

Mayor
Richard Beneville
Interim Manager
John K. Handeland
Clerk
Bryant Hammond



Nome City Council
Jerald Brown
Doug Johnson
Mark Johnson
Adam Martinson
Jennifer Reader
Meghan Sigvanna Topkok

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**NOME COMMON COUNCIL
REGULAR MEETING AGENDA
MONDAY, MARCH 25, 2019 @ 7:00 PM
COUNCIL CHAMBERS IN CITY HALL**

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**MINUTES
NOME CITY COUNCIL
REGULAR MEETING
MARCH 25, 2019**

The regular meeting of the Nome City Council was called to order at 7:02 PM by Mayor Richard Beneville in Council Chambers of City Hall, located at 102 Division Street.

ROLL CALL

Members Present: Jerald Brown; Doug Johnson; Mark Johnson; Adam Martinson; Jennifer Reader (telephonically); Meghan Topkok

Members Absent:

Also Present: Richard Beneville, Mayor; John Handeland, Acting City Manager; Christine Piscoya, Deputy City Clerk; Julie Liew, Finance Director

In the audience: Emily Hofstaedter (KNOM); Sandra Medearis (Arctic News); Lisa Ellanna; Paul G. Kosto; Keith Morrison; Brandon Ahmasuk; Derek McLarty; Darlene Trigg; Gay Sheffield; Alisha Rohrer; Hannah Schmidt; Rhonda Schneider; Jennifer Summers; Christina Lore

APPROVAL OF AGENDA

Mayor Beneville asked if there were any changes to the agenda.

A motion was made by C. Brown and seconded by C. D. Johnson to approve the agenda.

At the roll call:

Aye: D. Johnson; M. Johnson; Martinson; Reader; Topkok; Brown

Nay:

Abstain:

The motion **CARRIED**.

APPROVAL OF MINUTES

A. February 25, 2019 City Council Regular Meeting Minutes.

A motion was made by C. D. Johnson and seconded by C. M. Johnson to approve the February 25, 2019 minutes.

At the roll call:

Aye: M. Johnson; Martinson; Reader; Topkok; Brown; D. Johnson

Nay:

Abstain:

The motion **CARRIED**.

COMMUNICATIONS

- A. Email of March 6, 2019 from Craig Colvin to Clerk Hammond re: Objection to License Number 17077.
- Council Member Mark Johnson asked how the City should proceed.
 - Manager Handeland explained there was no local ordinance dictating a necessary separation of churches and marijuana establishments and that this would be the State's jurisdiction.
 - Council Member Mark Johnson noted the previous management's practice of measuring distance, thereby involving the City.
 - Council Member Reader cited a regulation stipulating when a municipality was to file a protest.
 - Manager Handeland noted the protest was already filed directly with AMCO, CCing the City and the applicant in the process. He explained that the City had no local ordinance governing the distance a marijuana establishment had to be from a church and probably wouldn't file a protest under the state regulation.
 - Council Member Doug Johnson noted Grass Station had purchased the property and was upfront about what they were doing. He opined it was unfair a new tenant in the office building across the street could derail their plans. He noted they were meeting on 6th Ave up until October 2018. He suggested letting the State take up the matter as Nome Code of Ordinances doesn't specifically regulate this situation.
 - Manager Handeland recalled Grass Station 49 posted a notice of intent after purchasing the property.
- B. Letter of March 8, 2019 from AMCO to City of Nome re: Milano's Pizzeria Transfer of Restaurant License.
- C. Letter of March 13, 2019 from AMCO to City of Nome Re: Grass Station 49 Retail Marijuana Store License Application.
- D. Email of March 14, 2019 from Lisa Leeper to Council Member Brown re: Status of ACSA Bathroom Remodel Project.
- Council Member Brown suggested the City put the project out for bid again following modification. He explained that some members of school administration should have been more involved.
 - Manager Handeland stated the City would rebid the project, though prior he would consult with Engineer Blees as well as the future users of the facility. He noted the time crunch to complete the project outside of school hours and the status of the budget as well as the cost estimate.
- E. Memorandum of March 21, 2019 from Finance Director Liew to Nome Common Council re: FY2019 YTD Budget vs. Actual.
- Council Members Brown and Mark Johnson asked for a status update on online sales tax.
 - Finance Director Liew explained that the City's database would need to be overhauled to answer the question. She explained how Amazon collects sales tax, which sellers the online sales tax is collected from and the minimum threshold that would trigger the collection.
 - Council Member Reader asked for more details on NPD's salary overage.

- Manager Handeland noted administration would compile information for a future meeting.
- F. Memorandum of March 21, 2019 from Finance Director Liew to Nome Common Council re: 2017 NSEDC Community Benefit Share (CBS).
 - Director Liew explained that a few organizations spent less than what they expected and the Council could reallocate the unspent funds to another priority by motion.

