



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, DECEMBER 12, 2011
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
Bernard Gatewood, Seat C
Jim Matherly, Seat D
Lloyd Hilling, Seat E
John Eberhart, Seat F

Absent: None

Also Present: Pat Cole, Chief of Staff
Paul Ewers, City Attorney
Janey Hovenden, City Clerk
Ryan Rickels, IT Director
Michael J. Schmetzer, City Engineer
Tony C. Shumate, Director Personnel/Purchasing/RM
Jim N. Soileau, Chief Financial Officer
Laren Zager, Police Chief
Bonnie Nolan, FPD Dispatch
Ernie Misewicz, Assistant Fire Chief

INVOCATION

The Invocation was given by City Clerk Janey Hovenden.

FLAG SALUTATION

Mayor Cleworth led the Flag Salutation.

CITIZEN'S COMMENTS

Frank Turney, 201 7th Avenue, Fairbanks – Mr. Turney spoke to the anniversary of the ratification of the Amendments to the U.S. Constitution. He thanked the City of Fairbanks for being the first to approve a resolution in 2008 opposing portions of the Patriot Act. He inquired about litigation money in the lawsuit involving two former FPD employees and requested an update on the case. Mr. Turney wished everyone a Merry Christmas.

Mary Richards, 763 7th Avenue, Fairbanks – Ms. Richards, owner of All Seasons Inn, addressed allocation of Bed Tax dollars. She stated that the Bed Tax Fund's original purpose was to

encourage development of the tourism industry and, in turn, help increase revenue for the City of Fairbanks. Referencing a recent article in the Fairbanks Daily News Miner, she stated her concern that the \$25,000 needed to fund the maintenance and cleaning of the Downtown Parking Garage may come out of the Fairbanks Convention and Visitors Bureau (FCVB) portion. She remarked that FCVB has had to make significant budget cuts in recent years due to the slump in tourism and asked the Council, that if the \$25,000 were to come out of the Bed Tax Fund, that it be taken out of the City's portion.

Ms. Stiver stated that she had not seen the article in the newspaper and was not aware of any FCVB funding being reallocated to parking garage maintenance.

Ms. Richards clarified that the news article was not specific from what source the \$25,000 would come. She added that she was strictly speaking against cutting funding for the FCVB and the Community Service Patrol (CSP).

John Ferree, 939 Smallwood Trail, Fairbanks – Mr. Ferree, Trustee for Alaska Electrical Health and Welfare Plan, offered to answer any questions from the Council regarding the IBEW's Health Care Plan and what measures have been taken to reduce employee costs.

Ms. Stiver asked Mr. Ferree when the last dependent care audit was conducted.

Mr. Ferree replied that a complete audit on the entire plan is performed annually. He explained that the audit randomly selects members and reviews their billing, usage and qualifications for coverage.

Ms. Stiver asked what has been done to help make the plan more affordable to its members.

Mr. Ferree shared other measures taken by the Alaska Electrical Health and Welfare Plan Trustees to reduce costs to its members:

- The Flex Plan was terminated seven years ago resulting in a cost-savings to the members.
- The Disease Management Program was implemented five years ago for members with chronic health issues as a cost-containment measure.
- Three years ago, the trustees raised the minimum number of working hours required under IBEW Construction Agreements in order for workers to qualify for health benefits.
- An actuarial consultant reviewed IBEW retiree subsidization and found that retirees were being over-subsidized by active members. A raise to retiree health care premium from 2008 – 2010 resulted, which lowered cost for active members.
- The Trust recently contracted with a provider to offer active members with pre-qualifying conditions subsidized travel and medical costs for out-of-state procedures.
- The Alaska Electrical Health and Welfare Plan is a member of the Statewide Health Care Coalition, which saved the plan \$8,300,000 in 2010.
- Mail-order prescription availability and an emphasis on generic brands offer savings for members.
- The plan is self-insured.
- By using a multi-plan national network, the plan saves \$6,000,000 annually.

Mr. Ferree stated that maintaining affordable health care is a national problem and a great challenge.

Stephen Anderson, 1653 2nd Avenue, Fairbanks – Mr. Anderson clarified his response to a question asked by Ms. Stiver at the previous meeting regarding the Chronic Care Program.

