



FAIRBANKS CITY COUNCIL
AGENDA NO. 2012-16
REGULAR MEETING August 20, 2012
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

PRELIMINARY MEETING

- I 6:00 P.M. Complete Streets Work Session – Cushman & Barnette
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REGULAR MEETING

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

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

*a) Regular Meeting Minutes of July 23, 2012
 7. SPECIAL ORDERS

8. MAYOR'S COMMENTS AND REPORT

9. UNFINISHED BUSINESS

- a) Ordinance No. 5889, As Amended – An Ordinance Seeking Voter Approval for the City to Accept a Pass-Through Loan from the Alaska Clean Water Fund to Golden Heart Utilities of up to \$4.6256 Million for a Sludge Dewatering Project, up to \$650,623 for a Clarifier Project, and Ratifying a Loan of \$637,830 for Prior Improvements at the City-Owned Wastewater Treatment Facility. Introduced by Mayor Cleworth. Public Hearing was Held August 6, 2012. POSTPONED from the Regular Meeting of August 6, 2012.
- b) Ordinance No. 5890 – An Ordinance Amending Fairbanks General Code Sections 2-471 through 2-474 Regarding the Public Safety Commission. Introduced by Mayor Cleworth and Council Member Eberhart. SECOND READING AND PUBLIC HEARING.

10. NEW BUSINESS

- *a) Resolution No. 4544 – A Resolution to Apply for and Accept Funding from The Alaska Department of Transportation & Public Facilities for a FY2013 Safe Routes to School Grant. Introduced by Mayor Cleworth.
- *b) Resolution No. 4545 – A Resolution to Apply for and Accept Funding from the Alaska Department of Public Safety for the FY2013 Edward Byrne Memorial Justice Assistance Grant (JAG). Introduced by Mayor Cleworth.
- *c) Ordinance No. 5891 – An Ordinance Amending the 2012 Budget Estimate for the Second Time. Introduced by Mayor Cleworth.

11. DISCUSSION ITEMS (INFORMATION AND REPORT)

Committee Reports

12. COMMUNICATIONS TO COUNCIL

- *a) Permanent Fund Review Board Meeting Minutes of February 1, 2012
- *b) Permanent Fund Review Board Meeting Minutes of May 10, 2012
- *c) Chena Riverfront Commission Meeting Minutes of July 11, 2012

13. COUNCIL MEMBERS' COMMENTS
14. CITY ATTORNEY'S REPORT
15. CITY CLERK'S REPORT
16. ADJOURNMENT



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, JULY 23, 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
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
Paul Ewers, City Attorney
Janey Hovenden, City Clerk
Stephanie Johnson, Dispatch Center Manager
Ryan Rickels, IT Director
Tony C. Shumate, Director Personnel/Purchasing/RM
Margarita Bell, Grants Administrator
Laren Zager, Police Chief

INVOCATION

The Invocation was given by City Clerk Janey Hovenden.

FLAG SALUTATION

Mayor Cleworth led the Flag Salutation.

CITIZEN'S COMMENTS

Greg Allison, 436 Spence Avenue, Fairbanks – Mr. Allison, Tourism Senior Sales Manager for the FCVB, provided an update on the summer tourist season. He spoke to the various familiarization tours the FCVB has hosted in hopes of securing year-round tours with some international tour operators.

Frank Turney, 201 Seventh Avenue, Fairbanks – Mr. Turney expressed his sadness in the senseless killings of the Colorado theater incident. He spoke to citizens' right to bear arms and to the lives that could have been saved if someone else in the theater had been armed. He stated his support for firearm training. Mr. Turney stated that Sonja Yatlin had finally been arraigned

in the hit-and-run case that killed Rocky Rockar downtown. He asked for an update on the case involving two police officers suing the former City Chief of Police.

Shane Powers, 762 Constitution Drive, Fairbanks – Mr. Powers stated that he is an employee of the City of Fairbanks Fire Department (FFD) and had been asked by a Council Member to present some data on Fire Department staffing and how the SAFER grant would affect FFD. He referenced the charts on the staffing handout, stating that the department loses money due to understaffing. He spoke to the significant revenue FFD brings in to the City and to the importance of maintaining that revenue by accepting the SAFER grant. He stated that the risk of keeping the additional employees beyond the terms of the grant is minimized by the number of eligible retirees within the next five years.

Mr. Hilling asked if the common use of cell phones has directly affected the increase in call volume.

Mr. Powers replied that the increase in call volume is mainly a result of the obesity crisis and the high cost of health care.

Mr. Roberts pointed out that just because there are numerous employees eligible for retirement within the next five years, it does not guarantee they will retire. He asked what happens when a call is received and the department is understaffed.

Mr. Powers replied that when FFD is understaffed, mutual aid kicks in. He stated that the City loses the revenue generated by the call, but the service to the citizen is still provided by another agency. He added that the other agency's response time is typically a little longer because they are responding outside of their service area.

Mr. Eberhart asked Mr. Powers to speak to the "golden minute" in terms of response to medical calls. He asked about the importance of quicker response time for ambulance calls.

Mr. Powers explained that the term "golden hour" originated in Vietnam when the wounded were transported from the front lines to field hospitals. He stated that time frame is really much shorter than an hour. Mr. Powers explained that, for some cases, every minute counts and a shorter response time can make a significant difference.

Ms. Stiver spoke to the discussion surrounding the annexation of Fred Meyer West and stated that the Fire Department had indicated that response time was not a big concern. She asked Mr. Powers if he feels that the City's training for new firefighters has ever fallen short.

Mr. Powers explained that FFD's response time to Fred Meyer West is actually quicker than that of the University Fire Department due to the lost time in dispatch. In response to training, he stated that there can never be such a thing as too much training, but that the City has done an adequate job in that area.

Mayor Cleworth asked Mr. Powers if he supports mutual aid.

Mr. Powers replied that, in a broad sense, he supports mutual aid. He stated, however, that there are better ways to go about it and that relying too much on outside agencies is “bad form.”

Mr. Matherly asked if the firefighters on medical leave referenced on the handout are expected to return. He asked Mr. Powers to speak to the individual seeking employment elsewhere.

Mr. Powers, in response to Mr. Matherly’s first question, stated that both employees have hopes of returning. He stated that the department loses 1-2 employees per year to other firefighting agencies for a variety of reasons.

Mayor Cleworth asked if the SAFER grant requires that all positions that it funds be filled for the life of the grant.

Mr. Powers replied affirmatively.

David Lerman, 126 Second Avenue, #15, Fairbanks – Mr. Lerman stated his intent to run for City Council in the 2012 Municipal Election. He spoke to his website, *Renovation Fairbanks*. He spoke to the alcohol problem in the Fairbanks community and recommended that local dispensaries have breathalyzers available for customers to self-test. Mr. Lerman spoke to the need for various task forces in the City of Fairbanks, each with a clear mission statement. He expressed his ideas for the renovation of the Polaris Building.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger commented on how nice the lawn looks at Mary Siah public pool. He addressed the “basketball-sized” potholes on Gaffney Road and Turner Street. He spoke to the public restroom problem in the downtown area and suggested that, if the City cannot afford to build restrooms, they should provide signage to direct the public to where existing restrooms can be found. He shared his opinion that volunteer fire fighters should be involved with the Fairbanks Fire Department for training purposes.

APPROVAL OF AGENDA AND CONSENT AGENDA

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

Mr. Roberts pulled Resolution No. 4539 from the Consent Agenda.

Mr. Hilling pulled Resolution No. 4536 and Ordinance No. 5889 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

Meeting Minutes of July 9, 2012.

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 Application for Transfer and Restaurant Designation Permit.

Transfer of Ownership, Location and Name Change:

Type: Beverage Dispensary
License: **Gallantino’s Italian Restaurant, #4720**
Licensee/Applicant: Gallantino’s, Inc.
Physical Location 1446 S. Cushman Street, Fairbanks
Current DBA: Trapper’s Tavern
Licensee: Taco Azteca, Inc.
Location: No Premises

Mr. Roberts, seconded by **Mr. Eberhart**, moved to PROTEST the Liquor License Application for Transfer and Restaurant Designation Permit, contingent upon issuance of a Certificate of Occupancy from the City Building Department.

Mayor Cleworth called for Public Testimony.

Frank Turney – Mr. Turney stated that he protests the liquor license because they may not carry hemp liquor products like they do in Wasilla.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO PROTEST THE GALLANTINO’S ITALIAN RESTAURANT LIQUOR LICENSE APPLICATION FOR TRANSFER AND RESTAURANT DESIGNATION PERMIT, CONTINGENT UPON ISSUANCE OF A CERTIFICATE OF OCCUPANCY, AS FOLLOWS:

YEAS: Eberhart, Stiver, Hilling, Matherly, Roberts,
NAYS: None
ABSENT: Gatewood

Mayor Cleworth declared the MOTION CARRIED.

- b) The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the below-referenced Liquor License Application for Transfer.

Transfer of Ownership (Parent Company) and Name Change:

Type: Wholesale
License: **Southern Wine & Spirits of Alaska, #4858**
Licensee/Applicant: Southern-Odom Wine & Spirits of Alaska, LLC
Physical Location 1200 Wells Street, Bay 2, Fairbanks
Current DBA: Southern-Odom Wine & Spirits of Alaska
Current Licensee: Southern-Odom Wine & Spirits of Alaska, LLC
Current Location: 1200 Wells Street, Bay 2, Fairbanks

Ms. Stiver, seconded by **Mr. Roberts**, moved to WAIVE Protest on the Liquor License Application for Transfer.

Mayor Cleworth called for Public Testimony.

Frank Turney - Mr. Turney stated his intent to continue protesting until Southern Wine & Spirits of Alaska starts carrying hemp beer, wine, gin and vodka.

Mr. Hilling asked if Mr. Turney was saying that hemp liquor products were not approved products by the ABC Board.

Mr. Turney stated that they sell hemp liquor products in Wasilla and he is unaware of any state ban on them. He commented that he is only “protesting” for the sake of advertising hemp products.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE SOUTHERN WINES & SPIRITS OF ALASKA LIQUOR LICENSE (#4858) APPLICATION FOR TRANSFER AS FOLLOWS:

YEAS: Roberts, Eberhart, Matherly, Stiver, Hilling
NAYS: None
ABSENT: Gatewood
Mayor Cleworth declared the MOTION CARRIED.

c) The Fairbanks City Council, Sitting as a Committee of the Whole, will hear interested citizens concerned with the below-referenced Liquor License Application for Transfer.

