The Special Meeting of the Nome Port Commission was called to order at 7:06 pm (delayed) by Chairman West at the City Hall Council Chambers.

ROLL CALL
Members Present: Smithhisler; Lean (phone); West; McCann; Rowe; Sheffield (phone); McLarty

Also Present: Joy Baker, Port Director (phone); Glenn Steckman, City Manager; Lucas Stotts, Harbormaster;

In the audience: Scot Henderson

APPROVAL OF AGENDA
Chairman West asked for a motion to approve the agenda:

Motion to approve made by McLarty, seconded by Smithhisler.

At the Roll Call:
Ayes: Lean; West; McCann; Rowe; Sheffield; McLarty; Smithhisler
Nays:
Abstain:

The motion CARRIED.

CITIZENS’ COMMENTS
None

OLD BUSINESS
- Revisions to Port of Nome Tariff No. 16.1
- Annual CPI Adjustment Graduated scale for Rock/Sand/Gravel Wharfage Rates

Chairman West asked for a motion:

Motion:
Moved by McCann, seconded by McLarty;

Approval of revisions and rates as presented in Port Tariff No. 16.1, as amended, and recommending Nome Common Council adopt these revisions, replacing all existing tariffs.
Discussion continued from the earlier work session on an alternate rate structure posed by staff that would limit the largest volume to a rate equal to 60% of the base rate as opposed to 50% in last work session. Further discussion ensued on the balance of maximizing revenue streams versus attracting more gravel export business. The group eventually reached a consensus, and were prepared to vote.

Staff made an inquiry to the Chair about the presence of a potential conflict of interest, and whether the Chair should recuse. A member mentioned that Commissioner Smithhisler may also have a conflict.

Discussion was held on the handling of conflicts, chairman rulings and challenges, based on input from the City attorney during previous work session.

Chairman West disagreed he had a conflict, but disclosed that his business does sell/haul/load rock products that are exported at the Port of Nome. Chairman West passed meeting control to Vice-Chair Lean for a ruling on the presence of a conflict in West voting on revised gravel rates.

Vice-chair Lean stated he understands Commissioners were selected and appointed by the Mayor because of our varied and diverse experience and interests. He added, this came up last summer, but at that time, West had already been awarded a specific project, which is why the decision was put off until the next annual tariff revision, which we are doing now.

Lean added that unlike that time, this is a general item of discussion as we are not talking about any specific project, so the ruling is that Chairman West does not have a conflict of interest in voting on gravel rates in this tariff revision.

Prior to the vote; Commissioner Sheffield stated a challenge to the ruling by the Vice-Chair, indicating she disagreed with the process underway and felt the Chair should not vote on the scaled gravel rates, due to the perceived conflicts with his gravel business by the public.

The motion (challenge) FAILED due to no second.

Motion:
The following motion was made by Commissioner Lean and seconded by Commissioner Rowe:

Recommend amending the proposed gravel rate scale presented in salmon color block, eliminating the last category of 400,001 tons and over, leaving the last category as 300,001 tons and over at 55% discount of the new base rate.

Discussion:

- Commissioner McLarty stated that we had discussed this at the last PC meeting and he felt we were already in agreement on the salmon color block rates and suggests that we leave those rates with all rate sections and not removed the 400,001 and over rate @ a 50% discount.
- Commissioner Rowe commented that rates laid out at the previous meeting were not agreed upon by all and that some commissioners felt a 45% discount was too steep and should be revisited, which we are doing now. Rowe feels that Lean’s motion may be a happy medium for all as it provides a higher discount for the larger gravel volume per project, but also caps the discount at 55%.
- Commissioner McLarty agreed that a 50% discount was a good break but feels, the 400,001 and over rate @ a 50% discount would attract larger loads in the future.
- Commissioner Lean commented that the revenue required to manage and maintain the port and look at the development we currently are is substantial and that gravel wharfage charges are a large portion of the Ports annual revenue. Lean added that gravel companies are still getting a significant break @ 55% but above all else, we need to maintain our Port. Stated that we have several items coming up in the future that the Port is going to have to pay for and we need to keep rates at the front of our mind as we move forward.
• Commissioner McCann stated that he was crunching numbers and @ 55% for 800,000 tons, there is a max of $88k in funds difference between that and the 50% rates. The differences are minimal, but would support either option.

• McLarty stated that at 50% we are still above Seward’s current gravel rate of $1.00/ton.

At the Roll Call:
Ayes: Lean; West; McCann; Rowe
Nays: Sheffield; McLarty
Abstain: Smithhisler

The motion CARRIED.

Back to Commissioner McCann’s original motion, with second by McLarty;

Motion:
Approval of revisions and rates presented in Port of Nome Tariff No. 16.1, as amended, recommending the Nome Common Council adopt all revisions, replacing all previously existing tariffs.

At the Roll Call:
Ayes: McCann; Rowe; Sheffield; McLarty; Smithhisler; Lean; West
Nays:
Abstain:

The motion CARRIED.

ADJOURNMENT
Motion was made by McLarty, seconded by Smithhisler for adjournment at 7:34pm.

APPROVED and SIGNED this 17th day of February 2022.

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Jim West, Chairman

ATTEST:

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Joy Baker, Port Director