Denise Kendrick, 892 Runamuck Avenue, Fairbanks – Ms. Kendrick spoke to the 125 Plan and the reason why those funds were not placed directly towards medical. She stated that no matter where the members would have chosen to apply the funds, the employee cost would have been the same.

David Lerman, 126 2nd Avenue, #15, Fairbanks – Mr. Lerman spoke to his intent to run for City Council in 2012 and to his website, “Renovation Fairbanks.” He suggested adding a two-minute response from Council for each five-minute public testimony. He advocated for the formation of a renovation task force, stating that the City has nothing to lose. Mr. Lerman also spoke to the need for a DUI task force.

Mr. Gatewood commented on Mr. Lerman’s idea of a two-minute response from Council and asked if, hypothetically, it would be optional for the Council to use the entire two minutes.

Mr. Lerman replied in the affirmative. He commented that it is nice to be acknowledged by the Council.

Victor Buberger, PO Box 58192, Fairbanks – Mr. Buberger spoke to the various local authorities created by the City and funds spent to better the community over the years. He suggested the Council formulate a plan to provide public restroom facilities in the downtown area. He commended the Community Service Patrol (CSP) for their work with chronic inebriates and proposed that the restrooms be part of the CSP rounds. He spoke to the dual use of “porta potties” as not only restrooms, but also garbage receptacles, stating that the units would help cut down on littering in the downtown area. He suggested also the prospect of opening the bid process to a public toilet service.

Mr. Gatewood asked Mr. Buberger to explain what he meant by using the portable restrooms as a receptacle for empty bottles and other garbage.

Mr. Buberger replied that it would be better to suck the refuse out of a contained unit than to pick it up off the street.

APPROVAL OF AGENDA AND CONSENT AGENDA

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

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

City Clerk Hovenden read the Consent Agenda into the record.

APPROVAL OF PREVIOUS MINUTES

- a) Meeting Minutes of September 19, 2011.

PASSED and APPROVED on the CONSENT AGENDA.

READING OF THE BILL OF RIGHTS

Mayor Cleworth thanked Mr. Turney for reminding him of the anniversary of the adoption of the Ten Amendments and bringing a cake to share in honor of Bill of Rights Day. He asked Council Members to take turns reading each amendment aloud.

City Council Members read aloud the Ten Amendments to the Constitution of the United States.

MAYOR'S COMMENTS AND REPORT

Mayor Cleworth stated that the 2012 operating budget has been reduced due to the City's share in the property tax lawsuit between FNSB and TCC. He thanked the City Finance Department and Council for their work in preparing the 2012 proposed budget. He informed Council that an amended version of budget Ordinance No. 5865 would be introduced during the meeting and provided an explanation for the two changes. He reminded the Council of the upcoming meeting with the Interior Delegates at the State's LIO Offices. **Mayor Cleworth** spoke to the City's Boards and Commissions and suggested that now would be the best time for Council Members to make a change, if they so desired. He stated that he had reviewed a list of marketable City properties with Property Manager, Pat Smith, and discovered that there are only 8 – 10 remaining. He added that some of those properties may not even be marketable due to odd shape, no access or other reasons. **Mayor Cleworth** addressed Mr. Lerman's suggestion for a two-minute response time from the Council for each public testimony. He stated that members of the Council have an opportunity to speak freely under "Council Members' Comments." He spoke to the formation of various task forces and explained that task forces do not have to be created by the City; rather, anybody can create a task force and make recommendations to the City Council. **Mayor Cleworth**, in response to Mr. Buberger's support for portable restrooms, remarked that "porta potties" present a host of problems and are subject to vandalism and theft. He added that the units are expensive and, at this time, are illegal within Fairbanks City limits. He stated that he and the Council will continue to look for a solution. He wished everyone a Merry Christmas.

UNFINISHED BUSINESS

- a) Ordinance No. 5865 – An Ordinance Adopting the 2012 Operating and Capital Budgets. Introduced by Mayor Cleworth. SECOND READING AND PUBLIC HEARING. ADVANCED from the Regular Meeting of November 21, 2011.

