

FAIRBANKS CITY COUNCIL REGULAR WORK SESSION AGENDA TUESDAY, JUNE 18, 2024 AT 7 A.M.



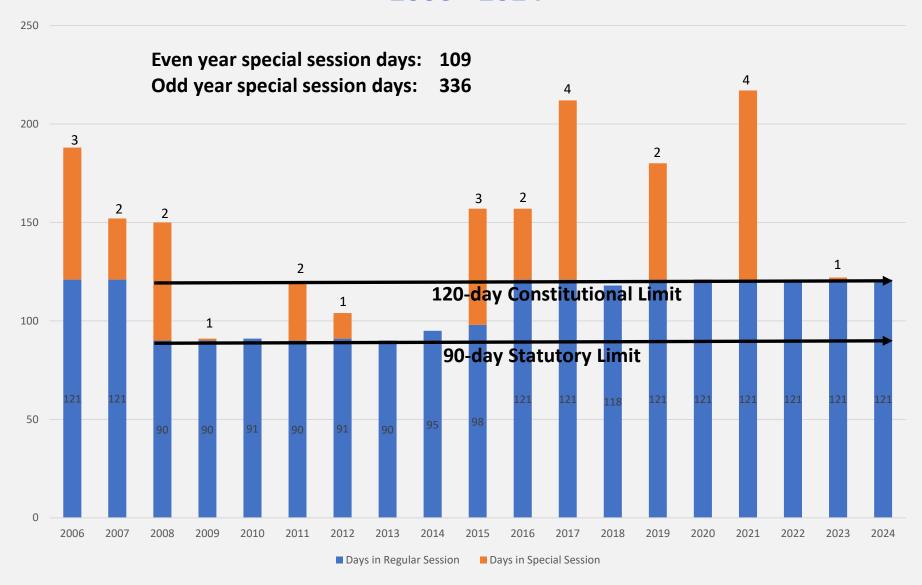
MEETING WILL BE HELD VIA <u>ZOOM WEBINAR</u> AND AT FAIRBANKS CITY COUNCIL CHAMBERS 800 CUSHMAN STREET, FAIRBANKS, ALASKA

- 1. Roll Call
- 2. Legislative Update from City Lobbyist Yuri Morgan
- 3. Rock Planters on West Portion of Lot 6, Block 66A, Fairbanks Townsite
 - a) FAST Planning Presentation
 - b) City Staff Report
- 4. Resolution No. 5116 A Resolution of the City of Fairbanks Authorizing an Agreement Between the Fairbanks North Star Borough, the City of North Pole, and the City of Fairbanks to Jointly Provide for Economic Development. [postponed to June 24]
- 5. Resolution No. 5126 A Resolution Awarding a Contract to Long Building Technologies, Inc. for Security Upgrades at the Fire Training Center in the Amount of \$304,044. [not introduced]
- 6. Ordinance No. 6283 An Ordinance Amending Fairbanks General Code by Enacting Section 10-207 to Require That Vacant Buildings Be Secured and Registered and Establishing Fines for Violations of These Requirements. [not introduced]
- 7. Ordinance No. 6284 An Ordinance Amending Fairbanks General Code by Enacting Section 10-208 to Prevent and Address Blight. [not introduced]
- 8. Ordinance No. 6285 An Ordinance Amending Fairbanks General Code Section 74-36 Economic Development Property Tax Exemption or Deferral and Enacting Section 74-37 Tax Incentive for Property Development, Redevelopment, or Renovation. [not introduced]
- 9. Memorandum Re: Fire Department Position Change
- 10. Finance Committee Report
- 11. Mayor and Council Member Comments
- 12. Next Regular Work Session Tuesday, July 2, 2024
- 13. Adjournment

City of Fairbanks

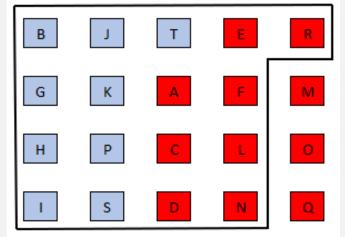
State Legislative Wrap-Up
June 18, 2024

Regular & Special Sessions Days 2006 - 2024

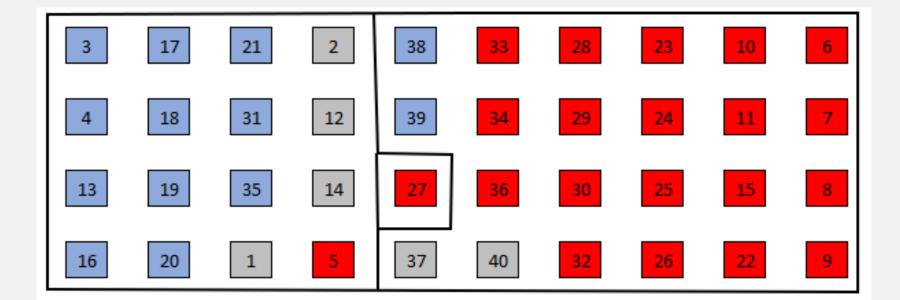


33rd Alaska Legislature Organizations

State Senate



State House



State Fiscal Summary (Before Vetoes)

Source: Legislative Finance Division

2024 PFD:

\$914.3MM FY25 25% POMV

- + \$190.5MM FY24 Energy Relief
- = \$1.105 Billion
- = ~\$1,650/person

Veto Timeline:

FY25 OPEX (HB 268) due back from Governor by 6/28/24

FY25 CAPEX (SB 187) due back from Governor by 7/3/24

UGF Short Fiscal Summary - FY24/FY25 ConfCom Budget

(\$ Millions) (Unrestricted General Funds)	FY24 Budget/ ConfCom	FY25 ConCom
Povenue	6 501 9	6 449 5
1 Revenue	6,591.8	6,448.5
2 UGF Revenue - DOR Fall 2023 Forecast	2,959.5	2,651.2
3 Spring 2024 Forecast Adjustment	58.4	140.1
4 AIDEA Dividend Adjustment	7.0	-
5 POMV Draw	3,526.0	3,657.2
6 Misc/Adjust	40.9	-

