

**MINUTES
NOME CITY COUNCIL
REGULAR MEETING
November 26, 2007**

The Regular Meeting of the Nome City Council was called to order at 7:30 P.M. by Mayor Denise Michels in the City Council Chambers of Nome City Hall located at 102 Division St.

ROLL CALL

Members Present: Stan Andersen (*arrived after roll call*) Jerald Brown, Mary David, Mary Knodel, Jon Larson, Randy Pomeranz

Members Absent:

Also Present: City Manager Randy Romenesko, City Clerk Sandy Babcock, Visitors Center Manager; Josie Stiles

In the audience: Paul Korchin, KNOM; Diana Handeland, GCI; Leonard Sarja, Nicolai Ivanoff, Laurie McNicholas, Karen O'Neill, Ron Huffman, Tom Brannan, Derrick Leedy,

INVOCATION

The invocation was given by Paul Korchin.

APPROVAL OF MINUTES

- A. November 12, 2007 Special Meeting Minutes – Abatement Hearing
- B. November 12, 2007 Regular Meeting Minutes (Handout Monday)
- C. November 19, 2007 Special Meeting Minutes

A motion was made by C. Knodel and seconded by C. Pomeranz to approve the minutes as presented.

Discussion

C. Larson stated they just received the November 12th Regular Meeting Minutes and did not have time to read them yet and would like them to wait on the passage until the next meeting.

A motion was made by C. Larson and seconded by C. Knodel to amend the motion to approve the minutes by waiting until the next meeting to approve the Nov. 12th regular meeting minutes.

At the roll call on the amendment:

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

Nays:

Abstain:

The motion CARRIED.

At the roll call on the main motion:

Ayes: Brown (19th), Daivd, Knodel, Larson, Pomeranz, Andersen

Nays:

Abstain: Brown (Nov. 12th special meeting)

The motion CARRIED.

COMMUNICATIONS

Mayor Michels reported the various communications are available in their Council packets or in the Clerks office and also on the City of Nome website.

C. Larson asked if someone could explain the last two sentences in the 3rd paragraph on the letter from Senator Ted Stevens. The sentences are: "Additionally, WRDA has authorized a review of the harbor project to determine whether the cost increases resulted from a design deficiency. Authorization remains if there is no deficiency found." City Manager Romenesko stated that the language that was passed did authorize a review of the harbor project to see if there are cost increases from a design deficiency. The City also argued that the Federal Government should be 100% responsible and this language did not get in the bill. He stated the City is on the hook if there is or isn't a deficiency at this time unless further authorization or appropriation is made to fund it.

CITIZENS REQUESTS AND GRIEVANCES

Mr. Leonard Sarja addressed the Council and asked how in the world the revised smoking ordinance could exempt the bars. He asked the Council what were the reasons it was re-written like this. Mayor Michels stated that she could give him some background information but that this was the first reading of the smoking ordinance for folks to look at and gather information on it and she stated they would hold public comment on it at the next meeting. Mayor Michels stated they had heard a lot of concerns about the bars being private property and they should be given a choice about what to do with their business. Mr. Sarja stated that might be true but he thinks when they are doing business with the public they shouldn't be exempt from the smoking ordinance.

C. Larson stated he didn't think bars were exempt. C. Pomeranz commented that the ordinance states that any establishment with two or more employees would be under the ordinance and that would then include the bars. Mr. Sarja asked the Council if they agreed that this ordinance did not exempt the bars. There was verbal agreement from C. Pomeranz, C. Larson and C. Knodel it was noted that at this time the ordinance included bars but it didn't mean it couldn't change. Mr. Sarja stated that he understands that there is no place to go outside and be 25 feet away from the door but he stated that every bar except one has a back door so that argument doesn't hold any water as far as he is concerned and it should be the same with their thinking now that he has mentioned it to them.

Ron Huffman stated it was his concern too that the bars were eliminated but now that there is more clarification it answers his question. He stated he understands that this is a first reading and it could be different but at this time he understands it better now that the bars are included. C. Andersen stated that it is a couple peoples' opinions that the bars are included but it doesn't necessarily mean they are. Mr. Huffman stated there were four people from the Council that stated the bars were included.

Karen O'Neill stated she was not representing NSHC but wanted to speak to the ordinance. She asked why bars were not listed specifically anywhere in the ordinance but that "bar" was the first definition. The ordinance mentions restaurants, bingo parlors and pull tabs specifically, all privately owned entities, but nowhere else in the ordinance does it ever say the word bar except in the definitions. She came here tonight to ask why bar was not listed in the ordinance. Ms. O'Neill stated it is easy to go online and find other cities where they stopped smoking in bars and it did not affect the bars business adversely. If anything it brought more business to the bars from people who did not go there before due to the smoke. She encouraged the Council to specifically define in the ordinance that bars will be included and not let it be vague and interpreted by the person reading it.

