

Session 10-35 a Regular Meeting of the Homer City Council was called to order on December 13, 2010 at 6:00 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

STAFF: CITY MANAGER WREDE  
CITY CLERK JOHNSON  
CITY ATTORNEY KLINKNER  
CITY PLANNER ABOUD  
FINANCE DIRECTOR HARVILLE  
FIRE CHIEF PAINTER  
LIBRARY DIRECTOR HILL  
POLICE CHIEF ROBL  
PORT AND HARBOR DIRECTOR HAWKINS  
PUBLIC WORKS DIRECTOR MEYER

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

Council met for a Special Meeting from 4:00 p.m. to 4:44 p.m. to hear Resolutions 10-80 and 10-81(A), and Ordinance 10-55 pertaining to the Public Arts Committee. Council met as a Committee of the Whole from 5:00 p.m. to 5:52 p.m. to discuss Regular Meeting Agenda items.

### **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 amended to add the following: **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. Budget Amendment by Councilmember Howard; written public comments; **RESOLUTIONS** - **Substitute Resolution 10-92(S)**, 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; **Resolution 10-97**, A Resolution of the City Council of Homer, Alaska, Establishing the 2011 Regular Meeting Schedule for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks and Recreation Advisory Commission, Advisory Planning Commission, Port and Harbor Advisory Commission, Lease Committee, Permanent Fund Committee, Public Arts Committee and Transportation Advisory Committee. City Clerk. Memorandum 10-165 from Library Advisory Board as backup.

WYTHE/ROBERTS - MOVED TO FURTHER AMEND TO CALL FOR RECONSIDERATION OF RESOLUTIONS 10-80 & 10-81(A) WHICH WERE APPROVED FOR POSTPONEMENT TO A DATE IN JANUARY.

Councilmember Hogan notified Council under Resolution 10-98 he will call a conflict of interest.

The agenda as amended was approved by consensus of Council.

### **PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

Shelly Erickson, Economic Development Advisory Commissioner and Lease Committee member, urged Council to follow the recommendations of the Lease Committee for the Faulkner lease. It is a viable business endeavor and Council set a precedence with the FedEx lease by renewing without a RFP.

Glenn Carroll, Port and Harbor Advisory Commissioner, voiced support of the Faulkner lease.

Dean Ravin, Homer resident, expressed his support for the renewal of the Faulkner lease. It is a viable, ongoing business and the transition should be easy. Commerce is the lifeblood of the community and staff and Council should not stand in the way.

Brad Faulkner, city resident, commented they have moved 5M lbs. of seafood across the lot this summer, employing the Fish Factory and Auction Block to do the offloads. He was surprised to find the lawyer's opinion in the packet. He sent the request for a lease renewal to Bryan Hawkins and didn't hear from the City for six months. When he got back Bryan said the email did not count, you had to do it in writing to the City Manager. Three years ago he was told to talk to Port and Harbor. Having worked on the Louisiana oil spill for four months, City Manager Wrede said it would be okay to put in his application when he got back.

Michael Kennedy, city resident, voiced support for the Brad Faulkner lease renewal. He has a positive influence on the community and the fishing world. To deny him the positive influence would be detrimental; to not renew would be a disservice to the City economically and morally.

### **RECONSIDERATION**

- 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.

Memorandums 10-140 and 10-152 from Public Works Superintendent as backup.

WYTHE/LEWIS – MOVED FOR THE RECONSIDERATION OF RESOLUTION 10-92.

Councilmember Hogan asked if the reconsideration was filed timely. City Clerk Johnson stated it was filed within the 48-hour requirement.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- 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.  
Memorandum 10-148 from City Attorney as backup.

- 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.

WYTHE/ZAK - MOVED FOR RECONSIDERATION OF RESOLUTIONS 10-80 & 10-81(A)

Reconsideration is requested to postpone to January 24, 2010.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## 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 Regular Meeting minutes of November 22, 2010. City Clerk. Recommend adoption.
- B. **Memorandum 10-146**, from Deputy City Clerk, Re: Liquor License Renewal for Beluga Lake Lodge and Best Western Bidarka Inn.
- C. **Memorandum 10-147**, from Mayor, Re: Appointment of Caroline Venuti to the Transportation Advisory Committee.

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

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **VISITORS**

None.

