

**MINUTES
NOME COMMON COUNCIL
REGULAR MEETING
December 28, 2005**

The Regular Meeting of the Nome Common Council was called to order at 12:00 Noon by Denise Michels in the City Council Chambers of Nome City Hall located at 102 Division St.

ROLL CALL

Members Present: Stan Andersen, Jerald Brown, Mary Bourdon, Mary Knodel, Jon Larson, Randy Pomeranz.

Members Absent:

Also Present: City Manager Randy Romenesko; City Clerk Leslee Wessel; Utility Manager John Handeland; Controller, Cussy Kauer; Administrative Assistant Marguerite La Riviere.

In the audience: Paul Korchin, KNOM; Ted Myers, Nome Nugget; Mitch Erickson, Nome Chamber of Commerce; Kevin Zweifel, NSHC; Sterling Gologergen, NSHC.

INVOCATION

The invocation was given by Paul Korchin.

APPROVAL OF MINUTES

A. December 12, 2005 Regular Meeting Minutes.

A motion was made by C. Knodel and seconded by C. Larson to approve the December 12, 2005 regular meeting minutes.

At the roll call:

Ayes: Brown, Bourdon, Knodel, Larson, Pomeranz, Andersen

Nays:

The motion CARRIED.

COMMUNICATIONS

Mayor Michels read the communications by title.

CITIZENS GRIEVANCES AND REQUESTS

Sterling Gologergen, Office of Environmental Health at Norton Sound Health Corporation (NSHC), encouraged the passage of the ordinance regarding the plastic bags because it is a litter problem that is unsightly and also unhealthy for the people who live off the land and coast. There are alternatives besides using biodegradable paper sacks. They can use canvas bags and boxes. Koyuk for one has not used the plastic bags for a number of years and in conversation with their tribal coordinator it was not that hard to get used to not using them. It is more of an inconvenience than a hardship to not use the plastic bags. It is good for the tourism industry. It keeps the tundra pristine and she is sure it would save some money for the City by not having to have people pick up trash.

Mitch Erickson stated he is wearing three hats today.

First, the Chamber of Commerce is currently working with the local ARDOR group, Bering Straits Economic Council, to sponsor an energy conference or summit in March or April. Based on a recent

article in the Anchorage Daily News the Federal Government has revised their outlook for the cost of oil per barrel from \$30 to \$50. They are looking at an energy summit to explore how the community can divorce themselves from diesel. Is there access to Norton Sound gas? Are there geothermal sources at Pilgrim available, hydrogen, the nuclear option as well as possibly fuel cells? Knowing that this is a big project they also considered what they could do for the local or individuals in the community and the second part of the Summit would look at how an individual can reduce their cost. Would wind, solar, hydrogen, fuel cells or better insulation be viable?

Second, the Nome Aviation and Military Museum purchased a T-hanger with three acres. They are in the process of getting it registered on the historic registry and are requesting the City add to their legislative priorities funding for Nome's participation in the Alaska Siberian War Memorial. They would also like to see the City of Nome come to some agreement with Kawerak on a proposed multi cultural center in 2006. As their organization grows they would like to be involved in that by taking care of the aviation and military part.

Third, representing Nome Youth Hockey Association, he thanked the Council for all the support they gave them in 2005 in the location, heating shack, the lights, the fuel, etc. They are an all volunteer group and they maintain the rink themselves. They have decided they need a rink in Icy View also so they are in the process of building one on the Seventh Day property on Out of the Way which is by Outsiders across from Louie Green's place. They are requesting that the City authorize the placement of a street light on Out of the Way and Blueberry Drive. They estimate there are fifty children living in Icy View and they think approximately thirty of them would use the rink on a daily basis.

PLANNING AND ZONING

SPECIAL ORDERS

UNFINISHED BUSINESS

- A. O-05-12-01 An Ordinance of the Nome City Council, Nome, Alaska, Providing for a Temporary Sales Tax Exception for Certain Grocery Items intended for Human Consumption.
~Second Reading, Public Hearing, Final Passage

Hearing no objection from the Council the Mayor asked the Clerk for the second reading of O-05-12-01.

