



FAIRBANKS CITY COUNCIL  
AGENDA NO. 2013-11  
**REGULAR MEETING June 10, 2013**  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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PRELIMINARY MEETING

- I 5:30 P.M. Work Session – Gas Trucking and Distribution
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REGULAR MEETING

- II 7:00 P.M.
1. ROLL CALL
  2. INVOCATION
  3. FLAG SALUTATION
  4. CITIZENS COMMENTS, oral communications to Council on any item not up for Public Hearing. Testimony is limited to five (5) minutes. Any person wishing to speak needs to complete the register located in the hallway. Normal standards of decorum and courtesy should be observed by all speakers. Remarks should be directed to the City Council as a body rather than to any particular Council Member or member of the staff. In consideration of others, kindly silence all cell phone, electronic and messaging devices.
  5. APPROVAL OF AGENDA AND CONSENT AGENDA
- (Approval of Consent Agenda passes all routine items indicated by an asterisk (\*). Consent Agenda items are not considered separately unless a Council Member so requests. In the event of such a request, the item is returned to the General Agenda).

6. APPROVAL OF PREVIOUS MINUTES

- \*a) Regular Meeting Minutes of April 22, 2013
- \*b) Regular Meeting Minutes of May 6, 2013
- \*c) Regular Meeting Minutes of May 20, 2013

7. SPECIAL ORDERS

8. MAYOR'S COMMENTS AND REPORT

9. UNFINISHED BUSINESS

10. 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.
- \*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.
- \*c) Resolution No. 4578 – A Resolution Authorizing the Mayor to Accept Funding for Wickersham Street Improvements. Introduced by Mayor Cleworth.
- \*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.
- \*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.
- \*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.

11. DISCUSSION ITEMS (INFORMATION AND REPORT)  
Committee Reports
12. COMMUNICATIONS TO COUNCIL
  - \*a) Reappointments to the Bed Tax Discretionary Fund Committee
  - \*b) Memo Regarding the Sale of Old City Hall
13. COUNCIL MEMBERS' COMMENTS
14. CITY ATTORNEY'S REPORT
15. CITY CLERK'S REPORT
16. EXECUTIVE SESSION – Labor Negotiations: Fairbanks Fire Fighters Union
17. ADJOURNMENT



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, APRIL 22, 2013  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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The City Council convened at 7:00 p.m. on the above date, following a Work Session with the Lobbyists to discuss the Legislative End of Session Wrap-up, to conduct a Regular Meeting of the Fairbanks City Council at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Acting Mayor Bernard Gatewood presiding and with the following Council Members in attendance:

Council Members Present: Renee Staley, Seat A  
Perry Walley, Seat B (Telephonic)  
Bernard Gatewood, Seat C (Acting Mayor for part of the meeting)  
Jim Matherly, Seat D  
Lloyd Hilling, Seat E  
John Eberhart, Seat F

Absent: Mayor Cleworth (Joined the meeting at approximately 8:00 p.m.)

Also Present: Warren Cummings, Fire Chief  
Ernie Misewicz, Assistant Fire Chief  
Paul Ewers, City Attorney  
Janey Hovenden, City Clerk  
Ryan Rickels, IT Director  
Jim N. Soileau, Chief Financial Officer  
Laren Zager, Police Chief

### **INVOCATION**

The Invocation was given by City Clerk Janey Hovenden.

### **FLAG SALUTATION**

Acting Mayor Gatewood led the Flag Salutation.

### **CITIZEN'S COMMENTS**

Donna Gilbert, 2223 South Cushman Street, Fairbanks – Ms. Gilbert stated that she runs a small business on South Cushman and that there is a major problem with drugs, alcohol, prostitution and criminal activity in the area. She stated that she prides herself on not abusing the Fairbanks Police Department but has had to call them at least four times in recent months to take care of individuals causing problems who were not her customers. Ms. Gilbert recommended that liquor license approvals be considered more carefully for locations in troubled areas of town, such as the Holiday gas station on South Cushman. She insinuated that laws are for selected enforcement and that some people get away with breaking the law simply because they have money.

**Mr. Hilling** asked Ms. Gilbert if she could name something specific the City could do to remedy the problem before the next liquor license renewal.

Ms. Gilbert replied that there is nothing the City can do. She stated that the Fairbanks Police have been very responsive and professional in her dealings with them. She acknowledged that they have done everything they can to fix the problem. She suggested that the liquor license at the Holiday store is contributing to the problems in the south side of Fairbanks and that a liquor license does not belong there.

Ben Wilker, 1429 25th Avenue, Fairbanks – Mr. Wilker stated that he had recently gone to the Building Department to pull a mechanical permit in order to install a new boiler in his home. He stated that he was informed he could not install that particular type of boiler due to City Ordinance No. 5775 which passed in 2009. Mr. Wilker spoke to the Home Heating Protection Act passed in October of 2012 which forbids the Borough from banning, prohibiting or fining residents for the use of home heating devices. He stated that something needs to be done about the energy crisis and encouraged the Council to adopt the Home Heating Protection Act.

**Mr. Hilling** spoke to the language in Ordinance No. 5775 regarding hydronic heaters that states, “No permit shall be issued until standards are adopted by the Fairbanks City Council.” He asked Mr. Wilker if he has confirmed that no standards have been set.

Mr. Wilker replied that he confirmed with the City Building Department that standards had not yet been set.

**Mr. Eberhart** asked what type of boiler Mr. Wilker wanted to install in his home.

Mr. Wilker replied that it is a certified outside coal boiler that meets all Borough standards.

**Mr. Eberhart** asked Mr. Wilker for the location of the property.

Mr. Wilker replied that it is located at 1429 25th Avenue.

Frank Turney, 201 7th Avenue, Fairbanks – Mr. Turney spoke to the tragic death of Johnny Wallace and the irony that he died in a U.S. Post Office. He stated that Mayor Cleworth informed him that the findings of the medical examiner are in, but that the report is in the hands of Chief Zager. He suggested that the City share the results with the family of Mr. Wallace and the public right away. He also suggested that if a reward was offered, someone may come forward with more information about the death of Mr. Wallace. Mr. Turney spoke to the civil lawsuit that ended in a deadlock. He stated that six of the jurors favored the two police officers who filed the suit against the City of Fairbanks. He expressed hope that the City would not litigate the case and spend more money and suggested that the City offer a settlement to the two parties. He questioned why the administration at the time did not forward the case to the Fact Finding Commission for investigation. Mr. Turney stated that he is still trying to gather enough signatures in order to propose a change to the City Charter that would make the position of City Police Chief an elected position.

Amy Geiger, 4400 Stanford Drive, Fairbanks - Ms. Geiger spoke to the Fairbanks Convention and Visitor’s Bureau (FCVB) handout that was distributed earlier. She stated that Fairbanks had an

enormously successful year for press focusing primarily on the Aurora Borealis. She gave a brief summary of the various recognitions Fairbanks received over the winter months. Ms. Geiger showed a three-minute video that will be used in showcasing Fairbanks as a travel destination.

David Lerman, 126 2nd Avenue, #15, Fairbanks – Mr. Lerman stated that he is a candidate in the 2013 Municipal Election. He spoke to the various places he visited in Alaska on his way to Fairbanks when he first moved to the area. He commented that Fairbanks is very captivating for visitors and those new to the area but spoke to the “grime” one notices after a while. Mr. Lerman spoke to the renovation of the Smith Apartments where he lives. He stated that there are still many problems with Fairbanks and that renovation may be a solution. He offered various other solutions such as installing live webcams to mitigate crime. He spoke to the Local Improvement District (LID) that was recently voted down by downtown property owners. He suggested that the Clean Team be expanded to perform trash pick-up services outside of the core Downtown area. Mr. Lerman spoke to the need for a Renovation Task Force in Fairbanks and an ordinance to waive building permit fees.

**Mr. Hilling** asked Mr. Lerman if he believes the City should fund webcams for businesses that request them.

Mr. Lerman replied affirmatively. He stated that the first step to accomplishing that would be to consolidate the police and fire departments to save money.

**Mr. Matherly** asked Mr. Lerman if he had asked his landlord for a key to the basement laundry facility in his apartment complex. He also asked Mr. Lerman if he has spoken to his landlord about installing a webcam on the property and spoken with the owners of the vacant property behind the Bentley Trust area.

Mr. Lerman stated that he had spoken with the owner of his apartment complex. He explained that the owner stated he will not open up the basement laundry facilities because there is too much expensive equipment in there that he doesn't want to put at risk. He stated that he has not spoken with the owners of the Bentley Trust area yet.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger spoke to potholes surfacing with the melting of the snow and ice. He requested that the City be quick to repair and maintain its roads. He stated that there are a few portions on South Cushman that need basic maintenance and repair this year.

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

### **APPROVAL OF AGENDA AND CONSENT AGENDA**

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

**Mr. Hilling** pulled Resolution No. 4571 from the Consent Agenda.

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

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

**APPROVAL OF PREVIOUS MINUTES**

a) Regular Meeting Minutes of March 11, 2013.

PASSED and APPROVED on the CONSENT AGENDA.

b) Regular Meeting Minutes of March 25, 2013.

PASSED and APPROVED on the CONSENT AGENDA.

**SPECIAL ORDERS**

a) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Liquor License Applications for renewal:

Lic #	Establishment Name	License Type	Premise Location	Owner Name
270	Comet Club	Beverage Dispensary	208 Gaffney Road	John H. Moneymaker
576	Club Manchu	Beverage Dispensary	2712 Jessie Street	Randall G. Kelsch
1047	Silver Spur	Beverage Dispensary	No Premise	Jacobson Brothers Inc.
2258	Regency Hotel	Beverage Dispensary-Tourism	95 10th Avenue	Pacific Rim Associates I, Inc.
3282	Sam's Club #6603	Package Store	48 College Rd	Sam's West Inc.
3483	Fairbanks Curling Club	Beverage Dispensary	1962 Second Ave	Fairbanks Curling Club Inc.
4548	Brewsters	Beverage Dispensary	354 Old Steese Hwy	Restaurant Concepts LLC
4678	Fairbanks Junior Ice Dogs	Recreational Site	1920 Lathrop St	Fairbanks Junior Ice Dogs Inc.
4763	Bobby's Downtown	Beverage Dispensary	609 Second Ave	Delta Epsilon Inc.

**Mr. Eberhart**, seconded by **Ms. Staley**, moved to WAIVE Protest on the Liquor License Applications for Renewal, except for Silver Spur.

**Acting Mayor Gatewood** called for Public Testimony and, hearing none, declared Public Testimony closed.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE LIQUOR LICENSE APPLICATIONS FOR RENEWAL, EXCEPT FOR SILVER SPUR, AS FOLLOWS:

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

NAYS: None

**Acting Mayor Gatewood** declared the MOTION CARRIED.

**Mr. Staley**, seconded by **Mr. Matherly**, moved to PROTEST the Silver Spur Liquor License Application for Renewal until all principal, interest and taxes are paid.

**Acting Mayor Gatewood** called for public testimony.

David Lerman – Mr. Lerman spoke to the liquor license renewal process and to the City revenue generated from the alcohol sales tax. He stated that while using alcohol tax to fund government is useful, it creates a problem.

**Acting Mayor Gatewood** interjected and asked Mr. Lerman if he had any specific comments on the liquor license approvals at hand.

Mr. Lerman replied that he did not.

Donna Gilbert – Ms. Gilbert asked Acting Mayor Gatewood which liquor license application for renewal was currently open for Public Testimony.

**Acting Mayor Gatewood** replied that the current liquor license application open for Public Testimony was the Silver Spur.

Ms. Gilbert spoke in favor of protesting the Silver Spur renewal due to their outstanding debt to the City and the absence of a location. She stated that she believes a business holding a liquor license must be active for at least 30 days per year to maintain its license. She requested that the Council look into the matter.

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

**Mr. Matherly** asked about the 30-day active business requirement.

Clerk Hovenden replied that she had spoken with the Alcoholic Beverage Control (ABC) Board about the license and that she was told they had been granted a waiver for not having been in operation. She explained that the board may grant one or two waivers before withdrawing the license if everything else is in good standing. She stated that it is her understanding that the ABC Board has granted the waiver.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO PROTEST THE SILVER SPUR LIQUOR LICENSE APPLICATION FOR RENEWAL UNTIL ALL PRINCIPAL, INTEREST AND TAXES ARE PAID, AS FOLLOWS:

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

NAYS: None

**Acting Mayor Gatewood** declared the MOTION CARRIED.

b) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Liquor License Application for Transfer of Ownership and Restaurant Designation Permit:

Type: Restaurant/Eating Place  
DBA: Wasabi Bay Restaurant, License #4831  
Location: 1448 S. Cushman Street, Fairbanks



From: Chung Pak  
To: Soon Teack Park

**Acting Mayor Gatewood** called for Public Testimony and, hearing none, declared Public Testimony closed.

**Mr. Eberhart**, seconded by **Mr. Hilling**, moved to WAIVE PROTEST on the Liquor License Application for Transfer of Ownership and Restaurant Designation Permit.

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

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

NAYS: None

**Acting Mayor Gatewood** declared the MOTION CARRIED.

### **MAYOR'S COMMENTS AND REPORT**

**Acting Mayor Gatewood** stated that in Mayor Cleworth's absence, he would like to postpone comments until later in the meeting in case Mayor Cleworth arrives and wishes to comment.

