



# Northwest Arctic Borough

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163 Lagoon Street  
P.O Box 1110 Kotzebue, Alaska 99752  
(907) 442-2500 Fax (907) 442-2930  
www.nwabor.org

## **Budget, Audit & Finance Committee Meeting Minutes** Monday, October 23, 2017 – 1:00 P.M. Northwest Arctic Borough Assembly Chambers – Kotzebue, AK

### **CALL TO ORDER**

Madam Chair Lucy Nelson called the meeting to order at 1:00 P.M

### **INVOCATION**

Member Miles Cleveland provided the invocation.

### **SAFETY MOMENT**

Member Armstrong encouraged everyone to be safe while ice fishing as it is freezing up.

Member Carr encouraged the children to be careful and not go behind vehicles as they can get hit, especially by the school.

### **ROLL CALL**

#### Budget, Audit and Finance Committee Members Present:

Dood Carr Tanya Ballot . Lucy Nelson Elmer Armstrong Jr (telephonic)

#### Other Members Present

Austin Swan Walter Sampson Carl Weisner Hannah Loon  
Larry Westlake Miles Cleveland Sandy Shroyer-Beaver  
Kirk Oviok

#### Introduction of Staff and Guests

Matt Mead Helena Hildreth Stella Atoruk Jade Hill  
Patrick Savok Noah Naylor Angie Sturm Chuck Greene  
Nathan Kotch Shield Downey Jr. Clara Jones Sylvano Viveiros  
Dicki Moto

**A quorum was present to conduct business.**



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## APPROVAL OF AGENDA

Acting Mayor Savok requested to have the October financials be reflected as September. He also requested to add Ordinance 17-08am01 to Item I.

Mr. Mead commented that he will provide the Ordinance cover.

**Member Carr motioned, Member Armstrong seconded to approve the agenda as amended. By unanimous consent of the committee the agenda was approved as amended.**

## APPROVAL OF PREVIOUS MINUTES

Budget, Audit and Finance Minutes of September 25, 2017

**Member Armstrong motioned, Member Carr seconded to approve the BAF meeting minutes of September 25, 2017 as presented. By unanimous consent the September 25, 2017 BAF meeting minutes were approved.**

## COMMUNICATIONS AND APPEARANCES

### 1. Financial and Investment Report – Ms. Angie Sturm

Ms. Angie Sturm, Finance Director, presented the Financial and Investment report for the month ending September 30, 2017. Ms. Sturm also highlighted the general fund expenditures and major activity in the general fund and expenditures account.

## PUBLIC HEARINGS, ENACTMENT OF ORDINANCES & EMERGENCY ORDINANCES

1. **Ordinance 17-13** an ordinance of the Northwest Arctic Borough Assembly amending chapter 7.10 of the Borough Code to include gravel extraction under the scope of mining activities subject to the severance tax, and for related purposes.

Mr. Matt Mead reported this updates the Severance Tax Code and the goal is to put all resource extraction, including sand and gravel in the same plane.

Mr. Toby Drake commented about severing gravel on a native allotment which is on restricted status, is not taxable. Mr. Mead agreed.

As one of two major gravel extraction owners in the region he asked what is the borough's reasoning for establishing this tax. If this happens, and the four and a half



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percent will have to come from somewhere. This will mean less jobs and lessens the advantage of a local entity has over a non-local entity.

Mr. Toby Drake requested more discussion is needed before it is approved.

Madam Chair Nelson commented that she has taken notes and that it would be up to the committee to table Ordinance 17-13.

Member Carr commented that she also does not support this ordinance because she thought we were going to be discussing it further. Member Carr stated that she also supports tabling this ordinance.

Member Loon commented that we need more understanding on this ordinance and she requested that Mr. Drake provide more information on how this tax may affect him. She is also in support of tabling Ordinance 17-13.

Member Armstrong commented about a possible contractor who bought the maximum dollar amount of \$999,000 worth of gravel. Mr. Drake agreed and stated that whether it's a commercial job or a homeowner, they will all be affected by the four and half percent tax. He does not think this is a good value for the end user.

**A recommendation was made by the full concurrence of the committee to table Ordinance 17-13 for further discussion.**

2. **Ordinance 17-14** an ordinance of the Northwest Arctic Borough Assembly amending the borough Code for administration of the Ferguson Memorial Scholarship Program, and for related purposes.

**A five minute break was taken.**

**The meeting reconvened from break at 1:52 pm**

Mr. Patrick Savok commented that this Ferguson Memorial Scholarship to be more accessible for our locals and for the families that are living and attending schools outside our borough.

Mr. Matt Mead gave a brief update on the scholarship amounts per semester and quarterly basis.

Member Carr commented about the residency requirement and is the borough putting ourselves up to be challenged in regards to making exceptions.



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Member Loon requested a copy of all the scholarships issued and the graduation rate for 2016.

Member Shroyer-Beaver commented about the residency requirements and that she prefers a resident should have priority over a non-resident and she also commented about the grade point average.

Mr. Mead explained the non-resident applicants and built in preference parameters.

**A recommendation was made by the full concurrence of the committee to table Ordinance 17-14 for further discussion at the Work Session Meeting.**

## INTRODUCTION OF ORDINANCES

1. **Ordinance 17-15** an ordinance of the Northwest Arctic Borough Assembly amending the Borough Personnel Code, and for related purposes.

Mr. Matt Mead and Ms. Angie Sturm provided a brief overview. The purpose of the recommended changes in the Personnel Code is so we can be sure we are in compliance with the uniform grant guidance.

Acting Mayor Savok recommend do pass.

**By full concurrence of the committee, Ordinance 17-15 was recommended do passage by the full Assembly.**

2. **Ordinance 17-16** an ordinance of the Northwest Arctic Borough Assembly amending Title Six of the Borough Code and for related purposes.

Acting Mayor Savok recommend do pass.

**By full concurrence of the committee, Ordinance 17-16 was recommended do passage by the full Assembly.**

3. **Ordinance 17-08am01** an ordinance of the Northwest Arctic Borough approving and adopting an amended line-item budget for the fiscal year 2018.

Ms. Angie Sturm provided a brief overview and highlighted the changes in the



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general fund and expenditures account.

Acting Mayor Savok recommend do pass. By unanimous consent of the committee, Ordinance 17-08am01 was recommended do pass by the full committee.

## RESOLUTIONS

1. **Resolution 17-39** a resolution of the Northwest Arctic Borough Assembly designating Assembly donations under the FY18 Budget, and for related purposes.

**By full concurrence of the committee, Resolution 17-39 was recommended do passage by the full Assembly.**

2. **Resolution 17-40** a resolution of the Northwest Arctic Borough Assembly approving a memorandum of agreement with the Department of Transportation and Public Facilities for the pre-construction activities for the Kivalina Road, and for related purposes.

**By full concurrence of the committee, Resolution 17-40 was recommended do passage by the full Assembly.**

## COMMITTEE COMMENTS

Member Carr thanked everyone for a good meeting and appreciated the good discussion on Ordinance 17-13. She is excited for the VIF Commissioners who are meeting today.

Member Armstrong also thanked everyone for a good meeting with the discussions on all the resolutions and ordinances.

Madam Chair Nelson thanked everyone for their attendance and thanked the assembly members for their input.

## ADJOURNMENT

With no other business to discuss, the meeting adjourned at 2:52 PM.