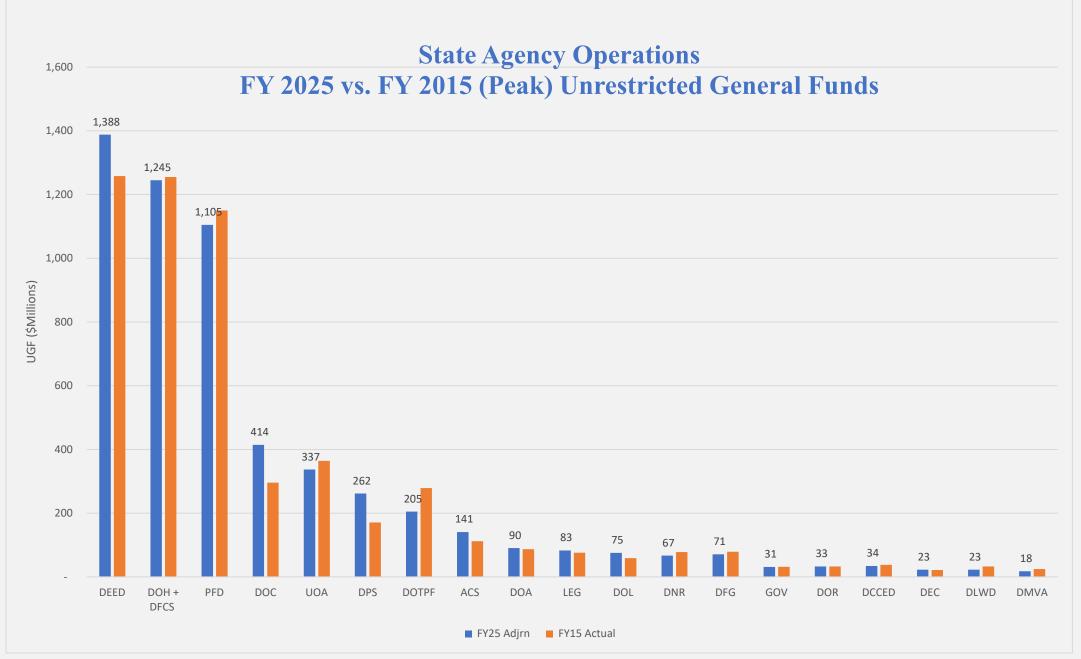
Change, FY2	24 to FY25
(143.3)	-2.2%
(308.3)	-10.4%
81.7	139.9%
(7.0)	
131.2	3.7%
(40.9)	

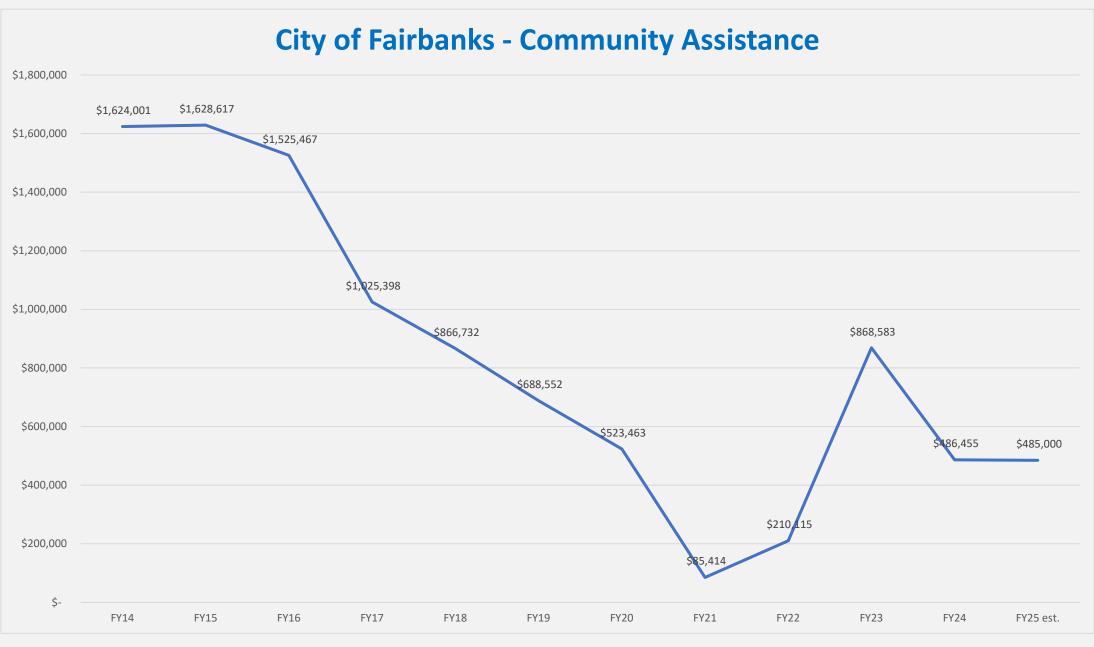
7 Appropriations	6,528.2	6,436.0
8 Operating Budget	5,096.0	5,146.7
9 Agency Operat	ions 4,411.1	4,634.1
10 Statewide It	ems <u>346.8</u>	427.6
11 Energy Relief Paym	ent* 190.3	-
12 Supp Appropriat	ions 147.8	-
13 New Legisla	ation -	85.0
14 Capital Budget	550.7	374.9
15 Current Year Appropriat	ions 360.2	374.9
17 Supplemental Appropriat	ions 190.5	-
18 Permanent Fund	881.5	914.3
19 Permanent Fund Divide	ends 881.5	914.3
20 Pre-Transfer Surplus/(Deficit)	63.5	12.5
21 American Rescue Plan Act (AF	(10.6)	-
22 Other Fund Trans	sfers 7.8	4.3
23 Fund Transfer Fiscal N	otes	0.4
Post-Transfer Surplus/(Deficit)	66.3	7.8

(92.2)	-1.4%
50.7	1.0%
223.0	5.1%
80.8	23.3%
(190.3)	-100.0%
(147.8)	
85.0	
(175.8)	-31.9%
14.8	4.1%
(190.5)	
32.8	3.7%
32.8	3.7%

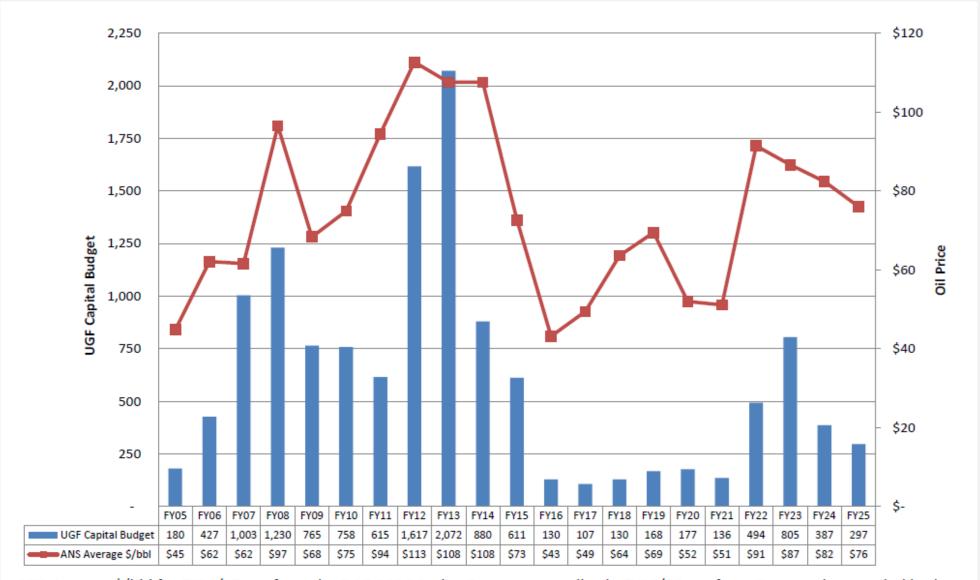
Reserve Balances (EOY)				
FY24 FY25				
SBR		-		
CBR	2,664.6	2,780.6		
ERA	7,470.5	7,688.3		

^{*}CC appropriates an amount up to \$190.3 million to energy relief, based on the amount of revenue actually received during the fiscal year. Based on the Spring 2024 forecast, the full amount would be paid out.





