



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, MARCH 25, 2013
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

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 (Telephonic)
 Jim Matherly, Seat D
 Lloyd Hilling, Seat E
 John Eberhart, Seat F (Telephonic)

Absent: None

Also Present: Pat Cole, Chief of Staff
 Paul Ewers, City Attorney
 Janey Hovenden, City Clerk
 Brad Johnson, Deputy Police Chief
 Ryan Rickels, IT Director
 Jim N. Soileau, Chief Financial Officer

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 Ordinance No. 5917, pointing out that the ordinance proposes two options, neither of which he believes address the inequity to property owners paying for a service they do not use. He stated that the proposal is unclear in regard to the tax cap. Mr. Sovde suggested that the annual increase to garbage service rates is due to a government-enforced monopoly that discourages efficiency and removes competition. He referred to the public as “captive consumers” who are required to pay for the service regardless of their needs. He spoke to the value of composting and to the benefits of recycling. He expressed hope that the Council would address his concerns.

Mr. Hilling asked if the “inequity” Mr. Sovde spoke about pertained to usage.

Mr. Sovde cited the third “Whereas” in Ordinance No. 5917 which states that property owners are charged for the service whether or not they use it and that the fees are not based on usage.

Mr. Hilling asked Mr. Sovde if he felt the change to garbage collection fees would do away with the usage problem.

Mr. Sovde stated that a government monopoly has many negative consequences including inefficiencies and injustice to residents. He stated that he personally goes through about one bag of garbage every two weeks. He indicated that there is no incentive to be a good citizen.

John Jackovich, 2824 Chief Alexander Drive, Fairbanks – Mr. Jackovich stated that he comes before the Council as a struggling business owner in the Fairbanks Downtown area. He requested that the Council investigate the pros and cons of his proposal with the City Finance Department and the City Attorney's Office. He stated that since June of 2006, he has paid \$254,983.60 in sales tax to the City of Fairbanks. Mr. Jackovich explained that although he has a sprinkler system throughout the entire structure, and heats and insures the whole building, he can only occupy one floor due to structural setbacks derived from the State of Alaska's Highway Demolition Investigation. He stated his proposal of securing a business improvement loan through a local bank in lieu of paying sales tax to the City of Fairbanks. Mr. Jackovich stated that his proposal would expand future use of his structure and provide both his business and the City with additional income. He explained that at the loan's maturity, the taxes would automatically revert back to the City of Fairbanks. He clarified that he is not proposing a loan from the City, only a diversion of funds which would be used to increase the value of the downtown district. He stated his belief that the City wants a tool to spread development and beautification in the core downtown area and that this could be an avenue worth pursuing. Mr. Jackovich pointed out that the City Council supported a tax deferral for the owner of the Polaris Building back in 2006 with a partial tax exemption. He stated that if he were to obtain a business improvement loan, he would make repairs to the second floor of his building which would increase the income of his business, increase the sales tax revenue to the City and increase his property value. Mr. Jackovich stated that he could repay a \$200,000 loan to the bank in six years by making his monthly payment using the 5% alcohol tax he collects each month. He stated that he would be willing to pay the City the leftover portion of the 5% each month until the loan was paid in full. He indicated that he is in a tough place as a business man, without the funds to expand or the ability to borrow money. He urged the Council to consider his proposal and offered to email more information, if necessary.

Mr. Matherly commented that Mr. Jackovich's proposal was interesting. He indicated that there may be some problems with the idea due to the business being privately owned. He addressed the possible risks involved with the plan, such as declining business or other unforeseeable events. He asked Mr. Jackovich if he has spoken to any local contractors about the work that needs to be done.

Mr. Jackovich replied that the Engineer with the University of Alaska reported that the roof must be replaced in order for the second floor of the structure to be repaired. He stated that the City would have no guarantee in the agreement, other than the certainty that sales tax would still be paid as long as the business was in operation.

Mr. Matherly asked Mr. Jackovich to speak to his plans to improve the second and third levels of his building.

