

CORRECTED



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

The City Council convened at 7:00 p.m. on the above date, following an Energy Presentation and Panel, 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 (Telephonic)
 Lloyd Hilling, Seat E

Absent: John Eberhart, Seat F (Excused)

Also Present: Pat Cole, Chief of Staff
 Warren Cummings, Fire Chief
 Ernie Misewicz, Assistant Fire Chief
 Paul Ewers, City Attorney
 D. Danyielle Snider, Deputy City Clerk

INVOCATION

The Invocation was given by Deputy City Clerk Snider.

FLAG SALUTATION

Mayor Cleworth led the Flag Salutation.

CITIZEN'S COMMENTS

Bill Wright, 717 Farmers Loop Road, Fairbanks, Morris Thompson Cultural and Visitors Center – Mr. Wright shared a review of press and media tours that the center has done within the past six to seven months. He stated that 2013 has been different because, in early December, a company called Lonely Planet ranked Fairbanks number two in the top travel destinations in the United States for 2013, second to Louisville, KY. He explained that 2013 is also a peak time in the solar cycle for viewing the Northern Lights in Fairbanks. Mr. Wright stated that the Visitor's Center put out its own press release promoting Fairbanks as a travel destination. He stated that Mayor Cleworth and other members of the community provided statements on the great winter activities and events happening in the Fairbanks area. Mr. Wright stated that because of the great positive response from media throughout the country, the visitor's center invited three top travel writers to come visit Fairbanks in the winter of 2013. He expressed hope that the result of their visit would be good press for Fairbanks. He mentioned articles that have been written about Fairbanks in various well-known publications throughout the country.

Mr. Gatewood asked how Fairbanks lost first ranking to Louisville, KY.

Mr. Wright replied that the folks from Lonely Planet said that they like to choose destinations that are not on the usual list of top places to visit. He stated that Louisville ranked well because they are going through a transformation, with new restaurants and sites to see.

Rick Jameson, Local President of American Federation of Government Employees (AFGE) – Eielson and Clear AFB – Mr. Jameson thanked everyone for attending and contributing to the EIS Scoping meetings held recently. He spoke to the Air Force's desire to shut down the Clear Air Force Station power plant and buy power from Golden Valley Electrical Association (GVEA). He stated that they are also looking into heating the base with steam through auxiliary heat plants, which are fueled by diesel. He explained that since there is no bulk fuel storage in Clear, diesel fuel would have to be trucked from Fairbanks to Clear daily. He spoke to the problems and hazards that would be involved with trucking the fuel on a daily basis, given the harsh winter weather conditions in the Interior. Mr. Jameson stated that the buildings at Clear would have no alternate heat source if there was an outage and fuel could not be delivered—even for a 24-hour period. He stated that he just returned from Washington D.C. where he spoke with the state's Senators and the Pentagon about the Air Force's plan.

David Lerman, 126 2nd Avenue, #15, Fairbanks – Mr. Lerman stated that he is a candidate for the 2013 Municipal Election. He spoke to the number of views on his *Renovation Fairbanks* website and provided its new web address. He stated that his other website, *Voter Butter*, is like a summary of his renovation website. He spoke to the benefits of renovation in a community and to his idea for creating a Renovation Task Force in Fairbanks. He specifically mentioned a structure at 124 2nd Avenue that is in terrible disrepair. Mr. Lerman suggested that statistics regarding deteriorated properties, air pollution, domestic violence, burglaries, DUI's, and other issues be posted on the City's website for easy access by the public. He also recommended that task forces be created to address all those issues in order to lower statistics.

Mr. Gatewood asked Mr. Lerman if the property located at 124 2nd Avenue is deteriorated; and if so, if Mr. Lerman believes the structure should be torn down.

Mr. Lerman replied that it needs to be condemned and demolished.

Mr. Gatewood asked Mr. Lerman how he would determine which properties could be renovated and which ones should be demolished.

Mr. Lerman stated that a structure should be torn down when they are beyond repair and there is nothing to renovate. He stated that the City should be concerned about these types of properties.