For the purpose of holding a public hearing the Council recessed at 12:09 p.m.

City Manager Romenesko stated the implementation dates call for January 1, 2006 through March 31, 2006 and in his conversations with some of the larger grocery vendors they would like to see January 15 through April 15 implementation dates so they can make the necessary changes to their registers so that the proper exemptions can be made. One of the grocery stores has 80,000 items which have a specific code put to them and they need to reprogram all their codes to allow this to happen correctly. If the Council would consider a delay of the implementation dates that would be a great benefit to the grocery stores tasked with implementing the exemption.

The second item, as he looked at the ordinance as drafted it specifically says that it is food products that are identified in food stamp program which qualify for the temporary exception. He provided the council with a copy of the State of Alaska Public Assistance food stamps and they can see what food items are and more importantly what cannot be purchased with food stamps and therefore would not be exempt from sales tax. Obviously, these items are alcohol beverages, tobacco, non food items such as soap toiletries, some health aides, aspirin, etc. He stated the sales tax figures they provided on December 7 said food as an item is worth \$17,000,000 a year in Nome that is taxed. In his discussions with the vendors or grocers he finds that a significant amount of the sales they list as food would not be subject to this exemption. One of the stores reports as a food sales such things as health and beauty aids, paper products, detergents, etc. Since these items do not qualify, the impact to the city coffers and, therefore,

the impact to the residents of the community is going to be significantly less than what they thought at that time.

C. Knodel asked for clarification on the grocers concerns. City Manager Romenesko explained they physically have to take their data set, reprogram the numbers, transfer it back to the store, install it in all the computers and then make sure it works. If he calls them up at 1:00 p.m. today and tells them this ordinance passed and is supposed to go into effect on Saturday, it will make things very tight for them.

Mitch Erickson stated the Nome Chamber of Commerce supports the ordinance with revisions if needed. They believe it is the right thing to do.

The Council reconvened the regular session at 12:15 p.m.

A motion was made by C. Andersen and seconded by C. Larson to amend O-05-12-01 to change the effective dates from January 15 to May 15.

C. Brown asked if the City Manager has a feel for how much of the amount that was recorded as food is not food. City Manager Romenesko stated he does not have an actual number, but when he looks at the list of non edible items that are reported as food it could be a substantial amount.

C. Andersen asked if they should add a few more categories to the sales tax report. City Manager Romenesko stated that is a discussion they should have with the business community at a later date.

At the roll call on the amendment:

Ayes: Knodel, Larson, Pomeranz, Andersen, Brown, Bourdon

Nays:

The motion on the amendment CARRIED.

A motion was made by C. Andersen and seconded by C. Knodel to adopt O-05-12-01 as amended.

At the roll call on the main motion:

Ayes: Larson, Pomeranz, Andersen, Brown, Bourdon, Knodel

Nays:

The motion CARRIED.

- B. O-05-12-02 An Ordinance of the Nome City Council, Nome, Alaska, Providing for a Temporary Property Tax exemption for Business inventory to be reported and paid in 2006.
~Second Reading, Public Hearing, Final Passage

Hearing no objection from the Council the Mayor asked the Clerk for the second reading of O-05-12-02.

For the purpose of holding a public hearing the Council recessed at 12:19 p.m.

Mitch Erickson stated the Chamber of Commerce supports Ordinance O-05-12-02 in its original order.

The Council reconvened the regular meeting at 12:19 p.m.

A motion was made by C. Knodel and seconded by C. Andersen to adopt O-05-12-02.

At the roll call:

Ayes: Brown, Bourdon, Knodel, Larson, Pomeranz, Andersen
Nays:

The motion CARRIED.

C. O-05-12-03 An Ordinance Amending Chapter 15.70 of the Nome City Code to Add a New Section Prohibiting Plastic Bags Used for Carry Out in Retail Business.
~Second Reading, Public Hearing, Final Passage

Hearing no objection from the Council the Mayor asked the Clerk for the second reading of O-05-12-03.

For the purpose of holding a public hearing the Council recessed at 12:20 p.m.

