

**MINUTES
NOME COMMON COUNCIL
REGULAR MEETING
May 22, 2006**

The Regular Meeting of the Nome Common Council was called to order at 7:30 P.M. by Presiding Councilman Stan Andersen 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 (telephonically).

Members Absent: Randy Pomeranz, Mayor Denise Michels

Also Present: City Manager Randy Romenesko, City Clerk Leslee Wessel, Police Chief Craig Moates

In the audience: Major John G. Grennen, Betsy Brennan, Arne Handeland, Kevin R. Knowlton, Matt Ganley, BSNC; Nick Schmidt, Margaret Thomas, Todd Hindman, Candace Peterson, James Hahn, Amy Lujan, Stan Lujan, Barb Nickels, Robin Johnson, Sylvia Matson, Gloria Ann Karmun, Owen R. Carter, Laurie McNicholas, Nome Nugget; Ike Ozenna, Louise Kuntz-Tadda, Robert M. Tasso, Liz K. Johnson, Karen E. Mehl, Kelly Thrun, Michael Albertson, Carl White, Nelson Jacob Kenick, Ben Labinski, Tim Smith, Mitch Erickson, Julianne Bourdon, Julie Kelso, Paul Korchin, KNOM

INVOCATION

The invocation was given by Paul Korchin.

APPROVAL OF MINUTES

A. April 24, 2006 Regular Meeting Minutes.

A motion was made by C. Knodel and seconded by C. Andersen to approve the April 24, 2006 Regular Meeting Minutes.

At the roll call:

Ayes: Bourdon, Knodel, Larson, Andersen

Nays:

Abstain: Brown

The motion CARRIED.

COMMUNICATIONS

C. Anderson asked if there was any discussion regarding communications.

C. Andersen asked about the NSEDC communication. City Manager Romenesko stated he met with Eugene Asicksik and they discussed his proposed program and he indicated that in all likelihood the City was not interested in participating because NJUS and the school district have their tanks and the City goes through a competitive bid process every year to acquire fuel oil. They don't seem to have an issue with getting good bids from different vendors. He told him they would pay attention and see how it works out for them.

C. Andersen asked if he indicated how they were going to do it. If they were going to bring up their own tug and off load it. City Manager Romenesko stated they were still working through the details. He thinks they will model it after the Western Alaska Fuel Group where they go out to bid as a group and then have the vendor responsible for loading, transporting and off loading the fuel at the various communities.

CITIZENS GRIEVANCES AND REQUESTS

Mitch Erickson invited everyone to the Chamber of Commerce meeting tomorrow. There will be a presentation by Commissioner Bill Noll from the Department of Commerce Community of Economic Development on the proposed gas pipeline project. The meeting will be at the Polar Cub at noon.

Matt Ganley, Vice President of Lands for Bering Straits Native Corporation, asked if the Council had any questions regarding the letter from BSNC regarding the long range plans for the Cape Nome quarry and jetty.

C. Andersen asked if they were willing to pay them to take over the jetty. Mr. Ganley stated they have an ongoing operation there and because of the past storms the jetty is in disrepair. They would like to make the product at the quarry available to a greater market. It serves them well in Nome for the projects they have, but he thinks the roads would be in better shape if they were able to off load at the jetty rather than truck it through town.

Stan Lujan stated last Thursday a revised budget proposal was delivered to City Hall to account for the final school district funding appropriated by the State Legislature. The Nome Public School Board, Amy and he look forward to meeting this Wednesday at noon with the Mayor, City Council Members and City Manager to discuss the Nome Public Schools budget in more detail. A few days ago they received a short list of questions on the FY 07 budget from the Council. He hopes they have had time to review the answers and thanked them again for the opportunity to respond. As they review the FY 07 budget please consider the schools and that children in all communities are the heart of that community. He believes Nome Public Schools and the children that attend are not only the heart of our community, but also the soul of our community. They reflect the Nome culture they are so proud of and the strong Alaskan spirit they all hold dear to their hearts. He believes the FY 07 school budget they have submitted is a fair request and is an honest assessment of what they need in order to keep the heart and soul of the community moving forward in their wonderful Nome community. In the five years he has worked with the Council and City Manager he has seen the great importance they put into keeping education a priority for the community. He doesn't see this year being any different. He thanked them for all the hard work they do every day to make this community the best it can be, a safer place to live and a place where people are proud to call Nome their home.

