

**MINUTES  
NOME CITY COUNCIL  
REGULAR MEETING  
March 28, 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: Louie Green; Matt Culley; Jerald Brown; Lew Tobin

Members Absent: Stan Andersen (excused); Tom Sparks (excused)

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

In the audience: Emily Russell, KNOM; Sandra Medearis; Charlie Lean; Kent Runion; Shawn Arnold; Sara Lizak; Adem Boeckman; Eric Osborn; Julia Farris; Bill Howell, Jr.; Pat Johanson; Robert Hafner; Mark Johnson; Mitch Erickson

**APPROVAL OF AGENDA**

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

A motion was made by C. Tobin and seconded by C. Green to approve the agenda as presented.

At the roll call:

Aye: Green; Culley; Brown; Tobin

Nay:

Abstain:

The motion **CARRIED**.

**APPROVAL OF MINUTES**

A. February 22, 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; Tobin

Nay:

Abstain:

The motion **CARRIED**.

B. March 2, 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; Culley; Brown; Tobin

Nay:

Abstain:

The motion **CARRIED**.

**COMMUNICATIONS**

- A. Arctic Sounder Article of February 19, 2016 entitled: Senator Olson outlines Arctic priorities for 2016.
- B. Letter of February 11, 2016 from Special Agent Fike to Manager Moran re: Chief Papasodora,
  - Councilman Tobin praised the Chief.
  - Councilman Culley stated the training referenced was a great training and praised the Chief for bringing it to Nome.
- C. Email of February 23, 2016 from Manager Moran to Senate Labor and Commerce Committee re: Testimony on Governor's Proposed Income Tax.
- D. Alaska Dispatch News Article of February 24, 2016 entitled: Where do Alaska cities and towns stand on commercial marijuana?
  - Councilman Tobin noted the quote about Nome as being strange.
  - Councilman Culley noted our ordinance merely mimicked our alcohol ordinances.
- E. Letter of February 25, 2016 from Pastor Sonray to Nome City Council re: Tax Exemption Application for Retail Sales.
  - Councilman Tobin stated they shouldn't miss out because of a simple error.
  - Councilman Culley disagreed, stating that organizations receiving tax breaks should be cognizant of deadlines.
  - Councilman Brown recognized that if the letter were resubmitted at a different time, it might receive a better audience.
- F. Public Notice of March 2, 2016 re: Nome Gold Alaska Corporation's Permit Application for Commercial Production of Gold at the Monroeville Mining Project.
  - Councilman Tobin asked if action was needed.
  - Councilman Culley stated the City of Nome can submit comments if desired.
- G. Newsletter of March 7, 2016 from FEMA to region 10 re: Reclaiming Nome's West Beach.
- H. Thank You Note from Nome Preschool Association to City of Nome re: Preschool Auction Support.
  - Councilman Tobin asked how the City supported the auction.

- Manager Moran stated the City donated merchandise to be auctioned off.
- I. Thank You Note from Julia Farris to Manager Moran re: Supporting NCC's Finish It Alaska Campaign.
    - Manager Moran noted the campaign was the same that put the small silhouettes on the lawn in front of Old St. Joe's to demonstrate the number of people that die from tobacco products.
  - J. Notification of March 8, 2016 from State of Alaska Division of Homeland Security and Emergency Management to Port of Nome, re: Alaska Tsunami Warning System Test.
    - Councilman Tobin noted the date was wrong for the anniversary as the 1964 earthquake occurred on March 27<sup>th</sup>.

