



FAIRBANKS CITY COUNCIL  
AGENDA NO. 2013-06  
**REGULAR MEETING March 25, 2013**  
FAIRBANKS CITY COUNCIL CHAMBERS  
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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REGULAR MEETING

I 7:00 P.M.

1. ROLL CALL

2. INVOCATION

3. FLAG SALUTATION

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

5. APPROVAL OF AGENDA AND CONSENT AGENDA

(Approval of Consent Agenda passes all routine items indicated by an asterisk (\*). Consent Agenda items are not considered separately unless a Council Member so requests. In the event of such a request, the item is returned to the General Agenda).

6. APPROVAL OF PREVIOUS MINUTES

\* Regular Meeting Minutes of February 4, 2013

7. SPECIAL ORDERS

8. MAYOR'S COMMENTS AND REPORT

9. UNFINISHED BUSINESS

Ordinance No. 5916 - An Ordinance Amending the 2013 Operating and Capital Budgets for the First Time. Introduced by Mayor Cleworth. SECOND READING AND PUBLIC HEARING.

10. NEW BUSINESS

\*a) Resolution No. 4568 - A Resolution Awarding a Contract to Richard Stanton Construction, Inc., for the Public Works Facility Additions Project FB-12-52 in the Amount of \$2,000,000.00. Introduced by Mayor Cleworth.

\*b) 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.

11. DISCUSSION ITEMS (INFORMATION AND REPORT)

Committee Reports

12. COMMUNICATIONS TO COUNCIL

13. COUNCIL MEMBERS' COMMENTS

14. CITY ATTORNEY'S REPORT

15. CITY CLERK'S REPORT

16. ADJOURNMENT



FAIRBANKS CITY COUNCIL  
REGULAR MEETING MINUTES, FEBRUARY 4, 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  
   Lloyd Hilling, Seat E  
   John Eberhart, Seat F

Absent:                                 Jim Matherly, Seat D (Excused)

Also Present:                         Paul Ewers, City Attorney  
   Janey Hovenden, City Clerk

**INVOCATION**

The Invocation was given by City Clerk Janey Hovenden.

**FLAG SALUTATION**

Mayor Cleworth led the Flag Salutation.

**CITIZEN'S COMMENTS**

Helen Renfrew, 4097 Yvonne Avenue, Fairbanks Convention and Visitor's Bureau (FCVB) – Ms. Renfrew stated that on January 15, the FCVB hosted the Fairbanks Meeting Ambassadors Reception for meetings that took place in 2012. She stated that there were 20 Fairbanks meeting ambassadors in 2012, representing 12 separate events. She spoke to the significant economic boost the visitors brought to the Fairbanks community. Ms. Renfrew thanked Mayor Cleworth for presenting the award for the Meeting Ambassador of the Year. She spoke to the planning of the 2013 Alaska Federation of Natives (AFN) Convention. She announced that FCVB will be hosting the 6th Annual Interior Tourism Conference on February 5 and 6, 2013 at the Westmark Hotel and thanked Mayor Cleworth for agreeing to give a welcome address at the event.

**Mr. Gatewood** asked if the City's Deputy Chief of Police, Brad Johnson, is still chairing the Health and Safety Committee for the AFN Convention. He asked if there is a calendar for AFN Committee meetings.

Ms. Renfrew confirmed that Deputy Chief Johnson is still the Chair of the Health and Safety Committee. She explained that some of the AFN Committees still need to have a chairperson assigned and that some meetings may not be scheduled until those seats are filled.

Mystiek Lockery, 3095 Amanda Loop, #A, North Pole – Ms. Lockery spoke to City Attorney Ewers’ statement that a medical marijuana dispensary would “butt heads” with state law. She expressed her initial confusion as to why the City Attorney did not address the issue at the time of her public testimony. She explained that the state has addressed medical marijuana separately from non-medical marijuana and that state law is silent on the issue of obtaining medical marijuana for use. Ms. Lockery expressed her opinion that the City Council would not be in conflict with the State of Alaska in allowing for a medical marijuana dispensary because the state did not take a position on the issue. She reiterated that the state statutes speaking to non-medical marijuana do not cover medical marijuana because it is in a category of its own. She requested to see the state statute that prohibits the City Council from allowing the opening of a medical marijuana dispensary.

**Mr. Hilling** asked Ms. Lockery to cite the state statute that separates medical and non-medical marijuana.

Ms. Lockery replied that the separation of the two occurred when the state legalized the use of medical marijuana.

**Mayor Cleworth** explained that the Council is only permitted to ask questions to individuals during public testimony. He stated that they may not debate issues or make comments until the appropriate time during the meeting. He further clarified that the Attorney must also wait until later in the meeting to speak.

David Lerman, 126 2nd Avenue, #15, Fairbanks – Mr. Lerman stated that he is an Alaska Public Offices Commission (APOC) registered candidate for the 2013 Municipal Election. He spoke to his websites, *Renovation Fairbanks* and *Voter Butter*. He spoke to the air pollution in the Fairbanks area and expressed his opinion that all wood boilers should be prohibited in the City of Fairbanks. He suggested that the best way to address the issue may be for the City to create a task force. Mr. Lerman expressed his opinion that statistics regarding deteriorated properties, domestic violence, burglaries, DUI’s, and other crimes should be posted on the City’s website for easy access by the public. He suggested that task forces be created to address all those issues in order to lower statistics. Mr. Lerman spoke to the possibility of regulating decibel levels.

