

FAIRBANKS CITY COUNCIL
REGULAR MEETING
December 8, 2003
Fairbanks City Council Chambers
800 Cushman Street, Fairbanks, Alaska

The City Council reconvened at 7:00 P.M on the above date following a Work Session, to conduct a Regular Meeting of the Fairbanks City Council, at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor Steve M. Thompson presiding and with the following Council Members in attendance:

Present: Jerry Cleworth Howard Thies
 Donna Gilbert Jeff Johnson
 John Eberhart Scott Kawasaki

Also Present: Herb Kuss, City Attorney Tony Shumate, Personnel Manager
 Carol Colp, City Clerk Paul Harris, Director FPD
 Ron Woolf, Chief Finance Officer Warren Cummings, Fire Chief
 Patrick Cole, Administrative Services Director

INVOCATION

City Clerk Carol Colp gave the Invocation.

FLAG SALUTATION

Mayor Thompson led the Flag Salutation.

CHANGE TO ORDER OF BUSINESS

MOTION TO APPROVE RESOLUTION NO. 4098 By **Ms. Gilbert**, SECOND By **Mr.Thies**.

Hearing NO OBJECTION Mayor Thompson declared the MOTION CARRIED AND RESOLUTION NO. 4098 APPROVED.

Mayor Thompson called the Lathrop High School Swim Team and Coach forward and read Resolution No. 4098 into the record. Coach Scott Lemley introduced the swim team and accepted the recognition of the City Council for the entire sports team.

CITIZENS COMMENTS

Dan Hoffman, 911 Cushman St., Fairbanks, AK. As Chapter Chair of the Fairbanks Police Department Employee's Association, Mr. Hoffman congratulated the Lathrop swim team members and their coach. He spoke in opposition to the proposed 2004 budget and expressed his disagreement with failing to fund labor agreements in order to balance the budget. **Mr. Cleworth** spoke to Mr. Hoffman's

recommendations and questioned whether Mr. Hoffman would recommend layoffs. **Mr. Johnson** addressed the City's PERS deficit. Mr. Hoffman expressed his appreciation for the predicament but indicated that the PERS liability is not necessarily his problem. **Ms. Gilbert** questioned Mr. Hoffman's current position and attempted to clarify his statements. **Mayor Thompson** questioned Mr. Hoffman regarding layoff's and commented on staffing levels and potential overtime resulting from layoffs. **Ms. Gilbert** questioned Mr. Hoffman regarding average costs per police officer. **Mr. Eberhart** asked Mr. Hoffman for suggestions on offsetting the budget deficit. Mr. Hoffman spoke to the mediation process.

John Giuchici, Fairbanks, AK. As Electrical Workers Union Representative, Mr. Giuchici spoke to the need for Council to honor existing contracts and spoke to the value of long time employees. He indicated that lawsuits would be filed resulting in additional costs to the City, if the contracts are not honored. **Mr. Johnson** spoke to the PERS liability and addressed the IBEW retirement plan. Mr. Giuchici clarified that IBEW plan increases have been consistently at 2% since the mid 1970's and spoke to the 2001 4% increase. **Mr. Johnson** asked for suggestions on how the City could mitigate the budget shortfall. Mr. Giuchici suggested lobbying the PERS Board to reduce future benefits based on contribution, or raise the assumption value to reduce the liabilities, or increase retirement age. **Mayor Thompson** questioned a possible reduction in the plan's 2% and Mr. Giuchici stated that the percentage has been reduced to 1 ½ % and retirement age will be raised in 2004. **Ms. Gilbert** commented regarding one Council encumbering another council. **Mr. Cleworth** asked whether Mr. Giuchici would support the Council's stand regarding PERS to which Mr. Giuchici responded suggesting that Council consider the future. **Mr. Cleworth** spoke to the requirement to pass a balanced budget and inquired whether Mr. Giuchici would prefer layoff's to cuts to current employee benefits. Mr. Giuchici suggested looking to other means of cutting expenses including looking at the City Attorney's Office. **Ms. Gilbert** asked Mr. Giuchici's opinion regarding privatization of City Fire Service. Mr. Giuchici responded that he would prefer to see Council be more proactive in regard to increasing revenues through sales tax. **Ms. Gilbert** cited the average wage for City residents to which Mr. Giuchici disagreed and asked for documentation. **Ms. Gilbert** argued her point. **Mr. Eberhart** asked Mr. Giuchici how long he has represented City employees to which Mr. Giuchici answer was for over twenty years. **Mr. Eberhart** asked Mr. Giuchici's opinion on the morale of City employees. Mr. Giuchici responded that morale has never been as low as it is currently and expressed his opinion regarding the reason employee's are dissatisfied. **Mr. Eberhart** asked Mr. Giuchici's opinion regarding annexation. Mr. Giuchici expressed his support stating that Council needs to be more forward-looking. **Mr. Eberhart** inquired as to the expiration of the current IBEW contract and whether an evergreen clause was a part of the contract. **Mr. Cleworth** commented that the average salary for City of Fairbanks residents is \$33,924. Mr. Giuchici spoke to Ordinance No. 5556 and encouraged Council to consider increasing employee salaries according to CPI increases as well. **Mr. Johnson** spoke to the City's PERS liability and explained the reasons behind the proposed increase in fees.

