

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
Nome, Alaska 99762
Phone (907) 443-6663
Fax (907) 443-5345

**NOME COMMON COUNCIL
REGULAR MEETING AGENDA
MONDAY, FEBRUARY 26, 2018 @ 7:00 PM
COUNCIL CHAMBERS IN CITY HALL**

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**MINUTES
NOME CITY COUNCIL
REGULAR MEETING
February 26, 2018**

The regular meeting of the Nome City Council was called to order at 7:00 PM by Acting Mayor Stan Andersen 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

Members Absent: Lew Tobin (excused); Richard Beneville (excused)

Also Present: Tom Moran, City Manager; Bryant Hammond, City Clerk; John Handeland, Utility Manager; Ken Morton, Assistant Utility Manager; Julie Liew, Finance Director

In the audience: Sandra Medearis; Davis Hovey; Greg Smith; Robin Thomas

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 as presented.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

APPROVAL OF MINUTES

A. February 12, 2018 City Council Regular Meeting Minutes.

A motion was made by C. Brown and seconded by C. M. Johnson to approve the February 12, 2018 Regular Meeting Minutes.

At the roll call:

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

Nay:

Abstain: Andersen

The motion **CARRIED**.

COMMUNICATIONS

- A. Letter of January 23, 2018 from NSEDC to Mayor Beneville re: Growing Our Own Teachers Discretionary Grant Program.
- Councilman Andersen asked why the City of Nome received the notification.
 - Clerk Hammond explained the City was an eligible entity to apply for funding.
 - Councilman Andersen asked if City staff were paying attention to the other funding opportunities with NSEDC.
 - Manager Moran explained that staff was aware and pursuing available funds from other NSEDC programs.

CITIZENS' COMMENTS

- 1) Derek McLarty, Port Commissioner and port user, spoke against increases in the existing port tariff as he believed they would negatively impact port users at a difficult time. Mr. McLarty referenced the Cordova study serving as a guide for changes in the port tariff rates, arguing that study was no longer relevant as none of the presented scenarios have come to pass.
- Councilman Johnson asked if the current compromise proposal was brought forward by the Commission or staff.
 - Mr. McLarty explained the compromise came from port staff, though represented the outcome of work sessions and meetings, with small increases in categories the commission wasn't opposed to and no increases where the commission showed strong opposition.

PLANNING AND ZONING

UNFINISHED BUSINESS

- A. O-18-02-01 An Ordinance Authorizing the Sale of Surplus Property Owned by the City of Nome by Public Sealed Bid, **SECOND READING/PUBLIC HEARING/FINAL PASSAGE.**

The Council recessed into public hearing at 7:07 PM.

The Council reconvened at 7:07 PM.

A motion was made by C. Brown and seconded by C. D. Johnson to adopt O-18-02-01.

Discussion:

- Manager Moran noted that a procedural question had been raised earlier in the day and explained that per Nome Code of Ordinances, O-18-02-01 allowed the City to sell the surplus property provided bids were above the minimum specified in the ordinance.
- Councilman M. Johnson asked if the attorney's opinion referred to O-18-02-01 or R-18-02-03.
- Manager Moran responded that it referred to the latter.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED.**

NEW BUSINESS

- A. O-18-02-02 An Ordinance Adopting the Port of Nome Tariff No. 14 to Replace all Existing Tariffs on the Port of Nome, **FIRST READING/DISCUSSION.**

A motion was made by C. D. Johnson and seconded by C. Brown to advance O-18-02-02.

Discussion:

- Councilman Johnson asked if the Council should kick the tariff back to the Port Commission.
- Manager Moran suggested the Council adopt a zero percent increase in tariff rates rather than sending the ordinance back, noting non-passage would hold the matter up for over a month. He explained the history of the rate study and rate increases over previous years for the Council's edification.
- Councilman Andersen noted the Council should pass the ordinance to second reading and amend as desired at such time. He went on to note that grant money for capital improvements and maintenance has dried up and such projects will sooner or later have to be funded by the tariff.
- Councilman Johnson asked about the issue of boat-to-truck fueling mentioned in the memo, but noted it was not included in the tariff.
- Manager Moran noted the transfer was included by omission in 03.050a and that Port Director Baker would be able to address it at 2nd reading.
- Councilman Johnson asked how procedurally, one would amend the tariff increase to zero percent.
- Manager Moran reminded Councilman Johnson that amendments come at 2nd reading.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED.**

- B. R-18-02-03 A Resolution Awarding the Bids from the February 23, 2018 City of Nome Surplus Real Property Auction.

