ending March 31, 2013).

Reported Performance							
1st Quarter		Year to Date		Last 12 Months		Inception to Date	
Account	Benchmark	Account	Benchmark	Account	Benchmark	Account	Benchmark
3.71%	3.45%	3.71%	3.45%	7.81%	7.99%	5.27%	4.88%
	0.12% ¹		0.12% ¹		0.50% ²		
<u>3.71%</u>	<u>3.57%</u>	<u>3.71%</u>	<u>3.57%</u>	<u>7.81%</u>	<u>8.49%</u>	<u>5.27%</u>	<u>4.88%</u>

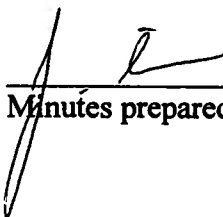
¹ 12.5 bps - per quarter rounded
² 50 bps hurdle -annual
³ 50 bps hurdle codified in March, 2009. Inception performance begins January 31, 1998.

APCM reviewed interest rate risk and Commercial Mortgage Backed Securities ("CMBS") and the current policy. No action taken. (See attached 3 – APCM Fixed Income Supplement).

The next quarterly meeting was not scheduled and will be coordinated by Jim Soileau.

The meeting was adjourned at approximately 2:30 P.M.

Minutes approved July 17, 2013.


 Minutes prepared by Jim Soileau

**City of Fairbanks - Permanent Fund History
2013 Permanent Fund Appropriation Calculation**

April 16, 2013

	Audited 2008	Audited 2009	Audited 2010	Audited 2011	Unaudited 2012	Average
Marketable securities						
Cash and investments	774,607	559,720	1,225,492	1,164,042	559,813	\$ 856,735
Fixed income securities	41,247,119	59,807,621	50,535,399	48,907,802	53,526,329	50,804,854
Equity securities	43,181,888	31,107,843	47,837,719	48,306,738	51,471,548	44,381,147
Interest receivable	364,888	463,600	425,369	391,778	405,700	410,267
Total marketable securities	85,588,502	91,938,784	100,023,979	98,770,360	105,963,390	96,453,003
Nonmarketable securities						
Tract G-3, Replat of Tract G, ASLS 80-64	158,793	153,319	147,353	140,961	134,388	146,963
Tract G-2A South Davis Park Subdivision	140,334	135,464	130,157	124,472	118,633	129,812
Weeks Field - Note Receivable	-	781,500	781,500	-	-	312,600
Ret Comm Fbks and Weeks Dev LLC	-	-	-	385,589	385,589	154,236
Community Development Inc.	-	-	-	481,881	172,330	130,842
Korean Comm of Fairbanks	-	-	-	-	15,140	3,028
Interest Receivable - Notes	-	19,734	69,152	16,908	37,632	28,685
Breadline	-	-	-	58,039	53,777	22,363
	299,127	1,090,017	1,128,162	1,207,850	917,489	928,529
Liabilities	15,486	16,265	17,472	12,593	10,347	14,433
Total Permanent Fund Value	85,852,143	93,012,536	101,134,669	99,965,817	106,870,532	97,367,099

2012 PILOT Replacement to General Fund (four percent of five-year average)

\$ 3,894,684

2012 Transfer from Permanent Fund for Capital (one half of one percent of five-year average)

\$ 486,835

2013 Total 4,381,519

was 31 May ←

2013 Drawdown Schedule			
Date	Operating Draw	Capital Draw	Total
30-Jun	1,703,925	486,835	2,190,760
30-Nov	2,190,759	-	2,190,759
Total	3,894,684	486,835	4,381,519

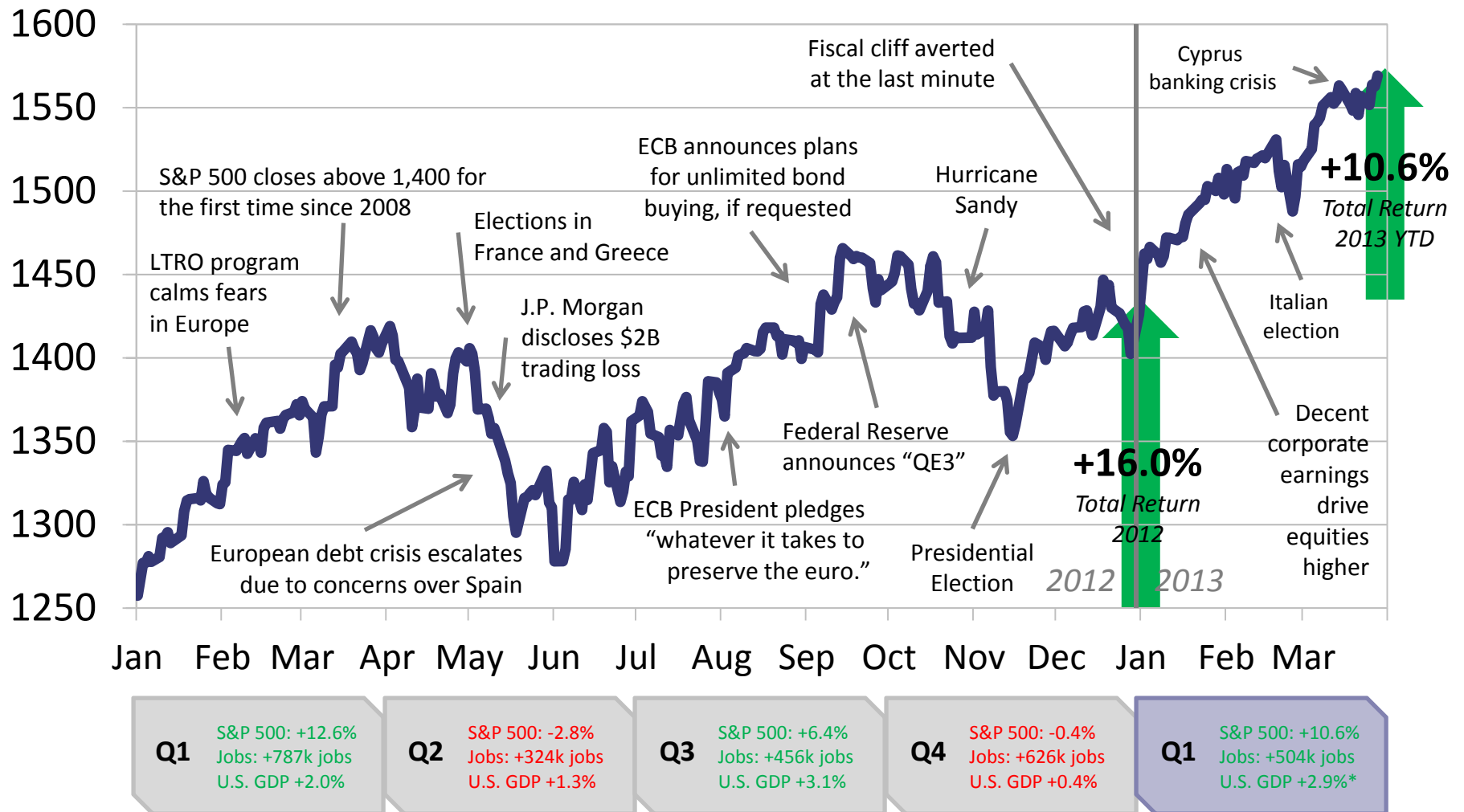
Fairbanks Permanent Fund

INVESTMENT REVIEW

for period ending March 31, 2013

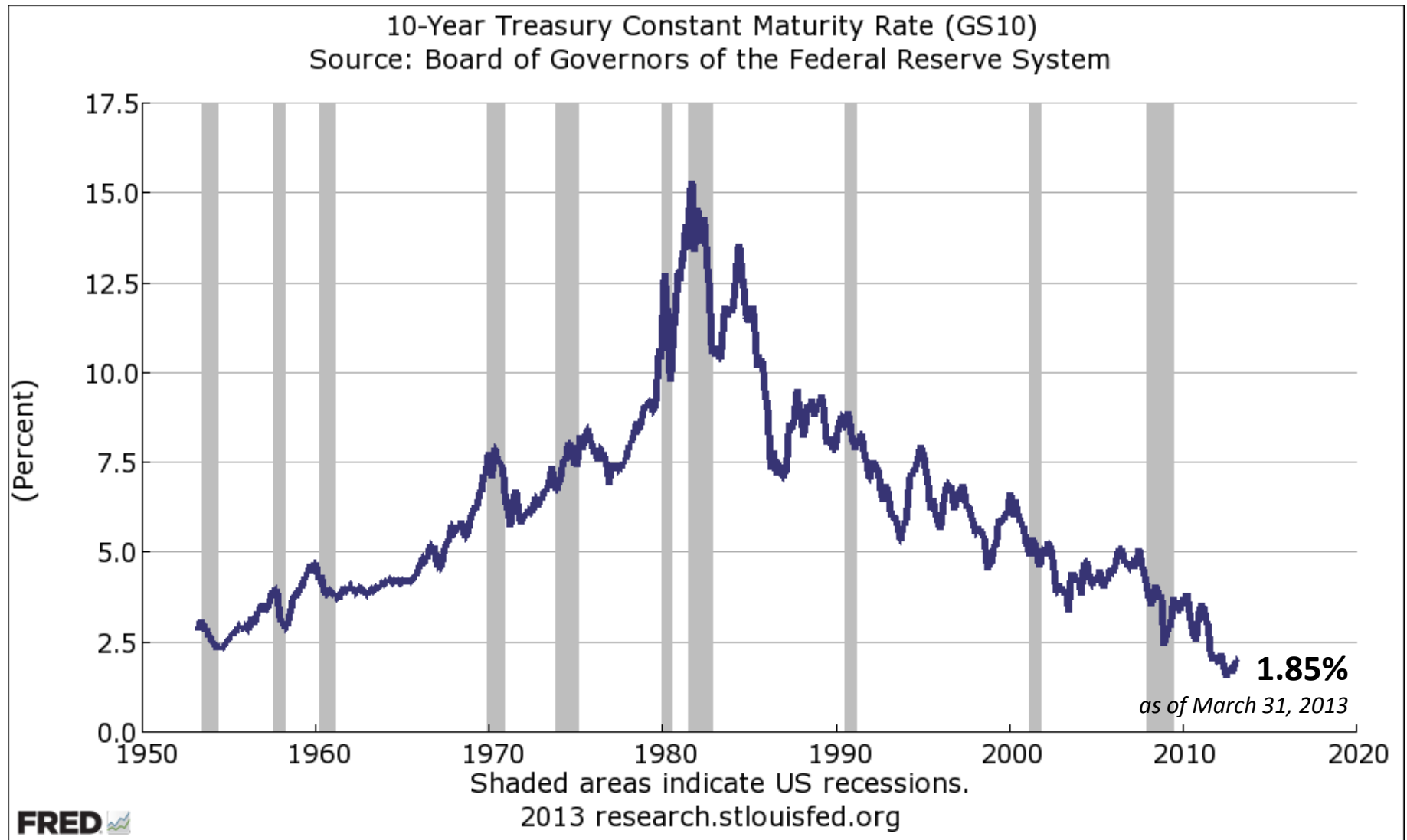


S&P 500: 2012 & 2013 YTD



Data Through March 31, 2013. * Q1 GDP is a Bloomberg consensus growth forecast as of April 10, 2013.

Bond Yields at Historic Lows!



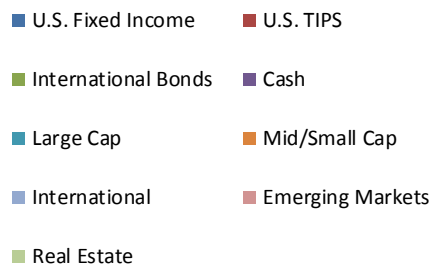
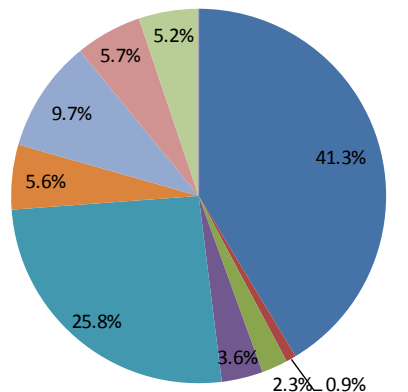
Portfolio and Market Review

- The U.S. equity market as represented by the **S&P 500** was up **+10.61% in Q1**. **International developed** and **emerging markets** lagged the U.S. and returned **+4.49%** and **-1.59%**, respectively.
- **Domestic bonds were essentially flat** for the quarter, returning **-0.12%** as measured by the Barclays Aggregate Index and **-0.36%** for **TIPS**. **International bonds** declined **-3.36%** during Q1.
- Generally **improving economic data** during the first quarter helped the U.S. markets.
- The Fairbanks Permanent Fund returned **+3.71% in Q1**.