Mr. Jackovich stated that he would like to open it up to be used for conventions, meetings and wedding receptions.

Mr. Matherly asked Mr. Jackovich what his plans for the business were when he bought the property.

Mr. Jackovich replied that he had planned to renovate the second floor soon after he bought it. He explained that the state approached him in 2009 to evaluate the structure and found deficiencies that tied his hands. He stated that he has made the improvements to the first floor as required by the City of Fairbanks.

Mayor Cleworth asked Mr. Jackovich if he was including sales tax in the total he quoted as "total taxes paid."

Mr. Jackovich stated that the \$255,000 was only the total of alcohol taxes paid to the City of Fairbanks since 2006. He explained that he doesn't charge his customers the 5% alcohol tax, and stated that he absorbs the 5% as the cost for doing business.

Mayor Cleworth asked Mr. Jackovich if he believes he is the only business owner in Fairbanks absorbing that cost.

Mr. Jackovich stated that he's noticed the 5% being calculated into customer's receipts at other businesses in Fairbanks.

Mr. Matherly asked Mr. Jackovich how much money he could have made if he had charged his customers the 5% alcohol tax for the past six years.

Mr. Jackovich replied that he would have made \$255,000 more dollars. He stated that as a relatively new business owner, he is struggling.

Mr. Hilling asked Mr. Jackovich if he could email a copy of his proposal to the Council.

Mr. Jackovich replied that he would do so.

Dawn Murphy, 101 Dunkel Street, Suite 111, Fairbanks Convention & Visitors Bureau (FCVB)
– Ms. Murphy stated that the Council should have received a 2012 financial packet from FCVB. She stated that the auditor found a clean opinion with no material weaknesses or deficiencies. She announced that Fairbanks was listed as a top ten destination by three publications: Lonely Planet, National Geographic and L.A. Times Travel Writer. Ms. Murphy reminded the Council that the FCVB will be holding its Annual Banquet on April 20, 2013, at the Fairbanks Princess Lodge at 6 P.M.

Mr. Hilling asked Ms. Murphy if the top ten destinations promoted Fairbanks as a winter destination.

Ms. Murphy replied that the publications highlighted Fairbanks in the winter and photos were broadcast on CNN.

David Lerman, 126 2nd Avenue, #15, Fairbanks – Mr. Lerman stated that he will be running for office in the 2013 Municipal Election. He spoke to his websites, *Renovation Fairbanks* and *Voter Butter*. He stated that he had recently attended the dedication of the new Food Co-op where they set off a sky lantern in memory of David Lacey, the co-op's original founder. He stated that he became a member of the co-op and that he is excited about the new business. Mr. Lerman spoke to Polaris Building owner Mark Marlow's idea of a renaissance in Fairbanks and stated that he believes the co-op is part of that rebirth. He stated that he believes the next miracle in Downtown Fairbanks will be the renovation of the Polaris Building. He spoke to the renovation of Smith Apartments, the complex where he resides and to the trouble with vandalism in the downtown area. Mr. Lerman stated that until the vandalism subsides, there will not be a real renaissance. He stated that the older buildings downtown need to be renovated and that the way to accomplish that is to create a Renovation Task Force and waive building permit fees for developers. He suggested that dilapidated properties be listed in a slide show on the City of Fairbanks' website.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger apologized to the Council and to the community if he sounded "off-center" at the previous Council Meeting in regards to his comments on Fairbanks as a tourist destination. He stated that personally he doesn't see the attraction but commented that it may look differently to those in the tourist industry. Mr. Buberger stated that he enjoys living in the Fairbanks community. He spoke to the need for more accessibility to public restrooms in the downtown area, suggesting that the City post signage wherever restrooms are available. Mr. Buberger spoke to the poor condition of South Cushman Street, stating that it is nearly as bad as 23rd Street was before it was reconstructed. He suggested that the City use its savings to fund the South Cushman Street project. In reference to Executive Sessions, Mr. Buberger commented that the public is kept in the dark as to what goes on "behind closed doors." He wished everyone a Happy Seward's Day and a Happy Easter.