Scott Calder, PO Box 75011, Fairbanks – Mr. Calder stated that the Citizen Review Panel for the Permanency Planning Act of 1990 has been a subject of interest to him for a number of years. He referenced chapter 117 of the Session Laws of Alaska (SLA) 1990, speaking to the review of out-of-home placements of children in the State of Alaska. He stated that the topic was of great interest in the 1980's, so the state passed an act to form Citizen's Review Panel to review the case plans of each child in out-of-home placement biannually. He explained that the panel was

made up of volunteer citizens. He stated that after studying the issue, he discovered that the State of Alaska had not implemented the program according to the law and encouraged them to do so. Mr. Calder stated that eventually the U.S. Congress acted and began requiring that each state have a citizen review panel in place in order to receive Medicaid funding. He expressed his distaste for the current review program, speaking primarily to its propaganda. He shared that there will be a presentation by the current Citizen Review Panel in Juneau at 3:00 P.M. on February 26, 2013. He distributed copies to the Council of the original legislative act and five resolutions by the Borough favoring the previous approach of the panel. He stated that he plans to attend the meeting via the Legislative Information Office (LIO) in the Alaska USA office building.

Mayor Cleworth asked how Congress chooses the panels.

Mr. Calder replied that he believes there is still an appointment procedure through the Governor, but that it is contracted by another agency through the Department of Health and Social Services. He stated that he felt the original act was more appropriate because of the stronger language pertaining to the selection of appointments.

Tim Jones, 100 Eagle Ridge Road, Fairbanks – Mr. Jones stated that he is observing the Council Meeting with Boy Scout Troop 1 so that the youngsters can fulfill a requirement for obtaining one of their Citizenship Merit Badges.

Mayor Cleworth thanked the group for attending.

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.

Mr. Gatewood pulled Resolution No. 4566 and Resolution No. 4567 from the Consent Agenda.

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

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

APPROVAL OF PREVIOUS MINUTES

a) Regular Meeting Minutes of January 21, 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 below-referenced Liquor License Applications for renewal.

Lic #	Establishment Name	License Type	Premise Location	Owner Name
328	Drop Inn Lounge	Beverage Dispensary	1420 S Cushman St	N & P Enterprises LLC
426	Frontier Club	Beverage Dispensary	440 Old Richardson Hwy	Boulder Investments Inc
617	K & L Distributors	Wholesale - General	945 Elizabeth Street	K & L Distributors Inc
1377	Rock N Rodeo Bar & Grill	Beverage Dispensary	600 Old Steese Hwy.	Scruff-N-Pork's Inc.
1912	Gold Rush Saloon	Beverage Dispensary	3399 Peger Rd.	Downriver Inc.
1966	Loyal Order of Moose #1392	Club	98 Tenth Avenue	Fairbanks Lodge #1392
2124	Los Amigos	Beverage Dispensary	636 28th Avenue (upstairs)	Randall G. Kelsch
2847	The Attic	Beverage Dispensary	2701 Cushman St	John J Lounsbury
3050	Gambardella's Pasta Bella	Restaurant/-Eating Place	706 2nd Ave	Gambardella's II Inc
3336	Soapy Smith's Pioneer Restaurant	Restaurant/-Eating Place	543 2nd Ave	Nicholas V Stepovich
3467	Lin's Asian Bistro	Restaurant/-Eating Place	1900 Airport Way	Lin's Panda Garden Inc
3965	K & L Beverage Company LLC	Wholesale - General	945 Elizabeth St	K & L Beverage Co LLC
4076	Brown Jug	Package Store	No Premises	Liquor Stores USA North Inc.
4314	Gallo's Mexican Restaurant	Beverage Dispensary	60 College Rd	Northern Lights Business Inc
4458	Iris Café and Saloon	Beverage Dispensary-Tourism	900 Noble Street	J & Y Enterprises Inc.
4464	Fred Meyer #224	Package Store	930 Old Steese Hwy	Fred Meyer Stores Inc.
4465	Roundup Steak House	Beverage Dispensary	2701 S Cushman St	The Last Roundup LLC
4504	Gold Rush Deli	Beverage Dispensary	3399 Peger Rd #C	Upriver Inc.
4547	Chilis Grill & Bar	Beverage Dispensary	No Premises	Duke Investments LLC

Mayor Cleworth informed the Council that Chilis Grill & Bar is in bankruptcy and owes the City back sales tax. He recommended that a motion be made to waive protest on all the license renewals except Chilis Grill & Bar.

Mr. Hilling, seconded by **Ms. Staley**, moved to WAIVE PROTEST on all the Liquor License Applications for renewal except Lic. #4547, Chilis Grill & Bar.