## **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS**

### **A. Borough Report**

Bill Smith, KPB Assemblyman, reported he has been appointed as the Chair of the Finance Committee for the Assembly. Sales tax income for the year is not going to meet projections. The Assembly is looking at next year's budget, trying to hold the mil rate at 4.5%. They are constraining money to the school district, knowing there will be increased waste costs with the closure of the Homer landfill. The City of Homer is holding up well with sales, Kenai is going gangbusters, and Soldotna is suffering from the new Kenai stores opening.

### **B. Commissions/Board Reports:**

#### **1. Library Advisory Board**

Eileen Faulkner, Chair of the Library Advisory Board, introduced Flo Larson of the LAB. Ms. Larson asked that the library book budget not be cut. The community is educated as evidenced by public and private schools, places of worship, non profits, a wide variety of art, and college that hosts an elder hostel and the annual writer's conference. There are many events, restaurants and galleries, and hospital. The library is the heart of the City with Helen Hill. An educated public use the library on a regular basis. She provided comparisons of book spending with other communities throughout the state.

#### **2. Homer Advisory Planning Commission**

#### **3. Economic Development Advisory Commission**

Dean Ravin, Economic Development Advisory Commissioner, announced the EDC meeting tomorrow at 6 p.m. The commission is exploring ideas for the old intermediate school.

4. Parks and Recreation Advisory Commission

Robert Archibald, Parks and Recreation Advisory Commissioner, reported they now have a full commission. They have formed two special committees; staff will not be involved, thus no overtime expenditures. The committees are for Kachemak Drive pedestrians and Spit recreation. Soon Council will receive proposals to spend money for engineering or purchases for Karen Hornaday Park. They are seeking a bridge from South Peninsula Hospital.

5. Port and Harbor Advisory Commission

**PUBLIC HEARING(S)**

- A. **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. Introduction October 25, 2010, Public Hearings November 22 and December 13, 2010, Second Reading December 13, 2010.

Mayor Hornaday opened the public hearing.

Shannon McBride-Moran appeared with her two daughters. She supports the Pratt Museum as part of the quality of life and important part of education in Homer.

Mayor Hornaday commented nobody wants to cut, but we've had a substantial reduction in revenues, almost 25%. The City Manager submitted a budget with about 5% cut in every department. You cannot ignore Frank Griswold who has cost the taxpayers \$100,000 over the last three years. He has not accomplished anything positive that the Mayor knows of.

Eileen Faulkner, city resident, offered support for funding books for the library which support the vibrant community.

Mike Kennedy, city resident, commented the Mayor has elected to make Frank Griswold part of the budget. It is totally inappropriate to denounce a private citizen and the Mayor owes Frank Griswold and the City of Homer an apology.

Marie McCarty supports full funding of the Pratt Museum. Her son volunteered his freshman year at the Pratt and loved the museum and science.

Dean Ravin, Homer resident, commented budget time brings out a lot of people, most have their hand out. The money begged for comes from taxes on heating oil; it is taking money from small and medium wage earners.

Catherine Knott supports the Haven House and South Peninsula Women's Services.

Leonard Wells, city resident, commented education is not a City of Homer function; it a Kenai Peninsula Borough and State function. A committee should be set up to find the priorities we

need to budget. Frank Griswold did not cost the City of Homer \$175,000; the actions of the Council cost.

Diane Converse, city resident and Director of the Pratt Museum, urged Council to continue support for the museum. It is their critical basic operating dollars. Programs are free for all learners and the museum is an economic engine, producing \$1M through direct and indirect spending.

Robert Archibald, city resident, commented nonprofits have a huge volunteer base. They derive funds through The Homer Foundation for grants. A lot of us are taking cuts. He behooved the City to fund the police department as we have a drug problem in this town.

Angie Newby, city resident, commented it costs money to run a government. We need to look at additional revenue sources for the City of Homer, such as property taxes.

Brad Faulkner, city resident, told Council the City's share of fish tax would be  $\frac{1}{4}$  of the 3% of the \$700,000 processors are already paying. The City nets \$100,000.

Jon Faulkner, Lands End Resort operator, told Council businesses had to reduce jobs and hours in response to the economic climate. He asked that Council not dip into budget reserves, as we need stability. The City needs to adjust to low or slow growth; the business community is not healthy and cannot shoulder more burden.

Steve Zimmerman, city resident, urged Council to charge for taking credit cards for payments. As to the Public Works Department overtime, scheduled maintenance work on the sewer system is done on Saturdays. The Mayor is out of line personally attacking Frank Griswold from the Mayor's chair.

