

Session 10-32 a Regular Meeting of the Homer City Council was called to order on November 22, 2010 at 6:02 p.m. by Mayor James C. Hornaday at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: HOGAN, HOWARD, LEWIS, ROBERTS,
WYTHE, ZAK (telephonic)

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY PLANNER ABOUD
FINANCE DIRECTOR HARVILLE
LIBRARY DIRECTOR HILL
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS

Councilmember Zak has requested telephonic participation.

Mayor Hornaday ruled Councilmember Zak may participate by phone. There was no objection from Council.

Department Heads may be called upon from time to time to participate via teleconference.

Council met as a Committee of the Whole from 5:00 p.m. to 5:54 p.m. to discuss 2011 Budget.

AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

The agenda was approved by consensus of the Council with the following amendments: VISITORS - Representative Paul Seaton and PUBLIC HEARINGS - Ordinance 10-51(S), An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2011 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures). City Manager.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Dave Anderson, General Manager for KBBI, expressed appreciation for Resolution 10-95 in support of public radio. KBBI first aired in 1979 and has served the communities of the central Kenai Peninsula since then. In 1981 they began broadcasting Homer City Council meetings.

RECONSIDERATION

None.

CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Special Meeting minutes of October 19, 25 and 26, 2010 and Regular Meeting minutes of October 25, 2010. City Clerk. Recommend adoption.
- B. **Memorandum 10-133**, from City Clerk, Re: Liquor License Ownership Transfer for Duggans Waterfront Bar to APS Investments LLC and Renewal for Alice's Champagne Palace.
- C. **Memorandum 10-134**, from Mayor, Re: Appointment of Gillian Munn to the Library Advisory Board, Mike Heimbuch, Barbara Howard, Michael Pate, Norm Story, and Bryan Zak to the Natural Gas Distribution System Task Force, and Reappointment of Bumpo Bremicker to the Parks and Recreation Advisory Commission.

Mayor Hornaday called for a motion for the approval of the consent agenda.

HOGAN/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. **Amber McDonough**, Siemens Building Technologies, Inc., Energy Audits of City Buildings and Facilities

Amber McDonough, Siemens Building Technologies, Inc. provided a PowerPoint presentation on the energy audit conducted on 16 public facilities. The firm was contracted to provide an energy savings performance contract that:

1. Improves energy efficiency of facility infrastructure
2. Reduces operating costs
3. Explores waste streams for energy sources
4. Meets budget of \$542,000 and identifies opportunities with attractive paybacks (under 10 years)

The 65% design energy project summary includes:

- 35% preliminary project identified up to \$1.4M in potential Facility Improvement Measures (FIMs)
- Budget cost for priority facility improvement measures identified \$787,000
- Estimated annual savings \$107,000
- Estimated simple payback 7+ years
- Approximate total utility spend reduction 14%

FIMs include motor replacements, fuel oil heater, water pipe insulation, programmable radiant heat control, solar powered wastewater aeration, and lighting upgrades at various city facilities.

B. Representative Paul Seaton

Representative Paul Seaton invited the public to Islands and Ocean Visitor Center on Tuesday, November 23rd from 6:30 to 8:00 p.m. to hear gas line issues. The federal coordinator and Charlie Pierce from Enstar will be available to answer questions about the local line. Mr. Seaton appreciates the City's fast movement on appointing a task force for planning the gas line; it will help in Juneau next year to further the local gas line. He is pleased with the City's participation with the Corps of Engineers, EPA, ADF&G, and the Borough in looking at a regional general permit for construction of the pipeline, wetlands consideration and individual connections. It will expedite the permitting process instead of having to go through a nationwide permit.

Representative Seaton was selected as the co-chair for House Resources for the next Legislature. He will still serve on the Education Committee, Labor and Commerce Committee, and the Health and Social Services Committee. He is trying to move the state into a prevention of disease model instead of the current treatment of disease model. He made a presentation at the health fair on Vitamin D deficiency. Twenty percent of the people that took the blood test received the Vitamin D test also. The City Manager was presented a flash drive with seminars on the benefits of Vitamin D. A brochure outlining the benefits of the vitamin can be viewed at: grassrootshealth.org.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Borough Report

Bill Smith, Kenai Peninsula Borough Assemblyman, reported the school district put the gas line to Homer on their capital priority list. He is making a proposal to the Borough to add it to their capital priority list. It is a big deal for the schools, hospital, and citizens inside and out of the city. The Assembly at their last meeting conveyed the parcel on Kachemak Drive that the city turned down; the City now owns it. Buccaneer Alaska is doing more drilling and development in the upper inlet. Mr. Smith reported on the AML meeting with 83 newly elected officials in attendance. A resolution was passed to restore things in the coastal zone management program, restoring local communities a voice in coastal zone development. Presentations were heard from Malcolm Roberts and Oregon Fire Chief Jeff Johnson.

Asked by Councilmember Hogan about the KPB economic statistics position being terminated, Assemblyman Smith answered some functions were moved into the Finance Department with the intent to put together those statistics.

B. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission

A. Community Economic Development Strategy

Dean Ravin, Economic Development Advisory Commissioner, reported the commission forwarded the CEDS to City Council for approval. The EDC is ready to focus on paying tenants for the old high school building which is in need of repair. They hope to generate revenue to make it pay its way.

4. Parks and Recreation Advisory Commission

Dave Brann, Parks and Recreation Advisory Commissioner, reported they now have a full commission with a lot of energy and enthusiasm. At the last meeting they walked through Karen Hornaday Park and Bayview Park. They discussed renovation of the KHP playground, the bridge across Woodard Creek, and safety issues of the current location of the road. Most of the park is on the right hand side with people having to cross the road to access the ballfields. Bayview Park is a popular neighborhood park for children. Camping fee income is up by \$10,000. The commission discussed maintenance of parks, dressing the parks up, and the need to fund the four maintenance positions. Two new committees were formed, one for the Kachemak Drive pedestrian/bike path and parks and recreation on the Spit. Both committees will meet on December 5th. The commission is trying to invite recreational groups for presentations to gain familiarity with all organizations. A community skate at Ben Walters Park was attended by 150 people.

5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

- A. **Ordinance 10-51**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2011 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures). City Manager. Introduction October 25, 2010, Public Hearings November 22 and December 13, 2010, and Second Reading December 13, 2010.

Ordinance 10-51(S), An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2011 for the General Fund, the Water-Sewer Fund, the

Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures).
City Manager.

Mayor Hornaday called for a motion to substitute Ordinance 10-51(S) for Ordinance 10-51.
WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Hornaday opened the public hearing.

Mayor Hornaday commented for the last four to five years we have substantially reduced expenditures as there has been a substantial reduction in revenues. It is now time to find additional revenues. He asked the Finance Director to look at increasing the tobacco and alcohol tax. We cannot continue to cut services. When Council removed the tax on food it was a big loss, creating a \$800,000 shortfall. We spend more on Frank Griswold than on a number of budgeted items. It is hundreds of thousands of dollars and in the Mayor's opinion he hasn't accomplished anything positive. If your project is not funded you can thank Frank for that.

Leonard Wells, city resident, offered support for Frank Griswold who has won many lawsuits, doing city residents a favor, but maybe not Council that passed improper things. He asked that a committee be set up to look into the water/sewer fees and that services be cut back.

Frank Mullen, Homer resident and Haven House Boardmember, asked that a small amount be funded to Haven House. The shelter gives something back to women and children that need help. Donations can be made at: havenhousealaska.org. Haven House saves on services by preventing 911 calls for those that utilize their services. Haven House is trying to leverage a retirement plan for their employees who currently have no pension, no COLA, and a bare bones health plan.

Peg Coleman, Homer resident and Executive Director of Haven House, commented Haven House is in their 30th year. They are supported largely through public safety and domestic violence counseling. The shelter was opened in response to the community's need. There has been no increased funding for the 24/7 operation. The shelter is overfull, over fire capacity. There is so much more money spent on shelters for animals rather than children. Dignity and respect should be built into the code of justice for the state.

Melissa Jacobsen, city resident and city employee, offered support for the IT employees, rather than outsourcing them. Employees rely on computers to accomplish their daily work. Waiting for a small local contractor would reduce productivity to a crawl. She questioned the logic of hiring a part time person to reduce the current clerks' overtime and asked for consideration of a training budget for employees. Balancing the budget should be taken off the backs of the employees and put it on the backs of the residents that rely on city services.

Dean Ravin, Homer resident, commented we are all tightening our belts and he doesn't feel for the city.

Mayor Hornaday closed the public hearing.

- B. **Resolution 10-89**, A Resolution of the City Council of Homer, Alaska, Revising Certain Portions of the Port and Harbor of Homer Terminal Tariff No. 600 and Amending the City of Homer Fee Schedule Accordingly. City Clerk. Introduction October 25, 2010 and Public Hearings November 22 and December 13, 2010. (To follow Budget Ordinance 10-51.)

Mayor Hornaday opened the public hearing. In the absence of public testimony, Mayor Hornaday closed the public hearing.

- C. **Resolution 10-90**, A Resolution of the City Council Amending the City of Homer Fee Schedule Under Airport Terminal Facility, Long Term Parking, Under Public Safety, Parking Tickets, and Under Administrative Fees, Modem Transmission, Data Fees, and Document Copy Fees. City Clerk. Introduction October 25, 2010 and Public Hearings November 22 and December 13, 2010. (To follow Budget Ordinance 10-51.)

Mayor Hornaday opened the public hearing. In the absence of public testimony, Mayor Hornaday closed the public hearing.

- D. **Resolution 10-91**, A Resolution of the City Council of Homer, Alaska Authorizing the City Administration and the City Auditors to Operate, Budget for, and Audit the Water and Sewer Enterprise Fund as a Special Revenue Fund Under Relevant Statutes and Other Applicable Authorities and Renaming the Homer Water and Sewer Enterprise Fund the Homer Water and Sewer Special Revenue Fund. City Manager/Finance Director. Introduction October 25, 2010, Public Hearings November 22 and December 13, 2010. (To follow Budget Ordinance 10-51.)