Mr. Matherly, seconded by **Mr. Gatewood**, moved to ADOPT Ordinance No. 5865.

Matt Atkinson, 946 Coppet Street, Fairbanks – Mr. Atkinson, Treasurer of the FCVB Board, spoke to the proposed 2012 budget relative to bed tax. He stated FCVB's support for Ordinance

No. 5865 and spoke briefly about the state of the travel industry in Fairbanks. He spoke to the history of the City's Bed Tax. He thanked Emily Bratcher for her service as an ex-officio member of the FCVB Board and welcomed any member of the Council to replace her.

Mr. Matherly thanked Mr. Atkinson for coming and asked him how the tourist industry was shaping up for 2012.

Mr. Atkinson stated that 2011 had been a "flat" year, but that 2012 is expected to show gradual growth.

Ms. Stiver asked how much revenue was brought in last year for the City's portion of bed tax earnings.

Mr. Atkinson replied that the City's 22.5% equated to \$566,673.

David Lerman – Mr. Lerman recommended that election filing fees be waived for City candidates. He suggested that the City also waive building permit fees for properties undergoing renovation.

David van den Berg, Fairbanks Downtown Association, 410 Cushman Street, Fairbanks – Mr. van den Berg spoke in support of Ordinance No. 5865 and the treatment of the Community Service Patrol funds. He stated that the CSP is in its best financial state since 2007.

Terese Kaptur, Fairbanks Summer Arts Festival Director, 838 Lodgepole Lane, Fairbanks – Ms. Kaptur stated that she is a member of the FCVB Board and Chairman of the FCVB Advertising & PR Committee. She thanked the Council for their hard work on the City's budget. She touched on the major achievements of the FCVB in 2011 and spoke to future goals and opportunities of the bureau. She spoke to the cycle of the Bed Tax Fund, and how great a benefit it is to the Fairbanks community.

Mr. Gatewood asked where he could obtain more information on the Outdoor Writers Conference.

Ms. Kaptur suggested Mr. Gatewood contact FCVB directly.

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

Mr. Gatewood, seconded by **Mr. Roberts**, moved to SUBSTITUTE Ordinance No. 5865, as Amended, for Ordinance No. 5865.

Ms. Stiver asked if the lost revenue on the court case involving FNSB and TCC was the reasoning behind the amended version.

Mayor Cleworth replied that the only two changes in the amended version were to allow for the AFL-CIO settlement and the additional funds needed for training in the police department.

Mr. Roberts stated his concern that the AFL-CIO Contract Award was included in Ordinance No. 5865, as Amended, while the actual contract would not be ratified until the next regular meeting.

Mayor Cleworth stated that there should not be a problem with allocating the money in the 2012 budget before the AFL-CIO Contract is officially passed, since both parties have already agreed on the terms.

A ROLL CALL VOTE WAS TAKEN, ON THE MOTION TO SUBSTITUTE ORDINANCE NO. 5865, AS AMENDED, AS FOLLOWS:

YEAS: Hilling, Eberhart, Roberts, Stiver, Matherly, Gatewood

NAYS: None

Mayor Cleworth declared the MOTION CARRIED.

Mr. Eberhart, seconded by **Mr. Gatewood**, moved to AMEND Ordinance No. 5865, as Amended, by adding “one-and-a-half sworn officer positions” to the 2012 police budget.

Mr. Eberhart asked Chief Zager to come forward and provide a report. He asked Chief Zager to elaborate on the statement made at the last Finance Committee meeting regarding the importance of maintaining a minimum staffing of 50 officers.

Police Chief Zager distributed a handout on police staffing. He thanked Mayor Cleworth for allowing him the latitude to openly disagree with him on various matters. He explained in great detail the complexities and challenges of maintaining minimum staffing—especially for on-duty patrol officers. Chief Zager cautioned that anything less than three patrol officers and one patrol supervisor on duty at all times would redefine public services. He closed by stating that, no matter what the outcome, he would provide the best police department that he possibly could.

Mr. Gatewood asked if the presentation concerned strictly patrol. He asked for clarification on a point in the presentation regarding patrol officers assigned to light duty.