Tom Brannan representing the Nome Public School Board reported on the following:

- There will be a work session tomorrow night and they will be going over the report card to the public.
- They had Parent-Teacher conferences and the numbers were disappointing. They had about 32% of parents at the Jr. & Sr. High School and at the elementary school it was encouraging with about 86%.

- At the last meeting Superintendent Stan Lujan tendered his resignation. The Alaska Association of School Boards will help with the search to fill that position.
- At the work session tomorrow night we will be going over our yearly audit.

Mayor Michels stated that the report card was included in their packet and she asked Mr. Brannan why they had a low turn out and if it was due to location. Mr. Brannan stated he did not think so because Nome Beltz does a good job in providing transportation. He stated that they hoped a lot of it had to do with the new online student progress reports that parents can check to see grades and assignments. The number of hits is pretty high. It is wonderful for the parents and the teachers are required to update it at least once a week for the high school and a two week time frame for the elementary teachers.

Derrick Leedy stated that he was at the meeting two weeks ago and he thanked the Council for forwarding his comments and the public comments to the appropriate agencies concerning the exploration and possible placer mining of Dry Creek. He asked if the City had sent in the comments yet. Mayor Michels stated they were sent and a copy of the letter is included in the packet.

PLANNING AND ZONING

SPECIAL ORDERS

UNFINISHED BUSINESS

- A. O-07-11-01 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 and Final Passage

Hearing no objection Councilman Andersen asked the Clerk for the second reading of O-07-11-01.

For the purpose of holding a public hearing the Council recessed at 7:44 P.M. Hearing no public comment the Council reconvened at 7:44 P.M.

A motion was made by C. Pomeranz and seconded by C. Andersen to approve O-07-11-01.

Discussion

C. Brown stated he would like to propose an amendment that would remove all language referencing a temporary nature of the ordinance.

A motion was made by C. Brown and seconded by C. Andersen to amend O-07-11-01 by removing the temporary language.

Discussion

C. Brown stated that charging sales tax on groceries has been an issue with him since he moved to Nome. He would like to provide a tax exception for the basic necessities as far as food goes. He stated he does not feel groceries should be taxable.

C. Andersen asked if this would follow under the guidelines of the Food Stamp program. C. Brown stated yes it would include the items that are allowable under WIC and Food Stamp purchase. C. Andersen asked if they have talked to the store about accuracy of the change so as to not include dog food for example. C. Knodel asked when they might hear back concerning the percentage of sales these exempt items represent. C. Andersen asked what the amount was in 2006 for the exception.

City Manager Romenesko explained it was about \$200,000 for a 5 month period. He suggested that they would want to do some type of audit to make sure things were appropriately exempted. City Clerk Babcock stated that a letter was sent to AC and to Safeway with the Council's concerns and she might hear back in another week.

Mayor Michels asked C. Brown where they might make up the difference in the budget. C. Brown stated he was still optimistic that sales tax revenues in general were on the increase. Maybe there would be some shift in property taxes. He stated that with the mine coming on line and maybe being able to tax Alaska Gold in some manner, like Dry Creek, he thinks the revenue is there.

C. Andersen stated the grocery sales taxes have gone from \$642 F06 to \$916 F07 and the food has been going up and in the last budget amendment there seemed to be quite a few line items that were a lot more. He stated that the bottom line is maybe they could scale down the budget to meet their needs. Mayor Michels responded that they may have already talked about that and it would mean basically cutting one department. C. Andersen responded not if you take a little here and little there.

C. Knodel stated she is not ready to make this permanent. She would like to see how it goes until May to see how the numbers change and by then they should have a good idea on total sales collected and what the budget looks like for next year. She hopes C. Brown has a good crystal ball but she is not that big of a gambler and she doesn't want property taxes going up either.

At the roll call to the amendment:
Ayes: Andersen, Brown, Larson
Nays: David, Knodel, Pomeranz

The motion TIED.

Mayor Michels broke the tie with a NO vote and the motion to the amendment FAILED.

Discussion

C. Brown stated he would like to encourage some kind of enforcement activity or instructions to the stores with clarification stating what items are included in the ordinance. City Clerk Babcock stated she would get a list of the eligible items covered in the food stamp program for their review. She stated that the Federal Food Stamp program included all edible food.