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

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

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

**Mayor Cleworth** pulled Resolution No. 4560 from the Consent Agenda. He explained that Merrick Peirce sent an email speaking to the resolution, and he would like the Council to have the information before proceeding with approval.

**Mayor Cleworth** 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 January 7, 2013.

PASSED and APPROVED on the CONSENT AGENDA.

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

**Mayor Cleworth** stated that some of the black smoke Mr. Lerman referred to in his testimony was from a fire behind the Comfort Inn. He spoke to the need for a task force on the dispersal of IRS forms. **Mayor Cleworth** spoke to Resolution No. 4561, regarding garbage service fees. He explained that City Code mandates that the Council review the fees annually and make adjustments, if necessary. He stated that about 50% of the increase is due to the hike in tipping fees by the Borough. He stated that the City has looked into privatizing the service on two different occasions, but the result would be a reduction in service and a rate based on usage. He stated that the Council will be reviewing an alternative to the garbage collection fee and that the issue may go before City voters at the 2013 Municipal Election. **Mayor Cleworth** spoke to the recent additions to the City's website in regards to snow removal and construction projects. He listed numerous street construction projects that are scheduled for the City in 2013, stating that it is an ambitious schedule. He spoke briefly to the Public Works and Police Department additions that are scheduled for completion in 2013. He stated that the Cushman Street project would not be done in 2013 due to the priority of resurfacing a portion of 2<sup>nd</sup> Avenue and Wickersham Street. He stated that although there will be a negative impact on businesses in that area, the funding that is available for the project must be used now. **Mayor Cleworth** spoke to the City's record retention policy and to the Clerk's Office recent efforts to get all departments on board with records management. He stated that City records are currently housed in various locations including Public Works, the police station and City Hall and that the goal is to consolidate and house all records in a safe, secure location. He stated that the new records storage area in City Hall will be in the north tower of the building where Youth Court is currently located. He spoke briefly to the efforts of some departments to digitize records. He thanked the Clerk's Office for their work on the project. **Mayor Cleworth** spoke to the travel policy drafted by the Mayor's Office and stated that the policy is ready for review by department heads. He reminded the Council that the Environmental Impact Statement (EIS) Scoping meetings regarding Eielson Air Force Base are coming up and briefly explained some of the topics that would be discussed. He provided the date, time and location of the three meetings and encouraged everyone to attend and stated that he will be speaking at the noon meeting on Wednesday, February 6, at the Princess Hotel.

**Mr. Hilling** asked what types of records are being stored by the City.

**Mayor Cleworth** stated that the City has destroyed a large number of records in the past two years, which were primarily payroll records. He stated that some of the records, although very old, have to be kept for a certain period of time according to the records retention schedule. He stated that departments must make a determination on what records should be digitized and what documents should be left in hard copy format.

**Mr. Hilling** spoke to his recent inquiry for a record dating back to the 1960's showing the location of the sewer pipe to his home. He stated that the City's Engineering department was reluctant to search for the document but finally consented. He asked what would happen to those old blueprints in the digitization process.

**Mayor Cleworth** stated that the Engineering Department is digitizing all of the projects presently and going forward. In response to Mr. Hilling's question, **Mayor Cleworth** replied that he is unsure if those older records will be digitized, but stated that the hard copies will likely be retained.

**Mr. Hilling** asked what key players would be in attendance at the EIS Scoping meeting on Wednesday.

**Mayor Cleworth** stated that he and others are raising questions that may not have been answered in the Site Activation Task Force (SATAF) report with relation to the environmental consequences of the move of the F-16's, both in Anchorage and in Fairbanks. He suggested that the Air Force's estimated \$7 – 8 million cost to demolish all the buildings at Eielson is grossly understated.

**Mr. Hilling** asked Mayor Cleworth if he planned to suggest alternate uses for the structures at Eielson.

**Mayor Cleworth** replied that although the question would be raised, it is the Air Force's task to find alternate uses for the facilities.

### **UNFINISHED BUSINESS**

- a) Ordinance No. 5915 – An Ordinance Approving the Payment in Lieu of Taxes Agreement Between the City of Fairbanks and Rest Easy LLC and Granting a Property Tax Exemption for Certain Property Interests. Introduced by Mayor Cleworth.  
SECOND READING AND PUBLIC HEARING.

**Mr. Gatewood**, seconded by **Ms. Staley**, moved to ADOPT Ordinance No. 5915.

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

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5915 AS FOLLOWS:

YEAS: Eberhart, Gatewood, Staley, Hilling, Walley

NAYS: None

ABSENT: Matherly

**Mayor Cleworth** declared the MOTION CARRIED and Ordinance No. 5915 ADOPTED.

## **NEW BUSINESS**

- a) Resolution No. 4559 – A Resolution Awarding a Contract to Exclusive Paving, Inc., for the Helmericks Avenue Extension and Bentley Trust Road Upgrade Project FB-12-22 in the Amount of \$4,914,911.76. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4560 – A Resolution in Support of the Alaska Stand Alone Pipeline from the North Slope to South-central Alaska. Introduced by Mayor Cleworth.