Barb Amarok requested the Council's support for the proposed school budget for next year. Schools should be a priority and she doesn't see any fluff in the budget as presented. It is for the children.

Robert Tasso stated he is representing the Nome Preschool Association, both as a parent of a preschooler and a board member for the last two years. On behalf of the preschool he expressed his gratitude for including them in the FY 07 City budget and for all the support the City has provided the preschool over the years. This year they celebrate the 36th anniversary of serving the smallest of the community's children. This would not have been possible without the support from the many volunteers, donors, parents, citizens, teachers and financial contributors from the community and around the state. This year the preschool enrolled 50 Nome children from ages 3 to 5 and their families. It has been a wonderful school year and they look forward to another great year come fall. As a preschool parent he believes the Nome preschool is a tremendous asset to the community and he invited everyone to come see their tile project at the preschool.

Betsy Brennan stated she supports the Nome Public Schools FY 07 budget. She also believes the school is the heart of the community and deserves to be a priority in the City budget. She knows they have a tough job ahead of them deciding who gets what with the various budgets they work with. She attended the work session last week and she thinks a great disservice was done to the school by giving four different mill rate scenarios for funding the City budget and putting the schools under the 20 mill

scenario. She thinks it was a scare tactic and she thinks the City threw the school district to the wolves. What is needed to fund this year's school budget as proposed is an extra \$410,000 compared to what was given last year and a 20 mill increase would provide 1.7 million dollars to the City. She knows it is a lot of money and is an increase from the past three years. If they were to give what was requested they would be giving 65% of what they are allowed under State law and the average around the State of what municipalities give to their school districts is 89%. 65% is conservative and below the state average. If it were a report card, the City would be failing. The question is how the City will afford to do this and provide other services. No one wants to pay higher taxes, but she and her husband own property and pay taxes. They would not mind paying a little more if they knew it was going to help fund the schools. Not everyone will feel that way especially if they think the only way to fund the schools is with a 20 mill rate. She asked the City Council to fund the Nome Public schools budget and make the schools their top priority. A friend of hers wrote a letter to the Council and a part of it reads, "I appeal to you, the City Council, to view the funding of the Nome School District's budget as an investment in the future of Nome—an investment that will come back to benefit the city many times over."

C. Andersen stated the 20 mill scenario was to balance the total City budget without taking anything out of their savings account. Ms. Brennan stated she realizes that but it was made to look like the only way they could fully fund the school budget. C. Andersen stated again, it was the only way they could fully fund the budget.

Major Gary Grennen, Sr. Army Instructor for Nome's JROTC, stated he fully supports the budget and he thanked everyone for their support throughout the three years they have been in operation. He introduced two of the cadets who are graduating seniors of their program.

C. Andersen state when they first started there was a lot of fund raising and there was an indication that some of that fund raising would continue. He asked if it has. Major Grennen stated the school has done that. The American Legion just gave some scholarships and is behind them in everything they do. C. Andersen stated he did not see where the fund raising was placed in the budget. Superintendent Lujan stated he would provide that information to the Council.

Nick Schmidt, former Battalion Commander for JROTC, stated he thinks this budget is good to fund, not just for JROTC, but because of what the school is doing right now. He sees the Council Chambers packed which shows everyone here believes the same thing. He pays taxes and he doesn't see why it should not be raised if that is what it takes. JROTC is funded by the federal government to a large extent, but there is a portion the school has to fund. He doesn't want to see his three youngest siblings not be able to participate in this program because of all it has done for him.

