

Mayor
Richard Beneville
Manager
Tom Moran
Clerk
Bryant Hammond



Nome City Council
Stan Andersen
Jerald Brown
Louie Green, Sr.
Mark Johnson
Tom Sparks
Lew Tobin

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**NOME COMMON COUNCIL
WORK SESSION & REGULAR MEETING AGENDA
MONDAY, FEBRUARY 27, 2017 @ 5:30/7:00 PM
COUNCIL CHAMBERS IN CITY HALL**

WORK SESSION, 5:30 PM:

- Discussion of Amending the Codified List of Sales Tax Exceptions & Exemptions,
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REGULAR MEETING, 7:00 PM:

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XIII. MAYOR'S COMMENTS AND REPORT

- A. Activity Report: February 14 – 24,
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XIV. ADJOURNMENT

**MINUTES
NOME CITY COUNCIL
REGULAR MEETING
February 27, 2017**

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

ROLL CALL

Members Present: Stan Andersen; Louie Green; Jerald Brown; Mark Johnson; Tom Sparks; Lew Tobin

Members Absent:

Also Present: Richard Beneville, Mayor; Tom Moran, City Manager; Bryant Hammond, City Clerk; John Handeland, Utility Manager

In the audience: Davis Hovey, KNOM; Sandra Medearis, *Arctic News*; Scot Henderson; Shawn Arnold; David Jones

APPROVAL OF AGENDA

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

A motion was made by C. Sparks and seconded by C. Brown to approve the agenda as presented.

At the roll call:

Aye: Brown; Green; Johnson; Andersen; Tobin; Sparks

Nay:

Abstain:

The motion **CARRIED**.

APPROVAL OF MINUTES

A. January 23, 2017 City Council Regular Meeting Minutes.

A motion was made by C. Sparks and seconded by C. Brown to approve the minutes.

At the roll call:

Aye: Green; Johnson; Andersen; Brown; Sparks; Tobin

Nay:

Abstain:

The motion **CARRIED**.

B. February 9, 2017 City Council Special Meeting Minutes.

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

At the roll call:

Aye: Green; Johnson; Andersen; Brown; Sparks; Tobin

Nay:

Abstain:

The motion **CARRIED**.

COMMUNICATIONS

- A. Letter of January 27, 2017 from Alcohol & Marijuana Control Office to City of Nome re: Polaris Bar License Renewal.
- B. Letter of January 27, 2017 from Alcohol & Marijuana Control Office to City of Nome re: Polaris Liquor Store Licenses Renewal.
- C. Graphite One Press Release of February 16, 2017 re: Memorandum of Understanding signed with Alaska Industrial Development and Export Authority.
- D. Representative Foster Press Release re: HB 115 State Revenue Restructuring Act.

CITIZENS' COMMENTS

- 1) Shawn Arnold of Nome Public Schools updated the Council on recent events concerning the Nome Public Schools' budget, predicting a shortfall in revenue and potentials means of addressing it.
 - Councilman Andersen requested a specific explanation on school funding, detailing the different funding streams, how the multipliers work, the base student allocation, and different rates for students based on location and instructional needs.
 - Councilman Johnson asked why Nome Public Schools was losing students.
 - Superintendent Arnold noted a demographic shift over the past decade of Nome families moving to Anchorage and Village families moving to Nome, suggesting one cause might be the lure of better employment opportunities in a more populous area. He noted the potential for the Nome Youth Facility to close over the next year, which would negatively affect Internet funding.
 - Mayor Beneville asked for clarification on the book controversy of the past week.
 - Superintendent Arnold stated the books were removed from the alternative reading list; however, through board action, they were reinstated at a higher grade.
- 2) Scot Henderson applauded the conversation held on sales tax over the work session preceding the regular meeting and asked that such conversations continue. He noted that the seasonal sales tax constitutes a 2% surcharge on business conducted at the port but was unclear on the effect it would have on business. He warned the policy will impact the smaller businesses with fewer choices than the large businesses the policy was intended to impact.
 - Councilman Tobin asked how the offshore fuel transfers were impacting Port of Nome business.

- Mr. Henderson noted they were not paying any taxes or wharfage, though some vessels certainly had a draft that could enter the Port of Nome. He reiterated a previous request for a cap on fuel taxes that may incentivize transfers within the port facility. He noted the State of Alaska was considering tripling the motor fuel tax.

PLANNING & ZONING

- A. January 3, 2017 Planning Commission Regular Meeting Minutes.
 - Councilman Andersen requested that actions taken by the Planning Commission come before the Council for approval.

