



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, SEPTEMBER 24, 2012
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: Vivian Stiver, Seat A
Chad Roberts, Seat B
Jim Matherly, Seat D (Telephonic)
Lloyd Hilling, Seat E
John Eberhart, Seat F

Absent: Bernard Gatewood, Seat C (Excused)

Also Present: Pat Cole, Chief of Staff
Warren Cummings, Fire Chief
Dave Burglin, Deputy City Attorney
Janey Hovenden, City Clerk
Ryan Rickels, IT Director
Tony C. Shumate, Director Personnel/Purchasing/RM
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

Chris Miller, 410 2nd Avenue, Fairbanks – Mr. Miller, member of the Local Improvement District (LID) Ad-hoc Committee, spoke in support Ordinance No. 5896. He indicated that there is a need for downtown property owners to take care of themselves by providing a more stable funding source for the Clean Team and Community Service Patrol (CSP).

Mr. Eberhart stated that he had read the minutes from the LID Committee meetings and remarked that it seems there were many different ideas on whether or not to form a 501(c)(3) and how the funding would be channeled for the services. He asked Mr. Miller if he had any idea on where the Committee was going with the LID plan.

Mr. Miller replied that the Committee has decided to leave many options open because of the dynamic nature of a local improvement district.

Mike Webb, 531 2nd Avenue, Fairbanks – Mr. Webb stated that he owns property and runs a business in Downtown Fairbanks. He stated that he is also a member of the Downtown Association (DTA) Board. Mr. Webb spoke to the services performed by the CSP and the Clean Team, calling them “crucial” to operating a healthy business. He expressed his support for the continuance of both programs.

Mr. Eberhart asked Mr. Webb what he would like to see happen with the creation of the LID.

Mr. Webb explained that he does not have a long-standing history of involvement with non-profits and does not know what all is required to create one. He indicated that he is indifferent as to how the LID comes about.

Mr. Roberts asked Mr. Webb if he is in favor of taxing himself and other downtown property owners in order to keep the CSP and Clean Team in operation.

Mr. Webb replied that he is in favor of the taxation. He commented that his annual contributions to the programs far exceed the proposed tax for his portion of the LID.

Ms. Stiver spoke to the emphasis the Committee has placed on the value of property owner participation and input for the LID. She asked Mr. Webb to speak to his thoughts on stakeholder involvement.

Mr. Webb agreed that downtown property owners should be very involved in the LID process and that they should have a voice.

Mayor Cleworth announced that the meeting was not being broadcast on the radio or streamed online due to technical difficulties. He called for a short recess to fix the issue.

Mayor Cleworth called the meeting back to order and resumed Public Testimony.

Tim Sovde, 402 Bonifield Street, Fairbanks – Mr. Sovde spoke to the energy crisis and to the possibility of bringing gas to Fairbanks from the Cook Inlet instead of the North Slope. He encouraged the Council to be diligent in collecting information from all sources before making a decision.

David van den Berg, 332 Slater Drive, Director of Fairbanks Downtown Association – Mr. van den Berg spoke to Ordinance No. 5896. He pointed out Section 58-34(a)(f), asking if the word “limited” was intended to be “local” in reference to an improvement district.

Ms. Stiver commented that the district has been referred to in both ways, limited and local.

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

APPROVAL OF AGENDA AND CONSENT AGENDA

Mr. Roberts, seconded by **Ms. Stiver**, moved to APPROVE the Agenda and Consent Agenda.

Mr. Eberhart pulled Ordinance No. 5896 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.

MAYOR'S COMMENTS AND REPORT

Mayor Cleworth reminded the Council of the Joint Work Session at the North Pole City Council Chambers on September 25, 2012. He stated that the purpose of the meeting is to gather information and to hear different points of view. He asked the Council if anyone besides Mr. Gatewood would be unable to attend.

Mr. Matherly stated that would not be able to physically attend, but that he has arranged to attend telephonically.

Mayor Cleworth reminded the Council of the photo to be taken at 4:30 P.M. on September 27, 2012, and the City Hall Open House immediately following. He thanked Mr. Gatewood for representing him at the Mayor's Bowl in North Pole; he stated that, unfortunately, North Pole won the event. **Mayor Cleworth** thanked the Clay Street Cemetery Committee for their efforts and leadership in getting the new headstones put in at the cemetery. He passed along Frank Turney's gratitude to the City's Public Works Department for helping with lawn maintenance at the cemetery while his lawnmower was broken. **Mayor Cleworth** pointed out a technical correction on Ordinance No. 5896, Section 58-34(a)(f), stating that subsection (f) should be changed to (e). He thanked candidates who have taken time to participate in the Regular City Council Meetings and welcomed their questions and interaction with City employees.