**Mr. Hilling**, seconded by **Mr. Gatewood**, moved to APPROVE Resolution No. 4560.

**Mayor Cleworth** stated that he received a phone call from Merrick Peirce, a member of the Alaska Gasline Port Authority Board and a strong proponent of the large diameter pipeline to Valdez. He read aloud Mr. Peirce's email opposing Resolution No. 4560.

**Mr. Gatewood** asked why the email wasn't sent to Council Members. He stated that he would have appreciated the letter more if he had been able to read it himself.

**Mayor Cleworth** stated that he received the email at 5:03 P.M. that day.

Clerk Hovenden clarified that the letter was addressed to the City Clerk, the Mayor and to the City Council, but was not actually emailed to all.

**Ms. Staley** asked if Mr. Peirce's resistance stems from a feasibility problem with the 34.43 miles that is offline on the map provided at the Alaska Stand Alone Gas Pipeline (ASAP) meeting.

**Mayor Cleworth** stated that he has heard critiques of the lateral extension of the ASAP line into Fairbanks. He stated that in his mind, the extension isn't a big issue. He stated that copies of the email are being made for Council Members.

**Mr. Eberhart** stated that in his recollection, when Governor Parnell invited "expressions of interest" on the topic, there were sixteen different groups that came forward. He stated that the City transferred utility powers to the Borough in order to get the gas distribution system to Fairbanks as quickly as possible. **Mr. Eberhart** asked Mayor Cleworth his reasoning behind introducing Resolution No. 4560.

**Mr. Hilling** suggested that the Council postpone Resolution No. 4560 until a work session was held on the topic.

**Mayor Cleworth** stated that House Bill No. 4, in legislation now, is for ASAP funding. He spoke to the long history of discussion about a gas line and to the assumption that such a line would follow the Trans-Alaska Pipeline. He stated that when he first heard of the option to truck gas to Fairbanks, he was not a supporter; he stated, however, that trucking seems to be the best option now. He stated that a trucking distribution system is the only short-term solution that makes sense for Fairbanks and that the City has already given its support for the project. **Mayor**

**Cleworth** spoke to the variety of other options out there and to the conflicting information he has received about the Kenai reserves. He stated that the City of Fairbanks cannot afford to wait. He spoke to the ASAP line, stating that it has been underway for a number of years and that they have overcome a great deal to get where they are. He stated that if the City waits to give their support for another plan, there is always going to be something bigger and better on the horizon; he indicated that the City must “pick a horse.” He stated that his proposed support of the ASAP line is based on its longevity thus far. **Mayor Cleworth** explained that the ASAP line and the large diameter pipeline are not mutually exclusive, but that the large diameter pipeline would not likely be completed until 2023 or 2024. He stated that there are four plans of action currently in Juneau: the Governor’s plan for trucking, the ASAP line, the hydro plant, and the low-interest loan proposal by Representative Tammie Wilson for residents to convert to natural gas. **Mayor Cleworth** stated that, ironically, even Kenai has adopted a resolution in support of the ASAP line. He stated that people are tired of waiting and want assurance of an energy supply.

**Mr. Hilling** asked about the size of the proposed ASAP line and the large diameter pipeline.

**Mayor Cleworth** stated that the ASAP line would be 36” and that he is unsure of the size of the large diameter pipeline.

**Mr. Hilling** asked if Resolution No. 4560 explicitly supports House Bill (HB) 4.

**Mayor Cleworth** stated that HB 4 is a request for \$400 million to continue the study of the ASAP line and to get them to open season. He explained that the project was in hiatus due to non-funding the previous year.

**Mr. Hilling** asked what the projected reduction in home heating costs would be both with the Liquefied Natural Gas (LNG) trucking system and the ASAP line.

**Mayor Cleworth** stated that the goal of the trucking system is to save consumers about 50% on home heating oil. He stated that the ASAP line would reduce costs even more.

**Mr. Gatewood** asked for clarification on the sponsors of HB 4.

**Mayor Cleworth** replied that the bill is being sponsored by Representatives Hawker and Chenault.

**Mr. Gatewood** inquired about the Interior’s legislators support of the bill.

**Mayor Cleworth** stated that he plans to personally call each of the Interior’s legislators to get a feel of what is going on in Juneau. He stated that he has not heard of any opposition to the legislation. He indicated that the ASAP line has growing support because it is a project that has “steam under it.”

**Mr. Eberhart** recollected his college days when the pipeline was in its infancy. He stated that he remembers talk of a gasline within a few years of the completion of the pipeline. He spoke to the numerous plans and ideas to bring energy relief to Alaska and echoed the Mayor’s statement of “picking a horse.” He agreed that the ASAP line seems to be worthy of the City’s support.



**Mr. Hilling** asked if it would be feasible to postpone Resolution No. 4560 and allow Mr. Peirce to present his case to the Council.

**Mayor Cleworth** stated that he did not believe a decision would be made on HB 4 that quickly. He indicated that if the Council would like to hear from Mr. Peirce, they should also hear from the ASAP organization and possibly others.