Transfer of Ownership (Parent Company) and Name Change:

Type: Wholesale
License: **Southern Wine & Spirits of Alaska, #4862**
Licensee/Applicant: Southern-Odom Wine & Spirits of Alaska, LLC
Physical Location: 3101 Peger Road, Bay 2, Fairbanks
Current DBA: Southern-Odom Wine & Spirits of Alaska
Current Licensee: Southern-Odom Wine & Spirits of Alaska, LLC
Current Location: 3101 Peger Road, Bay 2, Fairbanks

Ms. Stiver, seconded by **Mr. Roberts**, moved to WAIVE Protest on the Liquor License Application for Transfer.

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 SOUTHERN WINES & SPIRITS OF ALASKA LIQUOR LICENSE (#4862) APPLICATION FOR TRANSFER AS FOLLOWS:

YEAS: Matherly, Hilling, Roberts, Stiver, Eberhart
NAYS: None
ABSENT: Gatewood
Mayor Cleworth declared the MOTION CARRIED.

MAYOR'S COMMENTS AND REPORT

Mayor Cleworth stated that Pat Cole and Stephanie Johnson recently attended a North Pole City Council Meeting at which the Dispatch Contract between the City of Fairbanks and the City of North Pole was approved. He commented that the agreement can be used as a template for the other dispatch contracts the City has throughout the Borough. **Mayor Cleworth** praised the City Attorney's Office for their work in the Yi vs. Yang lawsuit that went to the Supreme Court. He asked Paul Ewers to speak to the case.

Mr. Ewers stated that the original events instigating the lawsuit occurred in 2004 and the case has been ongoing since that time. He stated that he would try to get a copy of the opinion to each Council Member. He announced that the City was found to have acted properly. He expressed his satisfaction that the case had been disposed of.

Mayor Cleworth stated that he has a copy of the Old City Hall appraisal and that it is available for Council Members to review. He expressed sympathy for the loss of Esther Hackney, a long-time Fairbanks resident. **Mayor Cleworth** addressed Mr. Buberger's recommendation that the City Fire Department employ volunteers. He stated that, under the terms of the current contract, FFD is not allowed to have volunteers.

UNFINISHED BUSINESS

- a) Ordinance No. 5886 – An Ordinance Authorizing the Public Sale of Surplus City-Owned Property Known as Old City Hall. Introduced by Mayor Cleworth. POSTPONED from the Regular Meeting of June 25, 2012.

Ms. Stiver, seconded by **Mr. Hilling**, moved to ADOPT Ordinance No. 5886.

Mayor Cleworth called for Public Testimony.

Diane Fleeks, 202 Tenth Avenue, Fairbanks – Ms. Fleeks, Director of the Fairbanks Community Museum, read aloud a statement by Board President Bob Eley on behalf of the Museum's Board of Directors. The statement spoke to the museum's functions and contributions to Downtown Fairbanks. She encouraged the Council to use caution in placing the structure on the market at this time and requested that the lease be extended until September 2013.

Mayor Cleworth asked if the Board of Directors' goal was to obtain funding through Juneau or through the Rasmusson Foundation this year. He asked if she had been in discussions with Pioneers of Alaska.

Ms. Fleeks replied that they plan to apply for funding from both sources. She stated that Bob Eley has been in communication with the Pioneers of Alaska.

Mr. Roberts asked if the museum has the capacity to pay for rent.

Ms. Fleeks explained that the museum is currently paying a nominal fee to the Fairbanks Downtown Association (DTA) to cover the cost of utilities, but that it would be a considerable hardship to pay rent on a space large enough to accommodate the museum.

Frank Turney – Mr. Turney suggested that the DTA move into the downstairs of the old Elk's Building at the bingo hall. He spoke to separating the smokers from the non-smokers in the bingo hall and to cleaning the place up.

David Lerman – Mr. Lerman spoke in opposition to the sale of Old City Hall. He stated that the City is in a good financial state and can afford to keep the building. He spoke of DTA and Fairbanks Community Museum's importance to the community and suggested that the museum would be a great place to house the City's archives.

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

Ms. Stiver asked if there have been any serious potential buyers for the building.

Mayor Cleworth stated that he has spoken with Bob Eley who is trying to obtain funding from outside sources to purchase the building. He stated that the museum would like to purchase the structure, but should funding come through, they would not be notified until April 2013. **Mayor Cleworth** suggested that the Council amend the effective date of Ordinance No. 5886 and continue the lease on a month-to-month basis until April 2013.

Mr. Hilling asked for clarification on the meaning of "permissive referendum" referenced in Section 2 of Ordinance No. 5886.

Mayor Cleworth explained that permissive referendum is the right of City of Fairbanks voters to petition any action taken by the City Council.

Mr. Hilling spoke in favor of the sale of Old City Hall. He expressed optimism that the DTA would find a new home, but stated that it would be more difficult for the museum to relocate. He stated that, for the sake of being consistent, the City should sell the property. He asked if the ordinance specifies a minimum sale amount.

Mayor Cleworth explained that the property has to be sold at market rate or above. He stated that, if the sale is unsuccessful, there is a provision in the Code that allows for sale at a lower rate.

Mr. Matherly asked if leasing the property is costing the City any money. He stated that he is torn about whether or not to sell the property.

Mayor Cleworth stated that the DTA and museum cover the cost of maintenance and utilities and pay the City a monthly rate of \$1.00 for rent, so owning the building does not cost the City any money. He explained that the cost of maintenance is becoming problematic and expensive for the tenants.

Mr. Roberts, seconded by **Ms. Stiver**, moved to AMEND Ordinance No. 5886, Section 6, by adding the sentence, "The City of Fairbanks will start marketing in June 2013."

Ms. Stiver spoke to waiting till September 2013 to market the property so that the museum would be able to operate during the summer tourist season.

Mr. Roberts pointed out that the amendment only addresses a marketing timeline. He stated that, if the ordinance passes as it is currently written with the amendment, the City is authorized to sell the property at any time. He suggested changing the effective date of the ordinance to June of 2013.

Mayor Cleworth indicated that the effective date of the ordinance would not change anything.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 5886 BY ADDING THE SENTENCE, "THE CITY OF FAIRBANKS WILL START MARKETING IN JUNE 2013," AS FOLLOWS:

YEAS: Stiver, Matherly, Hilling, Eberhart, Roberts
NAYS: None
ABSENT: Gatewood
Mayor Cleworth declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5886, AS AMENDED, AS FOLLOWS:

YEAS: Roberts, Matherly, Hilling, Eberhart, Stiver
NAYS: None
ABSENT: Gatewood
Mayor Cleworth declared the MOTION CARRIED and Ordinance No. 5886, as Amended, ADOPTED.

- b) Ordinance No. 5887 – An Ordinance to Amend Fairbanks General Code Chapter 2, Article II, Division 5, to Require a Fiscal Note for Ordinances and Resolutions. Introduced by Council Member Stiver.

Mr. Roberts, seconded by **Mr. Matherly**, moved to ADOPT Ordinance No. 5887.

Mayor Cleworth called for Public Testimony.

David Lerman – Mr. Lerman inquired as to whether or not a fiscal note would take into account long-term effects on the City's budget. He stated that the ordinance is a good idea, but that it

needs more development in order to be effective. He suggested that a section be added to the fiscal note that would take into account increases in revenue that may offset the costs.

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

Mr. Eberhart asked if the proposed fiscal note is similar to what the Municipality of Anchorage uses.

Ms. Stiver stated that the fiscal note was modeled after what Anchorage uses, but that the section on economic effects had been removed for the sake of simplicity. She pointed out that the fiscal note includes projected effects on future annual budgets.

Mr. Roberts asked how the same form could be used for every issue. He used the SAFER grant as an example, stating that some situations have too many variables.

Ms. Stiver stated that a fiscal note is not made to fit every situation. She indicated that the Council would have to rely on staff reports for the “what if’s.” She stated that the intent of Ordinance No. 5887 is to better inform the public of budgetary changes, since Finance Committee Meetings may be difficult for some to attend.

Mayor Cleworth stated that the City will never be able to anticipate every possible contingency. He stated that the City Finance Department is on board with the new fiscal note and has been very instrumental in the revision of the form.

Mr. Eberhart commended Ms. Stiver for her work in bringing Ordinance No. 5887 forward and spoke in support of its adoption.

Mr. Matherly agreed with Mr. Roberts that there are many variables that cannot be measured on the form, but that the fiscal note is a good, simplified estimate of what can be expected.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5887 AS FOLLOWS:

YEAS: Hilling, Eberhart, Roberts, Stiver, Matherly

NAYS: None

ABSENT: Gatewood

Mayor Cleworth declared the MOTION CARRIED and Ordinance No. 5887 ADOPTED.

NEW BUSINESS

- a) Resolution No. 4536 – A Resolution Opting to Participate in the AML-JIA Loss Control Incentive Program for the City of Fairbanks. Introduced by Mayor Cleworth.

Ms. Stiver, seconded by **Mr. Hilling**, moved to APPROVE Resolution No. 4536.

Mr. Hilling asked for clarification on the meaning of a “Loss Control Incentive Program.”

Mayor Cleworth asked Tony Shumate, Director of Risk Management, to come forward and speak to Mr. Hilling’s inquiry.

Mr. Shumate explained that the Loss Control Incentive Program is a savings that the City captures from AML-JIA, then uses to purchase equipment for various City Departments.

Mr. Roberts asked for examples of items that are purchased through the program.

Mr. Shumate listed several items including Yak Trax, gloves and face masks. He stated that the items purchased help ensure the safety of City employees.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4536 AS FOLLOWS:

YEAS: Eberhart, Stiver, Hilling, Matherly, Roberts

NAYS: None

ABSENT: Gatewood

Mayor Cleworth declared the MOTION CARRIED and Resolution No. 4536 APPROVED.

b) Resolution No. 4537 – A Resolution in Support of a Large Diameter Natural Gas Pipeline to Tidewater at Valdez, Alaska. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

c) Resolution No. 4538 – A Resolution Authorizing the City of Fairbanks to Apply for a Municipal Matching Grant from the Alaska Department of Environmental Conservation for a Sludge Dewatering Project at the City-Owned Wastewater Treatment Plant. Introduced by Mayor Cleworth.

PASSED and APPROVED on the CONSENT AGENDA.

d) Resolution No. 4539 – A Resolution Authorizing the City of Fairbanks to Request Funds from the U.S. Department of Homeland Security for the FFY2012 Staffing for Adequate Fire and Emergency Response (SAFER) Grant. Introduced by Council Member Eberhart.

Mr. Eberhart, seconded by **Mr. Matherly**, moved to APPROVE Resolution No. 4539.

Mr. Eberhart requested a staff report from Chief Cummings.

