

**MINUTES
NOME CITY COUNCIL
REGULAR MEETING
November 24, 2008**

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, Jerald Brown, Neal Foster, Mary Knodel, Jon Larson, Randy Pomeranz

Members Absent:

Also Present: City Manager, Josie Bahnke; City Clerk, Sandy Babcock;

In the audience: Leo Rasmussen, Chuck Fagerstrom, Shane Smithhisler, Maj. John G. Grennon, Rick Luthi, Jay H. Wieler, Donald Handeland, GCI; John Handeland, Utility Manager, Scot Henderson, Bonanza Fuel Inc.; Jim Orr, APEA; Laurie McNicholas, Nome Nugget Newspaper

INVOCATION

No invocation was given.

APPROVAL OF MINUTES

A. November 10, 2008 Regular Meeting Minutes

A motion was made by C. Knodel and seconded by C. Foster to approve the minutes.

Discussion

C. Larson stated there was one correction that he had attended telephonically also.

At the roll call:

Ayes: Foster, Knodel, Larson, Pomeranz Andersen

Nays:

Abstain: Brown

The motion CARRIED.

COMMUNICATIONS

Mayor Michels reported that the various communications were available in their packets, online and at the Clerks office and asked if there were any questions.

Mayor Michels pointed out that included in their packet was a letter received from Janis Ivanoff, Interim CEO with Norton Sound Economic Development (NSED) regarding the 2008 Community Benefit Share. She stated that they are required to hold a public meeting for folks to comment on how the Community Benefit Share will be used. She stated that at this time it was opened up for comments from the public.

For the purpose of holding a public hearing the Council recessed at 7:31 P.M.

Hearing no comments the Council reconvened at 7:33 P.M.

A motion was made by C. Andersen and seconded by C. Knodel to apply the \$100,000 from the 2008 NSEDC Community Benefit Share grant to the City of Nome Swimming Pool plumbing.

At the roll call:

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

Nays:

Abstain:

The motion CARRIED

C. Andersen asked if the letter from FEMA was addressing the flood rates. Mayor Michels stated that this study was to provide updated maps. C. Andersen asked if they were re-drawing the boundaries and if they have substantially changed. C. Andersen stated that they have until the end of the month to respond. C. Knodel replied that this was correct and that City Manager Bahnke spoke about this in her report. She continued that the study would be presented to the Planning Commission by Pat Hahn and there would be a meeting a little later with FEMA and the National Flood Insurance Program staff. City Manager Bahnke explained that the letter from FEMA is dated Oct. 31st but it was received by FedEx on November 18th.

CITIZENS REQUESTS AND GRIEVANCES

Leo Rasmussen stated that Nome has an opportunity to participate in the 50-year Celebration of Statehood. He reported that there is a 50-year celebration committee and he provided a written letter and schedule of the events. Some of the events planned are: 8-Stars of Gold, Torch Lite Parade, Baked Alaska Flambe (hoping to make it in the Guinness Book of Records), 50- year cake, 49th State 50th Year Sparkle, Park Bonfires & other events. He stated that he hoped with the City's support Nome can make this celebration an event equal to or greater than the Millennium Celebration held in Nome. He stated they are asking the City's participation with a \$2,500 donation.

A motion was made by C. Knodel and seconded by C. Foster to approve \$2,500 for the Nome 50-year Celebration of Statehood.

Discussion

C. Andersen asked if they had a treasurer to keep track of all the money. Mr. Rasmussen stated that yes they have someone but not a formal treasurer per se.

Mayor Michels asked who the check is made out to. Mr. Rasmussen responded it should be to "Nome 50-year Celebration of Statehood."

At the roll call:

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

Nays:

The motion CARRIED

Rick Luthi, Superintendent of Nome Public Schools, stated he had something for them in writing to read and he handed out an update of Nome Public Schools issues. He reported that he also had a Student Enrollment sheet to handout which had been passed out by Jenny Martins, at the last board meeting. He pointed out the chart at the bottom of the page showing the enrollment history from Oct. 1994 – Oct. 2008.