Mayor Hornaday closed the public hearing.

Mayor Hornaday called for a recess at 7:12 p.m. and reconvened the meeting at 7:19 p.m.

Motion on the floor from October 25/November 22: MOTION FOR THE ADOPTION OF ORDINANCE 10-51(S) FOR INTRODUCTION AND FIRST READING BY READING OF TITLE ONLY.

Mayor Hornaday noted the number of amendments to the budget submitted by the City Manager.

WYTHE/HOWARD - MOVED TO AMEND THE MAYOR/COUNCIL BUDGET BY REDUCING COUNCIL COMPENSATION BY 50% OR A SAVINGS OF \$4,915.

Councilmembers incur expenses while participating on Council. Councilmember Hogan would like to see it as a one-year deal.

VOTE: YES. ROBERTS, WYTHE, HOWARD, HOGAN

VOTE: NO. ZAK, LEWIS

Motion carried.

HOWARD/WYTHE - MOVED TO ADOPT THE AMENDMENT WITH THE REDUCED AMOUNT OF COUNCIL SALARY IN HALF \$4,915.

(Motion was just approved.)

ROBERTS/ZAK - MOVED TO CONTINUE THE COUNCIL TRANSPORTATION OF \$2,500 AND INCLUDE THE COUNCIL'S SALARY AS JUST PASSED AT \$4,915, KEEP TRAINING DELETED AT \$1,200, BUT WOULD NOT ELIMINATE PERSONNEL PERIODICAL. ELIMINATE CHAMBER OF COMMERCE AND LIBRARY EXPENSE, KEEP POLICE OVERTIME OF \$6,000 IN, ADD IN THE BALANCE OF \$19,000 TO BE COMPENSATED BY THE COST OF CREDIT CARDS BEING BALANCED OUT.

Councilmember Roberts clarified: Keep #1, toss half of #2 , keep #3, toss #4, #5 & #6, keep #7 and have \$19,000 savings from better credit card budgeting.

Finance Director Harville commented a lot of the credit card expenditures are for the enterprise funds. Credit card expenditures affect the Water/Sewer by \$48,000 and Port and Harbor by \$67,000. There are hardly any expenses for the General Fund.

ROBERTS/ZAK - MOVED TO AMEND THAT THE \$19,000 BE USED FROM THE GENERAL FUND FOR THIS YEAR ONLY.

Councilmember Roberts expressed the need to examine the health insurance next year. We can get the \$19,000 from looking at the health insurance.

Councilmember Lewis does not support adding another position (Police Officer) that we don't have the money to fund consistently.

VOTE: (amendment to amendment) YES. ROBERTS, ZAK, HOWARD, HOGAN

VOTE: NO. LEWIS, WYTHE

Motion carried.

VOTE: (amendment) YES. HOGAN, ROBERTS, ZAK, HOWARD

VOTE: NO. LEWIS, WYTHE

Motion carried.

HOGAN – MOVED TO AMEND TO CHANGE EMPLOYEE HEALTHCARE CONTRIBUTION TO 4.8% OF THE HEALTHCARE COSTS (\$84,836).

Motion died for lack of a second.

HOGAN - MOVED FOR A 15% REDUCTION IN OVERALL BUDGETED OVERTIME (\$36,750).

Motion died for lack of a second.

HOGAN/ZAK – MOVED TO ESTABLISH A CREDIT CARD USER FEE INSTEAD OF THE CITY ABSORBING THE CHARGE FOR CREDIT CARD USER FEES, USUALLY DONE BY AN OUTSIDE VENDOR (\$78,000).

It is done in numerous municipalities and in the Borough. An outside vendor charges a convenience fee for the use of credit cards. It is common throughout the country. It would save \$48,000 water/sewer and \$30,000 port/harbor.

Discussion ensued on the charges of an outside vendor. It would save the totality of what we are charging for credit card fees. The credit card vending companies are absorbing the cost of service. Finance Director Harville explained there is little to no expense to the General Fund for credit cards; it is for the enterprise funds. A user fee would be a revenue line item; we do not budget for revenue.

Councilmember Wythe asked that it be brought forward in January or February of next year. At that time a budget adjustment could be made to adjust the user fee. Finance Director Harville explained we have just started exploring vendors and costs and it needs to go out for RFP.

