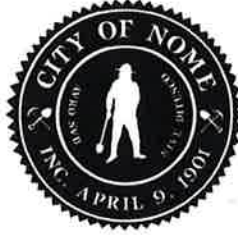


Mayor
Richard Beneville
Manager
Tom Moran
Clerk
Bryant Hammond



Nome City Council
Stan Andersen
Jerald Brown
Doug Johnson
Mark Johnson
Adam Martinson
Lew Tobin

102 Division St. • P.O. Box 281
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**NOME COMMON COUNCIL
REGULAR MEETING AGENDA
MONDAY, JULY 9, 2018 @ 7:00 PM
COUNCIL CHAMBERS IN CITY HALL**

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

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IV. COMMUNICATIONS

- A. Letter of June 22, 2018 from Angie Gorn to Nome City Council re: City of Nome Board of Directors Seat,
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- B. Reuters Article of June 25, 2018 re: Mattis: 'America's Got to Up its Game in the Arctic,'
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- C. Letter of June 28, 2018 from Alcohol & Marijuana Control Board to City of Nome re: Limited Marijuana Cultivation Facility License Renewal,
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- D. Letter of June 28, 2018 from Alcohol & Marijuana Control Board to City of Nome re: Retail Marijuana Store License Renewal,
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- E. Peninsula Clarion Article of June 30, 2018 re: Local Governments Prepare to Tax Online Sales,
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- A. O-18-07-01 AN ORDINANCE AMENDING CHAPTER 17.30 OF THE NOME CODE OF ORDINANCES TO INCREASE THE HOTEL/MOTEL ROOM TAX FROM SIX PERCENT (6%) TO TEN PERCENT (10%),
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- B. O-18-07-02 AN ORDINANCE FOR A VOTER REFERENDUM ON A VEHICLE RENTAL TAX OF TEN PERCENT,
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X. CITY MANAGER'S REPORT

- A. Activity Report: June 26 – July 6,
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- A. Activity Report: June 26 – July 6,
VERBAL

XIV. EXECUTIVE SESSION

- A. Discussion of Personnel Matters,
VERBAL

XV. ADJOURNMENT

**MINUTES
NOME CITY COUNCIL
REGULAR MEETING
July 9, 2018**

The regular meeting of the Nome City Council was called to order at 7:00 PM by Mayor Richard Beneville in Council Chambers of City Hall, located at 102 Division Street.

ROLL CALL

Members Present: Stan Andersen; Jerald Brown; Doug Johnson; Mark Johnson; Adam Martinson; Lew Tobin

Members Absent:

Also Present: Richard Beneville, Mayor; Tom Moran, City Manager; Bryant Hammond, City Clerk; Ken Morton, Assistant Utility Manager; Joy Baker, Port Director (telephonically); Julie Liew, Finance Director

In the audience: Sandra Medearis, *Arctic News*; Emily Hofstaedter, KNOM; Melissa Woehler; Ryan Woehler; Brianna Eckler; Shoni Evans; William Evans; Mike Evans; Jeffrey Carl; David Csiki; Dylan Iya; Wanda Iya; Wilson Okoonealingok; Sky Okoonealingok; Ken Bungay; Bob Estes; Dawn Coffelt

APPROVAL OF AGENDA

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

A motion was made by C. Andersen and seconded by C. D. Johnson to approve the agenda as presented.

A motion was made by C. Andersen and seconded by C. M. Johnson to amend the agenda by adding R-18-07-01 under New Business.

At the roll call:

Aye: D. Johnson; M. Johnson; Martinson; Tobin; Andersen;
Brown

Nay:

Abstain:

The motion to amend **CARRIED**.

Returning to the main motion:

At the roll call:

Aye: Brown; D. Johnson; M. Johnson; Martinson; Tobin;
Andersen

Nay:

Abstain:

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

APPROVAL OF MINUTES

A. June 25, 2018 City Council Regular Meeting Minutes.

A motion was made by C. Tobin and seconded by C. M. Johnson to approve the minutes.

