

**Mayor**  
Richard Beneville  
**Manager**  
Thomas Moran  
**Clerk**  
Bryant Hammond



**Nome City Council**  
Stan Andersen  
Jerald Brown  
Matt Culley  
Louie Green, Sr.  
Tom Sparks  
Lew Tobin

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**NOME CITY COUNCIL  
WORK SESSION & REGULAR MEETING  
MONDAY, JUNE 13, 2016 @ 6:30/7:00 PM  
COUNCIL CHAMBERS**

**WORK SESSION, 6:30 PM:**

- Discussion with USCG re: Seasonal Operations in the Region

**REGULAR MEETING, 7:00 PM:**

**I. ROLL CALL**

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- B. O-16-06-02 An Ordinance to Establish, Approve and Adopt the FY 2017 City of Nome School Debt Service Fund Budget,  
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- C. O-16-06-03 An Ordinance to Establish, Approve and Adopt the FY 2017 City of Nome Special Revenue Fund Budget,  
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**VERBAL**

## X. CITY MANAGER'S REPORT

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XIII. MAYOR'S COMMENTS AND REPORT

- A. Activity Report: May 24 – June 10, 2016,  
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- B. Planning Commission Seat “A” Appointment  
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XIV. EXECUTIVE SESSION

- A. Discussion of Potential Sale of Surplus City Property,  
**VERBAL**
- B. Discussion of Potential Personnel and Related Contract Issues,  
**VERBAL**

XV. ADJOURNMENT

**MINUTES  
NOME CITY COUNCIL  
REGULAR MEETING  
June 13, 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; Jerald Brown; Matt Culley; Louie Green; Tom Sparks; Lew Tobin

Members Absent:

Also Present: Richard Beneville, Mayor; Tom Moran, City Manager; Bryant Hammond, City Clerk; John Handeland, NJUS Manager; Julie Liew, Finance Director; John Papasodora, NPD Chief

In the audience: Margaret DeMaioribus, KNOM; Sandra Medearis, Arctic News; Andrew Lee; Deb Trowbridge; Amy Chan; Julia Farris

**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; Culley; Green; Andersen; Sparks; Tobin

Nay:

Abstain:

The motion **CARRIED**.

**APPROVAL OF MINUTES**

A. May 23, 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; Culley; Brown; Andersen; Tobin

Nay: Sparks

Abstain:

The motion **CARRIED**.

## COMMUNICATIONS

- A. Letter of May 11, 2016 from NSHC to City Council re: Request to Waive Failure to Meet Application Deadline for Sales Tax Exemption.

A motion was made by C. Andersen and seconded by C. Green to waive NSHC's failure to apply for exemption from sales tax in a timely manner and grant a sales tax exemption for 2016.

A motion to amend was made by C. Culley and seconded by C. Tobin to grant a ½ year exemption, covering January 1 through June 30, 2016.

### Discussion:

- Councilman Andersen stated NSHC normally receives an exemption and should not be penalized because someone forgot to file.
- Councilman Culley recapped debate from the May 23<sup>rd</sup> meeting, stating applicants must be held accountable.
- Councilman Tobin stated the Council set a precedent in the matter with the Lutheran Church.
- Councilman Sparks agreed the Council should be consistent but asked for an explanation on the dates.
- Finance Director Liew explained that NSHC has not been paying sales tax and dates would require less administrative work of staff and vendors.

At the roll call:

Aye: Brown; Culley; Green; Tobin; Sparks

Nay: Andersen

Abstain:

The motion to amend **CARRIED**.

Returning to the main motion:

At the roll call:

Aye: Brown; Culley; Green; Tobin; Sparks

Nay: Andersen

Abstain:

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

- B. Complaint Report of May 26, 2016 from Pearl Johnson re: Fines for Littering.

- Councilman Tobin asked about penalties for littering.
- Chief Papasodora explained that Alaska Statute allows for two fines, though the act must be witnessed. He has seen no fines given during his tenure in Nome.
- Councilman Culley stated it was tough to enforce and improvement is a slow process.
- Councilman Tobin noted Rotary Club and Mary Reader pick up trash regularly.

- C. Complaint Report of May 27, 2016 from Pearl Johnson re: Public Restrooms.