Portfolio Review

Portfolio Review

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



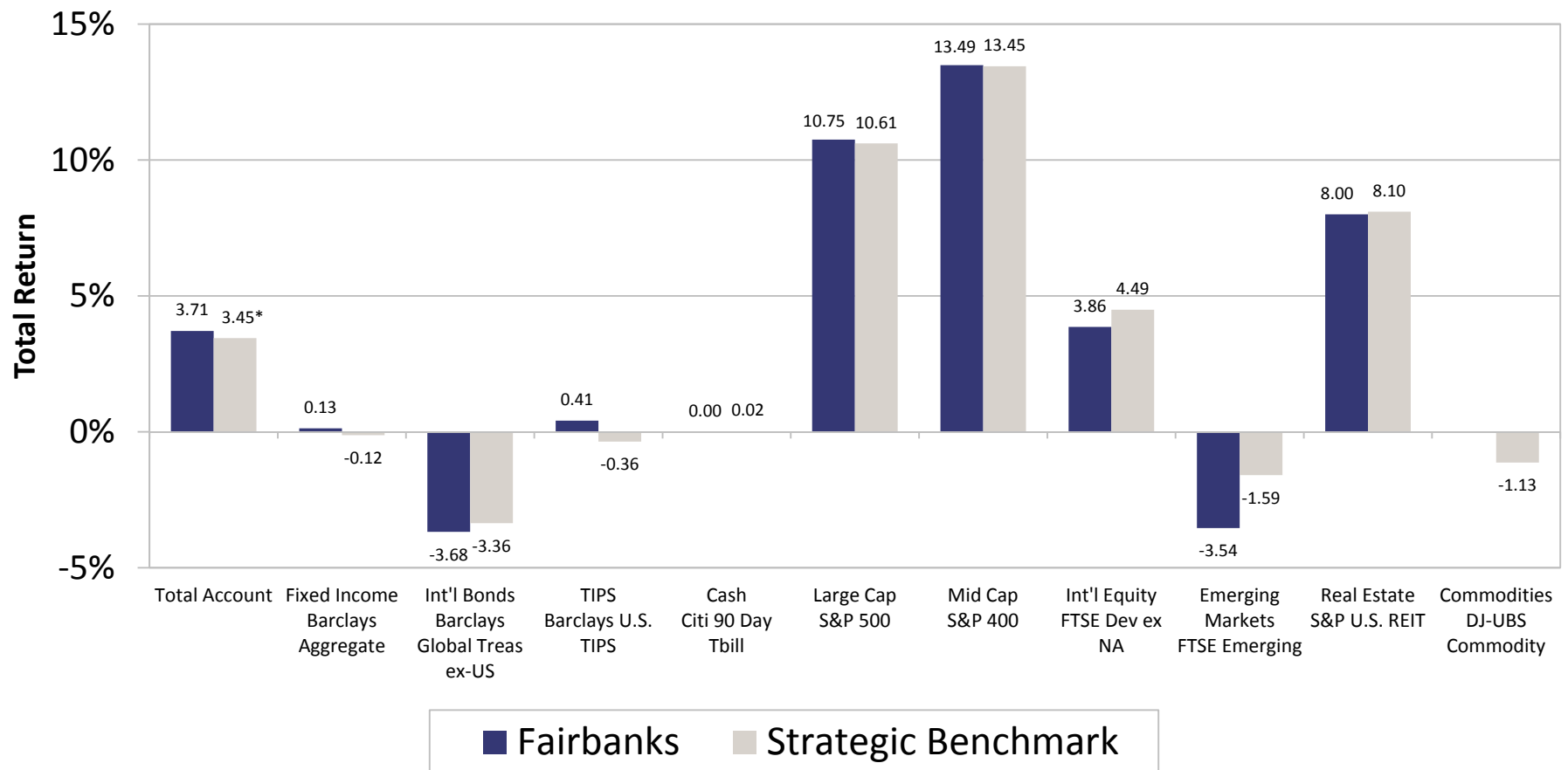
Asset Class	% Assets	Target and Ranges		Market Value	Portfolio Positioning and Recent Trades*	
Fixed Income	48.0%	55%	40-70%	\$52,955,484	U	
U.S. Fixed Income	41.3%	40	30-70	\$45,582,890	O	
U.S. TIPS	0.9%	5	0-10	\$963,860	U	
International Bonds	2.3%	5	0-10	\$2,485,373	U	
Cash	3.6%	5	0-10	\$3,923,362	N	
Equities	52.0%	45%	30-60%	\$57,321,054	O	
Large Cap	25.8%	22	15-50	\$28,462,320	O	2% OW - 2/25/13
Mid/Small Cap	5.6%	5	0-10	\$6,168,903	N	
International	9.7%	9	0-15	\$10,682,515	N	
Emerging Markets	5.7%	4	0-10	\$6,317,661	O	
Real Estate	5.2%	5	0-10	\$5,689,655	N	
Commodities	0.0%	0%	0-10	\$0	N	
Total				\$110,276,538		

* O = Overweight, N = Neutral, U = Underweight relative to portfolio strategic benchmark

Portfolio Review

Account Performance

First Quarter 2013



* 50 bps hurdle 3.57%. Performance is gross of fees.

Portfolio Review

- Q1 portfolio return of **+3.71%** vs. blended benchmark return of **+3.45%**. An **overweight to U.S. large cap** and **underweight to TIPS and int'l bonds** helped, while the **overweight to emerging markets and U.S. bonds** detracted from relative performance.
- Actively managed fixed income **Q1 return of +0.13%** vs. the **Barclays Aggregate return of -0.12%**.

Portfolio Review

	January 13	February 13	March 13	Q1 2013
Allocation Effect				
Aggregate Bonds	(0.173)	0.006	(0.024)	(0.191)
Domestic Large Cap	0.015	0.014	0.081	0.111
Domestic Mid Cap	0.008	0.003	0.015	0.025
Domestic Small Cap	0.000	0.000	0.000	0.000
International Equity	0.022	(0.010)	(0.006)	0.006
Emerging Market Equity	0.009	(0.057)	(0.049)	(0.097)
Real Estate	0.000	0.001	0.002	0.003
TIPS	0.103	0.013	0.039	0.155
International Bonds	0.072	0.067	0.038	0.178
Commodities	0.000	0.000	0.000	0.000
Cash	0.067	0.005	0.020	0.093
Total	0.123	0.042	0.117	0.283
Selection Effect				
Aggregate Bonds	0.100	0.005	0.011	0.116
Domestic Large Cap	0.002	0.030	0.000	0.033
Domestic Mid Cap	0.003	(0.007)	0.007	0.003
Domestic Small Cap	0.000	0.000	0.000	0.000
International Equity	(0.094)	(0.042)	0.072	(0.063)
Emerging Market Equity	(0.134)	0.002	0.006	(0.125)
Real Estate	0.002	(0.002)	(0.004)	(0.005)
TIPS	0.006	0.002	(0.001)	0.007
International Bonds	0.001	(0.005)	(0.004)	(0.008)
Commodities	0.000	0.000	0.000	0.000
Cash	(0.000)	0.000	(0.000)	(0.000)
Total	(0.114)	(0.016)	0.087	(0.043)
Total Attribution	0.009	0.026	0.204	
Bench Return	1.844	0.340	1.233	
Account Return	1.854	0.366	1.438	
Difference	0.009	0.026	0.204	

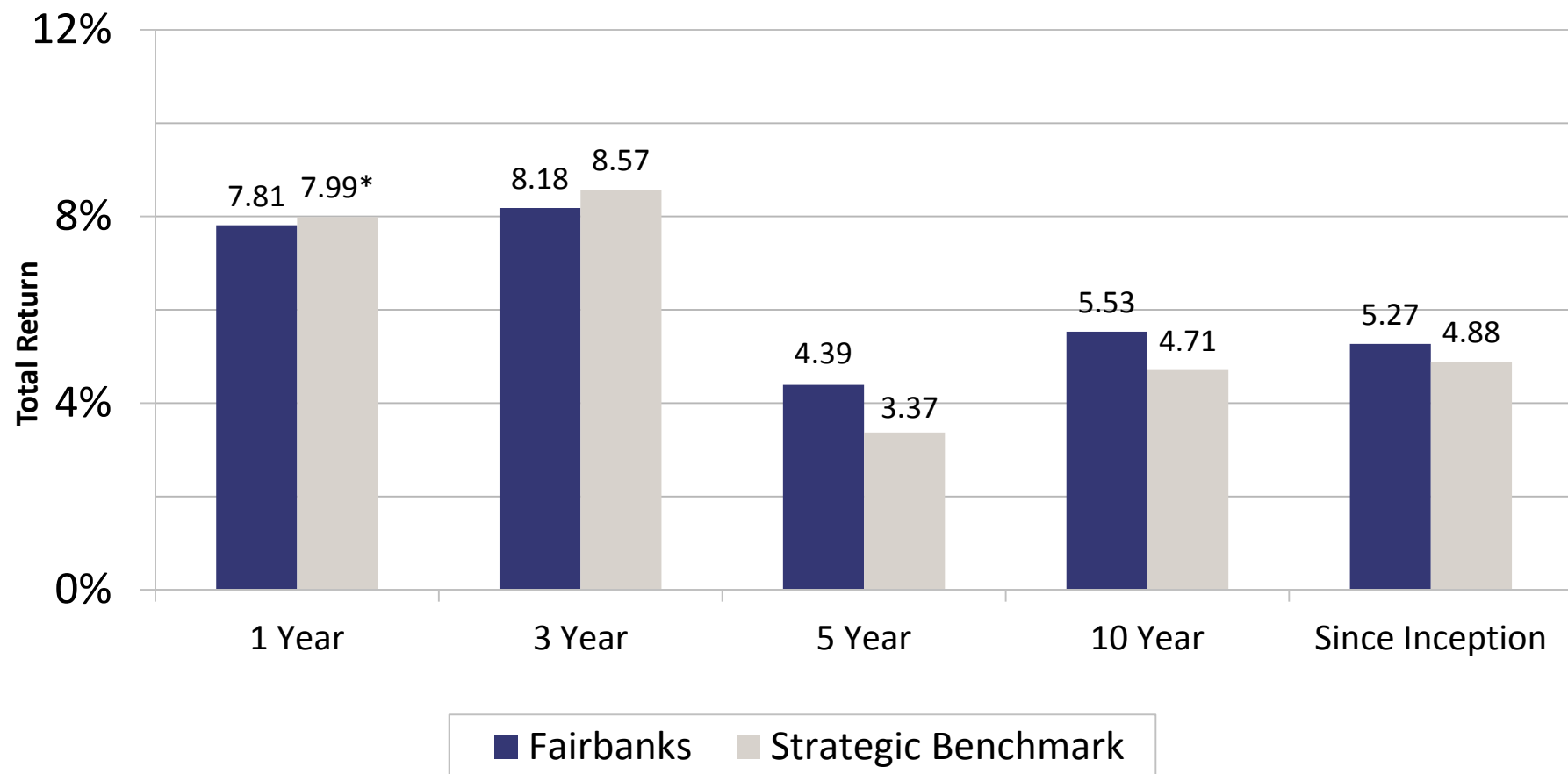
Portfolio Return = Allocation Effect + Selection/Interaction Effect

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

Portfolio Review

Account Performance

as of March 31, 2013



* 50 bps hurdle 8.49%.

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

Portfolio Outlook

■ Bonds

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

■ Equities – favor over bonds

- Favor **domestic large cap**
- Maintain overweight to **emerging markets**
 - ◆ EMs long term growth prospects remain intact
 - ◆ Better fiscal situation than developed countries
- REITs
 - ◆ Performed well, but overvalued as investors seek yield
 - ◆ Useful as an inflation hedge

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).

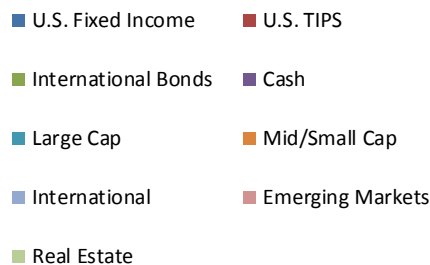
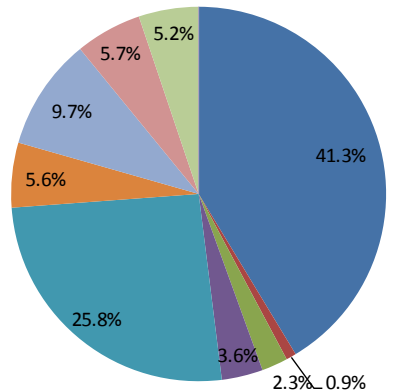
In the attached packet each of the nine limitations are addressed by either a specific report or calculation based upon an enclosed report to illustrate compliance. Should the Board approve of the format; the Compliance Report will become a regular appendix presented at each quarterly meeting.

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)

Portfolio Review

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



Asset Class	% Assets	Target and Ranges		Market Value	Portfolio Positioning and Recent Trades*	
Fixed Income	48.0%	55%	40-70%	\$52,955,484	U	
U.S. Fixed Income	41.3%	40	30-70	\$45,582,890	O	
U.S. TIPS	0.9%	5	0-10	\$963,860	U	
International Bonds	2.3%	5	0-10	\$2,485,373	U	
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Commodities	0.0%	0%	0-10	\$0	N	
Total				\$110,276,538		

* O = Overweight, N = Neutral, U = Underweight relative to portfolio strategic benchmark

Compliance Report

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

Portfolio Appraisal – as of March 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	ONTARIO PROV CDA 3.500% Due 07-15-13	99.68	498,425	100.92	504,615	0.46	17,500	3,694	0.30
250,000	BP CAPITAL MARKETS PLC 5.250% Due 11-07-13	108.02	270,039	102.79	256,980	0.23	13,125	5,250	0.58
500,000	CREDIT SUISSE NEW YORK 5.500% Due 05-01-14	99.90	499,485	105.20	526,020	0.48	27,500	11,458	0.67
450,000	US BANCORP 4.200% Due 05-15-14	104.98	472,396	104.24	469,102	0.43	18,900	7,140	0.40
600,000	CITIGROUP INC 5.500% Due 10-15-14	101.14	606,826	106.71	640,260	0.58	33,000	15,217	1.09
500,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	98.36	491,795	107.38	536,925	0.49	23,750	1,979	0.86
500,000	MORGAN STANLEY 6.000% Due 04-28-15	99.88	499,380	108.93	544,640	0.49	30,000	12,750	1.60
500,000	CITIGROUP INC 4.750% Due 05-19-15	104.97	524,875	107.27	536,340	0.49	23,750	8,708	1.28
500,000	BANK OF MONTREAL 2.850% Due 06-09-15	100.59	502,930	105.01	525,050	0.48	14,250	4,433	0.54
250,000	HSBC FINANCE CORP 5.500% Due 01-19-16	106.89	267,235	111.30	278,250	0.25	13,750	2,750	1.37
350,000	UNITED HEALTH GROUP INC 5.375% Due 03-15-16	114.09	399,322	112.67	394,355	0.36	18,812	836	1.01
500,000	AT&T INC 2.950% Due 05-15-16	104.33	521,670	105.80	528,990	0.48	14,750	5,572	1.06
500,000	JOHNSON & JOHNSON 2.150% Due 05-15-16	104.26	521,320	104.67	523,355	0.47	10,750	4,061	0.64
1,250,000	TORONTO-DOMINION BANK (144A) 1.625% Due 09-14-16	99.93	1,249,162	102.78	1,284,750	1.17	20,312	959	0.81
500,000	BANK AMER CORP 5.625% Due 10-14-16	99.93	499,670	112.65	563,230	0.51	28,125	13,047	1.91
675,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	104.71	706,819	116.19	784,289	0.71	37,969	17,508	0.96
1,000,000	UBS AG LONDON PRIV PLACEMENT (144A) 2.250% Due 03-30-17	100.93	1,009,300	104.20	1,041,990	0.94	22,500	62	1.17