Dawn Cogan, Boy Scout Troop 1 – Ms. Cogan stated that Scout Troop 1 has been using the old railroad depot building to meet every Tuesday evening. She introduced members of the troop and explained that the youngsters are in attendance to fulfill some requirements in earning their Communications Merit Badge.

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

APPROVAL OF AGENDA AND CONSENT AGENDA

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

Mr. Hilling pulled Ordinance No. 5917 from the Consent Agenda.

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 February 4, 2013.

PASSED and APPROVED on the CONSENT AGENDA.

MAYOR'S COMMENTS AND REPORT

Mayor Cleworth stated that the City recently hosted the Northwest Regional Managers Conference. He commended City staff for putting the event together and making it a success. **Mayor Cleworth** spoke to the upcoming deadline for putting the old City Hall building on the market. He stated that there has been some interest in the property and that it doesn't seem likely that the current occupants have interest in purchasing the structure. He informed the Council that the appraisal was fairly low and stated that the issue will be addressed in upcoming Finance Committee Meetings. He clarified that the Council will follow the procedures set forth in City Code for liquidating assets. **Mayor Cleworth** stated that the number one complaint his office receives is from citizens who don't use City garbage service but are still required to pay for it. He stated that since garbage service implementation, the City has always had a flat rate for collection, regardless of usage. He explained that the City has explored the possibility of contracting out the service twice but discovered that private companies could not execute the services as economically as the City. He spoke to other garbage service options that the City has explored but stated that they have not found a better solution. He stated that the current service the City offers seems to be the most fair but that the City may be open to other ideas. **Mayor Cleworth** expressed appreciation for Mr. Jackovich's testimony. He stated that in his 20+ years on the City Council, he recalls only three properties that have received a tax break. He clarified that the tax break offered for the Polaris Building was never applied because it was dependent on development. He stated that the Council has adopted an ordinance to prevent Borough property tax exemptions from carrying over as City exemptions. He stated that the Council has steadfastly refused to give exemptions to anyone. **Mayor Cleworth** commented that he was surprised that Mr. Jackovich does not charge his customers the 5% alcohol tax, stating that years ago the Fairbanks General Code made it illegal for owners to assume the tax. He addressed Mr. Buberger's testimony on the South Cushman Street Project and spoke to the funds set aside for its completion. He stated that the City Engineers will begin on the project design as soon as the City receives the transfer of rights from the Department of Transportation (DOT). **Mayor Cleworth** spoke to Mr. Buberger's comments regarding closed meetings and explained that the only "closed meetings" held by the City Council are Executive Sessions, which are typically held to discuss labor negotiations, contracts or personnel matters.

UNFINISHED BUSINESS

- a) 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.

Mr. Matherly, seconded by **Mr. Walley**, moved to ADOPT Ordinance No. 5916.

Mr. Matherly, seconded by **Mr. Hilling**, moved to SUBSTITUTE Ordinance No. 5916, as Amended, for Ordinance No. 5916.

Tim Sovde – Mr. Sovde asked for clarification on the line item dealing with Public Employees' Retirement System (PERS) that proposes a significant increase in Ordinance No. 5916, as Amended.

David Lerman – Mr. Lerman quoted the total police and fire department budgets from Ordinance No. 5916, as Amended. He spoke to the possibility of combining the two departments to save operating costs for the City and suggested that a task force be created to explore the idea.

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

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO SUBSTITUTE ORDINANCE NO. 5916, AS AMENDED, FOR ORDINANCE NO. 5916 AS FOLLOWS:

YEAS: Gatewood, Walley, Eberhart, Matherly, Staley, Hilling
NAYS: None
Mayor Cleworth declared the MOTION CARRIED.

