



FAIRBANKS CITY COUNCIL
REGULAR MEETING MINUTES, SEPTEMBER 14, 2020
FAIRBANKS CITY COUNCIL CHAMBERS
800 CUSHMAN STREET, FAIRBANKS, ALASKA

The City Council convened at 6:30 p.m. on the above date to conduct a Regular Meeting of the Fairbanks City Council via Zoom webinar and at the City Council Chambers, 800 Cushman Street, Fairbanks, Alaska, with Mayor Jim Matherly presiding and with the following Council Members in attendance:

Council Members Present: Shoshana Kun, Seat A
June Rogers, Seat B (remotely)
Valerie Therrien, Seat C
Aaron Gibson, Seat D
Jerry Cleworth, Seat E
David Pruhs, Seat F

Absent: None

Also Present: Clem Clooten, Building Official (remotely)
Margarita Bell, Chief Financial Officer
Paul Ewers, City Attorney
D. Danyielle Snider, City Clerk
Kristi Merideth, FECC Manager (remotely)
Angela Foster-Snow, HR Director (remotely)
Richard Sweet, Acting Police Chief (remotely)
Bob Pristash, City Engineer (remotely)

City Clerk Danyielle Snider read the Mission Statement of the City of Fairbanks.

INVOCATION

The Invocation was given by City Clerk Danyielle Snider.

FLAG SALUTATION

Mayor Matherly asked that everyone join him in the Pledge of Allegiance.

CITIZENS' COMMENTS

Jewelz Barker, 813 5th Avenue, Fairbanks – Ms. Barker stated she is following up on the last meeting regarding the comments made about local projects. She specifically referenced the 5th Avenue, Lacey Street, and Turner Street projects. She spoke briefly to the communication issues with the Turner Street project, and she stated that she shared her concerns with the Council via email. She stated the culverts on Turner Street have been removed, and the project funder was contacted the prior week to see whether they would cover the cost. She stated she has reporting obligations to the funder, and she needs to move forward. She offered her services to the City Council regarding state and federal grants and stated she would be happy to share her expertise.

She mentioned the question on the City sample ballot for the upcoming election regarding the Alaska Clean Water Fund loan for Golden Heart Utilities (GHU).

Christy Everett, 2308 Robinson Circle, North Pole – Ms. Everett stated she serves as President of the Board of Directors for the Tanana Valley Watershed Association (TVWA). She stated that TVWA was the grantee for the Turner Street and Lacey Street projects. She shared concerns that the culverts, vegetation, and soil had been removed on Turner Street. She stated there was a letter stating that it would be removed, but there was no indication as to when or who would remove it. She stated that the materials were grant-funded, and TVWA has not received a notification as to where the materials are or whether they are salvageable. She expressed disappointment about the way the project went.

Ms. Kun asked Ms. Everett whether they received a notification about the removal of the materials. Ms. Everett stated they received an email notification stating that the City determined that the culverts would be removed, but they did not know when the culverts were to be removed. She stated they were not given the opportunity to remove the materials themselves.

John Jackovich, 122 N. Turner, Fairbanks – Mr. Jackovich stated that Ms. Barker has been a catalyst for many projects in Fairbanks, and he spoke to her vast experience and knowledge. He stated that Ms. Barker approached him after she first joined the TVWA and brought up an idea to create a park on property that he owns. He stated that they created a place where fish can feed and where people can sit and enjoy the river. He spoke highly of Ms. Barker and stated he supports her 100%.

Victor Buberger, P.O. Box 58192, Fairbanks – Mr. Buberger stated that if the Council wants to help City residents, they would figure out a way to lower taxes instead of digging deeper into peoples' pockets. He suggested a casino on the river as a new form of City revenue. He suggested reducing the pay of all City employees and lowering taxes for citizens. He criticized the new road divider on College Road near Taco Bell.

Sue Sprinkle, 211 5th Avenue, Fairbanks – Ms. Sprinkle thanked the Council for passing the nuisance property ordinance, and she stated she looks forward to the next step in the process to address nuisance properties. She stated she is running for City Council Seat E, and she spoke about her background as a volunteer with various committees and organizations in Fairbanks. She stated that 2020 has really pushed Fairbanks as a City to reexamine what is important, how to stay safe, and the vision for the future.