UNFINISHED BUSINESS

- A. O-17-01-02 An Ordinance Authorizing the Sale of Surplus Real Property Owned by the City of Nome, to Wit the Old Museum and Library Building on Front Street, **Second Reading/Public Hearing/Final Passage.**

For the purpose of holding a public hearing, the Council recessed at 7:27 PM.

The Council reconvened at 7:28 PM.

A motion was made by C. Andersen and seconded by C. Brown to adopt O-17-01-02.

Discussion

- Councilman Andersen asked what options the City had in proceeding.
- Manager Moran explained the building could be sold for less than assessed value to a non-profit addressing a public need and that a new ordinance would come before the Council. Recognizing there were no bids he asked that the Council approve the Ordinance in support of the staff time and direction in disposing of the property.

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Johnson; Sparks

Nay:

Abstain:

The motion **CARRIED.**

- B. Memorandum of February 10, 2017 from Finance Director to City Council re: FY17 Budget Amendments.
- C. O-17-02-01 An Ordinance to Amend the FY 2017 City of Nome General Fund Municipal Budget, **Second Reading/Public Hearing/Final Passage.**

For the purpose of holding a public hearing, the Council recessed at 7:36 PM.

The Council reconvened at 7:36 PM.

A motion was made by C. Tobin and seconded by C. Brown to adopt O-17-02-01.

Discussion:

- Councilman Andersen requested Manager Moran to repeat on the record that the position was unbenefited, questioning why the line item was so high.
- Manager Moran affirmed the position was unbenefited and that the amount in the salary and benefits lines are formulaic, adding he couldn't explain it as well as the Finance Director, who was not present.
- Councilman Johnson asked if the fund balance appropriation figure in Director Liew's memo included anticipated additional revenue from May and June sales tax.

A motion was made by C. Andersen and seconded by C. Tobin to amend O-17-02-01 by increasing total revenue for the General Fund from \$10,623,781.00 to \$12,360,937.74; to amend the total expenditure of the General Fund from \$10,761,719.00 to \$11,424,775.07; to reflect a surplus/savings of \$936,159.67 to be appropriated into the fund balance.

A motion to amend the amendment was made by C. Brown and seconded by C. Andersen to increase the total revenue for the General Fund by \$300,000 to reflect the May and June sales tax increase, thereby reflecting a total revenue of \$12,660,937.74 and a savings/surplus of \$1,236,159.67 to be appropriated into the fund balance.

At the roll call:

Aye: Andersen; Brown; Green; Johnson; Sparks

Nay: Tobin

Abstain:

The motion to amend **CARRIED**.

Returning to the main amendment:

At the roll call:

Aye: Sparks; Tobin; Andersen; Brown; Green; Johnson;

Nay:

Abstain:

The motion to amend **CARRIED**.

Returning to the main motion:

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Johnson; Sparks

Nay:

Abstain:

The motion **CARRIED**.

- D. O-17-02-02 An Ordinance to Amend the FY 2017 City of Nome School Debt Service Fund Budget, **Second Reading/Public Hearing/Final Passage**.

For the purpose of holding a public hearing, the Council recessed at 7:52 PM.

The Council reconvened at 7:52 PM.

A motion was made by C. Andersen and seconded by C. Tobin to adopt O-17-02-02.

Discussion:

- Councilman Andersen requested Director Liew report on the net amount of school reimbursement during the upcoming budget meetings, citing potential pool maintenance.

At the roll call:

Aye: Green; Johnson; Sparks; Tobin; Andersen; Brown;

Nay:

Abstain:

The motion **CARRIED**.

- E. O-17-02-03 An Ordinance to Amend the FY 2017 City of Nome Special Revenue Fund Budget, **Second Reading/Public Hearing/Final Passage**.

For the purpose of holding a public hearing, the Council recessed at 7:56 PM.

The Council reconvened at 7:56 PM.

A motion was made by C. Tobin and seconded by C. Sparks to adopt O-17-02-03.

At the roll call:

Aye: Johnson; Sparks; Tobin; Andersen; Brown; Green;

Nay:

Abstain:

The motion **CARRIED**.

- F. O-17-02-04 An Ordinance to Amend the FY 2017 City of Nome Capital Projects Fund Budget, **Second Reading/Public Hearing/Final Passage**.

For the purpose of holding a public hearing, the Council recessed at 7:57 PM.

The Council reconvened at 7:58 PM.

A motion was made by C. Sparks and seconded by C. Tobin to adopt O-17-02-04.

Discussion:

- Councilman Brown asked if the City was giving \$300,000 in grant funding back to the Rasmuson Foundation.
- Manager Moran suggested the figure was a carryover to FY18.
- Councilman Brown asked Manager Moran to get clarity from Director Liew.

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Johnson; Sparks

Nay:

Abstain:

The motion **CARRIED**.

