



Northwest Arctic Borough

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, May 30, 2017 – 1:30 P.M. Northwest Arctic Borough Assembly Chambers – Kotzebue, AK

CALL TO ORDER

Madam Chair Lucy Nelson called the meeting to order at 1:35 P.M

INVOCATION

Member Walter Sampson provided the invocation.

SAFETY MOMENT

Member Carl Weisner commented about his nephew who recently had a foot ailment.

ROLL CALL

Budget, Audit and Finance Committee Members Present:

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

Other Members Present

Hannah Loon Walter Sampson Nathan Hadley Jr. (telephonic)
Miles Cleveland Sr. (telephonic)

Introduction of Staff and Guests

Clement Richards	Matt Mead	Helena Hildreth	Stella Atoruk
Patrick Savok	Noah Naylor	Angie Sturm	Elizabeth Ferguson
Craig McConnell	Grant Hildreth	Jamie Lambert	Dicki Moto
Sylvano Viveiros	Dr. O'Brien	Kat McConnell	Matt Conover
Janine Bedford (telephonic)		Chris Hatch	Clara Jones

A quorum was present to conduct business.



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APPROVAL OF AGENDA

By unanimous consent of the committee, the agenda was approved as amended.

APPROVAL OF PREVIOUS MINUTES

Budget, Audit and Finance Minutes of April 24, 2017

Member Ballot, Member Carr seconded to approve the BAF meeting minutes of April 24, 2017 as presented. By unanimous consent, the BAF meeting minutes of April 24, 2017 was 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 of April 30, 2017. Ms. Sturm also highlighted the general fund expenditures and major activity in the general fund revenue.

Mr. Craig McConnell requested to address the assembly under Communication and Appearances. Member Weisner advised that he do that during the Work Session when all the assembly members are present.

PUBLIC HEARINGS, ENACTMENT OF ORDINANCES & EMERGENCY ORDINANCES

1. **Ordinance 17-04** *an ordinance of the Northwest Arctic Borough Assembly amending the Northwest Arctic Borough Financial Contingency Reserve Requirements and for related purposes.*

Ms. Angie Sturm, Borough Treasurer, reported that this ordinance updates the amount from the current PILT revenue from 7.8 million to 10.5 million.

A recommendation was made by the full concurrence of the committee for enactment of Ordinance 17-04 by the full assembly.



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INTRODUCTION OF ORDINANCES

1. **Ordinance 16-04am01** *an ordinance of the Northwest Arctic Borough Assembly providing for the establishment and adoption of the line item budget amendment for the Fiscal Year 2017.*

Ms. Angie Sturm reviewed the major highlights in the Expenditures and General Fund accounts. Mayor Richards recommended due pass.

A recommendation was made by the full concurrence of the committee for passage of Ordinance 16-04am01 for first reading by the full assembly.

2. **Ordinance 17-05** *an ordinance of the Northwest Arctic Borough Assembly amending Chapter 3.16 of the Northwest Arctic Borough Code pertaining to the travel and per diem allowance for Borough Staff and for related purposes.*

Mayor Richards recommended due pass. Madam Chair asked if we are staying at the same rate and Ms. Sturm agreed and that it is set by the federal rate and the code has to reflect it.

A recommendation was made by the full concurrence of the committee to table Ordinance 17-05 until further discussion at the Regular meeting.

3. **Ordinance 17-06** *an ordinance of the Northwest Arctic Borough Assembly amending the Borough code to establish sustainability fund, and for related purposes.*

Ms. Sturm mentioned that now that we have a new era with a more favorable PILT agreement, she recommends that we contribute to a sustainability fund that would ensure the borough is open for operation after the Red Dog Mine ceases to exist.

Ms. Sturm explained the difference of value between the Financial Contingency Reserve and the Sustainability fund.

A recommendation was made by the full concurrence of the committee for passage of Ordinance 17-06 for first reading by the full assembly.

4. **Ordinance 17-07** *an ordinance of the Northwest Arctic Borough Assembly amending the Borough code to establish a Village Improvement Commission, and for*



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related purposes.

Mayor Richards recommend due pass.

A recommendation was made by the full concurrence of the committee for passage of Ordinance 17-07 for first reading by the full assembly.

5. Ordinance 17-08 *an ordinance of the Northwest Arctic Borough Assembly providing for the establishment and adoption of the line item budget for the Fiscal Year 2018.*

Ms. Angie Sturm reviewed the major highlights in the General Fund Expenditure account. Madam Chair Nelson expressed her concern that she does not support this budget because of the huge increase in every line item and feels we need to spend more time on it.

Mayor Richards recommended due pass.

**A five minute recess was taken at 2:30 pm.
The meeting reconvened from recess at 2:38 pm.**

A recommendation was made by the full concurrence of the committee for no passage of Ordinance 17-08 for first reading by the full assembly, until further discussion.

OTHER BUSINESS

Dr. O'Brien, Northwest Arctic Borough School District Superintendent and Mr. Craig McConnell, Property Services Director, briefly discussed the ongoing situation with the water crisis in Kivalina, AK. She further added that they would like to open a discussion to where we can cooperatively work to support the position of moving Kivalina out of crisis mode. Mr. McConnell reported that Kivalina is not with ARUC and they hope the borough can assist in any way with this effort.

Member Carr asked if this request was put in writing. Member Nelson commented that Mayor Richards reach out to the City of Kivalina and have them submit their needs and in regards to the Village Improvement Fund commission once it is established.

Member Loon advised that possibly Maniilaq and ANTHC can offer assistance with materials and manpower. Mr. McConnell said ANTHC's role is to provide expertise



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and not manpower or materials.

Member Weisner commented that this is a good NWALT discussion and he would like to see the Borough respond.

COMMITTEE COMMENTS

Member Armstrong commented this was a good meeting.

Member Carr commented that more time on the FY18 budget would have been beneficial at the BAF retreat.

AUDIENCE COMMENTS

No audience comments

ADJOURNMENT

Member Carr motioned to adjourn. With no other business to discuss, the meeting adjourned at 3:06 P.M.

Member motioned to adjourn.