C. Andersen asked how many students participate. Mr. Schmidt stated he believes it is approximately 70. C. Andersen asked if that is consistent. Mr. Schmidt stated it has dropped a little but they are narrowing it down to the people that are motivated. Some people are taking it for P.E. credit which is fine because they contribute to the program as well. It is somewhat of a refining process.

C. Bourdon asked if he has been in the program for three years and can he elaborate on the benefits.

Mr. Schmidt stated he has been in the program for three years. He has been home schooled for the past eleven years and through the JROTC program he has picked up the ability to deal with people and has learned to lead them.

James Hahn, former Cadet Sgt. Major, stated he doesn't know what the budget looks like but he supports JROTC and he hopes they will support it in the budget. It has helped him a lot. His freshman year his grades were beginning to fall. He was a D or C student and in a couple of classes he was failing. His sophomore year he got into JROTC. Shortly after joining his grades started to pick up a little bit. He started to learn a little discipline and how to control his temper. In his junior year his grades came up to A's and B's. He became an honor roll student and the same thing for his senior year. He is graduating this year and he believes JROTC has helped him. He is not sure he would have finished high school. He is enlisting in the Air Force and feels he has a good job ahead of him and a pretty good life. He pays

taxes right now and will be paying them in the future. If it meant raising taxes he wouldn't mind that. A better budget means better teachers.

Ike Ozenna stated he works in the maintenance department at the school and their primary objective is to provide an acceptable environment in which the Nome Public Schools can accomplish its mission. Being a support service they try to do the best they can with what they have. They are always trying to get a little more money to do a better job. They prevent or minimize maintenance issues, problems and facility deficiencies. They reduce or eliminate fire and safety hazards. They also reduce operating interruptions and structure failures with the money they have. They try to extend the life and improve capability of the facility to perform maximum potential as a building. They have a lot of equipment that is outdated, some of which has been in use since the school was built. They have to keep working on the mechanical. The controls are old and everything is beyond useful life, specifically, the heating, the boilers and pumps. The more renovating they do they get new controls, but it has to talk to the old equipment as well and they have to be compatible. He supports the budget that has been submitted. If he didn't believe what he has said, he wouldn't be here saying it.

Ron Horner stated he is a school teacher and he supports the budget. He has five children between the ages of 8 and 16 in the school district. They enjoy their life here in Nome. Much of that is due to the atmosphere in the school district and the things it has to offer. His children at the elementary school have the opportunity to have classes with aides. They have the benefit of having Richard Beneville doing the community schools after school program. His older girls are playing and participating in basketball and cheerleading and have the benefit of having a beautiful new gym to play in and participate in P.E. activities. Being the music teacher he has the opportunity to travel around and see a lot of different schools. He is proud of their school building. They are not cutting programs, but adding programs and it benefits the kids in so many different ways. All of this is a big package that raises the quality of life in Nome. He supports the budget because it supports things important to him and his family.

Dave Keller stated he is an employee of the school and it is a pleasure to be joined by his associates tonight. They work for the City, the parents and the members of the community. This is an investment in their children and they have a duty to make that investment. It is a long term investment. They don't see the results immediately. The kindergarten children of next year will benefit by the decision they make today and every year thereafter. Thirty years from now they will see the benefits of that investment. He asked them to make that investment.

Sgt. 1st Class Mike Albertson stated he works full time here at the National Guard and has been here since 1999. He would like to give his personal support for the school budget presented by Superintendent Lujan. On a professional level with the JROTC they planted a seed three years ago and it is starting to sprout up and it is a matter of whether they are going to allow it to grow into a tree or not. He knows both of the cadets very well and they are a fine example and have added to the program. Any program initially has a lot of support and a lot of people involved, but basically a few people do the majority of the work. With these programs there is no difference. He stated there is a waiting list to get a JROTC unit in high schools in the United States. There are hundreds of schools that would gladly take the JROTC slot the Nome Beltz High school has. He asked them to consider what he has said and fully approve the school budget.

