

**MINUTES  
NOME CITY COUNCIL  
REGULAR MEETING  
December 8, 2014**

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

**ROLL CALL**

Members Present: Stan Andersen; Jerald Brown; Matt Culley; Louie Green; Randy Pomeranz; Tom Sparks

Members Absent: Denise Michels, Mayor (excused)

Also Present: John Handeland, Utility Manager; Joy Baker, Port Projects Director (telephonically); John Papasodora, Police Chief; Julie Liew, Finance Director; Josie Bahnke, City Manager; Tom Moran, City Clerk

In the audience: Matt Smith, KNOM; Sandra Medearis, *Arctic News*; Jay Wieler; Victor Olsen; Pat Johanson; Jim Hickerson; Joe Horton; Barb Nickels; Julia Farris; Melissa Ford; Doug Doherty; Nathan Barron; William Gray; Ken Hughes; Chuck Wheeler

**APPROVAL OF AGENDA**

Councilman Pomeranz asked if there were any changes to the agenda.

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

Discussion:

- Councilman Sparks asked if the aircraft ordinance could be removed from the agenda because the Council hadn't been given enough information.
- Councilman Andersen said that the union contracts should be removed because they didn't specify how the 2% increase would be funded.
- Councilman Culley agreed, saying that the NJUS contracts required an immediate \$300,000 in retroactive pay.

A motion was made by C. Andersen and seconded by C. Green to remove R-14-12-04, R-14-12-05, R-14-12-06 and R-14-12-07 from the agenda.

Discussion on the amendment:

- Manager Bahnke said that the City contract would cost \$450,000 over its three-year duration.
- Councilman Andersen said that he needed a plan from both the City and NJUS.
- Councilman Brown asked if a delay in the vote would cause any difficulty.

- Manager Bahnke noted that the deal was given the go-ahead in the last meeting's executive session.
- Councilman Andersen said that he was never given a spreadsheet showing every employee's bottom line cost, including benefits.
- Manager Bahnke said that it had been provided during FY15 budget talks.
- Councilman Culley noted that the State's contract was for only 4.5% over three years, not 6% like the City proposal.
- Manager Bahnke pointed out that State employees also received other benefits that the City did not offer.
- Councilman Andersen said that if the contract was good now, it would be good the following week. He reiterated his desire to see each employee's bottom line cost.
- Councilman Culley said that the contract was fair, but needed a leave accrual cap.
- Manager Bahnke said that it was the same contract as the one that was passed in 2012.
- Mr. Handeland said that full copies of the contracts had been left with the Clerk, but only individual pages showing the changes from the previous contract had been printed in the meeting packet.
- Councilman Andersen said that his requests for NJUS figures had gone unfulfilled for nearly five years.
- Councilman Culley said that overtime numbers were his sticking point on the NJUS contracts.
- Mr. Handeland said that using projections, the new contracts would cost \$62,000 in 2015.
- Councilman Andersen asked for an explanation of where that number came from. He said that he wouldn't vote in favor of any of the contracts at that particular meeting.

At the roll call on the amendment:

Aye: Green; Andersen; Culley

Nay: Pomeranz; Sparks; Brown

Abstain:

The motion to amend **FAILED**.

Returning to discussion on the main motion:

At the roll call on the main motion:

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

Nay:

Abstain:

The main motion **CARRIED**.

### **APPROVAL OF MINUTES**

A. November 10, 2014 City Council Regular Meeting Minutes were presented for approval.

A motion was made by C. Pomeranz and seconded by C. Green to approve the minutes.

Discussion:

- Councilman Brown asked why the most recent minutes weren't on the agenda.

- The City Clerk said that he was behind on minutes due to the influx of special meetings over the past month.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

### **COMMUNICATIONS**

- A. Letter of November 25, 2014 from Mike Wade to City Council re: Taxation of Aircraft.
- B. Letter of November 26, 2014 from Tony Gorn to City Council re: Taxation of Aircraft.
- C. Letter of December 4, 2014 from NSEDC to Mayor Michels re: Community Holiday Dinner.
  - Manager Bahnke said that traditionally, the funds were passed on to the Nome Community Center to hold a Christmas lunch for community elders at the XYZ Senior Center.

A motion was made by C. Andersen and seconded by C. Brown that the funds be donated to the XYZ Senior Center.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- D. Public Notice re: Conditional Use Hearing for AT&T Communications Tower at 105 Front Street.
  - Councilman Green said that a 150' structure should have more than 150' clearance as a fall radius.
  - Councilman Culley said that the blueprints couldn't be drawn illegally, so they must have met applicable codes and had appropriate approval.
  - Councilman Pomeranz said that the FAA had already granted a permit.
  - Councilman Andersen encouraged everyone to attend the conditional use hearing at the following night's Planning Commission meeting.