Mayor Hornaday opened the public hearing. In the absence of public testimony, Mayor Hornaday closed the public hearing.

ORDINANCE(S)

- A. **Ordinance 10-52**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Homeland Security and Emergency Management Grant in the Amount of \$30,000.00 in Federal Funds to Purchase Emergency Medical Dispatch ProQA Software, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommended dates: Introduction November 22, 2010, Public Hearing and Second Reading December 13, 2010.

Memorandums 10-135 and 10-136 from Police Chief as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 10-52 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

Police Chief Robl reported Emergency Medical Dispatch is the vendor for the software; they did not go out for a RFP or bid.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 10-53**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating and Alaska Department of Transportation (ADOT) Reimbursement of up to \$6,720.00 for Commercial Vehicle Enforcement Inspections and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommended dates: Introduction November 22, 2010, Public Hearing and Second Reading December 13, 2010.

Memorandum 10-137 from Police Chief as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 10-53 for introduction and first reading by reading of title only.

WYTHE/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Ordinance 10-54**, An Ordinance of the City Council of Homer, Alaska, Enacting Subsection (d) of Homer City Code 21.50.020, Site Development Standards – Level One, and Homer City Code 21.50.150, Fill Standards, Regarding the Requirement of a Storm Water Plan, and Establishing Standards for Filling Land. Planning. Recommended dates: Introduction November 22, 2010, Public Hearing and Second Reading December 13, 2010.

Memorandum 10-138 from City Planner as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 10-54 for introduction and first reading by reading of title only.

WYTHE/ROBERTS – SO MOVED.

WYTHE/HOGAN - MOVED TO MOVE THE SECOND READING TO THE FIRST MEETING IN JANUARY AND REQUEST TO HAVE A SPECIAL MEETING TO ACTUALLY DISCUSS THE CONTENT OF THIS.

There was no discussion.

VOTE: (amendment) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VOTE: (main motion as amended) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Memorandum 10-141 from Library Director, re: Response to Proposed Amendments to the FY2011 Budget
 2. Memorandum 10-142 from Port and Harbor Director, re: Derelict Vessels
 3. Memorandum 10-144 from Public Works Director, re: Energy Audit – City Facilities 65% Recommendations
 4. Memorandum 10-145 from Public Works Director, re: Kachemak Drive Water/Sewer Project (Phase II) What's Next?
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1. Website Launched: You may have noticed or heard that the new City website has been launched. If you have not been there yet, please take the time to check it out. www.ci.homer.ak.us. Please keep in mind that this is still very much a work in progress. Links are still being established and documents and other information posted. But generally, everyone seems pretty excited about the capabilities of the new site. It should be a much more useful tool for the public. For example, one of the new features allows folks to sign up for e-mail alerts. And you can pick what you want. So, if for example, a resident just wants to receive copies of Port and Harbor Commission agendas, they can do so. The Library page and the Clerk's page are particularly impressive. This new site will save time for staff when it comes to disseminating public information. But it will also require a refocus and more effort spent on keeping the site current. Terry Felde is the Website Coordinator and she has done an excellent job pulling this together. She also had a great deal of help from the liaisons in each department. Please let us know if you would like a public demonstration and/or training on the new site. We could do that at an upcoming workshop.
 2. Comprehensive Economic Development Strategy (CEDS): The Economic Development Commission has completed its work on the CEDS. It voted to pass the draft document on to the Council for review and approval at its regular meeting on November 9, 2010. A copy of the document was provided with your packet as an informational item so that you

have some time to look it over and give it some thought. We thought it would be a good idea to put the resolution approving the CEDS off until the January 10 meeting so that the Council will be able to devote as much attention as possible to the budget. As you know, there are only two more scheduled meetings this year.