Kevin Zweifel stated he works for NSHC in the Environmental Health Program. He has been a resident of Nome for a little over eight years. He supports this ordinance because he thinks it would be good for the environment and tourism and it would set a good example. Plastic bags weren't used anywhere prior to early 1980's. Plastic bags are very persistent, blow everywhere and to ban them would promote a reuse mentality which is exactly what Nome's history is--people being very resourceful and reusing everything. He thinks the end result would be a reduction in the waste stream. It is very unsightly and would be a good thing for tourism not to have to look at the mess every spring break up. What is getting cleaned up out there is only a portion of what is there.

John Handeland suggested a potential alternative. He stated he has been to places where people bring their bag or they pay something to get a bag at the store. He remembers when this ordinance came up a few years ago they had representatives of the business community--the store owners and the like talk about a significant weight issue associated with bringing in paper bags as opposed to the plastic. It seemed like it cost \$30,000 for a couple of the grocery stores. He uses the plastic bags to line trash cans at home. He would like to see the city consider putting a price on them as opposed to outlawing them. He doesn't disagree with anyone that it is an unsightly problem and it doesn't disappear in the environment, but he doesn't want to be carrying \$200 worth of groceries out of the store in paper bags that break and have his ketchup and syrup bottles end up on the ground. He wanted to provide another point of view on the matter. He thinks there is a convenience to having the plastic bags and he would be willing to pay a fee for getting a plastic bag from the store. Being they are going to provide a bag to use anyway, make the store owner charge a fee that they could in turn give to the city to help run the landfill.

The Council reconvened the regular meeting at 12:25 p.m.

A motion was made by C. Larson and seconded by C. Knodel to adopt O-05-12-03.

C. Larson stated the City Attorney drafted different language to this ordinance and he proposed they substitute that language.

Mayor Michels asked the Clerk how to handle a substitute resolution. City Clerk Wessel stated they could amend O-05-12-03 by substituting the language from the City Attorney.

A motion was made by C. Larson and seconded C. Knodel to amend O-05-12-03 by substituting the language suggested by the city attorney.

C. Knodel stated in the changes from the attorney on page 48 it defines plastic carry out bags. She would like to further amend it to add to the last sentence measuring less than 12 x 16 inches. Being in the tourist industry she uses small plastic bags for post cards and she would hate to have to buy paper bags that get thrown away at the hotels instead of the little plastic ones which she doesn't believe cause as much trouble.

C. Andersen stated if they are going to eliminate plastic bags, they should eliminate all of them.

C. Pomeranz stated he would like to postpone action on this so they can have a work session. It needs to be looked at a little closer. He agrees with C. Knodel--his business uses plastic bags too. He is not against getting rid of the plastic bags, but he thinks it needs to be looked at a little deeper.

C. Andersen stated he thinks they need to force the administration to make a concerted effort to find other ways of covering the dump up. Other communities must be doing it. The university may have studies on it. AML probably has free information. They don't have to pay an engineer to determine what to do. He doesn't think they have made a concerted effort at the dump to cover it up.

At the roll call on the amendment:

Ayes: Larson, Pomeranz, Andersen, Brown, Bourdon, Knodel

Nays:

There was a request for clarification on the main motion. City Clerk Wessel stated they could postpone it or call for the question and let the vote determine the action.

C. Andersen stated they could table it and it floats out there or they can put a definite date when it comes back. City Clerk Wessel stated if they table it, it would be tabled until later in this meeting. They really need to postpone it to another time and they can do by a motion or they can do that by not voting on it and it and then it dies and will come back later on an agenda.

C. Larson stated there is another item they need to look at before this comes back for discussion. A member of the community called and said there is a trash bailer sitting in a building located on the Beam Road at a site that was going to be proposed as a dump. C. Andersen questioned if it is in working condition.

C. Larson stated he hates to postpone it unless they postpone it to a specific date so that it keeps moving.

A motion was made by C. Andersen and seconded by C. Knodel to postpone this until February 15.

At the roll call:

Ayes: Andersen, Brown, Bourdon, Knodel, Larson, Pomeranz

Nays:

The motion CARRIED.

NEW BUSINESS

A. R-05-12-01 A Resolution Approving the Labor Agreement Between the City of Nome and Alaska Public Employees Association Effective January 1, 2006 through December 31, 2008.