Chief Zager confirmed that the handout pertained only to patrol officers. He answered Mr. Gatewood’s second question by clarifying that individuals on light duty are still productive administratively, but are typically not able to perform patrol duties. Chief Zager spoke to unforeseen vacancies and the inability to operate efficiently and affordably without adequate staffing. He explained that short-staffing is compensated daily by overtime, and the consequential expense is overwhelming.

Mr. Eberhart asked what the cost would be to maintain the one-and-a-half positions.

Jim Soileau replied that it would cost the City \$137,000.

Mr. Roberts asked Chief Zager if the officers cut out of the budget were in positions that were previously grant-funded.

Chief Zager answered affirmatively.

Mr. Roberts stated that the Council is having difficulty funding 1 ½ positions because it's actually an increase to the City's bottom line for minimum staffing.

Chief Zager acknowledged the Council's position but spoke to the perpetual problem of staffing issues. He stated that grant funding may have been a temporary fix for those issues in the past, but a better solution needs to be reached.

Ms. Stiver spoke to the proposed funding of a clerical position.

Chief Zager stated that if one non-sworn position was granted, he would prefer it be placed in FPD Dispatch. He added that if the Council only approved a one-half, non-sworn position, it would be given to a current, half-time administrative employee.

Ms. Stiver asked Mr. Soileau what the cost difference would be between the 1 ½ sworn positions and the one non-sworn position.

Mr. Soileau replied that it would be roughly \$80,000.

Mr. Matherly asked Chief Zager to describe the morale in the department.

Chief Zager stated that while morale is important, he doesn't allow it to be a driving factor in managing his department. He added that any current issues with morale, other than exhaustion, fall outside the scope of staffing.

Mr. Eberhart asked that if the clerk position was not funded, if Chief Zager would continue to use light-duty officers administratively. He asked how often patrol officers were assigned to light duty.

Chief Zager replied that the practice would continue. He remarked that, for various reasons, patrol officers are placed on light duty rather frequently.

Mr. Roberts referenced a recent presentation by the Chief that compared staffing of similar police departments with the City of Fairbanks. He stated that, according to the report, FPD's unsworn staff was drastically underserved. He asked how things have changed since that time.

Chief Zager responded that he is so short-staffed on sworn officers, that he would forfeit a non-sworn position in order to field an additional officer. He added that the best scenario would be the addition of a sworn officer and changing the current, half-time, clerical position to full-time.

Mr. Hilling asked how many overtime hours were represented by the 884 call-in/hold-over incidents in January – November, 2011. He asked how the minimum number of four patrol officers originated.

Chief Zager stated that he isn't sure of the exact number of hours because there are many types of overtime. He spoke to mutual aid from the Alaska State Troopers, which is a great help to FPD during periods of short staffing.

In response to Mr. Hilling's question, **Mayor Cleworth** stated that four patrol officers was an unofficial minimum set about 20 years ago that the City has chosen to abide by.

Ms. Stiver asked if there would be money left over from numerous vacancies in 2011 to help fund 2012 positions.

Chief Zager stated that there would be some funding leftover, but not a significant amount due to the high cost of overtime.

Mr. Soileau informed Ms. Stiver that it would be difficult to quantify a surplus, if any, in FPD's 2011 budget until year-end.

Mr. Hilling asked if the demands of the Fairbanks Police Department were similar to those of comparable police departments.

Chief Zager replied that the demands are comparable. He stated that he believes the biggest difference between Fairbanks and similar municipalities is in the citizens' high expectations of FPD.

Mr. Eberhart expressed concern for the police department if the additional 1 ½ positions were not funded. He suggested various sources of funding.

Mayor Cleworth handed out a spreadsheet that showed the history of staffing levels at FPD. He pointed out that the total number of officers was averaging between 41 and 43 from 2001 – 2007; then numbers began rising when grant funding was awarded in the years that followed. He stated that, in 2011, the plan was to keep the two positions that had been previously funded by grant dollars, then let attrition run its course. He added that the Fairbanks Police Department has not allowed that process to take place. He explained that it is difficult for the City Council to cut positions that are currently filled and that the loss of grant funding is going to take a toll on FPD's staffing. **Mayor Cleworth** provided national statistics to support a minimum staffing level of 45 officers. He spoke to a memorandum from Chief Zager that stated the department's willingness to give up one position when salaries were last negotiated. He mentioned the statement by the Police Department that no additional staffing—except possibly a one-half position—would be needed during the City's recent annexation. **Mayor Cleworth** spoke to the benefits of adding a non-sworn clerical position to occupy the front desk after normal business hours and be available to work in Dispatch, when needed. He explored the various directions Council could go in approving the 2012 budget.