Talyah Safir, 1708 Mary Ann Street, Fairbanks – Ms. Safir spoke about a nuisance property at 750 17th Avenue. She stated the property is an ongoing problem that affects the whole neighborhood. She stated that the house is surrounded by homes with families and elderly people, and she has heard screams and yelling as if someone is being tortured or raped. She stated the police come when they are called, but suspects tend to be good at evading officers. She stated that it is traumatizing to listen to the goings on night after night, and she asked that someone investigate the issue to see what can be done. She stated that her one encounter with the landlord was fairly aggressive, and she did nothing to provoke him.

Ms. Therrien asked Ms. Safir if she had filed a formal complaint. Ms. Safir stated that she has spoken with police officers who have advised that the best course of action would be to continue to call when there is an issue, but she has not filed a formal complaint.

Dana Zimmerman, 743 17th Avenue, Fairbanks – Ms. Zimmerman stated that her property parallels 750 and 752 17th Avenue, which are both nuisances; she stated it is a triplex. She thanked the Fairbanks Police Department (FPD) for their prompt response to issues, and she stated that Mayor Matherly has been diligent in expediting processes. She stated she is grateful for the nuisance ordinance that was passed, and she hopes that the problem tenant will have their lease terminated. Ms. Zimmerman stated the police have had several calls since the evictions began at 752 17th Avenue, and it is a work in progress. She questioned whether there is anything the residents in the neighborhood can do to help the situation and suggested the possibility of a neighborhood watch.

Cherie Seiberlich, 731 17th Avenue, Fairbanks – Ms. Seiberlich stated she lives directly across from the nuisance property, and she thanked everyone for their understanding and help with the problem. She thanked the police for their continued response to the property.

Dennis Keley, Fairbanks – Mr. Keley read from a petition being worked on regarding 530 Front Street. The petition, signed by residents of the area, stated that the area at 530 Front Street is neither a nuisance nor unsafe to anyone lawfully or willingly on the property. The petition went on to say that many find the property to be unique and rich in Alaska heritage and culture and referred to the structure as the “gingerbread house.” He read that the building should not be abated or demolished.

Hearing no more requests for comment, **Mayor Matherly** declared Citizens’ Comments closed.

APPROVAL OF AGENDA AND CONSENT AGENDA

Ms. Kun, seconded by **Mr. Gibson**, moved to APPROVE the Agenda and Consent Agenda.

Mayor Matherly requested that the IBEW Executive Session be removed from the Agenda; no members objected to removing the Executive Session.

Mayor Matherly called for objection to APPROVING the Agenda, as Amended, and, hearing none, so ORDERED.

City Clerk Snider read the Consent Agenda into the record.

APPROVAL OF PREVIOUS MINUTES

a) Regular Meeting Minutes of August 10, 2020

APPROVED on the CONSENT AGENDA.

b) Regular Meeting Minutes of August 24, 2020

APPROVED on the CONSENT AGENDA.

- c) Special Meeting Minutes of August 31, 2020

APPROVED on the CONSENT AGENDA.

SPECIAL ORDERS

- a) The Fairbanks City Council held a public hearing for the following Marijuana License Applications for Renewal:

Lic. #	DBA	License Type	Licensee	Address
10589	Nature's Releaf, LLC	Retail Marijuana Store	Nature's Releaf, LLC	503 7th Avenue
15800	Baked Alaska, LLC	Marijuana Product Manufacturing Facility	Baked Alaska, LLC	2745 Hanson Road, Unit B

Mr. Pruhs, seconded by **Ms. Therrien**, moved to WAIVE PROTEST on the Marijuana License Applications for Renewal.

Mayor Matherly called for public comment and, hearing none, declared Public Testimony closed.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO WAIVE PROTEST ON THE MARIJUANA LICENSE APPLICATIONS FOR RENEWAL AS FOLLOWS:

YEAS: Kun, Gibson, Therrien, Pruhs, Cleworth, Rogers

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

- b) The Fairbanks City Council held a public hearing for the following Marijuana Onsite Consumption Endorsement Application:

Type/License: Marijuana Onsite Consumption Endorsement, Lic. # 20827

DBA: Good Titrations

Applicant: FSE, Inc.