Hearing no objection the Mayor asked the Clerk to read R-05-12-01.

A motion was made by C. Pomeranz and seconded by C. Bourdon to approve R-05-12-01.

C. Andersen asked what the costs are going to be.

City Manager Romenesko stated the agreement that has been placed before them which has been ratified by the employees is a base wage that increases 1% per year for the life of the agreement which is three years for the folks that are in the schedule. The folks that are off the scale have a different increase

for the life of the agreement and the other financial impact is the insurance cap increasing to \$1300. The cost impact for that based upon their current level of staffing over the life of the agreement is \$215,000 in wages and approximately \$159,000 in health insurance for a total of \$374,000 increase above the existing agreement which equates to approximately \$125,000 a year increase.

C. Brown asked the current health insurance cap? City Manager Romenesko stated it is \$1,000.

C. Andersen clarified in the first year everyone gets an entire schedule pay increase to 3.8%. City Manager Romenesko stated it would be 4.8 if the agreement is approved, of which 1% is the scale and 3.8% is the step range which is performance based.

C. Andersen stated they currently don't do performance evaluations. City Manager Romenesko stated as a rule they don't, although they currently do it for all exempt employees and the police department employees. They have been talking about instituting that program again. It has been ten or more years since that has been done.

C. Andersen asked how this affects the contract employees. City Manager Romenesko stated their wages are negotiated separately except for health insurance.

C. Andersen clarified historically they have received what the rest of the employees have received. City Manager Romenesko stated some years they have done straight bonuses, some years they have given an increase in base wage depending upon increased work. In his opinion there is no typical way they have dealt with these employees.

C. Andersen stated the ones that were at .75 they are bumping to 1%. City Manager Romenesko stated that is correct.

At the roll call:

Ayes: Brown, Bourdon, Knodel, Larson, Pomeranz, Andersen

Nays:

The motion CARRIED.

CITY ATTORNEY REPORT

UTILITY MANAGER REPORT

Utility Manager Handeland stated he provided the Council with a written packet that was presented at the last utility board meeting which includes a written report, their generation statistics, financial statements as of November 30, a run down of the water and sewer construction projects for this year for East Front Street as well as a run down of grants associated with the power plan project. He mentioned the following:

- Regarding alternative energy, he and the Mayor had a telephonic meeting with representatives of the Department of National Energy Research Laboratory in Fairbanks and after the first of the year they will meet to get potential assistance from them to study the costs of alternatives and evaluating alternatives to diesel energy in the community.
- Regarding the T-hanger owned by the Nome Aviation and Military Museum and the problems that have developed, the Historic foundation will be taking steps to sure the building up and have requested that NJUS allow them to use their old bucket truck in that process. He has agreed that if it is necessary that could be provided.
- This afternoon the Mayor, Utility Board Chair, their lobbyist and he has a telephonic meeting with the Denali Commission Chair, Chief of Staff and others to continue to work on the power plant funding. He made some mention of that in the written comments.
- The utility is on a calendar fiscal year as opposed to the June 30 fiscal year of the other entities. With the large volumes of construction activities, grant requirements close out and applications for the new year, they have not completed their budget and must again request that the council

pass a continuing resolution with that budget activity and proposal to come forth to them within the month of January.

- He asked for a few minutes in executive session with the council to discuss labor negotiation issues at the end of the meeting.

C. Andersen stated a lot of utilities in other places in the world and in the U.S. handle their dumps. Could he find out from his organization what other people are doing with them? Utility Manager Handeland stated he would make some inquiries.

C. Knodel asked if he has a budget for the new construction of power plant and could they have a copy of it? Utility Manager Handeland stated he would get them a copy.

C. Larson asked if there are any problems with putting in the street light in Icy View that Mitch mentioned. Utility Manager Handeland stated he believes the City Manager plans to give him direction to see that it gets put up. He explained the Utility pays for the light and the City pays for the juice.

B. R-05-12-02 A Resolution Authorizing the Operation of Nome Joint Utilities System to Continue Without an Approved Budget until Final Adoption of the Budget by the Nome Common Council.