- D. Press Release of June 9, 2016 from Gold Leaf Placer, LLC re: Acquisition of Placer Marine Holdings Corp.
- Mayor Beneville asked Andrew Lee of Gold Leaf Placer to elaborate.
  - Mr. Lee explained the goals of the company, which now owns 56% of the 2011 offshore leases. He expects 26 jobs to be created as a result of their plans.
  - Councilman Andersen requested a larger version of the map Mr. Lee provided with the mean high water mark notated.
- E. Article by Costas Paris Entitled "Luxury Cruise to Conquest Northwest Passage."

### **CITIZENS' COMMENTS**

- 1) Kenny Hughes spoke for the Nome Chamber of Commerce regarding the NSHC sales tax exemption decision. He stated the decision was bad for business in Nome and will result in a loss of jobs. He suggested a modification of the ordinance. Mr. Hughes thanked the City for recent efforts at dust control.
  - Manager Moran explained that annual application protected the City from changes in tax exempt status.
  - Councilman Culley reiterated that the exemptions are free money and require accountability of the applicants.
- 2) Deb Trowbridge thanked the Council for their ongoing discussion of early childhood education funding for Kawerak HeadStart. She noted the funding is currently in the Governor's budget, though he has not yet signed it. She noted that \$90,000 would guarantee one position and \$150,000 would guarantee two positions.
  - Councilman Tobin asked if it was easier to put these funds in the budget or to take them out.
  - Councilman Andersen stated that it was too expensive to fund as requested.
- 3) John Handeland called this year's clean up a success and thanked the Girl Scouts and the community for their efforts. He noted the Midnight Sun Festival was around the corner and gave a synopsis of planned events.
- 4) Rodney Jones complained about a representative of the City of Nome approaching him regarding moving vehicles for Quintillion trenching project. He explained he was moving vehicles but still got ticketed. Overall, he felt the City representative showed little tact.
  - Councilman Andersen referred him to the City's complaint process.
  - Councilman Culley encouraged Mr. Jones to put it in writing.

### **PLANNING AND ZONING**

N/A

### **UNFINISHED BUSINESS**

- A. O-16-06-01 An Ordinance to Establish, Approve and Adopt the FY 2017 City of Nome General Fund Municipal Budget and Exercising the Power to Assess and Authorizing the Levy of a General Property Tax, **Second Reading/Public Hearing/Final Passage.**

For the purpose of holding a public hearing, the Council recessed at 7:43 PM.

The Council reconvened at 7:43 PM.

A motion was made by C. Andersen and seconded by C. Culley to adopt O-16-06-01.

A motion to amend was made by C. Andersen and seconded by C. Green to maintain a rate of 11 mills for property tax, thereby decreasing revenue by \$291,354; to decrease expenditures by \$291,354 by deferring major purchases and building replacement costs and re-adjusting utilities costs based on current prices; and, to amend the total FY17 General Fund budget from \$11,053,073 to \$10,760,953.

Discussion:

- Councilman Culley stated he would not support the amendment, explaining it made the budget too tight and didn't put enough into savings.
- Councilman Brown asked what cuts were made.
- Finance Director Liew explained the figures in her memo.
- Councilman Brown suggested Manager Moran complete the LED lighting upgrade at the Rec Center by using funds from a different line item, stating it would pay for itself within the year.
- Councilman Andersen requested a plan for addressing deferred maintenance in City owned buildings.

C. Andersen called the question and moved to end debate.

At the roll call:

Aye: Brown; Culley; Tobin; Sparks; Andersen

Nay: Green

Abstain:

The motion **CARRIED**.

On the amendment:

At the roll call:

Aye: Andersen; Green; Tobin; Sparks

Nay: Brown; Culley

Abstain:

The motion **CARRIED**.

Returning to the main motion:

A motion to amend was made by C. Brown and seconded by C. Culley to appropriate \$40,000 to the Nome Preschool Association.

Discussion:

- Councilman Andersen suggested waiting and that the two preschools develop a plan.
- Councilman Sparks suggested waiting to see if the Governor signs the budget.
- Councilman Brown clarified the appropriation was not dependent on the budget being signed by the Governor.

At the roll call:

Aye: Brown; Culley;

Nay: Andersen; Green; Sparks; Tobin

Abstain:

The motion **FAILED**.