Fire Chief Cummings stated that the handouts provide additional information regarding the cost of employing and providing equipment for employee(s) hired under the SAFER grant program; the 20-year termination study for the Fairbanks Police Department; and the projected FPD employee turnover rate for the next four years. He explained that asking for six employees

increases the odds of being awarded the SAFER grant and that adding two firefighters to each shift is equivalent to adding a second ambulance crew to each shift. He spoke in greater detail to the terms of the grant and the incidental cost to the City for additional uniforms, equipment and allowances. He pointed out that the City would not be required to maintain the employees hired under the grant beyond the grant period. He spoke to the need for an additional ambulance crew and provided statistics that show a recent increase in simultaneous calls. He spoke to a recent occurrence in which seven calls came in to the Fairbanks Police Department at one time, nearly all requiring ambulance response.

Mr. Eberhart asked Chief Cummings for a rough estimate on the amount of overtime that would be saved if the SAFER grant were received and six new employees were hired. He asked the Chief for an estimate of the increase in revenue that FFD would receive as a result of an additional ambulance crew.

Chief Cummings replied that he did not have an exact number, but that he is confident that the savings would offset the City's cost in providing additional uniforms, equipment and allowances for the new employees. In response to Mr. Eberhart's second request, Chief Cummings stated that the estimated increase in revenue for ambulance calls would be roughly \$36,000.00 per year. He also confirmed that the estimated \$80,826.00 cost to the City for the six employees' uniforms, equipment and allowances is likely higher than what the actual cost may be.

Mr. Eberhart asked Chief Cummings if he thought it would be difficult to attract new employees should the SAFER grant be awarded.

Chief Cummings replied that he believed FFD would have no problems hiring employees, even with no guarantee of employment beyond two years.

Mr. Eberhart asked if employees hired under the terms of the grant would be placed on a priority list for rehire if they had to be let go at the end of the grant period.

Chief Cummings replied affirmatively. He clarified the ending period for the SAFER grant as December 31, 2014.

Mr. Hilling asked why the statistics for 2011 were not included in the graph for simultaneous emergency calls.

Chief Cummings replied that the concrete figure had not been reached when the graph was created. He read aloud the 2011 statistics.

Mr. Roberts asked for clarification on the additional grant funding for veterans. He asked Chief Cummings if the two positions vacated in 2012 had been filled.

Chief Cummings explained that if the FFD received SAFER funding and hired a veteran under the grant terms, the grant would pay for three years of employment instead of two years. In response to Mr. Roberts' second question, Chief Cummings stated that the two positions had not been filled yet, but that applicants were currently being reviewed. He added that the positions must be filled under the requirements of a previous SAFER grant.

Ms. Stiver asked Chief Cummings to speak to the delay in dispatch when mutual aid is called.

Chief Cummings deferred the question to Stephanie Johnson, Dispatch Manager.

Ms. Johnson explained that, according to the agreement with the Fairbanks North Star Borough, the City answers all incoming wireless 9-1-1 calls and all incoming landline 9-1-1 calls within the Borough, with the exception of calls originating from the two military installations and the University Fire Service Area. She stated that 66% of all incoming calls are from wireless phone numbers. Ms. Johnson explained that calls transferred for mutual aid experience delays due to initial FPD dispatch time, call transfer, and the other agency's dispatch time. She stated that FPD Dispatch is aware of how many City ambulances are available for callouts at any given time.

Ms. Stiver asked if mutual aid served its purpose.

Chief Cummings replied that mutual aid definitely serves its purpose. He again referenced the recent occurrence when five different emergency response agencies were dispatched to respond to seven simultaneous FPD calls.

Ms. Johnson spoke to the ever-increasing number of callouts involving multiple agencies. She stated that FPD Dispatch has been directed to notify the Borough whenever four or more agencies respond to a single incident.

Mr. Roberts asked if the grantor could compromise the number of positions awarded in the SAFER grant.

Chief Cummings replied that it is possible, but unlikely.

Mr. Roberts asked what would happen at the end of the grant period when positions have to be eliminated.

Chief Cummings answered that himself and FFD employees would likely fill the Council Chambers and petition the City Council to fund the positions. He clarified that when new employees are hired to fill grant-funded positions, they are made aware of the two-year program.

Mr. Matherly asked what is looked at by the grantor when an grant application is submitted. He inquired also as to the submittal deadline for the grant.

Chief Cummings explained that the grantor looks at things such as: department size, City finances, number of emergency vehicles, number of employees, training standards and how the department compares to other agencies of similar size. Chief Cummings stated that the grant deadline is August 10, 2012 and that the grant should be awarded by November, 2012.

Mr. Hilling asked Chief Cummings to speak to the tracking system for incoming calls.

Chief Cummings stated that it has been difficult to track ambulance and fire calls simultaneously.

Ms. Johnson spoke to the system used to track the calls. She explained that the tracking system is set up for typical emergency response agencies in the U.S. where fire departments respond primarily with fire service and EMS is handled by a separate agency. She spoke to the fire and EMS boundary differences within the Borough. She stated that maps are being developed with Borough GIS support that will help improve simultaneous call tracking.

Mr. Hilling asked Chief Cummings to clarify under what circumstances mutual aid is called.

Chief Cummings replied that mutual aid may be called under any number of circumstances, regardless of how many City ambulances are available at the time.

Mr. Hilling stated that he has had various members of FPD staff approach him in regards to the SAFER grant and that they sincerely believe in the program. He stated that while additional employees would improve the fire department's performance and response time, he doesn't believe the cost/benefit ratio is worth it. He spoke to placing a value on human life. **Mr. Hilling** suggested other options to solve the FFD staffing problem, such as combining the police and fire departments and cross training all emergency response staff or using volunteer medics for emergency response. He stated that he is inclined to vote against Resolution No. 4539 and will be hesitant to cast his vote towards accepting federal grant dollars in the future. He shared his belief that applying for federal money is "unpatriotic" when there is no great financial need.

Mr. Eberhart indicated that there is no harm in applying for the SAFER grant, which is all Resolution No. 4539 authorizes the City to do. He reminded the Council that if the City were to receive the grant funding, it would decrease overtime and increase ambulance billing revenue. He expressed that his primary focus in regards to the grant is the increase in public safety and that if the City of Fairbanks doesn't receive the funding, another municipality or agency will.

Ms. Stiver commended FFD staff for their professionalism and good rapport with the public. She spoke to the difficulties in negotiating FFD union contracts in the past. She expressed hesitancy in applying for the SAFER grant because of department expectations and demands when the grant period ends. She indicated that there may be a disconnect in the department's sincerity as a whole and would like to see a better handle on FFD's management before adding more positions.

Mr. Roberts spoke to the difficulties as a Council Member in going against the will of City departments. He stated that he sees merit on both sides of the issue, but struggles with committing a future Council to the terms of the grant. He concluded by stating that he will not support Resolution No. 4539.

Mayor Cleworth clarified that the City budgets for 13 employees per shift, even though there are only 10.5 employees actually working each shift on average. He stated that when staffing falls below the 9-person minimum, overtime is created. He commented that in his 20-year history with the City Council, he has never seen a reduction in overtime. **Mayor Cleworth** stated that City staff have testified before the Local Boundary Commission that their departments

are adequately staffed, then request additional staffing at budget time. He spoke to this particular type of grant putting the City in a “no-win” situation versus other grants that have more longevity and defer cost to the City. **Mayor Cleworth** spoke to union contract negotiations exceeding the budgeted amount for 2012 by \$250,000 with the current level of staffing. He commented on the future layoffs that will be an issue when the current SAFER grant reaches its period ending date and the problems that may arise when those individuals are let go. He spoke to the political reality that there is never enough public safety personnel in any City, but that the City of Fairbanks is currently above the national staffing average according to population. **Mayor Cleworth** spoke to the City’s general fund balance and how it appears the City has a huge surplus at the beginning of the year. He explained that the account must be front-loaded to cover the cost of construction projects at the beginning of the year because capital funding doesn’t come through until much later in the year.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO APPROVE RESOLUTION NO. 4539 AS FOLLOWS:

YEAS: Eberhart, Matherly
NAYS: Roberts, Stiver, Hilling
ABSENT: Gatewood
Mayor Cleworth declared the MOTION FAILED.

- e) Ordinance No. 5888 – An Ordinance Amending Fairbanks General Code Chapter 26 Regarding Alarms. Introduced by Mayor Cleworth.

ADVANCED on the CONSENT AGENDA.

- f) Ordinance No. 5889 – An Ordinance Seeking Voter Approval for the City to Accept a Pass-Through Loan from the Alaska Clean Water Fund to Golden Heart Utilities of up to \$4.6256 Million for a Sludge Dewatering Project, up to \$650,623 for a Clarifier Project, and Ratifying a Loan of \$637,830 for Prior Improvements at the City-Owned Wastewater Treatment Facility. Introduced by Mayor Cleworth.

Mr. Roberts, seconded by **Mr. Matherly**, moved to ADVANCE Ordinance No. 5889.

Mr. Hilling asked Mayor Cleworth to speak to the ordinance.

Mayor Cleworth explained that when the utilities were sold many years ago, the City retained the wastewater utility and it was leased to GHU. He stated that they have the right to purchase the wastewater treatment plant, but have chosen not to do so. **Mayor Cleworth** went on to explain that GHU has applied for a low-interest loan from the State of Alaska, and, since the City still owns the equipment, the City would be potentially liable. He stated that such a proposition must be presented to the voters for approval. He added that the sludge dewatering project is necessary and will have to be done one way or another.

Mr. Hilling asked if it would exhaust the City’s credit.

Mayor Cleworth replied that it may appear that way, but the City would not be repaying the loan. He stated that, technically, the City owes money on the Fire Station, but the State pays for it. He explained that if the state were to go broke, the City would be liable and the same would apply in the GHU loan.

Mr. Hilling asked how the debt would be viewed financially and how much it would compromise the City's ability to borrow money in the future.

Margarita Bell, Grants Administrator for the City, stated that the books will show the liability, but will also show the receivable for the same amount. She stated that this would have a net zero effect on the City's debt.

Mr. Hilling stated that the 1.5% is a very attractive interest rate and will benefit the public. He expressed his support for Ordinance No. 5889.

Mr. Matherly emphasized the importance of ensuring that the public understand the proposition, should Ordinance No. 5889 pass.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADVANCE ORDINANCE NO. 5889 AS FOLLOWS:

YEAS: Matherly, Hilling, Roberts, Stiver, Eberhart

NAYS: None

ABSENT: Gatewood

Mayor Cleworth declared the MOTION CARRIED and Ordinance No. 5889 ADVANCED.

DISCUSSION ITEMS

Committee Reports

Public Safety Commission (PSC) – Mr. Eberhart gave a brief report of the July 10, 2012 meeting. He stated that the Commission had reached a decision on what its duties, composition and role should be and that an ordinance will be brought before the Council to amend the FGC pertaining to the PSC.

Mayor Cleworth stated that he is waiting for one more thing from Committee Chair, Peter Stern, before drafting the ordinance.