UGF Capital Budget & Oil Prices



ANS Average \$/bbl for FY24/25 are from the DOR 2024 Spring Forecast, spending in FY24/25 are from Governor's amended budget.

Source: Legislative Finance Division

Fairbanks area capital budget items

Recipient – Project Title (Unrestricted General Funds except DOT & UofA)	Amount
Fairbanks North Star Borough – Horseshoe Downs Road Service Area Maintenance	\$1,000,000
Fairbanks North Star Borough – SS Nenana Restoration & Repair	\$323,000
Foundation Health – Inpatient Behavioral Health Expansion	\$2,480,000
Interior Gas Utility – Natural Gas Main Extensions	\$4,535,000
Moore Street Seniors – Siding & Windows Upgrades	\$450,000
Morris Thompson Visitors Center – Maintenance and Upgrades	\$373,000
Morris Thompson Visitors Center – Parking Lot Repaving & Upgrades Plan	\$30,000
Morris Thompson Visitors Center – Phase 1 Roof Replacement	\$20,000
North Star Council on Aging – Back-up Generator for Fairbanks Senior Center	\$304,000
Ptarmigan Heights Utilities – Replace Aging Water Main	\$300,000
The Presbyterian Hospitality House – Riverfront Project	\$500,000
Miscellaneous DOT Airport and Surface Transportation Projects (All Funds)	\$79,917,186
Miscellaneous University of Alaska Projects (All funds)	\$27,322,000

Notable legislation that <u>PASSED</u> the 2024 session

Bill No.	Short Title	Prime Sponsor	Status	Bill Summary
<u>HB 125</u>	State Land; Trapping Cabins; Muni Platting	HOUSE RESOURCES	PASSED	Authorizes DNR to issue trapping cabin permits; clarifies who is entitled to a permit; amended to provide municipalities with platting authority the ability to modify their land use powers (see HB 221).
<u>HB 155</u>	Establish AK Military Affairs Commission	STAPP	PASSED	Establishes the Alaska Military Affairs Commission to provide the state with advice and actionable recommendations on military issues.
<u>SB 67</u>	Pfas: Use For Firefighting, Disposal	KIEHL	PASSED	Prohibits the use of a firefighting substance that contains PFAS unless engaged in oil or gas production, transmission, transportation or refining industries.
<u>SB 179</u>	Property Transfer Tax; Muni Telecomm Tax	BJORKMAN	PASSED	Prohibits the state and municipalities from levying a tax on the transfer of real property; amended to allow the state to set standards for property assessors; allows municipalities to completely exempt property taxes for economic development properties; changes Alaska's farmland taxation statutes to include farm-related structures if over \$2,500 in revenue and subject to IRS form filing.
SB 189	Extend Alaska Commission On Aging	KAWASAKI	PASSED	Sunset Extension Omnibus; extends the Board of Massage Therapists to 2030; the Marijuana Control Board to 2027; the Big Game Commercial Services Board to 2032; amended to increase the subsidy for child care by lowering the amount of the maximum contribution for families to 7 percent of income and increases the eligibility threshold for qualifying for the state's child care subsidy to 105 percent of the state median income; increases the maximum allowable child care tax credit to \$3 million per year and adds an inflation adjustment every 5 years.

Notable legislation that <u>DID NOT PASS</u> the 2024 session

Bill No.	Short Title	Prime Sponsor	Status	Bill Summary
<u>HB 28</u>	Access to Marijuana Conviction Records	WRIGHT	DEAD	Prohibits the release of criminal history record information of a person convicted of low-level marijuana possession crimes; intended to reduce barriers to employment.
<u>HB 129</u>	Elections: Voter Reg./legal Fund/comms	HOUSE JUDICIARY	DEAD	Requires the Division of Elections to regularly review and update voter registrations; amended to remove the requirement for witness signatures on absentee ballots.
<u>HB 150</u>	Residential Building Code	Sumner	DEAD	Adopts a statewide residential building code in Alaska.
<u>HB 267</u>	Municipal Property Tax Exemptions	TOMASZEWSKI	DEAD	Adds parking lots that are primarily used to serve real property under the mandatory property tax exemption statute; affirms property tax exemptions where income is derived from use of property or fundraising by nonprofit religious, charitable, hospital or educational groups; exempts property under construction for up to two years that is intended to be used primarily for exempt purposes.
SB 88	Retirement Systems; Defined Benefit Opt.	GIESSEL	DEAD	Establishes a new defined benefit pension system for Alaska public employees as a workforce recruitment and retention tool.
<u>SB 140</u>	Edu: Internet/charter/transp./f unding/bsa	HOFFMAN	VETOED	Increases the subsidy for internet service in schools from 25Mbps to 100Mbps; allows a charter school to appeal a terminated contract with a school district to DEED; increases pupil transportation funding; increases the BSA by 11.4 percent to \$6,640; increases funding for correspondence study; provides additional funding for the AK Reads Act targeting K-3 students.

Policy look-ahead



ELECTIONS

BACKGROUND

- A measure to repeal Alaska's rankedchoice voting system could appear on the November 2024 ballot.
- Bill(s) requiring the State Division of Elections to regularly review and update voter registrations failed to pass the Legislature.

WHAT TO WATCH

- A lawsuit seeking to disqualify the measure to repeal ranked-choice voting will be decided this summer.
- Look for the 34th Alaska Legislature to (again) tackle election reform.

2

ENERGY

BACKGROUND

- Hilcorp Energy has warned of natural gas shortages in the Cook Inlet beginning 2025-2026.
- Key legislators are cautious about providing royalty relief to incentivize new NG development.
- Legislature passed bill (HB 307) streamlining rules for power transmission.

WHAT TO WATCH

- IGU's contract with Hilcorp to source its gas from the North Slope beginning late 2024 or early 2025.
- Railbelt utilities will look to import LNG as a supplement to Cook Inlet supplies – cost likely to increase.
- Railbelt utilities will look for state to match Federal GRIP funds for Railbelt transmission line upgrades.



EDUCATION

BACKGROUND

- Alaska legislature increased BSA for schools by \$680 (11%).
- AK superior court struck down as unconstitutional two statutes relating to correspondence schools and allotments/reimbursements.
- Legislature passed bill (HB 202) to write temporary regulations to address uncertainty for homeschool students until next year.

WHAT TO WATCH

- Governor's consideration of FY25 budgets, including vetoes, due by 6/30/24.
- Oral arguments before the Alaska Supreme Court on correspondence school lawsuit scheduled for June 27, 2024.