A motion was made by C. M. Johnson and seconded by C. D. Johnson to reallocated the funds to cover the costs of moving the Leonhard Sepalla house from the Monofill to the Landfill.

Discussion:

- Council Member Reader suggested billing Mr. Lenharr's organization for the cost of the move.
- Director Liew suggested reallocating the funds to another priority if the Council wanted to bill Mr. Lenharr's organization.

Council Members Johnson withdrew their motion.

A motion was made C. Brown and seconded by C. D. Johnson to reallocate the funds to the Rec Renter project.

At the roll call:

Aye: Reader; Topkok; Brown; D. Johnson; M. Johnson;
Martinson; Brown

Nay:

Abstain:

The motion **CARRIED.**

CITIZENS' COMMENTS

- 1) Derek McLarty spoke on Port Tariff protocol, asking that any rate increases go through the Port Commission prior to going to the Council.
- 2) Gay Sheffield noted that Diomedes and Golovin share the zip code 99762 and asked if those cities get a cut of the online sales tax collected.
 - Manager Handeland noted the State of Washington had a robust system that is being investigated by the AML online sales tax working group.
- 3) Lisa Ellanna expressed disappointment in the ACLU for not providing input on the public safety commission ordinance. She requested second reading for the ordinance be postponed. Ms. Ellanna recommended NPD be staffed with 10, rather than 7 officers.
- 4) Darlene Trigg requested the Council consider postponing the public safety commission ordinance to a later date.
- 5) Keith Morrison supported postponing the public safety commission ordinance to a later date.

PLANNING & ZONING

A. February 5, 2019 Nome Planning Commission Regular Meeting Minutes.

UNFINISHED BUSINESS

A. O-19-02-01 An Ordinance Adopting the Port of Nome Tariff No. 15 to Replace all Existing Tariffs of the Port of Nome, **SECOND READING/PUBLIC HEARING/FINAL PASSAGE.**

For the purpose of holding a public hearing, the Council recessed at 8:09 PM.

Discussion:

- Charlie Lean, of the Port Commission, briefed the Council on tariff discussion at the Port Commission. He recommended adoption as presented.
- Derek McLarty noted the unanimous passage of the tariff as presented by the Port Commission, with no rate increases. He noted a text from earlier in the day alerting him to potential discussion of a rate increase.
- Council Member Brown asked if the 2013 rate study was still applicable and whether or not the Port had a fund balance to pay for maintenance and upkeep.
- Mr. McLarty noted that the Port account was usually in debt to the City's general fund, though the Commission was looking towards increasing lobbying and commerce rather than tariff rates.

The Council reconvened at 8:17 PM.

A motion was made C. Brown and seconded by C. Martinson to adopt O-19-02-01.

Discussion:

- Manager Handeland noted the lack of a rate increase for several years in light of the 2013 study and the need to build a replacement fund. He noted conversations on Port development with the AK congressional delegation as well as the lack of a significant fund balance and perpetual debt to the City of Nome general fund.
- Director Liew explained the Port owed the general fund \$1.6 million with a bank account balance of \$1.9 million.
- Council Member Mark Johnson asked why the Port owes the general fund money.
- Director Liew explained that the Port doesn't generate enough revenue to cover all its expenses. Expenses not covered are paid through the general fund.
- Port Director Baker gave a history of the Port's savings from the 1990s and where the Port spent the surplus, up until the fund balance was spent out. She explained the rate studies suggested rate increases were intended to keep up with inflation, needed increases in staffing, as well as capital improvement and maintenance over time. She explained the text she sent in the morning was a courtesy upon discovering that Manager Handeland wanted to discuss a potential increase.
- Council Member Brown asked about timeliness of passage of the tariff.
- Port Director Baker asked that the presented changes be adopted so that Port users knew what to expect at the beginning of the season. She asked that any potential rate increase be discussed after passing the tariff as presented.

- Manager Handeland agreed with Director Baker and reminded the Council of the cost share agreement with the State of Alaska DOT&PF encumbered nearly the entirety of the Port's present savings.
- Council Member Doug Johnson noted a decision will have to be made, given that the present rates will not cover future grant matches and maintenance costs.

A motion was made by C. M. Johnson and seconded by C. D. Johnson to amend O-19-02-01 Section 05.060 Terms of Payment by adding "All Foreign and domestic banking transaction fees incurred when making payments will be the responsibility of all users and will be charged to the applicable user account" as the final sentence.

Discussion:

- Council Member Mark Johnson explained that many payments came via wire transfer and the tariff did not have a mechanism to account for the extra fees incurred.

At the roll call:

Aye: Brown; D. Johnson; M. Johnson; Martinson; Reader; Topkok

Nay:

Abstain:

The motion to amend **CARRIED**.