Portfolio Appraisal – as of March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
500,000	VERIZON COMMUNICATIONS 5.500% Due 04-01-17	118.36	591,795	116.02	580,110	0.53	27,500	13,750	1.37
750,000	BANK OF NEW YORK MELLON 1.969% Due 06-20-17	102.60	769,522	103.13	773,467	0.70	14,767	4,143	1.21
500,000	CAMPBELL SOUP CO. 3.050% Due 07-15-17	106.83	534,130	107.24	536,225	0.49	15,250	3,219	1.31
500,000	INTERNATIONAL BUSINESS MACHS 5.700% Due 09-14-17	106.27	531,328	119.65	598,230	0.54	28,500	1,346	1.16
750,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	105.77	793,260	117.24	879,292	0.80	46,500	23,250	2.16
500,000	WELLS FARGO & CO 5.625% Due 12-11-17	99.58	497,920	118.28	591,420	0.54	28,125	8,594	1.57
500,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	497,860	119.02	595,125	0.54	28,750	4,792	1.64
575,000	MCDONALDS CORP M/T/N 5.350% Due 03-01-18	107.54	618,377	118.92	683,778	0.62	30,762	2,564	1.36
1,000,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	101.74	1,017,425	118.35	1,183,470	1.07	56,250	23,437	1.83
500,000	GLAXOSMITHKLINE CAP INC 5.650% Due 05-15-18	104.59	522,950	120.88	604,425	0.55	28,250	10,672	1.41
500,000	CATERPILLAR FINANCIAL 7.150% Due 02-15-19	99.16	495,805	129.30	646,510	0.59	35,750	4,568	1.86
600,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	101.40	608,421	125.11	750,642	0.68	45,000	5,750	2.83
600,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	102.81	616,886	117.87	707,244	0.64	28,200	3,603	1.51
600,000	MICROSOFT CORP 4.200% Due 06-01-19	102.24	613,416	114.85	689,082	0.62	25,200	8,400	1.66
750,000	ADOBE SYSTEMS INC 4.750% Due 02-01-20	112.47	843,502	111.98	839,842	0.76	35,625	5,937	2.81
775,000	COMCAST CORP 5.150% Due 03-01-20	116.47	902,635	118.47	918,150	0.83	39,912	3,326	2.25
500,000	PEPSICO INC 3.125% Due 11-01-20	108.06	540,290	107.08	535,400	0.49	15,625	6,510	2.11

Portfolio Appraisal – as of March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
750,000	DOW CHEMICAL CO* 4.250% Due 11-15-20	108.13	810,952	109.82	823,627	0.75	31,875	12,042	2.81
786,000	CARGILL INC. (144a) 4.307% Due 05-14-21	98.06	770,763	110.26	866,683	0.79	33,853	12,883	2.88
750,000	GENERAL MILLS INC 3.150% Due 12-15-21	102.88	771,577	104.85	786,397	0.71	23,625	6,956	2.52
500,000	BELLSOUTH CORP 6.000% Due 11-15-34	97.52	487,595	111.28	556,395	0.50	30,000	11,333	5.13
500,000	SOUTHERN CAL EDISON CORP BOND 5.950% Due 02-01-38 Accrued Interest	99.54	497,700	129.38	646,920	0.59	29,750	4,958	4.06
					<u>297,461</u>	<u>0.27</u>			
			<u>23,874,761</u>		<u>26,029,040</u>	<u>23.60</u>		<u>297,461</u>	

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

Purchase and Sale – from 12/31/2012 to 3/31/2013

Portfolio Name	Trade Date	Settle Date	Quantity	Security	Unit Price	Amount	Yield On Cost	Spread Over TSY	Sector	Sec Type Code
PURCHASES										
FAIRBANKS PERMANENT	02-25-13	02-26-13	14,639.1450	VANGUARD INST'L S&P500 IN	136.62	2,000,000.00	?		Domestic Large Cap E	mfus
FAIRBANKS PERMANENT	03-28-13	03-28-13	924.4750	VANGUARD INST'L S&P500 IN	143.10	132,292.31	?		Domestic Large Cap E	mfus
						<u>2,132,292.31</u>	<u>0.00</u>			
							0.00			
SALES										
FAIRBANKS PERMANENT	01-14-13	01-17-13	500,000	AMERICAN INTL GROUP INC S 4.250% Due 05-15-13	101.14	505,710.00	0.75	68	Corporate Bonds	cbus
FAIRBANKS PERMANENT	02-13-13	02-14-13	1,750,000	US TREASURY NOTES 0.125% Due 09-30-13	99.99	1,749,863.28	0.14		US Treasury Notes	tnus
FAIRBANKS PERMANENT	02-15-13	02-21-13	750,000	HJ HEINZ CO 2.000% Due 09-12-16	100.34	752,542.50	1.90	144	Corporate Bonds	cbus
						<u>3,008,115.78</u>	<u>0.69</u>			
							0.69			

Compliance Report

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

Portfolio Holdings (Expanded)

Portfolio: FAIRBANK (019)

Currency: USD

Pricing Date: 03/28/2013

Representative:

Table 1: Excl. Table 2 Hldgs

Par (000)	Identifier	Ticker (Home)	Issuer Name	Sect	Industry	Mdys	S&P	Coupon	Maturity	Curr	Price	Mkt Val (000)	% Held (MV)	YTW	Mod Dur	Eff Dur	Conv
3,878	000000CM	CASH	CASH & EQUIVALENTS	CASH		Aaa	AAA	0.060	04/28/2013	USD	100.000	3,878	7.82	0.060	0.083	0.085	0.000
500	683234ZR	ONT	ONTARIO PROV CDA	OGVT	LocalAuth	Aa2	AA-	3.500	07/15/2013	USD	100.923	508	1.02	0.388	0.297	0.298	0.001
500	3133XSAE	FHLB	FEDERAL HOME LOAN BANK AGY	AGY	AGY	AGY	AA+	3.625	10/18/2013	USD	101.906	518	1.04	0.191	0.546	0.549	0.003
250	05565QBF	BP	BP CAP MKTS P L C	IND	Enrg-Intg	A2	A	5.250	11/07/2013	USD	102.792	262	0.53	0.643	0.594	0.599	0.003
500	22546QAA	CSGN	CREDIT SUISSE NEW YORK B FIN	Bank	Bank	A1	A+	5.500	05/01/2014	USD	105.204	537	1.08	0.706	1.050	1.051	0.008
450	91159HGR	USB	U S BANCORP MTNS BK ENT	FIN	Bank	A1	A+	4.200	05/15/2014	USD	104.245	476	0.96	0.432	1.098	1.099	0.009
600	172967EZ	C	CITIGROUP INC	FIN	Bank	Baa2	A-	5.500	10/15/2014	USD	106.710	655	1.32	1.113	1.464	1.466	0.015
500	46625HCE	JPM	JPMORGAN CHASE & CO	FIN	Bank	A2	A	4.750	03/01/2015	USD	107.385	539	1.09	0.873	1.851	1.851	0.022
500	61747YCE	MS	MORGAN STANLEY	FIN	Bank	Baa1	A-	6.000	04/28/2015	USD	108.928	557	1.12	1.623	1.934	1.935	0.024
500	172967FD	C	CITIGROUP INC	FIN	Bank	Baa2	A-	4.750	05/19/2015	USD	107.268	545	1.10	1.297	2.020	2.020	0.026
500	063679BV	BMO	BANK OF MONTREAL 144A	FIN	Bank	Aaa	NR	2.850	06/09/2015	USD	105.186	530	1.07	0.558	2.202	2.128	0.028
250	40429CFN	HSBA	HSBC FINANCE CORP	FIN	Fin-Cnsmr	Baa1	A	5.500	01/19/2016	USD	111.300	281	0.57	1.383	2.609	2.613	0.042
350	91324PAQ	UNH	UNITEDHEALTH GROUP INC	FIN	Insr-Hlth	A3	A	5.375	03/15/2016	USD	112.673	395	0.80	1.023	2.773	2.775	0.047
500	478160AY	JNJ	JOHNSON & JOHNSON	IND	Pharmctls	Aaa	AAA	2.150	05/15/2016	USD	104.671	527	1.06	0.640	3.015	3.018	0.054
500	00206RAW	T	AT&T INC	IND	Wireline	A3	A-	2.950	05/15/2016	USD	105.798	534	1.08	1.062	2.971	2.975	0.053
1,250	891145RB	TD	TORONTO DOMINION BK ONT	FIN	Bank	Aaa	N/A	1.625	09/14/2016	USD	102.780	1,286	2.59	0.809	3.365	3.376	0.065
500	060505CS	BAC	BANK OF AMERICA CORP	FIN	Bank	Baa2	A-	5.625	10/14/2016	USD	112.646	576	1.16	1.917	3.179	3.188	0.061
675	20825TAA	COP	CONOCOPHILLIPS CDA	IND	Enrg-Intg	A1	A	5.625	10/15/2016	USD	116.191	801	1.62	0.970	3.203	3.212	0.062
60	31371KKG		FNMA POOL - 254195	PASS	AGY	AGY	AGY	5.500	02/01/2017	USD	107.187	65	0.13	0.615	1.511	1.349	-0.049
55	31294KHM		FHLMC GOLD POOL - E01136	PASS	AGY	AGY	AGY	5.500	03/01/2017	USD	107.010	59	0.12	0.813	1.505	1.339	-0.052
1,000	90349CAA	UBSN	UBS AG	FIN	Bank	Aaa	N/A	2.250	03/30/2017	USD	104.199	1,053	2.12	1.174	3.796	3.806	0.082
500	92343VAG	VZ	VERIZON COMMUNICATIONS	IND	Wireline	A3	A-	5.500	04/01/2017	USD	116.022	594	1.20	1.378	3.573	3.587	0.076
750	064058AA	BK	BANK NEW YORK MELLON C	FIN	Bank	Aa3	A+	1.969	06/20/2017	USD	103.129	777	1.57	1.207	4.035	4.054	0.091
500	134429AV	CPB	CAMPBELL SOUP CO	IND	Food Proc	A2	BBB+	3.050	07/15/2017	USD	107.245	539	1.09	1.310	4.021	4.039	0.091
850	912828NR	TSY	UNITED STATES TREAS NTS	TSY	TSY	TSY	TSY	2.375	07/31/2017	USD	107.461	917	1.85	0.632	4.136	4.151	0.095
500	459200GJ	IBM	INTERNATIONAL BUSINESS MIND	Electrncs	Electrncs	Aa3	AA-	5.700	09/14/2017	USD	119.646	599	1.21	1.168	4.018	4.038	0.093
750	30161MAE	EXC	EXELON GENERATION CO LL/ UTIL	Electric	Electric	Baa2	BBB	6.200	10/01/2017	USD	117.239	902	1.82	2.166	3.903	3.922	0.090
1,000	36159JBT		GE CAP CC 2009-4- A	ABS	CARD	Aaa	N/A	3.800	11/15/2017	USD	106.108	1,062	2.14	0.052	1.583	1.583	0.017
500	3137EABA	FRE	FEDERAL HOME LN MTG COF AGY	AGY	AGY	AGY	AA+	5.125	11/17/2017	USD	119.463	607	1.22	0.836	4.149	4.173	0.099
500	949746NX	WFC	WELLS FARGO & CO NEW	FIN	Bank	A2	A+	5.625	12/11/2017	USD	118.284	600	1.21	1.575	4.155	4.178	0.100

Portfolio Holdings (Expanded)

Portfolio: FAIRBANK (019)

Currency: USD

Pricing Date: 03/28/2013

Representative:

Table 1: Excl. Table 2 Hldgs

Par (000)	Identifier	Ticker (Home)	Issuer Name	Sect	Industry	Mdys	S&P	Coupon	Maturity	Curr	Price	Mkt Val (000)	% Held (MV)	YTW	Mod Dur	Eff Dur	Conv
500	92976WBH	WFC	WACHOVIA CORP GLOBAL I FIN		Bank	A2	A+	5.750	02/01/2018	USD	119.025	600	1.21	1.645	4.282	4.310	0.105
575	58013MEE	MCD	MCDONALDS CORP MED TER IND		Restrnts	A2	A	5.350	03/01/2018	USD	118.918	686	1.38	1.365	4.402	4.427	0.110
1,000	36962G3U	GE	GENERAL ELEC CAP CORP M FIN		Fin-Divfd	A1	AA+	5.625	05/01/2018	USD	118.347	1,206	2.43	1.834	4.428	4.456	0.114
500	377372AD	GSK	GLAXOSMITHKLINE CAP INC IND		Pharmctls	A1	A+	5.650	05/15/2018	USD	120.885	615	1.24	1.415	4.481	4.510	0.116
1,000	912828RH	TSY	UNITED STATES TREAS NTS	TSY	TSY	TSY	TSY	1.375	09/30/2018	USD	102.688	1,034	2.08	0.874	5.269	5.319	0.153
600	742718DN	PG	PROCTER & GAMBLE CO	IND	Consumer	Aa3	AA-	4.700	02/15/2019	USD	117.874	711	1.43	1.512	5.206	5.265	0.158
1,400	912828KD	TSY	UNITED STATES TREAS NTS	TSY	TSY	TSY	TSY	2.750	02/15/2019	USD	110.250	1,548	3.12	0.955	5.458	5.518	0.169
500	14912L4E	CAT	CATERPILLAR FINL SVCS MT IND		ConstMach	A2	A	7.150	02/15/2019	USD	129.302	651	1.31	1.865	4.961	5.013	0.147
600	38141EA2	GS	GOLDMAN SACHS GRP INC I FIN		Bank	A3	A-	7.500	02/15/2019	USD	125.107	756	1.52	2.834	4.884	4.933	0.144
600	594918AC	MSFT	MICROSOFT CORP	IND	Info Tech	Aaa	AAA	4.200	06/01/2019	USD	114.847	697	1.41	1.660	5.448	5.514	0.174
229	312970E4		FHLMC GOLD POOL - B17355 PASS		AGY	AGY	AGY	5.000	12/01/2019	USD	107.702	248	0.50	1.321	2.098	1.611	-0.177
750	00724FAB	ADBE	ADOBE SYS INC	IND	Info Tech	Baa1	BBB+	4.750	02/01/2020	USD	111.979	845	1.70	2.812	5.860	5.951	0.207
775	20030NBA	CMCSA	COMCAST CORP NEW	IND	Media-Cbl	A3	A-	5.150	03/01/2020	USD	118.471	921	1.86	2.254	5.924	6.013	0.212
260	3129702P		FHLMC GOLD POOL - B17982 PASS		AGY	AGY	AGY	4.000	03/01/2020	USD	106.687	278	0.56	0.734	2.060	1.414	-0.277
185	31406MWJ		FNMA POOL - 814349	PASS	AGY	AGY	AGY	4.500	03/01/2020	USD	107.777	200	0.40	0.854	2.174	1.550	-0.235
133	31406T4F		FNMA POOL - 819922	PASS	AGY	AGY	AGY	5.500	04/01/2020	USD	109.499	146	0.29	1.347	2.315	1.760	-0.187
160	31406T4H		FNMA POOL - 819924	PASS	AGY	AGY	AGY	4.500	04/01/2020	USD	107.777	173	0.35	0.931	2.218	1.638	-0.223
500	713448BR	PEP	PEPSICO INC	IND	Beverage	Aa3	A-	3.125	11/01/2020	USD	107.080	542	1.09	2.111	6.698	6.840	0.268
750	260543CC	DOW	DOW CHEM CO	IND	Chemicals	Baa2	BBB	4.250	11/15/2020	USD	109.817	835	1.68	2.770	6.471	6.526	0.218
786	141781AY	CARGIL	CARGILL INC	IND	Food Proc	A2	A	4.307	05/14/2021	USD	110.265	879	1.77	2.881	6.814	6.965	0.285
750	370334BM	GIS	GENERAL MILS INC	IND	Food Proc	Baa1	BBB+	3.150	12/15/2021	USD	104.853	793	1.60	2.510	7.558	7.735	0.324
189	31410F5H		FNMA POOL - 888348	PASS	AGY	AGY	AGY	5.000	05/01/2022	USD	107.980	205	0.41	1.569	2.375	1.546	-0.332
344	31418PSV		FNMA POOL - AD2331	PASS	AGY	AGY	AGY	4.000	03/01/2025	USD	107.026	370	0.75	1.137	2.516	1.376	-0.637
199	31418U2F		FNMA POOL - AD7073	PASS	AGY	AGY	AGY	4.000	06/01/2025	USD	107.026	214	0.43	1.258	2.624	1.615	-0.608
36	36202CZ4		GNMA2 POOL - 002563	PASS	AGY	AGY	AGY	6.500	03/20/2028	USD	120.709	44	0.09	0.465	3.402	1.171	-0.587
1,000	912810FG	TSY	UNITED STATES TREAS BDS	TSY	TSY	TSY	TSY	5.250	02/15/2029	USD	135.656	1,363	2.75	2.514	11.548	12.122	0.897
38	36201MFQ		GNMA POOL - 587075	PASS	AGY	AGY	AGY	6.500	05/15/2032	USD	118.015	45	0.09	1.546	3.607	1.418	-0.723
500	31344AKX	FRE	FEDERAL HOME LN MTG COF AGY		AGY	AGY	AA+	6.250	07/15/2032	USD	145.378	733	1.48	3.106	12.571	13.208	1.130
37	31292HRY		FHLMC GOLD POOL - C01403 PASS		AGY	AGY	AGY	6.000	09/01/2032	USD	111.679	42	0.08	2.862	3.693	2.653	-0.648
93	31296RKB		FHLMC GOLD POOL - A1659C PASS		AGY	AGY	AGY	6.000	12/01/2033	USD	111.679	105	0.21	2.845	3.677	2.676	-0.636