**Mr. Gatewood** stated that although he supports Resolution No. 4560, he doesn't have a problem with postponing it to the next Regular Meeting. He stated that he agrees with Mayor Cleworth and Mr. Eberhart that the City should support the ASAP line and spoke to the long wait Fairbanks residents have had to endure for energy relief.

**Mr. Eberhart** spoke to the outrageous cost of heating a home in the Interior. He stated that he will be out of town for the next Council Meeting and that he does not support postponing Resolution No. 4560.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4560 AS FOLLOWS:

YEAS: Gatewood, Walley, Eberhart, Staley, Hilling

NAYS: None

ABSENT: Matherly

**Mayor Cleworth** declared the MOTION CARRIED and Resolution No. 4560 APPROVED.

- c) Resolution No. 4561 – A Resolution Amending the Schedule of Fees & Charges for Services by Adjusting Refuse Collection Rates. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

## **DISCUSSION ITEMS**

### Committee Reports

Permanent Fund Review Board – Mr. Gatewood provided a report on the January 30, 2013, meeting. He spoke to the changes the Council made to the Permanent Fund Investment Policy by Ordinance No. 5905 effective January 1, 2013. He stated that the Fund balance went from \$105,963,000 on December 31, 2012 to \$108,283,000 on January 28, 2013. He gave credit to the Mayor and Council for making the policy changes, to the fund manager for good portfolio management, and to the Finance Department for oversight of the City's Permanent Fund. He noted that the City deposited a payment of \$333,000 into the Fund from the Retirement Community of Fairbanks for the Fairview Manor Property. He briefly discussed the plan for the 2013 drawdown schedule.

**Mayor Cleworth** added that the City Council has put over \$1 million back into the Fund within the last year. He spoke to the history of the City's Permanent Fund and stated that there is a one-page summation of the Fund from its inception to what it is presently.

## COUNCIL MEMBERS' COMMENTS

**Mr. Walley** and **Mr. Gatewood** had no comments.

**Ms. Staley** stated that she will be making a presentation on the Anchorage housing shortage at the EIS Scoping Meeting on Wednesday at 6:00 P.M. She expressed hope that Fairbanks' voice would be heard and encouraged everyone to wear red.

**Mr. Eberhart** announced that the next Public Safety Commission Meeting would be held on February 12, 2013 at the Fire Department. He spoke to his recent business trip to Albuquerque, NM, and to his observation that the area is slowly recovering economically. **Mr. Eberhart** asked to be excused for the Regular City Council Meeting of February 25, 2013, due to international travel.

**Mayor Cleworth** called for objection regarding **Mr. Eberhart's** request to be excused on February 25, 2013, and, hearing none, so ORDERED.

**Mr. Hilling** asked City Attorney Ewers to meet with him and Ms. Lockery after the meeting to discuss the legal opinion on the medical marijuana issue. He stated that he believes a work session on energy would still be very helpful. He expressed hope that he could attend the Mayor's presentation at the EIS Scoping Meeting on Wednesday. **Mr. Hilling** spoke to the hopes of a gasline in the 1970's and to the boom in the economy in those days.

**Mayor Cleworth** stated that it has been his intent to meet with the City's State Representatives to discuss the gas utility. He indicated that it may be a good idea to hold a panel-type work session with them and possibly other organizations at the next meeting.

The Council agreed that they would like to hold a Work Session on energy.

## ADJOURNMENT

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

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

**Mayor Cleworth** declared the Meeting adjourned at 8:20 P.M.

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JERRY CLEWORTH, MAYOR

ATTEST:

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JANEY HOVENDEN, CMC, CITY CLERK

Transcribed by: DS

**ORDINANCE NO. 5916**

**AN ORDINANCE AMENDING THE 2013  
OPERATING AND CAPITAL BUDGETS FOR THE FIRST TIME**

**WHEREAS**, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2013 operating and capital budgets.

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

**SECTION 1.** There is hereby appropriated to the 2013 General Fund budget from the following sources of revenue for the City of Fairbanks in the amount indicated to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2013 and ending December 31, 2013:

	<b>APPROVED BUDGET</b>	<b>AS AMENDED</b>
Taxes, (all sources)	\$ 19,495,990	\$ <b>19,570,990</b>
Charges for Services	4,319,431	4,319,431
Intergovernmental Revenues	3,180,122	<b>4,393,126</b>
Licenses & Permits	1,678,239	1,678,239
Fines, Forfeitures & Penalties	987,075	987,075
Interest & Penalties	142,500	142,500
Rental & Lease Income	157,919	<b>160,319</b>
Other Revenues	212,500	212,500
Other Financing Sources (OFS)	3,416,592	<b>3,454,110</b>
	<hr/>	<hr/>
Total appropriation	\$ 33,590,368	\$ 34,918,290

**SECTION 2.** There is hereby appropriated to the 2013 General Fund budget, expenditures for the City of Fairbanks in the amount indicated:

<u>DEPT</u>	<u>DESCRIPTION</u>	<u>APPROVED BUDGET</u>	<u>AS AMENDED</u>
10	Mayor and Council	\$ 495,271	\$ 495,271
11	Office of the City Attorney	172,281	172,281
12	Office of the City Clerk	347,537	347,537
13	Finance Department	902,267	902,267
14	Information Technology	1,431,938	<b>1,498,351</b>
15	General Account	5,088,271	<b>6,321,337</b>
16	Risk Management	1,406,448	1,406,448
20	Police Department	6,838,678	<b>6,873,628</b>
21	Dispatch Center	1,983,336	<b>1,985,861</b>
30	Fire Department	6,370,513	<b>6,380,751</b>
50	Public Works Department	7,199,801	<b>7,323,613</b>
51	Engineering Department	465,775	<b>466,029</b>
60	Building Department	656,136	656,136
	Total appropriation	<u>\$ 33,358,252</u>	<u>\$ 34,829,510</u>
	Total Revenues and OFS	\$ 33,590,368	\$ 34,918,290
	2012 Assigned Fund Balance for encumbrances	-	250,589
	Total Revenues, OFS and prior year assignments	33,590,368	35,168,879
	Total Appropriation	<u>33,358,252</u>	<u>34,829,510</u>
	Increase to General Fund balance	<u>\$ 232,116</u>	<u>\$ 339,369</u>
	12/31/12 General Fund balance	\$ 10,562,266	\$ 12,018,108
	Increase to fund balance	232,116	<b>339,369</b>
	2012 Assigned for encumbrances	-	<b>(250,589)</b>
	Committed for snow removal	(250,000)	(250,000)
	Committed self insurance reserve	(530,000)	<b>(640,787)</b>
	Nonspendable - prepaid assets		<b>(394,735)</b>
	12/31/13 Unassigned balance	<u>\$ 10,014,382</u>	<u>\$ 10,821,366</u>

**SECTION 3.** There is hereby appropriated to the 2013 Capital Fund budget from the following sources of revenue for the City of Fairbanks in the amount indicated to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2013 and ending December 31, 2013.

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	<b>APPROVED BUDGET</b>	<b>AS AMENDED</b>
Transfer from Permanent Fund	\$ 482,146	\$ <b>486,835</b>
Transfer from General Fund	150,000	150,000
Transfer Ambulance Mileage from General Fund	65,000	65,000
Budgeted Garbage Equipment Replacement	225,574	225,574
Equipment Replacement - Public Works	250,000	250,000
Equipment Replacement - Building Department	10,000	10,000
Equipment Replacement - Police	180,000	180,000
Equipment Replacement - Dispatch	75,000	75,000
Equipment Replacement - Fire	250,000	250,000
Equipment Replacement - IT	105,000	105,000
Property Repair & Replacement	145,000	145,000
Total appropriation	<u>\$ 1,937,720</u>	<u>\$ <b>1,942,409</b></u>

**SECTION 4.** There is hereby appropriated to the 2013 Capital Fund budget, expenditures for the City of Fairbanks in the amount indicated:

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>APPROVED BUDGET</u>	<u>AS AMENDED</u>
14	Information Tech. Department	165,000	<b>322,525</b>
20	Police Department	180,000	<b>439,575</b>
21	Dispatch Department	45,000	<b>49,964</b>
30	Fire Department	618,000	<b>643,622</b>
50	Public Works Department	1,537,800	<b>1,832,231</b>
	Total appropriation	<u>\$ 2,545,800</u>	<u>\$ 3,287,917</u>
Total Revenues and OFS		\$ 1,937,720	\$ 1,942,409
2012 Assigned Fund Balance for encumbrances		-	715,116
Total Revenues, OFS and prior year assignments		<u>1,937,720</u>	<u>2,657,525</u>
Total Appropriation		2,545,800	<b>3,287,917</b>
Decrease to capital fund assigned fund balance		<u>\$ (608,080)</u>	<u>\$ (630,392)</u>
12/31/12 capital fund balance		4,903,928	<b>5,780,451</b>
Decrease to fund balance		(608,080)	<b>(630,392)</b>
2012 Assigned for encumbrances		-	<b>(715,116)</b>
12/31/13 Assigned fund balance		<u>4,295,848</u>	<u><b>4,434,943</b></u>

**SECTION 5.** All appropriations made by this ordinance lapse at the end of the fiscal year to the extent they have not been expended or contractually committed to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2013 and ending December 31, 2013.

**SECTION 6.** The effective date of this ordinance shall be the \_\_\_\_ day of March 2013.

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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 J. Ewers, City Attorney

## **FISCAL NOTE**

### **ORDINANCE 5916, AMENDING THE 2013 GENERAL AND CAPITAL BUDGETS FOR THE 1ST TIME**

#### **General Fund**

REVENUES and OTHER FINANCING SOURCES (USES)  
\$1,327,922 Increase

1. Taxes – \$75,000 increase for Rest Easy, LLC hotel taxes.
  
2. Intergovernmental Revenues – \$1,213,004 increase
  - \$1,174,941 for State of Alaska (SOA) PERS on behalf payments
  - \$ 38,063 for the SOA estimated shared revenue distribution
  
3. Rental & Lease Income – \$2,400 increase for SOA Enterprise Technology Services rent
  
4. Other Financing Sources (Uses) - \$37,518 Increase to adjust for the Permanent Fund actual appropriation.



## **FISCAL NOTE CONTINUED**

### **General Fund**

### **EXPENDITURES**

(\$1,471,258 Increase)