Location: 506 Merhar Avenue, Fairbanks

Ms. Therrien, seconded by **Ms. Kun**, moved to PROTEST the Marijuana Onsite Consumption Endorsement Application until a Certificate of Occupancy is issued by the Building Department.

Mayor Matherly called for public comment and, hearing none, declared Public Testimony closed. He requested that the business representatives present come forward in case the Council had questions for them.

Ms. Rogers asked about the response deadline included in the backup documentation. Clerk Snider stated that date was an internal deadline for departments to respond to the Clerk. **Ms. Rogers** stated she appreciated the fine application and thanked the representatives for attending.

Ms. Therrien asked whether the Borough Assembly waived protest on the application. Mr. Shaun Tacke stated that the Assembly did waive protest at their last meeting.

Mr. Pruhs stated they took a property that was vacant for eight years and remodeled it for a new business. He thanked them for their work. Mr. Brandon Emmett stated that they are familiar with regulations and bureaucratic groups. He stated that the process has not been too painful, and they are a model business in the marijuana industry.

Mr. Cleworth asked how they might prevent people from bringing outside product into the facility. Mr. Tacke explained that everything consumed in the onsite consumption area must be purchased within that limited space. He stated that all products will be packaged in bright colors to make product easy to identify. He stated that the area will also be actively monitored by cameras, and everyone will be checked in upon initial entry. Mr. Emmett stated they would be one of the first businesses to operate under this model, and they want to set an example for others.

Ms. Kun asked whether they had set an opening date. Mr. Tacke estimated that they may open the area in November, but things could change dependent on COVID-19.

Ms. Therrien stated she has received no public objections to the onsite consumption application.

Mr. Pruhs stated that if you look at the building, the plan, and the background of those involved, they have done a wonderful job. He thanked them for their patience and perseverance.

Mayor Matherly stated he spoke with someone earlier in the year who had concerns. He stated that he himself voted against the marijuana industry several years ago, but it is now legal and is a well-run industry. He stated that AMCO tracks complaints, and the City is notified of problems. **Mayor Matherly** stated that if a business does not follow regulations, they may lose their license.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO PROTEST THE MARIJUANA ONSITE CONSUMPTION ENDORSEMENT APPLICATION UNTIL A CERTIFICATE OF OCCUPANCY IS ISSUED BY THE BUILDING DEPARTMENT AS FOLLOWS:

YEAS: Cleworth, Pruhs, Rogers, Kun, Gibson, Therrien

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

- c) VACATION OF PUBLIC RIGHT-OF-WAY (VA 004-11, Riverside Drive) — Request by Stutzmann Engineering Associates, Inc., on behalf of Wideview Properties, LLC, to vacate an easement of undescribed purpose within the south portion of Block 11 and north portion of Block 11A, Charles Slater Homestead. The property is located within sections 2 and 11, T.1S., R.1W., FM, AK.

NOTE: AS 29.40.140(b) states that “Vacation of a city street may not be made without the consent of the Council.” It further states that “The governing body shall have 30 days from the decision of the platting authority in which to veto a vacation of a street. If no veto is received by the platting authority within the 30-day period, consent is considered to have been given to the vacation.”

Unless the Council wishes to veto the decision of the FNSB Platting Board, no action is needed. The memo from the Engineering Department is for informational purposes only.

City Clerk Danyielle Snider explained that by doing nothing, the Council gives its consent to the vacation. She stated that a motion to veto is in order if the Council objects to the vacation.

Ms. Therrien, seconded by **Ms. Kun**, moved to NOT VETO the Vacation of Public Right-of-Way.

Mayor Matherly reported that City Engineer Bob Pristash has reviewed the vacation of right-of-way, and he sees no reason for the City to veto it.

Mr. Pruhs stated the Borough Platting Board voted unanimously in favor of the vacation.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO NOT VETO THE VACATION OF PUBLIC RIGHT-OF-WAY AS FOLLOWS:

YEAS: Gibson, Cleworth, Rogers, Kun, Therrien, Pruhs

NAYS: None

Mayor Matherly declared the MOTION CARRIED.