Mr. Hilling spoke to the study on police department staffing done in 2007. He stated that he will not support the amendment to the budget because of the prior agreement to let attrition take its place for the grant-funded positions.

Mr. Roberts thanked Mr. Eberhart for bringing the amendment forward. He stated his intent to vote against the amendment, but added that he is open to the addition of a police officer instead of a clerical position.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 5865, AS AMENDED, AS FOLLOWS:

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

Ms. Stiver, seconded by **Mr. Gatewood**, moved to AMEND Ordinance No. 5865, as Amended, to eliminate the newly-added clerk position and add one sworn officer.

Mr. Matherly asked for clarification on what the amendment would accomplish.

Ms. Stiver explained that the amendment would replace the new clerical position with a sworn patrol officer. She spoke to the importance of having officers ready to respond in an emergency versus an available clerk in the lobby of the police department.

Ms. Randle asked if the intent was to hire a skilled officer at the top of the pay scale or someone with inexperience who would start at a lesser rate.

Mayor Cleworth stated that there was no way to know at this point.

Mr. Hilling asked what the monetary difference in Ordinance No. 5865, as Amended, would be if Ms. Stiver's amendment were to pass.

Mr. Soileau replied that Ms. Stiver's amendment would increase the budget by \$33,700.

Ms. Stiver remarked that there may be a surplus in the 2011 FPD budget that could fund the officer position in full.

Mr. Soileau explained that, according to code, any unencumbered funds lapse at year-end and a new appropriation would be required to fund the position.

Mr. Matherly commented that Fairbanks is not a "typical" city because of the extremes to which it is exposed.

Mr. Gatewood asked if Mr. Matherly was referring to the weather.

Mr. Matherly explained that there are more challenges for officers in Fairbanks because of the harsh winters.

Mr. Gatewood stated that if the Council used that logic, it would apply to every job in the City of Fairbanks, not just police. He spoke to "holding the line" on the grant-funded positions, but agreed with Ms. Stiver that there was a need for an additional officer. He expressed his support for Ms. Stiver's amendment, stating that it was a good compromise.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 5865, AS AMENDED, AS FOLLOWS:

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

Ms. Stiver introduced the idea of forming a committee to discuss a tax increment increase for specific properties downtown that could fund the Festival Fairbanks Clean team and the Community Service Patrol (CSP). She stated that the City of Fairbanks Public Works Department doesn't have the manpower to afford the same level of service that is currently being provided by the Clean Team and CSP.

Ms. Stiver, seconded by **Mr. Matherly**, moved to AMEND Ordinance No. 5865, as Amended, to take \$50,000 from the General Fund in the 2012 budget to support the Festival Fairbanks Clean Team.

Mr. Eberhart suggested taking the money from the City's 2012 abatement appropriation or the FEDCO allocation instead of the General Fund.

Mr. Roberts stated that he is not interested in taking funding from FEDCO for a downtown janitorial service. He supported the idea of downtown property owners paying an increased tax to support the Clean Team. He spoke in favor of the amendment to Ordinance No. 5865, as Amended, commending Michelle Roberts for her work in running the Clean Team program. He agreed with Mr. Eberhart that the funding could be pulled from the City's appropriation to abatements.

Mr. Matherly asked if Ms. Stiver's intent was to present the voters with an initiative in the 2012 Municipal Election that would make downtown property owners responsible for funding the CSP and Clean Team in the future. He asked for affirmation that the proposed \$50,000 in funding would be for one year only. He spoke in support of the amendment and the Clean Team.

Ms. Stiver replied that she would make every effort to form a committee and get the initiative before voters in 2012. She confirmed that her \$50,000 funding proposal was a one-time offering.

