1. **ROLL CALL**

2. **MEMORANDA/ REPORTS/ PRESENTATIONS**
   NONE

3. **CONTRACTS/ BID AWARDS**
   NONE

4. **ADVANCED ORDINANCES AND RESOLUTIONS**

      (Sponsors: Assemblymembers Lojewski and Major) (Page 2)

      (Sponsors: Assemblymembers Lojewski, Lyke and Major) (Page 6)

5. **OTHER COMMITTEE BUSINESS/ DISCUSSION ITEMS**

   a. Monthly Budget Reports

   b. General Fund Updated Fund Balance Report

6. **MAYOR/ ASSEMBLY COMMENTS**

7. **ADJOURNMENT**

THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE DELETION OF ITEMS; OR EXECUTIVE SESSIONS, IF NEEDED.
FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2018 - 46

AN ORDINANCE AMENDING FNSBC 7.12.020 REGARDING BUDGET SUBMISSIONS

WHEREAS, The Fairbanks North Star Borough (FNSB) has a multi-
hundreds of millions of dollars deferred maintenance backlog; and

WHEREAS, Previous FNSB Assemblies have not adequately saved money
for facility maintenance; and

WHEREAS, Facilities Maintenance Reserve (FMR) funds are intended to be
available for maintaining borough facilities; and

WHEREAS, The FNSB has $733,211,718 of property insurance for its
buildings in FY18-19 including those used by the School District but excluding those
used by the fire service areas. This number represents an estimate by industry experts
of the replacement value of the insured facilities; and

WHEREAS, It is commonly accepted that facilities require 2-4% of their
replacement value be spent on maintenance annually on average over time in order to
remain current on maintenance; and

WHEREAS, Suddenly budgeting the recommended 2-4% or $14,664,234
to $29,328,468 from current levels would cause a disruptive shock to existing borough
services; and

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED, CAPITALIZE]

Fairbanks North Star Borough, Alaska
ORDINANCE NO. 2018-
Page 1 of 4
WHEREAS, The FY18-19 approved budget included a $7,461,635 contribution to the Facilities Maintenance Reserve account; and

WHEREAS, The FY18-19 approved budget calls for $108,547,751 of local revenue from the areawide sources of property tax, alcohol tax, bed tax, and marijuana tax, not including delinquent taxes, penalties or interest, which means for FY18-19 a total of 6.8741% of areawide tax revenue was designated to the FMR or 1.0177% of the insured replacement value of property; and

WHEREAS, The FNSB can reasonably budget in the next fiscal year 1% of the replacement value of its property or $7,332,117 or as a percent of FY18-19 expected areawide tax revenues 6.7547% and increase that over time to the recommended levels; and

WHEREAS, Budgeting a defined percentage of expected areawide tax revenues to the FMR is a clean, simple, and low risk way of setting money aside for maintaining borough facilities by defining future proposed contributions in the Mayor’s budget as a portion of a stable and predictable revenue source; and

WHEREAS, The Mayor writes and proposes the first draft in the annual budgeting process.

NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough:

Section 1. Classification. This ordinance is of a general and permanent nature and shall be codified.
Section 2. Subsection C of FNSBC 7.12.020, Budget submission, is hereby amended as follows:

C. The borough mayor shall deliver to the assembly, on or before the first Thursday following April 1st of each year, the total proposed comprehensive budget of the borough, the recommended allocation of funds to each proposed expenditure category within the proposed budget, and appropriation ordinances in the form provided for in FNSBC 7.12.100(A). Included in this submission shall be:

1. The board of education’s budget as submitted to the mayor;
2. The assembly’s proposed budget as submitted to the mayor by the borough clerk;
3. The budgets of the various departments of the borough executive branch;
4. Each department identified and grouped according to whether it is a direct public service department, a support service department or a governance department, as provided in FNSBC 2.08.030 together with a subtotal for these three groupings;
5. The proposed capital improvement budget, including amounts proposed to be contributed to the facilities maintenance reserve fund as required by this section;
6. The proposed borough service area budgets accompanied by an estimate of unencumbered funds by service area;
7. The proposed budgets of each fund authorized by the borough, including special and enterprise funds;
8. The mayor’s recommendations on all the budgets;
9. A schedule of all revenues and grants expected to be received during the fiscal year;
10. A proposed appropriation ordinance implementing the mayor’s recommendations on the total budget;
11. The amount of local taxes required to fund the budget and the tax levies required by the area to generate the required taxes;

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED, CAPITALIZE]
12. A proposed resolution implementing the mayor’s recommendation for local support to the board of education;

13. A proposed resolution implementing the mayor’s recommendations for local tax levies.

Section 3. A new subsection is hereby added to FNSBC 7.12.020 as follows:

D. The borough mayor’s total proposed comprehensive budget delivered to the assembly must include a contribution to the facilities maintenance reserve fund of at least 6.7547 percent of the estimate of areawide tax revenue included in that budget, excluding penalties and interest and prior year’s delinquent taxes. The proposed contribution shall increase at a rate of 0.67547 percent per year until it reaches 13.5095 percent of the estimate of areawide tax revenues. If the general fund is below 50% of its target reserve, the requirements of this subsection shall not apply in that fiscal year.

Section 4. Effective date. This ordinance shall be effective at 5:00 p.m. of the first Borough business day following its adoption.

PASSED AND APPROVED THIS _____ DAY OF __________, 2018.