WYTHE/HOWARD – MOVED THAT WE POSTPONE THE DISCUSSION ABOUT CREDIT CARD EXPENSES OR USER FEES UNTIL THE FIRST OF FEBRUARY.

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

Motion carried.

HOGAN/ZAK - MOVED TO APPROVE LOBBYING EXPENSE, AN ADDITION OF \$44,000.

Councilmember Hogan explained there is a window of opportunity to get the raw fish tax law changed to bring Homer revenue. Based on this year's business volume, it would be \$500,000. The money goes to the General Fund under State law.

Councilmember Zak suggested the money for the lobbyist come from a ¼ mill rate increase or use from General Fund reserves.

Mayor Hornaday outlined the procedure for budget amendments, indicating the need to identify the revenue source.



HOWARD/ZAK – MOVED TO CONTINUE TO FEBRUARY TO TALK ABOUT THE CONCEPT OF THE LAW AND HELP COUNCIL FURTHER UNDERSTAND WHAT TYPE OF SALES PERSON OR WRITER WE NEED.

Councilmember Hogan noted there is a limited window of opportunity. We need to have someone in Juneau working on this in the front end, not the back end. Councilmember Roberts agreed if we are interested, now is the time. She asked if there were other groups that would like to combine the efforts to make it more affordable. Councilmember Hogan indicated the Borough would be affected similarly. We send a lot of our fish landed to Seward and they would probably oppose it. We have a significant investment in infrastructure, a lot of business activity that takes place here, and are entitled to the fish tax. It is just a matter of pursuing it at the Legislative level.

VOTE: (postponement) NO. WYTHE, ZAK, HOWARD, HOGAN, LEWIS, ROBERTS

Motion failed.

LEWIS/ZAK - MOVED TO AMEND THAT IT BE PAID FOR OUT OF THE BUDGET RESERVE.

Councilmember Hogan expressed reluctance, but there are no other funds available. The proposed \$44,000 could come in less, as we may negotiate a contract that is performance based.

Councilmember Roberts noted the money comes into the General Fund and she assumes the money received would go back to the port/harbor as they generated it and they would benefit from it. She questioned if we could take funds out of the port/harbor to pay for the lobbyist.

ROBERTS/ZAK - MOVED TO TAKE \$22,000 FROM THE PORT/HARBOR FUND AND \$22,000 FROM THE GENERAL FUND.

VOTE: (amendment to amendment) YES. ROBERTS WYTHE, ZAK, HOWARD, HOGAN, LEWIS

Motion carried.

VOTE: (amendment as amended) YES. LEWIS, ROBERTS, WYTHE, ZAK, HOWARD, HOGAN

Motion carried.

Councilmember Hogan stated he is taking the rest of his amendments off the table.

WYTHE/ZAK – MOVED TO ADOPT THE AMENDMENT PROPOSED BY THE CITY MANAGER (Overtime for City Clerk, City Manager, Planning \$8,000).

City Manager Wrede stated when he proposed the amendment he thought it would come from the \$59,000 identified. The funds are needed to continue staffing the boards and commissions. He asked that the monies come from the reserves.

Councilmember Wythe will vote for approval, but asked at the January 24<sup>th</sup> meeting discussions start of how we staff commissions and committees.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Hornaday called for a motion on the budget amendment proposed by Councilmember Zak for additional subsistence/transportation funding to allow City Clerks to attend AML.

ZAK/WYTHER – SO MOVED (\$3,500).

Councilmember Zak, having been to AML, realized how important training and networking is. We are missing a big opportunity for a low cost.

Councilmember Howard stated these city clerks have received CMC status and have had a good bit of training. Training is needed in the election law. If she reads it correctly, clerks would rather use their money in other training areas. Councilmember Wythe will vote against, but have it on a mid-year consideration.

VOTE: YES. ZAK

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

Motion failed.

ZAK/WYTHER – MOVED TO ALLOW CITY COUNCILMEMBERS AND MAYOR UP TO \$4,500 TO ATTEND AML EITHER SUMMER OR FALL (\$4,500).

Councilmember Zak referenced the same argument as for city clerks to attend AML. It is an opportunity to fund \$4,500 that is a major miss from the community.

VOTE: YES. ZAK

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

Motion failed.

WYTHER/ROBERTS – MOVED FOR ADOPTION OF REPLACEMENT OF THE AIRPORT DOORS (\$25,000).

