

**MINUTES
NOME CITY COUNCIL
SPECIAL MEETING
September 29th, 2008**

The Special Meeting of the Nome City Council was called to order at 12:00 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, Jerald Brown, Mary David, Mary Knodel, Jon Larson, Randy Pomeranz

Members Absent:

Also Present: City Manager, Pete Hallgren; City Clerk, Sandy Babcock;

In the audience: Paul Korchin, KNOM: Paul Burke, Chief of Police; Josie Bahnke, John Handeland, Utility Manager

CITIZENS GRIEVANCES AND REQUESTS:

Diane Haecker, reporter for the Nome Nugget Newspaper, addressed the Council to tell them she and her family were moving from Nome. She expressed her appreciation and fond memories of Nome and especially enjoyed dog mushing opportunities.

NEW BUSINESS

- A. R-08-09-02 A Resolution Approving the Employment Agreement Between the City of Nome, Alaska and Josephine H. Bahnke for the Position of City Manager

A motion was made by C. Knodel and seconded by C. Pomeranz to approve R-08-09-02.

Discussion

C. Andersen asked if the health insurance was paid in full by the City because it stated in the contract that the insurance was equivalent to the insurance package provided to regular City employees and they don't pay the full amount for them, they have to pay something. City Manager Hallgren stated that he believes they pay the full amount.

At the roll call:

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

Nays:

Abstain:

The motion CARRIED.

- B. R-08-09-03 & 04 A Resolution Authorizing and Supporting the City of Nome/Nome Joint Utility System Renewable Energy Fund Grant Application to the Alaska Energy Authority (to be distributed)

A motion was made by C. Knodel and seconded by C. Andersen to approve R-08-09-03.

Discussion

Utility Manager Handeland stated that they intended to have a meeting later this week but since they were already meeting today he added item to the agenda. He asked for approval to revise and refine some of the whereas's in the resolution. He stated that they will be submitting two separate applications to the renewable energy fund. The first will be for wind turbines for the City of Nome. The cost is looking to be around \$15 million. He stated that there is no grant match requirement however you do get priority consideration if you do put a match into it. They have identified the property and are having it assessed.

The second application is for a power transmission line up to the Banner Wind Farm.

C. Knodel asked when the application would be submitted. Utility Manager Handeland responded that it was due October 7th. C. Knodel suggested that if matching funds are needed she would suggest cancelling out the payment in lieu of taxes for utilities for last year and this year. Utility Manager Handeland stated that committing \$500,000 today would make a stronger statement on the application and they need to identify that there will be some amount of matching money available and they will request the Utility Board to include that amount in their capital budget and then meet and discuss how that will actually get funded at a later date.

C. Brown commented on the Banner Wind Farm stating that this will result in a two cent per kilowatt reduction in the price if the Utility is able to fund this through the grant or other means. He stated it works out to about \$60,000 a year and should last 25-30 years. C. Brown stated he would be abstaining from the vote on the Banner Wind Farm resolution.

C. David asked when the grant would be awarded. Utility Manager Handeland responded that they will review the projects within 30 days and then pass them on to the legislative budget and audit committee for final determination. He stated that this is a good thing for the community to help with electricity costs.

C. Andersen asked about the maintenance costs to keep it running. Utility Manager Handeland stated that they have calculated in \$500,000 a year in maintenance and operation costs and believe it to be on the high side. They came up with this figure from going through some analysis with the engineering company and the manufacturers. C. Andersen asked about guarantees if they don't meet these claims and he doesn't trust people that try and sell the products. He stated that the Kotzebue farm is doing all right but they had federal subsidizes every year to help them run it. He would like to see some examples because wind farms are still unproven. Utility Manager Handeland stated that these are valid questions and a commitment will not be made to purchase anything in 30 days and as they continue down this road there will be opportunities to see presentations and have discussions with a lot more input.

C. Larson asked if this was just in support of the grant but not a commitment to accept the grant. Utility Manager Handeland stated that once the grant is awarded they can still reject the grant.

At the roll call on R-08-09-03.

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

Nays:

Abstain:

The motion CARRIED.

A motion was made by C. Knodel and seconded by C. Andersen to approve R-08-09-04.

At the roll call on R-08-09-04.

Ayes: Knodel, Larson, Pomeranz, Andersen, David

Nays:

Abstain: Brown

The motion CARRIED.