3. **Business Travel:** Last week I traveled to Soldotna along with Carey, Bryan, and Rick to meet with the Corps of Engineers. In the morning we discussed transfer of the Corps permit for the seawall to the property owners and a City permit application to make beneficial use of dredged spoils. In the afternoon we discussed a regional general wetlands permit for the proposed Enstar transmission, distribution, main, and service lines. A little more information about all of these topics appears below. The week of November 15 I will be travelling to Anchorage to meet with DOT/PF about several stalled projects including the Main St. traffic signal, the Spit Trail extension, the Deep Water Dock, and the TORA Agreement. These four projects will be top priorities in the coming year.
4. **Fire Training Facility:** Chief Painter is scheduled to travel to California on December 2 through December 4 to conduct a pre-delivery construction inspection. If everything looks OK, the facility will be shipped to Homer and we anticipate its arrival before the end of this year. After much discussion, we have decided that the best location for the facility, at least initially, is on the Spit. It was hard to find a location that was away from residential areas and close to a water source. The Spit provides both including access to a hydrant. The spot chosen is on gravel, but within the Chip Pad enclosure, at the Northwest corner, near the road and the fire hydrant. There will be some limited smoke several times a year during training exercises. We really look forward to getting this facility up and running.
5. **Update: Fire Mitigation Project / Bridge Creek Watershed:** This project is moving along slowly and methodically. As everyone knows, this is a sensitive area and no one wants to do anything that would endanger water quality or important habitat. The Bridge Creek Watershed Protection District Ordinance contains many requirements that must be met before an operation of this type can be undertaken. The ordinance also requires that the Homer Soil and Water Conservation Service review the plan and make recommendations on the required erosion and sedimentation plan. All of this takes time. We have received recommendations from the Soil and Water Conservation District and also consulted with the Department of Fish and Game and Cook Inlet Keeper. A field trip took place several weeks ago. On Tuesday of this week, the Spruce Bark Beetle program staff will be here to discuss where we are and to perhaps start putting together the Conditional Use Permit application. It is starting to get a little late in the season and much will depend upon the weather and how long it takes to obtain the CUP.
6. **Update: Enstar Project:** Enstar has completed the distribution line from the North Fork Road to the Chapman School. It is my understanding that the school and some of the businesses fronting the line are now hooked up and will be served with gas next spring. Enstar is preparing design and costs estimates for extending the distribution line down to Homer and beyond. The goal is to have the information ready for the legislature to consider in January. The Corps of Engineers is actively discussing a regional general wetlands permit for Enstar's transmission, distribution, main, and services lies. The idea is to issue one permit for the entire expected build-out of the project instead of many individual permits for each segment or subdivision. This will save a lot of time and red

tape. In the next few months, Enstar and the City will map out the expected location of the Main lines in City streets. We hope to get the gas distribution task force up and running soon to help with this effort. The Kachemak City Council has already decided that it will finance the installation of the gas mains throughout the entire City and pay for it with an increase in the mil rate. So, they are significantly ahead of Homer in that regard. The City, the State, and Enstar are still working on amendments to the grant agreement to satisfy the concerns expressed by the Council. At the time this was written, I had still not signed the construction agreement. I covered a lot of ground quickly here. Please let me know if you have questions.

7. Kachemak Drive Phase II Water and Sewer: What is next?: As you know, after new information came to light, the City rejected all bids and returned the bid bonds to all bidders for the Kachemak Drive Phase II Water and Sewer LID. At this time, we suggest going back to the engineer who produced the project cost estimate (five years old now) and reevaluating the estimate and looking for some value engineering to lower costs. If the new cost estimate is more than 15% higher than the estimate the property owners approved, or if the new scope of work is significantly changed, it is likely that we would have to go back to the property owners for approval. The goal is to re-bid the project and work toward construction beginning next summer or fall. Attached is a memorandum from the Public Works Director suggesting the way forward. Please let us know if you want to spend more time on this at some future meeting. This may become an action item for the Council at some point. We do have some time in which to consider this carefully since the Council has already extended the project timeline. It is my understanding that all secured permits are good for at least three years.
8. Energy Audit / City Buildings and Facilities: The consultants have completed their energy audits and recommendations for City buildings and facilities. A representative for the contractor will make a presentation as a visitor on the regular agenda. Attached is a memorandum from the Public Works Director along with a spreadsheet which shows the energy saving projects with the biggest payback. The work on these projects is at 65%. We are looking for tacit approval from the Council to move specific projects to 95%. At that point we would be ready to ask the Council to appropriate funds to make the improvements. Note that the estimated costs to do all of the projects exceeds what we currently have available. Discussion will be necessary about which projects to proceed with, whether we want to expend the entire RLF in one shot, and whether more money should be appropriated or applied for. Again, let us know if you want to add this topic to a future workshop.
9. Derelict Vessels: Several years ago, the Council asked lots of questions about why we had so many derelict vessels in the harbor. Since that time, Bryan and his staff, working closely with the City Attorneys, have redoubled efforts to get these vessels out of the harbor. It is difficult and tricky to do this and many harbors are struggling with the same problem. Bryan has done an excellent job and he has been able to use a number of creative approaches to making this happen. We have reported to you about several vessels that have been removed over the past two years. Some vessels were cut up and recycled and left with the rest of the scrap steel this summer. This includes one large barge and derelict vessel that were beached on City tidelands. The latest vessel to leave is the Inlet Harvester. Many of you will remember this ship. It has been inactive and tied up at JJ Float for well over a decade. It was taking up a huge amount of moorage space. Now

that it is gone, the space is available for “working” boats. We are trying hard to impress upon people that the Homer Harbor is not a storage yard. It is a working harbor and we want vessels that are actively working and providing jobs and revenues to this community. Attached is a memorandum from the Port and Harbor Director summarizing efforts in the past few years.