MAYOR'S COMMENTS AND REPORT

a) Special Reports

Mayor Matherly thanked the public for their efforts with masking and spoke to the importance of wearing masks. He stated he supports the businesses that require masks. He explained why he has not issued a mask mandate in the City and stated that the Governor could mandate it. **Mayor Matherly** stated that voting matters and encouraged everyone to vote. He stated there will be a voting unit outside City Hall to accommodate absentee voting. He thanked everyone who is running for office and shared information on the various ways to vote early and absentee. **Mayor Matherly** stated he lives near the 17th Avenue property that was referenced during citizens' comments, and he reported that he has spoken to the property owner about the issues. He stated the owner is frustrated with the situation as well. **Mayor Matherly** stated he feels badly for landlords who have tenants that get carried away with the property, but he is convinced that sprucing up the property would draw a different type of tenant. He reported that the owner filed paperwork at the court but is waiting for a signature from the judge. He stated he has been a landlord, and it is difficult to get a tenant evicted from a property. **Mayor Matherly** stated he does not take the situation lightly, and he asked Acting Chief Rick Sweet for a staff report on the 17th Avenue property.

AC Sweet stated that FPD has responded 15 times to the property since July. He reported that just the past weekend FPD responded to one of the problem apartments to help a tenant retrieve items after an eviction, so half of the issue has been resolved. **Mayor Matherly** stated he gives his cell number out to everyone because he likes for people to have access to him. He encouraged the public to call him or other Council members to communicate issues or ask questions.

Mayor Matherly spoke about the Turner Street project, which is in a small area behind the bingo hall downtown. He stated that the City had not known that the culverts were going in, and the City sent a letter ordering that the culverts be removed. He stated that, at that point, the culverts were not completed. He explained that the following weekend, there was a work party and all the culverts were completed despite the letter. **Mayor Matherly** stated the culverts were dangerous with jagged, shredded steel edges. He stated the City had the culverts removed and absorbed the cost to have them relocated. He stated the culverts can be delivered to wherever they need to go. He stated he is all for beautification, but the City needs to be aware of what is happening on City-owned property and proper authorization must be given. He stated it is the first time he has encountered this type of issue. He stated that arrangements can be made for the delivery of the materials. **Mayor Matherly** stated the past week was September 11, and he attended a memorial. He thanked all the first responders who saved others on that day and thanked everyone who works as a first responder. He stated that even on its worst day, America is better than any other country in the world. He stated that people should defend the police – not defund the police. He stated he would not allow that as long as he is the Mayor.

COUNCIL MEMBERS' COMMENTS

Ms. Rogers thanked all who came to the meeting to testify and bring questions and solutions.

Mr. Gibson stated he had no comments.

Mr. Cleworth thanked candidate Sue Sprinkle for attending the meeting and noted that candidates Jim Clark and Lonny Marney have been attending Finance Committee meetings also. He stated the area on 17th Avenue has been a problem for a long time, and something needs to be done. He thanked Acting Chief Sweet for his update regarding the property.

Mr. Pruhs stated he had no comments.

Ms. Therrien asked about the 530 Front Street property. **Mayor Matherly** stated it is a property behind Island Homes that has been put on the abatement schedule by the Building Department. He stated the gentleman who testified about the property is not the owner but is someone who would like to save the property as a historical site.

Ms. Kun thanked Ms. Everett and Ms. Barker for engaging in the Turner Street project even though there were hiccups. She stated she had mixed feelings about the removal of the materials. She thanked the neighbors of the 17th Avenue property for having the courage to testify about it.

UNFINISHED BUSINESS

- a) Ordinance No. 6140 – An Ordinance Amending FGC Section 74-67 to Increase the Alcoholic Beverage Sales Tax Rate from Five Percent to Six Percent. Introduced by Council Member Kun. SECOND READING AND PUBLIC HEARING.

Ms. Kun, seconded by **Ms. Therrien**, moved to ADOPT Ordinance No. 6140.

John Pearson, 2827 Chief William Drive, Fairbanks – Mr. Pearson stated he does not see a reason to raise the alcohol tax, especially since people have been out of work for three months. He stated that the future is too unknown due to COVID-19.