A motion was made by C Brown and seconded by C. D. Johnson to adopt R-18-02-03.

Discussion:

- Manager Moran outlined the resolution, the supporting documentation, and the attorney's memo addressing the topic.
- Councilman M. Johnson noted the property with one bidder was easy to determine, as the bid was above the minimum required. With respect to the property with two bids, he noted he received some feedback from constituents. Councilman Johnson noted the City hadn't restricted the proposed use of the property and asked if it was public knowledge what high intended to use the property for.
- Manager Moran explained the gentlemen with the high bid said publicly they were seeking to start a commercial marijuana business.

- Councilman Andersen stated that as a public entity, the City of Nome couldn't go back on the process just because someone didn't approve of the proposed use.
- Manager Moran noted such was an apt summary of the City Attorney's memo, explaining that the high bid was responsive and responsible per city code. As code does not define what "responsible" is, interpretation defaults to any other references on the subject in code. Manager Moran noted that the Nome Code of Ordinances explicitly allowed commercial marijuana within city limits.
- Councilman M. Johnson asked if there could be any restrictions placed on the property's use by previous funding sources.
- Councilman Andersen noted any such restrictions go away after a number of years.
- Manager Moran affirmed this, explaining through an example of the tripartite agreement between the City, Nome Community Center and NEST for use of XYZ, which would not have been possible per the original granting conditions.
- Councilman Andersen asked if there were repercussions of turning down the high bid.
- Manager Moran explained the City would likely have to refund the costs of submitting the bid, but the damages would be relatively small. He noted that the City would have to disallow both bids for the property and decide to retain ownership of the property.
- Councilman Brown stated that although he was not in favor of marijuana, he explained the voters legalized the substance in the State of Alaska and that the current discussion reminded him of the city vehicle repair bid several years before. He explained the Council seemed to be looking for excuses not to go with the winning bidder, who was new and less known in town. Councilman Brown felt that debate did not end well and taught him valuable lessons; therefore he would be very uncomfortable rejecting a bid on the basis that he didn't personally approve of the proposed use. He noted that the bid process the City set forth had been followed and stated the City should follow through.
- Councilman Andersen noted that tax payers' funds were maintaining the building.
- Manager Moran estimated around annual expenses were \$20,000 and that once on the tax roll the taxable value was over \$660,000.
- Councilman M. Johnson noted that local residents were pursuing marijuana businesses using private investment. He argued that although he was not in favor of marijuana, he didn't like the City choosing to sell a public building in competition with local enterprise. Councilman Johnson went on to say that it was a sad day for Nome that the City would sell a building that historically provided positive memories for the community's youth for the sale and promotion of marijuana. He stated the Council needed to do what was best for the community as a whole and not chase the almighty dollar.

A motion was made C. M. Johnson to strike #1 from R-18-02-03.

Motion failed for lack of a second.

Returning to the main motion

At the roll call:

Aye: Andersen; Brown; D. Johnson; Martinson

Nay: M. Johnson

Abstain:

The motion **CARRIED**.

- C. R-18-02-04 A Resolution Approving a Contract with Altman, Rogers, & Co. for Audit Services for the Fiscal Year 2018.

A motion was made by C. D. Johnson and seconded by C. Brown to adopt R-18-02-04.

