

**MINUTES
NOME CITY COUNCIL
REGULAR MEETING
January 26, 2009**

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, telephonically; Randy Pomeranz

Members Absent:

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

In the audience: Donald Handeland, GCI; John Handeland, Utility Manager, Larry Smithhisler, Shane Smithhisler, Dallas Massie, Interim Chief of Police; Alice Massie, Nikolai Ivanoff, Laurie McNichols, Nome Nugget Newspaper; Leo Rasmussen, Rick Luthi, Superintendent of Nome Public Schools; Jon Wehde, Cussy Kauer, City Controller, Paul Korchin, KNOM

INVOCATION

APPROVAL OF MINUTES

A. January 12, 2009 Regular Meeting Minutes

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

At the roll call:

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

Nays:

Abstain:

The motion CARRIED.

COMMUNICATIONS

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

C. Knodel stated that she would like to see the first letter, which is from Nome Eskimo Community regarding the Native American Graves Protection & Repatriation Act, sent to the City Attorney to look at to see how we fall under those rules.

Mayor Michels stated it would be good to take a look at the State of Alaska, DOT&PF Statewide Transportation Improvement Program (STIP) Criteria to see if anything needed to be updated or re-prioritized. She continued that it would be a good idea to nominate projects that are applicable to the road to resource program which would tie in alternative energy. She stated that Councilman Larson had a good idea of road access to the wind farm. She feels the State has a good list and she suggested re-submitting the Serpentine Hot Springs project, extending the causeway at the Harbor, adding lighting and public restrooms and the other items identified at the Harbor and extending Steadman Street.

C. Brown stated that Pilgrim Hot Springs is indicated on the list but if there is a special category for roads to resources it should be put in there as well.

C. Knodel asked about the poor road conditions by Q-Trucking and the plans for it.

Larry Smithhisler stated it was dug up last year but it needs further study to what's going on there. There are a couple ideas; either the force main could be leaking or water is coming in from the outside, along the water main. He thinks the Utility Manager may be replacing that force main as a project.

Mayor Michels announced that also under communications is an invitation from Banner Wind, LLC for the Ribbon Cutting Ceremony for the successful completion of its Wind Farm. It is scheduled for January 29, 2009 at Old St. Joseph's Church in Anvil City Square from 6:00pm to 8:00pm.

C. Andersen asked about the memorandum from the Division of Community & Regional Affairs for a mini-grant. City Manager Bahnke stated it was for grants up to \$50,000 through the coastal management program.

Mayor Michels stated that they just received another coastal grant letter today for Coastal Impact Projects from the Department of Natural Resources with a deadline of February 2, 2009. She hopes the Council and City Manager can work together to submit some of the projects that were identified this summer with the DCCED.

CITIZENS REQUESTS AND GRIEVANCES

Mayor Michels introduced the new Interim Chief of Police, Dallas Massie. Chief Massie introduced his wife, Alice Massie. Chief Massie stated it is nice to be in Nome and he has been very busy the last few days getting a handle on things.

Leo Rasmussen stated he wanted to thank the Council for their part in helping make the 50th Celebration of Statehood take place on January 3, 2009. Mr. Rasmussen handed out a program which showed a picture of the eight stars of gold bonfires. This photo was streamed to every news media they could and have yet to identify whether it has been used anywhere or not. He stated they are not done with the 50th Celebration yet. They hope to have a 4th of July picnic celebration for the public. Mr. Rasmussen presented to the Council a poster from the All Alaska Sweepstakes which has been signed by all of the musher's in the race except one and he hopes to get it this summer. He stated it is being presented to the City with gratitude for their support for the All Alaska Sweepstakes.

Mayor Michels thanked him, stating it is a historic piece that they could place in the museum.

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 2009A, 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

Hearing no objection Mayor Michels asked the Clerk for the second reading of O-08-10-01.

For the purpose of holding a public hearing the Council recessed at 7:45 P.M. Hearing no public comment the Council reconvened at 7:45 P.M.

A motion was made by C. Knodel and seconded by C. Foster to amend O-08-10-01 as introduced by replacing the version previously introduced with the revised Ordinance O-08-10-01 in the form before us as prepared by the city attorney and bond counsel.

Discussion

Mayor Michels read aloud what is being amended. The changes to the original ordinance included in the revised version as provided by City Attorney Brooks Chandler are:

1. All of the 2008 dates changed to 2009.
2. Him became "her" in Section 6.
3. The date of first and last payment where stated in Sections 4 and 5 changed so that the first payment is due thirty days after execution of Second Amendment and so that the last payment is due twenty-nine and one-half years after the due date for the first payment. (before specific dates had been used).