At the roll call to the main motion:
Ayes: David, Knodel, Larson, Pomeranz, Andersen, Brown
Nays:

The motion CARRIED.

NEW BUSINESS

- A. O-07-11-02 An Ordinance Authorizing the Disposal of the "Reindeer Plant", and Adjacent Property to Norton Sound Economic Development Corporation ("NSEDC") via Lease with Option to Purchase
~First Reading
- B. O-07-11-03 An Ordinance Amending Title 10 by Adoption of a New Chapter 10.50 Titled, Smoking Pollution Control, to Regulate Smoking in Eating Establishments, Public Buildings and Taxis.
~First Reading
- C. O-07-11-04 An Ordinance Authorizing the Disposal of Municipal Property by Lease of Space at the Gold Hill Tutit Ininat Child Care Building to Kawerak, Inc. for the Head Start Program.

~First Reading

- D. O-07-11-05 An Ordinance Authorizing the Disposal of Municipal Property by Lease of Space at the Gold Hill Tutit Ininat Child Care Building to Kawerak, Inc. for the Uiviilat Play and Learn Center

~First Reading

Hearing no objection Mayor Michels asked the Clerk to read O-07-11-02, O-07-11-03, O-07-11-04, and O-07-11-05

A motion was made by C. Knodel and seconded by C. Brown to pass O-07-11-02, O-07-11-03, O-07-11-04, and O-07-11-05 on to second reading, public hearing and final passage.

At the roll call:

Ayes: Knodel, Larson, Pomeranz, Brown, David

Nays: Andersen

The motion CARRIED.

- E. R-07-11-04 A Resolution Declaring Certain Properties in the City of Nome a Fire Hazard, Health Hazard or Public Nuisance and Authorizing Removal or Demolition

Hearing no objection Mayor Michels asked the Clerk to read R-07-11-04.

A motion was made by C. Knodel and seconded by C. Brown to approve R-07-11-04.

Discussion

City Manager Romenesko explained that this was a result of a public hearing that was held by Council two weeks ago. The resolution sets the date of the removal or demolition by May 15, 2008. The property owners can request a re-hearing to be taken off the list if they have made repairs or improvements to the property or they have to take action and be completed by May 15th. He stated that the Public Works department would not be able to do it before this time.

C. Andersen stated they should sit down with the Planning Commission next year and go through the whole town or let the Planning Commission or a committee go through the lists and decide.

C. Larson asked if it was figured out who owned the last one on the list. C. Knodel stated Sitnasuak or BIA. City Clerk Babcock stated the letter was sent to Sitnasuak who is the owner based on the tax roll and property file.

C. Brown stated he agrees with C. Andersen that there are a lot of other properties that should get on the list and there should be a public hearing to weed through them all instead of the way it was done this year.

At the roll call:

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

Nays:

The motion CARRIED.

- F. R-07-11-05 A Resolution Approving the Employment of Martina Painter as a Temporary Part-Time Pool Attendant at the Nome Pool in Accordance with Nome Code of Ordinances Chapter 2.45.010(F)

Hearing no objection Mayor Michels asked the Clerk to read R-07-11-05.

A motion was made by C. Andersen and seconded by C. Knodel to approve R-07-11-05.

Discussion

City Manager Romenesko stated that the Municipal Code states they need approval for family. Mayor Michels stated that for clarification Martina is the step-daughter of C. Brown.

At the roll call:

Ayes: Daivd, Knodel, Larson, Pomeranz, Andersen

Nays:

Abstain: Brown

The motion CARRIED.

G. Facility Reservation Fee/Waiver – Nome Recreation Center ~Memorial Service for Bob Madden Sr., November 17, 2007

A motion was made by C. Knodel and seconded by C. Andersen to approve the Facility Reservation Fee/Waiver for Connie Madden & Bob Madden Jr.

At the roll call:

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

Nays:

The motion CARRIED.

H. ~Public Hearing – NSEDC Community Benefit Share

For the purpose of holding a public hearing the Council recessed at 8:04 P.M.

Discussion

City Manager Romenesko stated he polled his staff on some issues and he had a couple of items they suggested for consideration. He stated one is for work going on at the Recreation Center for re-roofing, remodeling the interior or potentially the bowling alley side. Another project is the small boat harbor and the third project is a salt water pump at the Visitors Center. Also, as part of their Code Blue some funds need to be provided as a match for the new ambulance.

C. Andersen asked if it couldn't be used for the Public Safety building which is the biggest thing hanging over their heads. City Manager Romenesko stated he was sure they could.