At the roll call:

Aye: M. Johnson; Martinson; Tobin; Andersen; Brown;
Andersen

Nay:

Abstain:

The motion **CARRIED**.

COMMUNICATIONS

A. Letter of June 22, 2018 from Angie Gorn to Nome City Council re: City of Nome Board of Directors Seat.

- Councilman Tobin expressed concern over what appeared to be a life term limit, stating it seemed to open the door for corruption.
- Councilman Andersen explained that the tribes of the Norton Sound region each had one permanent seat and that the bylaws followed the that structure.

B. Reuters Article of June 25, 2018 re: Mattis: 'America's Got to Up its Game in the Arctic.'

- Councilman Tobin thought the wording strange.
- Mayor Beneville stressed the need to look at the bigger picture.

C. Letter of June 28, 2018 from Alcohol & Marijuana Control Board to City of Nome re: Limited Marijuana Cultivation Facility License Renewal.

D. Letter of June 28, 2018 from Alcohol & Marijuana Control Board to City of Nome re: Retail Marijuana Store License Renewal.

- Councilman Tobin asked if the City would withhold comment for 90 days.
- Manager Moran clarified the period was 60 days and explained to the Council the store was up and running.

E. Peninsula Clarion Article of June 30, 2018 re: Local Governments Prepare to Tax Online Sales.

- Councilman Tobin commented on the threshold for small business reporting online sales tax.

F. Letter of July 5, 2018 from Ryan Woehler to Nome City Council re: Nome Seventh Day Adventist Church Delinquent Taxes.

- Councilman Andersen asked if this was a formal request.
- Manager Moran and Clerk Hammond summarized previous Council action and the current letter's request.
- Councilman Andersen asked how an organization could rack up a \$34,000 delinquent tax bill.

- Clerk Hammond explained the current balance covered years 2015 – 2018 taxes penalty and interest on four properties, two of which had valuable improvements upon them. He noted the Church stopped filing applications for exemption in 2015.
- Mayor Beneville asked if the Council should deal with this issue now or later in the meeting.
- Manager Moran noted his disagreement with the letter's timeline, but suggested the Council let representatives from the church speak at Citizens' Comments.

G. City of Nome Public Notice re: Reclaiming Tobuk Alley Between Steadman and Spokane.

- Councilman Tobin asked how the City was going to proceed.
- Councilman Mark Johnson asked why the City was taking such action.
- Mayor Beneville noted the alley was the City's ROW.
- Councilman Andersen explained past fire departments have discussed opening the alley for firefighting purposes, that the Planning Commission has asked twice to have the alley opened, that there are no permanent structures in the ROW and that, in the end, it's the City's street, because adverse possession doesn't work for ROWs.
- Councilman Tobin asked how many more similar examples were in Nome.
- Councilman Mark Johnson asked if the fire department had made a formal request and that he understood there was no water source in the area in question.
- Councilman Andersen stated that if those property owners are entitled to use Tobuk Alley as their own, then he can do the same by his house.

CITIZENS' COMMENTS

- 1) Ryan Woehler of the Seventh Day Adventist Church spoke regarding his letter under communications, stating that the church had been represented as rebellious, felt there were procedural issues with respect to the application process, and wanted to set the record straight. Mr. Woehler felt the local church should have been contacted verbally or in person when their application for exemption wasn't received. He asked how an organization could pay a bill they didn't know existed.
 - Councilman Tobin asked how the situation arose.
 - Mr. Woehler explained that the local Seventh Day Adventist Church never received a bill, but the question of exemptions arose among church members one day in the office.
 - Councilman Andersen noted that if the school wasn't operational during the years in question, the vacant lots wouldn't be exempt. He asked specifically what amount the church was asking to be exempt.
 - Mr. Woehler estimated the church's total liability, had the exemption applications been filed, at \$2,700.