UNFINISHED BUSINESS

- a) Ordinance No. 5892 – An Ordinance Updating Fairbanks General Code Sections 2-685 and 2-686 Language Concerning Qualified Financial Institutions and Safekeeping and Collateralization of Deposit-Type Securities. Introduced by Mayor Cleworth. SECOND READING AND PUBLIC HEARING.

Mr. Roberts, seconded by **Mr. Hilling**, moved to ADOPT Ordinance No. 5892.

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. 5892 AS FOLLOWS:

YEAS: Eberhart, Stiver, Hilling, Matherly, Roberts

NAYS: None

ABSENT: Gatewood

Mayor Cleworth declared the MOTION CARRIED and Ordinance No. 5892 ADOPTED.

- b) Ordinance No. 5893 – An Ordinance Repealing Fairbanks General Code Sections 2-731 through 2-736 Regarding the J.P. Jones Community Development Investment Fund. Introduced by Mayor Cleworth. SECOND READING AND PUBLIC HEARING.

Mr. Matherly, seconded by **Mr. Roberts**, moved to ADOPT Ordinance No. 5893.

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. 5893 AS FOLLOWS:

YEAS: Roberts, Eberhart, Matherly, Stiver, Hilling

NAYS: None

ABSENT: Gatewood

Mayor Cleworth declared the MOTION CARRIED and Ordinance No. 5893 ADOPTED.

- c) Ordinance No. 5894 – An Ordinance Authorizing the Extraterritorial Extension of Fire Suppression Services by Contract to Property South of Van Horn Road and East of Easy Street. Introduced by Mayor Cleworth. SECOND READING AND PUBLIC HEARING.

Ms. Stiver, seconded by **Mr. Hilling**, moved to ADOPT Ordinance No. 5894.

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

Mr. Roberts asked what the term of the contract would be for the extraterritorial services.

Pat Cole answered that either party could withdraw at any time.

Mr. Eberhart asked if the City has a separate contract with each owner.

Pat Cole confirmed that it does. He clarified that Ordinance No. 5894 would authorize the City to provide fire services anywhere within the three square miles indicated on the map so that individual contracts would not have to come before the Council for approval.

Mr. Eberhart asked to hear the Fire Chief's view on the City's ability to serve the extended area.

Mayor Cleworth pointed out that the City is currently providing ambulance service to the area under contract with the Borough. He asked Chief Cummings to come forward.

Chief Cummings stated that the number of fires in that area have been pretty significant and expressed hope that the extension of fire services will constitute quicker response time.

Mr. Eberhart asked Chief Cummings if the City Fire Department is in favor of Ordinance No. 5894. He asked if the Fairbanks Firefighters Association (FFA) has weighed in on the issue.

Chief Cummings replied that his Department supports Ordinance No. 5894 and stated that FFA has shown no opposition to the extension of services.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5894 AS FOLLOWS:

YEAS: Matherly, Hilling, Roberts, Stiver, Eberhart

NAYS: None

ABSENT: Gatewood

Mayor Cleworth declared the MOTION CARRIED and Ordinance No. 5894 ADOPTED.

NEW BUSINESS

- a) Ordinance No. 5896 – An Ordinance to Amend Fairbanks General Code Section 58-34 Regarding Local Improvement Districts. Introduced by Council Member Stiver.

Ms. Stiver, seconded by **Mr. Roberts**, moved to ADVANCE Ordinance No. 5896.

Mr. Eberhart thanked Ms. Stiver for all her hard work on the LID Committee. He spoke to the possible change of the word “limited” to “local” per Mr. van den Berg’s testimony. He asked Ms. Stiver to speak to leaving the options open for the district.

Ms. Stiver stated that the LID Committee does not want the district’s tax revenue to flow directly to the Downtown Association without property owner input. She spoke to the Committee’s resistance to using tax money to fill membership in an organization. **Ms. Stiver** made it clear that the Committee’s intent is to allow downtown property owners to have a voice. She stated that another LID ordinance is currently being drafted by the Committee that will provide more detail about the district. She indicated that there may be another committee formed for the purpose of property owner education.