Local Improvement District Ad-hoc Committee – Ms. Stiver provided a brief report on the Committee's progress. She spoke to district cost, mill rate and service boundaries.

FMATS Policy Committee – Mr. Roberts stated that some updates were provided on the Illinois Street Project at the last meeting. He announced that the Policy Committee was able to put away \$5 million of the \$7.5 million allocated from the legislature to the reconstruction of South Cushman.

COMMUNICATIONS TO COUNCIL

- a) Local Improvement District Committee Meeting Minutes of June 29, 2012

ACCEPTED on the CONSENT AGENDA.

- b) Local Improvement District Committee Meeting Minutes of July 9, 2012

ACCEPTED on the CONSENT AGENDA.

COUNCIL MEMBERS' COMMENTS

Mr. Eberhart shared that a member of the public had commented that it seemed the Council was a “rubber stamp” for the Mayor. He stated that tonight’s meeting was a good example of that ideology. He spoke to the Council’s confidence in the Mayor. He explained to the public that many issues presented at Council Meetings have already been discussed at Finance Committee Meetings, which saves time. **Mr. Eberhart** spoke to the Alaska State Troopers Adventure Relay Race that took place recently, and commended the officers who participated. He stated that the race benefited the Wish Upon a North Star Foundation and Dance Theatre Fairbanks. He reminded the public that candidacy filing for City Council will open on August 1, 2012.

Mr. Hilling requested that the Police and Fire Chiefs present a report to the Council once a month at a regular meeting so that the public may hear the reports as well. He commended Ms. Stiver for bringing forward Ordinance No. 5887, which requires fiscal notes for ordinances and resolutions. **Mr. Hilling** spoke to Mr. Lerman’s idea of making breathalyzers available in local bars and stated that, while it may be a good idea, he’s not sure it would be appropriate for the City Council to make such a requirement of liquor establishments. He stated that Mr. Lerman’s website, *Renovation Fairbanks*, is quite impressive and encouraged the public to visit the site. **Mr. Hilling** spoke to the public restroom issue in the downtown area. He shared that he had performed his own test as to whether or not local businesses would allow the public to use their restrooms and that he had no problems. He suggested that businesses willing to make their restroom facilities accessible to the public post some sort of signage. He solicited the public for more ideas on how to solve the problem.

Mr. Matherly commented on the large amount of rainfall Fairbanks has seen in the month of July. He expressed his condolences for the passing of Esther Hackney. He spoke to the importance of neighbors looking out for one another and staying informed on what is happening in their neighborhoods. He stated that public restroom availability in the downtown area has never been an issue for him and that he does not want to see more signs. He expressed his appreciation for the Council’s ability to debate issues and express their opinions openly.

Mr. Roberts stated that he had no comments.

Ms. Stiver stated that she was thrilled with the turnout at the Golden Days Parade. She thanked Frank Turney for following the Rocky Rockar case and providing updates to the Council. She expressed her sympathy to the family of Esther Hackney. She spoke to the Colorado theater

shooting and offered her condolences to the families affected by the senseless tragedy. She spoke to the SAFER grant, stating that no money is “free” money. **Ms. Stiver** reminded everyone of the Celebration of Life for Michelle Roberts on Wednesday evening at 5:30 in the Golden Heart Plaza.

Mayor Cleworth stated that the past weekend was extremely busy for both the Fire Department and Police Department and expressed thankfulness that no one was injured in the shooting.

ADJOURNMENT

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

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

Mayor Cleworth declared the Meeting adjourned at 10:10 P.M.

JERRY CLEWORTH, MAYOR

ATTEST:

JANEY HOVENDEN, CMC, CITY CLERK

Transcribed by: DS

ORDINANCE NO. 5889, AS AMENDED

AN ORDINANCE SEEKING VOTER APPROVAL FOR THE CITY TO ACCEPT A PASS-THROUGH LOAN FROM THE ALASKA CLEAN WATER FUND TO GOLDEN HEART UTILITIES OF UP TO \$4.6256 MILLION FOR A SLUDGE DEWATERING PROJECT, UP TO \$650,623 FOR A CLARIFIER PROJECT, AND RATIFYING A LOAN OF \$637,830 FOR PRIOR IMPROVEMENTS AT THE CITY OWNED WASTEWATER TREATMENT FACILITY

WHEREAS, in 1997 the City sold its utility system to a consortium of buyers in exchange for \$87.5 million in cash, payoff of \$47.6 million in utility debt and other consideration; of the total proceeds, the City received \$2 million cash from the water/wastewater purchasers; and

WHEREAS, since the sale, the Peger Road wastewater treatment plant has been operated by Golden Heart Utilities (“GHU”) under the terms of a lease-purchase agreement paying \$33,075 per month to the City Permanent Fund; to-date the City has received over \$5.6 million in lease payments; and

WHEREAS, GHU has not exercised its option to purchase the treatment plant, opting to continue leasing the facility from the City; and

WHEREAS, as owner of the wastewater treatment plant, the City is eligible to borrow money at a low interest rate (1.5%) from the Alaska Clean Water Fund (“ACWF”), a fund administered by the State of Alaska, Department of Environmental Conservation, to assist eligible recipients in wastewater treatment; and

WHEREAS, a component of the plant known as the sludge dewatering system is nearing the end of its useful life, and GHU proposes to replace the current system with a new, upgraded dewatering facility. The new dewatering facility would be in its own building, which would reduce the air handling requirements on the main plant. The new facility would increase the amount of water removed from the sludge, thereby reducing the total sludge volume and the plant’s operating expenses; and

WHEREAS, the total cost of this project is \$4.6256 million, and the City is eligible to borrow up to that amount from the ACWF with repayment over 15 years at 1.5% interest; the City has applied for a project grant of \$2,775,360.00 that would reduce the amount of the loan accordingly; and

WHEREAS, loan proceeds would be passed through to GHU, and GHU would be responsible for repayment of the loan; and

WHEREAS, all costs incurred by GHU during the construction of the project will be submitted to the City for approval and payment; and

WHEREAS, the City and GHU have entered into the attached agreement whereby GHU provided assurances and remedies to protect the City from having to repay the loan; as part of the agreement, GHU would pay a loan origination fee of 0.5% of the actual loan amount to the City at loan inception, pay the full cost of City employee wage and overhead for time spent administering loans and grants, provide an annual financial audit as required by the City, and obtain a loan repayment guarantee from GHU's parent company, Fairbanks Sewer and Water, Inc.; and

WHEREAS, building this project with funds from a low interest loan from the ACWF will reduce the total cost of the project and will ultimately be a benefit to GHU's rate payers as follows: without any grant funds and using conventional financing, the project would result in an approximate rate increase of 2.89%. With the maximum grant funds and 1.5% loan, the project's approximate rate increase would be ~~0.56~~ **0.57**%; and

WHEREAS, in addition to the sludge dewatering project, GHU proposes to rehabilitate the plant clarifier at a total project cost of \$1,626,558; a grant of \$975,935 has been awarded, and a 1.5% pass-through ACWF loan of \$650,623 is available; and

WHEREAS, the City previously accepted a pass through loan from the State to improve the wastewater treatment plant by the installation of a sodium hypochlorite system to replace the use of dangerous chlorine gas. The current balance of the loan is \$637,830. While voter approval of that loan should have been obtained previously, the voters have the chance now to ratify the loan so that ratepayers benefit from the low interest rate. If not ratified, the loan will need to be re-financed at higher rates.

WHEREAS, this ordinance does not take effect until it is ratified by a vote of eligible city voters,

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

Section 1. The Mayor is hereby authorized to

(a) execute any documents necessary to apply for and accept loans through the ACWF for up to \$4.6256 million for the wastewater treatment plant sludge dewatering plant project and up to \$650,623 for the clarifier project, and

(b) enter into the attached agreement with Golden Heart Utilities regarding the terms and conditions for repayment of the sludge dewatering loan and ratification of the 2008 sodium hypochlorite project loan.

Section 2. The City Clerk is directed to put this ordinance on the ballot for ratification by the voters of the City of Fairbanks at the 2012 general election.

Proposition __:

INFORMATION: In 1997, the City sold its utility system to a consortium of buyers in exchange for \$87.5 million in cash, payoff of \$47.6 million in utility debt and other consideration; of the total proceeds, the City received \$2 million from the water/wastewater purchasers. As part of the overall utility sale, the Peger Road wastewater treatment plant has been operated by Golden Heart Utilities (“GHU”) subject to a lease-purchase agreement paying \$33,075 per month to the City Permanent Fund. GHU has not exercised its option to purchase the treatment plant, opting to continue leasing the facility from the City. Over \$5.6 million has been received in lease payments to date.

The City is eligible to borrow funds from the Alaska Clean Water Fund at 1.5% interest and proposes to borrow \$4.6256 million for the sludge dewatering system replacement project. GHU has agreed to repay this loan and interest in full, plus pay the City a 0.5% loan origination fee and other costs. If successful in obtaining grants to offset the loan amount, GHU estimates that ratepayers will see an increase of approximately ~~0.56~~ **0.57**% to pay for this project. Using conventional financing sources, the increase would be approximately 2.89%.

In addition to the sludge dewatering project, an ACWF loan of up to \$650,623 at 1.5% interest for a plant clarifier is available to complete the project. GHU has agreed to repay this loan and interest in full, plus pay the City a 0.5% loan origination fee and other costs.

In addition, a loan for a prior wastewater improvement project, the installation of a sodium hypochlorite system, with a current balance of \$637,830, was not approved in advance by the City voters. Ratification of the loan at this time will allow GHU ratepayers to continue the benefit of the 1.5% low interest loan.

Ballot Question No __:

Should City of Fairbanks Ordinance No. 5889 be ratified?

A “yes” vote ratifies Ordinance No. 5889, which would authorize the Mayor to enter into agreements with the State of Alaska and Golden Heart Utilities to borrow up to \$4,625,600.00 at 1.5% interest to construct a sludge dewatering system at the Peger Road Wastewater Treatment Plant and to borrow up to \$650,623.00 at 1.5% interest for the clarifier system project at the Wastewater Treatment Plant, both loans to be paid in full by Golden Heart Utilities, and which would ratify the 2008 loan (current balance of \$637,830.00) for construction of the sodium hypochlorite system at the Wastewater Treatment Plant.

A “no” vote rejects Ordinance No. 5889.

YES _____

NO _____

Section 3. That this ordinance was passed by this Council on the ____ day of August, 2012 but will not become effective until ratified 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

LOAN REIMBURSEMENT AGREEMENT

BETWEEN

City of Fairbanks, Alaska

And

Golden Heart Utilities, Inc.