1. Information Technology – \$66,413 Increase
  - \$42,413 increase for 2012 encumbrances
  - \$ 7,000 increase to configure document imaging for accounts payable
  - \$ 7,000 increase to train four employees to design and implement document templates for document imaging
  - \$10,000 increase for unexpected costs for the document imaging project
2. General Account – \$1,233,066 Increase
  - \$1,174,941 increase for the SOA PERS on behalf payments
  - \$ 58,125 increase for distributions to FCVB – Rest Easy, LLC Hotel taxes
3. Police Department – \$34,950 Increase
  - \$ 82,647 increase for 2012 encumbrances
  - \$(124,509)decrease to salaries - reduce 1.5 Police Officer (PO) positions
  - \$ (33,057)decrease to benefits – reduce 1.5 PO positions
  - \$ (2,434)decrease to OT – reduce 1.5 PO positions
  - \$ 70,675 increase to salaries to increase 2.5 Clerk positions effective April 1. 2013
  - \$ 41,628 increase to benefits to increase 2.5 Clerk positions effective April 1, 2013
4. Dispatch – \$2,525 Increase for 2012 encumbrances
5. Fire Department – \$10,238 increase for 2012 encumbrances

**FISCAL NOTE CONTINUED**

**General Fund**

**Expenditures**

6. Public Works – \$123,812 Increase
  - \$112,512 increase for 2012 encumbrances
  - \$ 11,300 increase to garbage collection services for garbage lien releases
7. Engineering – \$254 increase for 2012 encumbrances

## FISCAL NOTE CONTINUED

### Capital Fund

#### INTERNAL TRANSFERS

No Change

#### REVENUES

No Change

#### OTHER FINANCEING SOURCES (USES)

1. Transfer from Permanent Fund - \$4,689 increase to adjust to the actual appropriation

#### EXPENDITURES

\$742,116 Increase

1. Information Technology - \$157,524 increase
  - \$130,524 increase for 2012 encumbrances
  - \$15,000 increase for City Clerk scanning station
  - \$12,000 increase for City Clerk records management modules
2. Police Department - \$259,575 increase for 2012 encumbrances
3. Dispatch - \$4,964 increase for 2012 encumbrances
4. Fire Department - \$25,622 increase for 2012 encumbrances
5. Public Works - \$294,431 increase for 2012 encumbrances

**ORDINANCE NO. 5916, As Amended**

**AN ORDINANCE AMENDING THE 2013  
OPERATING AND CAPITAL BUDGETS FOR THE FIRST TIME**

**WHEREAS**, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2013 operating and capital budgets,

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

**SECTION 1.** There is hereby appropriated to the 2013 General Fund budget from the following sources of revenue for the City of Fairbanks in the amount indicated to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2013, and ending December 31, 2013:

	<b>APPROVED BUDGET</b>	<b>AS AMENDED</b>
Taxes, (all sources)	\$ 19,495,990	\$ <b>19,570,990</b>
Charges for Services	4,319,431	4,319,431
Intergovernmental Revenues	3,180,122	<b>4,393,126</b>
Licenses & Permits	1,678,239	1,678,239
Fines, Forfeitures & Penalties	987,075	987,075
Interest & Penalties	142,500	142,500
Rental & Lease Income	157,919	<b>160,319</b>
Other Revenues	212,500	212,500
Other Financing Sources (OFS)	3,416,592	<b>3,454,110</b>
	<hr/>	<hr/>
Total appropriation	\$ 33,590,368	\$ 34,918,290

**SECTION 2.** There is hereby appropriated to the 2013 General Fund budget, expenditures for the City of Fairbanks in the amount indicated:

<u>DEPT</u>	<u>DESCRIPTION</u>	<u>APPROVED BUDGET</u>	<u>AS AMENDED</u>
10	Mayor and Council	\$ 495,271	\$ 495,271
11	Office of the City Attorney	172,281	172,281
12	Office of the City Clerk	347,537	347,537
13	Finance Department	902,267	902,267
14	Information Technology	1,431,938	<b>1,498,351</b>
15	General Account	5,088,271	<b>6,321,337</b>
16	Risk Management	1,406,448	1,406,448
20	Police Department	6,838,678	<b>6,873,628</b>
21	Dispatch Center	1,983,336	<b>1,985,861</b>
30	Fire Department	6,370,513	<b>6,380,751</b>
50	<b><u>Public Works Department</u></b>	7,199,801	<b>7,280,971</b>
51	<b><u>Engineering Department</u></b>	465,775	<b>508,671</b>
60	Building Department	656,136	656,136
	Total appropriation	<u>\$ 33,358,252</u>	<u>\$ 34,829,510</u>
	Total Revenues and OFS	\$ 33,590,368	\$ 34,918,290
	2012 Assigned Fund Balance for encumbrances	-	250,589
	Total Revenues, OFS and prior year assignments	33,590,368	35,168,879
	Total Appropriation	<u>33,358,252</u>	<u>34,829,510</u>
	Increase to General Fund balance	<u>\$ 232,116</u>	<u>\$ 339,369</u>
	12/31/12 General Fund balance	\$ 10,562,266	\$ 12,018,108
	Increase to fund balance	232,116	<b>339,369</b>
	2012 Assigned for encumbrances	-	<b>(250,589)</b>
	Committed for snow removal	(250,000)	(250,000)
	Committed self insurance reserve	(530,000)	<b>(640,787)</b>
	Nonspendable - prepaid assets		<b>(394,735)</b>
	12/31/13 Unassigned balance	<u>\$ 10,014,382</u>	<u>\$ 10,821,366</u>

**SECTION 3.** There is hereby appropriated to the 2013 Capital Fund budget from the following sources of revenue for the City of Fairbanks in the amount indicated to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2013, and ending December 31, 2013.