### **UNFINISHED BUSINESS**

- a) Ordinance No. 5917 – An Ordinance to Place Before the Voters the Question of Repealing Division 1 of Article II of Chapter 66 of the Fairbanks General Code Regarding Refuse Collection Fees, and Amending City Charter Section 6.5(A). Introduced by Mayor Cleworth. ADVANCED from the Regular Meeting of March 25, 2013.

**Mr. Matherly**, seconded by **Ms. Staley**, moved to ADOPT Ordinance No. 5917.

**Mr. Eberhart**, seconded by **Mr. Hilling**, moved to SUBSTITUTE Ordinance No. 5917, as Amended, for Ordinance No. 5917.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO SUBSTITUTE ORDINANCE NO. 5917, AS AMENDED, FOR ORDINANCE NO. 5917 AS FOLLOWS:

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

NAYS: None

**Acting Mayor Gatewood** declared the MOTION CARRIED.

**Acting Mayor Gatewood** called for Public Testimony.

Donna Gilbert – Ms. Gilbert spoke against Ordinance No. 5917, stating that it jeopardizes the “good guys.” She stated that she pays in excess of \$300 per month to have a private entity pick up the garbage from her small business. She spoke to the equal treatment of citizens by government and stated that she's never minded paying her fair share. She argued that businesses contribute more to City

government through bed tax, liquor tax, tobacco tax and business licenses. She suggested that the City may be trying to punish businesses for the debt of those who do not pay for their garbage service. She spoke to the declining business in Fairbanks and her personal struggles as a business owner. Ms. Gilbert suggested that the City simplify the process by selling specially-marked garbage bags to the public, then pick up only those City bags. She urged the Council to come up with an alternative but equitable plan.

**Ms. Staley** asked Ms. Gilbert if she knew why they discontinued the special bag system.

Ms. Gilbert replied that she did not know much about the old system when it was in place. She stated that she believes the bag system would be worth it even if the City had to hire a part-time employee.

**Mr. Matherly** verbalized his respect for Ms. Gilbert. He pointed out that some people would refuse to buy the bags and asked what the City would do with those who would not cooperate with the system.

Ms. Gilbert stated that the City could fine citizens by the day for garbage that is piled up in non-approved bags. She commented that she doesn't foresee a problem with the system.

**Mr. Matherly** commented that he would like to know why the system was discontinued if there were no problems.

Doug Bishop, 3741 Frenchman Road, Fairbanks – Mr. Bishop stated that he currently serves as CFO for Doyon Utilities. He spoke to Ordinance No. 5917, expressing concern that rolling the garbage service fees into the property tax may “muddy the waters.” He asked the Mayor or Council to address the driving force behind the proposed change. He commented that although the new system would offer the City a savings of \$152,000 in overhead, it would create inequities that are far larger. Mr. Bishop spoke to the currently flawed system as recognized in the ordinance and commented that rolling the fees into the property tax would only perpetuate that flaw. He stated that the new system would increase Doyon Utilities' annual taxes by more than \$180,000. He encouraged the Council to read the letter his company submitted and ask questions.

**Acting Mayor Gatewood** asked why the letter was not given to the City sooner.

Mr. Bishop replied that he was caught a bit off-guard by the evening's meeting and stated that no organization is perfect.

**Mayor Cleworth** asked what the valuation of the plant on Fort Wainwright is. He asked if Doyon Utilities owns the structures but not the land they sit on.

Mr. Bishop replied that Doyon Utilities' asset base on Fort Wainwright is in the \$200 - \$250 million range. He stated that the estimate would include water, wastewater, heat and electrical distribution services on Fort Wainwright. Mr. Bishop confirmed that Doyon Utilities owns the structures, but not the land the structures sit on.

David Lerman – Mr. Lerman spoke to the commonality that Ordinance No. 5917 would create and to the pros and cons of the new system. He suggested that the Clean Team be funded by the new garbage service fees. He stated that trash is a hazard and that if he were on the Council, he would vote in favor of the ordinance.

**Mayor Cleworth** assumed his position as Chairman.

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

**Mr. Hilling** clarified his recent statement to Ms. Gilbert that businesses generally require more services than residential properties. He stated that Ms. Gilbert offered a good argument that businesses contribute more to the City through licensing fees and various taxes. **Mr. Hilling** stated that he had informed Ms. Gilbert that he must have research to back up his claim that businesses use more City services before he would be willing to vote for Ordinance No. 5917. He indicated that his primary reason for supporting the ordinance thus far is simply because of his belief that businesses use more City services than residences. He stated that so far, his research has failed to substantiate his reasoning. **Mr. Hilling** stated that he was surprised to hear Ms. Gilbert quote him as saying that “businesses don’t pay their fair share.” He explained that City Dispatch shows that at least 55% of 9-1-1 calls originate from commercial properties and that 65% of all City property taxes are generated from commercial properties. He stated that he will keep an open mind during discussion on the ordinance.

**Mr. Eberhart** stated that the garbage service issue is a difficult one and that all the Council can do is make their best assessment by looking at the pros and cons. He expressed appreciation to Ms. Gilbert for her testimony and to Doyon Utilities for their letter but stated that he wished the letter had arrived sooner. **Mr. Eberhart** stated that he sees a problem with the optional bag purchase system because a service like garbage that involves so much specialized equipment and manpower requires a substantial customer base. He indicated that the system may not be economical or efficient. He stated that he doesn’t remember the bag system when it was used in Fairbanks. **Mr. Eberhart** commented that many people may fail to purchase the bags and might begin using the Borough’s transfer sites, or they may let their garbage pile up which would create another problem. He spoke to the pros and cons outlined in Ordinance No. 5917. He pointed out that the residents would still have time to discuss the issue to decide their position if the ordinance passed.

**Mr. Matherly** agreed that the issue is a difficult one. He empathized with Ms. Gilbert and Mr. Bishop’s comments regarding fair treatment of citizens. He stated that although he and his family do not use the public school system or the fire or police departments, he does not mind paying taxes because he believes it is for the betterment of the City of Fairbanks. **Mr. Matherly** stated that he has never looked at Ordinance No. 5917 as a way to subsidize those who do not pay for their garbage service. He stated that he would much rather see an issue such as this go before City voters than for the Council to have the power to implement it on their own. He stated that it would never be his intent to hurt businesses but that the voters have the right to speak. **Mr. Matherly** expressed his intent to vote in favor of the ordinance so that the voters can make the decision.

**Mr. Walley** commented on the savings the new garbage service system would offer to the City and to homeowners. He spoke to the supreme court ruling that prohibits the City from placing liens on property for unpaid garbage service. He stated his belief that the proposition, if passed, would be unfair to local businesses. He stated that businesses already pay the majority of the total of City property taxes collected and that the proposition would ask them to start paying for a service that many of them do not use. **Mr. Walley** agreed that businesses generally use more City services but pointed out that commercial properties are worth more thus requiring them to pay more in property taxes. He stated that, in his opinion, they are already paying more for their higher demand on City services. He spoke to the

City Council's duty to make decisions on behalf of the community and expressed his opposition to burdening the voters with the decision. He stated his intent to oppose Ordinance No. 5917.

**Mr. Matherly** asked Mr. Walley for clarification on his statement that the proposition may "burden the voters."

**Mr. Walley** explained that the voters put the Council in office to make these decisions for them. He stated that he does not believe it is fair to pass a complex and difficult decision like this off to the voters.

**Mr. Matherly** commented that the Council rarely places decisions before the voters and stated that some voters may view a Council's decision on such an issue as taking away their rights.

**Mr. Gatewood** stated that the history of the topic and the Council's discussion on the matter thus far proves that the body is not trying to take the easy way out. He spoke to the garbage service issue, stating that it has always been a problematic issue. **Mr. Gatewood** commented that he will be satisfied no matter which way the vote goes.

**Ms. Staley** stated that her problem with the proposition is how it may affect business owners. She spoke to the City's difficulty in collecting on past due garbage accounts. She acknowledged fellow Council Members' points of view on the issue and stated that she is somewhat torn. **Ms. Staley** indicated that it really is the Council's duty to resolve the issue without placing it before the voters.

**Mr. Hilling** asked if there is any more statistical information available.

**Mayor Cleworth** replied that gathering the information is difficult because calls are not logged as residential or commercial. He clarified to the Council that since rolling garbage service fees into the property tax would require a change to the City's charter, it *must* go before the voters if the Council votes unanimously on the ordinance. He further clarified that the Council does not have the independent power to combine the service fees into the tax. **Mayor Cleworth** explained that back in the 1980's, residents were required to purchase special bags for garbage pick-up. He stated that over the years, people began using other containers for their garbage and the City continued to pick it up. He explained that it has been the City's policy since that time to pick up all items, within reason, that residents put out. **Mayor Cleworth** stated that the City has looked at privatization of the utility at least twice but found that the cost to residents would increase and the system would be based on usage. He indicated that the current pick-up system seems to be the most efficient and economical option. He spoke to the time drain on City staff to bill and collect garbage fees and stated that the average resident would save money on their service if the fees were rolled into the property tax. **Mayor Cleworth** stated that the downside to the consolidation into the property tax would be the increase in cost to the commercial property owners. He admitted that the increase would most affect large corporations like Doyon. He expressed appreciation for the Council's input and discussion on the issue. He stated that he will understand if there is not a unanimous vote by the Council to place the proposition before City voters but indicated that it would still leave the City with a huge problem – the 4.9% mill rate, the cap within the cap. He explained that the cap may have to be addressed in the event of a recession or a decline in property values to allow the City to adjust the mill rate. **Mayor Cleworth** stated that the way it is now, if property values increase, the City has to lower the mill rate, and the opposite should apply if property values should fall. He stated that he believes in the tax cap formula and that it is a healthy philosophy for the community. He clarified that this proposition would not only have provided a solution to

garbage billing, but also the City's cap within a cap. He informed the Council that property assessment values are flat this year and that unless there is some major growth in the community, future property tax revenues will drop.

**Mr. Matherly** stated that he does not want garbage to become a problem in the community. He suggested that the City could negotiate with Doyon.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5917, AS AMENDED, AS FOLLOWS:

YEAS: Eberhart, Matherly, Gatewood

NAYS: Hilling, Walley, Staley

**Mayor Cleworth** declared the MOTION FAILED because a unanimous vote was required for adoption.

### NEW BUSINESS

- a) Resolution No. 4570 – A Resolution Authorizing the City of Fairbanks Mayor to Apply for and Accept a FFY2014 Preservation Assistance Grant for Smaller Institutions from the National Endowment for the Humanities. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4571 – A Resolution Authorizing the City Mayor to Apply for and Accept a FFY2013 Bulletproof Vest Partnership Grant from the United States Department of Justice. Introduced by Mayor Cleworth.

There was no motion to put Resolution No. 4571 on the floor. **Mayor Cleworth** asked the Council Member who pulled to resolution to speak.

**Mr. Hilling** spoke to Alaska being the wealthiest state in the Union. He indicated that we should not be leaning on the other states to support our police department. He stated that he will stand on the principle that not only is the City of Fairbanks able to afford the cost on its own, but it would be nice to see the City take a position to stop accepting federal grant dollars. He spoke to the magnitude of the national deficit and to the responsibility government has to future generations. He stated that he will vote against Resolution No. 4571.

A ROLL CALL VOTE WAS TAKE ON THE MOTION TO APPROVE RESOLUTION NO. 4571 AS FOLLOWS:

YEAS: Gatewood, Walley, Eberhart, Matherly, Staley

NAYS: Hilling

**Mayor Cleworth** declared the MOTION CARRIED and Resolution No. 4571 APPROVED.

- c) Resolution No. 4572 – A Resolution to Apply for and Accept Funding from the Alaska Highway Safety Office for FFY2014 Traffic Safety Programs. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- d) Ordinance No. 5918 – An Ordinance to Authorize a Loan to Aurora Energy LLC for Upgrades to Utilities as Part of the Second Avenue/Wickersham Road Reconstruction Project. Introduced by Mayor Cleworth.

ADVANCED on the CONSENT AGENDA.

## **DISCUSSION ITEMS**

### Committee Reports

Public Safety Commission (PSC) – **Mr. Eberhart** stated that the PSC met on April 16. He stated that the Dispatch Center is now fully-staffed after some recent difficulties with a shortage of employees. He shared that Assistant Fire Chief Ernie Misewicz announced that new recruits will come on board in May to bring each shift up to 13 firefighters. **Mr. Eberhart** stated that the administration is considering transportation by ambulance between Chief Andrew Isaac Health Center (CAIHC) and the Fairbanks Memorial Hospital (FMH). He stated that Chief Zager distributed some year-end summary statistics for the Fairbanks Police Department and mentioned that the City is advertising for two positions to reestablish the police records department. He stated that there was discussion about what the police department plans to do for foot patrol in the downtown area this summer and that Chief Zager commended the work of the Community Service Patrol (CSP). He stated that Pat Cole gave an overview of the Public Safety Officer (PSO) concept, which would require some public safety personnel to be cross-trained. He stated that the City has done much research on the PSO concept and the associated costs. **Mr. Eberhart** stated that Chief Zager mentioned that there are over 100 departments in the U.S. where the PSO concept has been implemented successfully. He stated that Mr. Cole expressed concern as to how the City will operate more efficiently with declining revenues. He stated that two videos were presented at the meeting to show the benefits of each side of the issue. **Mr. Eberhart** announced that the next PSC meeting would take place on May 14 at the Fairbanks Fire Department at 11:30 AM. He stated that Fire Chief Cummings will address the PSO concept from his point of view at that meeting.