Discussion:

- Manager Moran explained this would be the tenth year the City has retained Altman, Rogers, & Co. for auditing services and that the firm is highly regarded in the industry.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

UTILITY MANAGER'S REPORT

- Utility Manager Handeland presented his verbal report highlighting the recent Utility Board meeting where the budget was passed, as well as several resolutions authorizing the Utility to apply for loan programs, one of which was for refinancing debt with USDA and the other seeking funding for the Bering Street repairs project. He stated the budget ordinance would be included in the March 26th Regular Meeting packet and that there would be no rate increase for the coming year. Manager Handeland explained Nome Joint Utilities was still working through the NSEDC subsidy though they were looking to wrap the paperwork up soon. The Utility recently met with Nome Eskimo Community to update their Long Range Transportation Plan and announced that the Port had been added to the infrastructure list. He updated the Council on acquiring Block 20 of the Airport and noted that the FAA stated they have no record of ever opposing the transfer. Manager Handeland congratulated Mike Morgan of Team #10 on his Iron Dog win and wished Councilman Brown a happy birthday.
 - Councilman Andersen asked how many household participated in the NSEDC program.
 - Manager Handeland estimated the number at 1375.
 - Councilman Johnson asked the line damage from the recent windstorm had been fixed.
 - Manager Handeland explained the minor repairs still needed, though didn't expect any customers to be affected by them.

CITY MANAGER'S REPORT

- A. Legislative Update of February 16, 2018 from AML.
- B. Legislative Update of February 16, 2018 from LCIA.
- C. E-mail of February 23, 2018 from AML Director Kathie Wasserman.
- City Manager Moran gave a verbal update on activities in the second half of February, noting that community revenue sharing appears to be increased by the legislature. He thanked Clerk Hammond for acting as City Manager in his absence and well as the NVAD volunteers for their hard work responding to emergencies in town. He briefed the Council on a Bering Strait Leadership Team meeting, an event hosted by DHSS concerning opioid addiction. He reminded the Council that the LEPC had an upcoming tabletop exercise, the Mayor and Port Director were in Washington DC, the March 12 Regular Meeting was cancelled, there would be a April 5 budget work session and the Port Charrette was planned for April 24 and 25. He

finished by reminding the Council that the Alaska Public Officials Commission would fine them ten dollars per day if they did not turn in their disclosure forms.

- Councilman Johnson thanked the roads crew for all their hard work in clearing snow. He requested that when they graded down to ice in the future to please put down gravel or sand to reduce the slipperiness.

CITIZENS' COMMENTS

- 1) Robin Thomas of 303A West E St spoke on the Port and the sale of the old museum and library. Speaking on the Port Tariff increase, he noted the need for infrastructure improvement, noting the lights could be improved for night approaches and that a laundromat/washeteria was needed at the port. Concerning the sale of the old museum and library, he likened the buyers to "big marijuana" and argued the industry was already over-capitalizing, against the intent of the state. Mr. Thomas explained he was working on his own marijuana retail license and suggested that someone open a daycare across the street to prevent the outsiders from opening up shop.

COUNCILMEN'S COMMENTS

- 1) Councilman D. Johnson – no comments.
- 2) Councilman M. Johnson – no comments.
- 3) Councilman Martinson – no comments.
- 4) Councilman Andersen stated the \$351,000 earned from the sale of the old museum and library should be earmarked for the Anvil City Science Academy bathroom renovations or be invested in other City-owned buildings. He requested that the effort be researched thoroughly to make the best use of the funds. He mentioned the need to address the school roof sooner rather than later, as waiting would result in a more expensive and extensive project. He continued by requesting that a committee be set up from the Museum and Library Commission to guide museum acquisitions using Mielke fund monies and that the Council be kept informed as to what was being purchased. Councilman Andersen clarified which part of the cemetery was being studied through the ground penetrating radar study and requested the Council begin clearly stated their vision for the cemetery expansion project.
 - Manager Moran noted that the legislature might fund the bathroom renovation.

- 5) Councilman Brown - no comments.

MAYOR'S COMMENTS AND REPORT

EXECUTIVE SESSION

- A. Discussion of Possible Personnel Changes for FY19 and Correlating Budgetary Impacts.

A motion was made by C. M. Johnson and seconded by C. Martinson to enter into executive session.

The Common Council entered into executive session at 7:58 PM.


The Common Council reconvened at 8:24 PM.

ADJOURNMENT

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

Hearing no objections, the Nome Common Council adjourned at 8:24 PM.

APPROVED and **SIGNED** this 26th day of March 2018.


RICHARD BENEVILLE
Mayor

ATTEST:


BRYANT HAMMOND
City Clerk