

**MINUTES
NOME CITY COUNCIL
REGULAR MEETING
October 24, 2016**

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; Lew Tobin; Jerald Brown; Matt Culley; Tom Sparks (telephonic)

Members Absent:

Also Present: Tom Moran, City Manager; Bryant Hammond City Clerk; John Handeland, NJUS Manager

In the audience: Tyler Stup, KNOM; Sandra Medearis; Shawn Arnold, Nome Public Schools; Robert Hafner; Chuck Wheeler

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. Culley to approve the agenda as presented.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

APPROVAL OF MINUTES

A. October 10, 2016 City Council Regular Meeting Minutes.

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

At the roll call:

Aye: Green; Tobin; Andersen; Brown; Culley

Nay: Sparks

Abstain:

The motion **CARRIED**.

COMMUNICATIONS

- A. Letter of September 30, 2016 from State Assessor to City of Nome re: 2016 Full Value Determination.
- Councilman Andersen noted a historical increase.
 - Councilman Brown noted the mandatory school contribution was 2.65 mills.
- B. Letter of September 30, 2016 from Northern Bering Sea Regional Aquaculture Association to City of Nome re: Nomination for Board Representation.
- Councilman Andersen stated he could no longer serve.
 - Mayor Beneville volunteered to serve.

A motion was made by C. Tobin and seconded by C. Andersen to nominate Mayor Beneville to represent Nome on the Northern Bering Sea Regional Aquaculture Association.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- C. Letter of October 7, 2016 from Mayor De Blasio to Mayor Beneville re: Northwest Passage.
- D. Notice of October 9, 2016 re: Fire Prevention Week of 2016.
- Councilman Tobin noted that smoke alarms needed periodic replacement.
- E. Email of October 13, 2016 from Alaska Housing Finance Corporation to City of Nome re: Energy Efficiency Kickstarter.
- F. Letter of October 20, 2016 from Austin Ahmasuk to City of Nome re: Dust Control.
- Manager Moran stated the City and AK DOT&PF were working on the issue.
 - Councilman Culley suggested the streets get paved.
 - Councilman Andersen requested an action plan for all the streets.
- G. Letter of October 20, 2016 from Governor Walker to Secretary Darcy re: Arctic Deep Draft Port Study.
- Councilman Andersen stated his disdain for the letter, asking why the State of Alaska would fund a study for the Port of Nome and turn around and expand the scope of the study without adequately increasing the funding for the study.
- H. Notice from AML to City of Nome re: Newly Elected Officials Training and Annual Conference: November 14 – 18, 2016 in Anchorage.

CITIZENS' COMMENTS

- 1) Chuck Wheeler complained the letters he submitted past the Thursday deadline were not in the Council Packet. He read each to the Council. The first outlined the need for a

washeteria in Nome, suggesting a private should address the issue. The second suggested revenue alternatives to the sales tax increase that passed by ballot proposition on October 4th, noting the low voter turnout.

PLANNING AND ZONING

A. August 30, 2016 Planning Commission Rescheduled Regular Meeting Minutes.

UNFINISHED BUSINESS

A. O-16-10-08 An Ordinance Amending Chapter 17.10 of the Nome Code of Ordinances to Adjust the Application Deadline for Sales Tax Exemption, **SECOND READING/PUBLIC HEARING/FINAL PASSAGE.**

For the purpose of holding a public hearing, the Council recessed at 7:26 PM.

The Council Reconvened at 7:27 PM.

A motion was made by C. Andersen and seconded by C. Tobin to adopt O-16-10-08.

Discussion

- Councilman Andersen asked if the State and Federal agencies that were automatically granted exemption filed applications for sales tax exemption and if the Feds and the State get mailed cards.
- Manager Moran stated those with an automatic exemption don't always file but everyone gets an exemption card.
- Councilman Andersen asked if Alaska Legal Services was a State Agency.
- Clerk Hammond explained it was a 501c(3) non-profit.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED.**

B. O-16-10-09 An Ordinance Amending Chapter 17.10 of the Nome Code of Ordinances to Institute an Increased Seasonal Sales Tax as Approved by the Voters, **SECOND READING/PUBLIC HEARING/FINAL PASSAGE.**

For the purpose of holding a public hearing, the Council recessed at 7:29 PM.

Discussion

- Chuck Wheeler stated the voters were hoodwinked and that the City of Nome doesn't need the revenue. He noted that people are building outside of Nome, yet using City facilities. He suggested raising the bed tax and/or taxing rental units.

- Robert Hafner argued that Nome did not have the Tourism that Skagway has and the rise in sales tax will drive business out of town.

The Council Reconvened at 7:35 PM.

A motion was made by C. Tobin and seconded by C. Andersen to adopt O-16-10-09.

Discussion:

- Councilman Andersen noted Finance Director Liew's forecast of \$700,000 in increased revenue.
- Councilman Culley stated his dislike of taxes in general, but noted that a sales tax is akin to a user fee, unlike a property tax. He disagreed with Mr. Wheeler that the voters were hoodwinked and stated that his vote would follow the will of the voters. He suggested the revenue to put towards deferred revenue or the Nome Preschool, which both discussed as needing funding in recent meetings.
- Councilman Tobin reminded the Council that they can't just approve the democracy they agree with. He did however suggest a compromise.