Ms. Therrien asked Mr. Pearson whether they charge for a drink plus tax or if the price of the drink includes the tax. Mr. Pearson stated the drink price includes the tax.

Randall Kelsch, 3254 Riverview Drive, Fairbanks – Mr. Kelsch stated that increasing taxes is always difficult and asked the Council to not raise the alcohol tax. He stated the City should have to look at the way it spends money before asking for more. He asked what the alcohol tax revenue was designated for. **Mayor Matherly** stated the revenue goes into the City's General Fund. Mr. Kelsch spoke against the ordinance.

Mr. Gibson asked Mr. Kelsch if he was aware that property taxes could drop if the alcohol tax was increased. Mr. Kelsch stated taxes never go away, and it is always an unfavorable thing. He asked Mr. Gibson whether he consumed alcohol, and Mr. Gibson stated he did. Mr. Kelsch stated that a lot of people do not drink and will not feel any of the pain from an increase.

Bobby Wilken, 940 Fritz Court, Fairbanks – Mr. Wilken stated he opened the first brewery inside City limits; he spoke against the ordinance. He spoke to the effects of COVID-19 on his business and explained why raising the alcohol tax would harm his business. He asked the Council to not approve an alcohol tax increase during such a hard time for the industry. He urged the Council not to pass the ordinance.

Ms. Kun asked Mr. Wilken if he qualified for any of the CARES funding; Mr. Wilken stated they did not apply for CARES funding.

Larry Hackenmiller, 518 Farmers Loop Road, Fairbanks – Mr. Hackenmiller stated he represents the Interior Cabaret, Hotel, Restaurant and Retailers Association (CHARR). He spoke against raising the alcohol tax and shared that the economy is not in the right place to raise taxes. He stated that the idea that it may lower property taxes is a fairy tale. He asked the Council not to pass the ordinance.

Ms. Therrien asked Mr. Hackenmiller whether most establishments absorb the taxes into the price of the drink; Mr. Hackenmiller replied that they do. He stated they will have the option to increase the price of the drink to balance the tax increase. **Ms. Therrien** asked Mr. Hackenmiller whether he has any studies that show that a 1% tax increase would reduce consumption. Mr. Hackenmiller replied that he does not.

Mr. Gibson asked what loss CHARR members have seen this year. Mr. Hackenmiller stated some businesses will not be able to reopen while others have seen about a 30% loss in sales. He stated that takeout business has increased. He stated that employees did not want to return to work when they were getting an extra \$600 per week on unemployment.

Mr. Pruhs stated his friend worked at Odom, was let go at the beginning of the pandemic, and was not rehired until August. He asked Mr. Hackenmiller whether those situations are common

industry wide. Mr. Hackenmiller replied affirmatively. He stated the only budget he knows of that did not have to be cut was the City and Borough budget.

Brian Lackey, 2588 Boulder Avenue, Fairbanks – Mr. Lackey stated he has worked in the beverage industry for 25 years, and he stays because of the kind people he has met. He stated there are 68 employees at his place of employment, 14 of whom are graduates from UAF. He stated he has invited the Mayor to tour his facility that has been dramatically affected by the ongoing pandemic.

Brandon Emmett, 1299 Lowbush Lane, Fairbanks – Mr. Emmett stated he is somewhat ignorant about the ordinance, but he spoke against increasing the alcohol tax. He stated the industry at this time would be unduly taxed, and he does not believe it is a good idea during the pandemic.

Jori Clawson, 1517 Riffle Board Road, Fairbanks – Ms. Clawson stated that her business has contributed to the non-violent living shelter and to youth sports and recently put on a benefit for the FPD. She stated now is not the time to raise the alcohol tax. She stated that now is the wrong time to penalize an industry that is trying to stay afloat.

John Jackovich – Mr. Jackovich stated while a 1% tax increase is not that large, it does create a ripple effect on his business. He stated he wants to retain employees to support their families, and raising taxes is not the way to do that. He stated that now is the wrong time to increase taxes. He commended the Council for listening to all citizens. He stated the ordinance has terrible timing.