Outlook for the 34th Alaska Legislature

Interior State Senate Races

Senate District	Candidates (Party)
0	No Race – Michael Shower (R)
Р	Leslie Hajdukovich (R) Scott Kawasaki (D)
Q	No Race – Robert Myers (R)
R	Jason Avery (D) Mike Cronk (R) Savannah Fletcher (U) James Squyres (R) Robert Williams (AI)

Interior State House Races

House Districts	Candidates (Party)
30	Doyle Holmes (R) Kevin McCabe (R)
31	Maxine Dibert (D) Bart LeBon (R)
32	Gary Damron (D) Will Stapp (R)
33	Mike Prax (R) Michael Welch (R)
34	Joy Cottle (R) Frank Tomaszewski (R)
35	Ashley Carrick (D) Ruben McNeill (R)
36	James Fields (L) Pamela Goode (R) Brandon Kowalski (D) Dana Mock (R) Rebecca Schwanke (R) Cole Snodgress (R)

Introduced by: Mayor Pruhs Introduced: April 22, 2024

RESOLUTION NO. 5116

A RESOLUTION OF THE CITY OF FAIRBANKS AUTHORIZING AN AGREEMENT BETWEEN THE FAIRBANKS NORTH STAR BOROUGH, THE CITY OF NORTH POLE, AND THE CITY OF FAIRBANKS TO JOINTLY PROVIDE FOR ECONOMIC DEVELOPMENT

WHEREAS, A.S. § 29.35.110(c) authorizes second-class boroughs, including the Fairbanks North Star Borough (Borough), to expend tax revenue collected on an areawide basis for economic development if there is an agreement in place with a city located in the borough to cooperatively or jointly provide for economic development; and

WHEREAS, A.S. § 29.35.110(c) was recently amended to include using revenue from other sources of funding including grants; and

WHEREAS, AS § 29.71.800 defines economic development as "an action intended to result in an outcome that causes an increase in, or avoids a decrease of economic activity, gross domestic product, or the tax base;" and

WHEREAS, Borough Resolution No. 2023-27 supports areawide cooperation and the joint provision of economic development stating that it is in the best interest of all borough citizens for the Borough to be able to spend tax revenue on economic development that will benefit the entire borough; that the cities of Fairbanks and North Pole and the Borough have been operating under an agreement signed by the Mayors of each jurisdiction since 2004; that economies are not bound by governmental boundaries; and that regardless of the source of the revenue, the Borough is not interested in acquiring an areawide power of economic development which would prohibit the City of North Pole or the City of Fairbanks from exercising economic development within their boundaries; and

WHEREAS, Borough Resolution No. 2023-27 further states that the Borough has tracked areawide economic indicators since the 1970's through the Community Research Quarterly publication; that it is a resource for the exchange of local economic information between and amongst local businesses and municipal, state, and federal governments; and that the Economic Development Commission is a necessary and integral part of the coordination of economic development activities of the Borough and participates in specific economic development projects as they are proposed; and

WHEREAS, approval of the proposed Memorandum of Agreement does not amend or modify the role of the Economic Development Commission nor does it infringe on, or eliminate, the appropriating power of the Borough Assembly, North Pole City Council, or Fairbanks City Council.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fairbanks authorizes the Mayor to enter into a Memorandum of Agreement with the Fairbanks North Star Borough and City of North Pole to jointly provide for economic development and authorizing each

municipality to:

- 1. Apply for, receive, and administer grants.
- 2. Take other action to develop, encourage, study, or finance economic development projects that benefit the City of Fairbanks and the entire borough, such as:
 - a. Supporting economic development organizations that support key industries outlined in the Comprehensive Economic Development Strategy (CEDS) such as the Fairbanks Economic Development Corporation and Explore Fairbanks.
 - b. Promoting, supporting, and facilitating projects for key economic industries as identified in the CEDS.
- 3. Develop and maintain key economic indicators and metrics to be used for informing economic development decisions for the City of Fairbanks and the entire borough.
- 4. Create and disseminate information on the economic status of the City of Fairbanks and entire borough in support of economic development actions.

PASSED AND APPROVED this _____ day of April 2024.

David Pruhs, City Mayor

YEAS:
NAYS:
ABSENT:
APPROVED:

ATTEST:

APPROVED AS TO FORM:

D. Danyielle Snider, MMC, City Clerk

Thomas A. Chard II, City Attorney

ATTACHMENT TO CITY OF FAIRBANKS RESOLUTION NO. 5116

1 2 3 4	AGREEMENT BETWEEN THE CITY OF FAIRBANKS, CITY OF NORTH POLE, AND THE FAIRBANKS NORTH STAR BOROUGH TO JOINTLY PROVIDE FOR ECONOMIC DEVELOPMENT
5	WHEREAS, AS 29.35.110(c) authorizes a second-class borough to expend
6	tax revenue collected on an areawide basis for economic development if an agreement is
7	in place with a city located in the borough; and
8	
9	WHEREAS, AS 29.35.110(c) was recently amended to include using revenue
10	from other source of funds to include grants; and
11	
12	WHEREAS, The City of Fairbanks, the City of North Pole, and the Borough
13	have been operating under an agreement signed by the Mayors of each jurisdiction since
14	2004; and
15	
16	WHEREAS, It is in the best interest of all borough citizens for the Borough
17	to be able to spend tax revenue on economic development that will benefit the entire
18	borough, regardless of the source of the revenue; and
19	
20	WHEREAS, Economies are not necessarily bound by governmental
21	boundaries; and
22	
23	WHEREAS, The Borough is not interested in acquiring an areawide power
24	of economic development, which would prohibit the City of Fairbanks and the City of
25	North Pole from exercising economic development within their boundaries; and
26	
27	NOW THEREFORE that the parties agree to jointly provide for borough-wide
28	economic development and authorizing each municipality to:
29	
30	1. Apply for, receive, and administer grants.

31	2. Take other action to develop, enco	urage, study, or finance economic
32	development projects that benefit the er	ntire borough, such as:
33	a. Support economic developmen	t organizations that support key
34	industries outlined in the Con	nprehensive Economic Development
35	Strategy (CEDS), such as the	Fairbanks Economic Development
36	Corporation and Explore Fairbank	S.
37	b. Promote, support, and facilitate p	rojects for key economic industries as
38	identified in the CEDS.	
39	3. Develop and maintain key economic in	ndicators and metrics to be used for
1 0	informing economic development decision	ons for the entire borough.
41	4. Create and disseminate information or	n the economic status of the entire
1 2	borough in support of economic develop	ment actions.
43 44 45 46	IN WITNESS WHEREOF, we have here of 20	reunto set our hands this DAY
47 48		ce Ward, Mayor
1 9	, Fai	rbanks North Star Borough
50 51 52		
53	Da	vid Pruhs, Mayor
54 55		y of Fairbanks
56 57		
58 59	April Trickey, MMC	chael Welch, Mayor y of North Pole

- 1) When was the economic development tax first implemented? Was there an implementing ordinance that required a vote of non-area wide residents? We would like to see a copy of the ordinance and any ordinances that have amended it since then.
 - Economic Development is a non-areawide power given to second class boroughs in AS 29.35.110, the subsections explain how revenue can be generated and spent in accordance with this statue on a non-areawide basis. Subsection C explains how the Borough can "jointly provide" for economic development if they have an agreement to do so.

AS 29.35.110. Expenditure of Borough Revenues.

- (a) Borough revenues received through taxes collected on an areawide basis by the borough may be expended on general administrative costs and on areawide functions only. Borough revenues received through taxes collected on a nonareawide basis may be expended on general administrative costs and functions that render service only to the area outside all cities in the borough.
- (b) Use of borough revenues from a sales tax levied upon room rentals for a tourism marketing campaign is not subject to (a) of this section.
- (c) Notwithstanding (a) of this section, a borough that has entered into an agreement with a city located in the borough to cooperatively or jointly provide for economic development may use borough revenue from taxes, whether collected on an areawide or nonareawide basis, to carry out the terms of the agreement.