END SIDE ONE TAPE ONE

Mark Ames, PO Box 71693, Fairbanks, AK. Mr. Ames recommended that the Fairbanks Police and Fire Department employees support the promotion, advancement and marketability of the City and spoke to the direction of the bed tax revenues. He addressed the Fairbanks Centennial and thanked the City for a letter addressing Don Young's memorabilia. He noted the Dec. 16, 2003 Alaska Historical Commission meeting.

Frank Turney, 1083 Media Way, Fairbanks, AK. Mr. Turney questioned whether poor morale would lead to poor service. He spoke in support of Ordinance No. 5557 but recommended amending it to include

individuals with a license to carry permit. He spoke to the upcoming Bill of Rights Day on December 15th inviting Governor Murkowski to join in acknowledging the Bill of Rights on that day. He requested a new Proclamation which would include FNSB Mayor Whitaker as a signee.

Jeff Conner, 2070 Clifton, Fairbanks, AK. Speaking on behalf of the FFD, Mr. Connor addressed the budget proposals and expressed concern over the legality of non-funding union contracts. **Mr. Johnson** inquired as to Mr. Connor's union contract tier ranking and addressed the City of Fairbanks PERS liability. **Mr. Cleworth** inquired regarding the FFD contract manning requirements and layoff's, asking Mr. Connor's suggestions for balancing the budget. Mr. Conner stated he was not in favor of layoffs. **Ms. Gilbert** asked Mr. Conner for clarification on his statements. Mr. Conner made suggestions to Council for balancing the budget without cutting funding to existing contracts. **Ms. Gilbert** questioned Mr. Conner's suggestions. **Mr. Eberhart** questioned Mr. Conner on his position regarding the existing contract and his suggestion to close the Aurora Fire Station.

Denise Kendrick, 2000 Patricia Court, Fairbanks, AK. As a City employee, Ms. Kendrick spoke to the proposed budget ordinance and expressed her opposition to non-funding of employee benefits and encouraged the Council to seek out additional revenues to remedy the budget deficits. **Ms. Gilbert** asked for clarification on Ms. Kendrick's statements.

Brian Davis, 4440 Stanford Dr., Fairbanks, AK. As a FFD employee, Mr. Davis, spoke to the 2004 budget and encouraged Council to fully fund and honor the existing contracts with City employees. He warned against Council fostering poor relations and morale with employees. **Ms. Gilbert** questioned Mr. Davis's statements regarding poor working conditions and asked for suggestions.

Clem Clooten, 1163 Linda Lou Lane, Fairbanks, AK. Mr. Clooten, a long time City employee with the Building Department, encouraged Council to honor existing contracts as binding, legal agreements which have been negotiated in good faith and encouraged annexation as a means of raising revenues. **Ms. Gilbert** inquired whether Mr. Clooten favored forced annexation. Mr. Clooten expressed his views.