A motion was made by C. Andersen and seconded by C. Martinson to exempt the delinquent taxes, penalty and interest from tax years 2015, 2016, and 2017 on the Seventh Day Adventists' Church and Parsonage properties.

Discussion:

- Councilman Andersen opined the church probably wouldn't forget to file their application for exemption again and explained that it was the property owners' responsibility to file applications for exemptions and pay their taxes in a timely manner.

A motion was made by C. Brown and seconded by C. M. Johnson to amend the main motion by waiving the

penalty, but not the interest, on the Seventh Day Adventists two properties that do not qualify for tax exemption.

At the roll call:

Aye: Tobin; Andersen; Brown; D. Johnson; M. Johnson;
Martinson

Nay:

Abstain:

The motion to amend **CARRIED**.

Returning to the main motion:

At the roll call:

Aye: Martinson; Tobin; Andersen; Brown; D. Johnson; M.
Johnson

Nay:

Abstain:

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

- 2) Esther Babcock of Logic Geophysics briefed the Council on the ongoing ground penetrating radar project in the cemetery stating that it was going well and on schedule.
 - Mayor Beneville commended their efforts thus far.
 - Councilman Andersen asked if Logic Geophysics would be available to do more sections of the cemetery.
 - Manager Moran noted that all additive alternates had been awarded, but that staff would look into it.
 - Ms. Babcock stated she'd be willing to discuss, provided they finished ahead of schedule; she explained that mobilization costs would be cheaper as her team was already here.
- 3) David Csiki, owner of 507 East 1st Ave and 506 East Front Street, wanted to address the Council concerning the abatement update in the City Manager Report. He explained that he had no personal vendetta against Jim West, Jr., but complained about the deplorable condition of 604 East Front St. He explained he's owned his two lots for about 20 years and has been developing the property over that time as his dream home. He's now selling it to pay for other projects. Mr. Csiki noted that real estate brokers and an appraiser had stated 604 East Front decreased his property value and that he had been waiting for the Council to enforce R-18-01-05 and abate the property. He noted the work performed on the property had fallen short of the remediation required and that he shouldn't have to tell the fire chief that his property is a fire hazard. He asked for the Council's intentions with respect to the abatement resolution.
 - Councilman Tobin expected all four properties on the resolution to get abated, but that it's July 9th and they're still there.
 - Manager Moran noted that July 1st fell on the weekend this year and was followed by the holiday celebration organized by City Hall, but that staff was actively working on the issue. He explained that 207 Bering was moved off the lot after the report was written, that 407/411 Lomen was being demolished; and that the owners of both 604 E Front and 511 W 2nd had taken steps to remediate the hazards their properties presented. However, he noted that City staff doesn't want to be the bad guy and that remediation is a gray concept.