At the roll call on the amendment:

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

Nays:

The motion CARRIED.

A motion was made by C. Knodel and seconded by C. Andersen to approve O-08-10-01 as revised.

At the roll call:

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

Nays:

The motion CARRIED.

- A. O-09-01-01 An Ordinance Amending the City of Nome FY 2009 General Fund Municipal Budget
~Second Reading, Public Hearing and Final Passage

Hearing no objection Mayor Michels asked the Clerk for the second reading of O-09-01-01.

For the purpose of holding a public hearing the Council recessed at 7:48 P.M. Hearing no public comment the Council reconvened at 7:48 P.M.

A motion was made by C. Andersen and seconded by C. Knodel to approve O-09-01-01.

Discussion

C. Knodel asked about the \$7,651 amount added to the Gold Hill Tutit Ininat salaries. Controller, Cussy Kauer stated that at the beginning of each fiscal year they budget building maintenance and public works salaries and then amendments are done once the actual work is done. C. Knodel stated that she understood this, but wanted to know if they did some major work at the pre-school. Ms. Kauer stated that they would have to ask Building Inspector Pat Hahn specifically. C. Knodel requested that the City Manager check on it and find what work was done.

C. Brown asked about the overtime for the Officers at the Police station and he remembers an e-mail that stated they needed to work more overtime because of being short staffed, but that the salaries were not going to be adjusted for the Officers they were missing. C. Brown asked if the budget assumed all vacancies would be filled and that even with the vacancies the salaries have not decreased. Controller, Cussy Kauer stated this was correct.

At the roll call:

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

Nays:

The motion CARRIED

B. O-09-01-02 An Ordinance Amending the City of Nome FY 2009 Capital Projects Fund Budget ~Second Reading, Public Hearing and Final Passage

Hearing no objection Mayor Michels asked the Clerk for the second reading of O-09-01-02

For the purpose of holding a public hearing the Council recessed at 7:53 P.M. Hearing no public comment the Council reconvened at 7:53 P.M.

A motion was made by C. Knodel and seconded by C. Pomeranz to approve O-09-01-02.

At the roll call:

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

Nays:

The motion CARRIED

C. O-09-01-03 An Ordinance Amending the City of Nome FY 2009 Special Revenue Fund Budget ~Second Reading, Public Hearing and Final Passage

Hearing no objection Mayor Michels asked the Clerk for the second reading of O-09-01-03.

For the purpose of holding a public hearing the Council recessed at 7:54 P.M. Hearing no public comment the Council reconvened at 7:54 P.M.

A motion was made by C. Pomeranz and seconded by C. Foster to approve O-09-01-03.

At the roll call:

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

Nays:

The motion CARRIED

D. O-09-01-04 An Ordinance Amending the City of Nome FY 2009 Port of Nome Fund Budget
~Second Reading, Public Hearing and Final Passage

Hearing no objection Mayor Michels asked the Clerk for the second reading of O-09-01-04.

For the purpose of holding a public hearing the Council recessed at 7:55 P.M. Hearing no public comment the Council reconvened at 7:55 P.M.

A motion was made by C. Knodel and seconded by C. Brown to approve O-09-01-04.

Discussion

C. Knodel asked Controller Cussy Kauer about the amount of \$54,454 under the Port Expense Contingency section. Controller Kauer stated it is a balancing number plugged in which is made up with a combination of many things such as; port revenue, the position where they ended up at June 30 with the grants and the fact that they have some increased revenue that came across the jetty.

C. Knodel stated that she would like to see a breakdown of the Administration Expenses under the Port Budget and that she has asked for this before and didn't get it. She stated that it is on page 99 for the amount of \$137,125.00.

At the roll call:

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

The motion CARRIED

E. O-09-01-05 An Ordinance Amending the City of Nome FY 2009 Construction Capital Projects Fund Budget
~Second Reading, Public Hearing and Final Passage

Hearing no objection Mayor Michels asked the Clerk for the second reading of O-09-01-05.

For the purpose of holding a public hearing the Council recessed at 7:57 P.M. Hearing no public comment the Council reconvened at 7:57 P.M.

A motion was made by C. Pomeranz and seconded by C. Knodel to approve O-09-01-05.

At the roll call:

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

The motion CARRIED.