Arlette Eagle-Lavelle, 828 8th Avenue, Fairbanks – Ms. Eagle-Lavelle stated she owns Lavelle's Taphouse and, like everyone else in the industry, COVID-19 has impacted her business tremendously. She stated that now is not the time to raise taxes on alcohol.

Michael Cervantes, 1919 Esquire Avenue, Fairbanks – Mr. Cervantes stated he owns the Banks Alehouse, and, like many others, his drink prices include the tax. He stated he employs 44 people, and during the pandemic is the wrong time to increase alcohol taxes. He asked the Council to not pass the ordinance during COVID-19; he stated he wants to keep all his staff working.

Mr. Gibson asked Mr. Cervantes whether he would raise drink prices if the tax is increased. Mr. Cervantes stated he may raise drink prices by a nickel to make up for the tax increase.

Ms. Kun thanked Mr. Cervantes for coming to the meeting. She asked him when he believes raising the alcohol tax would be acceptable. Mr. Cervantes replied that any time that is not during the pandemic would be acceptable.

Jim Clark, 1426 2nd Avenue, Fairbanks – Mr. Clark stated he is running for City Council. He stated the Council should feel a little ashamed for bringing the ordinance forward at this time. He stated with small businesses struggling, it is irresponsible to try to raise taxes right now.

Hearing no more requests for in-person comment, **Mayor Matherly** declared in-person Public Testimony closed.

Mayor Matherly called for five-minute recess. The meeting reconvened following the brief recess.

City Clerk Danyielle Snider read the following written comments into record:

Caitlin D., Fairbanks – Ms. D. stated that raising the alcohol tax will not increase City revenue. She stated that, instead, it will negatively impact locally owned small businesses that are already hurting due to the pandemic.

Ashley Carver, Shannon Park, Fairbanks – Ms. Carver asked the Council to vote “no” on Ordinance No. 6140. He stated that the restaurant and bar industry has been adversely affected by the pandemic, as they were subject to state mandates and a decrease in tourism. She stated that now is the time for the City to show support to local businesses – not create more barriers for them. She stated that many businesses may not pass the tax increase onto their customers as they are already struggling to keep the business they have, which would result in even less business revenue. She stated that supporting the industry supports people who often live paycheck-to-paycheck and need these jobs to stay in their homes and feed their families.

Rick Mensik, Fairbanks – Mr. Mensik asked the Council to vote against Ordinance No. 6140. He stated that he and Sharon Mensik currently employ 75 people in the service industry, which has taken a serious economic hit in 2020. He stated they have permanently closed the Marlin due to the restrictions and costs to do business. He reported that it resulted in a loss of 15 jobs, a loss of income for the hundreds of musicians who perform there, and a loss of tax revenue for the Borough. He stated they are struggling to keep other businesses open.

Jessica Lissow, 2703 Chief Alexander Drive, Fairbanks – Ms. Lissow stated that the food and beverage industry has been hit hard economically by the pandemic, and now is not the time to increase a tax. She stated that Juneau recently forced bars to close indoor service and restaurants to reduce capacity. She stated that local businesses could be faced with the same mandates if COVID-19 cases continue to rise. She stated that many businesses cannot afford to shut their doors again, and Ordinance No. 6140 will only hurt small businesses even more. She stated that an increased tax will also put businesses within the City at a disadvantage to businesses outside the City. She commented that they will have to either raise their prices or reduce profit margins, and these businesses should not be unfairly penalized because they operate within the City. Ms. Lissow stated that across the country, communities are delaying tax increases due to the pandemic, and she questioned why the City Council is choosing this time to increase taxes for a targeted group. She indicated that the burden of trying to reduce the City’s budget deficit should not fall on one industry, and she asked the Council to support economic recovery by voting no on the ordinance.

Kara Nash, Fairbanks – Ms. Nash stated that she is the owner of Goldie’s AK, and her business has incurred many hardships due to the pandemic. She expressed her belief that local government should be supporting businesses through these tough times, and the proposed tax shows a lack of empathy for the people who are working to create a vibrant life. She stated that the timing demonstrates the selfishness of Council members and their lack of support for struggling businesses. She reported that CHARR projects that 47% of Alaskan bars and restaurants are unlikely to survive. She expressed hope that the Council would consider the poor timing of the ordinance. She stated the City needs start being a partner with community assets and show support for local businesses.