Portfolio Holdings (Expanded)

Portfolio: FAIRBANK (019)

Currency: USD

Pricing Date: 03/28/2013

Representative:

Table 1: Excl. Table 2 Hldgs

Par (000)	Identifier	Ticker (Home)	Issuer Name	Sect	Industry	Mdys	S&P	Coupon	Maturity	Curr	Price	Mkt Val (000)	% Held (MV)	YTW	Mod Dur	Eff Dur	Conv
500	079860AK	T	BELLSOUTH CORP	IND	Wireline	N/A	A-	6.000	11/15/2034	USD	131.643	669	1.35	3.838	13.221	13.788	1.281
136	31406U08		FNMA POOL - 820607	PASS	ARM	AGY	AGY	2.168	03/01/2035	USD	105.937	145	0.29	0.907	5.454	0.228	-0.075
234	31407BXT		FNMA POOL - 826090	PASS	ARM	AGY	AGY	2.299	07/01/2035	USD	106.689	250	0.50	0.947	4.944	0.241	-0.227
190	31297SNJ		FHLMC GOLD POOL - A36703	PASS	AGY	AGY	AGY	4.500	08/01/2035	USD	107.168	204	0.41	2.313	3.295	2.300	-1.119
246	31407RKE		FNMA POOL - 838293	PASS	ARM	AGY	AGY	2.678	08/01/2035	USD	106.592	262	0.53	0.886	4.697	0.100	-0.066
95	31403DH5		FNMA POOL - 745552	PASS	ARM	AGY	AGY	2.459	02/01/2036	USD	105.297	100	0.20	1.101	4.800	0.259	-0.100
328	36290TSC		GNMA POOL - 617115	PASS	AGY	AGY	AGY	5.500	06/15/2036	USD	109.472	360	0.73	2.537	3.207	2.048	-0.932
69	3128JRS5		FHLMC POOL - 847740	PASS	ARM	AGY	AGY	5.507	04/01/2037	USD	107.709	75	0.15	1.181	3.773	0.541	0.150
409	225458RR		CSFB 2005-C2- A3	CMBS	CMBS	Aaa	AAA	4.691	04/15/2037	USD	102.962	423	0.85	2.724	1.545	1.545	0.018
207	3128QSLD		FHLMC POOL - 1G2124	PASS	ARM	AGY	AGY	6.025	08/01/2037	USD	108.359	225	0.45	2.369	2.778	1.695	0.180
165	31413EE3		FNMA POOL - 943054	PASS	ARM	AGY	AGY	2.767	08/01/2037	USD	107.313	177	0.36	0.935	5.025	0.089	-0.061
578	31414KYJ		FNMA POOL - 968813	PASS	AGY	AGY	AGY	6.000	01/01/2038	USD	109.918	638	1.29	2.901	3.261	2.434	-0.641
500	842400FH	EIX	SOUTHERN CALIF EDISON CC UTIL		Electric	A1	A	5.950	02/01/2038	USD	129.384	652	1.31	4.061	14.288	14.971	1.544
293	3128MJJJ		FHLMC GOLD POOL - G08264	PASS	AGY	AGY	AGY	6.000	04/01/2038	USD	109.273	321	0.65	3.330	3.467	2.773	-0.712
316	3128LBUV		FHLMC GOLD POOL - A77796	PASS	AGY	AGY	AGY	5.500	05/01/2038	USD	108.304	344	0.69	3.213	3.627	3.067	-0.830
367	50180CAB		LB UBS CMBS 2006-C7- A2	CMBS	CMBS	N/A	AAA	5.300	11/15/2038	USD	104.510	384	0.78	2.634	1.671	1.671	0.027
357	3128M7E2		FHLMC GOLD POOL - G05253	PASS	AGY	AGY	AGY	5.000	02/01/2039	USD	107.558	386	0.78	2.572	3.132	2.158	-1.053
1,375	912810QA	TSY	UNITED STATES TREAS BDS	TSY	TSY	TSY	TSY	3.500	02/15/2039	USD	108.734	1,501	3.03	3.012	17.303	18.493	2.161
383	31416PVF		FNMA POOL - AA6013	PASS	AGY	AGY	AGY	4.500	05/01/2039	USD	107.757	414	0.83	2.435	3.827	3.148	-1.072
500	07383F7W		BEAR STEARNS 05-PWR8- A	CMBS	CMBS	Aaa	N/A	4.674	06/11/2041	USD	106.842	536	1.08	1.065	1.860	1.860	0.023
437	07388LAC		BEAR STEARNS 06-PWR13- /	CMBS	CMBS	N/A	AAA	5.518	09/11/2041	USD	105.495	463	0.93	-9.949	0.368	0.368	0.002
1,000	12513EAG		CD MTG 2005-CD1 A4	CMBS	CMBS	Aaa	AAA	5.218	07/15/2044	USD	109.347	1,097	2.21	1.064	2.194	2.202	0.031
106	20047EBG		COMM CMBS 2006-C08- A2B	CMBS	CMBS	Aaa	N/A	5.248	12/10/2046	USD	100.780	107	0.22	3.176	0.427	0.427	0.002
500	46630VAD		JP MORGN 2007-CIBC19- A4	CMBS	CMBS	Aa2	A+	5.714	02/12/2049	USD	115.321	579	1.17	1.605	3.506	3.520	0.075
34	05952CAB		BA MTG CMBS 2007-05- A2	CMBS	CMBS	N/A	AAA	5.434	02/10/2051	USD	102.193	35	0.07	0.136	0.434	0.434	0.002
500	46632HAD		JPMRGN CMBS 2007-LDP12 /	CMBS	CMBS	Aaa	A-	5.882	02/15/2051	USD	116.360	584	1.18	1.330	3.388	3.388	0.074
44,484						Aa2	AA-	4.056	5.500		110.625	49,596	100.00	1.436	4.439	4.358	0.150

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

Portfolio: FAIRBANK (019)
Pricing Date: 03/28/2013
Benchmark: BC AGGREGATE INDEX (SLAG)
Benchmark Pricing Date: 03/28/2013

Quality	Port					Bnchmk				
	Mkt Val (000)	% Held (MV)	Eff Dur	Contrib Eff Dur	% Total Eff Dur	Mkt Val (000)	% Held (MV)	Eff Dur	Contrib Eff Dur	% Total Eff Dur
Total:	49,596	100.00	4.358	4.358	100.000		100.00	5.007	5.007	100.000
CASH	3,878	7.82	0.085	0.007	0.152					
TSY										
AGY										
Aaa	23,098	46.57	4.720	2.198	50.440		74.00	4.270	3.160	63.200
Aa	2,596	5.23	3.646	0.191	4.378		3.60	6.490	0.230	4.600
A	16,108	32.48	4.656	1.512	34.696		11.30	7.110	0.800	16.000
Baa	3,916	7.89	5.704	0.450	10.333		11.10	7.270	0.810	16.200

Portfolio Duration as a % of Benchmark 87%

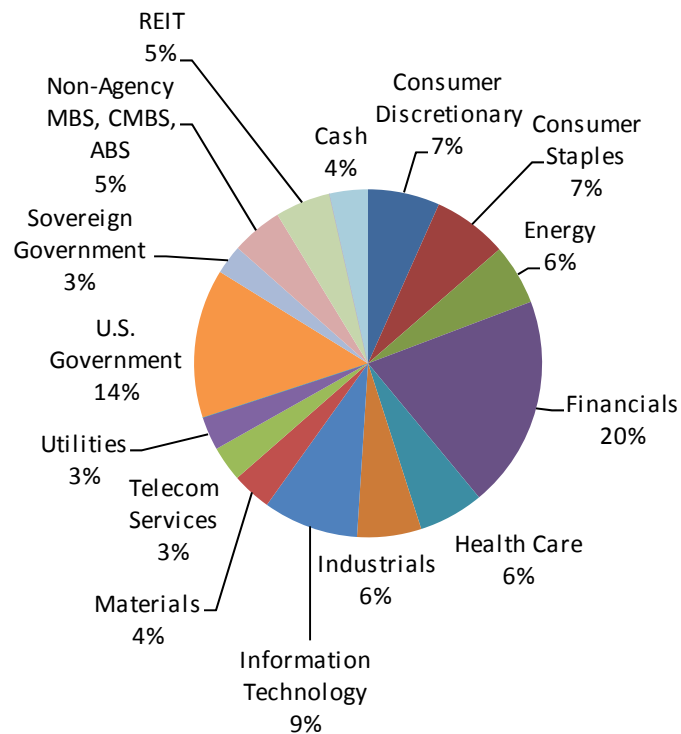
Duration gauges price sensitivity of fixed income securities and represents the expected percentage change in market value when interest rates change by 1%.

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 March 31, 2012*



Sector	Market Value	% of Portfolio
Consumer Discretionary	7,353,764	7%
Consumer Staples	7,663,753	7%
Energy	6,210,790	6%
Financials	21,761,238	20%
Health Care	6,690,130	6%
Industrials	6,576,179	6%
Information Technology	9,779,425	9%
Materials	4,057,923	4%
Telecommunication Services	3,601,870	3%
Utilities	3,457,058	3%
<hr/>		
U.S. Government - Treasury/Agency/Agency MBS	15,275,178	14%
Sovereign Government	2,993,682	3%
Non-Agency MBS, CMBS, ABS	5,242,531	5%
REIT	5,689,655	5%
Commodities	-	0%
Cash	3,923,362	4%
<hr/>		
Total Portfolio	\$ 110,276,538	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!

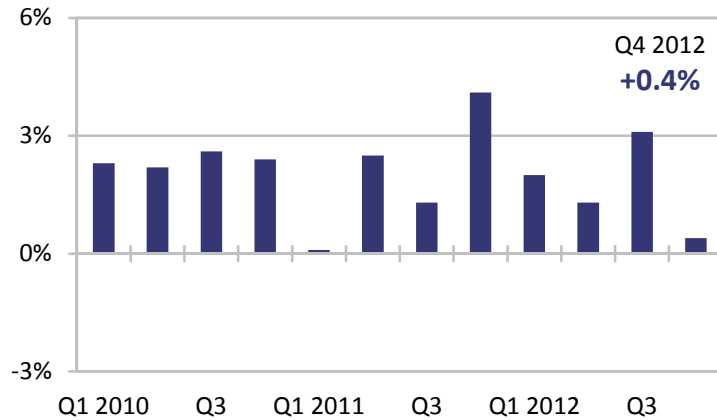
VISIT US AT OUR WEBSITE: APCM.NET



Appendix

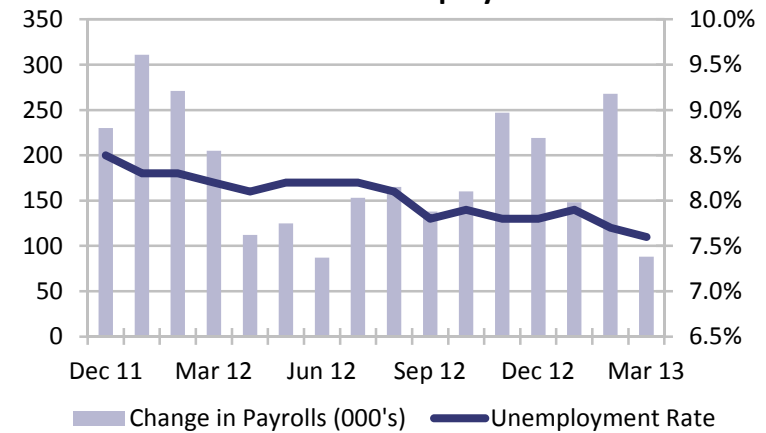
Economy & Financial Markets

Gross Domestic Product



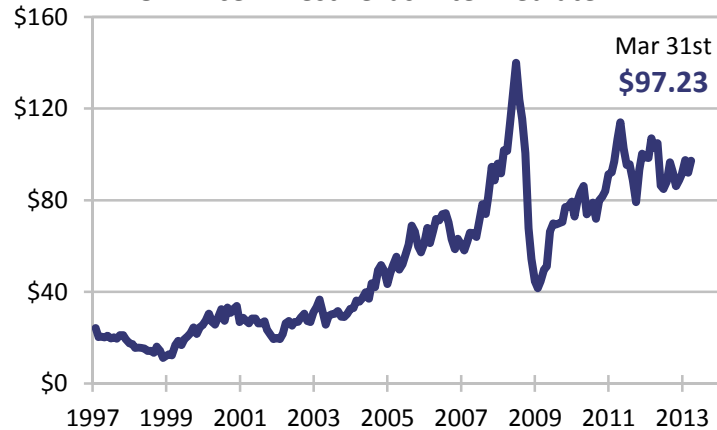
Bureau of Economic Analysis

Job Growth and Unemployment Rate



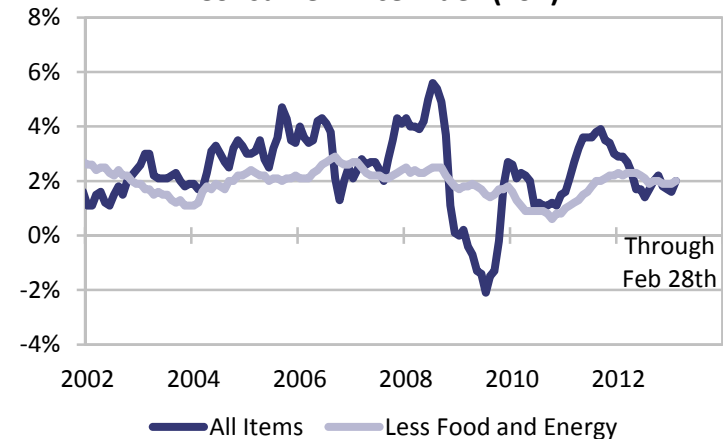
Bureau of Labor Statistics

Oil Price - West Texas Intermediate



Bloomberg

Consumer Price Index (YoY)