Mayor Cleworth spoke against using Bed Tax dollars for anything other than its original purpose; he also explained why it is not a good idea to allocate 2011 surplus for use in 2012. He asked Ms. Stiver why she had proposed giving the Clean Team \$50,000 if they would only be left \$30,000 short after taking into account the \$25,000 they had received from BP.

Ms. Stiver stated that the Clean Team is looking at funding one full-time and one half-time position.

Mayor Cleworth asked Julie Engfer to come forward to speak to the justification of the amount requested by Festival Fairbanks.

Ms. Engfer, Festival Fairbanks Office Manager, explained that there are other costs to operating the Clean Team, such as fuel cost and insurance for equipment. She stated that the \$55,000 requested would only cover the wage and employment costs for one employee.

Mr. Hilling asked from what City account the money would come according to the amendment on the floor.

Mayor Cleworth replied that it would come from the General Fund; he added that it would take a separate amendment to change the funding source.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 5865, AS AMENDED, AS FOLLOWS:

YEAS: Matherly, Roberts, Stiver, Gatewood

NAYS: Hilling, Eberhart

Mayor Cleworth declared the MOTION CARRIED.

Ms. Stiver, seconded by **Mr. Matherly**, moved to AMEND Ordinance No. 5865, as Amended, to reduce the Abatement allocation in the City's 2012 budget by \$50,000 to fund the Festival Fairbanks Clean Team request.

Mr. Roberts asked why there was a 100% increase in the abatement account from 2011 to 2012.

Mayor Cleworth replied that there is a significant project list for potential abatements in 2012.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 5865, AS AMENDED, AS FOLLOWS:

YEAS: Roberts, Matherly, Gatewood, Hilling, Eberhart, Stiver

NAYS:

Mayor Cleworth declared the MOTION CARRIED.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5865, AS AMENDED, AS FOLLOWS:

YEAS: Stiver, Matherly, Gatewood, Hilling, Eberhart, Roberts

NAYS:

Mayor Cleworth declared the MOTION CARRIED and Ordinance No. 5865, As Amended, ADOPTED.

Without objection, **Mayor Cleworth** ORDERED items "b" and "c" under Unfinished Business to be interchanged to allow immediate public testimony for those present to speak on behalf of the Korean Community of Fairbanks.

- c) Ordinance No. 5870 – An Ordinance Authorizing Sale of Surplus Property to the Korean Community of Fairbanks, Inc. Introduced by Mayor Cleworth. SECOND READING AND PUBLIC HEARING.

Mr. Matherly, seconded by **Ms. Stiver**, moved to ADOPT Ordinance No. 5870.

Insuk Frising, President of the Korean Community of Fairbanks – She referenced a letter she had sent to the Mayor and City Council Members. She stated that the purpose of the new facility would be to educate second-generation Korean-American and American youth who wish to learn Korean as a second language. She added that the program would be open to anyone who had an interest in learning the Korean language, and that they would also offer English lessons to Koreans who did not know how to speak English. She informed the Council that the facility would also be used as a Senior Center. She concluded by stating that there are good funding opportunities for the project already.

Mr. Gatewood thanked Ms. Frising for her testimony. He asked if the facility would be rented to other groups. He expressed some concern that the center may only target the local Korean population.

Ms. Frising replied that, since the Korean Community of Fairbanks, Inc. is a non-profit organization, she would have to look into the rules for renting the facility. She stated that much of the funding for the new building would come from the Korean government. She clarified that the program would be open to anyone in the community, no matter what their ethnicity.

Mr. Roberts stated that the proposed purchase agreement is for a total of \$30,000, of which \$10,000 would be a down payment. He stated that the remaining \$20,000 would be paid in full within a five-year period. He asked if the land would be paid off prior to construction of the building.

Ms. Frising explained that each board member of the Korean Community donated their Permanent Fund Dividend in order to make the down payment for the property purchase. Ms. Frising, in response to Mr. Roberts question, stated that the land must be paid before the government would assist financially with the new structure.

Mr. Matherly asked if the Korean Community of Fairbanks currently had an open facility. He also asked how significant the demand was for a Korean language school in Fairbanks.