RECITALS

Whereas, the Wastewater Treatment Plant, located at 4247 Peger Road, Fairbanks, Alaska, is owned by the City of Fairbanks and leased and operated by Golden Heart Utilities, Inc., and more particularly described on attached "EXHIBIT A"; and

Whereas, the City of Fairbanks has applied for a loan from the Alaska Clean Water Fund FY12 in the amount of \$4,625,600, with an interest rate of 1.5 percent; and

Whereas, the loan proceeds would be passed on to Golden Heart Utilities, Inc., and used to fund Alaska Clean Water Fund Project Number 339091, which would demolish the current sludge dewatering system, which is nearing the end of its useful life, and replace it with new dewatering facilities, equipment and mixing trucks; and

Whereas, this upgrade to the Wastewater Treatment Plant will increase its efficiency and extend the life of the Plant; and

Whereas, financing this project by way of a low-interest loan from the Alaska Clean Water Fund will reduce the cost of the project which will ultimately benefit water and sewer rate payers; and

Whereas, this project is also eligible for grant funds through the State of Alaska, which could reduce the amount of loan by as much as \$2.77536 million; and

Whereas, under the terms of this Loan Reimbursement Agreement, Golden Heart Utilities, Inc., will be responsible for repayment of the loan proceeds; and

Whereas, in addition to other assurances set out below, Golden Heart Utilities' parent company, Fairbanks Sewer and Water, Inc., will guarantee the repayment of the loan.

TERMS AND CONDITIONS

1. Golden Heart Utilities, Inc. ("GHU"), whose address is 3691 Cameron Street, #201, Fairbanks, Alaska, 99709, promises to pay to the order of the City of Fairbanks ("the City"), whose address is 800 Cushman Street, Fairbanks, Alaska, 99701, the principal sum of

FOUR MILLION, SIX HUNDRED TWENTY-FIVE THOUSAND, SIX HUNDRED and 00/100 DOLLARS (\$4,625,600.00), representing the loan proceeds to the City from the Alaska Clean Water Fund FY12 loan for Project Number 339091. GHU promises to pay interest on the unpaid balance accruing at the rate of ONE AND ONE HALF PERCENT (1.5%) per annum, compounded monthly on the balance remaining from time to time unpaid.

The principal and interest shall be payable to the City at 800 Cushman Street, Fairbanks, Alaska, 99701 or at such other place as the City shall designate in writing, in ____ annual installments of approximately THREE HUNDRED FORTY-SIX THOUSAND SIX HUNDRED SIXTY-THREE and 00/100 DOLLARS (\$346,663. 00), with the exact amount of the annual payment to be as determined by the State of Alaska under the terms of the Clean Water Fund loan. The first payment will be due on the ___ day of _____ 201____. Subsequent annual loan payments by GHU to the City will be due six months before the date that the yearly payment is due and owing to the State of Alaska under the terms of the Clean Water Fund loan and shall continue on the same basis until such time as the principal and interest are paid in full. GHU has the right to prepay the annual payment or the entire loan balance at anytime without penalty.

In the event the City receives any grant money from the State of Alaska **for this project,** **such funds will be used to fund the project to the fullest extent possible and will reduce the amount of money that will need to be borrowed from** ~~to be applied to or offset the cost of Clean Water Fund Project #339091 and to the extent those grant funds eliminate or reduce the unpaid balance of the Clean Water Fund loan between the City and the State, then the amount due and payable by GHU shall be eliminated or reduced accordingly. If after grant funds are~~

Loan Reimbursement Agreement

~~applied to the Clean Water Fund loan there remains a balance on the loan, then~~ **and** the annual payments due and payable under this Agreement shall be those payable under the terms of the Clean Water Fund loan, as **determined by the State of Alaska** ~~provided for in the above paragraph.~~

The City agrees to remit payment to the State under the terms of the Clean Water Fund loan between the City and the State by use of funds paid by GHU to the City under the terms of this Agreement and for that purpose.

2. GHU agrees to pay to the City a loan origination fee of 0.5% of the loan amount, due and payable at the time the loan proceeds are disbursed by the City to GHU. GHU agrees to pay the full cost of City employee wage and overhead, in the same manner as currently calculated by the Alaska State Department of Transportation & Public Facilities for engineering reimbursement and subject to upward annual adjustments, for any time spent administering the ACWF loan, this loan repayment agreement, or any grants associated with this project. **All costs incurred by GHU under this section will be separate from any costs associated with the loan.**

3. GHU shall comply with all present and future contractual requirements of the contract between the City and the State Department of Environmental Conservation for Project #339091, including any demand for loan repayment in full by the State in the event of violation of the terms of the loan or for any other reason, as well as any regulatory requirements of the State of Alaska regarding use of these loan funds. The City agrees to provide written notice to GHU, within ten working days, of any assertion or notice of violation of the Clean Water Fund loan provisions, notice or request for audit or inspection, or any other such State action

Loan Reimbursement Agreement

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implicating GHU's performance of Clean Water Fund Project #339091, repayment of the loan by GHU or the City, or cessation or extension of the Clean Water Fund or related loan programs.

4. Any and all structures and/or equipment constructed or purchased as part of Clean Water Fund Project Number 339091 with funds from the above-referenced loan will not be considered "betterments or improvements" under the terms of the Lease Agreement between the City and GHU dated October 6, 1997, and will remain the property of the City until such time as the loan is paid in full by GHU. **Upon full repayment by GHU, the City will transfer title to GHU of assets acquired with loan funds. Loan payments made by GHU will be considered as lease payments and when the loan is paid in full are equivalent to the fair market value of the assets.**

5. GHU shall list the City as a lienholder on the title of any equipment or vehicles purchased with funds from the loan that are required to be registered under the laws of the State of Alaska, and GHU further agrees that the City will have the right to secure its interest in all property acquired with loan proceeds by any legal means available.

6. In the event of partial prepayment of this obligation, the payment funds will be applied towards the satisfaction of those payments next falling due hereunder. Payment proceeds will be applied first to the satisfaction of accrued interest up to the actual date of such payment, with the excess to be applied in reduction of outstanding principal.

7. In the event that any payment falling due hereunder is not paid within thirty (30) days after the due date thereof, the City may, at any time while such delinquency continues, declare the entire unpaid balance of this obligation, to include the outstanding principal balance, accrued interest, and all other amounts payable, immediately due and owing. Upon default of

Loan Reimbursement Agreement

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payment, the City shall give GHU written notice of default via U.S. Postal Service, registered mail. GHU shall have 30 days to cure after receipt of written notice of default. GHU may cure the default by making full payment of any principal and accrued interest (including interest on these amounts) whose payment to the City is overdue.

8. ~~GHU agrees to execute an assignment of receivables and receipts to secure repayment of loan funds due under this Agreement, to become effective in the case of a default as described in the above paragraph.~~ GHU agrees to provide the City, upon request, a copy of GHU's audited financial statements. GHU agrees that it will maintain a debt to equity percentage (total liabilities **less Contributions In Aid of Construction (CIAC)**/shareholders' equity) not to exceed **160** ~~240~~%.

9. The City may delay or forgo enforcing any of its rights or remedies under this Agreement without losing them.

10. GHU may not assign or transfer any of its rights or obligations under this Agreement without the express written consent of the City. Should GHU exercise its purchase option under the Lease Agreement between the City and GHU dated October 6, 1997, the City has the right to declare the entire unpaid balance of GHU's obligation, to include the outstanding principal balance, accrued interest, and all other amounts payable, immediately due and owing.

11. GHU shall indemnify, defend, protect, and hold the City and each of the City's employees, officers and agents free and harmless from and against any and all claims liabilities, penalties, losses, or expenses (including attorney's fees) or death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or part, directly or

Loan Reimbursement Agreement

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indirectly, by GHU's undertaking in regards to Project Number 339091 or in regards to this Agreement.

12. By signing below, GHU's parent, Fairbanks Sewer and Water, Inc., agrees to guarantee the loan repayment obligations of GHU in the event of default by GHU.

13. The benefits of this Agreement shall inure to and the burdens shall be binding upon the lawful successors and assigns of the respective parties.

14. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska, with all disputes over the terms of this agreement to be adjudicated by the Alaska Superior Court, Fourth Judicial District, Fairbanks, Alaska.

THE CITY OF FAIRBANKS

Date: _____

By: Jerry Cleworth, Mayor

State of Alaska)
) ss
Fourth Judicial District)

ACKNOWLEDGMENT

THIS IS TO CERTIFY that on this _____ day of _____ 2012, before me, the undersigned, a NOTARY PUBLIC in and for the State of Alaska, personally appeared Jerry Cleworth, the Mayor of the City of Fairbanks, and that he acknowledged before me that he executed the same on behalf of said City with authority so to do.

IN WITNESS WHEREOF, my hand and official seal.

Notary Public for the State of Alaska
My Commission Expires: _____

GOLDEN HEART UTILITIES, INC.

Date: _____

By: _____

Its: President

State of Alaska)

) ss

ACKNOWLEDGMENT

Fourth Judicial District)

THIS IS TO CERTIFY that on this _____ day of _____ 2012, before me, the undersigned, a NOTARY PUBLIC in and for the State of Alaska, personally appeared _____, the President of Golden Heart Utilities, Inc., and that she/he acknowledged before me that she/he executed the same on behalf of said corporation with authority so to do.

IN WITNESS WHEREOF, my hand and official seal.

Notary Public for the State of Alaska

My Commission Expires: _____

FAIRBANKS SEWER AND WATER, INC.

Date: _____

By: _____

Its: _____

State of Alaska)
) ss
Fourth Judicial District)

ACKNOWLEDGMENT

THIS IS TO CERTIFY that on this _____ day of _____ 2012, before me, the undersigned, a NOTARY PUBLIC in and for the State of Alaska, personally appeared _____, the President of Fairbanks Sewer and Water, Inc., and that she/he acknowledged before me that she/he executed the same on behalf of said corporation with authority so to do.

IN WITNESS WHEREOF, my hand and official seal.