City Manager Wrede commented Public Works maintenance says the doors are desperately needed. The doors are old and don't work very well, we can no longer get parts for them, and they are not energy efficient. There is only \$25,000 in airport reserves and we have an agreement

with DOT that amount will always remain in reserves. If funded the money will come from the General Fund depreciation account.

Councilmember Wythe asked if there will be a savings for energy conservation of the building. City Manager Wrede answered there will be some savings, but not huge. We are seeing if the motion detectors can be changed so the doors won't open as easy. It will reduce general maintenance costs.

Finance Director Harville explained there is \$816,000 General Fund depreciation reserves. (Line item 375, page b-2)

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Hogan noted he has an amendment to change the ¾ of the year for legal fees to be in house. He will bring forward an amendment in January.

VOTE: (main motion as amended) YES. WYTHE, ZAK, HOWARD, HOGAN, LEWIS, ROBERTS

Motion carried.

Mayor Hornaday called for a recess at 8:01 p.m. and reconvened the meeting at 8:06 p.m.

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.)

Memorandum 10-153 from Port and Harbor Advisory Commission as backup.

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

Motion on the floor from October 25: MOTION FOR THE ADOPTION OF RESOLUTION 10-89 BY READING OF TITLE ONLY.

Port and Harbor Director Hawkins noted the rates did not increase last year, although they did the previous year.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- 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.

Motion on the floor from October 25: MOTION FOR THE ADOPTION OF RESOLUTION 10-90 BY READING OF TITLE ONLY.

ZAK/HOGAN – MOVED TO AMEND ITINERANT MERCHANT AND MOBILE FOOD UNIT FEES, TO TRIPLE THOSE.

Councilmember Zak noted the low fees charged for itinerants that compete with businesses that have buildings.

Asked by Councilmember Lewis if the fees would apply to the Farmer's Market, Police Chief Robl answered the market is exempt from fees as are commercial fishermen, as written by ordinance.

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

Motion carried.

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

Motion carried.

- 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 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.

Motion on the floor from October 25: MOTION FOR THE ADOPTION OF RESOLUTION 10-91 BY READING OF TITLE ONLY.

Councilmember Wythe expressed opposition to moving water/sewer closer to the General Fund. It is currently being subsidized by sales tax revenues.

Councilmember Roberts expressed support as she doesn't see it as intertwined with the General Fund.

VOTE: YES. ROBERTS, ZAK, HOWARD, LEWIS

VOTE: NO. WYTHER, HOGAN

Motion carried.

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

Motion on the floor from November 22: MOTION FOR THE ADOPTION OF ORDINANCE 10-52 FOR INTRODUCTION AND FIRST READING BY READING OF TITLE ONLY.

Councilmember Hogan asked that a competitive bid issue as there are numerous vendors that provide the software. It is in violation of the procurement policy since it is over \$30,000.

Police Chief Robl explained it was a grant from Homeland Security specific to this software, every emergency medical dispatch in the state is trying to standardize.

VOTE: YES. LEWIS, ROBERTS, WYTHER, ZAK, HOWARD

VOTE: NO. HOGAN

Motion carried.

- F. **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. Introduction November 22, 2010, Public Hearing and Second Reading December 13, 2010.

Memorandum 10-137 from Police Chief as backup.

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

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

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **ORDINANCE(S)**

- A. **Ordinance 10-56**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.03.040, Definitions; Enacting Homer City Code Chapter 21.44, Slopes; and Amending Homer City Code 21.50.020, Site Development Standards – Level One, and Homer City Code 21.50.030, Site Development Standards – Level Two; Regarding the Regulation of Development Activity on Sites Affected by Slopes. Planning. Recommended dates: Introduction December 13, 2010, Public Hearing and Second Reading January 10, 2011.

Memorandum 10-149 from City Planner as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 10-56 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

WYTHE/HOGAN - MOVED TO POSTPONE FOR THE SECOND READING TO BE ON THE 24<sup>TH</sup> OF JANUARY WITH A PUBLIC HEARING.

There was no discussion.

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

Motion carried.

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

Motion carried.

- B. **Ordinance 10-57**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 11.04.030, Definitions; Amending Homer City Code **11.04.040, Street Construction, Design and Dedication Requirements—General**; Amending Homer City Code 11.04.120, **Sidewalks**; Amending **Homer City Code 21.52.030, Development Plan**; Amending Homer City Code 22.10.030, Definitions; Amending

Homer City Code 22.10.050, Improvement Requirements—General; and Homer City Code 22.10.051, Utility Easements; Regarding Subdivisions and Subdivision and Planned Unit Development Improvement Requirements. Planning. Recommended dates: Introduction December 13, 2010, Public Hearing and Second Reading January 10, 2011.