Returning to the main motion:

- The Council settled upon scheduling a work session on April 16, 2019 at 5:30 PM to discuss a potential increase in the tariff rates.

At the roll call:

Aye: Topkok; Brown; D. Johnson; M. Johnson; Martinson; Reader

Nay:

Abstain:

The motion, as amended, **CARRIED**.

- B. O-19-02-02 An Ordinance Amending Chapter 2.30 of the Nome Code of Ordinances to Create a Public Safety Commission, **SECOND READING/PUBLIC HEARING/FINAL PASSAGE**.

A motion was made C. Brown and seconded by C. M. Johnson to postpone O-19-02-02 **SECOND READING/PUBLIC HEARING/FINAL PASSAGE** until the regular meeting on April 22, 2019 at 7:00 PM.

Discussion:

- Manager Handeland explained the inconsistencies in second reading scheduling were due to miscommunication with the ACLU.
- Council Member Reader asked what would happen in the meantime.
- Manager Handeland explained the City had requested comments from ACLU.

At the roll call:

Aye: D. Johnson; M. Johnson; Martinson; Reader;
Topkok; Brown

Nay:

Abstain:

The motion **CARRIED**.

NEW BUSINESS

A. O-19-03-01 An Ordinance Amending Section 17.20.020 Exemptions, **FIRST READING/DISCUSSION.**

A motion was made by C. Brown and seconded by C. Martinson to advance O-19-03-01.

At the roll call:

Aye: M. Johnson; Martinson; Reader; Topkok; Brown; D. Johnson

Nay:

Abstain:

The motion **CARRIED**.

B. R-19-03-01 A Resolution Setting the Dates for the 2019 Board of Equalization.

A motion was made by C. M. Johnson and C. Brown to adopt R-19-03-01.

At the roll call:

Aye: Martinson; Reader; Topkok; Brown; D. Johnson; M. Johnson

Nay:

Abstain:

The motion **CARRIED**.

C. R-19-03-02 A Resolution Approving & Accepting from the Alaska Dept. of Environmental Conservation Alaska Drinking Water Fund to Provide Loan Financing for Improvements to Community Water Infrastructure and to Allow Refinancing of Prior Loans Made by the USDA.

A motion was made by C. D. Johnson and seconded by C. Brown to adopt R-19-03-02.

Discussion:

- Assistant Utility Manager Morton explained the financing package the Utility entered into with USDA years ago. He noted the opportunity to refinance the loans with AK Dept. of Environmental Conservation and explained the rates would save the Utility a significant amount of funds over the terms of the notes.

At the roll call:

Aye: Reader; Topkok; Brown; D. Johnson; M. Johnson;
Martinson

Nay:

Abstain:

The motion **CARRIED**.

- D. R-19-03-03 A Resolution Approving & Accepting a Loan from the Alaska Dept. of Environmental Conservation Clean Water Fund to Provide Loan Financing for Improvements to Community Wastewater Infrastructure and to Allow Refinancing of Prior Loans Made by the USDA.

A motion was made by C. Brown and seconded by C. D. Johnson to adopt R-19-03-03.

At the roll call:

Aye: Topkok; Brown; D. Johnson; M. Johnson; Martinson;
Reader

Nay:

Abstain:

The motion **CARRIED**.

- E. R-19-03-04 A Resolution Relating to the City of Nome's 2019 State Legislative Priorities and State of Alaska Fiscal Matters.

A motion was made by C. Brown and seconded by C. D. Johnson to adopt R-19-03-04.

Discussion:

- Manager Handeland explained that the budgets for a number of the City of Nome's State legislative priorities were proposed to be cut under the Governor's proposed budget.
- Council Member Mark Johnson expressed concern over recommending a \$500 cap for the permanent fund dividend, as it could disproportionally affect some community members.

A motion was made by C. Brown and seconded by C. Topkok to amend R-19-03-04 by removing "at no more than \$500" from number 1; removing "with an annual cap of \$500" from number 2; and by substituting "instituting a state sales or income tax and" for the entirety of number 3.

Discussion:

- Council Member Reader explained she did not support the resolution and suggested individual citizens contact the Governor and Legislature to explain how the budget personally impacts them.

At the roll call:

Aye: D. Johnson; M. Johnson; Martinson; Topkok; Brown

Nay: Reader

Abstain:

The motion to amend **CARRIED.**

Returning to the main motion:

At the roll call:

Aye: Brown; D. Johnson; M. Johnson; Martinson; Topkok

Nay: Reader

Abstain:

The motion, as amended, **CARRIED.**

UTILITY MANAGER'S REPORT

A. Activity Report: February 26 – March 22, 2019.

- Assistant Utility Manager Morton presented his written report, highlighting recent grant application submissions, a status update on Airport Block 20, the upcoming Bering Street project, and the meter audit the line crew has been performing over the past several months. He expected the audit to be completed sometime later in the spring. He noted the line crew was demoing the old line between Little Creek Rd and Belmont. Assistant Manager Morton finished with an update on the DEC permitting process of the sewage lagoon.