Mayor Cleworth explained that the City is required by the state to collect \$0.22 on every dollar paid in wages to go to PERS. He stated that the rate fluctuated for years, which is one of the reasons why the City tried to opt out of PERS in the past. **Mayor Cleworth** stated that there were problems with the actuary in 2002/2003 and, as a result, they substituted a new actuary. He explained that the state could not justify the rate they were charging municipalities so they went to one rate across the board. He went on to explain that the state subsidizes anything above the municipalities' \$0.22 contribution. He stated that the number Mr. Sovde referred to in the budget is the state's contribution to PERS on the City's behalf. **Mayor Cleworth** addressed Mr. Lerman's idea for merging the police and fire departments. He stated that the City is not looking to combine those departments but is exploring the concept of a public safety officer which would be an employee that works for both departments.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5916, AS AMENDED, AS FOLLOWS:

YEAS: Eberhart, Gatewood, Staley, Hilling, Matherly, Walley
NAYS: None
Mayor Cleworth declared the MOTION CARRIED and Ordinance No. 5916, as Amended, ADOPTED.

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.

PASSED and APPROVED on the CONSENT AGENDA.

- 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 the City Charter Section 6.5(A). Introduced by Mayor Cleworth.

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

Mr. Hilling stated that under state statute, the City cannot charge a higher mill rate for commercial properties. He commented that since commercial properties use more City services than residential properties, it seems fair that they should pay more. He stated that he believes it is appropriate to place the decision before City voters. **Mr. Hilling** expressed his faith in the City's garbage collection services, stating that it is a good system. He acknowledged **Mr. Sovde's** comments on losses in efficiency but stated that not taking advantage of the service is not a good argument. **Mr. Hilling** asked for clarification on where to find City Charter Section 6.5(A), which is referenced in the proposed ballot question on Ordinance No. 5917.

Mr. Ewers clarified that the City Charter is in a section of its own preceding the City Code.

Mr. Hilling expressed concern that voters may not feel comfortable with the current language of the proposed ballot question. He explained that with the current language, voters may be think that the proposition would do away with the tax cap completely.

Mayor Cleworth stated that the process is very complicated because it will require a Charter amendment. He explained that the tax cap existed for many years on its own until a cap within the cap was put in. He spoke to how the mill rate has been calculated in the past and explained that the cap within the cap was put in to take the base property tax rate and freeze it at 4.9 mills. He stated that the only way to roll the garbage service fees into the tax cap would be to remove the cap within the cap. He clarified that, essentially, the rate would go back to the original tax cap adopted by voters in the 1980's. **Mayor Cleworth** acknowledged that the solution isn't perfect. He stated that for properties valued at \$200,000 or less, the change would be a savings to the rate they are currently paying for garbage service. He requested that Council Members speak up now if they are sure they will vote against Ordinance No. 5917, since it requires a unanimous vote in order to go on the 2013 ballot. He indicated that there is no point in advancing the ordinance if it doesn't have a chance of passing.

Mr. Walley commented that he has been back and forth on the issue. He spoke to the savings the City will see if garbage billing is eliminated and to the additional savings in efforts to collect for past due bills.

Chief Financial Officer Jim Soileau stated that the Supreme Court ruled that municipalities may no longer enforce a garbage lien on properties effective in 2013. He stated that filing a lien has been the City's only "big hammer" for collection on garbage accounts. He indicated that collection will be much more difficult to enforce without the option of filing liens against properties. **Mr. Soileau** explained that the City will have to begin seeking court judgments in order to collect on unpaid balances.

Ms. Staley asked if the City would be able to collect attorney fees if a judgment was issued against a property.

Mr. Ewers replied that only a portion of the attorney's fees would be collected.

Mr. Matherly commented that he enjoys seeing the garbage truck collect trash at -50 degrees. He stated that he also appreciates those who recycle. He expressed his support for Ordinance No. 5917.

Mr. Walley commented that he too is inclined to vote for Ordinance No. 5917, stating that the pros outweigh the cons.

Mr. Matherly reminded everyone that if the garbage fees were rolled into the property tax, an individual may be able to write off the cost. He stated that he has never had an issue with the quarterly billing and that City garbage collection is the right thing to do even if a property owner fails to pay.