Memorandum 10-150 from City Planner as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 10-57 for introduction and first reading by reading of title only.

WYTHE/ROBERTS - SO MOVED.

WYTHE/HOGAN - MOVED TO POSTPONE THE PUBLIC HEARING AND SECOND READING TO THE JANUARY 24<sup>TH</sup> MEETING.

There was no discussion.

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

Motion carried.

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

Motion carried.

- C. **Ordinance 10-58**, An Ordinance of the City Council of Homer, Alaska, Repealing and Reenacting Homer City Code Chapter 21.95, Legislative Procedures and Amendments, Regarding the Standards and Procedures for Amending Title 21 of the Homer City Code and Amending the Official Zoning Map. Planning. Recommended dates: Introduction December 13, 2010, Public Hearing and Second Reading January 10, 2011.

Memorandum 10-151 from City Planner as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 10-58 for introduction and first reading by reading of title only.

WYTHE/ROBERTS - SO MOVED.

WYTHE/ROBERTS - MOVED TO POSTPONE THE PUBLIC HEARING AND SECOND READING TO JANUARY 24<sup>TH</sup>.

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

Motion carried.

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

Motion carried.

Councilmember Roberts asked that the next packet include the code being repealed.

## **CITY MANAGER'S REPORT**

### **A. City Manager's Report**

This report is devoted to discussing the impacts associated with some of the proposed budget amendments offered by members of the Council. At the last Committee of the Whole meeting, the Council discussed some of these proposed amendments, but not all of them. It is hoped that this report will assist in moving the conversation ahead.

The report focuses on major proposed cuts that represent a change in direction or policy and that would have very significant impacts upon the City's ability to carry out its mission and to serve and protect the public. Reports from individual department heads are attached. Department heads will be available to answer questions at the Committee of the Whole.

In-House Legal Department: This topic has been discussed several times over the past few years. It is a good conversation to have periodically to make sure the Council is getting the best value it can for legal services. There are definitely a set of advantages and disadvantages to doing this and I won't take the space to go into that here. As far as the budget goes, I do not see any advantage to taking this step now. First, I am not convinced this would actually save the City money. In house attorneys are often quite skilled at a number of areas of municipal law. However, outside legal experts are often required and you still have the conflict of interest problem which we seem to experience regularly. Also, as Council member Hogan notes in his memo, the Council would have to not only hire an Attorney but also an assistant, perhaps a paralegal. Both of which might be PERS employees. Second, the numbers Mr. Hogan uses for expenses are speculative. We could not know what it would really cost until we draft up a job description, advertise or issue an RFP, and hire someone. That is not a good way to build a budget. In short, this might be a good discussion to have again, but now is not the time because the discussion has little immediate impact upon the budget. I would suggest bringing this up again before the next legal contract expires if the Council wishes.

Outsourcing IT: This proposal would have very serious negative impacts upon all City operations. It would be extremely disruptive and again, I am not sure it saves any money. As I was thinking about this, it occurred to me that the Council probably does not have a good idea of the scope of responsibility that the IT department currently handles. At the last meeting, I brought along the Systems Manager's job description in case I had an opportunity to discuss this. Following is a sample of what is included in the Job Functions and Major Activities:

- Maintaining and improving the City's Wide Area Network (WAN) and Local Area network (LAN).
- Installation and maintenance of the citywide IP Telephone system
- Advises all staff on aspects of computerized information systems as needed



- Install and configure hardware and software and monitors computer resource utilization and performance
- Information systems procurement and third party upgrades and repairs
- Analyze and document information needs; develop solutions that are consistent with the computing environment
- Manage security, backup, and recovery procedures to assure system integrity.
- Monitors networks on a regular basis to insure the integrity of those systems including auditing backup, testing restoration, monitoring virus protection, monitoring network statistics, and overseeing system security.
- Assists the Police Department with investigations of computer related crime, including but not limited to computer theft, fraud, child pornography and computer hacking.
- Assists in development of departmental procedures and policies related to the use of automated systems.
- Technical support for City's web page and certain webmaster functions.
- Installs network cabling and retrofit cabling.
- Develops training classes.
- Troubleshoots and resolves problems relating to both hardware and software in all departments.
- Performs preventative and remedial maintenance of computer equipment such as terminals, modems, printers, microcomputers, disk drives, and cables in all City departments.
- Assist departments with other non-pc computer technologies, including but not limited to, telephone systems, PLC controllers and telemetry monitoring, heating and air conditioning automation, E911 systems, EMS and Police dispatch and radio console systems, network based security systems, and wireless GPS systems and base stations.