FNSBC 1.12.060 conferred nonareawide (NAW) powers list economic development as a power that may be exercised. The Borough Assembly adopted Economic Development nonareawide powers in ordinance 87-056 (attached) and did not require a vote of the people to adopt, just the assembly.

- 1.12.060 Conferred nonareawide powers.
- A. The Borough by ordinance exercises the following powers on a nonareawide basis:
 - 1. Regulate the offering for sale, exposure for sale, use or explosion of fireworks;
 - 2. Provide for economic development.
- 2) How was the mill rate percentage set, and at what number? Is it a fixed rate?

2. Mill levy are set each year with the mill levy resolution. The Borough Assembly just approved the most current levies for FY25 on the 13th of June with Resolution 2024-20 (attached). Since there is not a signed joint powers agreement with the City of Fairbanks for Economic Development, the budget line was removed from the Areawide budget and added back into the NAW budget. It now will show up as a tax line item for NAW: Economic Development, the levy is .034 Mils or \$3.40 per \$100,000 of value (City will not pay this) it is now in the NAW budget.

3) Until recently, this had been a separate line item on the property tax billings - non-area wide only. Now it is included in the general government assessment- why did this happen?

3. on your tax bill residents will all see different service tax lines (depending on if you are in the City or in a service area. Non-Areawide is **ONLY** paid for by properties outside of the City of Fairbanks and North Pole. Areawide functions are paid for by every areawide resident to include city residents. Page 3 of the attached mill levy resolution shows the difference for Borough taxes and the subsequent borough services by district to include NAW.

The Borough had to include a separate NAW function mill levy because it cannot use general fund money on economic development without an agreement by the City. Now economic development must be spent from the NAW fund and not include areas within the city of Fairbanks as we cannot jointly provide for economic development without the agreement.

4) The general government assessment for 2023 was 5.219 mills, and for city residents it is the same. Apparently, this tax is now levied area wide. Has the FNSB been charging city residents this tax incorrectly?

4. General government mill levies are the same, all borough residents (including city residents) pay this tax. It is the NAW or other service areas that are different (depending on where your property lies). This year the NAW fund will have a .034 mill levy for all non-city property. Last year this was a budget line in the general government budget under the 2004 agreement. FY 24 (current budget) has a section in the FNSB appropriation that outlines this was done under the 2004 agreement (see attached). It was not done for FY 25 because the assembly approved a new agreement that required signature from the city councils.

5) How was this tax created within the restrictions of the borough's tax cap?

5. The tax revenue cap limits the amount of tax revenue that can be generated by the FNSB for providing services. Economic Development is a conferred power that was taken on in 1987 as outlined in statue, the Borough cannot add to the tax revenue cap for a service that is already authorized by the Assembly or statute.

Juanita Helms Introduced: 10/22/87 Advanced: 10/22/87 Adopted: 11/05/87

ORDINANCE NO. 87-056

AN ORDINANCE PROVIDING FOR THE EXERCISE OF NONAREAWIDE ECONOMIC DEVELOPMENT POWERS

BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough, Alaska;

Section 1. Classification. This ordinance is of a general applicability having the force and effect of law and shall become a part of the code of the Fairbanks North Star Borough,

Section 2. FNSB 1.02.060 is amended as follows:

1.02.060 Conferred nonareawide powers. A. The borough by ordinance exercises the following powers on a nonareawide basis:

- 1. Regulates the offering for sale, exposure for sale, sale, use or explosion of fireworks;
 - 2. Provides for economic development.
- B. The borough may by ordinance exercise the following powers on a nonareawide basis:

[7. PROVIDE FOR ECONOMIC DEVELOPMENT;]

[8]7. . . .

[9]8...

[10]9. . . .

Section 3. Effective date. This ordinance shall be effective at 5:00 p.m. on the first borough business day following its adoption.

PASSED AND APPROVED THIS 5TH DAY OF NOVEMBER, 1987.

ATTEST:

Many Sura Wrester
Clerk of the Assembly

1 2 3 4		By: Introduced: Advanced: Substituted:	Bryce J.	Ward, Mayor 04/13/2023 04/13/2023 05/11/2023
5 6		Amended: Adopted:		05/11/2023 05/11/2023
7 8		Immediate Reconsideration	n Failed	05/11/2023
9 10		Adopted:		05/11/2023
11	FATDRANIKO NORTILI CTA	D DODOLICII		
12 13	FAIRBANKS NORTH STA	AR BOROUGH		
14 15	ORDINANCE NO. 2	2023-20		
16 17 18 19	AN ORDINANCE APPROPRIATING FUNDS AS BEGINNING JULY 1, 2023; RATIFYING FISCA LEVYING TAX	L POLICIES AND		
20 21 22 23	WHEREAS, The Mayor shall deliver thursday following April 1st of each year, the total the Borough as required by FNSBC 7.12.020.			
24 25 26	NOW, THEREFORE, BE IT ORDAIN North Star Borough:	ED by the Asse	mbly of t	he Fairbanks
27 28 29	Section 1. <u>Classification</u> . This opermanent nature and shall not be codified.	ordinance is no	ot of a	general and
30 31 32 33 34	Section 2. <u>Appropriations for All Deal</u> appropriated for the fiscal year beginning July Attachment A, attached hereto and made a par recipients named in the worksheets and budget dits attachment are hereby made notwithstanding	 1, 2023, the t of this ordinar ocument underly 	amounts nce. Appr ying this o	set forth in ropriations to ordinance and
35 36 37 38 39 40 41 42	Section 3. Education Appropriation FNSBC 7.12.040(A), the sum of \$154,551,145 adopted contribution to education plus the amount of Alaska for PERS and TRS is hereby approved North Star Borough School District budget for the ending June 30, 2024. This total approved amount of match the published approved budget of the	plus the amoun at of on-behalf pa as the total an a fiscal year begi ant is approximat Fairbanks Nortl	t of the fayments for the count of the count	Final Borough rom the State the Fairbanks 1, 2023 and y be updated rough School

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District when it becomes available if the Borough Chief Financial Officer determines there

is no material difference. This amount is not appropriated. The appropriation for

Education set forth in Attachment A of this ordinance is the total amount of money, from local sources for school purposes, which shall be made available during said fiscal year. The Borough operates a central treasury; consequently, it may receive, throughout the fiscal year, sums from other entities for use by the School District. Said sums are not appropriated by the Borough as relates to specific uses, which is the purview of the School Board. Individual amounts received and added to the District budget after approval of this ordinance shall be added to the total approved amount, provided that the amounts are communicated in writing to the Borough. In accordance with state law, the appropriation contained in this ordinance for local support to Education is stated only as a lump sum and individual School District appropriation items are not included in this ordinance.

Section 4. <u>Appropriation Level</u>. The appropriations set forth in Attachment A of this ordinance are at the department and fund level, with expenditure allocations at the division level. Transfers of appropriations or supplemental appropriations may be made by the Assembly by ordinance.