Permanent Fund Review Board – **Mr. Gatewood** stated that the Permanent Fund Review Board met on April 17, 2013. He provided a brief summary of the City's portfolio. He stated that the City is investing conservatively with minimal risk in order to be good stewards of the people's money. He spoke to draw-downs on the Permanent Fund.

Fairbanks Parking Authority Board – **Ms. Staley** reported that the Fairbanks Parking Authority Board met on April 10, 2013. She stated that the board had so many items to discuss they scheduled another meeting for April 23. She invited the public to attend the board meetings and commented that it would be nice to have more public input and feedback. **Ms. Staley** stated that the board is working with the Downtown Association (DTA) and the Greater Fairbanks Chamber of Commerce to promote use of the parking garage. She stated that the board is also considering "rebranding" the title of the Fairbanks Parking Authority to something more approachable. She stated that the Parking Authority Board is placing a much stronger focus on customer service. She apologized to fellow board members for

missing the last Parking Authority hearing. She thanked Mr. Matherly for attending the last Borough Assembly meeting in her absence.

**Mr. Hilling** asked Ms. Staley if the Northward Building or the bank near the parking garage could be considered “anchor tenants.”

**Ms. Staley** replied that the board recently met with Easy Park, the parking service who owns the 5th Avenue parking garage in Anchorage. She explained that the Fairbanks Parking Garage has several “anchor tenants” but that there is not a constant flow of traffic in and out of the garage. She admitted that until she was elected as a Council Member, she had never parked in the Fairbanks Parking Garage. **Ms. Staley** commented that many people don’t even know the garage is there and that she is trying to create awareness. She commended the owner of Frank’s Menswear for mentioning the parking garage in his advertising.

### **COMMUNICATIONS TO COUNCIL**

a) Public Safety Commission Meeting Minutes of January 8, 2013.

ACCEPTED on the CONSENT AGENDA.

b) Public Safety Commission Special Meeting Minutes of February 12, 2013.

ACCEPTED on the CONSENT AGENDA.

### **COUNCIL MEMBERS’ COMMENTS**

**Mr. Walley** stated that he will provide an update on the FMATS Policy Committee at the next Regular City Council Meeting. He clarified his earlier comments in regard to burdening the citizens of Fairbanks with the proposition on garbage service fees. He explained that he was speaking on behalf of business owners, who would be hurt by the change.

**Mr. Eberhart** expressed his sympathies to the victims of the Boston Marathon tragedy and commended law enforcement for identifying and capturing the bombers so quickly. He stated that these sorts of tragedies have a galvanizing effect on a community. He also expressed his sympathies to the tragedy in West Texas where 12 of the 14 victims were first responders. **Mr. Eberhart** spoke to the risks that public safety personnel subject themselves to every day to protect the public. He commented on the lobbyist’s report to the Council in the earlier work session and stated that it was very informative. **Mr. Eberhart** spoke briefly to the gas distribution issue and expressed hope that it would move forward as quickly as possible in order to bring some energy relief to Fairbanks. He shared that May 1 is Law Day and explained that it is a day to fight against any form of injustice and inequality. He stated that, in workplaces across the U.S., women earn only \$0.77 on the dollar compared to men. He quoted Dr. Martin Luther King’s statement that “Injustice anywhere is a threat to justice everywhere.” **Mr. Eberhart** asked Mayor Cleworth to share any comments he may have about his attendance at the Listening Session for the Programmatic Environmental Assessment for the Army at Fort Wainwright.

**Mr. Hilling** stated that he does not believe it is an injustice to pay an employee a lesser wage because they are of a certain gender. He stated that it is a U.S. citizen’s right to do with their property as they

wish as long as one individual does not take away the rights of another. He challenged Mr. Eberhart to substantiate the wage statistic he quoted. He indicated that women are much less prone to stay in their jobs than men, thus being viewed as more high-risk to employers. He stated that women also tend to take less risky jobs and make a very comparable rate to men when all the variables are taken into account. **Mr. Hilling** explained that another reason why he voted against Resolution No. 4571 is that he doesn't believe the U.S. Constitution provides for the federal government to grant this type of funding to the states. **Mr. Hilling** spoke to Ordinance No. 5917, stating that he does not wish to place something before the voters that he feels is unjust. He stated that the City has not proven that businesses receive more City services for their money. He commented that he does not believe in democracy in the sense that majority groups should make decisions on how to deal with minority groups. He expressed his respect for the points of view of his fellow Council Members. He closed by stating his belief that the Council should not be burdening the voters with issues that the Council is competent to make decisions on.

**Mr. Matherly** expressed appreciation for the different points of view of his peers. He commented to Ms. Staley that he enjoyed attending the Borough Assembly meeting in her absence and stated that he wished there was more interaction between the Borough Assembly and the City Council. **Mr. Matherly** stated that he also enjoyed the presentation by Yuri Morgan, City Lobbyist. He thanked Chief Zager and his staff for providing a tour of their facility to a homeschool student group that his children attended. He thanked all those who addressed the Council during public testimony.

**Ms. Staley** stated that she attended FCVB's Annual Awards Ceremony over the weekend and that it was a fabulous event. She commented that the award for the best new business went to the Running Reindeer Ranch. She stated that she is eager to hear the Mayor's comments on the Listening Session for the Programmatic Environmental Assessment for the Army at Fort Wainwright.

**Mr. Gatewood** thanked Mayor Cleworth for entrusting him with the running of the Council Meeting and also thanked those in attendance for their patience. **Mr. Gatewood** jokingly stated that it sounded as if Mr. Hilling thought it okay for inequality among sexes in the workplace, but not okay for inequality between residential and commercial property owners in relation to garbage service fees. He stated that the garbage service issue was a difficult one and expressed his appreciation for the open debate of the Council. **Mr. Gatewood** stated that his philosophy on politics is, "No permanent friends; no permanent enemies; just permanent issues." He thanked Mr. Walley for his telephonic attendance so that action on Ordinance No. 5917 could be taken.

**Mayor Cleworth** thanked Mr. Gatewood for Chairing the Council Meeting until he arrived. He stated that the balance of the Permanent Fund is currently about \$110 million. He stated that the recession in 2008 caused the fund to suffer a significant loss, dropping it to about \$76 million. He stated that the City draws-down on the fund based on a five-year moving average and that next year the average will go up because 2008 will be excluded. **Mayor Cleworth** stated that he attended the Listening Session for the Programmatic Environmental Assessment for the Army at Fort Wainwright earlier in the evening. He stated that the Army is trying to avoid what has happened with the Air Force, which took the public somewhat by surprise. He stated that the Army is making an effort to gather community input before any decisions are made as to the future of Fort Wainwright. He explained that the three mayors in the area were asked to speak and that he emphasized the strategic importance of Fort Wainwright as an ideal location for deployment of resources and troops. He stated that he feels fairly confident that Fort Wainwright will rank highly when the analysis is complete. **Mayor Cleworth** stated that the City's two



student resource officers (SRO's) are grant-funded positions. He informed the Council that the City has received word that the grant is still available, but that the terms have changed which would burden the school district more than it has in the past. He stated that the administration will begin discussing the issue with FNSB School District Superintendent Lewis to see if he is interested in retaining those grant-funded positions. He explained that the changes to the grant terms would require a contribution from the school district every year during the grant term. **Mayor Cleworth** stated that for the past two summers those SRO officers have served as foot patrol officers, which has been a proactive and friendly way to enforce City Code in the core downtown area. He spoke to the good back-and-forth discussion of the City Council. In Mr. Hilling's defense, **Mayor Cleworth** stated that he has learned not to trust statistics without substantiation. He stated that many studies on wage equality do not factor in the qualifiers that explain how the statistic was calculated. He commented that statistics can be easily "bent."

**Mr. Gatewood** asked Mayor Cleworth if the grant to fund the SRO's is an escalating amount for the three years of funding.

**Mayor Cleworth** explained that the grant offers an equal amount for each of the first three years of the term and, in the fourth year, the funding would solely depend on the school district.

**Mr. Eberhart** asked what the next step would be in the Army's Programmatic Environmental Assessment.

**Mayor Cleworth** replied that the Army accepted written comments at the meeting. He stated that General Garrett gave a lengthy presentation at the beginning of the meeting which he would like to be able to share with the Council. He commented that there was too much information to remember and relate to the Council at this time.

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

a) Results of the Establishment of the Local Improvement District

ACCEPTED on the CONSENT AGENDA.

**Mr. Matherly**, seconded by **Mr. Gatewood**, moved to go into Executive Session for the purpose of discussing Fire Fighters Association (FFA) 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 – FFA

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

**ADJOURNMENT**

**Mr. Hilling**, 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 11:00 P.M.

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JERRY CLEWORTH, MAYOR

ATTEST:

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JANEY HOVENDEN, CMC, CITY CLERK

Transcribed by: DS

DRAFT



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, MAY 6, 2013  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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The City Council convened at 7:00 p.m. on the above date, following a Work Session with Polaris Building owner Marc Marlow, to conduct a Regular Meeting of the Fairbanks City Council at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor Jerry Cleworth presiding and with the following Council Members in attendance:

Council Members Present: Renee Staley, Seat A  
Perry Walley, Seat B  
Bernard Gatewood, Seat C  
Jim Matherly, Seat D  
Lloyd Hilling, Seat E  
John Eberhart, Seat F

Absent: None

Also Present: Clem Clooten, Building Official  
Pat Cole, Chief of Staff  
Warren Cummings, Fire Chief  
Ernie Misewicz, Assistant Fire Chief  
Paul Ewers, City Attorney  
Janey Hovenden, City Clerk  
Michael J. Schmetzer, City Engineer

### **INVOCATION**

The Invocation was given by City Clerk Janey Hovenden.

### **FLAG SALUTATION**

Mayor Cleworth led the Flag Salutation.

### **CITIZEN'S COMMENTS**

Tim Sovde, 402 Bonnifield Street, Fairbanks – Mr. Sovde spoke to Mr. Marlow's intent to use various government programs to assist him with the renovation of the Polaris Building. He commented on the garbage service ordinance that recently went before the Council and thanked the Council for taking his thoughts on the issue into consideration. Mr. Sovde spoke to the Elbasan Acres subdivision appeal that was reviewed by the Borough Planning Commission. He reported that the Commission recognized that there are problems with the plan to subdivide the land but that they are Borough-wide problems unrelated to Title 17. He stated that the Commission voted to deny the appeal because they agreed that the plat met the specifications in Title 17. He stated that the Commission's draft resolution in response to the appeal also had problems.

**Mayor Cleworth** spoke to the appeal on the 1st Avenue rezoning near the power plant. He asked Mr. Sovde if the Planning Commission was unanimous in their decision to support the rezoning of those properties.

Mr. Sovde stated that he did not vote on that particular appeal, but that he recalls it being a unanimous vote by the Commission.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger spoke to Fairbanks as a top travel destination in the United States. He suggested that the City look into providing public restrooms in the Downtown area or to making restrooms more visible and available for tourists. He spoke to his disgust that the public must use their ID as a deposit in order to use the restroom facilities at the transit station Downtown. He suggested that the City use Permanent Fund money to purchase restroom signage in Downtown Fairbanks and to perform basic maintenance and repair on City streets.

**Mr. Hilling** stated that he researched the restroom situation in Downtown Fairbanks and reported that he did not have any problems locating or being granted access to restroom facilities.

David Lerman, 126 2nd Avenue, #15, Fairbanks – Mr. Lerman stated that he is a candidate for the 2013 Municipal Election and commented that it will likely be a difficult campaign due to the incumbents. He spoke to the beginnings of a renaissance in Fairbanks with the new food co-op and the potential for a renovation of the Polaris Building Downtown. He commented that although he didn't understand all of Mr. Marlow's plan, he would like to see the Council give Mr. Marlow a chance to renovate the Polaris Building. He spoke to his ongoing recommendation that the City form a Renovation Task Force to spark the transformation of dilapidated properties in Fairbanks. Mr. Lerman suggested that the City waive building permit fees for those property owners who choose to renovate. He spoke to his website, *Renovation Fairbanks*, and to the need for decibel regulation in Fairbanks. He indicated that many major health hazards go unaddressed because they cannot be seen. Mr. Lerman stated that the City should also look into creating a task force to identify causers of air pollution.

Frank Turney, 201 7th Avenue, Fairbanks – Mr. Turney thanked former Attorney General Charlie Cole and City Chief of Staff Pat Cole for their attendance at the memorial service for longtime attorney Gene Belland at the Morris Thompson Cultural and Visitor's Center. He commented that Mr. Belland was one of the rarest and most genuine lawyers that he had ever met. Mr. Turney announced that he was able to purchase a new riding lawn mower for the Clay Street Cemetery. He thanked the Fairbanks Daily News Miner's Tim Mowery for his article regarding the wait for spring where Mr. Mowry referred to him as a "gadfly." He thanked City Engineer Mike Schmetzer for his expedited snow removal at the Golden Heart Park. He commented that he'd like to see the hour of free parking brought back to the Downtown parking garage.

**Mr. Matherly** asked Mr. Turney if he ever had the opportunity to visit Mr. Belland's house and asked if he knew what would happen to the property. He stated that he would like to see the home preserved as a historic landmark.

Mr. Turney related his experience in visiting Mr. Belland's home.

Floyd Terry, PO Box 73514, Fairbanks – Mr. Terry stated that he can no longer promote a roller rink in the Fairbanks area due to his age and health. He read aloud a portion of an article written about himself

which outlined his vision for and contributions to the Fairbanks community throughout the years. Mr. Terry stated that he is no longer be able to contribute to the community and commented that there are many troubled youths in the area. He stated that Fairbanks must get back to family-oriented values and beliefs.