### **CITIZENS' COMMENTS**

- 1) Melissa Ford noted that a number of city lots that had recently been put out to bid went unsold. She encouraged City Administrators to engage her services as a realtor.
- 2) John Handeland spoke to address the recent epidemic of illicit drug usage in town. He urged the Council to add drug awareness to its list of State and Federal priorities.

- 3) Chief Papasodora urged the Council to approve the union contract. He said that the negotiating team had agreed on the contract while being fully aware of the fiscal climate. He said that the Council should support its negotiating team.
- 4) Jim Hickerson spoke on behalf of RAVN Air. He asked that the Council table the ordinance on abolishing the aircraft tax exemption until all stakeholders had a chance to discuss the ramifications. He said that the industry needed to know what the impact would be and January 1<sup>st</sup> was right around the corner.
  - Councilman Andersen asked if an additional resolution would be needed to determine the method of taxation.
  - The City Clerk said that the proposed ordinance would simply eliminate the exemption, causing aircraft taxation to default to the method used for all other personal property.
  - Councilman Green asked who would assess the aircraft.
  - The City Clerk said that it was a system of self-reporting.
  - Councilman Culley said that the method could be altered in the future.
  - Councilman Pomeranz said that he'd like to have a work session with the aviation community before addressing the ordinance.

### **PLANNING AND ZONING**

- A. October 14, 2014 Planning Commission Regular Meeting Minutes.

### **UNFINISHED BUSINESS**

- A. O-14-11-02 An Ordinance Amending Chapter 17.20 of the Nome Code of Ordinances to Repeal Property Tax Exemptions for Aircraft, **Second Reading/Public Hearing/Final Passage.**

A motion was made by C. Brown and seconded by C. Culley to approve O-14-11-02.

For the purpose of holding a public hearing, the Council recessed at 7:33 PM.

- Councilman Sparks asked if the ordinance could be amended.
- Councilman Culley answered in the negative.
- Jay Wieler said that instead of increasing property tax, the Council should raise the sales tax.
- Jim Hickerson warned that Nome could become a rural hub if the aircraft tax proved prohibitively expensive.
- Councilman Andersen said the answer was simple: don't have planes in Nome on January 1<sup>st</sup>.
- Manager Bahnke suggested tabling the ordinance until the Mayor and City Attorney were available.
- Councilman Culley said that tabling would be irrelevant, as the ordinance would still need another first and second reading.
- Ken Hughes said that regardless of whether it was tabled or defeated, the ordinance could be revived if public notice requirements were met. He went on to urge the Council to stop

worrying about revenue and switch gears to encouraging business growth and an improvement in quality of life.

The Council reconvened at 7:40 PM.

Discussion:

- Councilman Sparks said that he'd need to see an approach that differentiated between commercial aviation and recreation aviation.
- Councilman Green agreed.
- Councilman Culley said that the current proposal was for a flat tax. He said that the Council could consider the information provided by the City Clerk and alter the structure at a later date.
- Councilman Brown said that he'd like to see three categories: personal aircraft, small business aircraft, and jet service. He said that the differentiation could be done by weight.
- Councilman Pomeranz suggested voting down the ordinance and then bring a new one forward in 2015.

At the roll call:

Ayes:

Nays: Sparks; Andersen; Brown; Culley; Green; Pomeranz

Abstain:

The motion **FAILED**.

### **NEW BUSINESS**

- A. R-14-12-01 A Resolution Endorsing Projects and Position Statements for the City of Nome 2015 State Legislative Priorities.

A motion was made by C. Brown and seconded by C. Andersen to approve R-14-12-01.

Discussion:

A motion was made by C. Brown and seconded by C. Culley to amend the resolution by adding "Priority 6) Drug Awareness, Education and Treatment."

Discussion on the amendment:

At the roll call on the amendment:

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

Nay:

Abstain:

The motion to amend **CARRIED**.

Returning to discussion on the main motion:

At the roll call on the main motion:

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

Nay:

Abstain:

The main motion **CARRIED**.

- B. R-14-12-02 A Resolution Endorsing Projects and Position Statements for the City of Nome 2015 Federal Legislative Priorities.

A motion was made by C. Brown and seconded by C. Andersen to approve R-14-12-01.

Discussion:

- Councilman Andersen noted that the Defense Bill had passed in the House. He asked if Nome was actually going to receive the West Nome Tank Farm property.
- Manager Bahnke replied in the affirmative.

A motion was made by C. Brown and seconded by C. Pomeranz to amend the resolution by adding "Drug Awareness, Education and Treatment" to the community infrastructure items.