Section 5. <u>Promoting Operational Programs</u>. Monies appropriated in the commodities and contractual services categories authorizes the use of those funds for giveaways, prizes, and awards that promote the operational programs of the Borough.

Section 6. All Funds Contingent Appropriations.

A. <u>Health Benefits</u>. Contingent upon the Health Care Contingency Reserve contribution requirements, as outlined in the current collective bargaining agreements, not being met, the respective actual amounts required by department and fund are appropriated to cover the requirements and Contributions from Fund Balance/Unrestricted Net Position, as applicable, are increased by like amounts.

B. <u>Insufficient Funds</u>. These department and fund appropriations are further contingent on each fund/department not having sufficient funds available for these purposes.

Section 7. <u>State Community Assistance Program for Unincorporated Communities</u>. Contingent upon receipt of the funds and in accordance with AS 29.60.850 - 29.60.879, amounts received from the State, for eligible unincorporated communities within the Borough, are appropriated in General Fund - Non-Departmental and shall be distributed to those communities' selected non-profit(s) which have complied with the Borough's administrative procedures for receipt of the funds.

Section 8. <u>General Fund - Mayor's Office Appropriation</u>. The allocation for areawide economic development in the Mayor's Office appropriation is made in accordance with AS 29.35.110(c) and an agreement, dated May 20, 2004, among the Mayors of the Borough and the Cities of Fairbanks and North Pole.

Section 9. General Fund - Non-Departmental Reappropriation. amount in the Non-Departmental - Areawide appropriation for Reserve for Unforeseen Time-Critical Events is reappropriated to the respective areawide departments and funds for the purpose described in the Budget Document.

Section 10. Non-Areawide Fund - Non-Departmental Reappropriation. The amount in the Non-Departmental - Non-Areawide appropriation for Reserve for Unforeseen Time-Critical Events is reappropriated to the respective departments within the Non-Areawide Fund for the purposes described in the Budget Document.

Section 11. Provisions for Grants, Multi-Year Programs, and the Capital Budget for the Capital Improvement Program (CIP).

Grants. The appropriations for "Recurring Grants to the Borough," all set forth in Attachment A of this ordinance, are estimated amounts. Actual amounts will be appropriated contingent, and based upon, the respective signed grant agreements. Any material differences, as determined by the Chief Financial Officer, will be communicated to the Assembly.

The appropriations for these grants are effective for the periods specified in the respective signed grant agreements. Expenditures incurred within the effective dates of the signed grant agreements are eligible for reimbursement. Furthermore, these appropriations are to be recorded and accounted for on the Borough's books using the most suitable fund(s) and methods, as determined by the Chief Financial Officer.

- Disallowed Costs. For positions that are grant-funded, if immaterial personnel costs are incurred by a position, which are not eligible to be funded by grants ("disallowed"), the Borough shall record those costs against any other allowable funding source(s), as determined by the Chief Financial Officer.
- Multi-Year Programs (MYP). The appropriations for these programs are to be 114 recorded and accounted for on the Borough's books using the most suitable fund(s) and methods as determined by the Chief Financial Officer.
 - Reserve for Personnel Services (MYP). The amounts in this program are reappropriated to the respective departments and funds for the purposes described in the Budget Document.
 - Capital Budget for the CIP. The appropriations for these projects are to be recorded and accounted for on the Borough's books using the most suitable funds(s) and methods as determined by the Chief Financial Officer.

Section 12. Intent for Recurring Match Assistance Grants Funded by the Borough. The \$200,000 General Fund operating transfer to "Recurring Grants Funded by the Borough" for the "Match Assistance Grant" program is set aside as a funding source for any required local match assistance needed for grants received by non-profit organizations serving the health and social services needs of the Borough community.

ORDINANCE NO. 2023-20

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RESOLUTION NO. 2024-20 ATTACHMENT A

2024 RATE OF REAL PROPERTY TAX LEVY

	Mill Rate Allocation	Mill Rate
Areawide Functions		
Areawide General Government General Government	4.834	
General Gov't Bonds	0.04 <u>5</u>	
Total Areawide General Government Mill	Rate 4.879	
Areawide Education		,
Education	5.440	
School Bonds	<u>0.280</u>	
Total Areawide Education Mill Rate	5.720	
Total Areawide Mill Rate		10.599
Non-Areawide Functions		
Economic Development	0.034	
Emergency Medical Services Total Non-Areawide Mill Rate	0.540	0.574
Total Non-Aleawide Will Nate		0.574
Solid Waste Collection District		
Solid Waste Collection District Mill Rate		1.621
Service Areas		Mill Rate
Airway		1.244
Arctic Fox Aztec		2.409 1.541
Ballaine Lake Sewer & Water		16.321
Becker Ridge		2.261
Birch Hill		2.194
Bluebird Road		2.817
Borda Road Brookside		1.270 0.946
Chena Goldstream Volunteer Fire		2.302
Chena Hills Road		1.057
Chena Marina		0.939
Chena Spur		2.660 2.938
Chena Spur College		2.936 0.929
College Hills		1.204
Cooper Estates		3.421
Cordes Drive		1.451
Cripple Creek		2.020
Deep Forest Denali View		0.978 2.685
Diane Subdivision		0.371
Drake Estates		0.886
Edanella Heights Road		1.951
Ester Lump Road		4.205
Ester Volunteer Fire Fairfields		3.256 0.734
i aii iicius		0.734

Introduced by: Mayor David Pruhs Introduced: June 24, 2024

RESOLUTION NO. 5126

A RESOLUTION AWARDING A CONTRACT TO LONG BUILDING TECHNOLOGIES INC FOR SECURITY UPGRADES AT THE FIRE TRAINING CENTER IN THE AMOUNT OF \$304,044

WHEREAS, in accordance with FGC Chapter 54, Article VI, Section 54-241, the purchasing agent may award a contract when there is only one source for the required purchase; and

WHEREAS, the City identified that Long Building Technologies, Inc can provide a suite of physical and technological security upgrades that will integrate with the City's existing system at the Fire Training Center for the first phase of this project; and

WHEREAS, the City intends to contract with Long Building Technologies, Inc in the amount of three hundred four thousand, forty-four dollars and zero cents \$304,044.00); and

WHEREAS, funding was approved in the Capital Fund.

NOW, THEREFORE, BE IT RESOLVED by the City Council that the Mayor or his designee is authorized to execute a contract with Long Building Technologies, Inc for security upgrades at the Fire Training Center in the amount of \$304,044.

PASSED and APPROVED this 24th Day of June 2024.