As you can see, the scope of responsibilities is probably much broader than many people may realize. It is my view that the City is getting a tremendous value for its money. It is doubtful that an outside consulting firm would be able to do all of this for less money. Further, the IT staff are available 24/7 and are always there when they are needed. The City's systems are critical for public health and safety and need the type of attention that can only be provided by in-house staff. The IT staff have saved the City significant amounts of money through innovative approaches to service delivery and the procurement of services; especially telephone services. I strongly recommend no change here.

#### Employee Health Care Contribution

I would recommend that the Council not take any action on this at this time. If the Council wishes to do something in this area, I recommend that it delay any action until the following steps are completed:

- The Parity Study. This will give the Council a better overall picture of the employee benefit package as a whole as it compares to other municipalities and hopefully, comparables in the private sector. That way, Council can see the entire compensation package instead of focusing all of its attention on health care.

- Federal Health Care Regulations: The new rules are still being written. The City is consulting with its attorney's and insurance experts regarding potential impacts associated with making changes to the plan and subsequently losing the City's grandfather status. More information is coming in almost every day and we are getting closer being able to making recommendations with some degree of confidence.
- Consultation with Employees: The Council previously adopted a policy that no changes would be made to the health care plan unless the employees had at least 30 days to review and comment. The employees have not had the opportunity to review and comment on Councilmember Hogan's proposed amendment. Further, consultation with the employees is desirable because they would likely come up with and endorse options that are perceived to be more fair and equitable than the one on the table.

As has been noted many times, the City Health Insurance Plan is a pretty good one and it serves as one of the best remaining recruitment and retention tools the City has at its disposal. Making cuts to this plan would reduce benefits further on top of other cuts that have already been made. There would be a real cost to employees, especially young ones with families. It is always good to remember that City employees live here too. They pay taxes and they spend their earnings at local businesses.

That aside, the administration and many employees recognize that health care costs now constitute an unacceptably high percentage of the City budget. The current benefit may be something the City can no longer afford. **If** the Council wants to address the issue this year, I would suggest the following course of action.

- Instruct the City Manager to come up with a plan to reduce health care costs. It would be helpful if a target amount of savings were identified.
- Give the Manager several months to consult with employees to review options and develop a set of recommendations
- The CM will provide a report with a set of recommendations no later than April 1 that could be implemented this year.
- This approach would result in savings toward the end of this year, hopefully result in some buy-in from employees, and would slow the growth of health care costs in future years.

Overtime: The attached reports from department heads address much of what needs to be said about overtime. The Police, Fire, Public Works, and Port and Harbor overtime budgets go directly in large part to emergency response, public safety, and vital services. It is difficult if not impossible to cut overtime and make it up with part time employees. A very significant amount of training and certifications are necessary to do these jobs and to respond in emergencies. Part time employees with minimal training and compensation cannot even go into the water treatment plant, work on a broken sewer line, or attack a fire. They also can't do a whole lot to reduce the responsibilities of full time employees in the office.

Cutting overtime in these departments would represent a serious cut in services and the public should be forewarned. It is hard to budget for overtime in general. These budgets are based upon experience and past actual expenses. The bottom line is that cutting these budgets is in many

ways just a paper exercise. If emergencies arise, we will respond. That is our duty. The Fire Chief is not going to decline to send personnel to a structure fire because it would put him in danger of exceeded his overtime budget. Public Works will send the sanders out if the roads become dangerously icy or the culverts freeze up and cause flooding. We will continue to do this unless the Council tells us to stop. Most overtime expenditures are non-discretionary.

On the administration side, the best way to reduce overtime is to do something about the number of boards, commissions, and committees we have. I am talking specifically about the Planning, City Clerk and City Manager office staff. Committee work takes up a very large percentage of available staff time reducing productivity and increasing overtime and compensation costs. Council could consider a) reducing the number of committees, b) requiring that most meetings take place during the day, and c) relieving the Clerk's office of staffing all committees except standing Commissions like Planning, Port and Harbor, Parks, and Economic Development. Most duties of the committees can be added to the responsibilities of the standing Commissions.