Mayor Cleworth stated that all the Council Members would not be present at the next Regular Meeting. He suggested that the motion to advance be amended to advance Ordinance No. 5917 to the Regular Meeting of April 22, 2013.

Mr. Matherly, seconded by **Mr. Walley**, moved to AMEND the Motion to Advance by changing the date of Advancement to the Regular Meeting of April 22, 2013.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND THE MOTION TO ADVANCE BY CHANGING THE DATE OF ADVANCEMENT TO THE REGULAR MEETING OF APRIL 22, 2013, AS FOLLOWS:

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

NAYS: None

Mayor Cleworth declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 5917 TO THE REGULAR MEETING OF APRIL 22, 2013, AS FOLLOWS:

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

NAYS: None

Mayor Cleworth declared the MOTION CARRIED and Ordinance No. 5917 ADVANCED to the Regular Meeting of April 22, 2013.

DISCUSSION ITEMS

Committee Reports

Fairbanks Parking Authority Fairbanks Parking Authority – **Ms. Staley** gave a report on the recent Parking Authority Board Meeting. She stated that the Board discussed customer service and that the Parking Director from Easy Park Anchorage was present at the meeting.

Ms. Staley also discussed her recent trip to Juneau to represent the City of Fairbanks' 2013 legislative priorities. She stated that the Interior Delegates seemed to understand the City's issue

with South Cushman Street. She commented that she was also able to discuss the City's problem with charging a 9-1-1 surcharge when a caller is using a prepaid cell phone or voiceover lines. **Ms. Staley** stated that she was successful in meeting with everyone except Representatives Scott Kawasaki and David Guttenberg. She commented that she had a great time on the trip.

Mayor Cleworth thanked Ms. Staley for representing the City of Fairbanks in Juneau.

FMATS Policy Committee – **Mr. Walley** spoke to the motion put forth in the last meeting to change the distribution of the planning funds to the City and the Borough. He stated that there was also a motion for the fund distribution to remain at "status quo" and that the motion passed. He asked Mayor Cleworth to speak to the memo that he put in the Committee's packet regarding the distribution.

Mayor Cleworth explained that FMATS receives about \$230,000 annually in federal funding for planning. He stated that for many years former mayors have had disagreements on how those dollars should be spent. He stated that in researching the issue himself, he has discovered that most Metropolitan Planning Organizations (MPO's) use the money for the coordinator's office. He stated that the federal funding does not cover the cost of running the Fairbanks office because currently about 60% of that \$230,000 goes to the Borough to cover a planning position there. **Mayor Cleworth** explained that his understanding of the current Memorandum of Agreement (MOU) between the Borough and the City is that the expenses for that position should be covered by the Borough already, just as the City pays to host FMATS at City Hall. He stated that his proposal was to take a look at the distribution of funds to come up with a more equitable plan for all involved parties. He stated that the more he researched the funding, the more he began to believe that all the money should be going directly to the MPO Coordinator's Office, managed by Donna Gardino. **Mayor Cleworth** explained that any shortfalls in funding for the MPO's Office must come from funds that are set aside for street and highway projects. He indicated that he doesn't believe the issue will go away just because it was voted down.

COUNCIL MEMBERS' COMMENTS

Mr. Gatewood spoke to the wonderful representation of Fairbanks that local high school students gave at the state basketball tournament in Anchorage. He stated that Mimi Wood, a Hutchison student, was awarded the Player of the Year Award. He announced that the Monroe boys team won the 3A title again, defeating a strong Anchorage team. He congratulated the coaches on the success and thanked them for their time, work and dedication even though they receive little pay. He encouraged local youth to continue to exemplify the term "student athlete."

Mayor Cleworth commented that some coaches receive no stipend for their time and gave a "hats off" to them.