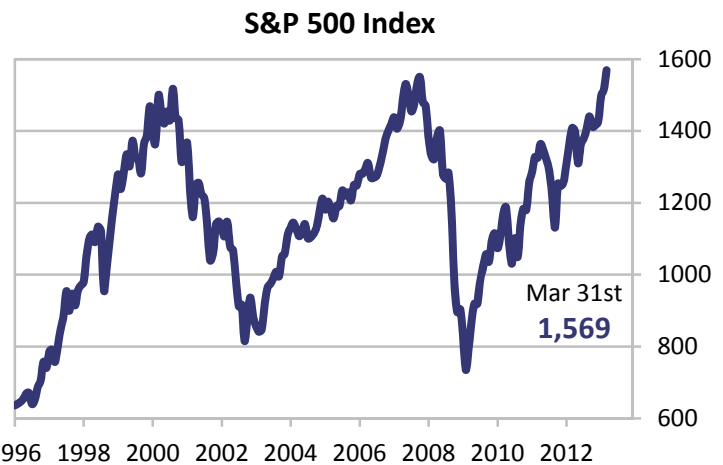


Bureau of Labor Statistics

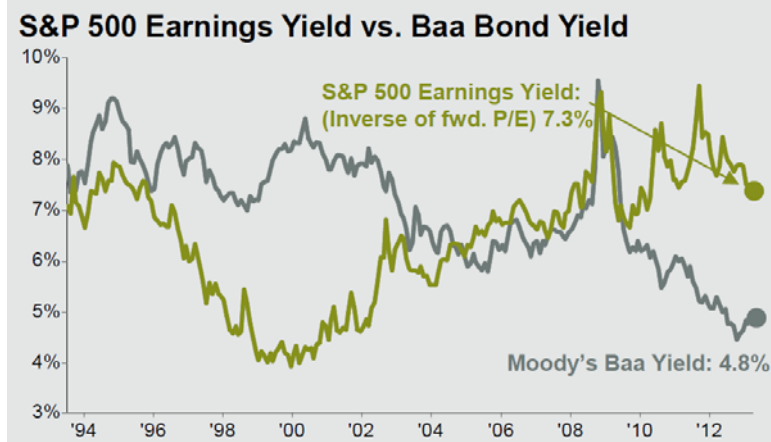
Economy & Financial Markets

Total Return (%) as of March 31, 2013				
	Q1 2013	1 Year	3 Years	5 Years
Domestic Equities				
Large Cap S&P 500	10.6	14.0	12.7	5.8
Mid Cap S&P 400	13.5	17.8	15.2	9.9
Small Cap S&P 600	11.8	16.1	15.2	9.2
International Equities				
Developed MSCI EAFE	5.1	11.3	5.0	-0.9
Emerging MSCI Emerging Markets	-1.6	2.0	3.3	1.1
Other				
Commercial Property S&P U.S. REIT	8.1	15.2	17.4	6.7
Commodities DJ-UBS Commodity	-1.1	-3.0	1.4	-7.1
Fixed Income				
Total Bond Market Barclays Aggregate	-0.1	3.8	5.5	5.5
1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov	0.1	0.7	1.3	1.9
Int'l Treasury Barclays Global Tsy ex-US	-3.4	0.7	4.3	3.0

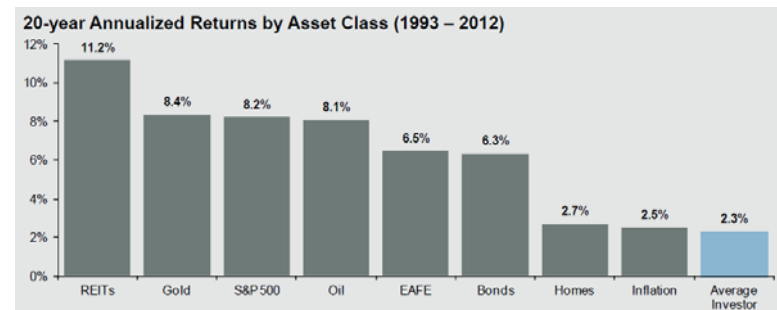
Returns are annualized for periods greater than one year



Bloomberg



Sources: Standard & Poor's, Moody's, J.P. Morgan Asset Management
Data as of 3/31/2013.

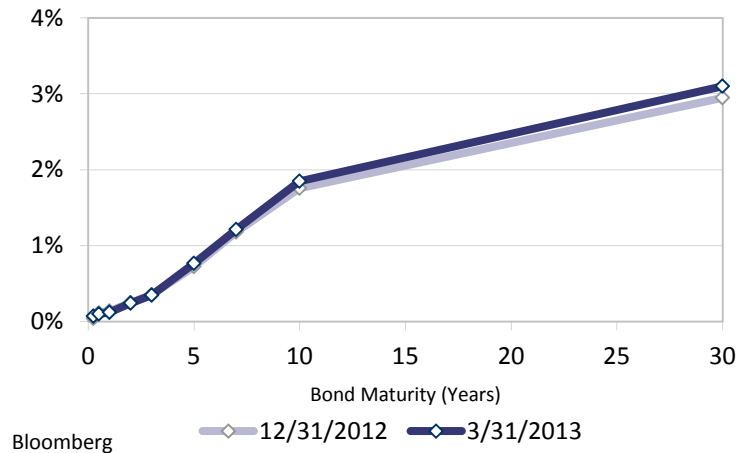


Source: J.P. Morgan Asset Management

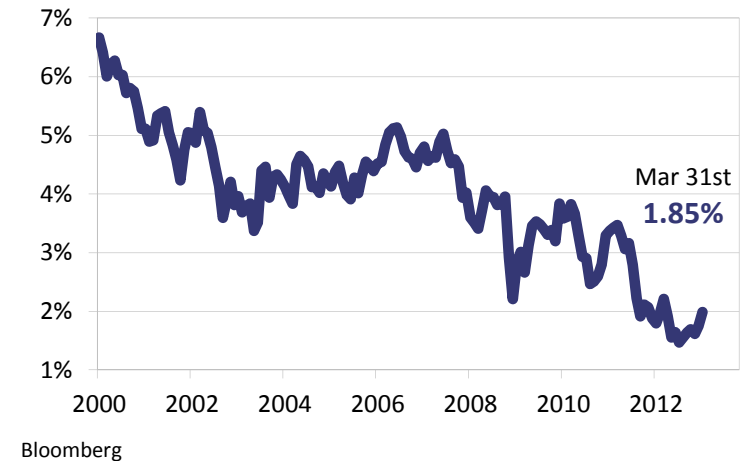
Average asset allocation investor return is based on an analysis by Dalbar Inc. All returns are annualized (and total return where applicable) and represent the 20-year period ending 12/31/12 to match Dalbar's most recent analysis.

Economy & Financial Markets

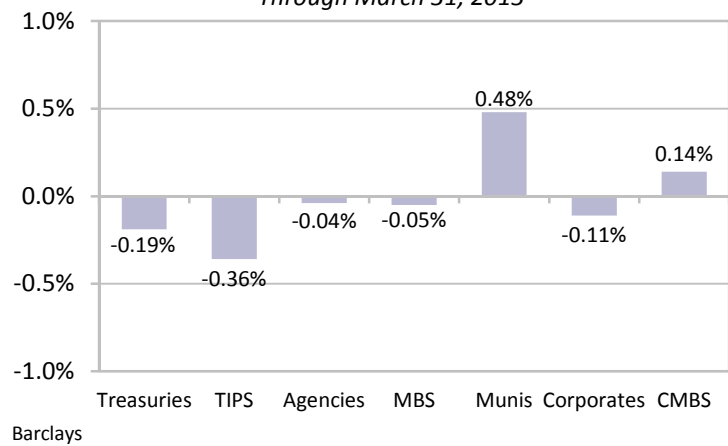
U.S. Treasury Yield Curve Comparison



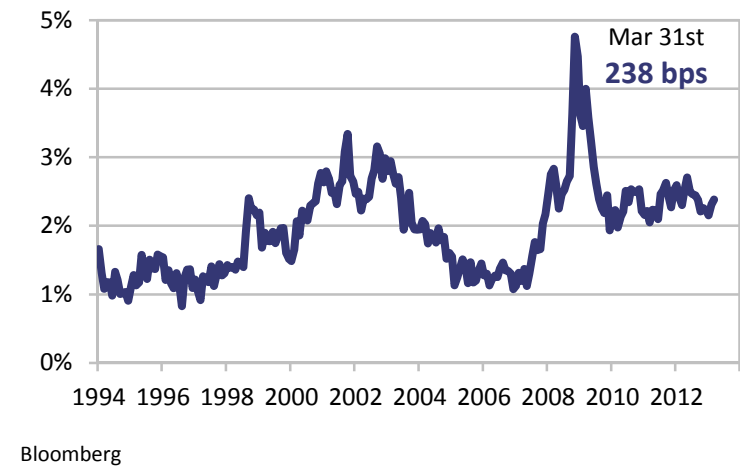
10 Year Treasury Note Yield



2013 YTD Bond Total Return Through March 31, 2013



Corporate A Spread/10 Year Treasury



Current Outlook

Economic Outlook

The U.S. economy is expanding modestly, but still faces major headwinds from the ongoing deleveraging of consumer balance sheets. And it looks like government spending will slow significantly as the U.S. gets its deficit and national debt under control. Housing looks much better and car sales have been decent. There is much talk of an energy renaissance in the U.S. due to new techniques in oil and gas exploration.

The unemployment rate declined slightly in March and is now 7.6%; however job gains for the month were a modest +88,000. Over the past six months the average number of jobs gained per month has been +188,000. GDP growth was +3.1% in Q3, but only +0.4% in Q4. Declines in defense spending and inventory depletion were the culprits. Hurricane Sandy spending in conjunction with sequestration cuts will make it hard to gauge underlying economic growth over the next few months. The consensus outlook calls for growth around +2% and modest inflation in 2013.

In the January 2013 update to its World Economic Outlook, the IMF slightly lowered its forecast for global growth. It sees +3.5% growth in 2013 and +4.1% in 2014, down from estimates last made in October. It warned that these estimates may be optimistic unless policy makers carry out pro-growth policies.

Inflation Outlook

The U.S. CPI inflation rate rose +1.7% last year compared to +3.0% in 2011. Given the still high unemployment rate (modest wage pressure) and unused capacity in the U.S., recession in Europe, and slower growth in China, inflation is unlikely to be a problem near term, despite money printing by most of the world's central banks. ISI Strategies believes global inflation will be around +2% in 2013. The 10 year U.S. Treasury yielded 1.85% at the end of March while the 10 year inflation protected TIPS bond yielded -0.67%. The difference, or the "break even" inflation rate, is +2.52%. That means the market expects inflation to average +2.52% over the next 10 years. WTI oil was trading around \$97 at quarter end. At \$3.63 per gallon, the price of gasoline is up about 34 cents YTD; however it has declined from a recent peak near \$3.80 per gallon. Gold fell almost -5% in the first quarter and traded at \$1,597 per ounce at the end of March.

Policy Actions

The Federal Reserve is worried about slow economic growth and is maintaining a ZIRP (zero interest rate policy). It has undertaken an \$85 billion monthly bond buying program to push longer interest rates down. The Fed has also announced that rates would remain low as long as the unemployment rate was 6.5% or higher and core inflation remained +2.5% or lower.

The "fiscal cliff" was avoided at the last minute. Sequestration cuts have taken effect, but the full consequences of those cuts are not yet known. The debt ceiling debate will come back into focus in May. Little to nothing has been said or done about entitlement reform which is the underlying cause of the U.S.'s long term fiscal woes. Fiscal policy has been tightening and is becoming a headwind for growth.

Overseas, Europe continues to grapple with a banking system that was more levered than the U.S. The ECB (extending 3 year loans to banks at 1%) and IMF have taken significant steps to shore up confidence and provide liquidity to EU governments struggling with deficit/debt problems. Greece, Ireland, and Portugal have accepted bailouts. 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). Still the eurozone is in recession and the unemployment rate there is 12.0%. The banking crisis in Cyprus did not help the situation and undermined confidence in the eurozone.

Japan has undertaken more fiscal stimulus and monetary easing to get inflation to a +2% target. The Japanese central bank has pledge to inject \$1.4 trillion into the economy by the end of 2014 through bond and other asset purchases. This is a substantial amount given that the GDP of Japan is roughly \$5.9 trillion. Japanese equities have rallied sharply as this and double digit depreciation in the yen has encouraged exports. Many countries are accusing Japan of starting a currency war.

Bond Outlook

Treasury yields have been range bound in 2013 with the 10 year Treasury trading roughly between 1.75% and 2.0% during the first quarter. APCM remains overweight spread product including corporate bonds (especially financials) and CMBS securities. Treasuries are unattractive in all but a flight to quality/deflation scenario.