10. Tidal Power Update: We recently learned that the Alaska Energy Authority intends to reject the City’s Round IV tidal power feasibility study application. The reason given is that this pot of alternative energy money is for construction, not feasibility studies; something that we have received very mixed messages on in the past. So, that is the bad news. The good news is that AEA is suddenly very interested in exploring tidal power and they want to do a joint project directly with NOAA to look at the feasibility of tidal power in all of Cook Inlet, including Kachemak Bay. So, from my point of view, this is a win-win situation for the City. We now have reasonable assurance that tidal power opportunities will be explored. And, the City is relieved of the responsibility of being the grant recipient and the project manager; something that would have required a great deal of staff time and effort.
11. Beneficial Uses of Dredge Spoils: The City has submitted an application to the Corps of Engineers to use dredge spoils to create several new parking lots and to replenish certain beaches that have experienced erosion. We did this for several reasons. 1). An attempt to assist the Corps as it attempts to devise a 20-year dredging plan, 2) an attempt to replenish eroded beaches which has been encouraged in the past, 3) an effort to create more off street parking which has been recommended. Beneficial uses of dredged materials is encouraged in official Corps documents. The Corps held an initial scoping meeting with permitting agencies and we expect that they will request more information. Concern was expressed about proposed revetments and possible contamination of the dredged materials.
12. Seawall Update: We continue to be faced with seawall issues and are attempting to make progress. We are working with the Corps to have the permit transferred to the property owners which is where it should have rested in the first place. The Corps has responded that under its rules, it can only transfer a permit to a willing party. We have explained the unique circumstances to them and they have requested more information. I will be initiating a conversation with the property owners to determine if there is a willingness to assume responsibility for the permit. I will also make another attempt to sell the two lots the City owns as directed by the Council. In the meantime, the property owners met with Senator Begich when he was here and they want support from the City for improvements to the wall. It seems like there is room for agreement on a path that benefits everyone here and I will continue to attempt to find a solution.
13. Budget Amendments: We have made some changes to the draft budget without going through the formal budget amendment process. Regina will provide you with new budget pages that you can insert into your draft budget. These changes are simply clerical errors. They are not substantive changes. For example, they include the \$22,000 mistake that Francie discovered in the library personnel budget, another \$29,000 mistake that was discovered in the jail personnel budget, inclusion of the \$5,000 expenditure for website hosting and maintenance which Council had approved previously, and changes to the Old Intermediate School Budget (Leased Properties) that reflect changing circumstances.

14. Records Retention: Tom Klinkner, Holly Wells and I have been talking about the need to amend the City Code section on records retention as it relates to e-mails for awhile now. This section of the code needs to be changed to reflect changes in technology and the law. Work on that ordinance is in progress and I hope to bring you something on it in January.
15. Senator Begich Follow-up: We are working to follow-up on the requests Senator Begich had when he was here. Some information we can provide right now, such as information on Homer intersection improvements, earmark money and the stalled deep water dock project, and the erosion problem at mile 150-157, Sterling Highway. Anne Marie is providing that information to the Senator. Other items he requested will be forwarded when they are complete. Those include the Enstar design and cost estimates for extending the gas transmission line to Homer and beyond and the Corps of Engineers technical report on the proposed East Boat Harbor.
16. Old Water Treatment Plant: Progress is being made regarding the demolition of the old water treatment plant building. Most of the electrical and other important and salvageable equipment has now been removed. We anticipate that a request for bids will be issued next month or in January and that demolition will take place this winter. This spring we can focus on the new fire station facility on the remaining cement pad.
17. Fire Department Recruitment: The Fire department is conducting a Firefighter I class and testing will take place in December. There are presently eight students taking the class. An EMT training class will begin in January. The Department is working hard to step up recruitment and efforts appear to be paying off.
18. Library / Budget Questions: At the last budget workshop, questions were raised regarding the impacts of reducing the book budget, reducing travel and training costs, and charging for computer use, among other things. Attached is a memorandum from the Library Director which discusses these topics.

City Manager Wrede referenced #8 the energy audit and #18 the report from the Library Director as contained in his report. As to the energy audit we are proposing under the contract the projects Carey had identified that total \$800,000. It would complete the projects with the biggest feedback. The schedule as outlined in the packet would be followed and would be taken to 95% to define the cost estimates and come back to Council to ask for an appropriation. Council can pick and choose which projects to fund. The projects would not all need to come from the revolving energy fund.

Library Director Helen Hill reported Memorandum 10-141 addressed the issues and answered questions pertaining to proposed budget reductions at the library. Books are needed at the library and computers are used to access information. Representative Seaton gave her the flash drive with the Vitamin D information. The cataloger at the library has received training and in addition to cataloging books, can now catalog electronic information from the flash drive.

Councilmember Hogan questioned the Fire Chief's travel to California for fire training. He asked if it was part of the grant funding budgeted item. City Manager Wrede believes it is, but will get back to Mr. Hogan.

Councilmember Wythe commended the Port and Harbor for their work in getting rid of derelict vessels.