Jennifer Wehner, Fairbanks – Ms. Wehner asked the Council to vote against Ordinance No. 6140. She stated that raising the alcohol tax right now would be detrimental to the industry. She stated that small businesses are fighting to recover losses from the shutdown, and people are cautious about returning to a social environment. She expressed her belief that an alcohol tax increase may result in businesses closing and a loss in local jobs, which would be bad for the community.

Dave Messier, Fairbanks – Mr. Messier stated that he and his wife own residential rental properties within the City, and he spoke in favor of Ordinance No. 6140. He stated that his understanding is, due to the tax cap, the increase may reduce property taxes. He stated that a thriving City means quality housing options, and quality housing options require investment by property owners. He stated that property owners who are already squeezed by high utility costs have a hard time using remaining returns to improve property. He indicated that a higher alcohol tax would be worthwhile if it captures more revenue from tourism and leaves more money for local property owners.

Shaina Katz, Fairbanks – Ms. Katz asked the Council to vote against the tax increase. She stated that she is a single mother who works in the bar industry. She stated that, due to the pandemic, they have reduced business hours, which has caused her hours to be cut. She stated she is struggling financially, and an increased alcohol tax will place a burden on all the employees.

Patrick Levy, Fairbanks Distilling Company, 410 Cushman Street, Fairbanks – Mr. Levy stated that he is the producer of 68 Below Vodka, the most awarded spirit made in Alaska. He thanked the Council for the opportunity to submit written comment on the proposed alcohol tax increase. He stated he has chosen to keep his tasting room closed during the pandemic as a safety measure, which will cost his business 30-45% in revenue for the year. He stated that the failed tourist season and the statewide shutdown of Princess Hotels has resulted in not only lost revenue for his business but has also caused a loss of locally grown Yukon Gold potatoes used for vodka production. Mr. Levy stated that his distillery was able to diversity operations by becoming registered with the FDA to produce hand sanitizer at a time when it was scarce, and they were the only distillery in Interior Alaska able to legally produce it and supply it to Interior medical facilities and government offices. He stated he is grateful to local businesses that continue to support “local” by purchasing from his business. He stated his distillery helps support the local Community Service Patrol and many other non-profit groups. Mr. Levy stated that during a pandemic where small businesses have been adversely impacted is not the time to increase taxes. He stated that an increase would put those businesses operating within the City at an unfair disadvantage, and he does not support the alcohol tax increase.

There being no more written comments to be read into the record, **Mayor Matherly** declared Public Testimony closed.

Ms. Kun, seconded by **Ms. Therrien**, moved to AMEND Ordinance No. 6140 by changing the effective date to November 1, 2020.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO AMEND ORDINANCE NO. 6140 BY CHANGING THE EFFECTIVE DATE TO NOVEMBER 1, 2020 AS FOLLOWS:

YEAS: Therrien, Kun

NAYS: Pruhs, Cleworth, Gibson, Rogers
Mayor Matherly declared the MOTION FAILED.

Mayor Matherly thanked Ms. Kun for coming up with a potential revenue stream. He commented that the alcohol tax increase has potential, but it may not be the right time to enact it.

Ms. Therrien stated she did not see a 1% increase as significant, but she understands the time is not right. She questioned whether it may be an idea that has more support when not in a pandemic. She stated every taxed industry speaks out against taxes.

Mr. Cleworth stated that, because of the tax cap, the tax increase would not increase City revenue. He spoke to the history of taxation in Fairbanks and about the importance of the property tax rate remaining stable. He indicated that the Council should not consider the tax increase now, but it may be something to look at in the future.

Mr. Pruhs explained that he was not in support of the ordinance because the voters oppose new taxes every time they are brought up. He stated he could not support an increase in the alcohol tax without raising sin taxes equally across the board.

Ms. Kun explained why she proposed the tax increase. She stated she heard concerns from citizens who feel unsafe due to low staffing levels at FPD. She stated there is never a good time to raise taxes, and she understands that it is a difficult time; but the community needs to be kept safe. She shared that alcohol is damaging to many people, and she thought that raising the tax would help generate revenue and help staff the police department.