### CITIZENS' COMMENTS

- 1) Charlie Lean, with respect to the last communication, explained that the Cape Nome village site was destroyed by a tsunami in the early 1800s and that there is risk for Nome in the event of an earthquake on the north side of the Aleutians. He went on to speak in support of the 10% increase in Port Tariff fees, explaining that building up the Port account's reserves would allow for maintenance without City having to raise the mill rate, sales tax, or set emergency tariff increases.
- 2) Adem Boeckman spoke against the Port Tariff Increase, suggesting the City put NSEDC's Community Benefits Shares, rather than special interest projects proposed to the Council annually. He argued such use would be of more equitable benefit to Nome's youth than the current system. A raise in the Port Tariff, he maintained, would affect prices throughout town. With respect to new Port products, Mr. Boeckman suggested the Port target those who use them with increase fees.
  - Mayor Beneville asked Mr. Boeckman how long he had been using the port.
  - Twenty years; Mr. Boeckman complimented the Port, though he said all users don't use all features.
  - Councilman Tobin asked who paid for the fishermen's docks.
  - Mr. Boeckman stated NSEDC did.
- 3) Sara Lizak spoke in support of the vacant properties ordinance that would be coming before the Council in April, arguing that vacant properties and flophouses decrease the property values of nearby and adjacent homes. She spoke to negative public health aspects of vacant properties as well. The vacant properties ordinance would require registration and maintenance. Ms. Lizak spoke to three issues concerning pets: PAWS is working to bring a veterinarian to Nome on contract; she asked for the Council's support on changing pet owners habits on cleaning up after their pets; and, she spoke in favor of the animal control officer resolution coming before the Council in April.
  - Councilman Brown asked if the vacant properties ordinance would address housing shortages in Nome.
  - Ms. Lizak stated there is a program called "vacant places into vibrant spaces" that might provide grant funding for cleaning up neighborhoods.
  - Councilman Culley noted that a volunteer vet with Iditarod was interested in working with Nome.
  - Manager Moran stated that discussions with another vet from Oregon were in progress.
  - Ms. Lizak stated that an M.O.A. would be helpful.

- Mayor Beneville asked for bullet points on what she had in mind.
  - Councilman Culley agreed with Ms. Lizak concerning the removal of pet feces; however, acknowledged the issue as one of personal accountability.
- 4) Robert Hafner agreed with Ms. Lizak on the removal of pet feces. He went on to speak against the increase in Port fees, stating such action would increase prices across town at a time when businesses were already struggling.
  - 5) Mark Johnson spoke against the proposed 10% Tariff increase. He acknowledged the need for a rainy day fund, yet felt there were different avenues of building one. He suggested balancing the Port budget by cutting expenses before attempting to raise revenues through across-the-board fee increases. He suggested outsiders, such as cruise ship companies, be subject to increased fees before local residents are.
    - Councilman Tobin conjectured that barge activity is subsidizing a lot of the other activities at present.
  - 6) Bill Howell spoke against the proposed 10% Tariff increase, arguing that businesses in Nome are struggling. He agreed with the need to build a reserve fund, though asked the City to "look at other buckets first." From his own experience, Mr. Howell was already cutting costs, such as turning on his pizza oven later in the morning, running fewer compressors and grills, and installing LEDs. He suggested the City of Nome and the Port do the same.
  - 7) John Handeland thanked the City and Community of Nome for another successful Iditarod, stating it was a positive time. He specifically thanked Julia Farris for her efforts coordinating the banquet and other events and Mitch Erickson for his efforts in reviving the Nome National Forest. Mr. Handeland solemnly informed the Council that former City Clerk, Robert F Scott had passed.
    - Manager Moran stated he would look into sending flowers to the family.
  - 8) Eric Osborn stated that increasing the Port Tariff was not the way the Port should balance its revenues and expenses. He suggested the formation of a Port Authority to isolate the community from financial liability.

The Council recessed at 8:04 PM.

The Council reconvened at 8:11 PM.

#### **PLANNING AND ZONING**

N/A

#### **UNFINISHED BUSINESS**

- A. O-16-03-01 An Ordinance Adopting the Port of Nome Tariff No. 12 to Replace All Existing Tariffs of the Port of Nome, **SECOND READING/PUBLIC HEARING/FINAL PASSAGE.**

For the purpose of holding a public hearing, the Council recessed at 8:12 PM.