Councilmember Hogan asked for more information on the dredge spoils. City Manager Wrede reported as to #11 on his report, there are a lot of dredge materials from the harbor entrance and the Hickory berth. We have now found the harbor has lifted about a foot so more dredging may be required, including the fairway. The Corps of Engineers would be responsible for the fairway, but the City is responsible for the rest. The COE have been trying to come up with a 20-year plan. We are trying to help them find a good use for the dredge spoils. They have recommended replenishing beaches if need be. The issue of more parking needs keeps coming up in the planning sessions. Carey and Bryan put together a proposal to the COE for a permit to create new parking lots to provide access to the beach and to replenish some beaches. They went to a scoping meeting in Kenai; there was concern expressed about the revetments and beach nourishment. He expects the COE to write a letter asking for more information.

Agencies were challenging us on our code provision that prevents material from going off the Spit. Carey and Bryan explained the history, going back to the earthquake and commercial mining. They asked if Council would consider removing the provision within the code. There are other ideas out there and if the Deep Water Dock or the East Boat Harbor happened, the fill material will be good for it. The dredge spoils now just pile up and are using up useful space. City Manager Wrede stated we are not in negotiations with the COE on a permit. If we change locations of dredge spoils they could give us a new permit. Fish and Game is concerned there may be contaminants, and the EPA is concerned about upsetting the natural processes. Dredging anything below the mean mean high tide would require a permit from the COE. Dredge spoils could be used on land the City owns to build higher or fix drainage, but if it is below a certain elevation, it requires a COE permit.

Mayor Hornaday called for a recess at 7:12 p.m. and reconvened the meeting at 7:17 p.m.

B. Bid Report

CITY ATTORNEY REPORT

City Attorney Klinkner provided a brief explanation of the format of the report. There were no questions from the Council.

COMMITTEE REPORT

A. Public Arts Committee

B. Transportation Advisory Committee

Councilmember Roberts reported the TAC met for their quarterly meeting and had a lively discussion about the CARTS program. Several private businesses came to the meeting. As it moves forward, people in the city may be interested to participate.

- C. Permanent Fund Committee
- D. Lease Committee
- E. City Hall Renovation and Expansion Task Force

PENDING BUSINESS

- A. **Resolution 10-79**, A Resolution of the City Council of Homer, Alaska, Determining the Area Within Which The City May Provide Water Utility Service. Zak. (Postponed from October 11, 2010.)

Motion on the floor from October 11th: MOTION FOR THE ADOPTION OF RESOLUTION 10-79 BY READING OF TITLE ONLY.

Mayor Hornaday commented he feels strongly we should not be providing water outside the city. It is the most valuable product we have and Council decided no one would hook up unless they were inside the city. Kachemak City formed because they did not want to join the City of Homer. There is no reason to live in Homer if you can live outside city limits and get the benefits. We spent millions of dollars to build the new water treatment plant.

Councilmember Roberts expressed complete agreement with the Mayor. If we voted for this we would be creating a tax free zone for businesses; businesses within the city would be paying higher taxes.

VOTE: YES. ZAK

VOTE: NO. ROBERTS, WYTHER, HOWARD, HOGAN, LEWIS

Motion failed.

- B. **Resolution 10-80**, A Resolution of the City Council of Homer, Alaska, Adopting the Amended Public Arts Committee Administrative Guidelines to Incorporate Amendments to Composition, 1% for the Arts Program, Preservation, Promotion and Awareness, and De-Accessioning Sections; and to Add Sections Declaration of Purpose, Meetings, Organization and Procedures, Accession and Gift Policies, and Procedures to Propose a Donation. City Clerk/Public Arts Committee. (Postponed from October 25, 2010.)

Memorandum 10-122 and 10-130 from Public Arts Committee as backup.

Motion on the floor from October 11th: ROBERTS/LEWIS – MOVED FOR THE ADOPTION OF RESOLUTION 10-80.

Councilmember Wythe questioned the amendment on lines 329 – 333.¹

¹ The Regular Meeting minutes of October 25, 2010 reflect a motion was made to strike lines 329-333 and subsequently withdrawn to allow the City Attorney to review the proposed Administrative Guidelines.

WYTHE/ROBERTS - MOVED TO FURTHER POSTPONE TO DECEMBER 13.

HOGAN – MOVED FOR A FRIENDLY AMENDMENT TO POSTPONE TO JANUARY.

Motion died for lack of a second.

VOTE: (postponement) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

City Attorney Tom Klinkner commented he has nearly completed a written analysis. In summary the PAC is carving out a broad chart in the guidelines, in contrast to the ordinance under which they are operating that provides for them to work on art in the public buildings program and manage a public arts fund. It is Council's prerogative to determine their charter; if Council wishes them to have a broader charter they can give them one. Mr. Klinkner advised this is not the correct vehicle for doing that. Instead, if Council wishes code should be amended prescribing additional powers and duties rather than in the administrative guidelines. Secondly, they add a section prescribing the composition of the committee. That should be addressed in the code by the Council rather than in the guidelines. Finally, as a result of a defect of HCC 18.07.060 members of the committee are appointed by the Council. Alaska Statutes state members of a board or committee are appointed by the Mayor and confirmed by Council. Attorney Klinkner recommends correcting that.