:

	<b>APPROVED BUDGET</b>	<b>AS AMENDED</b>
Transfer from Permanent Fund	\$ 482,146	\$ <b>486,835</b>
Transfer from General Fund	150,000	150,000
Transfer Ambulance Mileage from General Fund	65,000	65,000
Budgeted Garbage Equipment Replacement	225,574	225,574
Equipment Replacement - Public Works	250,000	250,000
Equipment Replacement - Building Department	10,000	10,000
Equipment Replacement - Police	180,000	180,000
Equipment Replacement - Dispatch	75,000	75,000
Equipment Replacement - Fire	250,000	250,000
Equipment Replacement - IT	105,000	105,000
Property Repair & Replacement	145,000	145,000
	<hr/>	<hr/>
Total appropriation	\$ 1,937,720	\$ <b>1,942,409</b>

**SECTION 4.** There is hereby appropriated to the 2013 Capital Fund budget, expenditures for the City of Fairbanks in the amount indicated:

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>APPROVED BUDGET</u>	<u>AS AMENDED</u>
14	Information Tech. Department	165,000	<b>322,525</b>
20	Police Department	180,000	<b>439,575</b>
21	Dispatch Department	45,000	<b>49,964</b>
30	Fire Department	618,000	<b>643,622</b>
50	Public Works Department	1,537,800	<b>1,832,231</b>
	Total appropriation	<b>\$ 2,545,800</b>	<b>\$ 3,287,917</b>
Total Revenues and OFS		\$ 1,937,720	\$ 1,942,409
2012 Assigned Fund Balance for encumbrances		-	715,116
Total Revenues, OFS and prior year assignments		1,937,720	<b>2,657,525</b>
Total Appropriation		2,545,800	<b>3,287,917</b>
Decrease to capital fund assigned fund balance		<b>\$ (608,080)</b>	<b>\$ (630,392)</b>
12/31/12 capital fund balance		4,903,928	<b>5,780,451</b>
Decrease to fund balance		(608,080)	<b>(630,392)</b>
2012 Assigned for encumbrances		-	<b>(715,116)</b>
12/31/13 Assigned fund balance		<b>4,295,848</b>	<b>4,434,943</b>

**SECTION 5.** All appropriations made by this ordinance lapse at the end of the fiscal year to the extent they have not been expended or contractually committed to the departments named for the purpose of conducting the business of said departments of the City of Fairbanks, Alaska, for the fiscal year commencing January 1, 2013, and ending December 31, 2013.

**SECTION 6.** The effective date of this ordinance shall be the \_\_\_\_ day of March 2013.

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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 J. Ewers, City Attorney



**FISCAL NOTE, As Amended**

**ORDINANCE 5916, AMENDING THE 2013 GENERAL AND CAPITAL BUDGETS  
FOR THE 1ST TIME**

**General Fund**

REVENUES and OTHER FINANCING SOURCES (USES)  
\$1,327,922 Increase

1. Taxes – \$75,000 increase for Rest Easy, LLC hotel taxes.
  
2. Intergovernmental Revenues – \$1,213,004 increase
  - \$1,174,941 for State of Alaska (SOA) PERS on behalf payments
  - \$ 38,063 for the SOA estimated shared revenue distribution
  
3. Rental & Lease Income – \$2,400 increase for SOA Enterprise Technology Services rent
  
4. Other Financing Sources (Uses) - \$37,518 Increase to adjust for the Permanent Fund actual appropriation.

## **FISCAL NOTE CONTINUED**

### **General Fund**

### **EXPENDITURES**

(\$1,471,258 Increase)

1. Information Technology – \$66,413 Increase
  - \$42,413 increase for 2012 encumbrances
  - \$ 7,000 increase to configure document imaging for accounts payable
  - \$ 7,000 increase to train four employees to design and implement document templates for document imaging
  - \$10,000 increase for unexpected costs for the document imaging project
2. General Account – \$1,233,066 Increase
  - \$1,174,941 increase for the SOA PERS on behalf payments
  - \$ 58,125 increase for distributions to FCVB – Rest Easy, LLC Hotel taxes
3. Police Department – \$34,950 Increase
  - \$ 82,647 increase for 2012 encumbrances
  - \$(124,509)decrease to salaries - reduce 1.5 Police Officer (PO) positions
  - \$ (33,057)decrease to benefits – reduce 1.5 PO positions
  - \$ (2,434)decrease to OT – reduce 1.5 PO positions
  - \$ 70,675 increase to salaries to increase 2.5 Clerk positions effective April 1. 2013
  - \$ 41,628 increase to benefits to increase 2.5 Clerk positions effective April 1, 2013
4. Dispatch – \$2,525 Increase for 2012 encumbrances
5. Fire Department – \$10,238 increase for 2012 encumbrances