Returning to the main motion:

A motion to amend was made by C. Brown and seconded by C. Culley to increase revenue by \$250,000 to reflect the sale of City-owned property to be determined at a future date.

Discussion:

- Following discussion, the Council decided to wait.

The motion to amend was withdrawn by C. Brown without objection.

Returning to the main motion:

At the roll call:

Aye: Brown; Green; Tobin; Sparks; Andersen

Nay: Culley

Abstain:

The motion **CARRIED**.

- B. O-16-06-02 An Ordinance to Establish, Approve and Adopt 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 8:26 PM.

The Council reconvened at 8:26 PM.

A motion was made by C. Andersen and seconded by C. Brown to adopt O-16-06-02.



At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- C. O-16-06-03 An Ordinance to Establish, Approve and Adopt 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 8:28 PM.

The Council reconvened at 8:28 PM.

A motion was made by C. Andersen and seconded by C. Brown to adopt O-16-06-03.

A motion to amend was made by C. Brown and seconded by C. Culley to appropriate \$40,000 from NSEDC Community Benefit Share fund for the Nome Preschool Association.

Discussion:

- Manager Moran clarified that this would be contingent upon receiving NSEDC CBS funding.
- Councilman Culley contended the Council would still have to vote on the matter when discussing the NSEDC funding in January 2017.
- Councilman Brown stated the amendment shows intent.

At the roll call:

Aye: Brown; Culley; Green; Beneville

Nay: Andersen; Sparks; Tobin

Abstain:

The motion to amend **CARRIED**.

Returning to the main motion:

At the roll call:

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

Nay:

Abstain:

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

- D. O-16-06-04 An Ordinance to Establish, Approve and Adopt the FY 2017 City of Nome Capital Projects Fund Budget, **Second Reading/Public Hearing/Final Passage**.

For the purpose of holding a public a hearing, the Council recessed at 8:34 PM.

The Council reconvened at 8:34 PM.

A motion was made by C. Tobin and seconded by C. Andersen to adopt O-16-06-04.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- E. O-16-06-05 An Ordinance to Establish, Approve and Adopt the FY 2017 City of Nome Construction Capital Projects Fund Budget, **Second Reading/Public Hearing/Final Passage**.

For the purpose of holding a public a hearing, the Council recessed at 8:35 PM.

The Council reconvened at 8:35 PM.

A motion was made by C. Brown and seconded by C. Andersen to adopt O-16-06-05.

Discussion:

- Councilman Brown asked where the \$20,000 was coming from.
- Finance Director Liew stated the School Debt Service Fund.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- F. O-16-06-06 An Ordinance to Establish, Approve and Adopt the FY 2017 City of Nome Port of Nome Fund Budget, **Second Reading/Public Hearing/Final Passage**.

For the purpose of holding a public a hearing, the Council recessed at 8:37 PM.

The Council reconvened at 8:37 PM.

A motion was made by C. Sparks and seconded by C. Brown to adopt O-16-06-06.

Discussion:

- Councilman Brown noted that the Hooper Bay project was accounted for.
- Councilman Andersen noted the Inner Harbor was not paying for itself.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- G. O-16-06-07 An Ordinance to Establish, Approve and Adopt 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 a hearing, the Council recessed at 8:40 PM.

The Council reconvened at 8:40 PM.

A motion was made by C. Sparks and seconded by C. Brown to adopt O-16-06-07.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- H. R-16-05-03 A Resolution Setting the City of Nome Mill Rate for 2016.

A motion was made by C. Andersen and seconded by C. Brown to adopt R-16-05-03.

A motion to amend was made by C. Andersen and seconded by C. Green to decrease the mill rate from 12 to 11.

At the roll call:

Aye: Andersen; Culley; Green; Tobin; Sparks

Nay: Brown

Abstain:

The motion to amend **CARRIED**.

Returning to the main motion:

At the roll call:

Aye: Andersen; Green; Tobin; Sparks

Nay: Brown; Culley

Abstain:

The motion **CARRIED**.

### **NEW BUSINESS**

N/A

### **CITY ATTORNEY'S REPORT**

N/A

### **UTILITY MANAGER'S REPORT**

- Utility Manager Handeland explained that 2.2 million gallons were en route to Nome with an expected arrival between the 20<sup>th</sup> and the 25<sup>th</sup> of July. The Utility should know the pricing by the end of June.
- A special meeting will be required on July 1<sup>st</sup> at noon for the bond resolution to finance the fuel purchase.
- The wind turbine repair is ongoing. The contractor is expected to arrive on July 5<sup>th</sup> and the process will take about 15 days.