CITY MANAGER'S REPORT

A. Activity Report: February 26 – March 22, 2019.

- Manager Handeland presented his written report, giving kudos to the public works roads crew for their long hard days in clearing snow from the City's streets. He briefed the Council on Iditarod related activities and thanked Dawn Ubelaker and Seaside for their assistance throughout the week. He noted a recent meeting concerning public inebriation as well as one concerning the school roof and ACSA bathroom projects.
- Council Member Mark Johnson requested that department heads attend the upcoming budget meetings and work sessions to be available for questions.
- Manager Handeland reminded the Council of R-19-01-07 initiating the foreclosure process and asked for an extension to clean up the list prior to advertising.

A motion was made by C. D. Johnson and seconded by C. M. Johnson delay initiating the 2019 foreclosure action by 90 days.

Discussion:

- Council Member Reader expressed concern over pushing the process back another 90 days.
- Manager Handeland reasoned that such an action would go towards making City Hall more helpful and friendly.

At the roll call:

Aye: M. Johnson; Martinson; Reader; Topkok; Brown; D. Johnson

Nay:

Abstain:

The motion **CARRIED.**

- B. January 17, 2019 Nome Port Commission Regular Meeting Minutes.
- C. February 26, 2019 Nome Port Commission Regular Meeting Minutes.
- D. Port & Harbor Report/Projects Update – March 2019.
- E. Nome Beltz Roof Replacement Grant October 29, 2018.
 - Finance Director Liew gave an explanation as to where the project stands.
 - Council Member asked for details as to the hurdles NPS needed to clear.
 - Manager Handeland explained that the acting superintendent was unclear as to where the match was coming from.
- F. Nome Beltz Roof Report June 30, 2017.
- G. Memorandum of March 1, 2019 from Genevieve Hollins to Board of Education re: Financial Narrative.

CITIZENS' COMMENTS

- 1) Rhonda Schneider thanked everyone helping to clear snow this winter. Speaking for the Nome Community Center, she explained a new procedure for someone coming to NEST from the NHSC late at night. She noted the lack of volunteer EMTs putting a strain on the department.
- 2) Sandra Medearis asked for details as to the impediments to removing snow.
 - Manager Handeland explained the situation with the broken snow blower, contractors, and roads crew.
 - Council Member Reader conjectured that Manager Handeland's summary might not be the full picture.
 - Manager Handeland noted he had personally seen Q Trucking equipment on the roads and stated he would figure out what the issue was.

COUNCIL MEMBER COMMENTS

- 1) Council Member Brown – no comments.
- 2) Council Member Doug Johnson – no comments.
- 3) Council Member Mark Johnson thanked public works for putting in a lot of time clearing snow and suggested the City of Nome come up with an effective plan that meets the needs of the community as well as the workers.
- 4) Council Member Martinson – no comments.
- 5) Council Member Reader requested a note or an agenda item addressing the schedule of the next meeting. She asked if anyone was going to the Governor's budget meeting at Old St. Joe's on Wednesday.
 - Manager Handeland stated he intended to go and that the Council should endeavor to not reach quorum due to the release signing requirements imposed by the conveners of the meeting.

- Council Member Reader asked again who intended to go.
 - Council Members Brown and Mark Johnson expressed interest in going.
- 6) Council Member Topkok thanked NPD staff for their work over Iditarod. She asked if the recent conversations between NSHC/NCC/City of Nome would continue.
- Manager Handeland expected they would continue, noting the need to revisit alcohol hours of sale among other things.

MAYOR'S COMMENTS AND REPORT

- A. Activity Report: February 26 – March 22, 2019.
- Mayor Beneville gave an update on his activities over the previous month, highlighting a potential Coast Guard attachment in Nome, Iditarod activities, and an upcoming concert at the school.

EXECUTIVE SESSION

- A. Confidential Personal Matters & Financial Tax Foreclosure Discussion.

A motion was made by C. Martinson and seconded by C. Brown to recess into executive session.

The Council recessed into executive session 10:16 PM.

The Council reconvened at 11:20 PM.

ADJOURNMENT

A motion was made by C. Brown and seconded by C. Martinson that the meeting be adjourned.

Hearing no objections, the Nome Common Council adjourned at 11:21 PM.

APPROVED and SIGNED this 8th day of April 2019.



RICHARD BENEVILLE
Mayor

ATTEST:



BRYANT HAMMOND
City Clerk