**Mr. Hilling** asked Mr. Terry to speak to the former Polar Roller rink and the old roller skating rink on Airport Way.

Mr. Terry stated that he has copies of the newspaper article and a history of the roller skating rinks that have been in the Fairbanks and North Pole area with the dates they were in business. He stated that there used to be a roller rink on the Richardson Highway. He stated that a roller rink has to be a privately-owned business and indicated that it may be a way to bring back family values in the community. Mr. Terry stated that he just turned 81 and has had to quit work because of his age and health.

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

### **APPROVAL OF AGENDA AND CONSENT AGENDA**

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

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

City Clerk Hovenden read the Consent Agenda into the record.

### **SPECIAL ORDERS**

- a) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Liquor License Application for Transfer of Location:

Type: Package Store  
DBA: Brown Jug – Fairbanks, License #4076  
Licensee: Liquor Stores USA North Inc.  
  
From: No Premises  
To: 559 Harold Bentley Avenue

**Mr. Matherly**, seconded by **Mr. Gatewood**, moved to WAIVE PROTEST on the Liquor License Application for Transfer of Location.

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

**Mr. Matherly** asked where Harold Bentley Avenue is located.

Ms. Hovenden replied that it is located on the north side of the Johansen Expressway across the street from Barnes and Noble.

**Mr. Gatewood**, seconded by **Mr. Matherly**, moved to POSTPONE the Liquor License Application for Transfer of Location to the Regular Meeting of May 20, 2013.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO POSTPONE THE LIQUOR LICENSE APPLICATION FOR TRANSFER OF LOCATION TO THE REGULAR MEETING OF MAY 20, 2013, AS FOLLOWS:

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

NAYS: None

**Mayor Cleworth** declared the MOTION CARRIED.

### **MAYOR'S COMMENTS AND REPORT**

Presentation of the Fairbanks Prospector GIS Site – Sean O'Shea explained that the Fairbanks Prospector website is a clearing house for all commercial properties available in the Fairbanks North Star Borough. He stated that the site is a searchable database brought to the community by a partnership between the Fairbanks Economic Development Corporation (FEDC), the Anchorage Economic Development Corporation (AEDC) and the Downtown Association of Fairbanks (DTA). Mr. O'Shea gave a brief tutorial on the features of the GIS site.

**Mr. Matherly** asked if the site was more geared towards community make-up rather than specific details about an available property.

Mr. O'Shea stated that individuals uploading property information are encouraged to include details about the property and structure. He stated that the site is intended to be a "one-stop-shop" for commercial property information.

**Mr. Gatewood** asked Mr. O'Shea if there was a downloadable application of the site for smartphones.

Mr. O'Shea replied that there is not a smartphone application available at this time but that the site is formatted for mobile devices.

**Ms. Staley** commented that the website is a great marketing tool. She asked Mr. O'Shea what he is doing to spread the word about the website in other states to bring business to Alaska.

Mr. O'Shea explained that in conjunction with AEDC's efforts to spread the word, tours are being invited to visit Fairbanks. He stated that local organizations are also being encouraged to familiarize themselves with the site.

**Mayor Cleworth** commented on the success of the recent City auction that raised about \$80,000. He spoke to the discussion at the Chamber of Commerce on the Marketplace Fairness Act, a bill in the U.S. Senate that will have an effect on retailers in Alaska. He explained that states, counties and municipalities that have sales tax have lost business to other locations that do not have a sales tax and that the bill is an attempt to regulate internet and mail order sales. He stated that if the bill passes, retailers would be required calculate sales tax according to the location of the purchaser. He stated that the Chamber of Commerce opposes the act along with many other national groups. **Mayor Cleworth** spoke to the earlier public testimony when it was suggested that the City use its Permanent Fund for

improvements in the Downtown area. He clarified that the Council cannot use the Permanent Fund and that it can only be used with the consent of the voters of the City of Fairbanks. He stated that only the portion of the Fund that can be used is outlined in the City Charter. **Mayor Cleworth** thanked the Council for approving Resolution No. 4574 which eliminated the fee for “fix-it” tickets. He explained that in the past the City charged a \$25 administrative fee to dismiss a corrected violation and indicated that it was not a good system. **Mayor Cleworth** stated that all of Mr. Belland’s papers are in City Hall and asked Mr. Ewers to speak to what the City intends to do with them.

Mr. Ewers explained that Mr. Belland’s office space was leased and that there was some pressure after his death to clear out the space. He stated that the City has space available and has agreed to house the documents. He stated that Chris Zimmerman is spearheading efforts to organize the records and contact clients.

**Mayor Cleworth** mentioned the deadlines the City had set for Mr. Marlow and that he would like direction from the Council as to how to proceed with the Polaris Building issue.

### **UNFINISHED BUSINESS**

- a) Ordinance No. 5918 – An Ordinance to Authorize a Loan to Aurora Energy LLC for Upgrades to Utilities as Part of the Second Avenue/Wickersham Road Reconstruction Project. Introduced by Mayor Cleworth.

**Mr. Gatewood**, seconded by **Mr. Hilling**, moved to ADOPT Ordinance No. 5918.

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

**Mr. Gatewood**, seconded by **Ms. Staley**, moved to SUBSTITUTE Ordinance No. 5918, as Amended, for Ordinance No. 5918.

**Mr. Gatewood** asked for information on the changes to Ordinance No. 5918 in the amended version.

Pat Cole explained that there were some details that had not been worked out at the first reading of the ordinance. He stated that Ordinance No. 5918, as Amended, reflects all the changes after the issues were resolved. He pointed out that all the changes are highlighted in yellow.

**Mr. Gatewood** addressed item six of the Terms and Conditions in Attachment A of Ordinance No. 5918, as Amended. He asked what the highlighted statement under that section meant.

Mr. Cole explained that it means if Aurora Energy fails to repay their loan, the City will not pay their heat bill.

**Mr. Eberhart** asked why the City is lending money to the utility instead of carrying a higher share in the cost.

Mr. Cole replied that this is Aurora Energy’s portion of the project and that they have agreed perform the work. He stated that it is important to the City to have the street repaired and the utilities replaced to eliminate future risk.

**Mr. Eberhart** referenced the last paragraph in section one of Attachment A. He asked what “Aurora supplied materials” meant.

City Engineer Mike Schmetzer replied that “Aurora supplied materials” refers to the steam supply, the condensate return and different types of insulation.

**Mr. Eberhart** referenced the term of the agreement which states that upon full repayment of the loan, the City will transfer all the assets to Aurora Energy. He asked if that is typically the way these types of agreements are done.

Mr. Cole replied that the agreement is modeled after the City’s loan agreement with Golden Heart Utilities.

**Mr. Eberhart** spoke to item four in Attachment A which speaks to securing interest. He asked if there is any security for the loan.

Mr. Cole stated that the City owns the facilities until they are paid off and that the City also has leverage with the heat bill.

**Mr. Walley** asked how the five-year term came about.

**Mayor Cleworth** stated that the term of the loan was a compromise. He stated that the project was originally scheduled for 2014, but that the City needs to complete the project this year or lose \$900,000 in funds. He commented that construction funding has become too precious to lose. He stated that it doesn’t make any sense for the City to complete the project this year only to have Aurora Energy tear up the utilities in 2014. He stated that there are problems with the steam pipes in the area which is causing a great deal of energy loss. He indicated that the City has the ultimate collateral and that he is not concerned much with the risk.

**Mr. Matherly** asked if the City would charge late fees or require periodic financial reporting.

Mr. Cole stated that the administration felt that it was a small enough loan that the City could bear the risk.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO SUBSTITUTE ORDINANCE NO. 5918, AS AMENDED, FOR ORDINANCE NO. 5918, AS FOLLOWS:

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

NAYS: None

**Mayor Cleworth** declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5918, AS AMENDED, AS FOLLOWS:

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

NAYS: None



**Mayor Cleworth** declared the MOTION CARRIED and Ordinance No. 5918, as Amended, ADOPTED.

### **NEW BUSINESS**

- a) Resolution No. 4573 – A Resolution Awarding a Contract to Ghemm Company, Inc., for the Police Station Addition Project RFP 13-07 in the Amount of \$460,000.00. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4574 – A Resolution Amending the City Schedule of Fees and Charges for Service for Processing Fee for Correctable Citations. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

### **DISCUSSION ITEMS**

#### Committee Reports

Fairbanks Convention and Visitor's Bureau (FCVB) Board – **Mr. Matherly** provided a brief report on the last board meeting. He stated that much of the discussion centered around the upcoming tourist season and weather conditions. He stated that the general consensus was that tourism may see a small decline in the 2013 summer season. **Mr. Matherly** spoke to the board's discussion on how FCVB may help with the 2014 Arctic Winter Games. He indicated that board may convene once during the summer months.

Fairbanks Parking Authority – **Ms. Staley** reported on the meeting of April 29, 2013. She stated that the board voted to change the makeup of its members by adding a couple of members. She announced that the board also decided to change the name of the Fairbanks Parking Authority to Golden Heart Parking Services. She commented that the Chamber of Commerce has included the parking garage in their map that will be coming out soon. **Ms. Staley** thanked Mr. Turney for attending the meeting.

### **COMMUNICATIONS TO COUNCIL**

- a) Permanent Fund Review Board Meeting Minutes of January 30, 2013.

ACCEPTED on the CONSENT AGENDA.

- b) Memo Regarding the Brown Jug Location Transfer.

ACCEPTED on the CONSENT AGENDA.

### **COUNCIL MEMBERS' COMMENTS**

**Mayor Cleworth** spoke to the current position of the City in relation to Mr. Marlow and the Polaris Building. He stated that a letter had been sent to Mr. Marlow in August of 2012, which provided

deadlines for compliance. He explained that Mr. Marlow contacted the City at the end of March requesting a Work Session with the Council. **Mayor Cleworth** stated that Mr. Marlow indicated in the Work Session that he will have a structural analysis and an appraisal of the building completed within the next five to six weeks. He asked the Council for direction on whether or not the City should pursue abatement or postpone action until the engineer's report is complete.

**Mr. Gatewood** admitted that he did not follow Mr. Marlow's presentation very well. He stated that he did not see a problem with extending the deadline in order to see the results of the structural analysis report. He spoke to the alternative of City abatement and commented that the City does not have the money for such a huge demolition and that he does not like the idea of asking the state for money to destroy the structure. **Mr. Gatewood** stated that if Mr. Marlow's request is for the City to be patient, he doesn't see the harm in doing so.

**Mr. Eberhart** commented that he finds it noteworthy that the only request Mr. Marlow made to the City is for more time. He stated that last time Mr. Marlow came before the Council, he asked for a large sum of money in waivers and concessions. He agreed with Mr. Gatewood's comments that the City cannot afford to destroy the structure. **Mr. Eberhart** spoke in favor of allowing Mr. Marlow more time.

**Mr. Hilling** stated that he would be in favor of extending Mr. Marlow's deadline to the end of August or September of 2013. He indicated that it would not be likely for the City to take abatement action even if Mr. Marlow did not meet a June deadline.

**Ms. Staley** stated that she was excited to have heard Mr. Marlow's presentation. She stated that she is a member of the Urban Land Institute and that she realizes the complexities involved with financing and obtaining grant funding for these types of projects. She agreed with Mr. Hilling that the City should possibly give Mr. Marlow more time than he requested. **Ms. Staley** expressed concern with the layout of the apartments Mr. Marlow proposed.

**Mr. Walley** indicated that he was a little lost during parts of Mr. Marlow's presentation. He stated that he did not see a problem with giving Mr. Marlow more time. He spoke to the importance of the appraisal and to how the results could change the direction of the entire plan.

**Mr. Matherly** expressed his frustration with the issue of the Polaris Building and suggested that Mr. Marlow needs to do some public relations work in Fairbanks. He spoke to his struggle in allowing Mr. Marlow more time but indicated that it may be the only way to proceed. He clarified that he does not agree with extending Mr. Marlow's deadline through September.

**Mr. Eberhart** stated that he does not have a problem with extending the deadline to August or September. He indicated that it is unrealistic to believe that anything could be done with the building for at least a year if Mr. Marlow's plan failed.

**Mr. Matherly** stated that he is eager to see more information regarding an investor in the property. He indicated that the City needs to choose a deadline for Mr. Marlow and stick to it.

**Mayor Cleworth** pointed out that there is no new information on the chart Mr. Marlow presented to the Council and that the financing scheme is exactly the same. He bluntly stated that he has no hope in Mr.

Marlow's plan to renovate the Polaris Building but commented that he doesn't mind giving Mr. Marlow more time.

**Mr. Hilling** moved to EXTEND Mr. Marlow's deadline for the Polaris Building to the end of 2013.

**Mayor Cleworth** declared the motion died for lack of a second.

**Mr. Eberhart**, seconded by **Mr. Matherly**, moved to EXTEND the deadline to September 30, 2013, on the condition that Mr. Marlow obtain building permits and begin construction or demolition by that date.

**Mr. Matherly** spoke to making Mr. Marlow accountable. He spoke to adding language to the conditions that would require Mr. Marlow to bring forth an investor and submit the engineer's findings and appraisal upon their completion for the Council to review.

**Mr. Matherly**, seconded by **Mr. Walley**, moved to AMEND the Motion to Extend the deadline by adding a requirement that Mr. Marlow must submit the engineer's findings and appraisal to the City Council upon their completion or no later than July 15, 2013.