Mayor Cleworth 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 CHILIS GRILL & BAR, AS FOLLOWS:

YEAS: Gatewood, Walley, Matherly, Staley, Hilling

NAYS: None

ABSENT: Eberhart

Mayor Cleworth declared the MOTION CARRIED.

Mr. Walley, seconded by **Mr. Gatewood**, moved to PROTEST the Liquor License Application for renewal for Chilis Grill & Bar.

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

Mayor Cleworth explained that since the business is in bankruptcy, protesting the renewal may be the only leverage the Council has to get them to repay their debt to the City.

Mr. Gatewood asked when the Council would readdress the renewal if the business were to make good on their debt to the City.

City Attorney Ewers explained that the business owes the City two amounts: a pre-bankruptcy debt and a post-bankruptcy debt. He stated that the pre-bankruptcy debt is not an issue because any action taken to collect the balance would violate bankruptcy code. He further explained that the City can take action to collect the debt the business accrued after the bankruptcy occurred. Mr. Ewers reported that the business is not currently operating and that he's heard the building is not in good shape.

Mr. Gatewood spoke to the two balances owed to the City by Chilis Grill & Bar. He asked if there was any way to collect the pre-bankruptcy balance.

Mr. Ewers replied that the older debt is subject to the bankruptcy.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO PROTEST THE LIQUOR LICENSE APPLICATION FOR RENEWAL FOR CHILIS GRILL & BAR AS FOLLOWS:

YEAS: Staley, Matherly, Gatewood, Hilling, Walley

NAYS: None

ABSENT: Eberhart

Mayor Cleworth declared the MOTION CARRIED.

- b) VACATION OF PUBLIC RIGHT-OF-WAY Request by Stutzmann Engineering for a replat of Lots 21-38 and the eastern 20' of Lots 39-45, Blk 3, Laurel Park Addition and a portion of the unplatted parcel bounded by Reindeer St, Laurel Park Dr, 30th Ave, and the western boundary of Laurel Park, 2nd Addition, into two lots of approximately 0.92 and 8.70 acres and to vacate Vine St, a portion of Laurel Park Dr, and a portion of Laurel Park all within Sec 22, T1S R1W, FM AK.

Mayor Cleworth explained that by taking no action, the Council would be agreeing with the vacation. If there was an objection to the vacation, the City would enter a protest. He stated that this vacation came before the Council a number of years ago, but was never consummated by the parties involved even though the Borough and the City gave them the "green light."

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

Mr. Ewers explained that the Borough has already taken action on the right-of-way and the Council may veto that action by objecting.

There was no objection to the vacation and no formal action was taken.

MAYOR'S COMMENTS AND REPORT

Mayor Cleworth thanked those who attended and participated in the EIS Scoping meetings for Eielson AFB. He stated that the Department of Transportation (DOT) had made a pitch to the City to use preventative maintenance (PM) monies to reconstruct South Cushman Street. He stated that the City has been hoping to complete the South Cushman project for decades, but that other projects have always taken precedence. **Mayor Cleworth** explained that the City has received capital funds from Juneau and \$5 million in funding from FMATS in hopes of completing the project on a smaller scale. He stated that capital budget predictions over the next few years indicate about a 50/50 chance that the City will receive the additional \$4 million needed to complete the full-scale project. **Mayor Cleworth** stated that the tentative plan is to use the \$5 million in state funding to redesign the sidewalks on the west side of South Cushman Street and look at the drainage along the street. He stated that it is possible for that portion of the project to begin in 2013 while the City awaits the DOT PM funding to come through for the road paving. He stated that the utilities and sidewalks on the east side of the street may have to wait for a few more years. He spoke to the need to use the PM monies before they are lost. **Mayor Cleworth** spoke to the upcoming luncheon with Commissioner Susan Bell and Senator Gene Therriault who will present the Alaska Industrial Development and Export Authority (AIDEA) outlook on what is happening with HB 74 in Juneau. **Mayor Cleworth** recognized the City Clerk's Office for the new signage throughout City Hall. He stated that he was introduced to the new Alaskan management of BP and that he spoke with them about their proposal to the Governor. **Mayor Cleworth** stated that the folks interested in developing the Polaris Building for vertical farming are coming to meet with the City to get input. He spoke to the dilapidated property located at 124 2nd Avenue, stating that the gentleman in charge of the property came to City Hall recently and said that he is making an effort to clean it up and stated that the property is still on the list of possible abatements. He noted the passage of Dennis Sweetsir, a long-time Fairbanks resident and great basketball player who graduated from Lathrop High School in 1970. **Mayor Cleworth** also mentioned that former Fire Chief Bill Shechter was medevac'd to Seattle after having a stroke. He asked everyone to keep Mr. Shechter in their prayers.