NEW BUSINESS

- A. R-09-01-02 A Resolution Authorizing the City of Nome, Alaska to Issue General Obligation School Bonds, 2009 Series A in the Principal Amount of Not to Exceed \$644,195 to Finance the Planning, Design, and Construction of School and Related Capital Improvements in the City and to Pay Costs of Authorizing their Sale, and Providing for Related Matters

Hearing no objection the Mayor asked the Clerk to read R-09-01-02.

A motion was made by C. Knodel and seconded by C. Foster to approve the revised Resolution R-09-01-02 as presented before us as prepared by the bond counsel in which several typographic errors have been corrected.

Discussion

City Manager Bahnke stated that the only difference she can find is on page 3 of the resolution under letter L expanding the definition of "Registrar".

At the roll call:

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

Nays:

The motion CARRIED

- B. Facility Reservation Fee/Waiver – NRC
~Kawerak Regional Conference, Feb. 23-27, 2009
- C. Facility Reservation Fee/Waiver - MCC
~Tourism Stakeholders Conference January 27th & 28th, 2009
- D. Facility Reservation Fee/Waiver – MCC
~Nome Iron Dog Halfway Committee, Feb. 11, 2009

A motion was made by C. Knodel and seconded by C. Andersen to approve the three fee waiver requests presented.

Discussion

Mayor Michels reported that the amount of the waivers are: \$4,250 for the Kawerak Regional Conference; \$400 Bering Strait Development Council -Tourism Stakeholders Conference; \$200 Iron Dog Halfway Banquet.

At the roll call:

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

Nays:

The motion CARRIED

Mayor Michels reported that under the Nome Code of Ordinances 3.05.040 it states that Super Bowl Sunday is in January and that on this day the establishments that sell liquor are allowed to open at 10:00am. She stated that the Super Bowl Football game is held in February now and that the ordinance will have to be changed and presented to the Council for approval at a future meeting. She and the Clerk pointed out that the intent in the code is clear as to which day it refers to and they asked if the Council had any objection to continuing the 10:00am opening on this year's Super Bowl Sunday. There was no objection heard from the Council.

UTILITY MANAGER REPORT

Utility Manager Handeland reported the following:

- February 2, 2009 the Catholic Diocese will be in town for the purpose of a public meeting on the future of Pilgrim Hot Springs. An invitation was forwarded to them to hold the meetings in Old St. Joe's. I haven't heard back from them yet but would like to request a few waiver if they accept.
- The Utility Board spent many hours working on budget issues, looking at fuel and operating costs and trying not to charge increased fuel surcharges. They had a couple members out of town so it will be next week when they can pick this back up so they will have a budget for the Council's first February meeting.
- Asking that legal and contractual issues, relative to Alaska Gold Company, be added to the executive session tonight.

C. Knodel asked what the time was for the Pilgrim meeting. Utility Manager Handeland stated it wasn't set yet. Mayor Michels stated there would be an earlier meeting at the Council Chambers and another on that evening at Old St. Joe's.

CITY MANAGER REPORT

- A. Nome Volunteer Ambulance Dept. 2008 Statistics
- B. Port Vessel Traffic, Facility Fuel Volume, Facility Cargo Volume
- C. City of Nome Sales Tax as of January 22, 2009
- D. City of Nome Bed Tax as of January 22, 2009

City Manager Bahnke stated that in addition to the reports in the packet, she handed out a written report and commented on the following;

- Submitted the City of Nome application to the Alaska Municipal Bond Bank for the Nome-Beltz Roof Replacements. The bonds are scheduled to be sold in the end of March. They are expecting about \$30 million worth in projects which hopefully will work in our favor for a lower interest rate.
- Acting Harbormaster, Joy Baker and a representative from the Marine Exchange of Alaska will be in Nome enrolling Transportation Worker Identification Credentials (TWIC) on February 26 & 27 and according to Joy this will impact about 50 individuals here in Nome. By them coming here it saves a lot of costs to businesses and individuals. It is suggested that anyone requiring unescorted access get the TWIC card. C. Andersen asked who enforces this. City Manager Bahnke believes it is the U.S. Coast Guard and she will find out if they will have a station in Nome this summer.
- The Finance Department, Clerk and City Manager continue to explore the City's options to upgrade the existing financial management software and expand the system to integrate sales tax, property tax and Port billing functions. At this time we are analyzing two companies and

the cost would be about \$75,000 - \$100,000 and most of the cost would be in next fiscal year budget.