	David Pruhs, City Mayor
YEAS: NAYS: ABSENT APPROVED:	
ATTEST:	APPROVED AS TO FORM:
D. Danyielle Snider, MMC, City Clerk	Thomas A Chard II, City Attorney

CITY OF FAIRBANKS FISCAL NOTE

	FISCAL NOT	<u>=</u>		
I. REQUEST:				
Ordinance or Resolution	n No: <u>5126</u>			
Abbreviated Title: AWARDING CONTRACT TO LONG BUILDING TECHNOLOGIE			CHNOLOGIES	, INC
Department(s):	П			
Does the adoption of thi	s ordinance or resolution authorize:			
1) additional costs beyo	nd the current adopted budget?	Yes	No	X
2) additional support or	maintenance costs?		No_	
If yes	s, what is the estimate? see below			
3) additional positions b	eyond the current adopted budget?	Yes	No	X
If yes	s, how many positions?			
	f yes, type of positions? (F	- Full Time, P - P	'art Time, T - T	emporary)
II. FINANCIAL DETA PROJECTS:	IL:			PURCHASE COST
	ENTER SECURITY UPGRADES			\$304,044
TOTAL				\$204.044
TOTAL				\$304,044
FUNDING SOURCE:				TOTAL
CAPITAL FUND (PUBLIC I	FACILITIES)			\$304,044

TOTAL				\$304,044
The maintenance costs as budget.	sociated with this project will be incorporated	d in the annual inforr	nation technolog	y general fund
Reviewed by Finance D	epartment: Initial	mb	Date	6/12/2024

Introduced by: Mayor David Pruhs and Council Members Sprinkle and Ringstad Introduced: June 24, 2024

ORDINANCE NO. 6283

AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE BY ENACTING SECTION 10-207 TO REQUIRE THAT VACANT BUILDINGS BE SECURED AND REGISTERED AND ESTABLISHING FINES FOR VIOLATIONS OF THESE REQUIREMENTS

WHEREAS, vacant buildings pose threats to public safety by attracting criminal activities and creating an increased fire risk; and

WHEREAS, vacant buildings often contribute to a blight on the community that lowers the value of nearby properties; and

WHEREAS, many of the vacant building property owners do not live in Fairbanks and are difficult to locate and contact, which delays securing, cleaning, or abatement of the property; and

WHEREAS, several communities have found that a vacant property registry is a useful tool that encourages owners to secure and maintain their properties.

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

SECTION 1. Fairbanks General Code Chapter 10, Article VII Code for the Abatement of Dangerous Buildings is hereby amended to add new Section 10-207 Vacant buildings, as follows:

Sec. 10-207. - Vacant buildings.

(a) Vacant building definition: A vacant building is a structure designed for residential or commercial use that has not been lawfully used for residential or commercial purposes for 180 days.

The vacant building designation does not apply to:

- 1. Vacation properties;
- 2. Structures used on a seasonal basis;
- 3. Buildings that have been continuously offered in good faith for sale for less than 365 days;
- 4. Buildings with an active building permit from the City of Fairbanks if the permitted work is completed within 365 days of the initial permit date.
- (b) *Duty to secure:* Vacant buildings must be sufficiently secured to prevent ingress and egress. Vacant buildings must have prominently visible "No Trespassing"

signs at each secured exterior door. Vacant building owners are responsible for routine inspections to ensure the building remains secure and to prevent unauthorized access.

(c) Duty to Register: A vacant building must be registered with the City of Fairbanks Building Department within 30 days of meeting the vacant building threshold established in Sec. 10-207 (a). The vacant building registry will be maintained by the Building Department. Information on the registry is confidential and not intended for public release. Registering the building does not remove the owner(s)' duty to secure. The building owner(s) may apply to the Building Department for removal from the registry when the building is no longer vacant.

At a minimum, the registration will consist of the following information:

- 1. Vacant building address;
- 2. Owner(s)' full name;
- 3. Owner(s)' contact information; and
- 4. Period of time the building is expected to remain vacant.

The owner of the vacant building shall pay an annual registration fee as follows:

- 1. \$100 for the first year;
- 2. \$250 for the second year; and
- 3. \$500 for every subsequent year.
- (d) Remedies: Property owners are responsible for registering and securing vacant buildings. Owners failing to register vacant buildings will be charged \$10 per day. Owners failing to adequately secure vacant buildings within ten business days of registration or notice of violation for not securing a vacant building will accrue civil penalties in the amount of \$300 per business day. After 30 days the City may secure the vacant building at the owners' expense. The City Council may place a lien on a property for any unpaid civil penalties and/or expenses resulting from securing the vacant building.
- (e) The building owner(s) may appeal any decision regarding this section of code with the mayor or mayor's designee. The property owner may further appeal any decision regarding this section of code with the City Council.
- (f) The mayor or mayor's designee may waive any fees or fines associated with this section of code.

SECTION 2. The effective date of this ordinance is five days after adoption.

David I	Pruhs, Mayor	

AYES: NAYS: ABSENT: ADOPTED:	
ATTEST:	APPROVED AS TO FORM:
D. Danyielle Snider, MMC, City Clerk	Thomas A. Chard II, City Attorney

ORDINANCE NO. 6284

AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE BY ENACTING SECTION 10-208 TO PREVENT AND ADDRESS BLIGHT

WHEREAS, blighted properties pose a health, safety, and welfare risk to the community; and

WHEREAS, blighted properties pose a health risk by, among other things, harboring unsanitary conditions through the accumulation of excess litter and trash, failing to provide adequate ventilation or water for inhabitants, or by the improper disposal of human waste; and

WHEREAS, blighted properties pose threats to public safety by attracting criminal activities and creating an increased fire risk; and

WHEREAS, blighted properties contribute to the overall decline of neighborhoods, lowering the value of nearby properties and creating unsafe environments; and

WHEREAS, many of the blighted property owners are unable or unwilling to address the public safety concerns with their property; and

WHEREAS, several communities have found that establishing notification standards, remediation schedules, and civil penalties for noncompliance encourages owners to better care for their properties.

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

SECTION 1. Fairbanks General Code Chapter 10, Article VII Code for the Abatement of Dangerous Buildings is hereby amended to add new Section 10-208 Blighted properties, as follows:

Sec. 10-208. - Blighted Properties.

(a) *Blighted Property definition:* Any individual commercial, industrial, or residential structure or parcel of land that endangers the public's health, safety, or welfare because the property is dilapidated, or deteriorated.

Properties with two or more of the following conditions may be considered a blighted property:

1. A property upon which is located a dangerous building as defined in the City of Fairbanks Code for the Abatement of Dangerous Buildings.

- 2. The property is determined to be a fire hazard by the Fire Chief, Assistant Fire Chief, Fire Marshal, or Deputy Fire Marshal for violations set forth in Chapter 30 of the Code of Ordinances.
- 3. Property that meets the chronic nuisance property definition outlined in FGC Sec. 46-211.
- 4. The presence of people staying in temporary shelter not intended for permanent human habitation for more than ten days.
- 5. Properties containing unregistered, inoperable, unrepaired, uncovered vehicles for more than 90 days.
- 6. Properties with accumulated litter as defined in FGC Secs. 46-161 and 46-162.
- 7. Presence of unsecured drug paraphernalia as defined in FGC Sec. 46-361.
- 8. Properties with polluted conditions as defined in FGC Sec. 34-106.
- 9. Conditions of the property or activities on the property have materially contributed to a decline in property values of proximate properties.
- (b) Blighted Property Determination: The Mayor or mayor's designee has the authority to determine if a property has met the blighted property threshold outlined in this ordinance.
- (c) *Notification:* Upon determination that a property is blighted, the City of Fairbanks will notify the owner of the property by posting a notice of the violation in a conspicuous location on the blighted property and providing the notice to the owner by hand delivery, mail, or electronically. The notification will specify violations that constitute the blight and clearly express remediation deadlines.
- (d) Schedule: Owners have ten business days from the notice of violation to remediate the violations. If the remediation will take longer than ten business days, the owner must present a remediation plan to the City. The Mayor or mayor's designee will determine if the plan will address the violations in a reasonable timeframe.
- (e) Remedies: Property owners are responsible for correcting all conditions that have led to the blighted property designation. Owners failing to adequately address blighted property violations within ten business days of the notice of violation or by an approved alternate timeline will accrue civil penalties in the amount of \$300 per business day. After 30 days the City may address the violations at the property owner's expense. The City Council may place a lien on a property for any unpaid civil penalties and/or expenses resulting from remedying the violations.
- (f) The civil remedy provided in this section is intended to address health, safety, and welfare concerns resulting from blighted properties. Any remedy included in this section is independent and separate from any other legal remedy available including injunctive relief and criminal action.