Discussion on the amendment:

At the roll call on the amendment:

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

Nay:

Abstain:

The motion to amend **CARRIED**.

Returning to discussion on the main motion:

At the roll call on the main motion:

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

Nay:

Abstain:

The main motion **CARRIED**.

- C. R-14-12-03 A Resolution Awarding the Bids from the December 4, 2014 City of Nome Surplus Real Property Auction.

A motion was made by C. Brown and seconded by C. Pomeranz to approve R-14-12-03.

Discussion:

- As Bering Straits Native Corporation was a losing bidder for some of the lots, Councilman Brown disclosed a possible conflict of interest.
- Councilman Pomeranz ruled that as he was not the winning bidder, the conflict would only arise if he voted to not award the winning bids.

At the roll call:

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

Nay:

Abstain:

The motion **CARRIED**.

- D. R-14-12-04 A Resolution Approving the Labor Agreement Between Nome Joint Utility System and the Alaska Public Employees Association (APEA/AFT) Through December 31, 2016.

A motion was made by C. Pomeranz and seconded by C. Brown to approve R-14-12-04.

Discussion:

- Councilman Andersen said that he would be voting no.
- Councilman Brown said that the union workers shouldn't be held hostage because management didn't provide adequate documentation. He noted that the City Manager and the Utility Manager were told to move forward in executive session.
- Councilman Andersen reiterated that he'd need to know how the contracts were going to be funded.
- Councilman Culley said that he didn't believe NJUS's number of \$62,000 for 2015.
- Councilman Pomeranz agreed with Councilman Brown, saying that the numbers had already been presented to the Council.
- Councilman Culley reiterated the need for hard numbers and explanations to back them up.
- Councilman Pomeranz said that they could be provided after the fact.
- Councilman Brown noted that the negotiations had concluded, so the point was almost moot.
- Councilman Culley said that the negotiation teams could be reconvened.
- Councilman Sparks said that the items being requested by his colleagues could've been requested before the negotiating process had come to a close.
- Councilman Culley said that the item should be tabled.

At the roll call:

Aye: Sparks; Brown; Pomeranz

Nay: Andersen; Culley; Green

Abstain:

The motion **FAILED**.

- E. R-14-12-05 A Resolution Approving the Labor Agreement Between Nome Joint Utility System and the International Union of Operating Engineers Local 302 Through December 31, 2016.

A motion was made by C. Pomeranz and seconded by C. Brown to approve R-14-12-05.

Discussion:

- Councilman Culley said that it was better to table the contracts than it was to fail them.
- Councilman Green agreed.

A motion was made by C. Culley and seconded by C. Andersen to table the agenda item.

At the roll call:

Aye: Culley; Green; Pomeranz; Andersen

Nay: Sparks; Brown

Abstain:

The agenda item was **TABLED**.

A motion was made by C. Culley and seconded by C. Pomeranz to reconsider R-14-12-04.

At the roll call:

Aye: Green; Pomeranz; Andersen; Brown; Culley

Nay: Sparks

Abstain:

The motion to reconsider **CARRIED**.

**CONTINUED: R-14-12-04 A Resolution Approving the Labor Agreement Between Nome Joint Utility System and the Alaska Public Employees Association (APEA/AFT) Through December 31, 2016.**

A motion was made by C. Culley and seconded by C. Andersen to table the agenda item.

Aye: Pomeranz; Andersen; Brown; Culley; Green

Nay: Sparks

Abstain:

The agenda item was **TABLED**.

F. R-14-12-06 A Resolution Approving the Labor Agreement Between Nome Joint Utility System and the International Brotherhood of Electrical Workers Local 1547 Through December 31, 2016.

A motion was made by C. Pomeranz and seconded by C. Andersen to approve R-14-12-06.

Discussion:



A motion was made by C. Culley and seconded by C. Andersen to table the agenda item.

Aye: Andersen; Brown; Culley; Green; Pomeranz

Nay: Sparks

Abstain:

The agenda item was **TABLED**.

G. R-14-12-07 A Resolution Approving the Labor Agreement Between the City of Nome and the City of Nome Employees Association Through December 31, 2017.

A motion was made by C. Culley and seconded by C. Pomeranz to approve R-14-12-07.