Ms. Frising answered that the Korean Community does not have a building dedicated solely to the language school at this time; she explained that they operate out of the Korean Church, but it has not been a great success. In response to Mr. Matherly's second question, Ms. Frising stated that there used to be a Korean language class offered at the University of Alaska, Fairbanks, but the program has closed, leaving a demand in the community.

Ms. Stiver asked for clarification on the numbers the Korean government is willing to contribute to the building project and who would assume ownership upon completion.

Ms. Frising stated that the government will contribute \$250,000, half of the total construction cost. She added that the Korean Community of Fairbanks, Inc will retain ownership upon completion.

Mr. Hilling spoke to the purpose of the Korean Community of Fairbanks, "to bring services and education to the Korean community." He asked if the senior citizen program would be open to elderly individuals no matter what their ethnicity.

Ms. Frising stated that all seniors would be welcome. She explained that the Korean Community will have many activities in which seniors can participate, such as dance, massage and gardening.

Mr. Hilling asked if the center would have the resources to teach English to other ethnic groups; for example, an individual who speaks only Spanish.

Ms. Frising replied that the community does not have the teaching staff necessary to do that at this time. She commented that they would be open to the idea if teaching volunteers came forward.

Mayor Cleworth asked if the Korean Community of Fairbanks' board members were comfortable with the provisions set forth in Ordinance No. 5870.

Ms. Frising replied that the agreement was very reasonable.

Victor Buberger – Mr. Buberger commented that the property has been vacant for decades. He mentioned an illegal alien that he employed in the early 1980's and how the young man didn't know English when he came to Fairbanks. He went on to explain that the young man learned the English language from a Korean language school here in Fairbanks and is now a U.S. citizen. Mr. Buberger spoke in favor of Ordinance No. 5870.

Frank Turney – Mr. Turney spoke in support of Ordinance No. 5870. He stated his belief that every foreigner coming to the United States should learn the English language.

Nan Gang – Mr. Gang expressed his excitement for what he called a "cultural center" that would be open to everyone in the community. He spoke to the need for indoor community activities in Fairbanks due to the long, dark winters.

Mr. Hilling asked if there should be a deadline for the construction of the new facility.

Mayor Cleworth pointed out that the issue is addressed in Sections 6 and 7 of Ordinance No. 5870.

Mr. Ewers explained that if the construction project does not commence within the five-year period, monies paid to the City would be refunded and the City would take back ownership of the property.

Mr. Hilling asked Mr. Ewers if there should be a deadline set for project completion.

Mr. Ewers stated that there should be no project completion deadline and that the decision to sell the property to the Korean Community of Fairbanks for less than full market value is a political decision, not a legal one.

Mr. Matherly invited Ms. Frising to comment.

Ms. Frising stated that there have been no architectural plans drawn and no building permits pulled for the project, but the board members of the Korean Community are serious about the project and determined to complete it.

Mr. Hilling asked Ms. Frising if the board would feel comfortable agreeing to obtain a Certificate of Occupancy in seven years.

Ms. Frising replied that the first step is to purchase the property and, although seven years sounds like a reasonable amount of time to complete construction, she would not be willing to make that promise.

Mr. Hilling moved to AMEND Ordinance No. 5870, Section 6, to add “Furthermore, completion of the property with a Certificate of Occupancy must be completed in seven years of date of purchase.”

Mayor Cleworth declared the motion dead for lack of a second.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5870, AS FOLLOWS:

YEAS: Hilling, Eberhart, Roberts, Stiver, Matherly, Gatewood

NAYS: None

Mayor Cleworth declared the MOTION CARRIED and ORDINANCE NO. 5870 ADOPTED.

Mayor Cleworth called for a five minute recess.

- b) Ordinance No. 5869 – An Ordinance Amending Fairbanks General Code Chapter 66, Section 66-43, Senior Citizen Rate. Introduced by Mayor Cleworth. SECOND READING AND PUBLIC HEARING.

Mr. Gatewood, seconded by **Mr. Roberts**, moved to ADOPT Ordinance No. 5869.

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

Mr. Matherly asked for background information on Ordinance No. 5869.

