



# Fairbanks North Star Borough Office of the Mayor

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## **FNSB Proposing Change to Carlson Center Operations**

Fairbanks, AK – Fairbanks North Star Borough administration has been reviewing the operations and financial viability of the Carlson Community Activity Center. The Borough has traditionally subsidized financial operations of the Carlson Center. However, Fiscal Year (FY) 2016 direct and indirect operating losses exceeded \$1.3 million, and financial losses in FY2017 are projected to be more. Borough administration has assessed the Carlson Center fiscal situation to be unsustainable and in need of immediate intervention.

Carlson Center operations have been managed by SMG of Alaska, INC for over 25 years. As a result of the fiscal situation, the Mayor's office has decided to either end or dramatically change the Carlson Center's current managed services contract. SMG's contract expires June 30<sup>th</sup>, 2016.

The Mayor's office will introduce an ordinance to the Borough Assembly on February 25<sup>th</sup>, and hold a hearing on March 10<sup>th</sup> to take public testimony from the community with regard to Borough Administration's preparation efforts to assume responsibility for operating the Carlson Center on July 1, 2016 in the event a new operating agreement is not in place. The community is encouraged to provide input to the Assembly on the Mayor's plan and areas of improvement they would like to see with Carlson Center operations.

The Carlson Center is a key community resource and has been home to many memorable events. Borough leaders feel it is time for the Carlson Center business model to improve in order to provide a balanced financial position while at the same time seeking opportunities to improve partnerships and quality of service.

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