PLANNING AND ZONING

SPECIAL ORDERS

UNFINISHED BUSINESS

- A. O-08-10-01 An Ordinance of the City of Nome, Alaska Amending Ordinance No. O-85-1-1; Authorizing a Second Amendment to Tripartite Agreement Among the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, the Municipal Bond Bank and the City; and Authorizing the City to Issue its Port Revenue Refunding Bond 2008A, in the Principal Amount of Not to Exceed \$5,000,000 to Refund the City's Port Revenue Bond, 1986 Series A; Fixing Certain Details of Such Bond; and Providing for Related Matters.
~Second Reading, Public Hearing and Final Passage

City Attorney Brooks reported that NOAA is still reviewing language proposed by the Bond Bank and it is his recommendation for a motion to postpone O-08-10-01 until the Dec. 8th NCC meeting.

A motion was made by C. Knodel and seconded by C. Andersen to postpone O-08-10-01 until the Dec. 8th Nome City Council Meeting.

At the roll call:

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

Nays:

The motion CARRIED.

- A. R-08-11-01 A Resolution Awarding the City of Nome and Nome Public Schools (NPS) Fuel Bids for #1 Heating Fuel, Equipment Fuel, Unleaded Gasoline and Vehicle Diesel Fuel Delivery to Bonanza Fuel, Inc
~tabled at the Nov. 10th meeting

A motion was made by C. Knodel and seconded by C. Andersen to approve R-08-11-01.

Discussion

City Manager Bahnke reported that she passed out an agenda statement and a recommendation. She reported that this year the City received three bids; Bonanza, Crowley and Board of Trade. She reported that when she checked prices today, the lowest price of heating oil was \$4.99 retail, \$5.49 for equipment fuel, \$4.99 for unleaded gas and \$5.49 for diesel vehicle fuel. She stated that based on this she had recommended that the City award the bid to Bonanza Fuel for items 2, 3, and 4 and amend the resolution rejecting all bids for Item 1, Heating Oil since it is cheaper right now than the bid price.

C. Knodel stated that at the last meeting they had discussed the fact that there will be fuel barges again before the end of this contract so it would make good sense to end that contract by June 30th and have it go out for bid again at that time when they will know better what prices will be, fuel is dropping every day.

C. Brown stated that fuel is dropping rapidly right now but there is no guarantee it won't go back up. He stated that how they have benefited in the past is by doing the year long bid. This year, for instance, we continued purchasing fuel at what the prices were last year straight through the summer even though prices were going up. He feels we should be consistent and take the good with the bad rather than change the rules this year because the price is dropping.

C. Foster stated he will abstain from the vote and commenting due to his employment with Sitnasuak Corporation. He filled out a conflict of interest form.

City Manager Bahnke stated that over the years, since 2001, the City has come out on top with these prices when the fuel has gone up. She stated that last year it went up 7% and the year before 20% and she understands that this is why the City did the year long contracts. She stated that with the current prices the City is still saving on equipment fuel, unleaded gas and vehicle fuel diesel.

C Andersen pointed out that even though they have had year long contract the past 5-6 years it looks like they would be better off buying retail until they figure it out. He stated that next summer might be a better time to look at it.

C. Pomeranz stated he agrees with C. Andersen and C. Knodel and he feels they should do what is right for the people here and that would be to go with the current lower price of \$4.99 rather than the bid price of \$5.29.

C. Brown asked if they made a change to a 6 month contract would it need to go out to a re-bid at the end of this time.

Mayor Michels asked Scot Henderson, Bonanza Fuel Manager if he could answer any questions from the Council.

Scot Henderson stated that he was here tonight at the request of City Manager Bahnke. He pointed out that historically the City has benefited with the yearly contracts. He explained that when the bid is set he takes into account the risk that Bonanza takes by bidding for a yearly contract. He feels stability should be maintained in the bid process to get competitive prices rather than change the rules each year. He stated that if only a part of the bid was accepted he would need to take it under advisement if it would be acceptable with his company. He feels the City received a competitive price and he clarified that the bid price of \$5.29 included any taxes and delivery charges.