Mayor Cleworth replied that the ordinance provides more direction for the Finance Department when approving, revoking or reinstating the Senior Citizen Rate—especially in cases when the property owner is deceased.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 5869, AS FOLLOWS:

YEAS: Gatewood, Roberts, Eberhart, Matherly, Stiver, Hilling

NAYS: None

Mayor Cleworth declared the MOTION CARRIED and ORDINANCE NO. 5869 ADOPTED.

NEW BUSINESS

- a) Ordinance No. 5871 – An Ordinance Adopting Fairbanks General Code Section 2-657, Regarding Acceptance of Grants. Introduced by Mayor Cleworth.

ADVANCED on the CONSENT AGENDA.

- b) Ordinance No. 5872 – An Ordinance Ratifying a Labor Agreement Between the City of Fairbanks and the AFL-CIO Crafts Bargaining Unit. Introduced by Mayor Cleworth.

ADVANCED on the CONSENT AGENDA.

COUNCIL MEMBERS' COMMENTS

Mr. Matherly wished everyone a happy holiday. He spoke to acknowledgement of Public Testimony and encouraged the public to come forward, whether or not the Council has questions or comments. He stated that he enjoys Public Testimony because it provides him with a different perspective on issues.

Mr. Hilling commented on the lack of a second on his motion to amend Ordinance No. 5870.

Mr. Eberhart remarked that the adoption of the 2012 budget had gone more smoothly than any other year he has served on the City Council. He commented that Raven Landing had recently secured financing from AHFC for a new building. He announced the date and location of the next Public Safety Commission meeting and highlighted the agenda items. He wished everyone a safe and happy holiday season.

Mr. Gatewood wished everyone a happy holiday. He stated his intent to attend the upcoming meeting with the Interior Delegates and encouraged fellow Council Members to attend. He expressed satisfaction in the approval of the 2012 City budget. He commented that he will be sad to see Jeff Johnson leave the Permanent Fund Review Board, but welcomed his replacement, Ron Woolf. He thanked Mr. Johnson for his service on that committee and his continued service on the Finance Committee.

Mr. Roberts stated that he appreciates the budget process. He remarked that it is difficult to cut the grant-funded positions when the grant period ends. He spoke to his hopes for the future of Alaska's economy and oil development. He wished everyone a Merry Christmas.

Ms. Stiver thanked fellow Council Members for supporting her amendment to Ordinance No. 5865, as Amended. She apologized to Mary Richards for the context of her comments during public testimony regarding bed tax funds. She recommended a website that teaches children the traditional Christmas story. She wished everyone a very Merry Christmas and a blessed New Year.

CITY ATTORNEY'S REPORT

Mr. Ewers provided a report on the Whorton/Hutton court case. He stated that the case was filed in June of 2008 and has been pending in the Federal District Court since then. He explained that, in the federal system, the trial date is not set at the outset of the case; instead, the trial date will be set when both parties certify to the judge that the case is ready. He added that there is one more deposition scheduled and two motions pending. Mr. Ewers stated that, to date, the City's litigation costs are just over \$200,000. He added that once the \$250,000 deductible is met, AML/JIA will pay the remainder.

Ms. Stiver, seconded by **Mr. Gatewood**, moved to go into Executive Session for the purpose of discussing IBEW Labor Negotiations.

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

EXECUTIVE SESSION

a) Labor Contract Negotiations – IBEW

The City Council met in Executive Session to discuss IBEW labor negotiations. Direction was given to staff and no action was taken.

ADJOURNMENT

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

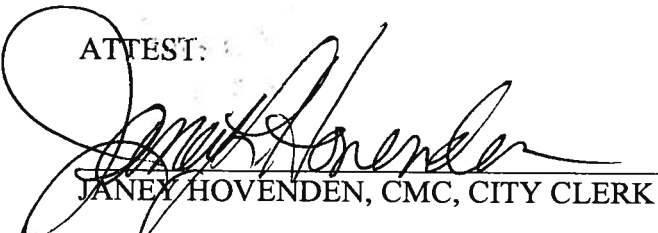
Mayor Cleworth called for objection and, hearing none, so ORDERED.

Mayor Cleworth declared the meeting adjourned at 11:00 P.M.



JERRY CLEWORTH, MAYOR

ATTEST:



JANEY HOVENDEN, CMC, CITY CLERK

Transcribed by: DS