Matt Cooper
Presiding Officer

ATTEST:

April Trickey, CMC
Borough Clerk

APPROVED:

Jill S. Dolan
Borough Attorney
FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2018-20-10

AN ORDINANCE AMENDING THE FY 2018-19 BUDGET BY APPROPRIATING
$2,329,787.62 FROM THE GENERAL FUND FUND BALANCE TO THE FACILITIES
MAINTENANCE RESERVE FUND

WHEREAS, The Fairbanks North Star Borough has been in litigation with
Corvias Air Force Living, LLC, the private housing contractor on Eielson Air Force Base,
since 2014; and

WHEREAS, On Friday, October 26, 2018, the Fairbanks North Star
Borough received a $2,583,253.25 payment in satisfaction of the judgment for Corvias
Air Force Living LLC’s 2014 property taxes; and

WHEREAS, Of this amount, $2,329,787.62 was deposited into the General
Fund; and

WHEREAS, Previous Fairbanks North Star Borough assemblies have not
adequately saved money for facility maintenance; and

WHEREAS, The Fairbanks North Star Borough has a multi-hundreds of
millions of dollars deferred maintenance backlog; and

By:        Aaron Lojewski
           Liz Lyke
           Angela Major

Introduced: December 13, 2018

Fairbanks North Star Borough, Alaska

ORDINANCE NO. 2018-20-10
Page 1 of 3
WHEREAS, The Fairbanks North Star Borough Assembly has a Facilities Maintenance Reserve (FMR) Fund with $7,638,070.23 of unencumbered funds; and

WHEREAS, If the deferred maintenance problem is not addressed and continues to worsen it is only a matter of time before FNSB buildings, including those used by the school district, one by one become a safety risk to their occupants, and in the worst cases buildings will need to be condemned and eventually demolished, becoming an even greater financial burden to the FNSB; and

WHEREAS, FMR funds are intended to be used for major facilities maintenance, repair, and upgrade costs.

NOW THEREFORE BE IT ORDAINED by the Assembly of the Fairbanks North Star Borough:

Section 1. Classification. This ordinance is not of a general and permanent nature and shall not be codified.


AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be added is underlined
Text to be deleted is [BRACKETED, CAPITALIZED]
Section 4. Effective Date. This ordinance is effective at 5:00 p.m. on the first Borough business day following its adoption.

PASSED AND APPROVED THIS ____ DAY OF ________, 2018.

Matt Cooper
Presiding Officer

ATTEST:

April Trickey, CMC
Borough Clerk

APPROVED:

Jill S. Dolan
Borough Attorney
I. Request

Ordinance No: 2018-20- 10 Date Introduced: December 13, 2018

Abbreviated Title: Appropriating $2,329,787.62 from the General Fund Fund Balance to the Facilities Maintenance Reserve

II. Financial Detail

Department/Division Affected: Various

<table>
<thead>
<tr>
<th>EXPENDITURE</th>
<th>General Fund</th>
<th>Facilities Maintenance Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 18/19</td>
<td>FY 18/19</td>
</tr>
<tr>
<td>Commodities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractual Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution to Fund Balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution to Facilities Maintenance Reserve</td>
<td>2,329,787.62</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,329,787.62</td>
<td>2,329,787.62</td>
</tr>
</tbody>
</table>

SOURCE OF FUNDING

- Contribution from Fund Balance 2,329,787.62
- Contribution From General Fund 2,329,787.62
- Contribution From Capital Projects Fund 2,329,787.62
- Total 2,329,787.62 2,329,787.62

Specify Funding Sources: General Fund fund balance

OTHER FUNDING (PREVIOUSLY APPROPRIATED)

III. Project Purpose:

To appropriate funds to the Facilities Maintenance Reserve

IV. Analysis of Future Liabilities and Funding Sources:

None

V. Fund Certification: I certify that funding sources are available as detailed in II above.

Debra L. R. Brady
Chief Financial Officer

Date 11/9/18
Fairbanks North Star Borough Fiscal
Impact Statement (FIS) (FNSBC 3.20.010 C.)

Originator's Name: Aaron Lojewski
Department: Assembly
To Be Introduced/Sponsored By: Aaron Lojewski
Abbreviated Ordinance Title: $2,329,787.62 from the General Fund fund balance to the Facilities Maint. Reserve
Department(s)/Division(s) Affected: Various

Proposed Introduction Date: 12/13/2018
Ordinance No.: 2018-20-10

Does this ordinance authorize:
1) a new or expansion of services which entails additional costs beyond that approved in the current adopted budget? Yes ☐ No ☑
2) a project that is capital in nature and increases operational costs of the Borough in the current or any future fiscal year? Yes ☐ No ☑

<table>
<thead>
<tr>
<th>Required Information/Estimates</th>
<th>FISCAL IMPACT PRO FORMA SUMMARY - BEST ESTIMATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Timeline inclusive of all phases</td>
<td>Remainder of Current FY</td>
</tr>
<tr>
<td></td>
<td>FY 20 /</td>
</tr>
<tr>
<td>2. Number and type of new positions which may be required</td>
<td></td>
</tr>
<tr>
<td>3. Cost of operations and maintenance</td>
<td></td>
</tr>
<tr>
<td>4. Future costs to complete capital assets</td>
<td></td>
</tr>
<tr>
<td>5. Estimated revenue impact</td>
<td></td>
</tr>
<tr>
<td>6. Estimated non-Borough funds that may be received:</td>
<td></td>
</tr>
<tr>
<td>a. to fund the ordinance</td>
<td></td>
</tr>
<tr>
<td>b. to fund future phases</td>
<td></td>
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<tr>
<td>c. to fund future operations and maintenance costs</td>
<td></td>
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<tr>
<td>7. Anticipated annual tax subsidy</td>
<td></td>
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<tr>
<td>Is backup attached? Yes ☐ No ☑</td>
<td></td>
</tr>
</tbody>
</table>

Contact Person's Name, for FIS questions: Extension:

Director(s) Signature(s): Date:

Mayor's Office or Assembly Member Signature: Date:

Chief Financial Officer Signature: Date: 11/9/18