## FISCAL NOTE CONTINUED

### General Fund

### Expenditures

#### 6. Public Works – **\$81,170 Increase**

- \$112,512 increase for 2012 encumbrances
- \$ 11,300 increase to garbage collection services for garbage lien releases
- **\$ 21,935 decrease to wages to remove 6 month labor position from PW (laborer position previously split with Engineering)**
- **\$ 20,707 decrease to benefits to remove 6 month labor position from PW (laborer position previously split with Engineering)**

#### 7. Engineering – **\$42,896 increase**

- \$ 254 increase for 2012 encumbrances
- **\$ 21,935 increase to wages to make Engineer Tech a 12 month position in Engineering (laborer position previously split with Public Works)**
- **\$ 20,707 increase to benefits to make Engineer Tech a 12 month position in Engineering (laborer position previously split with Public Works)**

## FISCAL NOTE CONTINUED

### Capital Fund

#### INTERNAL TRANSFERS

No Change

#### REVENUES

No Change

#### OTHER FINANCEING SOURCES (USES)

1. Transfer from Permanent Fund - \$4,689 increase to adjust to the actual appropriation

#### EXPENDITURES

\$742,116 Increase

1. Information Technology - \$157,524 increase
  - \$130,524 increase for 2012 encumbrances
  - \$15,000 increase for City Clerk scanning station
  - \$12,000 increase for City Clerk records management modules
2. Police Department - \$259,575 increase for 2012 encumbrances
3. Dispatch - \$4,964 increase for 2012 encumbrances
4. Fire Department - \$25,622 increase for 2012 encumbrances
5. Public Works - \$294,431 increase for 2012 encumbrances

**RESOLUTION NO. 4568**

**A RESOLUTION AWARDING A CONTRACT TO RICHARD STANTON  
CONSTRUCTION, INC., FOR THE PUBLIC WORKS FACILITY  
ADDITIONS PROJECT FB-12-52 IN THE AMOUNT OF \$2,000,000.00**

**WHEREAS**, in accordance with FGC Chapter 54, Article IV, Competitive Bidding, bids were solicited for the Public Works Facility Additions Project; and

**WHEREAS**, the successful responsive bidder for the project is Richard Stanton Construction, Inc., of Fairbanks, Alaska; and

**WHEREAS**, funding for this project is provided to the City of Fairbanks through a Designated Legislative Grant from the State of Alaska;

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

SECTION 1. That the Bid by Richard Stanton Construction, Inc., in the amount of Two Million dollars (\$2,000,000.00) 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 25th Day of March 2013.**

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

AYES:  
NAYS:  
ABSENT:  
APPROVED:

ATTEST:

APPROVED AS TO FORM:

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

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

**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)**

**WHEREAS**, the City provides residential refuse collection service throughout the City; this service is a convenience for residents and a means to protect the public from the health hazards of illegal dumping; and

**WHEREAS**, the City currently recovers the cost of refuse collection through a monthly fee, which is collected through quarterly billings; and

**WHEREAS**, because the same rate is charged to the property owner of each residence whether or not the owner uses the collection service, the fees charged are in actuality a levy placed on the property, since the fees are not based on usage; and

**WHEREAS**, City residents should be given the option of either retaining the existing residential refuse fee and billing structure or absorbing the fee in the property tax levy; and

**WHEREAS**, this change would require modifying the current tax cap computation, which would essentially return it to the original computation formula as adopted by voters.

**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:

**INFORMATION:** The City currently charges each residential property owner \$292 annually for refuse collection, which is adjusted every year to cover for inflation and increasing Fairbanks North Star Borough tipping fees. Because the rate is not based on usage, it is essentially a levy placed on each homeowner. The City Council and Mayor wish to give voters the option of eliminating this fee and absorbing it in the annual mill levy. Both the pros and cons of this proposal are stipulated below. Note: the City does not take a formal position on either method of collection.

Pros: The accounting and billing for refuse collection are costly and time intensive as well as inconvenient for residents. This change would eliminate all of the annual overhead costs of approximately \$152,000 and the quarterly billings sent to each address. Also, property taxes are deductible for most homeowners but refuse collection fees are not.

Cons: The base mill rate set in the City Charter is fixed at 4.9 mills. Eliminating the refuse fees and adding them to the mill rate would require the elimination of this mandated fixed rate. The 2013 mill levy would be raised by approximately .743 mills, which is the equivalent to \$149 on a \$200,000 home, less than what is currently charged annually for refuse collection. Some may prefer the assurance a fixed rate currently gives rather than returning to the original tax cap formula where the rate varies slightly from year to year. Commercial properties will not realize a benefit and will see their property taxes increase by the same mill rate.

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

Should the City eliminate the current residential refuse collection fee system found in Division 1 of Article II of Chapter 66 of the Fairbanks General Code and amend City Charter Section 6.5(A) by eliminating the sentence “Of the total amount of taxes that can be collected, property taxes are limited to 4.9 mills subject to charter section 6.5(B)”?

A yes vote eliminates the residential refuse fees and adds the cost to the annual mill levy.

A no vote retains the existing fee system that charges for monthly residential refuse collection.

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.

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

AYES:  
NAYS:  
ABSENT:  
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

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

\_\_\_\_\_  
Paul Ewers, City Attorney