



Northwest Arctic Borough

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Northwest Arctic Borough Assembly
Budget, Audit & Finance Committee Meeting Minutes - DRAFT
Monday, January 25, 2016 – 1:30 P.M.
Northwest Arctic Borough Assembly Chambers – Kotzebue, AK

CALL TO ORDER

Madam Chair Nelson called the meeting to order at 1:30 P.M.

INVOCATION

Member Cleveland provided invocation.

ROLL CALL

Budget, Audit and Finance Committee Members Present:

Miles Cleveland Sr. Elmer Armstrong Jr. Lucy Nelson

Other Members Present

Hannah Loon	Austin Swan Sr.	Walter Sampson	Carl Weisner
Larry Westlake Sr.	Nathan Hadley Jr.	Clyde Ramoth	

Introduction of Staff and Guests

Clement Richards Sr.	Stella Atoruk	Rosny Rizk	Eugene Smith
Brad Reich	Patrick Savok	Noah Naylor	Kathleen Lansdale
Martha Henry	Christine Hess	Mildred Stalker	Matt Mead
Angie Strum	Andy Baker	Zach Stevenson	Mark Moore

A quorum was present to conduct business.

APPROVAL OF AGENDA

Agenda presented for January 25, 2016 for approval. Mayor Richards request to add Resolution 16-05 and 16-06.

Member Cleveland motioned, Member Armstrong seconded to approve agenda as amended. Motion passed unanimously.

APPROVAL OF PREVIOUS MINUTES

Minutes of December 21, 2015 Budget, Audit and Finance presented for approval.

Member Armstrong motioned, Member Cleveland seconded to approve the minutes as presented. Motion passed unanimously.

COMMUNICATIONS AND APPEARANCES

Rosny Rizk summarized the financial report ending December 31, 2015. President Weisner verified dates of the documents presented; year to date? Madam Chair raised her concern on the Teck receivable; is that billed from July through December? Have that been received? She raised her concern to the guarantee of the monies. Madam Chair verified if the budget should be based on the accrual and not the Teck PILT because it doesn't exist. She let the committee know that we are operating on general fund at this time. Member Sampson raised his concern as to when the reserve would kick in? He asks how long we pay that with the budget not approved.

Madam Chair would like to see percentages on the general fund revenue and expenditures; would like members to see where each line item is at. On page seven; cash and investment reports she would like notes of what each account is used for.

Member Loon raised her concern to the investment report. Do we have a consultant that looks into the interests, why does it go high and low? Madam Chair mentioned she had that in mind during the Retreat; keep in mind that it's there to earn interest. If we are not getting where our goals are to be then it needs to be reviewed. Member Sampson mentioned that he thought the firm was going to look at earnings/losses; weren't they going to revise so we don't have additional losses. Is that still in place?

Member Ramoth mentioned he had that in mind at the Retreat, learned a lot then. He raised his concern on high risk and low risks. On the report page eight he raised his concern to 9cc bill?

Member Loon raised her concern to having Nageak on the donation page; she thought that was for medical donation.

PUBLIC HEARINGS, ENACTMENT OF ORDINANCES & EMERGENCY ORDINANCES

1. **Ordinance 15-05am01** *an ordinance of the Northwest Arctic Borough Assembly providing for the establishment and adoption of the line item budget amendment for the fiscal year 2016.*

Member Sampson raised his concern; difference between last budgets presented to this reading. President Weisner raised his concern to Culture Camps; the change was \$31,570 in brackets. On the top is says brackets are unfavorable, but it's saving right? Is

that accurate in brackets? And classified as unfavorable, or because it's savings per say, would that be favorable. Madam Chair raised her concern to adding another Lobbyist. Although Christine Hess is a registered Lobbyist, we are adding another one and Baker Consulting. For valued purposes, why aren't we using our registered Lobbyist for that? Madam Chair is cautious of adding expense, she believe the upcoming Lobbyist are good although Chris is being paid a salary and familiar with activities; she thinks there is value in that.

Madam Chair raised her concern to the Mayor's salaries based on code; this haven't been discussed. When reviewing the salary schedule we have employees making high salaries compared to past administration. No disrespect to anyone; we have a financial situation. If we are going to pay high salaries she would like to see performance first. Code states that the Mayor starts at ninety-five and should have been under discussion with the Assembly. Member Sampson mentioned that Madam Chair has a point; previous administration the salary had been negotiated. We had tried to set a direction or expectation of what the Mayor will do; through that process they would settle on a number. What Madam Chair is bringing up is critical; the amended budget is no approved yet which has pay raises. This needs to go back to the Assembly for the Mayor's rate. Member Loon verified the numbers of the three new staff members, this should be reviewed by personnel and based on their education and experience and go by that. She don't want to be disrespectful, education and qualification need to count by a point system. Performance is valuable; missions and goals of the Borough. Need to be paid accordingly. Member Sampson verified with Treasurer on how the numbers will look on the books under audit. Madam Chair would like to discuss the raises for the current staff; we are in financial crisis right now spending on the general fund. We have to be careful of how we move forward with our finances. Pay should be paid of what is set on the original budget.