Master Sgt. Kevin Knowlton stated he is retired from the Alaska National Guard and recently hired on as Army Instructor for the JROTC program. Prior to getting into the school he dealt with soldiers for over 26 years and was able to build a real strong bond with a lot of the soldiers he dealt with. Being out at the school he is actually finding that true with a lot of the students also. He was talking to a friend recently who asked him if he liked his new job and he sat back for a second and thought about it and decided he has one of the greatest jobs in the world—going from being in a position of being a defender of freedom to being in a position to help kids understand that freedom. The JROTC mission is to motivate young people to become better citizens. He thinks they have been able to do that here with these cadets. When they look at the budget for JROTC program it is a substantial amount of money but when they look in the classroom they can see all the equipment, curriculum and the books to support the curriculum that has been paid for by the U.S. Army. When he went to Virginia for training they were able to quote right around five million dollars in curriculum development that is being updated annually. The other thing in

contemplating what his job really entailed is the kids he works with on a daily basis and there is a lot of energy there. But they go home at night and turn on Channel 2 news and hear about the violence and everything that is going on outside the community. They have some pretty good kids. Some of them need direction and some are providing direction to others. They have a well rounded program. It gives the kids tools to say no and know it is all right to say no. He expressed his support for the school budget and asked them to do the same.

Tim Smith, Nome Fisherman's Association, stated they have been operating a fish hatchery at Thompson Creek for two years now. They will be releasing fish in another couple of weeks and they put in a proposal to the Fisheries Economic Development grant program administered by the Alaska Department of Commerce. They are requesting a resolution of support to build a water treatment structure for the hatchery.

C. Knodel asked how many fish they are releasing. Mr. Smith stated they are not all out yet, but they anticipate they will get approximately 180,000 chum salmon and approximately 85,000 or 90,000 silver salmon. C. Knodel asked if they plan to do this every year. Mr. Smith stated they plan to expand quite a lot. This is just a fraction of their capacity. Something like this will help them do that. As they demonstrate a better ability to produce fish they will be able to increase their numbers. C. Knodel asked how big a grant they are looking for. Mr. Smith stated they are asking for \$50,000. The water source has proven out, they have been working up there for 15 years now, and there is nothing really to stop them from producing fish as they have been able to for the last 15 years.

PLANNING AND ZONING

SPECIAL ORDERS

UNFINISHED BUSINESS

NEW BUSINESS

- A. R-06-05-01 A Resolution Awarding the Nome Elementary School Fuel Tank Replacement Bid to Pinnacle Construction, Inc.

There being no objection Presiding Councilman Andersen asked the City Clerk to read R-06-05-01.

A motion was made by C. Knodel and seconded by C. Andersen to approve R-06-05-01.

City Manager Romenesko stated this is part of their capital improvements plan for the Nome Public Schools District. It is one of the projects they did bonding for in 2003-2004. They bid this job last year and it came in substantially higher and they didn't accept the bids. They rebid it again this year and they got quite a bit of activity with six bids. The bid from Pinnacle meets the construction budget and is a good bid. They are certified by DEC to do the work and the reference checks they did on them were good. He recommended awarding to them as the lowest responsible bidder.

C. Andersen asked where they operate out of. City Manager Romenesko stated he believes they operate out of Anchorage.

At the roll call:

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

Nays:

The motion CARRIED.

B. R-06-05-02 A Resolution in Support of the Nome Fishermen's Association Application for a Grant Under the State of Alaska 2006 Fisheries Economic Development Grant Program

There being no objection Presiding Councilman Andersen asked the City Clerk to read R-06-05-02.

A motion was made by C. Knodel and seconded by C. Brown to approve R-06-05-02.

At the roll call:

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

Nays:

The motion CARRIED.