Mr. Eberhart asked if there is more to the focus of the district other than the CSP and the Clean Team.

Ms. Stiver replied that the focus of the LID is for the CSP and the Clean Team. She stated that it is not the intent of the LID to solely fund the services; rather, the LID should be a constant contributor to help fund the programs.

Mr. Roberts asked Ms. Stiver if she sees the LID as a replacement for the City's annual contribution to the CSP.

Ms. Stiver replied that the Committee spoke about the issue, but that she couldn't recall the discussion.

Mayor Cleworth asked when the second LID ordinance would be introduced.

Ms. Stiver stated that it would be introduced at the Next Regular City Council Meeting. She recalled parts of the Committee's discussion in regards to whether or not the City's contribution to the CSP comes from the General Fund. She asked City Clerk Hovenden if she believed the matter had been resolved.

Ms. Hovenden replied that she believed Mr. Ewers was still looking into the issue.

Mayor Cleworth explained that the 22.5% of bed tax revenue goes into the City's General Fund. He stated that when the Council approved the contribution to the CSP, those funds were allocated out of the General Fund. He asked the Council to give consideration to the allocation of that line item for the upcoming budget year.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 5896 AS FOLLOWS:

YEAS: Roberts, Matherly, Hilling, Eberhart, Stiver
NAYS: None
ABSENT: Gatewood
Mayor Cleworth declared the MOTION CARRIED and Ordinance No. 5896 ADVANCED.

DISCUSSION ITEMS

Committee Reports

Fairbanks Convention and Visitor's Bureau (FCVB) Board – **Mr. Hilling** provided a summary of the August 22, 2012, Board Meeting. He spoke to the South Denali Project which is aimed at increasing access to South Denali in hopes of increasing tourism. He indicated that the project concerns the FCVB Board because it may encourage tours to terminate in South Denali rather than in Fairbanks. He stated that the issue will be addressed again at the FCVB Meeting on September 26, 2012. **Mr. Hilling** shared that there was a 30% increase in visitors to the FCVB as of July, 2012. He spoke to the 10th Annual Walk of Charity Event which raises money for non-profits throughout the City of Fairbanks and stated that 725 walkers raised a total of \$30,000, the second highest amount for the event in its ten-year history. He spoke to local government support for the Downtown Wayfinding Project.

Local Improvement District (LID) Ad-hoc Committee – **Ms. Stiver** thanked all the LID Committee Members for their service. She spoke to the funding source of the City's \$50,000 contribution to the CSP and indicated that she will have to give more thought to the matter for

the next budget year. She restated that the intent of the LID Committee is not to tax property owners in order to fund a specific non-profit.

FMATS Policy Committee – **Mr. Roberts** stated that DOT provided the FMATS Policy Committee with an update on the Illinois Street project at the September 19, 2012, meeting. He explained that the state is waiting for traffic signals to arrive for several intersections. He stated that the cost of expediting the project is roughly \$1.1 million, but that the new roadway (south of Minnie Street) is expected to be open by the middle of November. **Mr. Roberts** stated that the Art Selection Advisory Committee for the new green space between the bridges has been holding regular meetings and have narrowed the 55 submissions down to about 5. He stated that the next step will be for the Committee to put the project out to an RFP, then the final decision can be made. **Mr. Roberts** announced that DOT is planning to resurface Airport Way from the Steese Hwy to Peger Road in 2014 and that they are discussing whether or not to asphalt the median. He stated that the Policy Committee's recommendation is to leave the median as grass. He spoke to the ongoing contention surrounding the FMATS budget regarding funding allocation between the Borough, DOT and FMATS and stated that the issue has been referred back to the FMATS Technical Committee for resolution.

Mayor Cleworth spoke to the allocation of planning funds to which Mr. Roberts referred. He stated that the Borough gets roughly \$130,000, DOT gets about \$40,000 - \$50,000, and FMATS is allocated approximately \$40,000 - \$50,000. He commented that the City has never received any of the funds, even though City Hall houses the FMATS office and provides technical support and vehicles for the FMATS staff. He expressed hope that some of that money would be allocated to the City in the future.

COMMUNICATIONS TO COUNCIL

- a) Local Improvement District Meeting Minutes of August 17, 2012.

ACCEPTED on the CONSENT AGENDA.

- b) Local Improvement District Meeting Minutes of September 7, 2012.