Notary Public for the State of Alaska
My Commission Expires: _____

“EXHIBIT A”
Loan Reimbursement Agreement

A tract of ground described by three separate deeds filed in the Fairbanks District Recorder’s Office in Book 272 at Page 647, and in Book 380 at Page 688, and in Book 275 at Page 349, situated within the NW ¼ of the W ¼ and Government Lot 1, Section 28, T.1S., R.1W., Fairbanks Meridian, consolidated below without changing the intent of any of three said deeds, and more particularly described as follow:

Commencing at the Section corner common the Sections 20, 21, 28 and 29, T.1S., R.1W. F.M.; thence southerly 990 feet along the section line common to Sections 28 and 29 T.1S., R.1W. F.M. to the S-N-N 1/256 corner common to Sections 28 and 29 T.1S., R.1W. F.M, the TRUE POINT OF BEGINNING of this consolidation of descriptions of a contiguous tract; thence easterly 330 feet to the SW-NW-NW 1/256 corner of Section 28, T.1S., R.1W. F.M.; thence northerly 330 feet to the CW-NW-NW 1/256 corner of Section 28, T.1S., R.1W. F.M.; thence continuing along the northerly extension of the same line 30.00 feet to a point; thence easterly 990 feet to a point on the westernmost north-south 1/16 line of Section 28 T.1S., R.1W. F.M.; thence southerly 30.00 feet along the westernmost 1/16 line of Section 28 T.1S., R.1W. F.M., to the C-N-NW 1/64 corner on the westernmost N-S line of Section 28 T.1S., R.1W. F.M; thence southerly 660 feet along the westernmost N-S 1/16 line to the NW 1/16 corner of Section 28 T.1S., R.1W. F.M.; thence continuing along the southerly extension of the same line 102.63 feet to a point lying offset 100.00 feet north of the centerline of the Chena Lakes Flood Control Project; thence South 82° 42’ 37” West parallel to and offset 100.00 feet north of said centerline a distance of 814.57 feet to a point; thence continuing parallel and offset 100.00 feet north of said centerline along a tangent curve to the right, said curve having a radius of 1809.86 feet and a delta angle of 16° 14’ 40” through an arc length of 513.13 feet to a point on the section line common to Sections 28 and 29, T.1S., R.1W. F.M.; thence northerly along said section line to the S-N-N 1/256 corner common to sections 28 and 29, T.1S., R.1W. F.M., the TRUE POINT OF BEGINNING of this consolidated description of a contiguous tract, said description containing and area of 23.6 acres, more or less.

ORDINANCE NO. 5890

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE SECTIONS
2-471 THROUGH 2-474 REGARDING THE PUBLIC SAFETY
COMMISSION**

WHEREAS, the Public Safety Commission was created by Ordinance No. 5553 in 2003;
and

WHEREAS, after considerable review with input from Department Heads, the
Commission and City staff, substantial revisions have been recommended,

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

Section 1. That Fairbanks General Code Sections 2-471 through 2-474 are amended as follows
[new text in **bold/underline** font; deleted text in ~~striketrough~~ font]:

Sec. 2-471. Public safety commission.

A public safety commission is hereby established to advise the city mayor and
council on matters relating to public safety in the **Fairbanks** community.

Sec. 2-472. Duties and Powers.

The public safety commission shall:

- (1) **Research issues that are delegated to the commission by the mayor and/or city council and provide advice to the mayor or city council on the referred issues.** Advise the council and mayor regarding police, fire suppression and prevention, emergency medical services, and operation of emergency services dispatch services.
- (2) **Receive and analyze public comments and any complaints that may come before the commission and make recommendations to the mayor and city council.** Review and provide recommendations on public safety policy, including proposed grants.
- (3) **Meetings of the commission shall be held quarterly or on an “as needed” basis. All meetings shall be held in public after adequate notice of the date, time, and location. The commission does not have the power to meet privately in executive session.** Review the annual reports of the police and fire departments and provide recommendations to the council as to future goals.

- (4) ~~Provide advice on optimal organization, equipment and procedures of the police and fire departments, including the police department manual of directives and the fire department standard operating procedures.~~
- (5) ~~Conduct regular public meetings, including public hearings required as a condition of receipt of grants.~~
- (6) ~~If authorized by the city council, convene into executive session in accordance with state law.~~
- (7) ~~Provide input after research on particular issues as requested by the mayor and/or city council.~~

The jurisdiction of the public safety commission does not extend to issues or subjects that have been referred to the city fact finding commission, disciplinary matters, evaluation of employees for promotion, or as otherwise limited by law or terms of labor contracts.

Sec. 2-473. Composition.

(a) The membership of the public safety commission shall be **appointed by the city mayor and shall be confirmed by the city council.** The seven **voting** members **shall be selected** as follows:

- (1) **One member with current or past experience in law enforcement or criminal law.**
- (2) **One member with current or past experience in fire suppression, prevention, or emergency medical services.**
- (3) **Five at-large public members.**

~~Five voting members, residents of the city, appointed by the city mayor and confirmed by the city council.~~

- (a) ~~One member of the city council.~~
- (b) ~~One member with current or past experience in law enforcement or criminal law.~~
- (c) ~~One member with experience in fire suppression, prevention, or emergency medical services.~~
- (d) ~~One member with experience in management, logistics, or operations.~~

~~(e) — One at-large public member.~~

(b2) One city council member shall be a Non-voting member: of the commission.

~~a. — One current fire department employee, chosen by the employees.~~

~~b. — One current police department employee, chosen by the employees.~~

(c) The chairperson of the public safety commission shall be selected from among the voting members by the voting members.

(d) The City shall ensure the following staff are available to attend meetings:

(1) The chief of police or his/her designee;

(2) One current police department employee chosen by the employees.

(3) The fire chief or his/her designee.

(4) One current fire department employee chosen by the employees.

(5) The director of emergency services dispatch or his/her designee.

(6) One current dispatch employee chosen by the employees.

~~(e3) The city attorney, or **his/her** designee, shall be made available upon request to provide information to the public safety commission, not to act as legal council.~~

(f) The chief of staff, or his/her designee, shall be made available upon request to provide information to the public safety commission.

~~(4) Officers. The chairperson of the public safety commission shall be selected from among the voting members.~~

Sec. 2-474. Terms of office.

(a) The term of commission members shall be for a period of three years. ~~One of the first~~ **For the initial term of the** voting members, **two** shall be appointed for a term of one year, two for two years and **three** ~~two~~ for three years.

(b) The city council member shall be nominated by the mayor, confirmed by the city council, and shall serve at the pleasure of the city council.

(c) Voting members of the commission shall endeavor to attend all meetings of the commission. If a member is unable to attend, they must notify the city contact person stating the reason for the absence. If a commission member has two unexcused absences in a calendar year, their continued membership on the commission shall be reviewed by the mayor and city council.

(d) In the event of vacancies, the mayor, subject to confirmation by the city council, may make an appointment, at any time, to fill out the unexpired term of the absent member. Members may be removed by the city council at any time.

Section 2. Transitional Provisions. Upon adoption of this ordinance, the commission will be reconstituted and reappointed to comply with the newly amended Sections 2-473 and 2-474.

Section 3. That the effective date of this Ordinance shall be _____, 2012.

Jerry Cleworth, City Mayor

AYES:
NAYS:
ABSENT:

ATTEST:

APPROVED AS TO FORM:

Janey Hovenden, City Clerk

Paul Ewers, City Attorney

Introduced By: Mayor Jerry B. Cleworth
Finance Committee Meeting: August 14, 2012
Introduced: August 20, 2012

RESOLUTION NO. 4544

**A RESOLUTION TO APPLY FOR AND ACCEPT FUNDING FROM THE
ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES FOR A
FY2013 SAFE ROUTES TO SCHOOL GRANT**

WHEREAS, the Alaska Department of Transportation & Public Facilities is accepting applications for the Safe Routes to School Grant for projects to help address planning, design, and construction of improvements in the vicinity of schools; and

WHEREAS, the Fairbanks Metropolitan Area Transportation System (FMATS) completed a Safe Routes to School Plan in February 2012 that identified the lack of ADA-compliant sidewalks and adequate crosswalks as major deficiencies for children walking to and from Hunter Elementary School; and

WHEREAS, the City of Fairbanks plans to install new ADA-compliant sidewalks and painted crosswalks along 17th Avenue between East Cowles and South Cushman Streets and a pedestrian-activated flashing beacon crosswalk at the 17th Avenue and East Cowles Street intersection; and

WHEREAS, the City of Fairbanks plans to request \$591,216, and a match is not required.

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

PASSED AND APPROVED THIS ____ DAY OF AUGUST 2012.

Jerry Cleworth, City Mayor

AYES:
NAYS:
ABSENT:
APPROVED:

ATTEST:

APPROVED AS TO FORM:

Janey Hovenden, CMC, City Clerk

Paul Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4544

Abbreviated Title: FY2013 Safe Routes to School Grant

Does the adoption of this ordinance or resolution authorize:

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

II. FINANCIAL DETAIL:

ESTIMATED EXPENDITURES	2013	2014	2015	Beyond	Total
Personnel Wages	\$45,984				\$45,984
Personnel Benefits	\$19,707				\$19,707
Supplies					\$0
Contractual	\$525,525				\$525,525
Equipment					\$0
Administration					\$0
Other					\$0
TOTAL	\$591,216	\$0	\$0	\$0	\$591,216

ESTIMATED FUNDING SOURCES	2013	2014	2015	Beyond	Total
General Fund					\$0
Capital Fund					\$0
Federal Grant	\$591,216				\$591,216
State Grant					\$0
Local Contract					\$0
Cash Match					\$0
In-Kind Match					\$0
Other					\$0
TOTAL	\$591,216	\$0	\$0	\$0	\$591,216

Reviewed by Finance Department: Initial mb Date 8/14/2012

Introduced By: Mayor Jerry B. Cleworth
Finance Committee Review: August 14, 2012
Introduced: August 20, 2012

RESOLUTION NO. 4545

**A RESOLUTION TO APPLY FOR AND ACCEPT FUNDING FROM THE
ALASKA DEPARTMENT OF PUBLIC SAFETY FOR THE FY2013
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG)**

WHEREAS, the City of Fairbanks accepted federal funds through the Bureau of Justice Assistance for the Edward Byrne Memorial Justice Assistance Grant (JAG) program to support the wages and benefits of a law enforcement officer assigned to the Alaska Bureau of Drug and Alcohol Enforcement (“ABADE”) task-force; and

WHEREAS, the City of Fairbanks Police Department has used Federal and State JAG funds to support local ABADE task-force operations for the purpose of conducting area-wide drug and alcohol investigations; and

WHEREAS, the City of Fairbanks plans to request \$69,750 and provide the required match of \$23,250 using currently budgeted expenditures.

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

PASSED AND APPROVED THIS _____ DAY OF AUGUST 2012.