### **CITY MANAGER'S REPORT**

- Manager Moran presented his report as included in the packet.
  - Councilman Tobin asked why the seawall was not built higher.
  - Manager Moran clarified that the contractors performed emergency repairs only at certain points that were failing, not the entire wall.
  - Councilman Andersen asked about progress on the municipal campground.
  - Manager Moran gave a recap on goals and work to date, explaining the intended audience was backpackers from abroad as well as miners.
  - Councilman Brown requested "No dogs / pets" signs be placed in Anvil City Square.

### **CITIZENS' COMMENTS**

- 1) Amy Chan commended the building maintenance department on helping the Museum move. To date, 400 boxes had been moved, including the Cape Nome Recording District books.
  - Councilman Andersen wanted to know if the City could sell the old museum building.
- 2) Ken Hughes agreed with Councilman Culley regarding early childhood education funding, explaining the State of Alaska missed the boat on spending efficiency. He also agreed with Councilman Andersen's request for a long term plan on how to incorporate the preschool and HeadStart into the local budget, noting the spending will pay off in the future. Mr. Hughes requested a commitment from the City Council on increasing opportunity for people to travel to Nome and mine the beaches.
  - Councilman Brown suggested private industry take up Mr. Hughes' suggestion.
  - Mayor Beneville agreed, stating the Chamber of Commerce might be interested.

### **COUNCILMEN'S COMMENTS**

- 1) Councilman Brown requested a work session on additional revenue sources such as excise taxes, a seasonal sales tax, and property sales.
  - Manager Moran noted staff were preparing for a ballot proposition during the 2016 election.
- 2) Councilman Culley suggested a soda excise tax. He asked what was being planned for the Crystal Serenity's arrival. He suggested a community BBQ explaining a good impression to the passengers on that particular cruise will go a long way.
- 3) Councilman Green asked how long the cruise ship will be in Nome and what other US ports she will be calling at.
  - Manager Moran explained the ship will be in town for about 12 hours and will be finishing its voyage in New York.
- 4) Councilman Sparks explained he couldn't vote for the preschool funding because it was still in the budget on the Governor's desk. He also requested a work session on additional sources of revenue so that the City did not always rely on property owners. He complimented the compaction work at the Richard Foster Building.
- 5) Councilman Tobin stated the Richard Foster Building is looking nice. He noted it was nice to have the City Clerk back in town and wished Councilman Andersen a happy belated birthday.
- 6) Councilman Andersen thanked Manager Moran and Finance Director Julie for their work on the budget. He framed quality of life in terms of money in the voters' pockets rather than increased City services. He cited several City facilities currently losing money and suggested the City hire a planner / grant writer to seek other sources of funding. He noted the potential loss in money if the State cuts the Permanent Fund: 9,000 people getting \$1,000 less each amounts to \$9,000,000 less cash coming into the Bering Strait Region.

### **MAYOR'S REPORT**

- Mayor Beneville noted that a good education, fire and police protection also amounted to quality of life.
- He thanked Manager Moran and staff for the White Alice picnic and stated that the City was going to miss Glenn Jones' deft management of the landfill.
- Mayor Beneville reappointed Robert Cahoon to the Planning Commission.

A motion was made by C. Andersen and seconded by C. Culley to confirm the Mayor's appointment.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- Mayor Beneville reappointed Doug Johnson to the Port Commission.

A motion was made by C. Andersen and seconded by C. Sparks to confirm the Mayor's appointment.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

### **EXECUTIVE SESSION**

A motion was made by C. Tobin and seconded by C. Sparks enter into executive session to discuss the potential sale of City property and personnel and related contract issues.

The Council recessed at 9:37 PM.

The Council reconvened at 10:23 PM.

### **ADJOURNMENT**

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

Hearing no objections, the Nome Common Council adjourned at 10:23 PM.

**APPROVED** and **SIGNED** this 27<sup>th</sup> day of June, 2016.

  
**RICHARD BENEVILLE**  
Mayor

**ATTEST:**

  
**BRYANT HAMMOND**  
City Clerk