Mr. Hilling asked for the location and time of the AIDEA luncheon.

Mayor Cleworth replied that the meeting would take place in City Council Chamber at noon on Wednesday, February 27.

Mr. Hilling asked if there is any room to widen South Cushman Street.

Mayor Cleworth explained that right-of-way acquisition would be very complex and costly project and would likely delay the project for many years. He stated that the decision has been made to use the existing corridor and get good pavement, drainage and sidewalks.

NEW BUSINESS

- a) Resolution No. 4562 – A Resolution Opting to Participate in the AML-JIA Loss Control Incentive Program for the City of Fairbanks. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- b) Resolution No. 4563 – A Resolution Supporting Legislative Action to Amend the Workers' Compensation Medical Fee Schedule. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- c) Resolution No. 4564 – A Resolution Regarding City IRS Section 457 Deferred Compensation Plans. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- d) Resolution No. 4565 – A Resolution in Support of a Land Exchange for a Limited Access Road to Provide Safe and Reliable Access to the Cold Bay Airport for the Residents of King Cove, Alaska. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

- e) Resolution No. 4566 – A Resolution in Support of Funding for the Construction of a Natural Gas Production, Trucking and Distribution System, Including Legislation to Authorize the Alaska Industrial Development and Export Authority (AIDEA) to Provide Low Interest Loans and Issue Bonds. Introduced by Mayor Cleworth.

Mr. Gatewood, seconded by **Mr. Hilling**, moved to APPROVE Resolution No. 4566.

Mr. Gatewood stated that he pulled Resolution No. 4566 because he saw the invitation to attend the AIDEA meeting scheduled for Wednesday. He asked if it would be best to wait until after that meeting to consider the resolution.

Mayor Cleworth stated that the reason for the visit by the Commissioner and Senator is to brief local officials on the status of AIDEA's proposals. He stated that the luncheon will also be a good opportunity to ask questions. He suggested that the Council keep the momentum going in support of the project.

Mr. Hilling stated that it was sobering to hear the work session presentation on the short-term solutions for a gasline. He asked why the less-expensive, small diameter pipeline is not more in the forefront.

Mayor Cleworth stated that there were many competing ideas for a solution 2 – 3 years ago, but that all of the solutions had problems. He indicated that a trucking distribution system may not be his first choice, but stated that it has become about the only short-term solution. He stated that one of the major problems with a small diameter pipeline would be the permitting process.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4566 AS FOLLOWS:

YEAS: Gatewood, Staley, Hilling, Matherly, Walley

NAYS: None

ABSENT: Eberhart

Mayor Cleworth declared the MOTION CARRIED and Resolution No. 4566 APPROVED.

- f) Resolution No. 4567 – A Resolution Authorizing the City of Fairbanks to Apply for and Accept Funds from the Alaska Division of Homeland Security for the Hazard Mitigation Grant Program (HMGP). Introduced by Mayor Cleworth.

Mr. Gatewood, seconded by **Ms. Staley**, moved to APPROVE Resolution No. 4567.

Fire Chief Warren Cummings gave a brief history on the HMGP. He stated that the grant is 75% federally funded and 25% state funded. He explained that whenever there is a disaster in the state, federal monies become available to do mitigation work. He stated that there are two mitigation projects the City is looking at: relocating the electrical system in City Hall to get the equipment above the flood plain, and upgrading the entire electrical system at City Hall. He stated that in order to apply for the mitigation funds, an organization is required to conduct a hazard study, which is the funding requested in Resolution No. 4566. He stated that the City Engineer believes the study can be done in three months or less.

Mr. Gatewood thanked Chief Cummings for the report. He asked if the City must apply for this grant in order to be eligible for future mitigation funds.

Chief Cummings replied affirmatively.

Mr. Gatewood asked what positions would be partially funded through the grant.

Chief Cummings replied that it would cover the time of the City's Environmental Engineer and Grant's Administrator.

