

**MINUTES
NOME PORT COMMISSION
REGULAR MEETING
May 17th, 2018**

The Regular Meeting of the Nome Port Commission was called to order at 5:30pm by Chairman West in Council Chambers at City Hall, located at 102 Division Street.

ROLL CALL

Members Present: C. Smithhisler, C. Lean, C. West, C. Henderson; C. Rowe, C. Sheffield; C. McLarty;

Absent: None

Also Present: Tom Moran, City Manager; Lucas Stotts, Harbormaster; Joy Baker, Port Director;

In the audience: Zoe Grueskin, KNOM; Sandra Medearis, Arctic News; Mark Johnson, citizen;

APPROVAL OF AGENDA

Chairman West asked for a motion to approve the agenda:

A motion was made by Sheffield and seconded by Smithhisler.

At the Roll Call:

Ayes: Lean, West, Henderson, Rowe, Sheffield, McLarty, Smithhisler

Nays:

Abstain:

The motion **CARRIED**.

APPROVAL OF MINUTES

April 19, 2018 Regular Meeting Chairman West asked for a motion to approve the minutes:

A motion was made by Smithhisler, seconded by McLarty to approve the minutes.

Discussion:

McLarty request that a few edits be considered prior to approval.

First on page 2, under the Harbormaster Report; remove the extra "are" in the sentence regarding response to snow removal requests.

On page 5, under Citizens Comments; Mark Johnson stated he echoed McLarty's statement regarding vessel insurance; therefore McLarty would like his comment regarding vessel insurance and safety inserted following Sheffield's question at the bottom of paragraph 2 on the same page.

Also on page 5, paragraph 4, McLarty believes his question regarding Arctic Sea Mining contributing funds to the Port did not receive any reply regarding piling infrastructure, and that his follow up point that they offered to contribute was not included in the minutes.

PD Baker stated that she believed the piling was actually stated on the recording, but offered to review the audio for the specific terms used. Chairman West requested that PD Baker review the audio for clarity, and bring it back at the June meeting.

The motion was amended to table the minutes for review of the audio followed by reconsideration at the June meeting.

At the Roll Call:

Ayes: West, Henderson, Rowe, Sheffield, McLarty, Smithhisler, Lean

Nays:

Abstain:

The motion **CARRIED**.

CITIZENS' COMMENTS

None

COMMUNICATIONS

- 18-04-23 Nome City Council R-18-04-03 Supporting HJR-33 USCG FOL
- IARC Report on 2018 Bering Strait Ice Conditions
- 18-05-07 USCG Icebreaker Program EIS Public Scoping Comments
- USCG -2018-0193 Notice of Intent on Polar Icebreaking Program EIS
- 18-05-03 ADHS/EM Letter to CM Moran re: Cape PW17 Time Extension
- 18-05-09 Outgoing USCG Commandant says Arctic has become priority

Discussion:

PD Baker highlighted that the comment period on the EIS for the USCG Icebreaker Program is open until June 29, 2018. Sheffield stated that the new vessels are making modifications to account for science onboard, but the National Science Foundation did not partner with the USCG on these vessels. Discussion ensued regarding vessel sizes and drafts – the Polar Class (heavy) would be looking for a minimum depth of -38' to -40' MLLW.

CITY MANAGER'S REPORT (18-05-11 Report)

CM Moran touched on a few fliers of City events to spread coverage regarding Clean Up Week, adding in some staff absences coming up. He also mentioned dedication of two ambulance bays next Tuesday in honor of retirees Charlie Lean and Vickie Erickson for their numerous years of service.

HARBORMASTER'S REPORT (Verbal)

HM Stotts reported that things were picking up around the Port & Harbor. Both open positions have been filled; Caitlin LeClair started as the Office Manager this past Monday and Clayton Rodriguez as Dock Watch on Tuesday. Chris Schuneman returned from Public Works on Tuesday and resumed his role as Assistant Harbormaster. Feel free to stop by and introduce yourselves or contact us if you'd like to get a tour of the facilities. As far as maintenance, we have been addressing some rusting issues with the older set of floats so will be working on that prior to launching them for the season. As there is still ice in the harbor, we anticipate being able to complete the coating with sufficient cure time prior to needing to launch. Another round of impounds is in play and once complete, the impounded items will be combined with earlier items and a public auction scheduled at the facility.