**Mr. Eberhart** stated that the letter to Mr. Marlow in August of last year outlined more dates and deadlines than the current motion. He suggested that the City Council simply change the dates in the letter to require that he repair or demolish the structure accordingly.

**Mr. Hilling** indicated that Mr. Marlow has enormous incentive to succeed. He commented that if the Council is not tough on Mr. Marlow, it doesn't mean he can just kick back and relax. He stated that he doesn't feel that a demolition is in order right away, even if Mr. Marlow's plan fails. He stated that he is not in favor of either the motion or the amendment to the motion.

**Mr. Gatewood** voiced his agreement with Mr. Hilling. He stated that he is willing to give Mr. Marlow some latitude in the hopes that Mr. Marlow comes through on his proposal.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND THE MOTION TO EXTEND THE DEADLINE TO SEPTEMBER 30, 2013 BY ADDING A CONDITION THAT MR. MARLOW MUST SUBMIT THE APPRAISAL AND THE PDC FINDINGS AND STRUCTURAL ANALYSIS TO THE CITY COUNCIL UPON COMPLETION OR NO LATER THAN JULY 15, 2013, AS FOLLOWS:

YEAS: Matherly, Walley, Staley, Eberhart

NAYS: Hilling, Gatewood

**Mayor Cleworth** declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO EXTEND THE DEADLINE TO SEPTEMBER 30, 2013, ON THE CONDITION THAT MR. MARLOW OBTAIN BUILDING PERMITS AND BEGIN CONSTRUCTION OR DEMOLITION BY THAT DATE AND ON THE CONDITION THAT HE SUBMIT THE APPRAISAL AND THE PDC FINDINGS AND STRUCTURAL ANALYSIS TO THE CITY COUNCIL UPON COMPLETION OR NO LATER THAN JULY 15, 2013, AS FOLLOWS:

YEAS: Gatewood, Walley, Eberhart, Matherly, Staley  
NAYS: Hilling  
**Mayor Cleworth** declared the MOTION CARRIED.

**Mayor Cleworth** asked for Council Members' Comments.

**Ms. Staley** stated that she had no comments.

**Mr. Walley** stated that while he would like to see Mr. Marlow succeed and that success of the project would be good for the City of Fairbanks, he has little faith in Mr. Marlow's plan. He indicated that he doesn't see the numbers coming together in Mr. Marlow's favor. **Mr. Walley** spoke to the 2014 Arctic Winter Games and commented that it is important for members of the community to volunteer. He mentioned that clean-up day will take place in the coming weekend and encouraged everyone to participate.

**Mr. Gatewood** stated that Thursday, May 9 is Children's Mental Health Day and shared that the Boys and Girls Home of Alaska held an open house on May 2 to acknowledge the occasion. He stated that he had the privilege of representing the City at the event by reading a Proclamation from the City of Fairbanks. **Mr. Gatewood** extended his congratulations to the ladies inducted into the Girl Scouts Women of Distinction and to the Farthest North Girl Scouts Council for sponsoring the event.

**Mr. Eberhart** shared that May 11 is Lemonade Day in Alaska. He stated that the day is observed to empower today's youth to become tomorrow's entrepreneurs by starting businesses at a young age. He stated that this year Lemonade Day is expected to involve one million kids across the U.S. and spoke briefly to the statistics gathered from 2012. **Mr. Eberhart** spoke of a complaint from a local business owner a few years ago about a child selling lemonade downtown without a business license. He suggested that the administration create a memo exempting youth under the age of 15 from the City business license requirement as long as a supervising adult is involved or amend the City Code to exempt youths under the age of 15. **Mr. Eberhart** reminded everyone of the City's 2013-2014 Street Construction Project Open House in Council Chambers on May 8, 2013 from 4 – 7 p.m. He mentioned that the next Public Safety Commission (PSC) meeting would take place on Tuesday, May 14 at 11:30 a.m. at the Fairbanks Fire Department.

**Mayor Cleworth** clarified that individuals operating a business for five days or less are not required by Code to obtain a business license.

**Mr. Hilling** explained that his reason for voting against the extension for the Polaris Building was that he wanted to give Mr. Marlow more time. He expressed hope that Mr. Marlow succeeds in his efforts, but admitted that he did not understand the entirety of Mr. Marlow's plans. **Mr. Hilling** spoke to his distaste for using government dollars for private benefit and to his own interpretation of capitalism. He spoke against the Marketplace Fairness Act, stating that government should stay out of it completely.

**Mr. Matherly** stated that he enjoys being a part of the City Council. He stated that it is not his intent to be cynical of Mr. Marlow's plans to renovate the Polaris Building because he does wish him success. He commented that he'd like to see Mr. Marlow use an investor because he doesn't believe in handouts. In reference to Mr. Lerman's testimony on noise regulation, **Mr. Matherly** commented that he has never experienced a problem with noise in the City of Fairbanks. He thanked Mr. Terry for his

testimony and saluted him for his efforts in the community throughout the year. **Mr. Matherly** announced that Senior Recognition Day is coming up on Thursday and that he feels honored to have been asked to be a part of the event. He commented on the Fairbanks Parking Authority's name change and stated his belief that Fairbanks is a "nice city" when it comes to parking. He added that they seem to be very fair minded in their dealings.

**Mr. Matherly**, seconded by **Mr. Gatewood**, moved to go into Executive Session for the purpose of discussing the "A" Street Apartments v. City of Fairbanks Litigation.

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

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

### **EXECUTIVE SESSION**

a) "A" Street Apartments v. City of Fairbanks Litigation

The City Council met in Executive Session to discuss the "A" Street Apartments v. City of Fairbanks Litigation. Direction was given to staff, and no action was taken.

### **ADJOURNMENT**

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

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

**Mayor Cleworth** declared the Meeting adjourned at 9:55 P.M.

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JERRY CLEWORTH, MAYOR

ATTEST:

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JANEY HOVENDEN, CMC, CITY CLERK

Transcribed by: DS



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, MAY 20, 2013  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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

Council Members Present: Renee Staley, Seat A  
Perry Walley, Seat B  
Bernard Gatewood, Seat C  
Jim Matherly, Seat D  
Lloyd Hilling, Seat E  
John Eberhart, Seat F

Absent: None

Also Present: Ernie Misewicz, Assistant Fire Chief  
Paul Ewers, City Attorney  
D. Danyielle Snider, Deputy City Clerk  
Ryan Rickels, IT Director  
Michael J. Schmetzer, City Engineer  
Tony C. Shumate, Director Personnel/Purchasing/RM  
Jim N. Soileau, Chief Financial Officer

### **INVOCATION**

The Invocation was given by Deputy City Clerk D. Danyielle Snider.

### **FLAG SALUTATION**

Mayor Cleworth led the Flag Salutation.

### **CITIZEN'S COMMENTS**

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger apologized for having brought the disruptive young lady to the last Council Meeting. He explained that he had offered to give her a ride to Fairbanks and that he did not intend for her to attend the meeting. He spoke to his recent visit to look at a home that was on the foreclosure list. He stated that there were at least ten police officers and IRS representatives at the home. Mr. Buberger stated that he approached an IRS agent and asked to see the title information for the property and was warned by a federal officer to keep his distance. He stated that the following day, he went to the Court House to attend the auction for the home and was again approached by the same federal officer who asked him to stop intimidating the other attendees. He stated that she began taking pictures of him, so he took photos of her doing so in case there was ever a dispute. He asked if the officer's behavior was appropriate or if the City could look into it.

Frank Turney, 201 7th Avenue, Fairbanks – Mr. Turney thanked the Clerks for fixing the headset microphone. He stated that if he had been the host of Senior Recognition Day instead of Mr. Matherly, he would have gone over the top in recognition of the “little guy” in the community, Mr. Floyd Terry. He spoke to the problem with dirty cigarette butts in the Downtown area. He stated that he was recently hired to clean one side of 2nd Avenue by local businesses and commented that some business owners do not want to be taxed for property cleaning services. He stated that he returned to the area later and cleaned the rest of the curbs. He suggested that the City place sand buckets throughout Downtown to cut down on about 50% of the cigarette butt litter. Mr. Turney commented that he was pleased Sam Friedman did a story on the Whorton-Hutton case and stated that he had the opportunity to speak with a couple of the jurors after the case ended. He spoke to Executive Sessions when the Council discusses litigation and stated that he is pretty sure the Council does not get to see the full scope of the case. He commented that former Mayor Harold Gillam disliked Executive Sessions and would say that finances lost should be transparent to the public. Mr. Turney stated that when he runs for public office, he runs for conscious awareness. He spoke to the need for a City Charter change that would make the Chief of Police position an elected office and stated that the responsibility and accountability of that position needs to be on the people of the City of Fairbanks. He expressed his distaste for the IRS and spoke to his recent encounter with an IRS employee.

**Mr. Hilling** asked Mr. Turney to explain how he believes the citizens of the City can make a proper determination on the selection of a Police Chief.

Mr. Turney replied that City voters made a proper judgment when they put Mr. Hilling in office and that he believes they can do the same with a Chief of Police. He stated that one of the best Police Chiefs the City has ever had was a former City Mayor who would talk with people on the street and visit local business owners.

David Lerman, 126 2nd Avenue, #15, Fairbanks – Mr. Lerman stated that he is a candidate for the 2013 Municipal Election. He spoke to his websites, *Renovation Fairbanks* and *Voter Butter*, listing the number of views he has received on the renovation site. He stated that the opening of the co-op market in Downtown Fairbanks and other local events indicate the start of a renaissance. Mr. Lerman spoke in favor of Marc Marlow’s plans to renovate the Polaris Building and suggested that the City take the first step by removing all the debris and old appliances in the structure. He commented that the City should not only waive building permit fees but should also waive or redesign abatement fees. He stated that the City could expand its definition of “abatement” to assist developers in renovation by allowing them the opportunity to finance cost of abatement over a number of years. He suggested calling his new idea the “pay it forward abatement.” Mr. Lerman stated that there is a spot on his *Renovation Fairbanks* referencing the “Polaris Puzzle” where he talks about the idea. He stated that he also believes there should be a decibel regulation task force to identify and educate the public on the harmful effects of noise on human ears and an ordinance for decibel regulation within the City.

**Mr. Matherly** asked Mr. Lerman if he believes the citizens of Fairbanks would support the City if they tore down buildings at no charge.

Mr. Lerman stated that it is all about the City's definition of an abatement. He spoke to the City's current abatement process and suggested other ways to perform the procedure.

**Mr. Matherly** asked Mr. Lerman if he believes it is fiscally prudent to take the City's savings and invest it in dilapidated properties without a guarantee of a return.

Mr. Lerman replied that it is just an idea. He stated that he has many ideas.

**Mr. Eberhart** asked Mr. Lerman if he has spoken to Mr. Marlow about his plans since he came before the Council at the last meeting.

Mr. Lerman replied that he had not spoken to Mr. Marlow since that time.

**Mr. Eberhart** stated that he believes abatement means demolition and disposal. He asked Mr. Lerman if he believes abatement means the same thing.

Mr. Lerman replied that he thinks abatement means removal of trash and debris. He stated that he envisions the City being constructively engaged in the abatement of the Polaris Building.

**Mr. Eberhart** asked Mr. Lerman if he has spoken to the Borough to see if they are willing to contribute to the project or waive the tipping fees for disposal.

Mr. Lerman replied that he has not spoken with the Borough about the possibility of waiving tipping fees. He commented that the Polaris Building is a huge puzzle and that one piece must be solved at a time. He indicated that a Renovation Task Force may be the best way to succeed.

**Mr. Matherly** asked Mr. Lerman if he would agree that the City has no control over Mr. Marlow's building.

Mr. Lerman replied affirmatively. He suggested that even though the Polaris Building is private property, the City has some power and could expand the definition of abatement.

David van den Berg, Executive Director of the Downtown Association – Mr. van den Berg distributed a summary of the Community Service Patrol's (CSP) operations for 2012. He announced that the DTA would be hosting the Downtown Market from June 3 through September 16 in the Golden Heart Plaza on Monday evenings. He shared that the Midnight Sun Festival would take place on Sunday, June 23 from noon to midnight. Mr. van den Berg provided details about the statistics provided in the handout regarding calls and transports of the DTA in 2012. He commented on the steady increase in the number of transports from 2009 to 2011 and on the sharp increase from 2011 to 2012. He stated that the vast majority of individuals being transported have a blood alcohol content (BAC) of about 0.2%. He stated that although the number of transports is increasing, the statistics prove that the transports are warranted. He spoke to the successful coordination between the Housing First Project and the CSP. He indicated that individuals who become residents at the facility are not being transported as often by the CSP.

**Mr. Gatewood** asked what the term "unique" meant in the context of the table of transports.



Mr. van den Berg explained the term by referencing the number of transports for 2010. He stated that although there were 1,412 transports that year, those transports only served 361 individuals.

**Mr. Eberhart** expressed confusion as to why the number of transports has increased so significantly while the number of calls for service have remained fairly constant. He asked Mr. van den Berg if there had been a change in policy that may have had an effect on the statistics.

Mr. van den Berg replied that there has not been a change in policy. He explained that the statistic puzzled him as well and that is why he went one step further to explore the (BAC) for 2012.

**Mr. Hilling** asked Mr. van den Berg if he believes the statistics show that the level of inebriation is increasing.

Mr. van den Berg stated that he did not perform the BAC analysis for the other years, so he is unsure whether or not the level of inebriation is increasing. He indicated that he would be willing to research the BAC numbers for 2010 and 2011. He stated that his purpose in performing the analysis was to see if the CSP was operating within their scope of service.