- G. O-17-02-05 An Ordinance to Amend the FY 2017 City of Nome Construction Capital Projects Fund Budget, **Second Reading/Public Hearing/Final Passage.**

For the purpose of holding a public hearing, the Council recessed at 8:01 PM.

The Council reconvened at 8:02 PM.

A motion was made by C. Sparks and seconded by C. Tobin to adopt O-17-02-05.

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Johnson; Sparks

Nay:

Abstain:

The motion **CARRIED**.

- H. O-17-02-06 An Ordinance to Amend the FY 2017 City of Nome Port of Nome Fund Budget, **Second Reading/Public Hearing/Final Passage.**

For the purpose of holding a public hearing, the Council recessed at 8:03 PM.

The Council reconvened at 8:03 PM.

A motion was made by C. Tobin and seconded by C. Andersen to adopt O-17-02-06.

Discussion:

- Port Director Baker explained the changes in revenue and highlighted minor changes in expenditure.

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Johnson; Sparks
Nay:
Abstain:

The motion **CARRIED**.

- I. O-17-02-07 An Ordinance to Amend the FY 2017 City of Nome Port of Nome Capital Projects Fund Budget, **Second Reading/Public Hearing/Final Passage**.

For the purpose of holding a public hearing, the Council recessed at 8:08 PM.

The Council reconvened at 8:09 PM.

A motion was made by C. Tobin and seconded by C. Brown to adopt O-17-02-07.

A motion to amend was made by C. Tobin and seconded by C. Brown to increase the total revenue for the Port of Nome Capital Projects Fund from \$1,550,000.00 to \$8,192,038.71 and to increase the total expenditure of the Port of Nome Capital Projects Fund from \$1,595,000.00 to \$8,259,328.86, resulting in an increase in the transfer from the Port Operating Fund of \$45,000.00 to \$67,290.15.

Discussion:

- Councilman Johnson asked Director Baker to clarify the change in transfer and whether the Port Commission had approved the budget amendment.
- Director Baker explained the change in transfer trued up the City of Nome cost share of the FEMA grant and that the Port Commission typically doesn't review midyear budget amendments.

At the roll call:

Aye: Green; Johnson; Sparks; Tobin; Andersen; Brown
Nay:
Abstain:

The motion to amend **CARRIED**.

Returning to the main motion:

At the roll call:

Aye: Brown; Green; Johnson; Sparks; Tobin; Andersen
Nay:
Abstain:

The motion **CARRIED**.

NEW BUSINESS

- A. O-17-03-01 An Ordinance Adopting the Port of Nome Tariff No. 13 to Replace All Existing Tariffs of the Port of Nome, **First Reading/Discussion.**

A motion was made by C. Andersen and seconded by C. Brown to advance O-17-03-01.

Discussion:

- Councilman Sparks asked about the origin of the vessel price changes.
- Director Baker explained the changes reflected a fairer and more even matrix of increasing costs. She noted a decrease in Port revenue in the 52' to 62' class.
- Councilman Johnson thanked the Port Commission for forwarding a no increase tariff.
- Councilman Brown noted the cash flow of \$275,000 and asked how depreciation figured in.
- Director Baker noted the current year's depreciation at \$1,400,000.
- Councilman Brown noted the eventual need for infrastructure replacement, refereeing the 2013 Port Tariff Study's recommendation for a rate increase to cover such costs.

At the roll call:

Aye: Johnson; Sparks; Tobin; Andersen; Brown; Green

Nay:

Abstain:

The motion **CARRIED.**

- B. Memorandum of February 9, 2017 from Utility Manager to City Council re: Union Contract Negotiations.
- C. R-17-02-02 A Resolution Approving the Labor Agreement Between Nome Joint Utility System and the International Brotherhood of Electrical Workers Local 1547 Through December 31, 2019.

A motion was made by C. Andersen and seconded by C. Tobin to adopt R-17-02-02.

Discussion:

- Councilman Andersen asked for clarification on the full price of the contract including overtime.
- Utility Manager Handeland explained the contracts' benefits and how they related to overtime.
- Councilman Sparks asked how the sick leave cash out benefited the Utility.
- Manager Handeland explained the policy reduced a current liability for the Utility.
- Councilman Johnson asked if the ability to cash out sick leave originated locally.
- Manager Handeland explained it was part of the collective bargaining agreement.

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Johnson; Sparks

Nay:

Abstain:

The motion **CARRIED**.

- D. R-17-02-03 A Resolution Approving the Labor Agreement Between Nome Joint Utility System and the International Union of Operating Engineers Local 302 Through December 31, 2019.

A motion was made by C. Sparks and seconded by C. Tobin to adopt R-17-02-03.