Discussion:

Smithhisler asked if there was a routine schedule for recoating the floats; usually in the 5-6 year range, but they are inspected each year at haulout and launch, and any needed maintenance is scheduled accordingly. Lean inquired about the condition of the camel fenders; Stotts replied that they are in great condition, with

only minor loss of cotter pins on the shackles that connect the fenders to the wall by barge chain. Rowe asked who does the labor on the float stripping/coating; Stotts replied, mostly harbor staff with periodic equipment assistance from Public Works. McLarty inquired as to the source and type of paint; Stotts stated the same paint company in Anchorage that has routinely supplied to us, and its 2-part marine epoxy paint. Henderson commended HM Stotts on offering to conduct port security training with the individual tenants which turned a full day event into less than a half hour, which is more efficient for the tenants – thanks.

PORT DIRECTOR REPORT (Projects Update)_(18-05-14 Report)

PD Baker advised the Commission of the recent passage of Alaska SB 142, which includes \$1.6M in legislative funds in design support of an Arctic Deep Draft Port at Nome. This came as a result of Representative Foster, Senator Olson, and our lobbyist, Wendy Chamberlain. Additionally, both the Mayor and I testified before the Senate and House Finance Committees in support of the funding within the Capital Budget. Nome was fortunate enough to remain in the bill through passage, and we await the Governor's signature of the FY2019 Capital Budget for final authorization of the funds.

PD Baker highlighted the practice of ensuring customers are in good standing with the Clerk's Office is back in practice. Anyone showing a property tax balance is being redirected to the Clerk's Office to resolve the issue. Additionally, we are working diligently to ensure that all contractors providing a service at the facility are adequately licensed and insured to cover their business operations on Port property. Those that are in compliance will have their operations advertised on our Amenities Services listing, which is posted on our bulletin board and website, as well as given out verbally to inquiring customers.

PD Baker briefly pointed out the info following her report reflecting emails from other Alaska port facilities on the receipt of general funds to cover operations or projects costs. Responses were received from 10 facilities, all of which operate as an enterprise fund and therefore receive no routine financial support from the municipal general funds. Periodic loans are made when necessary to cover projects, but always repaid. Most all of the raw fish tax and cruise ship head tax is passed to the Port, with a few receiving a portion.

Lastly, PD Baker shared a draft Revenue by User Type report that we were just able to compile prior to the meeting, as a result of a programming tweak by our billing software company. This allowed us to categorize our users by industry, resulting in a revenue report. There are some anomalies that need to be further explored, but it gives a general idea of how the revenue breaks down among users.

Discussion:

Henderson asked as to whether the numbers included everything paid by the users; Baker replied yes. McLarty inquired about the lower 2017 number for the mining industry – Baker replied that was a number she intended to check to ensure all users were categorized correctly. HM Stotts added that he has noticed fewer small operators both in vessels and storage so that would be a factor.

Further discussion ensued about funding priorities and capital expenditures being supported by loans from the general fund or increased tariff rates. At the end of the discussion, Lean recommended that the group consider sending a thank you letter to Senator Olson and Representative Foster for their efforts in securing the \$1.6M in design funds for the Arctic Deep Draft Port under New Business.

OLD BUSINESS

USCG Commercial Vessel Regulations – Nome Offshore Mining Fleet

PD Baker reported that through an informal call with Delegation Staff, it became clear that a formal request for a boundary line move would prove to be a tall order and very involved process. The discussion leaned more favorable toward requesting the USCG to consider evaluating the larger vessels of the unique Nome

offshore mining fleet to determine if alternative compliance may be warranted. Clearly, the responsibility of the safety of mariners falls solely within USCG authority, but the inquiry can be made.