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

### **APPROVAL OF AGENDA AND CONSENT AGENDA**

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

**Mayor Cleworth** stated that Ordinance No. 5919 needs to be ADVANCED to the Regular Meeting of June 24, 2013, according to federal law to allow 30 days for public comment.

**Mr. Eberhart** stated that he had read Attachment A to Ordinance No. 5919 in its entirety. He stated that he noted some possible corrections and gave them to Mr. Ewers for review.

**Mayor Cleworth** called for objection to the ADVANCEMENT of Ordinance No. 5919 to the Regular Meeting of June 24, 2013, and, hearing none, so ORDERED.

**Mayor Cleworth** called for objection to the APPROVAL of the Consent Agenda, as Amended, 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 8, 2013.

PASSED and APPROVED on the CONSENT AGENDA.

**SPECIAL ORDERS**

- a) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Liquor License Application for Transfer of Location:

Type:	Package Store
DBA:	Brown Jug - Fairbanks, License #4076
Licensee:	Liquor Stores USA North Inc.
From:	No Premises
To:	559 Harold Bentley Avenue, Fairbanks

**Mayor Cleworth** pointed out that both the Building and Fire Departments have entered recommendations to protest the transfer because a Certificate of Occupancy has not been issued. He stated that he would recommend a motion to protest, contingent upon the issuance of a Certificate of Occupancy.

**Mr. Eberhart** stated that he thought the Council typically moves to waive protest subject to a Certificate of Occupancy.

**Mayor Cleworth** replied that the standard procedure is just the opposite, a protest contingent upon the Certificate of Occupancy.

**Mr. Eberhart**, seconded by **Mr. Gatewood**, moved to PROTEST the Liquor License Application for Transfer of Location, contingent upon the issuance of a Certificate of Occupancy.

**Mayor Cleworth** called for Public Testimony.

David Lerman – Mr. Lerman stated that he reads the newspaper and sees the harmful effects of alcohol. He stated that he intends to do some research to find out what percentage of alcohol taxes funds City government. He commented that adding more liquor into the City of Fairbanks is a bad idea. Mr. Lerman stated that when he campaigns, he receives feedback indicating that the public is concerned about DUI's and alcohol consumption.

Frank Turney – Mr. Turney stated that he was a strong critic of the alcohol industry for years but that the industry has come a long ways in taking care of their own.

O.C. Madden, 17228 Laoana Drive, Eagle River, Alaska – Mr. Madden stated that he is the General Manager of Brown Jug and has been with the company for nearly 25 years. He expressed his sensitivity to the concerns that had been voiced regarding DUI's and harmful effects of alcohol. He stated that Brown Jug has had a long history and has been nationally recognized for their responsible beverage retailing model. He stated that Brown Jug has set the tone in the State of Alaska for responsible retailing of alcohol and has been instrumental in

writing a number of laws addressing underage drinking. Mr. Madden stated that they have set the tone in Anchorage by refusing to serve known public inebriates. He offered to answer any questions from the Council.

**Mr. Hilling** asked Mr. Madden to comment on the City Building and Fire Department's recommendation to protest.

Mr. Madden replied that it is typical procedure in Anchorage and Mat-Su for governing bodies to approve liquor licenses contingent upon the issuance of a Certificate of Occupancy. He explained that his company is in a difficult position because the corporation, Liquor Stores General Partnership, has sensitive rules and bylaws that disallow the start of construction until a license is approved by the Alcoholic Beverage Control (ABC) Board.

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

**Mr. Eberhart** remarked that it sounds as if the project cannot move forward without a conditional approval of their liquor license. He stated that although the Council may have done these types of approvals differently in the past, he would like to conditionally waive protest on the Brown Jug.

**Mr. Eberhart**, with the concurrence of the second, WITHDREW his motion to PROTEST.

**Mr. Eberhart**, seconded by **Mr. Gatewood**, moved to WAIVE PROTEST on the Liquor License Application for Transfer of Location, subject to final inspection and the issuance of a Certificate of Occupancy.

City Attorney Paul Ewers explained that liquor licenses are issued by the ABC Board. He stated that this is the City's opportunity to weigh in on the matter and that while he is unsure whether or not they will issue the license based on the City's recommendations, he believes the Council's input weighs heavily on their decisions. Mr. Ewers informed the Council that notice has been sent to surrounding property owners and that the location is in an industrial area. He stated that he agrees that the Mayor was correct that the Council's typical procedure is to protest with contingencies but indicated that Brown Jug's situation is somewhat different since there is no structure.

**Mayor Cleworth** expressed fear that the City would have no "hammer" should the Council choose to waive protest. He again recommended that the Council move to protest contingent upon the issuance of a Certificate of Occupancy. He pointed out that the ABC Board has the final say in the matter and that the City Council is only an advisory body for these types of approvals. He indicated that it is not the City's duty to work around the corporate policies of a business.

**Mr. Hilling** stated that it seems that the risk is on the business to follow through to obtain the Certificate of Occupancy.

**Mayor Cleworth** stated that the Council has waived protest on licenses in the past with small conditions, such as parking lot lighting.

**Mr. Eberhart** clarified that his motion is for a conditional approval. He stated that he must rely on Mr. Madden's testimony and the good track record of the Brown Jug company.

**Mr. Gatewood** agreed with Mayor Cleworth that it is not the City's duty to worry about corporate policy but stated that he doesn't see a problem with the motion. He spoke to the significant role of the Council in the approval of liquor licenses. He stated that if Mr. Eberhart's motion paves the way for a new business in the community, he believes it is not a big deal to give the conditional approval.

**Ms. Staley** asked if any correspondence had been received from property owners in the surrounding area.

Deputy Clerk Snider stated that notice of the new license was advertised in the newspaper and that property owners were notified by mail. She stated that she is unsure of the length of the objection period.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE LIQUOR LICENSE APPLICATION FOR TRANSFER OF LOCATION, SUBJECT TO FINAL INSPECTION AND THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY, AS FOLLOWS:

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

NAYS: None

**Mayor Cleworth** declared the MOTION CARRIED.

- b) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the following Liquor License Request to Extend Alcohol Consumption Area:

Type: Beverage Dispensary License  
DBA: Rock N Rodeo, License #1377  
Applicant/Licensee: Scruff-N-Pork's Inc.  
Location: 600 Old Steese Hwy, Fairbanks

**Mr. Hilling**, seconded by **Ms. Staley**, moved to GRANT the Extension of the Alcohol Consumption Area.

**Mayor Cleworth** called for Public Testimony.

David Lerman – Mr. Lerman stated that he has run for candidacy in the City for five years and that he has talked to many people while riding around on his bike. He stated that he is always surprised at how many people express concern about DUI's and alcohol in Fairbanks. Mr. Lerman spoke to the alcohol saturation in Fairbanks and stated that while he is not against free enterprise, he is hesitant to support bringing more alcohol to Fairbanks.

Frank Turney – Mr. Turney stated that Fairbanks has come a long way since the 1980's as far as alcohol and inebriates are concerned. He stated if the City did away with alcohol, it would also eliminate the need for judges, attorneys, and mental health and detox facilities.

**Mr. Eberhart** asked Mr. Turney if he had an opinion on this particular request to expand the alcohol consumption area.

Mr. Turney stated that he does not have a problem with the expansion.

Victor Buberger – Mr. Buberger suggested that the Council approve the expansion and any more that come along. He questioned whether or not these types of dispensaries must serve food in order to keep their license. He stated that he likes the idea of an outdoors drinking area where people can play horseshoes and darts.

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

**Mayor Cleworth** stated that there are two protests, one from the Building Department and one from the Fire Department. He stated that the City has not received any plans for the extended area and that he is concerned that the expansion will take away required parking space.

**Mr. Matherly** asked why the request was being brought before the Council.

City Attorney Ewers stated that he is unsure whether he has seen such a request before. He stated that since the request must be received by the ABC Board, the Board has referred it to the City to see if there are any objections.

**Mr. Matherly** asked if the ABC Board may still approve the request even if the City objected.

Mr. Ewers explained that in some years past, the chances of having the ABC Board stand by the City's recommendation were not very good. He stated that things have changed substantially and that the Board now considers the Council's recommendations.

**Ms. Staley** spoke to the proposed 6-foot fence around the area and asked if there were any plans to screen the fence. She pointed out that the area is in a very public place. She also expressed concern about parking.

Assistant Fire Chief Ernie Misewicz came forward to answer questions. He stated that the City has not received any plans other than the drawings that were included in the agenda packet. He stated that there are life safety concerns in the proposed extension such as egress points and indicated that the area may encroach onto another property.

**Mr. Matherly** stated that other bars in town have outside drinking areas. He asked Mr. Misewicz if it is correct to assume that the City has approved similar expansions in the past. He suggested that the City first look into the property issue to ensure that Curtis Hatcher owns the area in question.

Mr. Misewicz replied that the City has approved outdoor drinking areas in the past but only after having approved a set of plans prior to construction. He indicated that the Fire Department's biggest concern with the expansion is the life safety issue.

**Mr. Eberhart** commented on Police Chief Zager's concern with crowd control and stated that he was surprised that no one from the Police Department was there to speak to the issue. He asked Mr. Misewicz if the Rock N Rodeo was the same bar where there were big fights in the parking lot a few months ago.

Mr. Misewicz replied affirmatively.

**Mr. Eberhart** stated that he was also surprised that the business owner, Curtis Hatcher, was not present to speak on behalf of the expansion or to answer questions. Mr. Eberhart asked Mr. Misewicz if he knew the hours of operation or the security setup for the business.

Mr. Misewicz replied that he does not know the hours of operation and that he knows very little about their security system.

**Mr. Eberhart** stated that he believes Mr. Misewicz has given the Council sufficient reason not to grant the expansion at this time.

**Mr. Walley** asked if the new outdoor area would increase the occupancy of the building.

Mr. Misewicz explained that when a location has an extension of premises, it may extend the square footage and occupancy load. He stated that occupancy and egress are big concerns.

**Mr. Hilling** asked if the situation would be dangerous because the increased number of people may create a problem if everyone moved indoors in the event of an emergency.

Mr. Misewicz replied that the situation Mr. Hilling described would be dangerous but that there were also other concerns. He explained that one of the major exits from the structure would go through the fenced area, which would increase the number of people in the enclosed area beyond its capacity. He stated that there are not sufficient plans that show egress points and setup of the area. Mr. Misewicz stated that the same plan requirements hold true for this type of request as they do for the construction of a building within the City.

**Mr. Hilling** stated that if the area is built and does not comply with City Code, the Fire Department would inspect and require corrections to be made. He asked Mr. Ewers if the Council would be going against its own Code by approving the request to extend without having received plans.

Mr. Ewers stated that there are two tracks, one being the recommendation to the ABC Board and the other being the requirements of the Fairbanks General Code. He indicated that it would be illogical for the Council to grant the expansion knowing that the owner has not met the standards within the City Building and Fire Codes.

**Mr. Hilling** expressed his opinion that the Council should grant the extension and leave the burden on the owner to meet the requirements of the City Building and Fire Codes. He stated that he is not convinced to require the owner to submit full plans to the City before approval of the extension. He commented that there does appear to be a problem with parking and that there may be a conflict with parking space when the new business opens on the adjacent lot.

**Mr. Eberhart** referenced the letter Mr. Hatcher wrote to the ABC Board stating that it simply requests an expansion of the alcohol consumption area. He asked whether or not outdoor areas such as this are issued a Certificate of Occupancy.

Mr. Misewicz explained that normally Certificates of Occupancy are only issued for structures. He stated that his concern is that the area will be constructed without the City's knowledge.

**Mr. Eberhart** commented that Mr. Misewicz has raised some real life safety concerns. He asked if it is likely the ABC Board would grant the extension if the City recommended approval. He expressed concern that if the owner does not build the area in compliance with City Code, the City may not have a "hammer" until the liquor license comes back renewal.

Mr. Misewicz acknowledged with Mr. Eberhart's concerns and stated that if Mr. Hatcher failed to comply with the City, it could ultimately end in a legal battle.

**Mr. Walley** asked Mr. Misewicz if he has had any problems with Mr. Hatcher in the past.

Mr. Misewicz replied that he has worked with Mr. Hatcher on several occasions and that he has been cooperative.

**Mr. Hilling** stated that the idea of an outdoor bar is a delightful thing. He stated that he understands Mr. Eberhart's concern that the City may have no leverage if the area is built out of compliance with City Code. He expressed his intent to vote in favor of granting the extension.

**Mr. Matherly** stated that he does not agree with granting the extension. He stated that he would be more willing to consider the request if plans had been submitted and approved by the Fire and Building Departments. He indicated that Mr. Hatcher may not be taking the request very seriously since he was not present to speak on his own behalf.

**Mr. Eberhart** stated that he wants to be open for business but not at the risk of endangering the public. He agreed with Mr. Matherly that he does not feel comfortable approving the extension.

**Mr. Gatewood** stated that he agrees with Mr. Eberhart and Mr. Matherly. He stated that he wished Mr. Hatcher had been present to answer questions. He spoke to concerns with parking and property encroachment and stated that he would like to see more information before giving his vote of approval. He commented that it was odd and slightly disconcerting that there was no one present to speak on behalf of the Rock N Rodeo.

**A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO GRANT THE EXTENSION OF THE ALCOHOL CONSUMPTION AREA AS FOLLOWS:**

YEAS: Hilling, Walley, Staley  
NAYS: Matherly, Gatewood, Eberhart, Cleworth  
**Mayor Cleworth** declared the MOTION FAILED.