At the roll call:

Ayes: Brown

Nays: Larson, Pomeranz, Andersen, Knodel

Abstain: Foster

The motion FAILED.

NEW BUSINESS

A. R-08-11-02 A Resolution of the Nome Common Council Approving a Project Agreement with the State of Alaska, Department of Education & Early Development for the Nome-Beltz Jr/Sr High Buildings D & E Roof Replacement

A motion was made by C. Pomeranz and seconded by C. Larson to approve R-08-11-02.

Discussion

City Manager Bahnke stated that the resolution allows for the City Manager to sign the project agreement, commit to spending bond proceeds on the project and allows for the City to administer the project in lieu of Nome Public Schools.

At the roll call:

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

Nays:

The motion CARRIED.

B. R-08-11-03 A Resolution Approving a Contract between the City of Nome, Alaska and Randy Pomeranz for the Nome Public Safety Building Project Superintendent

A motion was made by C. Andersen and seconded by C. Brown to approve R-08-11-03.

Discussion

Conflict of Interest Declaration form was submitted from Councilman Randy Pomeranz, referencing agenda item R-08-11-03, Public Safety Building Superintendent

At the roll call:

Ayes: Andersen, Brown, Foster, Knodel, Larson

Nays:

Abstain: Pomeranz

The motion CARRIED.

CITY ATTORNEY REPORT

UTILITY MANAGER REPORT

Utility Manager Handeland reported on the following;

- This morning they received \$519,000 transferred from NSEDC which represents 1,038 customers that were qualified to receive the energy subsidy. The \$500 amount will be applied to accounts over a 4 month period.
- Working with the City Attorney on a power purchase agreement with Banner Wind.
- CDBG Grant period is about to run out. Last year an application was submitted for moving some of the lines underground and it was rejected because the City wasn't far enough along with its prior CDBG. He stated that he could put together an application and it would require a special meeting next week.
- Nova Gold suspended operations. NJUS lost this customer and it is unknown at this point how it will impact them. He will be meeting with them tomorrow to figure out the fall out if any. They were current in their payments.
- Requesting that Legal and Financial Matters be added to Executive Session tonight.

CITY MANAGER REPORT

The City Manager Bahnke provided a written report and noted the following:

- The new Flood Plain maps have arrived and are being reviewed by staff.
- Want to recognize a couple of Nomeites who received awards at the Annual Emergency Medical Services (EMS) Symposium: Larry Eggart was awarded the Citizen Award in recognition of twenty years of courageous life-saving rescue as an Alaskan bush pilot and Karen O'Neill, M.D. receiving the Longenbaugh Award in recognition of 33 years of leadership and dedicated service to the Norton Sound Region and to the people of the State of Alaska.
- Meetings of importance: Nov. 25th the Nome Historical Foundation Annual Meeting at Old St. Joe's, they will be reviewing the new museum design.
- Nov. 27 & 28 City Hall will be closed

- Dec. 6th Annual Fireman's Carnival
- Dec. 10th Christmas Extravaganza at Old St. Joe's.

C. Andersen asked when they will see the job description paperwork for the recruitment for the Public Works Director position. He also asked where they were with the search for police officers.

City Manager Bahnke reported that the job description was ready and she will get them a copy tonight and it has not been advertised yet. She reported that Chief Burke stated he had three active recruits going through the process for police officer.

COUNCILMEN COMMENTS

C. Knodel stated that with this being Thanksgiving week she wanted to thank all of the volunteers that make our community a better place to live and she wished everyone a Happy Thanksgiving.

C. Larson stated he wanted to make a motion about the fuel bids.

A motion was made by C. Larson and seconded by C. Knodel to re-submit the fuel bids with an ending date of June 30, 2009.

Discussion

C. Brown asked about a non-fixed scenario. He proposed an amendment that would allow a floating rate to the bid.

A motion was made by C. Brown and seconded by C. Pomeranz to amend the previous motion by allowing a floating rate adjustment to the fuel bid.