Jerry Cleworth, City Mayor

AYES:
NAYS:
ABSENT:
APPROVED:

ATTEST:

APPROVED AS TO FORM:

Janey Hovenden, CMC, City Clerk

Paul J. Ewers, City Attorney

CITY OF FAIRBANKS
FISCAL NOTE

I. REQUEST:

Ordinance or Resolution No: 4545 Additional Resolution No: 4520

Abbreviated Title: FY2013 Alaska Department of Public Safety JAG

Does the adoption of this ordinance or resolution authorize:

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

II. FINANCIAL DETAIL:

ESTIMATED EXPENDITURES	2013	2014	2015	Beyond	Total
Personnel Wages	\$83,580				\$83,580
Personnel Benefits	\$31,250				\$31,250
Supplies					\$0
Contractual					\$0
Equipment					\$0
Administration					\$0
Other (Supervisor)	\$23,250				\$23,250
TOTAL	\$138,080	\$0	\$0	\$0	\$138,080

ESTIMATED FUNDING SOURCES	2013	2014	2015	Beyond	Total
General Fund - Currently Budgeted	\$23,250				\$23,250
Capital Fund					\$0
Federal Grant - Resolution 4520	\$45,080				\$45,080
State Grant - Resolution 4545	\$69,750				\$69,750
Local Contract					\$0
Cash Match					\$0
In-Kind Match					\$0
Other					\$0
TOTAL	\$138,080	\$0	\$0	\$0	\$138,080

Reviewed by Finance Department: Initial mb Date 8/9/2012

ORDINANCE NO. 5891

**AN ORDINANCE AMENDING THE 2012 BUDGET ESTIMATE
FOR THE SECOND TIME**

WHEREAS, this ordinance incorporates the changes outlined on the attached fiscal note to amend the 2012 operating budget.

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

SECTION 1. There is hereby appropriated to the 2012 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, 2012 and ending December 31, 2012:

	Approved Budget	As Amended
Taxes, (all sources)	\$ 19,476,971	\$ 19,425,990
Charges for Services	4,086,905	4,331,966
Intergovernmental Revenues	3,132,326	3,804,499
Licenses & Permits	1,807,078	1,891,198
Fines, Forfeitures & Penalties	1,051,642	1,115,390
Interest & Penalties	122,000	122,000
Rental & Lease Income	157,919	157,919
Other Revenues	482,588	482,588
Other Financing Sources	2,684,960	2,012,389
Total Appropriation	<u>\$ 33,002,389</u>	<u>\$ 33,343,939</u>

SECTION 2. There is hereby appropriated to the 2012 budget expenditures for the City of Fairbanks in the amount indicated:

10	Mayor and Council	\$ 483,403	\$ 483,403
11	Office of the City Attorney	166,857	166,857
12	Office of the City Clerk	300,758	300,758
13	Finance Department	882,600	882,600
14	Information Technology	1,417,837	1,447,837
15	General Account	4,980,223	5,000,223
16	Risk Management	1,371,112	1,410,927
20	Police Department	6,770,347	6,770,347
21	Dispatch	1,971,025	1,971,025
30	Fire Department	6,118,118	6,361,380
50	Department of Public Works	6,990,010	6,990,010
51	Engineering Division	611,316	611,316
60	Building Department	640,741	640,741
	Total General Fund Appropriation	\$ 32,704,347	\$ 33,037,424
<hr/>			
	Total Revenues	\$ 33,002,389	\$ 33,343,939
	2011 Assigned Fund Balance for encumbrances	293,960	293,960
	Total Revenues and prior year assignments	\$ 33,296,349	\$ 33,637,899
	 Total Appropriation	 32,704,347	 33,037,424
	Increase to general fund unassigned fund balance	\$ 592,002	\$ 600,475
	 12/31/11 general fund balance	 \$ 10,992,919	 \$ 10,992,919
	Increase to fund balance	592,002	600,475
	Assigned encumbrances	(293,960)	(293,960)
	12/31/12 Projected general fund balance	11,290,961	11,299,434
	Committed for snow removal	(250,000)	(250,000)
	Committed for Self Insurance Reserve	(529,273)	(529,273)
	12/31/12 Projected Unassigned balance	\$ 10,511,688	\$ 10,520,161

SECTION 3. 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, 2012 and ending December 31, 2012.

SECTION 4. The effective date of this Ordinance shall be the ____ day of September 2012.

Jerry Cleworth, MAYOR

AYES:
NAYS:
ABSENT:
ADOPTED:

ATTEST:

APPROVED AS TO FORM

Janey Hovenden, CMC, City Clerk

Paul J. Ewers, City Attorney

FISCAL NOTE

ORDINANCE 5891 AMENDING 2012 GENERAL FUND BUDGET 2nd TIME

ESTIMATED REVENUES

\$341,550 Increase

1. Taxes – (\$50,981) Decrease
 - (\$50,981) Decrease for Property Taxes
2. Charges for Services – \$245,061 Increase
 - \$200,000 Increase for Engineering Recovery Grants
 - \$ 20,000 Increase for Administrative Recovery Grants
 - \$ 25,061 Increase for Public Works Recovery Grants
3. Intergovernmental Revenues – \$672,173 Increase
 - \$672,571 Increase for State of Alaska Revenue Sharing
 - \$ 1,800 Increase for SART Reimbursement
 - \$ (148) Decrease for SOA Phone/ Electric Share
 - \$ (2,050) Decrease for SOA Liquor Share
4. Licenses & Permits – \$84,120 Increase
 - \$ 84,120 Increase for Business Licenses
5. Fines, Forfeitures & Penalties – \$63,748 Increase
 - \$ 63,748 Increase for City Forfeitures
6. Interest & Penalties – No Change
7. Rental & Lease Income – No Change
8. Other Revenues – No Change
9. Other Financing Sources & Uses – (\$672,571) Decrease
 - \$ 198,727 Increase to sale of assets.
 - \$(198,727) Decrease for transfer to Capital Fund
 - \$(336,285) Decrease for transfer to Capital Fund
 - \$(336,286) Decrease for transfer to Permanent Fund

**FISCAL NOTE CONTINUED
ESTIMATED EXPENDITURES**

\$333,077 Increase

1. Mayor & Council – No Change
2. City Attorney’s Office – No Change
3. City Clerk’s Office – No Change
4. Finance Department – No Change
5. Information Technology – \$30,000 Increase
 - \$10,000 Increase to Telephone Services
 - \$20,000 Increase to Computer Services Fiber Optics
6. General Account – \$20,000 Increase
 - \$20,000 Increase for Steam
7. Risk Management – \$39,815 Increase to adjust to 2012 Mill Levy
 - \$(13,171) Decrease to Workers Comp – COF
 - \$(56,258) Decrease to General Liability Claims
 - \$ 720 Increase to Auto Claims
 - \$111,466 Increase to Workers Comp – MUS
 - \$ (2,942) Decrease to Risk Services
8. Police Department – No Change
9. Dispatch – No Change

10. Fire Department – \$243,262 Increase

- a. \$144,975 Increase to Salaries – FFA CBA
- b. \$ 12,661 Increase to OT – FFA CBA
- c. \$ 56,622 Increase to Benefits – FFA CBA
- d. \$ 24,709 Increase to Leave – FFA CBA
- e. \$ 4,295 Increase to Uniforms – FFA CBA

11. Public Works – No Change

12. Engineering – No Change

13. Building Department – No Change

City of Fairbanks
Permanent Fund Review Board
(Quarterly Meeting Minutes)
February 1, 2012

The Permanent Fund Review Board (PFRB) convened at 1:30 p.m. on the above date, to conduct a quarterly meeting with the following review board members in attendance.

Board Members Present: Ron Woolf
Darren Franz
Council Member Bernard Gatewood
Patty Mongold

Board Members Absent: Tom Freeman

Also Present: Mayor Jerry Cleworth
Pat Cole, Chief of Staff
Jim Soileau, Chief Financial Officer
Carmen Randle, Controller
Bert Wagon, Senior Vice President, Investments - APCM
Brandy Niclai, Senior Investment Analyst - APCM

Jim Soileau started the meeting by requesting nominations for the Board Chairman. Tom Freeman nominated Ron Woolf via email and was seconded by Darren Franz. The Board unanimously approved the nomination.

The Board approved the minutes from the November 2, 2011 meeting.

Jim Soileau reviewed the account's performance through December 31, 2011. The balance of the Permanent Fund portfolio on December 31, 2011 was \$98,736,357. During 2011, the City deposited \$396,900 in lease payments and \$453,400 for land sales, \$58,769 for payments on notes receivable, \$6,003 transfer from the savings account and \$100,000 from the State of Alaska supplemental shared revenue funds. As allowed by City Charter, the City withdrew \$4,480,072 for operations and capital. The dividend and interest earnings through December 2011 were \$3,314,264. Permanent Fund expenses through December were \$165,972. The account's earnings through December 31, 2011 were \$2,222,240 net of expenses.

Jim Soileau reviewed the proposed 2012 drawdown schedule. (See attachment – Permanent Fund draw down schedule)

Bert Wagon reviewed asset allocations as of December 31, 2011 including the current percentage, current targets and ranges. For the fourth quarter, the account returned

5.22% versus a blended benchmark return of 4.93%. For the past twelve months, the account returned 2.36% versus a blended benchmark return of 4.79%. The 50 bps hurdle on an annual basis was 5.29%. Inclusive of the 50bps hurdle APCM underperformed by 2.93%. The poor performance was compounded by the over weighting of Emerging Markets and under weighting of TIPS. Bert said he still feels good about this strategy even though the 2011 results were not good. (See attached – APCM Investment Review for the period ending December 31, 2011)

Brandy Niclai presented the allocation and selection effects on the portfolio and Bert Wagon followed up with a review of the compliance reports. (See attached – APCM Investment Review for the period ending December 31, 2011)

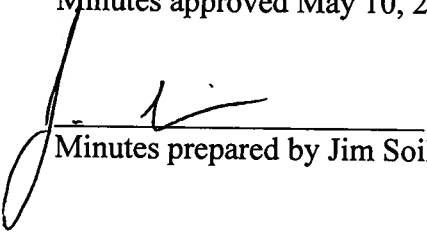
Bert updated the fund's value as being approximately \$101,916,068 on January 31, 2012. The increase over December 31, 2010 was approximately \$3,179,711 and 3.22% respectively.

Bert and Brandy left the meeting. The Board then discussed APCMs underperformance and did not recommend any formal action. Darren noted that the Board will closely monitor the monthly reports and if needed Ron could call a special meeting.

The Board set the next quarterly meeting for Wednesday May 2, 2012 at 1:30 P.M. The meeting was subsequently rescheduled to meet on May 10, 2012.

Darren Franz moved to adjourn the meeting and the motion was seconded by Patty Mongold at approximately 2:55 P.M.

Minutes approved May 10, 2012.



Minutes prepared by Jim Soileau

**City of Fairbanks
Permanent Fund Review Board
(Quarterly Meeting Minutes)
May 10, 2012**

The Permanent Fund Review Board (PFRB) convened at 1:30 p.m. on the above date, to conduct a quarterly meeting with the following board members in attendance.

Board Members Present: Ron Woolf
Tom Freeman
Council Member Bernard Gatewood
Patty Mongold

Board Members Absent: None

Also Present: Mayor Jerry Cleworth
Pat Cole, Chief of Staff
Jim Soileau, Chief Financial Officer
Carmen Randle, Controller
Bert Wagon, Senior Vice President, Investments - APCM
Brandy Niclai, Senior Investment Analyst - APCM
Jason Roth, Senior Vice President, Investments - APCM

Jim Soileau announced the resignation of Darren Franz from the board effective May 10, 2012.