C. Larson stated he thought it would be a good idea to use it for the Public Safety building because they already asked NSEDC for a big request for funds anyway and this might indicate to them they are serious about the project.

C. Brown stated he talked with some community members and he mentioned the following ideas; a covered skating rink, new lighting in the elementary school gym or for the floor in the elementary gym.

C. Knodel asked if they had applied for a grant for the skating rink. City Manager Romenesko said they applied to the Rasmussen Foundation for a Phase I development but not for actual construction.

C. Andersen commented that these were a lot of good ideas but they were going on the hook for a \$7 million dollar building and they should be putting whatever resources they have towards it.

The Council reconvened at 8:11 P.M.

A motion was made by C. Andersen and seconded by C. Knodel to apply the \$100,000 from the NSEDC Community Benefit Share to the Public Safety Building project.

At the roll call:

Ayes: Daivd, Knodel, Larson, Pomeranz, Andersen

Nays: Brown

The motion CARRIED.

- I. R-07-11-06 A Resolution Authorizing the City of Nome through its Component Unit, Nome Joint Utility System, to Participate in the FFY 2007 Community Development Block Grant Program for Reconstruction/Relocation of Power Distribution Infrastructure for the Community of Nome

Hearing no objection Mayor Michels asked the Clerk to read R-07-11-06.

A motion was made by C. Knodel and seconded by C. Pomeranz to approve R-07-11-06.

Discussion

C. Larson asked is City Manager Romenesko was comfortable with putting lines under a river. City Manager Romenesko stated it was not unusual and a fairly standard engineering technique. C. Andersen asked if they have to approve the funding if they get the grant. City Manager Romenesko explained yes they have budgetary authority over contracts.

At the roll call:

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

Nays:

The motion CARRIED.

CITY ATTORNEY REPORT

UTILITY MANAGER REPORT

No report was provided.

CITY MANAGER REPORT

City Manager Romenesko stated he provided a written report and he commented on the following:

- NFVD Fireman's Carnival is December 1st at the Recreation Center.
- The annual Christmas Extravaganza is Dec. 12th at Old St. Joe's.
- A transition report/information packet will be provided to the Council at the beginning of next week and he can be available to discuss it at a work session sometime to go over that.

Project Updates:

- Snow Storage Facility construction is at 100% and has about \$340,000 in grant funds remaining. One of the things in the grant provides for an equipment storage shed designed as a 3-bay, uninsulated structure and he is working with Building Inspector Pat Hahn to look at if it is feasible for the price that they have or not.
- The Notice to Proceed has been issued for MKB Constructors for the Nome 2007 Navigation Improvement project. It took a lot longer than normal because EDA approval was needed first.
- Jr. High Reorganization: still waiting for the contractor to finish the HVAC and fire alarm systems. They have temporary approval from the Fire Marshal to be in there but until those two components are done Substantial Completion has not been issued yet.
- Public Safety Building – Architects from Bettisworth+Northwind will be in Nome Dec. 10th to meet with staff to begin the design concept. They will make a presentation to Council the second week of January and the concept design work will be completed by the start of the legislative session on January 18th.
- Building Inspector Pat Hahn will be leaving at the end of February so they will begin recruiting for that position as soon as possible.
- The Planning Commission will meet on Dec. 6th regarding zoning code.
- Legislative Priorities Work Session will be Dec. 6th, Thursday 7:00pm

City Manager Romenesko stated this is his last report as City Manager. He thanked everyone and the work by the Council, Boards and Commission and staff he has worked with that has helped them accomplish so many things over the last seven years. Nome as a community is better prepared for response disasters because of their efforts with the LEPC, the Hazard Mitigation Plan and their investment in training and it all comes about because the Council supports them in that effort. They have done some significant capital improvements over the last seven years – the Port with \$14 million worth of work on the Federal side and it should prove to be very beneficial to the overall economic health and diversification of the community in the long run. NACTEC started as a little group meeting about seven years ago and is now considered very successful with strong support from many partners in the region. The high school project started about 1998 when they sold some bonds. With 6 years of contractors, selling bonds and lobbying efforts the high school complex has turned into a very functional facility. They have been very successful in a lot of their lobbying efforts and a lot of credit goes to Mayor Michels because she is a very strong champion for Nome. They have been successful in the delivery of City services and they spent the budgets the way they said they were going to and provided the services they said they were going to within the confines of the limitations placed upon them by the Council. City Manager Romenesko stated that to him that is very important. They have been responsive to citizens concerns with local legislation whether it's building codes, subdivisions, taxation or exemption of certain taxes because it is the citizens of Nome they serve and they need to be responsive to them. City Manager Romenesko stated he is grateful to be an integral member of the City of Nome and thanked everyone and wished them luck.

