

MINUTES (AMENDED)
NOME PORT COMMISSION
REGULAR MEETING
May 16th, 2019

The Regular Meeting of the Nome Port Commission was called to order at 7:06pm by Chairman West in Council Chambers at City Hall, located at 102 Division Street.

ROLL CALL

Members Present: Smithhisler; West; Henderson; Rowe; Sheffield; McLarty; Lean (joined telephonically at 7:27 pm);

Absent:

Also Present: Lucas Stotts, Harbormaster; Joy Baker, Port Director

In the audience: Sandra Medearis, Arctic News

APPROVAL OF AGENDA

Chairman West asked for a motion to approve the agenda:

Motion made by Smithhisler to approve the agenda, seconded by Rowe:

At the Roll Call:

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

Nays:

Abstain:

The motion **CARRIED**.

APPROVAL OF MINUTES

April 18, 2019 Motion was made by Smithhisler, seconded by Sheffield to approve:

Regular Meeting

Discussion: Sheffield requested that a sentence be removed under Communications, on page 2, last paragraph, as that was not what she intended to convey:

Smithhisler amended his motion for approval to include the requested change, with a second by Sheffield:

At the Roll Call:

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

Nays:

Abstain:

The motion **CARRIED**.

CITIZENS' COMMENTS

None

COMMUNICATIONS

- April 2019 Corps Public Notice on Floating Recovery Devices
- 19- 05-02 Senator Murkowski urges admin to continue Arctic training - APM
- 19-05-02 Navy plans to be more active in the Arctic - APM
- May 2019 Infrastructure Week – Flyer on Wilson Center Event

Discussion:

PD Baker informed the members that Mayor Beneville would be speaking at the Wilson Center on a panel regarding Arctic infrastructure

COMMISSIONERS' UPDATES

This new topic was inserted into the agenda format through a consensus of the Commission so that individual members may report on specific issues, information or conversations they have had that relate to the port and harbor, and/or their role on the Commission:

West: reported on his and Lean's participation in the City's meeting with personnel from Army Corps Headquarters and District offices that traveled to Nome on 15 May to get sponsor input on the study process and visit the project site. The City expressed concerns on the schedule, requesting efforts be pursued to avoid further delays and recover lost time when possible.

HARBORMASTER'S REPORT *(Verbal)*

Harbormaster Stotts updated the Commission on staffing for the season, facility clean up and prep for the season. The USCG Alex Haley is expected to arrive on Saturday 18 May, which will be the earliest arrival on record for any season at the facility. Dock surfacing has been getting improved, and we appreciate the Road Crew assisting with that, as well as Building Maintenance for the planned work to improve the public bathrooms. Several users have plans to launch early with the early breakup, so installation of floats, ladders and fenders will also be early.

Discussion:

Road conditions and maintenance were discussed, as well as timing for installation of the waste dumpsters and frequency of the pickup schedule for the new, larger units. The storage of equipment on the tank farm property was also discussed, and whether it was generating revenue, as well as short-term rental of the Garco Building.

PORT DIRECTOR REPORT (19-05-09 Written Report)

PD Baker highlighted the progress with Alaska House Joint Resolution 14, supporting development of an Arctic Deep Draft Port at Nome. HJR 14 has passed the House and Senate, and is awaiting the Governor's signature.

An update was given to the group on the pending EDA grant for the Launch Ramp Repair Project concerning EDA's decision to conduct their NEPA level Public Notice process and evaluation on the permitted work – this results in construction being pushed to summer 2020.

Further detail was provided regarding the visit by the Army Corps brass, with info regarding schedule delays and the critical importance of incorporating how the project supports the nation. A reminder was shared regarding the draft feasibility report being out for public comment, along with the status of the study cost-share.

Discussion:

Lean expressed his frustration with the Corps, which he shared during the brass visit regarding their limited focus of calling Nome a regional port, when we are actually an Arctic port with a larger purpose.

OLD BUSINESS

Draft Port FY2020 Operating and Capital Budgets

PD Baker indicated that the F20 draft provided as a handout contains a couple of changes that had been made since the packet was distributed. The purpose was to reduce the amount of the deficit that resulted in an offset caused when finance added in the labor, insurance, utilities and taxes.

Discussion ensued on the various changes made and how the draft F20 budget stacks up against the closing F19 budgeted, as well as the F19 actual numbers. Clarifications were made on the expenses assessed on the Port at the end of the fiscal year; namely Public Works equipment and Finance labor time, as well as what is covered by the PILOT paid to the City.

Motion was made by Henderson, seconded by Rowe, Recommending the Nome Common Council adopt the following FY20 budgets:

Port of Nome Fund for \$1,712,196

Port of Nome Capital Projects Fund for \$2,238,103

At the Roll Call:

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

Nays:

Abstain:

The motion **CARRIED**.

NEW BUSINESS

Consideration to Develop Plan to Fund Repairs, Maintenance & Capital Improvements for Recommendation to Council

Discussion:

The Commission reiterated their appreciation of the education given by the Finance Director on the flow of cash between the City and Port, as well as the use of the Fund Balance for things such as NOAA principal, etc. The group agreed that following that informational session, it would be productive to have another work session in the near future to drill down further on the fiscal plan being requested by the Council. An email will be sent to determine the most convenient date.

CITIZENS' COMMENTS (None)

COMMISSIONERS' COMMENTS

S. McLarty – good work session. Being that we are an advisory commission, it would be helpful to have more direction on the plan for the Port. Seems the Mayor, Council and Staff all have different visions of a Port. Would be helpful if we knew which idea we're planning the future for.

C. Henderson – great work session, learn something every time. Having Julie/John present for the fiscal work sessions is very helpful. A couple more rounds of this effort and we should have a good handle on it.

C. Sheffield- a good work session, learned a lot. There are a great many seal strandings occurring lately. The Sikuliaq is coming in November. USCG is starting their season base in Kotzebue on July 1st until Oct 31. Also, they advised that we will see more fisheries traffic coming from the south.

C. Lean – apologized for not being at the work session. His vision is to be a self-sufficient entity – not necessarily to make a big profit but be self-supporting. It's important to the town, the region, the nation as a gateway to the Arctic.

C. Smithhisler – with all the budget talks, Councilmember Reader brought up a good point to review expenses. Perhaps we should look at the Port's operating expenses as a group.

C. Rowe – welcome back Joy. Enjoyed the work session, and it's a good foundation the work from. Appreciate having Julie present as it provides significant assistance. Agree with Charlie that the Port should be a self-supporting entity, that's not necessarily making a profit but setting aside funds for capital costs – and maybe we shouldn't call it a reserve fund but a depreciation fund.

C. West – budgetary items are a best-guess on expected expenditures, and we should come up with some way to bring it back into the black on a regular basis. We have set aside funds in the past over time, and yes, our operating expenses are much higher now with increased traffic, but we can create a way to set aside funds.

SCHEDULE OF NEXT MEETING

The next meeting is SCHEDULED to July 18th, 2019.

ADJOURNMENT

Motion was made by Henderson and seconded by Sheffield for adjournment.

APPROVED and **SIGNED** this 20th day of June 2019.

S. Smithhisler for

Jim West, Chairman

ATTEST:



Joy Baker, Port Director