Equity Outlook

The domestic equity markets had a strong first quarter as the S&P 500 gained +10.6%. Mid and small cap companies posted even stronger gains with returns for the quarter of +13.5% and +11.8%, respectively. At 14.2x forward earnings, the P/E ratio for the S&P 500 is in fair value territory.

In overseas markets, the EAFE developed country index had a more modest gain of +5.2%. While Europe is cheap on a valuation basis, macro risks are still too big to justify more than a market weight. APCM expects more unrest with possible country defaults and exits from the euro (with Greece or Cyprus going first). The inconclusive Italian elections are another worry.

Emerging markets lost -1.6% during the quarter. Equities here trade at a 10.5x 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. APCM is overweight.

The U.S. equity market may be getting ahead itself. While APCM continues to favor stocks over bonds and cash in client portfolios, recent gains have been a bit surprising given modest economic growth and ongoing policy uncertainty.

April 2013



Portfolio Appraisal

FAIRBANKS PERMANENT FUND

March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
850,000	US TREASURY NOTES 2.375% Due 07-31-17	106.34	903,922	107.46	913,418	0.83	20,187	3,346	0.63
1,000,000	US TREASURY NOTES 1.375% Due 09-30-18	99.39	993,945	102.69	1,026,880	0.93	13,750	38	0.87
1,400,000	US TREASURY NOTES 2.750% Due 02-15-19	104.27	1,459,846	110.25	1,543,500	1.40	38,500	4,786	0.95
1,000,000	U S TREASURY NOTES 5.250% Due 02-15-29	110.42	1,104,150	135.66	1,356,560	1.23	52,500	6,526	2.51
1,375,000	US Treasury Note 3.500% Due 02-15-39	86.77	1,193,038	108.73	1,495,092	1.36	48,125	5,982	3.01
	Accrued Interest				20,678	0.02			
			5,654,901		6,356,129	5.76		20,678	
U.S. TREASURY INFLATION									
824,325	US TREASURY INFLATION PROTECTED SECURITIES 1.625% Due 01-15-18	99.79	822,572	116.59	961,048	0.87	13,395	2,812	NA
	Accrued Interest				2,812	0.00			
			822,572		963,860	0.87		2,812	
AGENCIES									
500,000	FHLB 3.625% Due 10-18-13	104.20	520,981	101.91	509,530	0.46	18,125	8,207	0.14
500,000	FHLMC 5.125% Due 11-17-17	111.91	559,567	119.46	597,315	0.54	25,625	9,538	0.83
500,000	FEDERAL HOME LOAN MORTGAGE CORP 6.250% Due 07-15-32	120.42	602,104	145.38	726,890	0.66	31,250	6,597	3.10
	Accrued Interest				24,342	0.02			
			1,682,652		1,858,077	1.68		24,342	
FNMA & FHLMC									
60,239	FNMA POOL # 254195 5.500% Due 02-01-17	99.33	59,834	107.19	64,568	0.06	3,313	276	0.24
54,533	FGLMC POOL E01136 5.500% Due 03-01-17	99.55	54,286	107.01	58,355	0.05	2,999	250	0.59
229,209	FGLMC POOL B17355 5.000% Due 12-01-19	101.34	232,280	107.70	246,863	0.22	11,460	955	1.40
260,178	FGLMC POOL B17982 4.000% Due 03-01-20	97.59	253,918	106.69	277,576	0.25	10,407	867	0.96



Portfolio Appraisal

FAIRBANKS PERMANENT FUND

March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
184,864	FNMA POOL 814349 4.500% Due 03-01-20	98.62	182,315	107.78	199,241	0.18	8,319	693	1.00
132,902	FNMA POOL 819922 5.500% Due 04-01-20	102.41	136,110	109.50	145,526	0.13	7,310	609	1.43
160,362	FNMA POOL 819924 4.500% Due 04-01-20	99.55	159,648	107.78	172,833	0.16	7,216	601	1.00
189,011	FNCI 5.00% POOL 888348 5.000% Due 05-01-22	103.55	195,715	107.98	204,094	0.19	9,451	788	1.99
344,336	FNMA 4.00% POOL AD2331 4.000% Due 03-01-25	102.73	353,752	107.03	368,529	0.33	13,773	1,148	1.43
199,509	FNCI 4% POOL AD7073 4.000% Due 06-01-25	103.15	205,790	107.03	213,527	0.19	7,980	665	1.43
36,388	GNMA POOL 2563 6.500% Due 03-20-28	100.44	36,547	120.71	43,923	0.04	2,365	197	1.66
37,101	FGLMC POOL C01403 6.000% Due 09-01-32	101.81	37,774	111.68	41,434	0.04	2,226	186	2.06
93,473	FGLMC POOL A16590 6.000% Due 12-01-33	103.27	96,525	111.68	104,389	0.09	5,608	467	2.10
136,368	FRN - FNMA POOL 820607 2.168% Due 03-01-35	102.47	139,732	105.94	144,464	0.13	2,956	246	0.66
234,325	FNMA POOL 826090 4.737% Due 07-01-35	99.47	233,081	106.69	249,999	0.23	11,100	925	0.49
189,687	FHLMC # A36703 4.500% Due 08-01-35	95.69	181,507	107.17	203,284	0.18	8,536	711	2.30
245,611	FRN - FNMA POOL # 838293 2.678% Due 08-01-35	99.67	244,795	106.59	261,801	0.24	6,577	548	0.83
94,925	FNMA ARM POOL 745552 2.459% Due 02-01-36	100.53	95,424	105.30	99,953	0.09	2,334	195	1.00
69,385	FRN - FHLMC # 847740 5.507% Due 04-01-37	98.88	68,610	107.71	74,734	0.07	3,821	318	1.48
206,533	FRN - FHLMC # 1G2124 6.025% Due 08-01-37	99.81	206,145	108.36	223,797	0.20	12,444	1,037	2.68
165,064	FRN - FNMA POOL 943054 2.767% Due 08-01-37	100.94	166,611	107.31	177,135	0.16	4,567	381	0.80
577,785	FNCL 6.00% POOL 968813 6.000% Due 01-01-38	109.64	633,487	109.92	635,089	0.58	34,667	2,889	2.71
292,883	FHLMC # G08264 6.000% Due 04-01-38	100.76	295,103	109.27	320,042	0.29	17,573	1,464	2.93
316,357	FGLMC 5.5% POOL A77796 5.500% Due 05-01-38	108.01	341,691	108.30	342,628	0.31	17,400	1,450	2.61



Portfolio Appraisal

FAIRBANKS PERMANENT FUND

March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
357,273	FHLMC 5% POOL G05253 5.000% Due 02-01-39	107.02	382,365	107.56	384,275	0.35	17,864	1,489	2.25
382,622	FNCL 4.5 POOL AA6013 4.500% Due 05-01-39 Accrued Interest	103.59	396,357	107.76	412,302	0.37	17,218	1,435	2.20
					20,791	0.02			
			5,389,402		5,691,154	5.16		20,791	
GNMA									
38,261	GOV'T NAT'L MTG ASSN POOL# 587075 6.500% Due 05-15-32	101.25	38,739	118.01	45,154	0.04	2,487	207	1.24
328,024	GOV'T NAT'L MTGE ASSN POOL # 617115 5.500% Due 06-15-36 Accrued Interest	97.77	320,694	109.47	359,094	0.33	18,041	1,503	2.84
					1,711	0.00			
			359,433		405,958	0.37		1,711	
ASSET-BACKED SECURITIES									
1,000,000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17 Accrued Interest	107.25	1,072,500	105.28	1,052,806	0.95	38,000	1,689	0.54
					1,689	0.00			
			1,072,500		1,054,495	0.96		1,689	
COMMERCIAL MORTGAGE-BACKED SECURITIES									
408,556	CREDIT SUISSE FIRST BOSTON MTG 4.691% Due 04-01-37	100.48	410,519	102.96	420,658	0.38	19,165	1,597	2.75
366,849	LB-UBS COML MTG TR 2006-C7 5.300% Due 11-11-38	100.35	368,138	104.51	383,393	0.35	19,443	1,080	2.96
500,000	BEAR STEARNS COML MTG SECS INC 4.674% Due 06-11-41	100.54	502,723	106.84	534,212	0.48	23,370	1,947	1.08
436,650	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41	100.55	439,031	100.97	440,876	0.40	24,094	2,008	1.92
1,000,000	FRN - CD 2005-C1 COMMERCIAL MTG TR 5.218% Due 07-15-44	100.09	1,000,856	109.35	1,093,471	0.99	52,176	4,348	1.14
106,035	COMM 2006-C8 MTG TR 5.248% Due 12-10-46	100.50	106,564	100.78	106,862	0.10	5,565	464	3.49
500,000	FRN - J P MORGAN CHASE COML MTG SECS 5.714% Due 02-12-49	100.21	501,049	115.32	576,602	0.52	28,572	2,381	1.75
33,767	FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-51	100.55	33,952	99.89	33,731	0.03	1,835	153	4.61



Portfolio Appraisal

FAIRBANKS PERMANENT FUND

March 31, 2013

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	116.36	581,800	0.53	29,410	2,451	1.70
					16,429	0.01			
			3,865,313		4,188,036	3.80		16,429	
CORPORATE BONDS									
500,000	ONTARIO PROV CDA 3.500% Due 07-15-13	99.68	498,425	100.92	504,615	0.46	17,500	3,694	0.30
250,000	BP CAPITAL MARKETS PLC 5.250% Due 11-07-13	108.02	270,039	102.79	256,980	0.23	13,125	5,250	0.58
500,000	CREDIT SUISSE NEW YORK 5.500% Due 05-01-14	99.90	499,485	105.20	526,020	0.48	27,500	11,458	0.67
450,000	US BANCORP 4.200% Due 05-15-14	104.98	472,396	104.24	469,102	0.43	18,900	7,140	0.40
600,000	CITIGROUP INC 5.500% Due 10-15-14	101.14	606,826	106.71	640,260	0.58	33,000	15,217	1.09
500,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	98.36	491,795	107.38	536,925	0.49	23,750	1,979	0.86
500,000	MORGAN STANLEY 6.000% Due 04-28-15	99.88	499,380	108.93	544,640	0.49	30,000	12,750	1.60
500,000	CITIGROUP INC 4.750% Due 05-19-15	104.97	524,875	107.27	536,340	0.49	23,750	8,708	1.28
500,000	BANK OF MONTREAL 2.850% Due 06-09-15	100.59	502,930	105.01	525,050	0.48	14,250	4,433	0.54
250,000	HSBC FINANCE CORP 5.500% Due 01-19-16	106.89	267,235	111.30	278,250	0.25	13,750	2,750	1.37
350,000	UNITED HEALTH GROUP INC 5.375% Due 03-15-16	114.09	399,322	112.67	394,355	0.36	18,812	836	1.01
500,000	AT&T INC 2.950% Due 05-15-16	104.33	521,670	105.80	528,990	0.48	14,750	5,572	1.06
500,000	JOHNSON & JOHNSON 2.150% Due 05-15-16	104.26	521,320	104.67	523,355	0.47	10,750	4,061	0.64
1,250,000	TORONTO-DOMINION BANK (144A) 1.625% Due 09-14-16	99.93	1,249,162	102.78	1,284,750	1.17	20,312	959	0.81
500,000	BANK AMER CORP 5.625% Due 10-14-16	99.93	499,670	112.65	563,230	0.51	28,125	13,047	1.91
675,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	104.71	706,819	116.19	784,289	0.71	37,969	17,508	0.96
1,000,000	UBS AG LONDON PRIV PLACEMENT (144A) 2.250% Due 03-30-17	100.93	1,009,300	104.20	1,041,990	0.94	22,500	62	1.17



Portfolio Appraisal

FAIRBANKS PERMANENT FUND

March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
500,000	VERIZON COMMUNICATIONS 5.500% Due 04-01-17	118.36	591,795	116.02	580,110	0.53	27,500	13,750	1.37
750,000	BANK OF NEW YORK MELLON 1.969% Due 06-20-17	102.60	769,522	103.13	773,467	0.70	14,767	4,143	1.21
500,000	CAMPBELL SOUP CO. 3.050% Due 07-15-17	106.83	534,130	107.24	536,225	0.49	15,250	3,219	1.31
500,000	INTERNATIONAL BUSINESS MACHS 5.700% Due 09-14-17	106.27	531,328	119.65	598,230	0.54	28,500	1,346	1.16
750,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	105.77	793,260	117.24	879,292	0.80	46,500	23,250	2.16
500,000	WELLS FARGO & CO 5.625% Due 12-11-17	99.58	497,920	118.28	591,420	0.54	28,125	8,594	1.57
500,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	497,860	119.02	595,125	0.54	28,750	4,792	1.64
575,000	MCDONALDS CORP M/T/N 5.350% Due 03-01-18	107.54	618,377	118.92	683,778	0.62	30,762	2,564	1.36
1,000,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	101.74	1,017,425	118.35	1,183,470	1.07	56,250	23,437	1.83
500,000	GLAXOSMITHKLINE CAP INC 5.650% Due 05-15-18	104.59	522,950	120.88	604,425	0.55	28,250	10,672	1.41
500,000	CATERPILLAR FINANCIAL 7.150% Due 02-15-19	99.16	495,805	129.30	646,510	0.59	35,750	4,568	1.86
600,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	101.40	608,421	125.11	750,642	0.68	45,000	5,750	2.83
600,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	102.81	616,886	117.87	707,244	0.64	28,200	3,603	1.51
600,000	MICROSOFT CORP 4.200% Due 06-01-19	102.24	613,416	114.85	689,082	0.62	25,200	8,400	1.66
750,000	ADOBE SYSTEMS INC 4.750% Due 02-01-20	112.47	843,502	111.98	839,842	0.76	35,625	5,937	2.81
775,000	COMCAST CORP 5.150% Due 03-01-20	116.47	902,635	118.47	918,150	0.83	39,912	3,326	2.25
500,000	PEPSICO INC 3.125% Due 11-01-20	108.06	540,290	107.08	535,400	0.49	15,625	6,510	2.11
750,000	DOW CHEMICAL CO* 4.250% Due 11-15-20	108.13	810,952	109.82	823,627	0.75	31,875	12,042	2.81
786,000	CARGILL INC. (144a) 4.307% Due 05-14-21	98.06	770,763	110.26	866,683	0.79	33,853	12,883	2.88
750,000	GENERAL MILLS INC 3.150% Due 12-15-21	102.88	771,577	104.85	786,397	0.71	23,625	6,956	2.52