- Welcome to Chief Dallas Massie and his wife Alice.
- Will be heading to Juneau tomorrow with Mayor Michels and Utility Manager Handeland. Will also meet with City Attorney Brooks Chandler to finalize the NOAA agreement, work on the animal control ordinance and the reindeer plant settlement.

C. Andersen asked the status of the hiring of the Harbormaster, Public Works Director and Chief of Police. City Manager Bahnke responded that they have advertised for the Chief of Police position, have conducted a couple of interviews for the Public Works Director and are trying to schedule two face-to-face interviews in the next few weeks. She stated that a couple applicants are local. The Harbormaster has not been advertised yet.

C. Andersen asked who the project manager was on the Nome Beltz Roof Replacement. City Manager Bahnke stated it was Randy Romenesko.

C. Andersen asked how old the computer system was in Finance. Controller Cussy Kauer stated it was purchased about 1993-94. C. Andersen asked about the hardware cost. City Manager Bahnke stated that Finance has out-lived the usefulness of their equipment.

C. Andersen asked what the driveway permits are with the Planning Commission. C. Brown responded that if a driveway borders on a State road there are permits from DOT; however, if it borders on a City street there is no actual driveway permit that is required. He stated that the Planning Commission wanted to make sure the City was at least advised and had the opportunity to suggest draining requirements and slope requirements for accessing city streets.

COUNCILMEN COMMENTS

C. Foster had no comments.

C Knodel thanked the Volunteer Ambulance staff and their paid crew. She stated that she is amazed at the number of runs that they do in a year and they owe them a great deal and she thanks them and appreciates what they do.

C. Larson stated that now that it looks like we are getting close on the NOAA ordinance he suggests that perhaps the Port Commission should take a look at the Tariff table and make sure that the principal and interest amounts that they are going to be owing and have to pay NOAA are going to be covered by income from the causeway and port.

C. Pomeranz had no comments.

C. Andersen had no comments.

C. Brown had no comments.

MAYOR'S COMMENTS AND REPORT

A. January 26, 2009 Mayor's report

Mayor Michels provided a written report in their packet and reported the following;

- Reviewed the STIP nomination process for Nome's projects.

- Reviewed the Arctic Policy that President Bush signed. A copy was provided to the Council via e-mail.
- Attending the Bering Straits Leadership Team meeting last week to present the ICC Arctic Sovereignty draft declaration.
- Reviewed the Denali Commission's work plan for 09.
- Reviewed the State's Energy Guide that was presented by the Governor and Nome has a section in the plan that I have been unable to download. Requested John Handeland print the Nome section for the Council.
- The City of Nome met with USCG to hear their 08 lesson's learned and to hear what they plan for 09. We also invited the USACE, State DOTPF and Kawerak KTP. Received an update and are pleased the USCG will be coming back next year. Admiral Brooks will be moving up and we will need to go through an introduction with his replacement. The USCG identified some needs we need to look at; aid to navigation for ships, extend the causeway, continue the Airport Master Plan. It was a good meeting to get the groups together.
- Just learned today that tomorrow the State Finance is going to hold comments on State Resolution #3 where it is relating to the Federal Stimulus package and she and the City Manager will be traveling and unable to attend the teleconference. (John Handeland may not be traveling and he stated at the meeting he will be able to help with this)
- Very pleased with the priorities package and thanked everyone involved for their hard work. Since the number one priority is the museum it is wonderful to have on the cover a beautiful picture of Carrie McLain who the museum was named after. Her birthday is today and she would have been 114 years old.

EXECUTIVE SESSION

- ~APEA Labor Contract Negotiations
- ~ Legal & Contractual Issues with Alaska Gold Company

A motion was made by C. Andersen and seconded by C. Brown to enter into executive session. The Council recessed from regular meeting at 8:17 P.M.

The Council reconvened the regular meeting at 9:08 P.M.

A motion was made by C. Knodel and seconded by C. Foster to authorize the City to negotiate with the mining company for purchase of property.

At the roll call:

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

Nays:

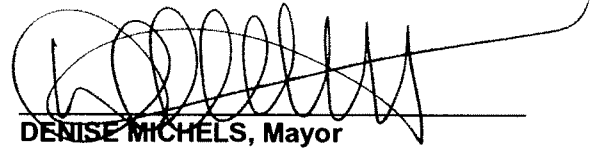
The motion CARRIED

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 9:09 P.M.

SIGNED AND DATED the 9th day of February 2009.



DENISE MICHELS, Mayor

ATTEST:



SANDY STURGIS-BABCOCK, City Clerk/Treasurer