C. Andersen clarified when they would be having the work session with City Manager Romenesko. The Council decided it would be Wednesday, Dec. 5th at 7:00 P.M.

C. Knodel stated she had an opportunity to ask some Junior High kids how they liked the remodel of the school and everyone said it was great and they were so glad to be in their own space. She thanked City Manager Romenesko and stated she thinks it is great and hopefully it means the education will be better too.

C. Pomeranz asked if they could get clarification on the smoking ordinance and if it does include bars so they aren't interpreting it wrong. City Manager Romenesko stated he had a note to talk to the City Attorney. C. Andersen said there were other things that needed cleaning up and he thought they were going to have a work session before the first reading.

COUNCILMEN COMMENTS

C. Pomeranz thanked City Manager Romenesko for all of his hard work, he was a pleasure to work with and he didn't even see a tear in his eye and he wished him the best of luck.

C. Larson stated that in reference to the NSEDC letter was there any investigation to see whether pooling the fuel needs of the City, the school district, the utility and the other Villages they are representing and see if it would be of economic benefit to them and the region. City Manager Romenesko stated that the Utilities currently purchase fuel in a pool with other Utilities around the state such as Kotzebue Electrical Association and Naknek Electric Association. It's called the Western Alaska Fuel group and NSEDC modeled their program on this group. City Manager Romenesko stated he believes the fuel group is larger than the NSEDC program. He stated he didn't want to speak for Utility Manager Handeland but he thinks they would be reluctant to leave their fuel group. The school district purchases fuel through NJUS. The City of Nome goes out to competitive local bid just to spend the money between the local fuel vendors in town and utilize those services partly because we have 18 building and having someone deliver it makes more sense than the City getting into the fuel business. City Manager Romenesko stated he has explained this to the NSEDC folks as to why they haven't participated in the program.

C. Larson stated there were two leases with Kawerak at the child care building and he was wondering if they should go out to competitive bid next year allowing other interested businesses to bid for that space.

C. Andersen thanked City Manager Romenesko for his hard work and stated it had been a pleasure.

C. Brown thanked City Manager Romenesko for his help and professionalism and he was a big benefit to the City.

C. David thanked City Manager Romenesko for his service to the City of Nome and wished him well in his next plans.

C. Knodel expressed thanks to City Manager Romenesko.

MAYOR'S COMMENTS AND REPORT

Mayor Michels stated that she and C. Larson met with Lee Haugen with the University - NWC regarding the Library Consortium and found out the draft lease is still being routed within their legal department and Ms. Haugen came to the conclusion that the Library Consortium may be out 5 – 10 years. Mayor Michels stated they did not know it was going to be that far and they thought it was something they could move forward on so she has e-mailed Mike Sfraga with the University of Fairbanks asking if they can get this back on tract. Mayor Michels stated Ms. Haugen said she is swamped with her regular duties on top of that however Mayor Michels thinks something should be figured out to keep it moving. It is a worthwhile partnership that could benefit the community.

Mayor Michels contacted the State of Alaska and asked them to add Nome to their Port and Harbor website.

Mayor Michels thanked City Manager Romenesko for everything that he has done. With City Manager Romenesko and Utility Manager Handeland they had great teamwork delivering the citizens priorities.

C. Andersen asked if they were publicizing the going away party for City Manager Romenesko. Yes, they are and it is Dec. 7th at 6:00pm at Old St. Joe's.

EXECUTIVE SESSION

~ Personnel Matter, RE: City Manager Position

A motion was made by C. Knodel and seconded by C. Pomeranz to enter into executive session. The Council recessed from regular meeting at 8:29 P.M.

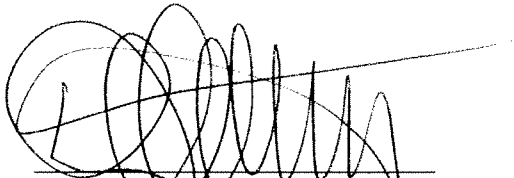
With no action taken the Council reconvened the regular meeting at 9:16 P.M.

ADJOURNMENT

A motion was made by C. Andersen and seconded by C. Knodel that the meeting be adjourned.

Hearing no objections the Nome City Council adjourned at 9:16 PM.

SIGNED AND DATED the 10th day of December, 2007.



DENISE MICHELS, Mayor

ATTEST:



SANDY STURGIS-BABCOCK, City Clerk/Treasurer