- Councilman Doug Johnson suggested paying an out of town inspector to be the bad guy. He noted that the property claims he's brought his property up to an acceptable condition and the City has to decide if he has done so or not.
 - Mr. Csiki stated the City was nine days and \$50,000 late in making that decision. He stated that he took a notice of abatement seriously when he received it and that Jim West should as well.
 - Councilman Andersen noted that Nome's abatement ordinance relied on the declaration of structures as hazards and asked if the City had the legal right to continue abatement if the hazard had been remediated.
 - Mayor Beneville asked if Building Inspector Stang was credentialed.
 - Manager Moran explained that he was not yet licensed.
 - Councilman Tobin noted that it took years to abate the Wien Building.
 - Manager Moran noted those were different circumstances and that the differences between city managers, building inspectors, buildings, and councils made the process different every time.
 - Councilman Andersen agreed it might be productive to bring an out-of-town building inspector in for the abatement process.
 - Councilman Tobin asked why there was trash in the yard.
 - Manager Moran surmised the trash issue was taken care of.
 - Mr. Csiki confirmed it was not.
 - Councilman Andersen noted that Mr. Csiki wasn't the only property owner in town whose property was negatively impacted by his neighbors.
 - Manager Moran explained the City's goal was to get voluntary compliance, but would look into flying an inspector in from Anchorage.
 - Councilman Brown stated that none of the houses pictured would meet habitable standards. He opined flying in an inspector would be a waste of money.
 - Councilman Doug Johnson asked about structural integrity.
 - Councilman Brown noted that City made the decision with R-18-01-05.
 - Councilman Doug Johnson suggested the City of Nome adopt regulations governing the life cycle of buildings.
 - Councilman Brown explained that specific reasons for abatement used to be enumerated in the process.
 - Councilman Tobin asked which was more important, Tobuk Alley or 604 East Front St.
 - Manager Moran noted the City could use a heavier hand if that was what the Council desired.
- 4) Sandra Medearis expressed concern over Jackie Johnson's property listed on the abatement resolution, explaining that in the winter someone lives in the container van which is heating by a wood stove. She noted that she drives the alley some winter mornings to check to see if the place is on fire.
- 5) David Csiki extended an invitation to the Council members and staff to view the 604 E Front St from the perspective of his property.
- 6) Ken Bungay introduced himself as an artist and offered to fix the harpoon on the "Welcome to Nome" sign behind the Visitor Center. He produced a harpoon as an example of his work.
- Manager Moran explained the City had done something similar and would get a quote.
 - Councilman Tobin asked if there was a way to make the fix permanent.
 - Mr. Bungay thanked the Council for their consideration.

UNFINISHED BUSINESS

NEW BUSINESS

- A. O-18-07-01 An Ordinance Amending Chapter 17.30 of the Nome Code of Ordinances to Increase the Hotel/Motel Room Tax from Six Percent (6%) to Ten Percent (10%), **FIRST READING/DISCUSSION.**

A motion was made by C. Andersen and seconded by C. Tobin to advance O-18-07-01.

Discussion:

- Councilman Brown clarified that the matter would be put before the voters on the October ballot.
- Manager Moran explained it would not take effect until January 1, 2019 even if it ballot proposition passed.
- Councilman Tobin asked about the standard room rate was.
- Manager Moran noted that the Aurora charged between \$180 and \$300 and that Airbnb was all over the place.
- Councilman Mark Johnson clarified that the language in the ordinance was what would appear on the ballot and was glad to see that basic language was used.
- Councilman Andersen asked why there was a dramatic decrease in business licenses and asked if someone was checking to see if the businesses were just not filing anymore.
- Finance Director Liew explained the numbers were cumulative from 2010 through the present and that bed and breakfasts come and go. She noted that the City tends to be more passive about compliance, hoping for voluntary compliance.
- Councilman Mark Johnson explained that at one point the Chamber, the Visitor's Center and Kawerak pushed for more bed and breakfasts at one point. He surmised that people probably tried it and discontinued after finding out it wasn't for them.

At the roll call:

Aye: Andersen; Brown; D. Johnson; M. Johnson;
Martinson; Tobin

Nay:

Abstain:

The motion **CARRIED.**

- B. O-18-07-02 An Ordinance for a Voter Referendum on a Vehicle Rental Tax of Ten Percent, **FIRST READING/DISCUSSION.**

A motion was made by C. Andersen and seconded by C. Martinson to advance O-18-07-02.

Discussion:

- Councilman Brown noted that an additional ten percent would bring the total summertime taxes on rental vehicles up to 27 percent. He contended that locals rent vehicles as well as outsiders and stated that such a tax would constitute an onerous burden on a single industry while raising an insignificant amount of revenue; he stated he was not in support of the ordinance.
- Councilman Andersen concurred he was not in support of a ten percent tax, but asked if there was support for a lower rate.
- Councilman Brown opined a lower rate wouldn't be worth the administrative burden.