ACCEPTED on the CONSENT AGENDA.

COUNCIL MEMBERS' COMMENTS

Mr. Matherly stated that he is looking forward to being back in Fairbanks for the next Regular City Council Meeting. He expressed sympathy for the loss of Joe Tremarello who coached youth basketball for many years at Lathrop High School and UAF. He spoke to his boys' involvement in youth football and invited fellow Council Members to attend their championship game at the Big Dipper.

Ms. Stiver thanked City Staff for their hard work throughout the life of the LID Committee and spoke to her belief in the need for the creation of the LID. She spoke to the short remainder of her term as a Council Member.

Mr. Roberts thanked Council Member Stiver and the LID Committee for their work and consideration of a LID. He reminded everyone of the upcoming Municipal Election and thanked the candidates for their attendance at the meeting. He remarked that he is looking forward to watching “from the sidelines” this year. **Mr. Roberts** spoke to the significance of the decisions to be made at the next Regular City Council Meeting in regards to the gas utility.

Mr. Eberhart thanked the artists and the Downtown Association for making the “Paint the Pipes” project happen. He commented on the beauty of the flowers and plants of Downtown Fairbanks in the summer. He expressed anticipation in attending the Joint Work Session on the gas utility, but conveyed his disappointment that Flint Hills was not invited to the event. **Mr. Eberhart** spoke to the positive interest the Governor has taken in the gas utility project and stated that the Governor would like to see involvement from *all* the key players, including Flint Hills. He asked the Mayor if he had any information as to why Flint Hills was not on the invited list.

Mayor Cleworth replied that he is unsure why Flint Hills was not on the list, but stated that it is his understanding that Flint Hills has no interest in government participation with the LNG Plant on the North Slope. He spoke to the agreement between Flint Hills and GVEA in regard to the construction of the plant.

Mr. Eberhart encouraged the public to get out and vote at the October 2 Municipal Election and expressed appreciation for all candidates running for local office.

Mr. Hilling commented that the Joint Work Session will be a momentous event. He spoke to the cost of infrastructure to get the gas distribution system up and running. He referenced Mr. Britton’s economic analysis that showed natural gas could cost about half of what consumers are currently paying for heating oil, assuming state funds were used to build the LNG Plant on the North Slope. **Mr. Hilling** stated that he is interested to see if other entities agree with the 50% savings Mr. Britton projected. He spoke to state funding, to objectivity in where the money is spent and to subsidizing outlying areas. **Mr. Hilling** stated that his wife is still in the hospital, but that he would do his best to attend the Work Session.

Mayor Cleworth asked Mr. Hilling who is paying taxes to the state if residents aren’t.

Mr. Hilling replied that Alaskans have inherited oil royalties. He stated that the oil belongs to all Alaskans even though the taxes are paid directly by the oil companies and corporations.

Mayor Cleworth indicated that those taxes are passed on to consumers through oil prices.

Mr. Hilling stated that he doesn’t see it that way. He shared his point of view that consumers pay a world market price for oil, regardless of what the oil companies are being taxed.

Mayor Cleworth spoke to the presentation by Cory Borgeson, President of GVEA, at the Chamber of Commerce regarding GVEA’s ability to buy energy off the inter-tie from Chugach. He indicated that the downside to purchasing that lower-cost energy is that the capacity is limited south of Healy. He stated that there was also talk at the presentation of “mothballing” the coal-

fired plant at Clear Air Force Base. He stated that GVEA is pushing for that plant to stay in operation.

Mr. Hilling spoke to the vast supply of coal in Alaska and to President Obama's intention to eliminate the coal industry.

Mayor Cleworth stated that it is a shame to have so much energy available and not be able to use it.

ADJOURNMENT

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

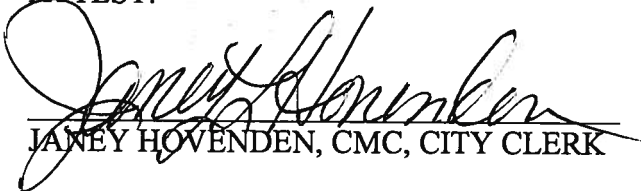
Mayor Cleworth called for objection and, hearing none, so ORDERED.

Mayor Cleworth declared the Meeting adjourned at 8:25 P.M.



JERRY CLEWORTH, MAYOR

ATTEST:



JANEY HOVENDEN, CMC, CITY CLERK

Transcribed by: DS