**Mr. Eberhart**, seconded by **Mr. Matherly**, moved to RECONSIDER the Extension of the Alcohol Consumption Area once proper plans have been submitted and approved by City Building, Fire and Police Departments.

Mr. Ewers stated that he is unclear on the intent of Mr. Eberhart's motion.

Ms. Snider stated that the Council must take definitive action on the request so that the Clerk's Office can report their recommendation to the ABC Board.

**Mr. Eberhart** asked Mr. Ewers if a different motion needed to be made.

Mr. Ewers replied affirmatively. He stated that the Council may choose to protest or waive protest subject to certain conditions.

**Mayor Cleworth** suggested that the motion be to deny the request to extend until proper plans have been submitted and approved by City Departments. He stated that if the owner meets the requirements and the City approves the plans, the request would not have to come before the Council again.

**Mr. Eberhart**, with the concurrence of the second, WITHDREW his motion to RECONSIDER.

**Mr. Gatewood**, seconded by **Mr. Matherly**, moved to DENY the Extension of the Alcohol Consumption Area until proper plans have been submitted and approved by City Departments.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO DENY THE EXTENSION OF THE ALCOHOL CONSUMPTION AREA UNTIL PROPER PLANS HAVE BEEN SUBMITTED AND APPROVED BY CITY DEPARTMENTS AS FOLLOWS:

YEAS: Matherly, Staley, Gatewood, Eberhart  
NAYS: Hilling, Walley  
**Mayor Cleworth** declared the MOTION CARRIED.

### **MAYOR'S COMMENTS AND REPORT**

**Mayor Cleworth** asked Garry Hutchison to come forward to brief the Council on the City's 2012 audit. He credited City staff and the auditing crew for completing the audit in record time.

Mr. Hutchison presented the results of the 2012 Financial Audit and Federal and State Compliance Audit. He stated that the City of Fairbanks received a clean opinion of the financial statements without modifications and a clean opinion on the Federal and State Compliance Audit. He added that there were no material financial reporting weaknesses. He stated that the audit was completed 27 days ahead of last year due to the outstanding work of the City's Finance



Department. Mr. Hutchison summarized the narratives and financial statements included in the report.

**Mayor Cleworth** thanked Mr. Hutchison and his firm for their work in performing the audit. He stated that the Denali Borough is interested in City dispatch services as the University will no longer provide the services for them. He stated that the City will meet with them tomorrow to discuss the terms of an agreement. **Mayor Cleworth** spoke to the buzz about Intergovernmental Agreements which are agreements made by municipalities or states with nearby military bases. He stated that the purpose of these types of arrangements is to save money for both the government and the surrounding community. He indicated that there are several possibilities that the military may be interested in, such as fire and EMS protection and dispatch and public works services. He stated that the City will have a “brainstorming” session with the City of North Pole and the Borough to discuss ideas that could save money. **Mayor Cleworth** spoke to the City’s abatement process stating that the Borough has waived tipping fees for the City in the past. He stated that both the Borough and the City may place liens on the property in an attempt to recover abatement costs. He stated that the Borough sent a letter to the City a year or two ago stating that they will no longer do a general waiver for tipping fees, rather they would consider each abatement on a case-by-case basis. He commented that the change has complicated the City abatement process and that the City is looking at only one or two properties to abate in 2013.

**Mr. Eberhart** commented on the growing tourist activity in Downtown Fairbanks. He asked Mayor Cleworth to speak to the status of the Downtown Foot Patrol.

**Mayor Cleworth** stated that the best approach the City has taken to keep law enforcement in the downtown area is the Downtown Foot Patrol. He commented that having officers in the area who know people on a personal level and have a real sense of service are preferable for the Foot Patrol. He stated that he is not a big supporter of task forces and would like to avoid that approach. He stated that the Foot Patrol would be implemented as soon as possible.

**Mr. Eberhart** referenced a letter from a City resident inquiring about traffic calming in her neighborhood. He asked what was being done in response.

**Mayor Cleworth** stated that there is a great deal of correspondence from citizens in regard to traffic calming. He spoke to the speed humps in the Hamilton Acres area and stated that while they offer a solution, they are expensive and difficult to properly construct. He stated that when the City does road maintenance in an area with speed humps, they have to be torn up and reconstructed. He spoke to the City’s current policy not to sponsor speed humps. He commented that another problem with speed humps is that unless they are placed systematically throughout a neighborhood, drivers will simply choose to take an adjacent route that is free of speed humps. He stated that alternate solutions to speed humps are stop signs and radar speed signs. **Mayor Cleworth** indicated that the problem with the particular neighborhood to which Mr. Eberhart was referring is that it would not be a good street to place stop or yield signs. He informed Mr. Eberhart that he emailed the concerned citizen back, stating that the City is testing the radar sign as a possible solution.

**Ms. Staley** asked how much the radar signs costs in comparison to speed humps and whether or not a majority of a neighborhood must be in favor of speed humps in order for them to be put in.

**Mayor Cleworth** replied that he is unsure of the cost of radar signs. He pointed out that the signs are a one-time cost, unlike speed humps which must be maintained. He confirmed that the majority of a neighborhood would have to be in favor of speed humps in order for them to be built.

## **NEW BUSINESS**

- a) Resolution No. 4575 – A Resolution Authorizing the City to Construct and Maintain Pedestrian Improvements at the Intersection of East Cowles Street and 17th Avenue. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Ordinance No. 5919 – An Ordinance Amending Fairbanks General Code Chapter 82 and Adopting Revised Wastewater Treatment Regulations. Introduced by Mayor Cleworth.

ADVANCED on the CONSENT AGENDA to the Regular Meeting of June 24, 2013.

## **DISCUSSION ITEMS**

### Committee Reports

FMATS Policy Committee – **Mr. Walley** spoke to the funding for the artwork that is supposed to go in between the two bridges Downtown. He stated that the federal funds provided for the project came with the stipulation that the artwork must be made in the U.S. with U.S. products. He explained that the winner of the artwork competition was a Canadian couple, which threw a kink in the funding. He stated that the Committee voted to move \$300,000 to the artwork fund so that the project can move forward. He indicated that the federal funding originally set aside can be used elsewhere at a later time. He reported other decisions made by the Committee at the recent meeting. He spoke to the issues with the bike path on the north side of the Chena River.

Public Safety Commission (PSC) – **Mr. Eberhart** stated that PSC Chairman Peter Stern had submitted some questions about the public safety officer (PSO) concept to the administration. He stated that it is his understanding that the administration has decided that implementation of the full-blown PSO concept is not realistic. He discussed the administration's request that the PSC focus on what parts of the PSO concept are feasible under the current collective bargaining agreement (CBA). **Mr. Eberhart** stated that Chief Zager has compiled a list of tasks that do not necessarily require a public safety employee to be a fire fighter or police officer. He announced that the next PSC meeting will be June 11 at the Fairbanks Police Department and that Mr. Stern has asked Chief Zager to refine the task list and present it to the Commission. He stated that the Commission will also discuss duties that may violate the CBA between the union and the City of Fairbanks.

**Mayor Cleworth** stated that the PSO concept would best be fully implemented by a city in its infancy. He indicated that combining two existing departments, each with their own traditions, would be very difficult to accomplish. He emphasized the importance of teamwork amongst City employees, but stated that trying to fully combine the Fire and Police Departments is not feasible. He stated that the City is looking into the duties on both sides to see what can be done to share responsibilities. **Mayor Cleworth** spoke to the merit of the PSO concept and commented that it is a healthy discussion.

### **COUNCIL MEMBERS' COMMENTS**

**Mr. Hilling** spoke to the free time that fire men and women have during a 24-hour shift. He suggested that the down time be used for some sort of cross training. He commented that it may be irrelevant whether or not the union is for it.

**Mr. Matherly** invited everyone to attend a celebration of life event at the hospital from 5 to 7 p.m. on May 22. He agreed with Frank Turney's earlier comment that he should have specifically recognized Floyd Terry at the Senior Recognition Day event. He stated that there were over 450 senior citizens who attended the event. **Mr. Matherly** stated that he also attended a rehearsal for the opening ceremonies of the 2014 Arctic Winter Games at the Carlson Center which will begin on March 15, 2014. He mentioned that since the Fairbanks Convention and Visitor's Bureau (FCVB) Board will not be meeting throughout the summer, he would be willing to attend other committee meetings on behalf of the City, if necessary. He expressed his appreciation for the Mayor's comments in regard to traffic calming and spoke to the problems he sees with speeding in his neighborhood. He stated that he believes the radar signs are very effective in getting drivers to slow down.

**Ms. Staley** commented that she is happy to see nicer weather. She commended everyone who showed up to participate in the Heart Walk on a very cold day. She stated that the grand opening for the downtown food co-op was well attended and commented that it is great to see local businesses thrive.

**Mr. Walley** stated that he has mixed feelings about speed humps. He commented that he likes the flashing radar signs because they are very effective. He spoke to the Illinois Street closure and joked that he forgets about it every day on his way to work. He wished everyone a safe Memorial Day weekend.

**Mr. Gatewood** congratulated the class of 2013, particularly high school students. He stated that it is neat to see kids graduating that he has watched grow up. He gave a special "shout out" to three graduates at the Fairbanks Youth Facility. **Mr. Gatewood** spoke to the significant challenges those kids faced and to their great accomplishment in graduating high school.

**Mr. Eberhart** announced that there would be a graduation ceremony for high school students who have obtained certificates in structural and pipe welding techniques at the Pipeline Training Center at 5 p.m. on May 23. He commented that Memorial Day is a day to honor all of those who have died in the armed services fighting for and protecting our country. **Mr. Eberhart** stated that he has noticed about five small local businesses that have closed recently. He spoke to the difficulties of surviving as a small business owner, but expressed his optimism that new

business will come to Fairbanks. He spoke also to the comeback of American manufacturing and to the local drop in unemployment in April. He stated that mining is forecasted to create 100 new jobs in the Fairbanks area within the year and that healthcare jobs continue to grow. He commented that there are no military deployments scheduled for 2013 and that more visitors are expected to travel to Fairbanks this year. **Mr. Eberhart** stated that a successful natural gas distribution system will also go a long way in reducing the cost of living and creating more jobs in the community. He spoke to his recent visit with Fairbanks Economic Development Corporation's (FEDCO's) Jim Dodson and thanked the organization for the work they do for the community.

### **ADJOURNMENT**

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

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

**Mayor Cleworth** declared the Meeting adjourned at 9:17 P.M.

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JERRY CLEWORTH, MAYOR

ATTEST:

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JANEY HOVENDEN, CMC, CITY CLERK

Transcribed by: DS

**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**

**WHEREAS**, in accordance with FGC Chapter 54, Article IV, Competitive Bidding, bids were solicited for the Slaterville Subdivision Road Resurfacing & Drainage Improvements Project; and

**WHEREAS**, the successful responsive bidder for the project is Exclusive Paving, Inc., of Fairbanks, Alaska; and

**WHEREAS**, funding for this project is provided to the City of Fairbanks through the Alaska Department of Commerce, Community and Economic Development Designated Legislative Grant;

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

SECTION 1. That the Bid by Exclusive Paving, Inc., in the amount of One Million, Four Hundred Twenty-Six Thousand, One Hundred Eleven Dollars and Twelve Cents (\$1,426,111.12) 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 10th Day of June 2013.**

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**Jerry Cleworth, City Mayor**

AYES:  
NAYS:  
ABSENT:  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

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Janey Hovenden, CMC, City Clerk

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Paul J. Ewers, City Attorney

Introduced by: Mayor Jerry Cleworth  
Finance Committee Review: June 4, 2013  
Date: June 10, 2013

**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**

**WHEREAS**, the City of Fairbanks has been notified by the Alaska Division of Homeland Security and Emergency Management that the City of Fairbanks is eligible to apply for Emergency Management Performance Grant (EMPG) funds to enhance response capabilities; and

**WHEREAS**, the City of Fairbanks plans to use the funds to assist in the development of an emergency operations plan and to enhance the continuity of operation plans; and

**WHEREAS**, the City of Fairbanks plans to request \$10,000 and a match of \$10,000 is required; and

**WHEREAS**, the City of Fairbanks will provide the match using currently budgeted personnel costs;

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

**PASSED AND APPROVED AND EFFECTIVE THIS \_\_\_\_\_ DAY OF JUNE 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**  
**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 4577

Abbreviated Title: FFY2013 Emergency Management Performance Grant

Does the adoption of this ordinance or resolution authorize:

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

2) additional support or maintenance costs?      Yes \_\_\_\_\_      No   x  

If yes, what is the estimate? \_\_\_\_\_

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

If yes, how many positions? \_\_\_\_\_

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

**II. FINANCIAL DETAIL:**

<b>ESTIMATED EXPENDITURES</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Beyond</b>	<b>Total</b>
Personnel Wages	\$12,400				\$12,400
Personnel Benefits	\$7,600				\$7,600
Supplies					\$0
Contractual					\$0
Equipment					\$0
Administration					\$0
Travel					\$0
<b>TOTAL</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>

<b>ESTIMATED FUNDING SOURCES</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Beyond</b>	<b>Total</b>
General Fund	\$10,000				\$10,000
Capital Fund					\$0
Federal Grant	\$10,000				\$10,000
State Grant					\$0
Local Contract					\$0
Cash Match					\$0
In-Kind Match					\$0
Other					\$0
<b>TOTAL</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>

Reviewed by Finance Department:

Initial   mb  

Date   5/28/2013

Introduced By: Mayor Jerry Cleworth  
Finance Committee Review: June 4, 2013  
Introduced: June 10, 2013

**RESOLUTION NO. 4578**

**A RESOLUTION AUTHORIZING THE MAYOR TO ACCEPT FUNDING  
FOR WICKERSHAM STREET IMPROVEMENTS**

**WHEREAS**, the City of Fairbanks received an appropriation from the United States Environmental Protection Agency in the amount of \$746,000 for storm water upgrades and funding from the Alaska Department of Transportation & Public Facilities in the amount of \$3,320,000 for utility and road improvements in 2005 for Wickersham Street; and

**WHEREAS**, the City of Fairbanks received an amendment from the Alaska Department of Transportation & Public Facilities to increase the amount of funding to \$5,310,000 for utilities and roadway improvements on Wickersham Street from 1st to 6th, including 2nd and 3rd Avenues from Barnette to Cowles; and

**WHEREAS**, the City of Fairbanks currently maintains these streets and will continue to do so after reconstruction; and

**WHEREAS**, the project cost is currently estimated at \$6,056,000, and a matching contribution is not required;

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

**PASSED AND APPROVED AND EFFECTIVE THIS \_\_\_\_\_ DAY OF JUNE 2013.**

\_\_\_\_\_  
**Jerry Cleworth, Mayor**

AYES:  
NAYS:  
ABSENT:  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Janey Hovenden, CMC, City Clerk

\_\_\_\_\_  
Paul J. Ewers, City Attorney



**CITY OF FAIRBANKS**  
**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 4578

Abbreviated Title: Wickersham Street Improvements

Does the adoption of this ordinance or resolution authorize:

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

2) additional support or maintenance costs? Yes \_\_\_\_\_ No x

If yes, what is the estimate? \_\_\_\_\_

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

If yes, how many positions? \_\_\_\_\_

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

**II. FINANCIAL DETAIL:**

ESTIMATED EXPENDITURES	2013*	2014	2015	Beyond	Total
Personnel Wages	\$385,646				\$385,646
Personnel Benefits	\$115,694				\$115,694
Supplies					\$0
Contractual	\$4,833,500				\$4,833,500
Equipment					\$0
Administration	\$721,160				\$721,160
Travel					\$0
<b>TOTAL</b>	<b>\$6,056,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,056,000</b>

ESTIMATED FUNDING SOURCES	2013*	2014	2015	Beyond	Total
General Fund					\$0
Capital Fund					\$0
Federal Grant	\$746,000				\$746,000
State Grant	\$5,310,000				\$5,310,000
Local Contract					\$0
Cash Match					\$0
In-Kind Match					\$0
Other					\$0
<b>TOTAL</b>	<b>\$6,056,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,056,000</b>

\* If there is a remaining balance, the City will expend the balance for design in 2014 and construction in 2015.

Reviewed by Finance Department: Initial mb

Date 5/28/2013

**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**

**WHEREAS**, the real property assessment rolls have been completed, and the Fairbanks North Star Borough Assessor's Office has advised the City Mayor that the net taxable value of real property as defined by AS 29.71.800 within the City of Fairbanks, Alaska, is estimated at **\$2,496,940,119**.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:**

Section 1. That the rate of levy on the net assessed value of taxable real property is hereby fixed at 5.716 mills for municipal purposes within the City of Fairbanks. The 5.716 mill rate as provided in Fairbanks Charter Section 6.5 is comprised of three parts:

General Fund Expenditures:	4.900 mills
Voter approved services(Prop A):	0.278 mills
Claims & Judgments:	0.538 mills

Section 2. That taxes levied hereby are due, delinquent and subject to penalties and interest as provided by FGC Chapter 74, Article II, City of Fairbanks, Alaska.

Section 3. Taxes in any given year may be paid in two equal installments. The first half of taxes thus levied shall be due on the first day of September in the year in which the taxes are levied and are delinquent if not paid prior to the close of business on that day. The second half of taxes thus levied shall be due on the first day of November in the year in which the taxes are levied and are delinquent if not paid prior to the close of business on that day.

Section 4. The sections, paragraphs, sentences and clauses and phrases of this Resolution are severable. Should any part of this Resolution be declared unconstitutional or otherwise unlawful by a valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or unlawfulness shall not affect any of the remaining sections, clauses, sentences, paragraphs and phrases of this Resolution.

**Passed and Approved this \_\_\_\_\_th day of June 2013.**

\_\_\_\_\_  
Jerry Cleworth,  
CITY MAYOR

AYES:  
NAYS:  
ABSENT  
APPROVED:

ATTEST:

APPROVED AS TO FORM

\_\_\_\_\_  
Janey Hovenden, CMC, City Clerk

\_\_\_\_\_  
Paul J. Ewers, City Attorney

**Taxable Land Value**

2001 Taxable value	\$ 1,166,983,736	
2002 Taxable value	\$ 1,239,597,422	6.22% percent increase from previous year
2003 Taxable value	\$ 1,318,490,000	6.36% percent increase from previous year
2004 Taxable Value	\$ 1,443,372,123	9.47% percent increase from previous year
2005 Taxable Value	\$ 1,594,257,518	10.45% percent increase from previous year
2006 Taxable Value	\$ 1,750,438,337	9.80% percent increase from previous year
2007 Taxable value	\$ 1,907,919,011	9.00% percent increase from previous year
2008 Taxable value	\$ 2,065,162,930	8.24% percent increase from previous year
2009 Taxable value	\$ 2,167,193,061	4.94% percent increase from previous year
2010 Taxable value	\$ 2,420,240,995	11.68% percent increase from previous year
2011 Taxable value	\$ 2,413,004,325	-0.30% percent increase from previous year
2012 Taxable value	\$ 2,452,798,320	1.65% percent increase from previous year
2013 Taxable value	\$ 2,496,940,119	1.80% percent increase from previous year

Introduced By: Mayor Jerry Cleworth  
Finance Committee Review: June 4, 2013  
Introduced: June 10, 2013

**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)**

**WHEREAS**, the City of Fairbanks has received funding for its participation in the Local Emergency Planning Committee (“LEPC”) to plan for responses to emergencies related to hazardous materials; and

**WHEREAS**, the City of Fairbanks partially funds a Fire Department employee to support, sustain, and enhance the LEPC in order to perform its statutory responsibilities under state and federal law; and

**WHEREAS**, the Alaska Division of Homeland Security has awarded \$23,693.00 to the City of Fairbanks, and no matching funds are required;

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

**PASSED AND APPROVED AND EFFECTIVE THIS \_\_\_\_\_ DAY OF JUNE 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**  
**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 4580

Abbreviated Title: SFY2014 Local Emergency Planning Committee (LEPC)

Does the adoption of this ordinance or resolution authorize:

- 1) additional costs beyond the current adopted budget?      Yes \_\_\_\_\_      No   x
- 2) additional support or maintenance costs?      Yes \_\_\_\_\_      No   x    
    If yes, what is the estimate? \_\_\_\_\_
- 3) additional positions beyond the current adopted budget?      Yes \_\_\_\_\_      No   x    
    If yes, how many positions? \_\_\_\_\_  
    If yes, type of positions? \_\_\_\_\_ (F - Full Time, P - Part Time, T - Temporary)

**II. FINANCIAL DETAIL:**

ESTIMATED EXPENDITURES	2013	2014	2015	Beyond	Total
Personnel Wages	\$10,596				\$10,596
Personnel Benefits	\$6,382				\$6,382
Supplies	\$3,100				\$3,100
Contractual	\$1,095				\$1,095
Equipment					\$0
Administration					\$0
Travel	\$2,520				\$2,520
<b>TOTAL</b>	<b>\$23,693</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$23,693</b>

ESTIMATED FUNDING SOURCES	2013	2014	2015	Beyond	Total
General Fund					\$0
Capital Fund					\$0
Federal Grant					\$0
State Grant	\$23,693				\$23,693
Local Contract					\$0
Cash Match					\$0
In-Kind Match					\$0
Other					\$0
<b>TOTAL</b>	<b>\$23,693</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$23,693</b>

Reviewed by Finance Department:      Initial   mb        Date   5/29/2013

**ORDINANCE NO. 5920**

**AN ORDINANCE TO PLACE BEFORE THE VOTERS THE  
QUESTION OF AMENDING CHARTER SECTION 11.1, ANNUAL  
ELECTIONS: TIME**

**WHEREAS**, Charter Section 11.1 states that the regular city election shall be held annually on the first Tuesday after the first Monday in October, or on such other date as may be fixed by ordinance; and

**WHEREAS**, holding the City's regular election on the same date as the Fairbanks North Star Borough's and the City of North Pole's election would be more convenient for local voters, would likely increase voter turnout, and would save the City time and expense; and

**WHEREAS**, the Fairbanks North Star Borough Code of Ordinances 2.12.040, Election times, states that "Annually, on the first Tuesday of October, a regular election shall be held in the borough for the election of vacant borough offices, and for the determination of other matters as may be placed on the ballot"; and

**WHEREAS**, the City of North Pole City Charter, Chapter 10, Section 10.1 states "The regular City elections shall be held annually on the first Tuesday in October or such other date as the Council may provide in the Code. The date of holding regular City elections may not be changed by the Council at any time less than one year prior to the date of the first regular City election affected"; and

**WHEREAS**, in order to hold the general election in conjunction with the Fairbanks North Star Borough and the City of North Pole, the City has, in some years, been required to adopt an ordinance to change the date of the regular election; and

**WHEREAS**, before any deviations to election procedures or processes can occur within the state of Alaska, the Municipal City Clerk is required to request special permission from the U.S. Department of Justice which can take as long as six weeks to receive approval; and

**WHEREAS**, City residents should be given the option to change the election date for the reasons stated above;

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE  
CITY OF FAIRBANKS, ALASKA, as follows:**

**Section 1.** The City Clerk is directed to put the following question on the ballot for the voters of the City of Fairbanks at the 2013 general election:

**Ballot Question No \_\_\_\_:**

**INFORMATION:** The City of Fairbanks, the Fairbanks North Star Borough, and the City of North Pole try to hold the regular municipal election in conjunction each year to make it more convenient for local voters, to increase voter turnout, and to save time and expense for the municipalities. The City of Fairbanks Charter requires that the municipal election be held on the first Tuesday after the first Monday in October, while the other two municipalities hold elections always on the first Tuesday of October. This will occasionally cause a conflict.

Shall the City adopt the same regular municipal election date as that of the Fairbanks North Star Borough and the City of North Pole to ensure they are held in conjunction and change the Charter to reflect the following [with deleted text in ~~strikeout font~~]:

**Home Rule Charter, Article XI. - Elections**

**Sec. 11.1. - Annual elections: Time.**

The regular city elections shall be held annually on the first Tuesday ~~after the first Monday in~~ of October, or on such other date as may be fixed by ordinance.

YES \_\_\_\_\_

NO \_\_\_\_\_

**Section 2.** This ordinance was passed by this Council on the \_\_\_\_ day of \_\_\_\_\_ 2013, but no change will become effective unless and until the question is approved by the voters of the City of Fairbanks.

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**JERRY CLEWORTH, MAYOR**

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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Janey Hovenden, CMC, City Clerk

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Paul Ewers, City Attorney



*City of Fairbanks*



**MEMORANDUM**

To: City Council Members  
From: Jerry Cleworth, City Mayor   
Subj: Request for Concurrence – Bed Tax Discretionary Fund Committee  
Date: May 31, 2013

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Terms for two members of the Bed Tax Discretionary Fund Committee will expire on June 30, 2013. Both expiring members have indicated that they wish to remain on the Commission and are valuable members.

I request your concurrence to the **reappointment** of the following citizens:

Ms. Carter Crawford – Term to Expire: June 30, 2016

Ms. Karen Fox – Term to Expire: June 30, 2016

Thank you.


DDS/



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## MEMORANDUM

To: Mayor Jerry Cleworth and Council Members  
From: Patrick Smith, Property & Development Manager   
Subject: Sale of Old City Hall  
Date: June 4, 2013

The City Council passed Ordinance 5886, As Amended, and effective July 23, 2012, authorizing sale of "Old" City Hall, located at 410 Cushman Street.

At that time, the Council directed that the current occupant, the Downtown Association of Fairbanks (DTA) be given the opportunity to purchase the building until May 31, 2013. The DTA, through its Executive Director, has confirmed that they are unable to secure funding and cannot purchase the property. The deadline has expired.

As Property Manager, I intend to initiate the public sale procedure as set forth in Section 70 of the Code of Ordinances (Real Property). Among other things, the Code states that the property shall be advertised over a two week period, with sealed bids to be opened not less than one week after the advertising period. The City attorney has confirmed that this requirement may be considered a minimum.

I propose to advertise the property for a sixty day period, with bids to be opened one week after the last day of advertising. This will provide better market exposure, and may result in more or better bids. If a satisfactory bid is not received, the property will be re-advertised and negotiated offers will be entertained, as provided by Code.

An independent appraisal was performed by an MAI appraiser in May of 2012. The estimated Fair Market Value under this appraisal is \$180,000. Older properties with limited parking in the downtown core area are known to be a challenge for appraisers to value. It is the sense of the Administration that the \$180,000 figure may be conservative. I propose initial marketing at a price of \$210,000. This will provide a better "reading" of the market, and may result in higher bids. If the suggested \$210,000 is not attainable, other offers can be considered. Offers of less than the asking price will be submitted for Council consideration.

Approval or other direction is requested.