- (g) The property owner(s) may appeal any decision regarding this section of code with the Mayor or mayor's designee. The property owner may further appeal any decision regarding this section of code with the City Council.
- (h) The Mayor or mayor's designee may waive any fees or penalties associated with this section of code.

SECTION 2. The effective date of this ordinance is five days after adoption.

	David Pruhs, Mayor
AYES: NAYS: ABSENT: ADOPTED:	
ATTEST:	APPROVED AS TO FORM:
D. Danvielle Snider, MMC, City Clerk	Thomas A. Chard II. City Attorney

ORDINANCE NO. 6285

AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE SECTION 74-36 ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTION OR DEFERRAL AND ENACTING SECTION 74-37 TAX INCENTIVE FOR PROPERTY DEVELOPMENT, REDEVELOPMENT, OR RENOVATION

WHEREAS, the City of Fairbanks has economic development authorities; and

WHEREAS, residential and commercial development drives local economic revitalization; and

WHEREAS, state law authorizes a tax exemption or deferral for certain economic development property; and

WHEREAS, temporary relief from property taxes can be an effective incentive for new construction; and

WHEREAS, the Fairbanks area has experienced a housing shortage, impacting the ability of residents to find affordable, efficient housing in the community; and

WHEREAS, vacant, abandoned, and/or undeveloped lots are of little economic value, often negatively affect proximate property values, and can be a source of blight; and

WHEREAS, new, quality residential and commercial construction significantly contributes to the economy, often positively affects proximate property values, and usually improves local aesthetics; and

WHEREAS, it is the desire of the Fairbanks City Council to encourage residential and commercial development; and

WHEREAS, the Fairbanks City Council has the authority to freeze the City property taxes to encourage development.

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

SECTION 1. FGC Sec. 74-36, Economic development property tax exemption or deferral, is hereby amended as follows [new text in **bold/underline** font; deleted text in strikethrough font]:

Sec. 74-36. - Economic development property tax exemption or deferral.

- (a) The council may grant a partial or total exemption and/or deferral for economic development property only if the granting of such exemption and/or deferral will provide economic benefit to the city, and
 - (1) The exemption and/or deferral will provide measurable public benefits commensurate with the level of incentive granted;
 - (2) The property owner is in compliance with all state and local tax obligations;
 - (3) The location of the trade, industry, or business is compatible with **zoning** requirements land use and development plans of the borough; and
 - (4) The exemption and/or deferral is necessary to allow adequate time for improvements to be completed and revenue to be generated by the property.
- (b) Economic development property means real property that:
 - (1) Has not previously been taxed as real or personal property by the city; however, improvements on properties may be partially or wholly tax exempted or deferred under this section.
 - (2) Is used in trade or city business in a way that:
 - a. creates employment in the city directly related to the use of the property that does not supplant jobs in another similar industry; or
 - b. generates sales outside of the city of goods or services produced in the city; or
 - c. materially reduces the importation of goods or services from outside the city.
 - (3) An exemption and/or deferral on the property enables a significant capital investment in physical infrastructure that:
 - a. expands the tax base of the City; and
 - b. will generate property tax after the exemption/deferment expires.
 - (34) Has not been used in the same trade or business in another city for at least six months before the application for deferral or exemption is filed; this limitation does not apply if the property was used in the same trade or business in an area that has been annexed to the city within six months before the application for deferral or exemption is filed; this subsection does not apply to inventories.
- (c) An ordinance by the Fairbanks City Council must precede any action to

authorize a tax exemption or deferral under this section.

SECTION 2. FGC Chapter 74, Article II, Property Tax, is amended to add new Section 74-37, Tax incentive for property development, redevelopment, or renovation, as follows:

Sec. 74-37. - Tax incentive for property development, redevelopment, or renovation.

- (a) As permitted by state law, a partial property tax exemption may be approved for the development, redevelopment, or renovation of a property within city limits that results in an increased property tax assessment. Upon completion of a development, redevelopment, or renovation project, the property owner may apply for the property taxes to remain at the amount of property tax from the prior year. The exemption of the increase to the new tax rate may be granted for a maximum of five years based upon the construction cost confirmed on the permit(s) from the Building Department. Upon completion of the exemption, the property tax will increase to the new assessed property value as if the construction had concluded that year and thus expand the tax base of the City.
 - (1) Construction costs totaling \$1,000,000 or more may receive a five-year deferral.
 - (2) Construction costs totaling between \$150,000 to \$999,999 may receive a two-year deferral.
 - (3) Construction costs totaling less than \$150,000 are not eligible for a tax deferral under this program.
- (b) The property owner must apply for the tax deferral through the Building Department during the permitting process. Property owners with projects requiring multiple permits will add construction costs from each permit to determine total construction costs.
- (c) The Mayor or mayor's designee may approve or deny the application. Following the final inspection, the property owner and Building Department will confirm the total construction costs for the tax deferral application. The Building Official will recommend approval or denial of the application based on total construction costs and resulting property improvements to the Mayor or mayor's designee. Approval of the tax deferral cannot occur prior to the final inspection from the Building Department. Property owners may appeal any decision made by the Mayor or mayor's designee to the City Council.

SECTION 3. The effective date of this ordinance is five days after adoption.

	David Pruhs, Mayor
AYES: NAYS: ABSENT: ADOPTED:	
ATTEST:	APPROVED AS TO FORM:
D. Danyielle Snider, MMC, City Clerk	Thomas A. Chard II, City Attorney

CITY OF FAIRBANKS 800 Cushman Street Fairbanks, AK 99701



FINANCE DEPARTMENT Telephone (907)459-6713 Fax (907)459-6722

DATE: June 12, 2024

TO: Council Members

THROUGH: Mayor David Pruhs

FROM: CFO Margarita Bell

SUBJECT: Fire Department Position Change

I am seeking authorization to reduce one Captain position to add one Assistant Fire Chief position for training.

The Council converted one firefighter position to a captain position for training in 2022. The staff filling the role returned full-time to suppression.

The Fire Chief recommends additional duties for this position that the HR Director classifies as an Assistant Fire Chief.

This request will result in an annual salary savings of \$6,600; therefore, the budget will not require an amendment.