Attorney Klinkner noted in the PAC original guidelines under art and public buildings, there is a provision for the appointment of juries to select art under different circumstances. It provides the jury members are approved by Council after input from PAC. In contrast the guidelines say PAC is the appointing authority; that should be clarified. There are references throughout the proposed guidelines to the municipal art collection. There is nothing to clearly define it. Mr. Klinkner is concerned from line 307–321 in references to various exhibits. He has not seen the exhibits. The clerks are not sure what they are. If Council is to adopt something that contains exhibits, the exhibits should be reviewed and approved as well. He agrees lines 330-333 are problematic, along with several other places that the guidelines have the effect of binding future councils to do things. Mr. Klinkner will point those out in a written document. Those requirements should be made subject to appropriation by the future council working with them rather than being prescribed for all time by the council that approves the acquisition of the art piece. There are provisions in code for acquiring and disposing of city property. They don't talk to the guidelines discussions about accessioning and de-accessioning. It is a different process and the two do not connect. Mr. Klinkner will provide a written report with proposed code amendment.

- C. **Resolution 10-81(A)**, A Resolution of the City Council of Homer, Alaska, Amending the Homer Public Arts Committee Administrative Guidelines to Establish the Second Thursday at 5:00 p.m. Not to Exceed Ninety Minutes as the Regular Quarterly Meeting Day, Time, and Length. City Clerk/Public Arts Committee. (Postponed from October 25, 2010.)

Memorandum 10-123 from Public Arts Committee as backup.

Motion on the floor from October 11th: LEWIS/ROBERTS - MOTION FOR THE ADOPTION OF RESOLUTION 10-81(A) BY READING OF TITLE ONLY.

Councilmember Howard is uncomfortable setting a time limit when the committee can monitor themselves and have efficient meetings.

ROBERTS/LEWIS - MOVED TO POSTPONE RESOLUTION 10-81(A) TO THE FIRST MEETING IN DECEMBER TO FOLLOW RESOLUTION 10-80.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

- A. **Memorandum 10-139**, from City Clerk, re: Vacate a portion of the 30-foot right-of-way easement within the panhandle of a deeded parcel recorded in Book 39, Page 7 of the Homer Recording District, within Section 7, Township 6 South, Range 13 West, Seward Meridian, Alaska, within the City of Homer and the Kenai Peninsula Borough. And vacate the 66-foot portion of the section line easement underlying the above right-of-way easement vacation centered on the line common to Sections 7 and 8, extending north from Skyline Drive to the ¼ corner common to said Sections 7 and 8; within Township 6 South, Range 13 West, S.M., Alaska; within the City of Homer and the Kenai Peninsula Borough; KPB File 2010-152 & 2010-153; Location: City of Homer.

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandum 10-139.

WYTHE/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

RESOLUTIONS

- A. **Resolution 10-92**, A Resolution of the City Council of Homer, Alaska, Authorizing the Purchase of a 2-Stage Snow Blower Attachment, Utilizing General Fund Monies Previously Appropriated in the Amount of \$124,105. City Manager/Public Works Director.

Memorandum 10-140 from Public Works Superintendent as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 10-92 by reading of title only.

LEWIS/WYTHE - SO MOVED.

Councilmember Hogan expressed concern the purchase was not put out for RFP even though it exceeds the \$25,000 limit under the procurement policy. He would like to see it postponed and put out for sealed bid as required in the procurement policy.

Mayor Hornaday called for a recess at 7:37 p.m. and reconvened the meeting at 7:39 p.m.

After conferring with the City Attorney, City Manager Wrede announced that Councilmember Hogan is correct in that it does not follow the procurement policies.

VOTE: YES. HOGAN

VOTE: NO. LEWIS, ROBERTS, WYTHE, ZAK, HOWARD

Motion failed.

B. **Resolution 10-93**, A Resolution of the City Council of Homer, Alaska, Opposing an Application to the U.S. Food and Drug Administration (FDA) to Approve and Market Genetically Engineered Atlantic Salmon in the United States. Hogan.

Mayor Hornaday called for a motion for the adoption of Resolution 10-93 by reading of title only.

HOGAN/LEWIS - SO MOVED.

Councilmember Hogan indicated there was a lot of dissent with the process this is going through and it is incumbent on the community that we are facing a threat.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

C. **Resolution 10-94**, A Resolution of the City Council of Homer, Alaska, Approving a New Lease for Brad Faulkner on Lot 88-4, and Finding that it is in the Public Interest to do so Without a Competitive Bidding Process. Lease Committee.

Memorandum 10-143 from Lease Committee as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 10-94 by reading of title only.

HOGAN/LEWIS - SO MOVED.

Councilmember Roberts read the supporting documentation indicating the lessee had not followed the lease procedures. He hasn't completed a renewal without going out for bid.

City Manager Wrede advised that is what his staff report said. The Lease Committee voted 4-2 in favor of the lease.

Mayor Hornaday commented years ago he used Brad Faulkner to fix fish and send it outside. Brad has done a lot of good in the community. Mayor Hornaday expressed concern if we set a policy for not enforcing lease requirements, what about the next guy that comes along and wants the same deal? Is it seriously endangering following the Lease Policy in the future?