Member Sampson verified if some grant dollars can be used for lobbying services; certainly need to look at rest of the budget as to the general funds. He mentioned that we are having communication issues; didn't know what are some of the major cuts were made to address some of the needs. Madam Chair appreciates the cuts made; she has a fiduciary responsibility and held accountable. Member Sampson mentioned they should come together and have a dialogue and move forward together rather than publically on how that can occur.

Madam Chair raised concern to the Human Resources Department; although it doesn't change the bottom line, what is the purpose of the additional dollars for transportation.

Member Sampson raised his concern to what Borough gets in return from the Planning Commission? Madam Chair verified if any dollars have been budgeted for continuing the comprehensive plans?

Madam Chair suggests on future amendments to have a line item of the notes. President Weisner raised his concern to favorable and unfavorable.

Member Sampson raised his concern on Economic Development; need to increase consultants to look at some potential economic projects. Member Sampson mentioned good discussion; that the status of what State of Alaska is in and what we are in today. Hope to increase our dollars coming in to the Borough; need to find a way to increase our efforts in looking for additional funding from the State. Madam Chair mentioned that until we are certain, hope you all are planning over time should this litigation continues and we get nothing, need to plan for that day too. Member Sampson mentioned that at some point we have addressed ongoing issues; some of the equipment that were purchase don't stay in one place. He mentioned he is concerned to the litigation; at some point we are going to be on the losing end. Lawyers will be walking with the dollars; watch the direction we are heading.

Member Westlake mentioned that he is disappointed about what is being said; thought this was going to be discussed at the Retreat. Were there any discussions on the amendment and salaries; thought this would pass. Member Sampson verified the difference of the dollar value.

Member Armstrong recommend do pass.

2. **Ordinance 15-09** *an ordinance of the Northwest Arctic Borough Assembly approving a contract for copier/printing services with Konica/Minolta, and for related purposes.*

Madam Chair verified if this is second reading. Member Sampson mentioned the Assembly approved a purchase of copiers and printers.

Member Cleveland recommend do pass.

3. **Ordinance 15-10** *an ordinance of the Northwest Arctic Borough Assembly amending Chapter 2.12 of the Borough Code to include a Chief of Staff position.*

Member Cleveland recommend do pass.

INTRODUCTION OF ORDINANCES

1. **Ordinance 16-01** *an ordinance of the Northwest Arctic Borough Assembly approving a contract amendment with Bering Straits, and for related purposes.*

Member Sampson verified if this is part of Ingemar's project; is he still an employee, where does he live?

Member Cleveland recommend do pass.

RESOLUTIONS

1. **Resolution 16-01** *a resolution of the Northwest Arctic Borough Assembly to accept Annual State ARDOR Grant Funding of \$70,372.72 for the Northwest Arctic Borough ARDOR and Economic Development Commission Administration.*

Member Armstrong recommend do pass.

2. **Resolution 16-02** *a resolution of the Northwest Arctic Borough Assembly approving a professional services agreement with Baker Professional Services for Lobbying Services and for related purposes.*

Member Sampson raised his concern as to the amount; sure there will be more monies coming in on the return.

Member Cleveland recommend do pass.

3. **Resolution 16-03** *a resolution of the Northwest Arctic Borough Assembly approving a professional services agreement with Legislative Consultants for Lobbying and Media Services, and for related purposes.*

Member Sampson raised his concern; what is thrust of this? Education purposes?

Member Armstrong recommend do pass.

4. **Resolution 16-04** *a resolution of the Northwest Arctic Borough Assembly approving a professional services agreement with Remote Solutions for Grant-Related Services.*

Member Ramoth raised his concern to the resolution; seventh whereas, engage with Remote Solutions instead of to Remote Solutions.

Member Armstrong recommend do pass.

5. **Resolution 16-05** *a resolution of the Northwest Arctic Borough recognizing the importance of the Subsistence Mapping Project and Atlas.*

Member Sampson raised his concern to the documents, is there any kind of provisions in there protect the information to be used against the individuals by any source. Member Ramoth request to review during the work session.

Member Cleveland recommend to refer to the Assembly work session.

6. **Resolution 16-06** a resolution of the Northwest Arctic Borough Assembly approving the hiring of necessary legal and tax experts and for related purposes.

President Weisner raised his concern; generally speaking, is it like writing a blank check? With no company name. President Weisner supports this although in order for the Mayor's office to move forward. Christine mentioned that they can add 'not to exceed \$100,000.00'. Member Sampson request a definition of emergency; he would like to see a company name at some point in time. Madam Chair would like to have the President and Vice President informed. The legal marker to go out for bid is \$150,000.00 although we are not going to the limit of \$100,000.00. President Weisner verified if we are in litigation; this is meeting that need.

Member Cleveland recommend do pass.

OTHER BUSINESS

No other business presented.

COMMITTEE COMMENTS

Member Cleveland, thank you; good meeting.

AUDIENCE COMMENTS

None presented.

ADJOURNMENT

With no other business to discuss, the meeting adjourned at 3:05 P.M.

Member Armstrong motioned to adjourn.