Portfolio Appraisal

FAIRBANKS PERMANENT FUND

March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
500,000	BELLSOUTH CORP 6.000% Due 11-15-34	97.52	487,595	111.28	556,395	0.50	30,000	11,333	5.13
500,000	SOUTHERN CAL EDISON CORP BOND 5.950% Due 02-01-38 Accrued Interest	99.54	497,700	129.38	646,920	0.59	29,750	4,958	4.06
					297,461	0.27			
			23,874,761		26,029,040	23.60		297,461	
INTERNATIONAL FIXED INCOME FUNDS/ETF									
42,485	SPDR BARCLAYS CAPITAL INTL D	56.06	2,381,843	58.50	2,485,372	2.25	NA		
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
198,081	VANGUARD INST'L S&P500 INDEX FUND	99.63	19,734,943	143.69	28,462,320	25.81	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
53,610	ISHARES S&P MIDCAP 400	80.22	4,300,789	115.07	6,168,903	5.59	NA		
INTERNATIONAL FUNDS/ETF									
293,234	VANGUARD MSCI EAFE ETF	33.98	9,964,271	36.43	10,682,515	9.69	NA		
EMERGING MARKET FUNDS/ETF									
147,282	VANGUARD EMERGING MARKET ETF	43.28	6,373,794	42.89	6,317,661	5.73	NA		
REAL ESTATE									
80,670	VANGUARD REIT ETF	49.55	3,996,989	70.53	5,689,655	5.16	NA		
CASH AND EQUIVALENTS									
	ALASKA MUNICIPAL LEAGUE INVESTMENT POOL		3,877,842		3,877,842	3.52			
	CASH RECEIVABLE		26,739		26,739	0.02	NA		
	DIVIDEND ACCRUAL		18,780		18,780	0.02			
			3,923,362		3,923,362	3.56			
TOTAL PORTFOLIO			93,397,525		110,276,538	100	1,820,917	385,913	

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



Time Period	Percent Return																		
	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 N.America Bench	Real Estate	S&P US REIT BENCH (former spreit)	Emerging Market Equity	FTSE Emerging Market Bench	Alternative Investments	COMMODITY	Cash and Cash Equivalents	Citigroup 3 Month TBill Index - BENCH
03-31-12 to 04-30-12	0.14	0.57	0.04	1.01	1.11	-0.83	-0.63	-0.36	-0.23	-2.38	N/A	2.86	2.91	-2.10	N/A	-0.47	-0.42	0.00	0.01
04-30-12 to 05-31-12	-3.05	-2.46	0.04	0.52	0.90	-5.89	-6.01	-6.40	-6.48	-11.17	N/A	-4.51	-4.55	-10.66	N/A	-6.43	-9.13	0.00	0.01
05-31-12 to 06-30-12	2.12	1.93	0.05	0.10	0.04	4.12	4.12	2.09	1.89	6.98	N/A	5.49	5.65	5.02	N/A	0.00	5.49	0.00	0.01
06-30-12 to 07-31-12	1.26	1.40	0.04	1.43	1.38	1.39	1.39	-0.22	-0.04	0.25	N/A	2.00	1.96	0.20	N/A	0.00	6.47	0.00	0.01
07-31-12 to 08-31-12	1.12	0.87	0.04	0.36	0.07	2.25	2.25	3.49	3.48	2.96	N/A	-0.01	0.05	0.24	N/A	0.00	1.30	0.00	0.01
08-31-12 to 09-30-12	1.10	1.11	0.04	0.25	0.14	2.53	2.58	1.81	1.94	2.69	N/A	-1.85	-1.88	5.34	N/A	0.00	1.71	0.00	0.01
09-30-12 to 10-31-12	-0.27	-0.27	0.04	0.27	0.20	-1.86	-1.85	-0.75	-0.79	1.06	N/A	-0.91	-0.84	-0.54	N/A	0.00	-3.87	0.00	0.01
10-31-12 to 11-30-12	0.54	0.54	0.04	0.14	0.16	0.58	0.58	2.23	2.20	2.71	N/A	-0.26	-0.28	1.25	N/A	0.00	0.05	0.00	0.01
11-30-12 to 12-31-12	1.00	0.69	0.05	-0.24	-0.14	0.91	0.91	1.44	2.19	4.08	3.36	3.72	3.72	6.72	5.15	0.00	-2.61	0.00	0.01
12-31-12 to 01-31-13	1.85	1.84	N/A	-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	N/A	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	N/A	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
Date to Date																			
03-31-12 to 03-31-13	7.81	7.99	0.00	3.84	3.77	13.94	13.96	16.91	17.83	10.35	-	14.82	15.17	0.75	-	-6.87	-3.03	0.00	0.08

Fairbanks Permanent Fund

FIXED INCOME SUPPLEMENT

for period ending March 31, 2013



Duration



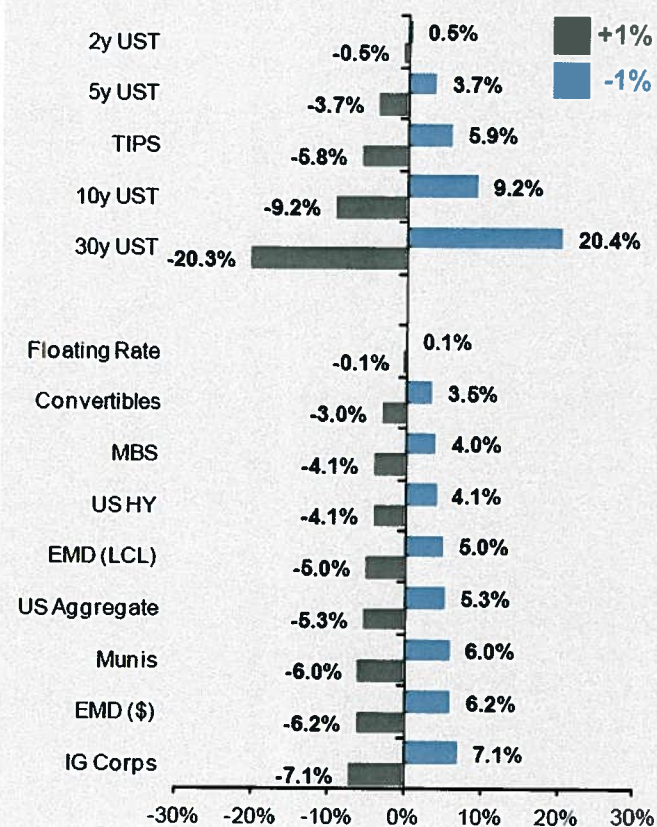
<i>as of March 31, 2013</i>	Portfolio	Index
U.S. Fixed Income <i>Barclays Aggregate</i>	4.36	5.01
TIPS <i>Barclays U.S. TIPS</i>	3.15	8.10
International Bonds <i>Barclays Global Treasury ex U.S.</i>	7.27	7.26

Data: BondEdge Analytics, Barclays

Fixed Income Yields and Returns

U.S. Treasuries	# of issues	Correlation to 10-year	Avg. Maturity	Yield		Return	
				3/31/2013	3/31/2012	1Q13	2012
2-Year	73	0.69	2 years	0.25%	0.33%	0.09%	0.31%
5-Year	60	0.92	5	0.77%	1.04%	0.18%	2.29%
10-Year	21	1.00	10	1.87%	2.23%	-0.31%	4.13%
30-Year	18	0.92	30	3.10%	3.35%	-3.07%	2.34%
TIPS	34	0.62	10	-0.64%	-0.09%	-0.36%	6.98%
Sector							
Broad Market	8,223	0.87	7.2 years	1.86%	2.22%	-0.12%	4.21%
MBS	784	0.81	5.9	2.52%	2.74%	-0.05%	2.59%
Municipals	8,988	0.53	9.9	2.06%	2.47%	0.35%	5.70%
Corporates	4,527	0.52	10.4	2.76%	3.40%	-0.11%	9.82%
High Yield	2,056	-0.22	6.7	5.67%	7.23%	2.89%	15.81%
Floating Rate	314	-0.23	1.8	0.68%	1.44%	0.48%	4.09%
Convertibles	517	-0.28	-	1.06%	0.97%	6.91%	15.64%
EMD (\$)	623	0.23	9.6	4.30%	5.35%	-1.46%	17.95%
EMD (LCL)	430	-0.04	7.0	4.86%	5.95%	0.34%	15.09%