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Johnson; Sparks

Nay:

Abstain:

The motion **CARRIED**.

- E. R-17-02-04 A Resolution Approving the Labor Agreement Between Nome Joint Utility System and the Alaska Public Employees Association (APEA/AFT) Through December 31, 2019.

A motion was made by C. Sparks and seconded by C. Tobin to adopt R-17-02-04.

At the roll call:

Aye: Tobin; Brown; Green; Johnson; Sparks

Nay: Andersen

Abstain:

The motion **CARRIED**.

- F. R-17-02-05 A Resolution Awarding the Bids from the City of Nome's February 9, 2017 Unclaimed, Forfeited, and Abandoned Vehicle Auction.

A motion was made by C. Sparks and seconded by C. Brown to adopt R-17-02-05.

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Johnson; Sparks

Nay:

Abstain:

The motion **CARRIED**.

- G. R-17-02-06 A Resolution Awarding the Thornbush Site Development and Snake River Dredging Phase II Project Bid to Q Trucking Garage.

A motion was made by C. Andersen and seconded by C. Tobin to adopt R-17-02-06.

Discussion:

- Councilman Johnson declared a conflict of interest, as Q Trucking is one of his clients.
- Mayor Beneville accepted the declaration.

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Sparks

Nay:

Abstain: Johnson

The motion **CARRIED**.

- H. R-17-02-07 A Resolution Awarding the Middle Dock Concrete Ramp Extension, as a Contract Amendment, to Orion Marine Contractors, Inc.

A motion was made by C. Tobin and seconded by C. Sparks to adopt R-17-02-07.

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Johnson; Sparks

Nay:

Abstain:

The motion **CARRIED**.

- I. R-17-02-09 A Resolution Approving a Memorandum of Understanding with James West as Chief of the Nome Volunteer Fire Department.

A motion was made by C. Tobin and seconded by C. Andersen to adopt R-17-02-09.

At the roll call:

Aye: Tobin; Andersen; Brown; Green; Johnson; Sparks

Nay:

Abstain:

The motion **CARRIED**.

UTILITY MANAGER'S REPORT

- Utility Manager Handeland presented his verbal report, thanking the Council for adopting the labor agreement resolutions. Key points included:
 - A draft of the water / sewer master plan update will be forthcoming in May.
 - Department of Environmental Conservation applications have been submitted.
 - Still waiting on a response from the Air Force concerning their former Port property's impacts on the surround lots.
 - Councilmen Andersen and Johnson requested an analysis of the cost savings in combining the City and Utility Finance Departments as well as Public Works and Water / Sewer crews.

CITY MANAGER'S REPORT

- Manager Moran presented his written report.
 - Councilman Andersen requested City staff wait until summer before bringing in structural engineers to evaluate the Aviation Museum building.
 - Councilman Andersen requested statistics on inebriation issues on Front Street in terms of local residents versus out-of-towners. He asked if probationers who violate conditions could be returned to their home community.
 - Councilman Tobin asked for an update on whether the Legislature had cut vocational training funding.

CITIZENS' COMMENTS

N/A

COUNCILMEN'S COMMENTS

- 1) Councilman Green asked for an update on the 2011 – 2014 Foreclosure proceedings and if the City maintained a delinquent tax list.
 - Manager Moran gave an update on the timeline of the proceedings, tax delinquencies, and the Clerk's efforts in ensuring homeowners understand their responsibilities and options.
- 2) Councilman Sparks expressed his desire to see the Nome Eskimo Community low income housing proposal again.
- 3) Councilman Johnson also expressed a desire to continue looking at the project and stated the low income housing would be a good addition to the tax roll if qualified.
- 4) Councilman Tobin announced the Nome National Forest is up again and that the crew from Bering Sea Gold would be in town on March 1st for their 7th season.
- 5) Councilman Andersen didn't think the housing would go on the tax roll. He requested a quote for sewer / water expansion.
 - Manager Moran referred him to the memo Manager Handeland prepared for the work session with Nome Eskimo Community in December.
- 6) Councilman Brown – no comments.

MAYOR'S COMMENTS AND REPORT

- Mayor Beneville briefed the Council on his recent travels advocating for a Deep Draft Port in Nome. He felt there is a new positive feeling in moving forward. Mayor Beneville thanked Crystal Cruise Lines and the Silver Seas Discoverer for their developing relationship with the community of Nome. He noted Sitnasuak Native Cooperation as being a great partner in working with the City of Nome.

ADJOURNMENT

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

Hearing no objections, the Nome Common Council adjourned at 9:58 PM.

APPROVED and SIGNED this 27th day of March, 2017.



RICHARD BENEVILLE
Mayor

ATTEST:



BRYANT HAMMOND
City Clerk