Mr. Eberhart spoke to the shooting that took place over the weekend, killing a public safety officer in a rural community. He stated that this type of violence is particularly tragic because Village Public Safety Officers (VPSO's) are unarmed. He expressed his condolences to the family of the officer. **Mr. Eberhart** spoke to the chronic inebriate problem in Fairbanks and to the number of ways the Council and local entities have tried to mitigate the issue. He stated that Shirley Lee, Executive Director of Housing First, gave an interesting address at the Tanana Chiefs Conference and announced that the home had reached full capacity with over 40

residents. He stated that Ms. Lee told a story about an individual who had been to the emergency room over 100 times within a three-month period, but after becoming a resident at Housing First, only went to the emergency room one time in a three-month period. He expressed hope that the home would continue in its success. **Mr. Eberhart** voiced his appreciation for the opportunity to attend the meeting telephonically.

Mr. Matherly commented that he is glad to be home after being out of state for five weeks. He said hello to Dawn Cogan and the boy scouts attending the meeting and encouraged the youngsters to get involved with the local events and ask a lot of questions. He expressed his condolences for the officer who was fatally shot and for the 15-year old boy that died in Fairbanks recently. He reminded everyone that the roads are still snowy and cautioned everyone to drive carefully. **Mr. Matherly** thanked Mr. Jackovich for coming down to speak to the Council and encouraged him to send the information via email.

Mr. Hilling expressed confusion as to the location of the City Charter in the Code Book. He stated that when Ordinance No. 5917 comes up for second reading, he would like to see clearer language in the proposition for voters. He asked if there would be a part of the remaining charter that explains that the tax cap is not going away completely.

Mr. Ewers stated that the tax cap would remain. He explained that the 4.9% is only a cap within the cap.

Mr. Hilling, in reference to Mr. Sovde's testimony on garbage service, stated that a government-run monopoly is generally less efficient than a private monopoly. He explained that a government typically doesn't have the same incentive as private companies in keeping costs low. He pointed out that this case is different and that it appears that the City is performing the service more efficiently than a private company could. **Mr. Hilling** spoke to anti-trust laws in Alaska and to how they played a part in the closing of the downtown grocery store in Fairbanks a number of years ago. He indicated that those laws are not always a good thing for a community.

Ms. Staley stated that she is happy to see a co-op in the downtown area. She commented that she serves on the Golden Valley Advisory Committee, another co-op in Fairbanks, and announced that on April 24 the Committee will be holding its annual meeting at the Carlson Center. She stated that the Golden Valley Co-op helped support the opening of the new co-op. **Ms. Staley** congratulated those members under the age of 40 who are winning their "Top 40 under 40" at the Captain Cook on April 5. She announced that the Military Appreciation Banquet is coming up on March 29 and that for the fifth year, she will be hosting a couple of individuals for the event. She stated that it's a great opportunity to give back to the soldiers. She expressed her excitement for the upcoming discussions regarding Old City Hall.

Mr. Walley expressed satisfaction that spring is on its way to Fairbanks. He thanked those who testified during the meeting and specifically thanked Mr. Jackovich for his testimony. He stated that he had been involved in some past discussions about applying for grants to restore the old KFAR building out on the golf course, suggesting that Mr. Jackovich look into possible grant opportunities.

CITY ATTORNEY'S REPORT


City Attorney Ewers explained that there are some tax exemptions and deferrals that are allowed for under state law, both mandatory and optional. He stated that there is no such authority that allows for the use of alcohol tax dollars in such a way. He further stated that the concept may go against the Alaska Constitution, Article IX, Section 6, Public Purpose for Money.

ADJOURNMENT

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

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

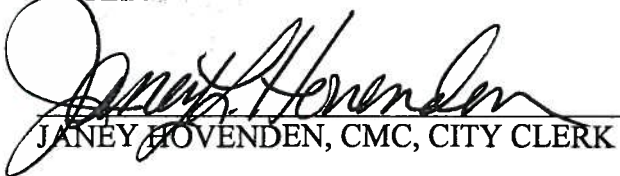
Mayor Cleworth declared the Meeting adjourned at 8:50 P.M.



JERRY CLEWORTH, MAYOR

for

ATTEST:



JANEY HOVENDEN, CMC, CITY CLERK

Transcribed by: DS