The Board approved the minutes from the February 1, 2012 meeting.

Jim Soileau reviewed the account's performance through March 31, 2012. The balance of the portfolio on March 31, 2012 was \$105,208,041. During the first quarter, the City deposited \$396,900 in lease payments, \$10,000 for land sales and \$12,377 for payments on notes receivable. The dividend and interest earnings through March 2012 were \$697,254. Permanent Fund expenses through March were \$40,942. The account's earnings through March 31, 2012 were \$6,019,406 net of expenses.

Jim Soileau informed the committee that on April 6, 2012 the City withdrew \$2,206,602 from the portfolio. The draw was 50% of the total 2012 legal appropriation. He expects the remaining authorization to be drawn on November 30, 2012.

Bert Wagon reviewed asset allocations as of March 2012 including the current percentage, current targets and ranges. For the 1st quarter, the account returned 6.13% versus a blended benchmark return of 5.11%. The 50 bps hurdle on a quarterly basis was 5.23%. For the past twelve months, the account returned 5.53% versus a

blended benchmark return of 7.24%. The 50 bps hurdle on an annual basis was 7.74%. (See attached – APCM Investment Review for the period ending March 31, 2012)

Brandy Niclai presented the allocation and selection effects on the portfolio and Bert Wagon followed up with a review of the compliance reports. (See attached – APCM Investment Review for the period ending March 31, 2012)

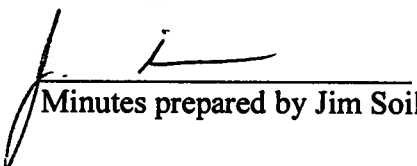
Mr. Wagon will discuss/review asset allocation during the next quarterly meeting.

Mrs. Nicali presented a short special report on commodities exchange traded notes. (See attached – APCM Investment Review – Commodities ETN Review for the period ending March 31, 2012)

The Board set the next quarterly meeting for Wednesday August 1, 2012 at 1:30 P.M.

The meeting was adjourned at approximately 2:55 P.M.

Minutes approved August 1, 2012.


Minutes prepared by Jim Soileau

Fairbanks North Star Borough / City of Fairbanks
CHENA RIVERFRONT COMMISSION
MINUTES
July 11, 2012

The Fairbanks North Star Borough/City of Fairbanks Chena Riverfront Commission (CRFC) met on Wednesday, July 11, 2012 with Acting Chair Hegarty Lammers presiding. The following Commission members were in attendance: Anna Plager (by phone), Kelley Hegarty Lammers, Bob Henszey, Karen Lavery, Lee Wood and Buki Wright.

Also present were: Jackson Fox, City of Fairbanks; Sarah Schacher, DOT; Steve Taylor, FNSB Parks & Recreation; Bobette McKirgan, FNSB Recording Clerk.

1. Call to Order

Hegarty Lammers called the meeting to order at 12:04 p.m. Hegarty Lammers paid tribute to the late Michelle Roberts and asked that commissioners remember Michelle, as she meant a lot to the Chena Riverfront Commission.

a. Approval of Agenda of July 11, 2012

Hegarty Lammers asked if there were changes to the proposed meeting agenda. Hegarty Lammers amended New Business by adding the subject Riparian Project Meeting.

The July agenda as revised was approved without objection.

b. Approval of Minutes of June 13, 2012

Plager noted the June meeting lacked a quorum for approval of the May 2012 minutes and approval of the May minutes was deferred to the August meeting.

Plager suggested revising the June minutes by adding the word 'dollars' after 6.5 million in the first paragraph of Item B. Complete Streets Committee Report and removing the word 'a' in the last paragraph, fourth sentence of Item E. Design Committee Report Draft Procedures.

Wright moved, seconded by Wood, to approve the minutes, as revised. The motion carried unanimously.

2. COMMUNICATIONS TO THE COMMISSION

Hegarty Lammers reported on the riparian project along the river and extended an invitation to a meeting scheduled by the FNSB mayor's office for July 16th. Hegarty Lammers said key topics for consideration included feeding fish and wildlife, maintaining the integrity of the riverbank, providing deterrents to vagrant camping, and basic landscaping.

Henszey said he and Mitch Osborne of US Fish & Wildlife preferred using a combination of willow and wild roses, citing the importance of willow to the promotion of salmon habitat. Wright suggested maintenance would be a major issue and there had to be a blend of what will grow, what will promote habitat, and what is manageable. Discussion of the advantages and maintenance of different plant varieties ensued, with Plager adding that steep banks and willow work well.

Fox said US Fish & Wildlife was trying to partner with the borough to restore the riparian area in front of the borough building up to Illinois Street. Fox said funding would allow restoration and build the Chena Riverwalk bike path on the north side with interpretive signs. Lavery asked about funding and Fox replied that Mitch Osborne thought he could obtain the funding to do both.

Action: Fox will provide plans from Festival Fairbanks that include the bike path segment in front of the borough building.

Hegarty Lammers voiced concern over funding for the bike path and bridge and Fox replied there was no funding in place. Fox said discussion with Fish & Wildlife was an avenue the mayor pursued to try to get a portion of the riverwalk built. Plager questioned how this overlapped with river improvements in front of the borough building and if partnering with Festival Fairbanks was possible, and whether this could be broached at one of the bike path meetings.

Action: Plager will contact Jeff Jacobson, FNSB Chief of Staff, and Mitch Osborne, US Fish & Wildlife Service.

3. PUBLIC COMMENTS - No one asked to speak during this time.

4. NEW BUSINESS

Riparian Project Meeting - Discussed under Communications to the Commission.

5. UNFINISHED BUSINESS

A. Design Committee Report

Hegarty Lammers reported on the design committee discussion of the corridor width for process implementation. She said the committee recommended the commission address the corridor width in the next plan update and, at that time, consider the language be changed 'from center line' to 'from river's edge'. Lavery commented that the width of the river corridor had been a discussion item since formation of the commission. It was agreed to table this item until the plan update in a couple of years.

Hegarty Lammers said the design committee had discussed the design and production of a topographic map reflecting publicly owned lands for use at commission meetings.

Action: 1) The secretary will provide a copy of the current map reflecting publicly owned lands along the river corridor to commissioners and attendees at the regular CRFC meeting. 2) The secretary will coordinate with the FNSB GIS division for development of a tabletop map.

B. Ice Alaska Update

Action: Tabled for future discussion with Director Hernandez.

C. Wendell St. Bridge Draft Resolution

A draft resolution produced by Wood and Plager for the Wendell Street Bridge Project was presented for review. Plager noted the resolution simply referred to the Wendell Bridge.

Hegarty Lammers suggested an amendment to the resolution to delete the word 'avenue' and refer to the project as simply the Wendell Bridge Improvement Project. Schacher commented that DOT would not change the project name.

Lavery moved, seconded by Wood, to adopt the resolution for purposes of discussion. The motion carried unanimously.

Schacher liked that components of the Chena Riverfront Plan had been related to the project. She clarified that DOT would not be constructing a bike path through the park, but would build a connection where feasible; adding that safety issues and other values in the resolution would be considered. Schacher said DOT could attempt to accommodate the issue of vagrants and trash under the bridge, if a pathway under the bridge was not possible because of design constraints.

Wood questioned whether the resolution met the needs of DOT and Schacher replied it did.

Discussion of edits and distribution of the resolution was made.

D. Complete Streets Committee Report

Fox said there would be a mix of birch and spruce trees, with power for lighting, lining Cushman, and the hope is to extend the plan to Barnette and Noble streets. Fox said a final public meeting was held June 19th and the public comment period was open through July, with the next step to start the environmental document for the project in August. The Cushman build-out is scheduled for next summer, Barnette in 2014, and Noble either 2014 or 2015. Fox noted that Noble Street is a separate project that adopts many of the same features as Cushman and Barnette. Henszey commented that it would look nice.

Wright questioned whether root systems and damage to concrete had been discussed. Fox replied the parking garage was used as a test model with only one of ten trees having died in ten years. Lavery disputed that statement, noting it took a lot more trees and replanting in the first year or two, and that it was an extremely difficult and costly problem.

Discussion of tree mortality and plans for replacement; and responsibility for planting and maintenance ensued. Taylor said other than some parks, the borough's downtown maintenance was primarily snow plowing. Hegarty Lammers added that Festival Fairbanks is facing funding challenges. Fox agreed and said that it was understood the city would likely undertake maintenance responsibilities.

Henszey voiced concern over spruce placed in planters and Lavery commented that was tried in front of the courthouse with limited success. Fox explained the recommendation was to use larger boxes, citing Tim Cerny's success with that method.

Plager commented that contractors have to provide at least one season of survivability and questioned whether the project has public support or the CRFC should voice its support. Fox replied there was tremendous support, especially from downtown businesses; adding the major concern was the potential impact to business during the construction period. Hegarty Lammers commented that Mayor Cleworth was very supportive of the Complete Streets Project.

E. FMATS Art Selection RFP

Hegarty Lammers said language for the RFP was on line for public review and shared a rendering of the slope from the bike path into the triangle. She said an 8-10 week procurement process had begun.

Wright asked about the art selection location and **Hegarty Lammers** responded with explanation of plans for the triangle, including historical placards and budget concerns. Discussion of access to the historical markers, sidewalks, and art placement was made. **Plager** explained the process involved when changes are requested to an accepted bid. **Schacher** agreed there could be additional charges for changes, even if something was being removed.

6. **COMMISSIONERS' COMMENTS**

Discussion of the date for the Ice Alaska site visit was made and it was decided to request the visit be scheduled for August 2nd or 3rd.

Action: The secretary will provide the preferred dates to Director Hernandez for scheduling of the Ice Alaska visit.

7. **STAFF and LIAISON COMMENTS**

Henszey requested information from Taylor regarding a pending resolution for Pioneer Park trail improvements. Taylor explained that DOT/FMATS was improving trails behind Pioneer Park and the borough was providing a 10% match on the project. He said the project includes repairing a stretch of bike path damaged by roots and broken asphalt; adding that a section of path upriver was recommended for repair next year. **Wood** questioned whether the future work would improve access from Janel Thompson Park to the river and Taylor replied that was not included in the scope of the project.

8. **AGENDA SETTING FOR August 8, 2012 COMMISSION MEETING**

- A. Wendell Bridge Project Timeline Update
- B. Ice Alaska Site Visit Report
- C. Planning This Year's Riverfront Field Trip
- D. CRFC Review Guidelines Implementation
- E. New Tabletop Map Update
- F. Review the New Meeting Date/Time Change to 2nd Wednesday Noon

9. **ADJOURNMENT**

Lavery moved, seconded by Wright, to adjourn the meeting. Hegarty Lammers adjourned the meeting at 1:30 p.m.

/b