#### Discussion:

- Manager Moran stated that Commissioner Lean, through his two terms of experience on the Port Commission, has a solid understanding of what it needs to run the Port. He urged the Council to consider an increase in the Tariff, even if they decided not to adopt the proposed 10%. At the very least, the new language in the Tariff needed to be passed so that notice could be given to Port users.
- Councilman Green asked if insurance would cover any emergency costs.
- Manager Moran replied it might, but referred to the length of time elapsed in the Cape Nome Jetty example, where the City has been working with FEMA for five years to bring the facility back to pre-storm condition.
- Councilman Green stated that damage could occur and the Port would still function. Slush funds have a habit of disappearing.
- Finance Director Liew corrected Councilman Green, stating the discussion was focused on “reserves” and that the City did not have a “slush fund.” Director Liew went on to explain that the previous reserves didn’t “disappear” but were spent down as match for grant funded projects and port expansion. She noted the seawall as presently needing repair.
- Councilman Tobin asked why the seawall, among other facilities, was grouped into the Port.
- Manager Moran explained management of the Port and related facilities developed that way.
- Port Director Baker explained that all uplands, the causeway, and the small boat harbor were all revenue generating infrastructure. Answering Councilman Greens comment, Ms. Baker stated she would hope FEMA would step up in the case of catastrophic damage to one of the cells in the outer harbor, though cited a case where an \$80,000 fuel line valve failed. If several failed, the Port would have to seek funds from the City of Nome to transfer fuel. Prior to 2008, the Port was putting away savings. Afterwards, the savings were used to leverage a greater amount of grant funds than would otherwise have been possible.
- Commissioner Lean emphasized that without reserves, the Port is unable to take advantage of grant opportunities. Additionally, reserves are needed for long-term maintenance: he stated that the seawall was constructed in 1950 and had a 50-year expected lifespan; the dock faces in the outer harbor were also 25 years into a 50 year expected lifespan.
- Councilman Culley asked why the Port Commission authorized the spending of reserves, knowing a major piece of infrastructure was past its expected lifespan; he suggested this was poor management.
- Commissioner Lean explained that the reserve fund would not have covered a catastrophic failure of the seawall.
- Councilman Culley admitted he didn’t closely examine the Port budget, but trusted the Port Commission to do so. He stated that perhaps the Port’s eyes and britches got too big for its own good over the past several years. Even with a 10% increase in fees and 10% decrease in expenses, the Port has spent its savings.
- Councilman Brown agreed that the present situation should have been foreseen in 2013 when Northern Economics advised a rate increase. Port users and residents were upset over the recommendation then, so the Port Commission and Council decided on incremental 5% increases over several years. He emphasized that the Port needed to pay for itself, explaining the increase in fees would be painful but necessary.
- Councilman Tobin noted that the previous two years played a large role in draining the savings.
- Councilman Brown noted the land acquisition as being a major expense.
- Mark Johnson asked if the 2013 study went line by line through the budget.

- Manager Moran referred Mr. Johnson to the Analytical Findings section stating the study examined the revenues and expenses line by line.

The Council reconvened at 8:45 PM.

A motion was made C. Brown and seconded by C. Culley to adopt O-16-03-01.

Discussion:

- Councilman Culley noted the need for increased revenues but stated that he couldn't condone bad behavior. Either way, the City of Nome would be financially responsible for the situation that arises.
- Councilman Tobin suggested a compromise of a 5% Tariff increase.
- Councilman Brown stated he could support that, to have a valid Tariff; however, not increasing the rates by 10% would be a mistake. The 5% increase would send a message to Port management to consider other options. In the event that something does occur, the financial burden will be placed on the taxpayer.
- Councilman Tobin admitted that the Port Commission and the Council had backed themselves into a corner.
- Mayor Beneville asked those present to not lose sight of the Port's future.

A motion was made by C. Tobin and seconded by C. Culley to amend the Tariff to a 5% increase in fees.

At the roll call:

Aye: Tobin

Nay: Brown; Culley; Green

Abstain:

The motion **FAILED**.

A motion was made by C. Green and seconded by C. Culley to amend the Tariff to a 0% increase in fees.

At the roll call:

Aye: Brown; Culley; Green; Tobin

Nay:

Abstain:

The motion **CARRIED**.

Returning to the main motion:

At the roll call:

Aye: Brown; Culley; Green; Tobin

Nay:

Abstain:

The motion **CARRIED**.

B. O-16-03-02 An Ordinance Authorizing the Purchase and Lease of Real Property by the City of Nome from Sitnasuak Native Corporation by Property Exchange Agreement, **SECOND READING/PUBLIC HEARING/FINAL PASSAGE.**

For the purpose of holding a public hearing, the Council recessed at 8:55 PM.