Discussion:

McLarty inquired as to whom the discussion was held with; PD Baker indicated Congressional staff charged with working directly with the USCG on a variety of issues. McLarty added that the Sector ANC staff that came to Nome said it's not up to them to determine if alternate regulations are in order - that was up to Congress. Baker replied that Congress would be involved in the event a boundary change is requested, but for rulemaking, Sector can only enforce the regulations in place. It falls to HQ staff to make determinations on whether changes or new regulations are necessary. Lean echoed that any boundary change must be legislated through Congress, but Congress issued a broad directive to make shipping safe, and the USCG writes the policy. Additional discussion ensued on the best approach to take on the issue.

Motion:

The following motion was moved by Henderson and seconded by Smithhisler:

Recommend Port staff draft a letter to the Alaska Congressional Delegation requesting the USCG conduct a full evaluation of this unique fleet to determine if alternative compliance is warranted, without compromise to safety.

At the Roll Call:

Ayes: Henderson, Rowe, Sheffield, McLarty, Smithhisler, Lean, West

Nays:

Abstain:

The motion **CARRIED**.

NEW BUSINESS

Alaska SB 142 - \$1.6M Support for Design of an Arctic Deep Draft Port at Nome to -40' MLLW

Discussion:

Lean requested that a letter thanking Senator Olson and Representative Foster for their role in support of the \$1.6M in funds for design of an Arctic Deep Draft Port that was included in the FY2019 Alaska Capital Budget that has been sent to Governor Walker for signature.

Motion:

The following motion was moved by Lean and seconded by Henderson:

Recommend Port staff draft a letter of thanks to Representative Foster and Senator Olson for their dedicated efforts in ensuring the \$1.6M remained in the FY19 Alaska Capital Budget passed by the Alaska Legislature on May 12, 2018.

At the Roll Call:

Ayes: Rowe, Sheffield, McLarty, Smithhisler, Lean, West, Henderson

Nays:

Abstain:

The motion **CARRIED**.

CITIZENS' COMMENTS

Mark Johnson spoke as a citizen, stating his interest in learning more about the economic drivers in Nome and encouraged by the recommendation that was made to support the mining industry and believe that's a step in the right direction. He believes supporting the mining, fishing, fueling and other industries are things that help support Nome.

COMMISSIONERS' COMMENTS

C. Rowe – welcome Gay, I believe it was an excellent choice to have you join the group.

C. McLarty – I will revisit a few issues from earlier. Any money that we can invest in furthering the exploration and development of mining in a safe, insurable and profitable way is money well spent. Whether that is through infrastructure development or whatever it may be – I don't back just the mining industry, I would back anything in the fishing or fueling industry, anything that would further economic growth. I think the resources we're sitting on are very specific to this area and I think the rules should be just as specific, and if there's anything we can do about that I'd like to definitely push forward with it, whether that would be a boundary line movement or exception, or a specific vessel definition or whatever way we could possibly push forward on that, I think it would lessen the burden of the economic lull I think we're somewhat sitting on.

C. Henderson – I'd like to thank Joy, I know I've asked for a great deal of tariff and economic info that's not always that easy to produce, but I really appreciate it as I know it takes time. It helps me understand the port's finances better and how the money moves around. I appreciate her patience and it's very helpful.

C. Lean – Gay and Joy been nice to share the climate change information, and how this year as stacked up against previous years for the marine breakup, but the fresh water is on schedule. Along those lines the herring fishery is underway early and definitely early. Not sure if it's a record – could be 1st or 2nd earliest.

C. Sheffield – I haven't forgotten about the incinerator funding so should probably connect with Joy to see if there's a nibble of interest from the groups I'm thinking of. I'm happy to be here.

C. Smithhisler – no comments.

C. West – welcome Gay, a delightful addition with a various background which makes us more versatile. Cleanup week is May 26 – June 2. Early barge arrival for Alaska Marine Lines means early truck activity at the dock. It might be a good idea to issue a traffic advisory for trucks - looking forward to a good season.


SCHEDULE OF NEXT MEETING

The next meeting is SCHEDULED to June 21, 2018

ADJOURNMENT

Motion was made by Sheffield for adjournment – meeting adjourned at 6:55 PM.

APPROVED and **SIGNED** this 14th day of June 2018.



Jim West, Chairman

ATTEST:


Joy Baker, Port Director