Price Impact of a 1% Rise/Fall in Interest Rates*

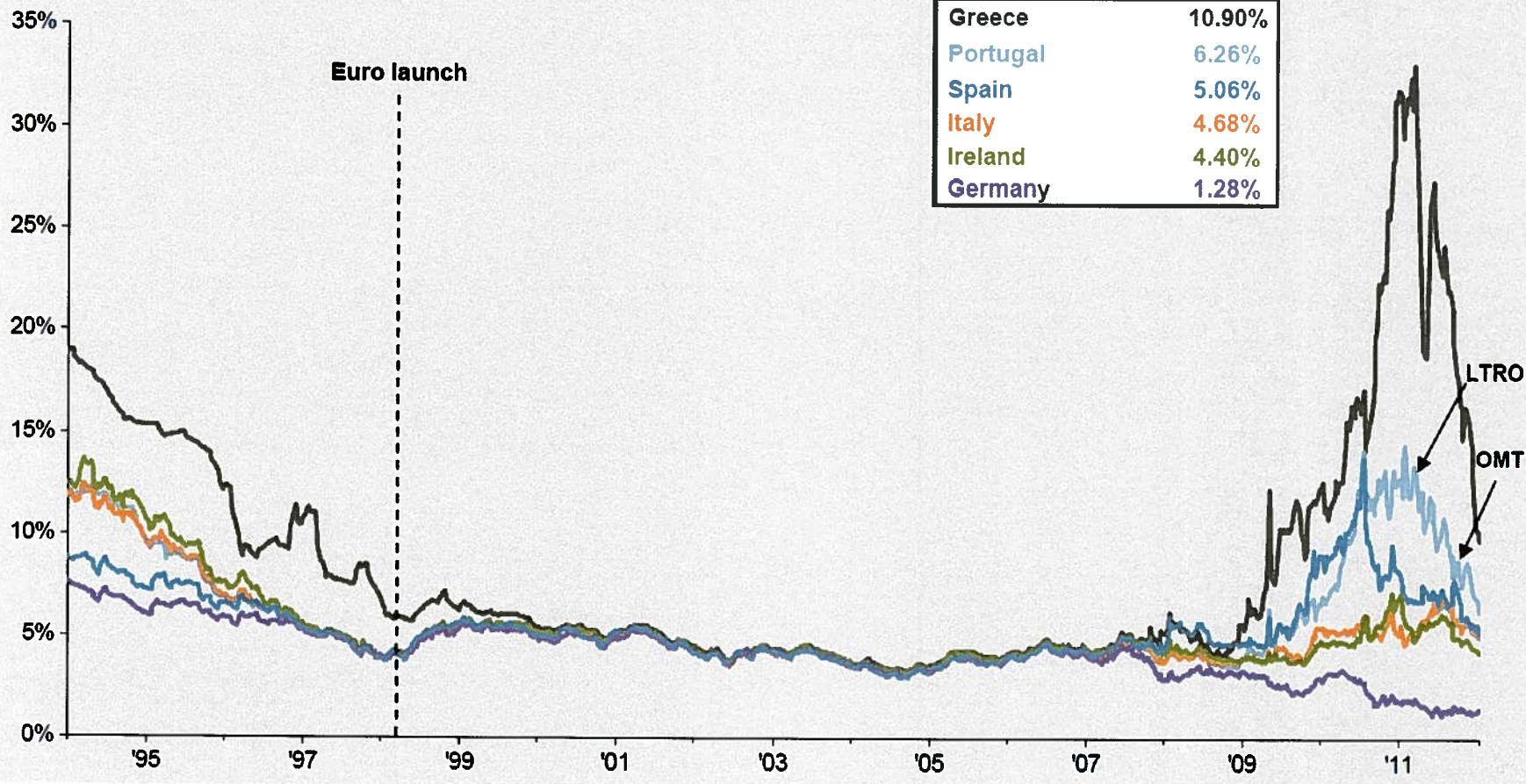


Source: J.P. Morgan Asset Management

Eurozone: Sovereign Bond Yields

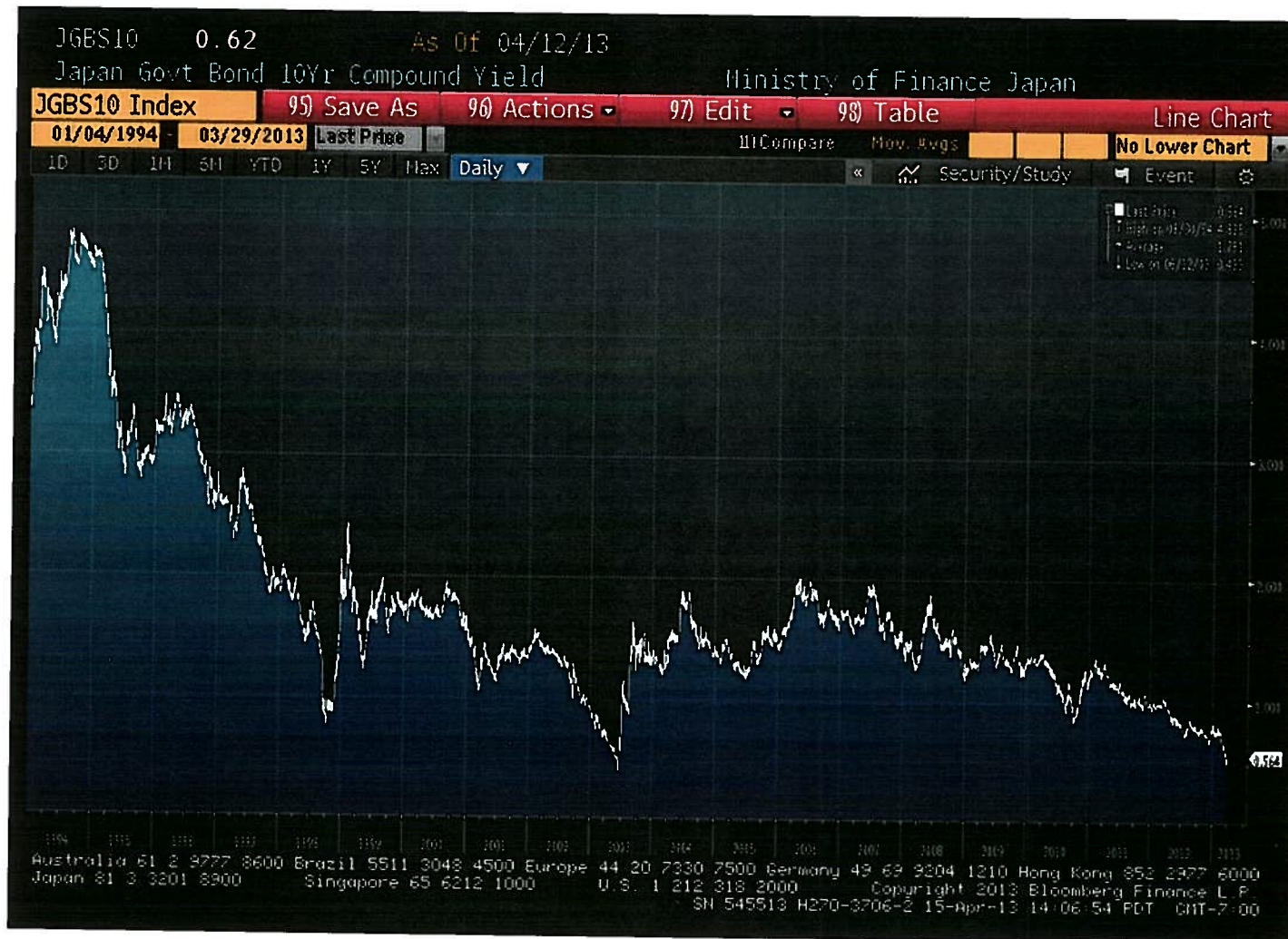
European Sovereign Funding Costs

10-year benchmark bond yield



Source: J.P. Morgan Asset Management

Japan's Lost Decade



Source: Bloomberg

Outstanding CMBS by Vintage

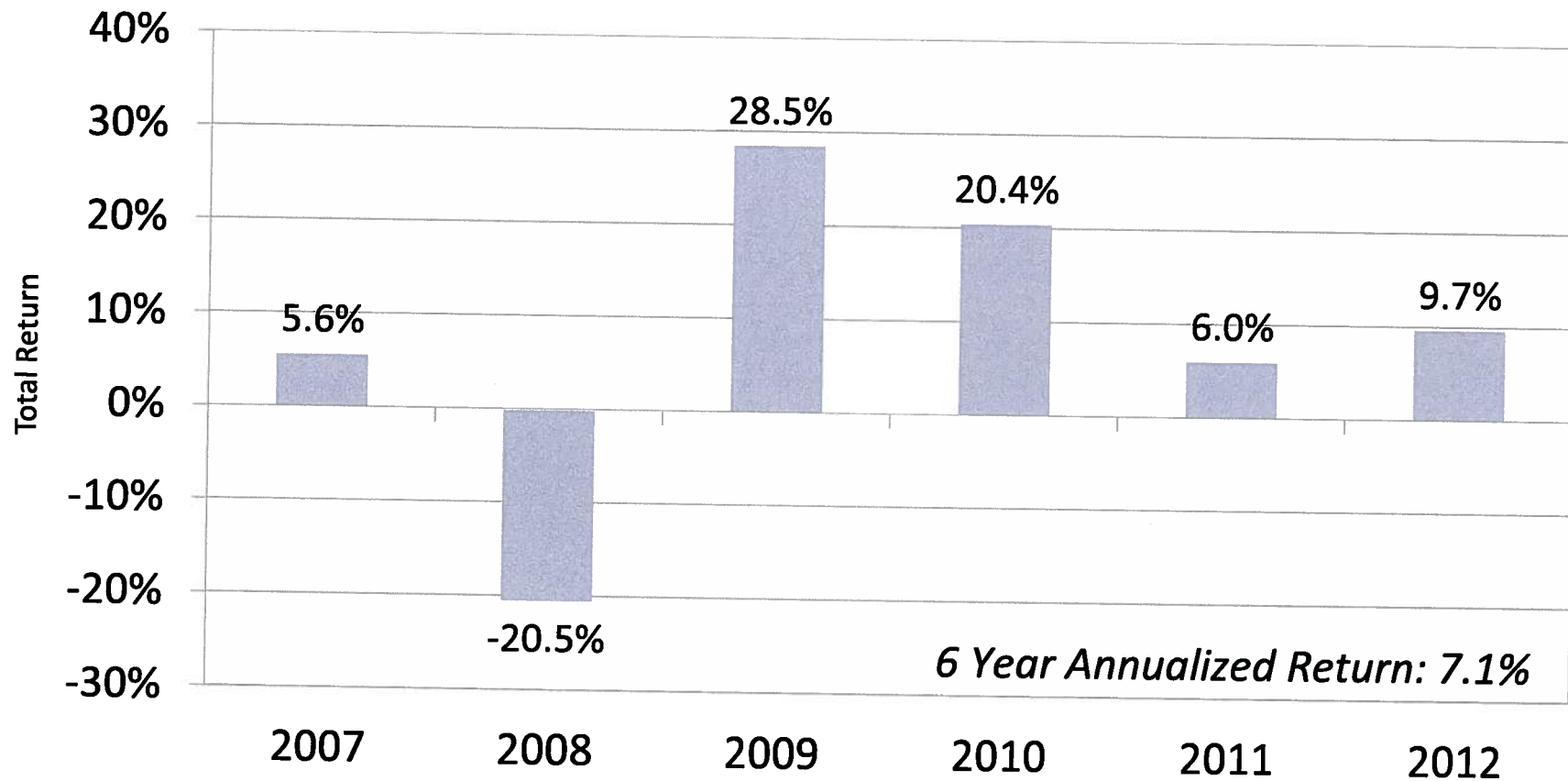
Vintage	Outstanding Bal (\$bn)	Factor (%)	WALA
1998	2.7	5.3	178
1999	2.2	5.9	173
2000	0.9	3.3	157
2001	1.8	5.0	145
2002	1.9	5.2	134
2003	16.4	29.0	116
2004	43.3	53.3	106
2005	92.5	64.6	93
2006	129.9	77.3	81
2007	156.1	82.1	71
2008	9.0	83.3	65
2010	5.2	96.7	32
2011	23.2	99.4	23
2012	32.0	99.3	9
2013	12.7	100.0	2
Pre 2009 Total	456.8	71.0	85
Total	529.8	58.0	75

Source: Barclays

CMBS Performance



Barclays CMBS Index Annual Returns



Data: Barclays

Fairbanks Portfolio by Sector



Portfolio: FAIRBANK (019)
 Pricing Date: 03/28/2013
 Benchmark: BC AGGREGATE INDEX (SLAG)
 Benchmark Pricing Date: 03/28/2013

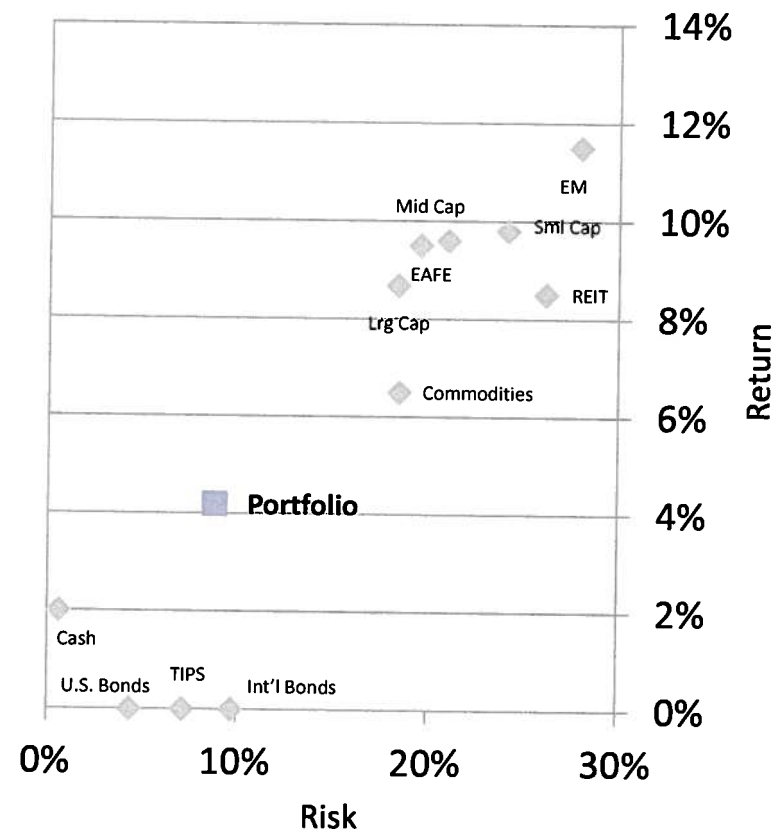
Currency: USD
 Representative:

Sector (U.S.)	Port					Bnchmk					Diff				
	Mkt Val (000)	% Held (MV)	Eff Dur	Contrib Eff Dur	% Total Eff Dur	Mkt Val (000)	% Held (MV)	Eff Dur	Contrib Eff Dur	% Total Eff Dur	Mkt Val (000)	% Held (MV)	Eff Dur	Contrib Eff Dur	% Total Eff Dur
Total:	49,596	100.00	4.358	4.358	100.000	17,060,236	100.00	5.007	5.007	100.000	-17,010,640	0.00	-0.649	-0.649	0.000
USD	49,596	100.00	4.358	4.358	100.000	17,060,236	100.00	5.007	5.007	100.000	-17,010,640	0.00	-0.649	-0.649	0.000
Cash	3,878	7.82	0.085	0.007	0.152						3,878	7.82	0.085	0.007	0.152
U.S. Government	8,219	16.57	9.078	1.504	34.516	6,974,634	40.88	5.140	2.101	41.965	-6,966,415	-24.31	3.938	-0.597	-7.449
Treasury	6,361	12.83	9.764	1.252	28.733	6,171,760	36.18	5.352	1.936	38.666	-6,165,398	-23.35	4.412	-0.684	-9.933
Nominal Pay	6,361	12.83	9.764	1.252	28.733	6,171,760	36.18	5.352	1.936	38.666	-6,165,398	-23.35	4.412	-0.684	-9.933
Agency	1,857	3.75	6.730	0.252	5.783	802,874	4.71	3.511	0.165	3.299	-801,017	-0.96	3.219	0.087	2.483
Credit	26,134	52.69	4.579	2.413	55.364	4,737,643	27.77	6.944	1.928	38.509	-4,711,509	24.92	-2.364	0.485	16.856
Corporate	25,626	51.67	4.664	2.410	55.294	3,731,831	21.87	7.124	1.558	31.122	-3,706,205	29.80	-2.460	0.852	24.172
Industrial	12,703	25.61	5.551	1.422	32.622	2,093,360	12.27	7.626	0.936	18.689	-2,080,658	13.34	-2.075	0.486	13.933
Finance	11,369	22.92	3.141	0.720	16.523	1,235,493	7.24	5.630	0.408	8.143	-1,224,124	15.68	-2.489	0.312	8.379
Utility	1,554	3.13	8.556	0.268	6.150	402,978	2.36	9.094	0.215	4.290	-401,424	0.77	-0.538	0.053	1.860
Non-Corporate	508	1.02	0.298	0.003	0.070	1,005,812	5.90	6.274	0.370	7.387	-1,005,304	-4.87	-5.976	-0.367	-7.317
Sovereign (non-U.S.)						266,565	1.56	7.667	0.120	2.392	-266,565	-1.56	-7.667	-0.120	-2.392
Other Govt	508	1.02	0.298	0.003	0.070	226,825	1.33	9.171	0.122	2.435	-226,317	-0.30	-8.873	-0.119	-2.365
Foreign Agency						268,278	1.57	5.094	0.080	1.600	-268,278	-1.57	-5.094	-0.080	-1.600
Supranational						244,144	1.43	3.357	0.048	0.959	-244,144	-1.43	-3.357	-0.048	-0.959
Securitized	11,365	22.92	1.896	0.434	9.968	5,347,959	31.35	3.119	0.978	19.526	-5,336,594	-8.43	-1.223	-0.543	-9.558
MBS Pass-throughs	6,095	12.29	1.790	0.220	5.047	4,982,779	29.21	3.122	0.912	18.210	-4,976,685	-16.92	-1.332	-0.692	-13.163
Fixed	4,860	9.80	2.125	0.208	4.777	4,783,721	28.04	3.194	0.895	17.884	-4,778,861	-18.24	-1.069	-0.687	-13.106
ARMs/Hybrid	1,235	2.49	0.472	0.012	0.270	199,058	1.17	1.399	0.016	0.326	-197,823	1.32	-0.927	-0.005	-0.056
ABS	1,062	2.14	1.583	0.034	0.778	59,474	0.35	2.945	0.010	0.205	-58,411	1.79	-1.362	0.024	0.573
A AUTO						25,975	0.15	2.057	0.003	0.063	-25,975	-0.15	-2.057	-0.003	-0.063
CARD	1,062	2.14	1.583	0.034	0.778	26,165	0.15	3.544	0.005	0.109	-25,103	1.99	-1.961	0.028	0.669
STR						7,334	0.04	3.949	0.002	0.034	-7,334	-0.04	-3.949	-0.002	-0.034
CMBS	4,208	8.48	2.128	0.181	4.143	305,706	1.79	3.106	0.056	1.112	-301,498	6.69	-0.978	0.125	3.031
CMBS	4,208	8.48	2.128	0.181	4.143	305,706	1.79	3.106	0.056	1.112	-301,498	6.69	-0.978	0.125	3.031

Fixed Income Stress Test

Annualized Return and Risk Assumptions		
5-7 Year Horizon	Return	Risk
U.S. Large Cap Equities	8.7%	18.4%
U.S. Mid Cap Equities	9.6%	21.0%
U.S. Small Cap Equities	9.8%	24.1%
Int'l Developed Equities	9.5%	19.6%
Emerging Market Equities	11.5%	28.0%
REITs	8.5%	26.2%
U.S. Fixed Income	0.0%	4.4%
U.S. TIPS	0.0%	7.2%
International Bonds	0.0%	9.7%
Commodities	6.5%	18.5%
Cash	2.0%	0.6%
Portfolio	4.2%	8.8%

Asset Class Risk vs. Return



Wealth Distribution



Ranges of Expected Portfolio Value Over 5 Years



Portfolio Market Value	
Confidence	Fairbanks Permanent Fund
<i>Best Case</i> 5%	\$148,272,769
25%	\$120,786,951
<i>Expected</i> 50%	\$106,354,567
75%	\$93,265,605
<i>Worst Case</i> 95%	\$77,828,358

	4.5% Annual Distribution Amount		
	Confidence Level		
	95% <i>Worst Case</i>	50% <i>Expected</i>	5% <i>Best Case</i>
2013	\$4.96	\$4.96	\$4.96
2014	\$4.29	\$4.90	\$5.72
2015	\$4.03	\$4.87	\$6.03
2016	\$3.80	\$4.84	\$6.30
2017	\$3.65	\$4.82	\$6.43

Data: Windham Portfolio Advisor. Assumes a portfolio starting value of \$110.3 million and 4.5% annual withdrawals.

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