CITY ATTORNEY REPORT

UTILITY MANAGER REPORT

CITY MANAGER REPORT

City Manager Romenesko stated he has provided a written report but would like to mention the following:

- As Mitch Erickson pointed our earlier Commissioner Noll with the Department of Commerce, Community and Economic Development will be making a presentation on the gas pipeline project tomorrow at Noon at the Polar Cafe.
- Spring clean up is going on—U Call, We Haul. If folks are interested in having the City pick up old vehicles, refrigerators, freezers, or other trash they will be glad to do it this week. Please call city hall at 6663 and leave name, address and description and they will be glad to pick up the trash. There will be a community clean up this weekend and with the help of the Lion's Club they will provide free hot dogs from Noon to 5:00 p.m. at the Anvil City square.
- The public safety building selection committee has recommended negotiation of a contract with Bettisworth+Northwind for the design of that facility so he has begun discussions with them on that contract and they hope to have something to them for consideration by the end of June.
- Through a contract with the school Herrera Environmental was in Nome to do radon testing at the school. They have completed their testing and are in the process of writing up their report. One of the recommendations was to provide some under slab piping to facilitate the removal of potential radon from that structure as part of the Cafeteria job. He issued a change order to Hankal to place piping beneath the cafeteria slab and that was more or less completed last week. That change order will cost approximately \$30,000 and some time still yet to be negotiated on the completion date of the contract.
- They have gone out to bid on the EDA grant for harbor improvements. Bids are due on June 27.
- Senator Stevens' Commerce Staff, six of them, will be in Nome on June 2 from Washington. They will be visiting both Shishmaref and Nome and the Mayor is coordinating that visit.
- He thanked ALPAR for a \$2,000 grant they made to the Nome Youth Hockey Association who will be helping with litter pick up at the snow disposal sites, the landfills and around the community. He thanked Mitch Erickson for spearheading that.
- Wednesday at noon the Council will be meeting with the School Board to discuss the FY 2007 budget and they will need to hold a special meeting sometime before May 31 for the purpose of making an appropriation to the school district.
- They have Council work session scheduled for June 8.
- He will be out of town from Wednesday until June 6.

C. Andersen asked if they could extend the dump truck at east end park for an additional week. City Manager Romenesko stated they could leave the truck there until June 4.

C. Andersen asked if the Bering Straits Women's group came to him yet. City Manager Romenesko stated they contacted him today and asked if it was too late and he said it is never too late as the budget has not been approved. They can expect a letter from them requesting money.

COUNCILMEN COMMENTS

C. Andersen. Memorial Day is next Monday and they will be cleaning out the cemetery. He asked if there is a pile of gravel available if someone wanted to spruce up a grave. City Manager Romenesko stated he could have some put up there.

C. Brown. Thanked the City staff for providing information he requested at the last work session in a timely fashion and he will bring the results of that and his analysis to the work session on Wednesday.

C. Bourdon. No comments.

C. Knodel. No Comments.

C. Larson. Have they received a response from Col. Gallagher regarding change orders or problems with cost overrun requests for additional compensation from the contractor and their ability to pursue a remedy against the Corps if they were in fact negligent in their specifications? City Manager Romenesko stated they have not. C. Larson stated he had indicated that would be forthcoming in a couple of weeks. Maybe they should give him a call and see if he will get something to them. City Manager Romenesko stated he would call him.

MAYOR'S COMMENTS AND REPORT

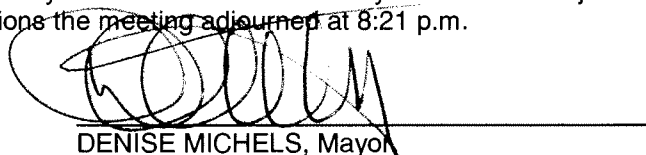
ADJOURNMENT

A motion was made by C. Brown and seconded by C. Knodel to adjourn. Hearing no objections the meeting adjourned at 8:21 p.m.

SIGNED AND DATED this 12th day of June, 2006.



LESLIE M. WESSEL, City Clerk/Treasurer



DENISE MICHELS, Mayor