Shawn White, 948 East Chena Hills, Fairbanks, AK. As a FFD employee, Mr. White, addressed the funding issue in regard to the budget stating that non-funding an existing contract wrong as well as illegal and that the PERS liability is not the responsibility of the individual employee. He spoke to the problem of having a revenue cap and encouraged working together. **Ms. Gilbert** questioned Mr. White regarding the City's health care expenses per employee.

END SIDE TWO TAPE ONE

Gerald Colp, 651 11th Ave., Fairbanks, AK. As a twenty-nine year City employee, Mr. Colp spoke to the proposed 2004 Budget cuts and thanked the Council for their service. He spoke to the cuts in city employment over the years, and addressing his written letter submitted previously to Council, he asked them to honor their agreement with IBEW.

Rick Meyer, 488 Cindy Drive, Fairbanks, AK. As a FFD employee, Mr. Meyer spoke to the 2004 proposed budget. He questioned whether non-funding portions of the union contracts, and the possible resulting law suits would be money saving measures. **Ms. Gilbert** asked Mr. Meyer's opinion in regard to the Fire Department going contractual. Mr. Meyer spoke against lawsuits and the resulting costs to tax payers and against the Fire Department going contractual. **Mr. Cleworth** expressed his lack of appreciation for departments pitting themselves against each other in regard to solving the budget crisis.

Mr. Eberhart asked Mr. Meyer's opinion in regard to closing the Aurora Fire Station. **Ms. Gilbert** expressed her opinion regarding contracting out fire service for the City of Fairbanks.

Randy Coffee, 911 Cushman St., Fairbanks, AK. As a City Police Officer, Mr. Coffee encouraged Council to honor the previously negotiated contracts.

RECESS

Mayor Thompson called for a five (5) minute recess.

APPROVAL OF AGENDA AND CONSENT AGENDA

MOTION TO APPROVE the Agenda and Consent Agenda By **Ms. Gilbert**, SECOND By **Mr. Thies**.

MOTION TO ADD AN EXECUTIVE SESSION TO DISCUSS UNION CONTRACTS FOLLOWING THE PUBLIC MEETING By **Mr. Johnson**, SECOND By **Mr. Thies**.

Discussion ensued regarding the requirements for and need for an Executive Session. Mr. Kuss clarified that the topic warranted Executive Session.

A ROLL CALL VOTE was taken on the MOTION to ADD AN EXECUTIVE SESSION TO FOLLOW THE REGULAR MEETING.

YEAS: Thies, Johnson, Kawasaki, Cleworth, Eberhart, Gilbert

NAYS:

Mayor Thompson declared the MOTION CARRIED AND AN EXECUTIVE SESSION TO DISCUSS UNION CONTRACTS ADDED TO THE END OF THE PRESENT MEETING.

Mr. Kawasaki pulled Resolutions Nos. 4099 and 4100 from under New Business.

Hearing NO OBJECTION Mayor Thompson declared the MOTION CARRIED
And the AGENDA and CONSENT AGENDA APPROVED AS MODIFIED.

SPECIAL ORDERS

a) Application was made for the RENEWAL of the following Liquor Licenses:

- 1) Type: Restaurant/Eating Place
License: **FOOD FACTORY - License #3381**
Location: 44 College Road
License: **FOOD FACTORY - License #1468**
Location: 1707 Cushman Street

- 2) Type: Beverage Dispensary
License: MECCA BAR - License #710
Location: 549 Second Avenue
- 3) Type: Package Store
License: WILLIAMS EXPRESS - License #4156
Location: 2300 South Cushman Street

- b) Application has been made for Transfer of Ownership and Name Change for the following Liquor License:

Type: Beverage Dispensary Tourism
License: Regency Hotel – License #2258
Location: 95 Tenth Avenue, Fairbanks
Applicant: **Pacific Rim Associates I, Inc.**
Current License: Regency Fairbanks Hotel
Current Owner: William M. Stewart

MOTION TO WAIVE PROTEST by **Ms. Gilbert**, SECOND by **Mr. Johnson**.