Ms. Rogers thanked everyone for coming out to speak on the issue. She suggested that she may support the ordinance but not during the pandemic.

Ms. Gibson stated he initially was going to vote in favor of the ordinance, but he changed his mind after hearing the overwhelming amount of public testimony against it.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION TO ADOPT ORDINANCE NO. 6140 AS FOLLOWS:

YEAS: Kun
NAYS: Rogers, Gibson, Therrien, Pruhs, Cleworth
Mayor Matherly declared the MOTION FAILED.

DISCUSSION ITEMS & COUNCIL MEMBERS' COMMENTS

Mr. Pruhs spoke to the possibility of a grant for the demolition of the Polaris Building. He stated that City Environmental Manager Andrew Ackerman is helping to put together a bid to receive funds from the Environmental Protection Agency (EPA).

Mr. Cleworth asked if the downtown core area could get swept one more time before snow flies. He thanked Ms. Therrien for attending the last Borough Assembly meeting and shared that he called in also to testify in support of Assembly Member Cash's ordinance regarding the Board of

Adjustment. He stated the ordinance ultimately failed. He spoke to the stakeholder group that met to discuss the Lacey Street project. He indicated that the survey that was done on the project was biased, and he would like the street design to remain as-is with a few improvements. He expressed concern that those most affected by the project are not being involved in the process.

Mr. Gibson complimented the Administration and staff for continuing to allow in-person attendance at meetings in a safe manner; he stated the City is doing a great job. He stated there are various ways for the public to participate in Council meetings safely. He commented that he has spoken to people who took the Lacey Street survey, and they only made it part of the way through it because it was a hassle.

Ms. Rogers stated the Fairbanks Diversity Council (FDC) met recently, and it was a wonderfully fulfilling meeting. She shared the Acting Chief and Deputy Chief attended and reported on the training FPD officers have received recently. She stated she attended the Borough Assembly meeting by phone, but she also had issues being heard. She commented that the City's system is much more user-friendly. She asked Mayor Matherly for an update on the request for quiet space near the railroad on Trainer Gate Road.

Mayor Matherly reported that not much has happened because the City cannot dictate what the Alaska Railroad does.

Ms. Kun gave a land acknowledgement and asked everyone to check on their friends and family. She encouraged those in need of help to contact the suicide hotline. She thanked everyone for their input on Ordinance No. 6140.

Ms. Therrien stated she did not know if the audio problems were hers or the Borough's, but she could not hear Mr. Cleworth's testimony at the recent Borough Assembly meeting. She suggested the Mayor have staff draft talking points for Council Members when they attend Borough Assembly meetings. **Mayor Matherly** acknowledged Ms. Therrien's request. **Ms. Therrien** stated she did not think a 1% tax increase would make such a huge impact, but she decided to listen to Mr. Cleworth's advice on the issue.

WRITTEN COMMUNICATIONS TO COUNCIL

- a) Memo to Approve the Appointment of 2020 Election Officials

APPROVED on the CONSENT AGENDA.

- b) Clay Street Cemetery Commission Meeting Minutes of March 4, 2020

ACCEPTED on the CONSENT AGENDA.

- c) Fairbanks Diversity Council Meeting Minutes of July 14, 2020

ACCEPTED on the CONSENT AGENDA.

- d) Fairbanks Diversity Council Meeting Minutes of August 18, 2020

ACCEPTED on the CONSENT AGENDA.

- e) Appointment to the Hotel/Motel Discretionary Fund Committee

APPROVED on the CONSENT AGENDA.

CITY CLERK REPORT

City Clerk Danyielle Snider reported there would be an absentee voting station open starting Monday, September 21; she reported it would be open 8 a.m. – 5 p.m., Monday through Friday.

ADJOURNMENT

Ms. Kun, seconded by **Mr. Gibson**, moved to ADJOURN the meeting.

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

Mayor Matherly declared the meeting adjourned at 9:31 p.m.



JIM MATHERLY, MAYOR

ATTEST:



D. DANYIELLE SNIDER, MMC, CITY CLERK

Transcribed by: EB/DS