Mayor Cleworth asked Chief Cummings to give the Council an update on the City's Continuity of Operations Plan (COOP).

Chief Cummings stated that the COOP is a plan for each department to operate in an emergency situation. He spoke to the most recent COOP exercise the City performed and stated that the plan is nearly ready for submittal to the state for approval. He indicated that the development of the plan has been very time consuming and stated that the goal is to have the final draft completed by the end of March.

Mr. Hilling stated that in most cases he is reluctant to vote for resolutions that would permit the City to apply for federal grant dollars. He expressed his belief that the City is quite capable of detecting and dealing with risks to prepare for a disaster on its own. He stated his intent to vote against Resolution No. 4567.

Mayor Cleworth stated that Mr. Hilling's point is a valid one. He stated that the Council has been very careful in reviewing grant opportunities and the "strings" that might be attached. He pointed out that some grants are not sustainable once the grant money runs out, but commented that he believes the City should apply for the hazard mitigation grant.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4567 AS FOLLOWS:

YEAS: Gatewood, Walley, Matherly, Staley

NAYS: Hilling

ABSENT: Eberhart

Mayor Cleworth declared the MOTION CARRIED and Resolution No. 4567 APPROVED.

DISCUSSION ITEMS

Fairbanks Parking Authority – **Ms. Staley** stated that she missed the last Parking Authority Board Meeting, but provided a brief report from her notes. She stated that the board discussed the use of handheld devices as a means to identify repeat parking offenders. She commented that the board will continue to study the issue and look at what Anchorage is doing. She stated that there have been good turnouts for the Parking Authority hearings. **Ms. Staley** stated that she will be attending the next Borough Assembly meeting and thanked Mr. Gatewood for attending the last two meetings in her absence.

COMMUNICATIONS TO COUNCIL

- a) Permanent Fund Review Board Meeting Minutes of October 31, 2012.

ACCEPTED on the CONSENT AGENDA.

- b) Chena Riverfront Commission Meeting Minutes of November 14, 2012.

ACCEPTED on the CONSENT AGENDA.

- c) Chena Riverfront Commission Meeting Minutes of December 12, 2012.

ACCEPTED on the CONSENT AGENDA.

COUNCIL MEMBERS' COMMENTS

Mr. Matherly thanked the Mayor and Council for allowing him to participate telephonically. He apologized for not being present at the last regular meeting. He commented that he enjoyed Mr. Wright's report on the visitor's industry.

Mr. Hilling had no comments.

Mr. Gatewood expressed his agreement with Mayor Cleworth's statement that it is time to "pick a horse" in reference to an energy solution for the Interior. He stated that although he appreciated the Energy Panel and Presentation, more information seems to create more confusion. **Mr. Gatewood** stated that one thing he took from the presentation is that we must have the support of the state government in order to be successful. He indicated that the small diameter pipeline solution seems too simple to be true. He expressed his satisfaction that the Council approved the resolution in support of the ASAP line. **Mr. Gatewood** stated that he would not be able to attend Wednesday's meeting with the Commissioner, but expressed hope that the meeting would go well.

Mayor Cleworth added that not only must the state government be on board for success, but also the producers.

Mr. Walley agreed with Mr. Gatewood's remarks pertaining to the energy issue. He expressed frustration with the constant flow of new solutions to the energy crisis and echoed prior comments that the government and producers must be on board in order to make a plan successful. He stated that he will support a plan that gets gas to Fairbanks as quickly as possible and added that he will lean towards a short-term solution until a feasible long-term solution comes along.


Ms. Staley had no comments.

ADJOURNMENT

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

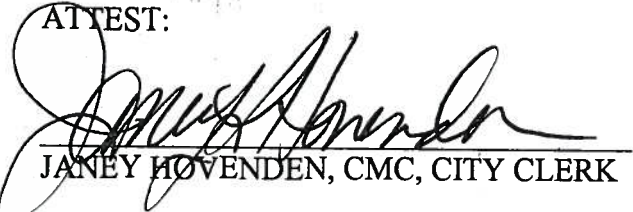
Mayor Cleworth called for objection and, hearing none, so ORDERED.

Mayor Cleworth declared the meeting adjourned at 8:17 P.M.



JERRY CLEWORTH, MAYOR

ATTEST:



JANEY HOVENDEN, CMC, CITY CLERK

Transcribed by: DS