A motion was made by C. Tobin to exempt heating fuel from the seasonal sales tax increase.

The motion **FAILED**.

- Manager Moran noted the voters passed the proposition and suggested the Council see what happens over the next few years. He reminded the Council that sales tax spreads the tax burden across the entire population, rather than just the property owners.
- Councilman Sparks was happy the voters backed the City, giving it some flexibility in providing services.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

NEW BUSINESS

- A. O-16-11-01 An Ordinance Approving an Amendment to Nome Joint Utility System's Water and Sewer Tariff No. 3, Making Changes to Rate Schedules A and B, **FIRST READING/DISCUSSION.**

A motion was made by C. Andersen and seconded by C. Tobin to advance O-16-11-01.

Discussion

- Councilman Tobin noted the sewer system's larger share of expenses.

- Utility Manager Handeland explained more infrastructure was involved and that sewer lines were more expensive to maintain.
- Councilman Andersen noted that the increase still does not cover the true costs.
- Manager Handeland noted the stairstep increases, mitigating the impact of the necessary rate hikes, but stated the need to revisit the rate study. He did note that Nome was competitive with Anchorage.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- B. R-16-10-04 A Resolution Opposing the Ban on Customary and Traditional Use of Legally Acquired Domestic Walrus, Mastodon and Mammoth Ivory.

A motion was made by C. Brown and seconded by C. Tobin to adopt R-16-10-04.

Discussion:

- Councilmen Tobin and Brown suggested the wording be amended to more precisely target individual states.
- Councilman Andersen didn't think anyone would notice.

A motion to amend was made by C. Brown and C. Tobin to excise the phrase "in the U.S." throughout the resolution.

At the roll call:

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

Nay:

Abstain:

The motion to amend **CARRIED**.

Returning to the main motion

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**

- C. R-16-10-05 A Resolution Supporting Full Funding (\$18,160,055) for the State of Alaska Harbor Facility Grant Program in the FY2018 State Capital Budget.

A motion was made by C. Andersen and seconded by C. Tobin to adopt R-16-10-05.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- D. R-16-10-06 A Resolution Awarding the City of Nome and Nome Public Schools Fuel Bids for #1 Heating Fuel, Vehicle Diesel Fuel, Equipment Fuel and Unleaded Gasoline to Bonanza Fuel, Inc.

A motion was made by C. Andersen and seconded by C. Brown to adopt R-16-10-06.

Discussion

- Councilman Tobin asked why there was only once bidder.
- Manager Moran gave several potential explanations.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**

CITY ATTORNEY'S REPORT

N/A

UTILITY MANAGER'S REPORT

- Utility Manager Handeland presented a written report, noting that an evaluator was delayed due to the incoming storm and an extra lineman was hired for last minute projects.
 - Councilman Andersen requested a report on the wind the Entregity windmills and a plan on what the City/Utility will do if there is no money from the State for the Bering Street project .
 - Mayor Beneville asked about the power poles by Rock Creek.
 - Manager Handeland noted that East End poles will be addressed first, and then Snake River area.

CITY MANAGER'S REPORT

- Manager Moran noted highlights in his written report, explained a potential delay in the Quintillion project, noted the November 14th meeting was canceled, and that auditors and Don Young would be in town the following week.
 - Councilman Tobin inquired about the Search and Rescue for Joseph Balderas.
 - Manager Moran explained there would be no further City of Nome sponsored searching.

- Councilman Andersen requested a report on the NSHC-NVAD status of payments and invoices.

CITIZENS' COMMENTS

- 1) Chuck Wheeler stated that the Deep Draft Port Study was in the national interest, not Nome's interest.

COUNCILMEN'S COMMENTS

- 1) Councilman Andersen – no comments.
- 2) Councilman Brown – no comments.
- 3) Councilman Culley – no comments.
- 4) Councilman Green – no comments.
- 5) Councilman Sparks asked about the City of Nome's Search and Rescue policy, noting that the recent search for Joseph Balderas raised questions. He asked if the City was ready to commit such resources for everyone that goes missing.
- 6) Councilman Tobin wanted a status update on marijuana sales in Nome.
 - Manager Moran gave a brief status update on the Nome-based license applications.

MAYOR'S REPORT

- Mayor Beneville described the recent search efforts for Mr. Balderas as well-done. He thanked Public Works for their efforts. He gave an update on the State Chamber of Commerce meeting in Kenai and asked citizens to remember to vote in the upcoming Municipal and General elections.
- Mayor Beneville Reappointed John Odden to the Planning Commission.

A motion was made by C. Andersen and seconded by C. Tobin to confirm Mr. Odden's appointment.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

EXECUTIVE SESSION

N/A

ADJOURNMENT

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

Hearing no objections, the Nome Common Council adjourned at 8:33 PM.

APPROVED and **SIGNED** this 28th day of October, 2016.



STAN ANDERSEN
Acting Mayor

ATTEST:



BRYANT HAMMOND
City Clerk