The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the above referenced Liquor Licenses: Public Testimony was taken and limited to five (5) minutes.

There being no public testimony, SPECIAL ORDERS resumed by the City Council as a Whole.

Mr. Kawasaki inquired whether there was any problem with noise in regard to the South Cushman Williams Express store. **Ms. Gilbert** concurred that the problem currently did exist.

A ROLL CALL VOTE was taken on the MOTION to WAIVE PROTEST on the Applications for Renewal and Transfer of Ownership/Name Change for the above referenced Liquor Licenses.

YEAS: Eberhart, Cleworth, Gilbert, Kawasaki, Johnson, Thies
NAYS:

Mayor Thompson declared the MOTION CARRIED and PROTEST WAIVED
On All Five (5) Applications

MAYOR'S COMMENTS AND REPORT

Mayor Thompson spoke to the 2004 budget process and to the recent FMATS/MPO meeting at which the finalized STIP was provided for 2004-2006, addressing future matching fund requirements. He commented on the Lathrop swim team and acknowledged their efforts.

UNFINISHED BUSINESS

- a) ORDINANCE NO. 5556 – An Ordinance Amending FGC 66.42 To Annually Adjust Rates for Changes in the Consumer Price Index; and Setting an Effective Date. Introduced by Council Member Johnson. MOTION TO APPROVE By **Ms. Gilbert**, SECOND By **Mr. Johnson**.

MOTION TO SUBSTITUTE ORDINANCE NO. 5556 By **Mr. Johnson**, SECOND By **Ms. Gilbert**.

Hearing NO OBJECTION Mayor Thompson declared the MOTION CARRIED
And ORDINANCE NO. 5556 SUBSTITUTED.

The Fairbanks City Council, Sitting as a Committee of the Whole, heard interested citizens concerned with the above-referenced Ordinance. Public Testimony was taken and limited to five (5) minutes.

There being no further public testimony, UNFINISHED BUSINESS resumed by the City Council as a Whole.

Mr. Kawasaki inquired whether the garbage rate was considered a fee or a hidden tax. **Mr. Johnson** explained that the fee is a charge for services provided and clarified the intent of the Ordinance. **Mr. Kawasaki** expressed his support for the increased fee but expressed his objection to the fee being mandatory for City residents. Speaking in agreement with Mr. Kawasaki, **Ms. Gilbert** recommended that garbage service should be privatized. She offered to sign on as co-sponsor with Mr. Kawasaki on an ordinance to privatize garbage service. Stating that the fee is one that pays for the service provided, **Mr. Cleworth** expressed concern that rates would increase with privatization of the garbage service. **Mr. Thies** spoke in regard to privatization and suggested taking a careful look at the possibility. **Ms. Gilbert** commented on the unfairness of the current service.

A ROLL CALL VOTE was taken on the MOTION to ADOPT ORDINANCE NO. 5556 AS SUBSTITUTED.

YEAS: Kawasaki, Thies, Eberhart, Cleworth, Gilbert, Johnson
NAYS:

Mayor Thompson declared the MOTION CARRIED and ORDINANCE NO. 5556, AS SUBSTITUTED, ADOPTED.

NEW BUSINESS

- a) ORDINANCE NO. 5557 – An Ordinance to Amend FGC Chapter 62, Public Safety, Section 62-36, Auction Sale, Relating to Auction Sales of Firearms; and Setting an Effective Date. Introduced by Council Member Cleworth.

ADVANCED ON CONSENT AGENDA

- b) RESOLUTION NO. 4098 – A Resolution Congratulating the Members of the 2003 Lathrop High School Swim Team. Introduced by Council Members Cleworth, Eberhart, Gilbert, Johnson, Kawasaki and Thies and Mayor Thompson. MOTION TO APPROVE By **Ms. Gilbert**, SECOND By **Mr. Thies**.

Hearing NO OBJECTION Mayor Thompson declared the MOTION CARRIED
And RESOLUTION NO. 4098 ADOPTED.