Discussion

C. Larson stated that we have all the fuel in town now at this point in time so why have a float.
C. Andersen stated that it doesn't sound like they will raise the fuel prices because it is already here so why not buy it at a cheaper rate now until next summer.

C. Larson stated that maybe they won't beat the price now but he felt there seems to be an economic advantage of a supplier to have a large quantity contract given out to them and that by doing that they may bid a price that is less than what they are selling to the general public.

At the roll call on the amendment:
Ayes: Andersen, Brown,
Nays: Pomeranz, Knodel, Larson
Abstain: Foster

The motion FAILED.

At the roll call on the main motion:
Ayes: Larson, Pomeranz, Knodel
Nays: Andersen, Brown
Abstain: Foster

The motion FAILED.

C. Larson continued his comments and stated that at the next meeting he would like to see where they are with sales tax and city revenues so that they can discuss an exception of sales tax on food for the months of January through April.

C. Pomeranz had no comment.

C. Andersen stated that it looks like there will be a special meeting next week and he requested the paperwork on the public works director before that time. He also asked for the statistics on sales taxes before this special meeting to discuss the lowering of the sales tax.

C. Brown commented that on the project superintendent position he sat on the committee. He reported that they received 6 resumes from across the country. Two were not responsive. After consideration they found that Randy Pomeranz was determined to be the only logical choice for the job and he wanted to make this very clear.

C. Foster reported that during the last meeting he was in Ketchikan attending the AML Conference. He reported that the Newly Elected Official training was very beneficial and he would encourage new Council members in the future to also attend this. It surpassed his expectations.

MAYOR'S COMMENTS AND REPORT

Mayor Michels reported the following:

- She attended the ICC Arctic Sovereignty Summit in Kuujuaq, Montreal. A press release was sent out and a draft declaration was worked on by ICC. The end result was that communities in the Arctic need to be consulted and be at the negotiating table when national and international policies are being considered. They discovered that a lot of them were not even talked to by the State or National level. Strategies were focused on how they can reach out to folks regarding Arctic policies for the ocean going traffic in the future. It was important to put the three regions; Barrow, Kotzebue and Nome, at the table together regarding Arctic policy making.
- Attending the AML meeting; they streamlined the policy statement and adopted resolutions for priorities. Once again it is: PERS/TRS, addressing the high cost of energy, developing renewable and alternative energy and education. Once the resolutions are signed they will be posted on the AML website.
- Met with various folks while I was in Ketchikan regarding our priorities; wind generation, port harbor infrastructure development, the corridor to the Seward Peninsula for energy and resource development. Met with Deputy Commissioner Mike Black and his staff, Deputy Commissioner Frank Richards.
- Working with Admiral Brooks office and Colonel Wilson's office and both are leaving in 2009. We are scheduling a transition meeting tentatively scheduled for January 22, 2009 with their replacements and have invited DOT to address port and harbor plans State wide to engage them in the process.
- At the LEPC meeting they were informed that the manufacturer's recommendation for testing the siren is 5 seconds.
- Was able to go out onto the Polar Sea Icebreaker with Capt. Uchtyl and watch them deploy their skimmer and this was a first time for them in these cold conditions.
- In the packets under Mayor's comments are a project status update and a report from the Coast Guard on Summer 2008 lessons learned.

EXECUTIVE SESSION

~Labor Contract Negotiations

A motion was made by C. Knodel and seconded by C. Andersen to enter into executive session. The Council recessed from regular meeting at 8:28 P.M.

The Council reconvened the regular meeting at 9:31 P.M.

ADJOURNMENT

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

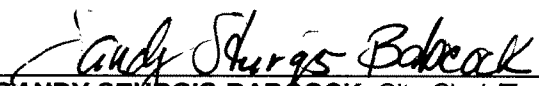
Hearing no objections the Nome City Council adjourned at 9:31 PM.

SIGNED AND DATED the 8th day of December, 2008.



PRESIDING COUNCILMAN ANDERSEN

ATTEST:



SANDY STURGIS-BABCOCK, City Clerk/Treasurer