- Councilman Andersen explained that the Chamber of Commerce was seeking a larger contract and this seemed a fairer means than raising the mill rate. He requested the ordinance be advanced to second reading.
- Councilman Mark Johnson stated he was in favor of the ordinance when he understood it to affect predominantly outsiders; however, upon hearing from Councilman Brown, who used to oversee Stampede Rentals, that a lot of locals rent vehicles, he was less inclined to support the measure.
- Councilman Andersen suggested a local exemption / exception.
- Councilman Tobin noted that taxes and fees on vehicles and rooms in Las Vegas typically surpassed the cost of the commodity itself.
- Manager Moran explained the City could put an excise tax on vehicle rentals without having to put the matter before the voters.

At the roll call:

Aye: Tobin; Andersen

Nay: Brown; D. Johnson; M. Johnson; Martinson;

Abstain:

The motion **FAILED**.

- C. R-18-0-01 A Resolution Authorizing the City of Nome to Apply for and Participate in the USDOT Build Discretionary Grant Program for the Funding of the Snake River Moorage and Vessel Haulout Facility Project.

A motion was made by C. M. Johnson and seconded by C. Brown to adopt R-18-07-01.

Discussion:

- Port Director Baker explained that the grant was almost the exact same as the TIGER grant the Port submitted for the Snake River project last year.
- Councilman Brown asked where the \$1 million match would come from.
- Director Baker explained it would come from the Port's fund balance and deferred to Director Liew for an explanation on the specific balance in the fund.
- Councilman Brown surmised the Port wasn't generating a surplus with no tariff increases and asked if there were other funding opportunities available.
- Director Baker explained she would be submitting to the NSEDC Outside Entity Fund later in the year, but opined the fund balance would cover the match.
- Councilman Tobin asked who was writing the grants.
- Director Baker explained that she was working with a consultant and that the grant was due next week. She noted that the Port could alter the match amount, but that might affect the competitiveness of the proposal.
- Councilman Mark Johnson asked if there was room for private industry to participate in the funding of the project and when the amount of match would have to be provided.
- Director Baker explained the match amount would be decided in September and that there was a mining company that might be interested in partnering, though at the moment other regulatory issues were claiming their attention.

At the roll call:

Aye: D. Johnson; M. Johnson; Martinson; Tobin; Andersen; Brown

Nay:

Abstain:

The motion **CARRIED**.

UTILITY MANAGER'S REPORT

- Assistant Utility Manager Morton presented his verbal report highlighting insurance inspection by ARECA, the extension of power lines along East 6th Ave past N St, the upcoming sale of the fuel note, and the rescheduled NJUS board meeting to accommodate the presentation of the audit to the Board at noon on Tuesday the 17th.
 - Councilman Mark Johnson asked if power would be available to other lots along East 6th Ave.
 - Assistant Manager Morton explained the five year period in which Mr. Sparks would be reimbursed proportional costs by others wishing to tap into the new power lines.
 - Mayor Beneville asked if such was the case with new lines run down Osborne in Icy View.
 - Assistant Manager Morton answered affirmatively and explained the lines were requested by an owner.
 - Councilman Andersen suggested the Utility look at the transformer across from Nome Eskimo Community as it appears to be rusting out and asked if the State of Alaska was looking into fixing Steadman.
 - Assistant Manager Moran stated he was not aware of Steadman being a part of the STIP.
 - Councilman Tobin asked for an update on the leaks around town.
 - Assistant Manager Morton gave a brief update.
 - Mayor Beneville asked when the Bering St project would begin and noted that Steadman gets complicated around 4th Ave.
 - Assistant Manager Morton explained Bering St wouldn't get started until 2020.
 - Councilman Tobin explained that 4th Ave and Steadman St were surveyed as they are.