Discussion:

- Manager Bahnke said that the hard numbers had been provided as a handout. She said that based on full staffing, the contract would cost approximately \$150,000 per year.
- Councilman Andersen again said that he'd need to know how the increase would be paid for.
- Councilman Culley noted that the City's contract didn't include any retroactive pay, but he said that he wanted to vote on all contracts at the same time. Therefore, he added, he wanted to table the agenda item. He noted that it didn't add up that the City's contract would cost \$150,000 per year while NJUS's contract would cost \$62,000 per year.
- Manager Bahnke said that it was based on the drastic difference in number of employees.
- Councilman Culley said that they had roughly half the employees, but those employees were making roughly twice as much.
- Councilman Pomeranz noted that the agenda item would likely be tabled. He asked when it could be brought back with all requested documentation.
- Manager Bahnke asked if all they wanted was the city's overtime figures. She said that those numbers couldn't be prognosticated.
- Councilman Culley noted that 2014 had been a low-snow year, so he suggested using a three-year average to estimate overtime costs.
- Manager Bahnke said that it appeared that City employees were being penalized because an imaginary number hadn't been provided to the Council.
- Councilman Green said that the contracts would eventually pass.
- Councilman Culley said that the contract could contain a retroactive payment if necessary. He said that he needed to see what 2% would cost in salaries, benefits, and overtime.
- Councilman Pomeranz said that his colleagues had made their point. He asked management how soon the numbers could be ready.
- Mr. Handeland said that they would be ready later that week.
- Chief Papisodora said that in 2014, his department was severely understaffed, meaning that overtime numbers would be skewed.
- Councilman Culley reiterated his suggestion to use a three-year average.

A motion was made by C. Andersen and seconded by C. Culley to table the agenda item.

Discussion:

- The Council unanimously agreed to hold a special meeting on December 16<sup>th</sup> at noon.

At the roll call:

Aye: Culley; Green; Pomeranz; Andersen

Nay: Brown; Sparks

Abstain:

The agenda item was **TABLED**.

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

- Apologized for not having the supporting numbers that the Council was interested in.
- Said that the NJUB would be meeting on December 10<sup>th</sup> to finalize the 2015 budget.
- Told the Council that the rate consultant would be in town at the end of January. Assured everyone that the NJUB was still cutting expenditures, even without his report.
- Announced that \$238,000 of the grant-anticipation loan had already been returned.
- Said that the City Attorney was still working on delinquent utility accounts. Said that smaller balances were being forwarded to small claims court and/or a collection agency.
- Announced that NJUS was overtaking solo operation of the windfarm on January 1<sup>st</sup>.
- Said that Governor Walker had announced his cuts to former Governor Parnell's budget, ensuring that no funding would be available for water/sewer projects.
- Said that he was open to questions.
  - Councilman Culley asked for the total of delinquent account balances.
  - Mr. Handeland said roughly \$200,000.
  - Councilman Pomeranz noted the declining oil prices. He asked if NJUS was looking into purchasing early and then storing.
  - Mr. Handeland assured him that the price would increase by the time NJUS was ready to purchase.
  - Councilman Sparks asked if the power purchase agreement for Pilgrim Hot Springs was dead.
  - Mr. Handeland said that they had until 2016 to provide the power.

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

- Said that she would work with the Finance Director to get the supporting contract figures.
- Said that the greatest maximum price for the Richard Foster Building was close to being finalized. Said that \$10.5 million was the goal.
- Announced that the exhibit design team would be in town all week. Added that a number of meetings with the Museum and Library Commission had been planned.
- Thanked Public Works for the recent snow removal efforts.
- Reminded the Council and the public that the Annual Christmas Extravaganza would be taking place at Old St. Joe's on Wednesday, December 10<sup>th</sup>.

### **CITIZENS' COMMENTS**

- 1) Barb Nickels thanked the Council for including drug awareness on its list of priorities.
- 2) John Handeland agreed with Ms. Nickels and assured the Council that no funding was being sought.

- 3) Chuck Wheeler said that the union contracts called for salary increases that shouldn't be approved. He noted that the NPD budget had increased \$1 million in five years despite no decrease in crime. He also noted that healthcare costs were skyrocketing. He reminded the Council that the Open Meetings Act applied to all political subdivisions of the State of Alaska.

**COUNCILMEN'S COMMENTS**

- 1) Councilman Culley said that he wouldn't be available for the following week's special meeting. He commended NPD for its work on the recent heroin bust.
- 2) Councilman Sparks said that he was glad to see the aircraft ordinance defeated. He expressed his regret to the City and NJUS employees and said that he wished his colleagues had supported them.

**MAYOR'S REPORT**

- Councilman Pomeranz called everyone's attention to the written items in the meeting packet.

**EXECUTIVE SESSION**


N/A

**ADJOURNMENT**

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

Hearing no objections, the Nome Common Council adjourned at 8:50 PM.

**APPROVED and SIGNED** this 12<sup>th</sup> day of January, 2015.



**DENISE MICHELS, Mayor**

**ATTEST:**



**TOM MORAN, City Clerk**