- C. Approval of contract agreement between State Department of Transportation and the City of Nome Police Department to provide security services at the Nome Airport.

A motion was made by C. Knodel and seconded by C. Andersen to approve O-08-08-04.

Discussion

Chief of Police, Paul Burke stated that they currently provide these services with DOT without pay. They provide a level of security that TSA cannot provide to the airport. He stated that there is an opportunity to generate some funds now for what they do. This has been in the development stages for many months and he apologized for the short notice. He can provide a final draft later if needed.

C. Andersen asked why we were giving them a break because at one time they were getting paid for these services. He stated pointed out some areas of concern; a 5 minute response time, is \$5,000 enough, cost of the vehicles, the reports that they have to make, and what happens if they are short handed and can't make it. Is there a penalty clause? He stated that they have waited 13 months already and he suggested the City Attorney look it over first.

C. Larson asked how the payment is determined because it states up to \$5,000 a month. Chief Burke stated that he did not know and he had also asked this question and they have not gotten back to him yet. They provide a billing mechanism for the City and he does not know what it is at this time.

The Council agreed it should be reviewed by the attorney first and presented at a later meeting.

The motion and second were withdrawn.

Mayor Michels stated that she wanted to set the record straight about the article in the Washington Post. She stated that she explained to him twice how capital improvement projects are funded through the State. She stated he made innuendos that the City gave Governor Palin a \$1,200 pin as a gift and in return the City got a \$6 Million investment. She stated that the pin was given as a memento to remind the Governor of Nome's historic mining and it was presented at the Nome Gala Celebration right after her election. Governor Palin reported it in her APOC and did the right thing. Mayor Michels stated that there was no inappropriate actions by the City or the Governor. During the interview she explained to him, which they did not report, that our priority requests go through our State Legislature not the Governor's office and that the Public Safety was vetoed the first year in her governorship. She stated it survived her veto pen last year because her priorities were education, public safety which Nome's public safety building fit in to. She stated that she wanted to put this record out there because he did not document or report the conversation she had with him and everything was above the board.

EXECUTIVE SESSION

~Personnel Matter – City Manger Position

C. Knodel stated that she had requested the Executive Session but it was no longer needed. Hearing no objection the Executive Session was cancelled.

C. Andersen asked if they should talk about the memo from City Manager Hallgren concerning keeping the apartment that was rented for the City Manager. There was consensus to keep the apartment.

C. Knodel asked why they should keep the apartment. C. Larson responded that there are three Police Officer vacancies and there is problem recruiting Officers.

C. Andersen as about the bus that is on City's property on West beach. Mayor Michels asked City Manager Hallgren to check on this.

City Manager Hallgren stated would like some guidance; he will be leaving the apartment Saturday or Sunday, October 19th. He stated he would be using his second plane ticket to go home to winterize his place October 6 – 10th. He also purchased an AML ticket which he could use for his personal ticket if the Council wanted. Mayor Michels stated they should try and change the AML ticket into Josie Bahnke's name. City Manager Hallgren stated he would like to use the manager vehicle until he leaves. The Council asked him to work out any conflict with the vehicle with incoming City Manager Josie Bahnke or he could use the suburban if needed.

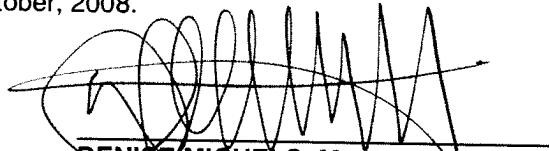
C. Andersen asked if he would have any overlap time with Josie Bahnke and he responded that she starts on October 15th so they would be working together three days.

ADJOURNMENT

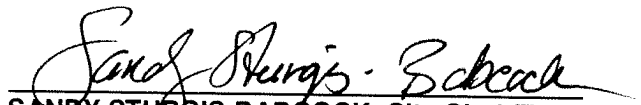
A motion was made by C. Andersen and seconded by C. Pomeranz that the meeting be adjourned.

Hearing no objections the Nome City Council adjourned at 12:38 P.M.

SIGNED AND DATED the 13th day of October, 2008.


DENISE MICHELS, Mayor

ATTEST:


SANDY STURGIS-BABCOCK, City Clerk/Treasurer