Hearing no objection from the Council the Mayor asked the Clerk to read R-05-12-02.

A motion was made by C. Andersen and seconded by C. Knodel to adopt R-05-12-02.

At the roll call:

Ayes: Bourdon, Knodel, Larson, Pomeranz, Andersen, Brown
Nays:

The motion CARRIED.

CITY MANAGER REPORT

City Manager Romenesko mentioned the following:

- The board of the Alaska Municipal Bond Bank Authority has approved the City of Nome's loan application for the sale of the general obligation bonds that will be used to finance construction projects at the school. The opening for the sale is on January 25 and the closing is on February 8 which is when the money becomes available to the City.
- The Alaska Gold Company has signed the real estate purchase agreement with the City for the lands they have been negotiating over the last seven or eight months and they will make the closing on Friday, December 30, so they can transfer the funds and get the deeds recorded and title of the property in City hands before the close of the year.
- The State of Alaska DOT conducted a rather large emergency response exercise at the airport on December 21. The City participated with volunteers from the ambulance and fire department, police department and city staff as well as Norton Sound Health Corporation. It was a successful drill in that they all were able to find little problems with their plans and try to make improvements. He thanked the volunteers and their employers who allowed their employees for participate in that community response.
- On January 9 Col. Gallegher, Alaska District Engineer with the Corps of Engineers, will be here to talk about the port project, its status and where they plan on going. That will be a work session before the regular session.
- The City received recognition of its participation in the community rating system for the national flood insurance program. That has a direct benefit to folks that have flood insurance because of a reduction of 5% in their premiums. This is the first time the City has been able to get enrolled in this program and help the citizens realize savings. This is primarily the function of the Planning

Commission support of the development of the Hazard Mitigation plan and the work of Eileen Bechtol and Pat Hahn and the folks in the community who receive flood insurance.

- Friends of the Kougarak gave the city \$15,000 to be used for road dust abatement. Colby Carter was hoping to be here to present this check to the Council. Colby reminded him of the \$20,000 the City contributed to help open the roads a few years ago and stated this is a partial payback. He thanked the Friends of the Kougarak and their willingness to help the City of Nome.

Mayor Michels asked Staff to send them a thank you letter.

- He thanked the Council for supporting the collective bargaining agreement. It has taken him, John and staff several months to get it taken care of and he thinks it is a good agreement and will allow them to continue to work smoothly for the next three years with their employees.

C. Andersen requested a work session around the first of February to discuss the plastic bag/dump issue. He requested the City Clerk gather information from the Clerk's organization regarding what their communities do and he asked that someone check with the University to see if they have any information so they are prepared to discuss this issue.

C. Knodel requested that the T-hanger be put on the priority list. City Manager Romenesko stated that Mayor Michels had asked him to do that so he will include that on one of the community infrastructure requests.

COUNCILMEN COMMENTS

C. Knodel wished everyone a Merry Christmas and a Happy New Year.

MAYOR'S COMMENTS AND REPORT

Mayor Michels stated her comments are included in the packet. She wanted to let them know that they did participate with the State and provided comments to the STIP.

They have an upcoming telephone conference regarding the AML priorities. She stated they are found on the AML website if anyone would like to review them.

She will be attending meetings on January 24 in Juneau with AML, the Denali Commission, and the Transportation Advisory Committee.

The Federal Subsistence Public comment period is January 6. That is very important.

She wished everyone a safe New Year.

EXECUTIVE SESSION

A motion was made by C. Andersen and seconded by C. Knodel to enter into executive session to discuss labor at 12:55 p.m.

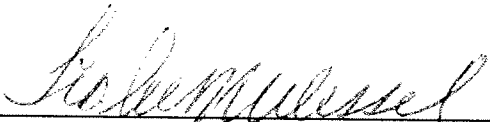
The Council reconvened at 1:07 p.m.


ADJOURNMENT

A motion was made by C. Pomeranz and seconded by C. Knodel to adjourn.

Hearing no objections, the Nome Common Council adjourned at 1:07 p.m.

SIGNED AND DATED this 9th day of January, 2006.


LESLEE M. WESSEL, City Clerk/Treasurer


DENISE MICHELS, Mayor