- c) RESOLUTION NO. 4099 – A Resolution Authorizing the City of Fairbanks to Request Funds From Interior Region EMS Council Capital Equipment Program for the Replacement of a 1994 Ambulance and the Upgrade of 3 ZOLL Defibrillators in the Amount of \$220,000. Introduced by Mayor Thompson. MOTION TO APPROVE By **Ms. Gilbert**, SECOND By **Mr. Thies**.

Mr. Kawasaki inquired as to the source of the matching funds **Mayor Thompson** stated that the match came from Capital Funds. **Mr. Cleworth** clarified the intent of Resolution No. 4099.

Hearing NO OBJECTION Mayor Thompson declared the MOTION CARRIED
And RESOLUTION NO. 4099 ADOPTED.

- d) RESOLUTION NO. 4100 – A Resolution Authorizing the Mayor to Submit a Proposal for a State of Alaska Grant for the City Hall Window Replacement. Introduced by Mayor Thompson. MOTION TO APPROVE By **Mr. Thies**, SECOND By **Ms. Gilbert**.

Hearing NO OBJECTION Mayor Thompson declared the MOTION CARRIED
And RESOLUTION NO. 4100 ADOPTED.

DISCUSSION ITEMS (INFORMATION AND REPORT)

- a) Chief Finance Officer's Report

Mr. Woolf spoke to the 2004 budget process progress and informed Council of the finance committee meeting schedule. He spoke to a recent server conversion that will provide e-mails for each council member.

COUNCIL MEMBERS COMMENTS

Ms. Gilbert expressed her distress regarding statements made by city employees concerning the budget. She defended her numbers in regard to the average wage of city residents. She suggested she would move to fund the fire department for half a year while looking into privatization of the service. She spoke against a sales tax and expressed her anger regarding threats of lawsuits.

END SIDE ONE TAPE TWO

Mr. Johnson expressed thanks for the public comment and spoke to the need to work with both employees and tax payers in order to solve the budget problems.

Mr. Kawasaki expressed his thanks for the public comment and expressed his hope that Council could be fair to the City and to the employees. He expressed concern for the topics that would be discussed in Executive Session.

Mr. Cleworth commended people for speaking up for what they feel is right and commented on the voters decisions against raising revenue. He expressed concern regarding laying off employees and stated that Council was in a no-win situation concerning the budget. He requested a work session be scheduled with the Southside Center in regard to the City's finances. He spoke to the intent of Ordinance No. 5557 and asked for suggestions to improve the ordinance.

Mr. Thies thanked everyone who testified stating that the task before Council is a difficult one.

Mr. Eberhart commented on Mayor Thompson's letter to Barbie Baumgartner and expressed his concerns with her project. He inquired as to the City's liability, and expressed concern for the projects location. He expressed appreciation to those employees who spoke to Council and commented on the request for additional help from the City Clerk's Office, and for the City Attorney's Office. He commented on the Christmas decorations at the Parking Garage. Mr. Cleworth informed Council that a wedding had been held in the Parking Garage tower.

EXECUTIVE SESSION

MOTION TO MOVE INTO EXECUTIVE SESSION TO DISCUSS CONTRACT ISSUES By **Mr. Thies** SECOND By **Mr. Johnson**.

Ms. Gilbert requested the record to read that she will participate with reservations.

Hearing NO OBJECTION Mayor Thompson declared the MOTION CARRIED
And COUNCIL MOVED INTO EXECUTIVE SESSION.

Council Member **Thies** stated that there was no action taken during the Executive Session and the Council RECONVENED into Regular Session at 10:24 P.M.

ADJOURNMENT

MOTION TO ADJOURN By **Ms. Gilbert**, SECOND By **Mr. Eberhart**

Hearing NO OBJECTION, **Mayor Thompson** declared the MOTION CARRIED, and the Meeting ADJOURNED at 10:25 PM.

Carol L. Colp
City Clerk

Steve M. Thompson
Mayor

Transcribed by: Carol L. Colp, City Clerk