City Attorney Klinkner advised the Lease Policy does provide if certain criteria or conditions are met, an existing leaseholder can renew without putting the lease out for bid. By majority vote, the Lease Committee found justification:

- Faulkner had a substantial investment in the property;
- There are other lots available if additional public interest is shown in leasing in the area; and
- The current lessee and tenants offer economic advantages.

Some submissions to support renewal were not made timely or complete. Some things were submitted at the meeting. The Lease Committee determined the submissions were sufficient. He would have to study the matter to determine if any deficiency is a deal killer, rather than something the committee has discretion to look at otherwise.

Councilmember Hogan noted a few meetings ago we found the same thing with FedEx. The conditions existed for offering them a lease without putting it out for bid, without the recommendation of the Lease Committee. In this case the Lease Committee deliberated and voted. It is important we show respect to committees. Passage of the resolution gives the City Manager the ability to negotiate a lease. To have economic development in the town we need to promote it and not pick it to death.

WYTHE/ROBERTS - MOVED TO POSTPONE TO THE NEXT MEETING SO THE ATTORNEY CAN GIVE US A LEGAL OPINION.

There was no discussion.

VOTE: YES. ROBERTS, WYTHE, ZAK, HOWARD

VOTE: NO. HOGAN, LEWIS

Motion carried.

D. **Resolution 10-95**, A Resolution of the City Council of Homer, Alaska, Expressing Support for Public Radio and Urging Continued Funding from the State and Federal Governments. Lewis.

Councilmember Roberts disclosed she is a member of KBBI and a member of the Board.

City Attorney Klinkner advised there is no action before Council in which KBBI officers or employees have a financial interest, therefore there is no conflict. Council is just stating a point of view.

Mayor Hornaday ruled Councilmember Roberts can vote. There was no objection from the Council.

LEWIS/ROBERTS - MOTION FOR THE ADOPTION OF RESOLUTION 10-95 BY READING OF TITLE ONLY.

Councilmember Lewis expressed support for public radio. For rural communities it is important to get the message out.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Dean Ravin, Homer resident, commented on Resolution 10-94. The EDC did work on the Lease Policy and tried to make a smooth orderly transition for renewing a performing lease. Council cut that out of the final version of the Lease Policy. If a lease comes up we need to make it easy for the business to continue. Council found a way to renew the FedEx lease. Is Faulkner going to pack up the show and go to Kodiak or Seward, or will Council find a way to make business viable?

Leonard Wells, city resident, commented on Resolutions 10-93 and 10-95, stating some members of the city are not supportive. He hopes Council or the Police Chief will take note on the member from Haven House commenting that they do not meet the fire code and don't send the fire marshal there.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner thanked everyone for celebrating his birthday with him and wished everyone a great Thanksgiving.

COMMENTS OF THE CITY CLERK

City Clerk Johnson wished everyone a Happy Thanksgiving.

COMMENTS OF THE CITY MANAGER

City Manager Wrede wished everyone a Happy Thanksgiving.

COMMENTS OF THE MAYOR

Mayor Hornaday commented on the nice article on Francie. She lives an excited life and we are honored to have her on the Council. He congratulated Kevin, Pat, and McBride for now being television stars. Whatever your political views are, Sarah Palin's Alaska was great. The show brought back a lot of happy memories.

COMMENTS OF THE CITY COUNCIL

Councilmember Wythe reminded people there will be a community Black Friday home sales person doing a craft fair at the Kachemak Center on the 26th from 10-6. She is happy to see the content of the gas task force with Mr. Story and Mr. Pate stepping up.

Councilmember Lewis wished everyone a Happy Thanksgiving and congratulated Homer High School Hockey Team on winning the End of the Road Tournament this past weekend.

Councilmember Hogan commented he is happy to see Mr. Heimbuch as well on the commission. With the public hearings on the budget he is surprised at how few people come to testify. He is concerned when people call him and say they are afraid to come down here and speak up because there are consequences. It bothers him a lot and he hears it a lot. He encouraged everyone out there to come and testify and if you have consequences, we will fight like hell to make sure your rights are protected. He is really kind of tired of hearing of people being afraid to participate; there is a reason for it.

Councilmember Zak wished everyone a Happy Thanksgiving. He went to AML last week and our clerks were not there. Some of the discussion at the Committee of the Whole had to do with training budgets. He hopes the training for the clerks can be worked back into the budget as they receive training credits. It is an invaluable opportunity for the Mayor and councilmembers to network with other communities. We are not represented there as well as we should be.

Councilmember Roberts had no comment.

A Special Meeting was scheduled for December 13, 2010 at 4:00 p.m. to discuss Resolutions 10-80 and 81(A).

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 7:58 p.m. The next Regular Meeting is scheduled for Monday, December 13, 2010 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, December 13, 2010 at 5:00 p.m. Special Meetings are scheduled for Wednesday, December 8, 2010 at 5:30 p.m. and Monday, December 13, 2010 at 4:00 p.m. All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

JO JOHNSON, CMC, CITY CLERK

Approved: _____