Discussion:

- Manager Moran explained that the White Alice Site was the last of 31 sites in Alaska and that 20 years of work had gone into the land ordinance presently before the Council. He referred the Council to the DEC notification of clean-up completion, explained the property would not result in significant change to the City's insurance premium, noted the perpetual easement on the access roads, and emphasized the tourist value of the site. Manager Moran noted other City-owned properties outside the corporate boundaries of Nome, stating that owning White Alice would not be novel.
- Councilman Tobin clarified that the property in question did not include Anvil Rock, but asked if the access road on the north side of the property was included.
- John Handeland stated the north access road was also covered by the perpetual easement. He explained that the property was expected to be conveyed to the City of Nome since the 1980s, but noted that Sitnasuak got involved. There were several unsuccessful attempts at resolution on the issue of conveyance.
- Councilman Culley stated the City of Nome tried to buy the site, though Sitnasuak jerked the City around. He argued that saving White Alice shouldn't be the City's responsibility; Sitnasuak needed to answer to its shareholders that want the site preserved.
- Manager Moran explained that the Air Force was offering to demo the site for free and the Sitnasuak Board of Directors had already expressed its intention to return the land to its pre-White Alice state.
- Councilman Green asked if any maintenance requirements would come to the City if the ordinance were passed.
- John Handeland stated the easements have been in place since 12/31/96 and have yet to result in maintenance requirements. If the ordinance is not passed, they would become easements to nowhere.
- Charlie Lean noted they were public easements.
- Mayor Beneville spoke in favor of ordinance passage, stating it would be preserving landmarks that were part of the history of the community.
- Robert Hafner noted the site, which was indicative of tense relations with the Soviets, was close to the T-Hangar, which was reminiscent of friendly relations.
- Councilman Culley stated he like the site and wanted to see it preserved, but maintained it was not the time for the City to pay for the site.
- Mark Johnson noted the property up for trade was not on the tax rolls and that five years following the passage of the ordinance it would be.
- Councilman Culley noted the property up for trade was prime real estate and being released far below market value.
- Sara Lizak stated the City had a good relationship with Sitnasuak and it was the City's responsibility to preserve its history. Failing the ordinance would do a disservice to both the City and Sitnasuak.
- Councilman Culley strongly disagreed.

The Council reconvened at 9:18 PM.

A motion was made by C. Green and seconded by C. Tobin to table O-16-03-02 until the April 11, 2016 Regular City Council Meeting.

At the roll call:

Aye: Brown; Culley; Green; Tobin

Nay:

Abstain:

The motion **CARRIED**.

### **NEW BUSINESS**

A. R-16-03-01 A Resolution Setting the Dates for the 2016 Board of Equalization.

A motion was made by C. Culley and seconded by C. Brown to approve R-16-03-01.

At the roll call:

Aye: Green; Tobin; Brown; Culley

Nay:

Abstain:

The motion **CARRIED**.

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

N/A

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

- Utility Manager Handeland stated March had been an uneventful month and would answer any questions.

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

- Manager Moran referred the Council to his written report and asked if there were any questions.
  - Councilman Brown asked if the terms behind the ordinance were approved by Sitnasuak.
  - Manager Moran explained the land committee had approved them and would be recommending approval to the full board in late April.
  - Councilman Brown stated he believe they were meeting on April 18.

### **CITIZENS' COMMENTS**

N/A



### COUNCILMEN'S COMMENTS

- 1) Councilman Brown – no comment
- 2) Councilman Culley – no comment.
- 3) Councilman Green – no comment.
- 4) Councilman Tobin remarked that Iditarod was great this year. He was sorry to hear that Robert Scott passed. He noted the open Pumper Truck bid for the Nome Volunteer Fire Department, and emphasized the necessity of acquiring such a vehicle. With regards to the current State fiscal climate, he hoped the State of Alaska was able to show more fortitude than the City Council had with the Port.

### MAYOR'S REPORT

- Mayor Beneville noted how pleased he was, after 28 Iditarods, to have attended the start. He was honored to have personally greeted 26 teams to Nome.
- Mayor Beneville thanked Mitch Erickson for his efforts at setting up the Nome National Forest and John Handeland for the Widow's Lamp on the Arch.
- Mayor Beneville appointed Mark Johnson to the Port Commission.

A motion was made by C. Green and seconded by C. Tobin to approve the appointment.

At the roll call:

Aye: Green; Tobin; Brown; Culley

Nay:

Abstain:

The motion **CARRIED**.

### EXECUTIVE SESSION

A motion was made by C. Green and seconded by C. Tobin to enter into executive session for Manager Moran's six-month performance review.

The Council recessed at 9:28 PM.

The Council reconvened at 9:49 PM.

### ADJOURNMENT

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

Hearing no objections, the Nome Common Council adjourned at 9:49 PM.

**APPROVED and SIGNED** this 11<sup>th</sup> day of April, 2016.

  
**RICHARD BENEVILLE**  
**Mayor**

**ATTEST:**



**THOMAS MORAN**  
**City Manager**