CITY MANAGER'S REPORT

- Manager Moran presented his written report thanking all those that helped organize and host the Fourth of July celebration. He noted an upcoming bid opening for the City's vehicle maintenance and repair contract. Manager Moran informed the Council that the bid for the ACSA bathroom project would most likely have to wait, with the work performed over Christmas break. He noted that the City was preparing for a few other bids, including the Mini Convention Center boiler project and the sole source procurement of a side dump trailer. He noted the abatement update was included for direction on the matter, not know that Mr. Csiki was planning on attending tonight's meeting and reminded the Council that there was a joint work session on Thursday the 19th concerning an update on the Arctic Deep Draft Port Study.
 - Mayor Beneville asked Director Baker for more details.
 - Director Baker stated that the Army Corps of Engineers is seeking to present an update on the progress in a public forum.
 - Mayor Beneville asked about the process design and public comment.
 - Manager Moran explained the process of design from the 35 percent documents through 90 percent and how it happened in a public forum, though specifically "public comment" was not solicited.
 - Councilman Andersen asked if there were drill logs for the proposed location. He suggested putting a sign up stating "future home of the skating rink" or something similar.
 - Manager Moran explained that the soils in the proposed location were solid and contained no ice lenses. He noted a slim chance the City could start site prep this fall.

- Councilman Mark Johnson asked for the general plan for the ice rink.
- Manager Moran explained that there were two ice shacks that will be moved from the old to the new site. He noted the current proposed design of the rink would be to construct a wind break and roof, insert helicals for the foundation, construct an entrance trucks to get through and run water from the rec center.
- Councilman Mark Johnson expresses concern about drifting snow and clearing the rink.
- Manager Moran noted that he had been birdogging this project since he came on as the City Manager.
- Councilman Tobin noted the provided map was nice for visualizing a greenway on the south side of Greg Kruschek.
- Manager Moran noted the north side as the preferable location as the City owned some of the property there by none on the south side of the road.

CITIZENS' COMMENTS

COUNCILMEN'S COMMENTS

- 1) Councilman Mark Johnson noted issues that visitors had recently had with inebriates at the Visitor's Center. He requested the CSOs patrol the area more frequently to address the issue more effectively.
- 2) Councilman Martinson noted constituents had asked him about the possibility of finishing I and H streets to the bypass. He acknowledged doing so would cost money and add to the City's maintenance burden.
- 3) Councilman Tobin was impressed with the Cemetery open house and the people that showed up for it. He commended Dawn Ubelaker and Santa Paul on the job they are doing. He had heard that Father Poole passed and was seeking confirmation. Councilman Tobin explained that it's hard to reconcile the evil that someone can do with all the good they've done prior. Father Poole was the first time he really came upon this.
 - Manager Moran confirmed that Father Poole had passed sometime prior to May 23rd.
- 4) Councilman Andersen - no comments.
- 5) Councilman Brown asked that before administration had the attorney draft an excise tax ordinance, they feel out the Council for support first.
 - Councilman Andersen suggested an in-house draft be presented at the next work session.
 - Councilman Brown requested tobacco, alcohol and marijuana be included in the ordinance.
- 6) Councilman Doug Johnson - no comments.

MAYOR'S COMMENTS AND REPORT

- Mayor Beneville stated the Cemetery open house went great and that it was a positive event. He expressed enthusiasm over the Friday artisan market in Anvil City Square, as well as the Voice of America's visit to Nome on the Fourth of July. He noted that Nome is moving forward and that sometimes such movement is painful, as with the case of abatement, or the discussion of people's rights. But, he noted strong signs for the future and discussed a new cruise ship company seeking to call on Nome in 2019. He expressed gratitude to those

organizations that purchased the flower baskets and flags, that marched in and supported the parade.

- Councilman Andersen thanked the VFW and the Chamber of Commerce for the flowers and the flags, respectively.

EXECUTIVE SESSION

A motion was made by C. Andersen and seconded by C. Martinson to recess into executive session to discuss personnel matters.

The Council recessed at 9:04 PM.

The Council reconvened at 9:55 PM.

ADJOURNMENT

A motion was made by C. Tobin and seconded by C. D. Johnson that the meeting be adjourned.

Hearing no objections, the Nome Common Council adjourned at 9:56 PM.

APPROVED and **SIGNED** this 23rd day of July 2018.


RICHARD BENEVILLE
Mayor

ATTEST:


BRYANT HAMMOND
City Clerk