Credit Card Charges: Please refer to the attached memorandum from the Finance Director. While we do not like paying these charges either, there are real benefits associated with allowing customers to pay by credit card. The Finance Department is hot on the trail of ways to reduce these expenses. Also, note that we would lose the discount we already get from the bank on these charges if we start making customers pay a fee for using a credit card.

Uniforms: At the last meeting, the Chief of Police discussed what is included in the uniform budget. Attached is a Memorandum from the Fire Chief in which he addresses the same issue. In my opinion, making police, firefighters, emergency medical responders, and public works employees who are dealing with hazardous wastes or crawling into confined spaces pay for gear that they are required to have either by law or for safety is a really bad idea. No other City does this that we are aware of.

There was no additional discussion on the Manager's Report.

## **CITY ATTORNEY REPORT**

City Attorney Klinkner commented he is still grateful for the birthday celebration. There was no additional discussion on the Attorney's Report.

## **COMMITTEE REPORT**

- A. Public Arts Committee
- B. Transportation Advisory Committee
- C. Permanent Fund Committee
- D. Lease Committee
- E. City Hall Renovation and Expansion Task Force

Councilmember Howard reported the Natural Gas Distribution Task Force met today and appointed Mike Heimbuch as chair. They will meet on the 2<sup>nd</sup> and 4<sup>th</sup> Monday and hope to move along as quickly as possible.

## **PENDING BUSINESS**

- A. **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. (Postponed from November 22, 2010.)

Memorandum 10-143 from Lease Committee as backup.

Memorandum 10-160 from City Attorney as backup.

Motion on the floor from November 22: MOTION FOR THE ADOPTION OF RESOLUTION 10-94 BY READING OF TITLE ONLY.

Asked by the Mayor and Councilmember Roberts if Councilmember Hogan had a conflict of interest, Councilmember Hogan stated he had no conflict of interest. Councilmember Roberts referenced Mr. Faulkner's earlier testimony that he did business with the Auction Block. Councilmember Hogan said he has not done business with him for a number of years.

Councilmember Wythe referenced the City Attorney's recommendation that the resolution state it is in the public interest and grant an exception under the recommendations of the Lease Policy. The language is contained in the resolution.

Councilmember Hogan stated the recommendation of the Lease Committee was appropriate, well thought out, and in compliance.

Councilmember Roberts commented the requirements of the Lease Policy were not met and she will vote against it. She asked that the RFP be done as quickly as possible to allow the business owner to know what was going on.

Brief discussion ensued on the need for modifications with the lease to be in compliance with leasing policies. Development would also need to be consistent with zoning and land use regulations.

Asked by the City Manager if the resolution was okay in the present form, City Attorney Klinkner answered Mr. Faulkner did not strictly qualify for renewal of an existing lease in Chapter 11.2 of the Lease Policy. Under Chapter 4.1 Council is allowed to waive competition in the issuance of a lease if in the public interest. Because Chapter 4.1 does not articulate standards for public interest, referring to the standards in Chapter 11.2 would be appropriate. The resolution as written is sufficient.

Councilmember Hogan encouraged the passage of the lease. Brad is a long time contributor in the community.

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

Motion carried.

## NEW BUSINESS

- A. **(Reconsidered) 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.  
Memorandum 10-148 from City Attorney as backup.

WYTHER/ZAK - MOVED FOR THE ADOPTION OF RESOLUTION 10-80.

WYTHER/ZAK - MOVED TO POSTPONE RESOLUTION 10-80 TO THE JANUARY 24<sup>TH</sup> MEETING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **(Reconsidered) 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.

WYTHER/LEWIS – MOVED TO ADOPT RESOLUTION 10-81(A).

WYTHER/ZAK – MOVED TO POSTPONE RESOLUTION 10-81(A) TO THE JANUARY 24<sup>TH</sup> MEETING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## RESOLUTIONS

- A. **(Reconsidered) 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 and 10-152 from Public Works Superintendent as backup.

WYTHE/LEWIS - I MOVE TO SUBSTITUTE RESOLUTION 10-92(S) FOR RESOLUTION 10-92.

Councilmember Hogan stated he has no objection to purchasing the snowblower, but he would like the City's procurement manual followed. Regardless of the fact we only have a limited number of in-state vendors, the purchase is outside the procurement manual. We have a duty to the taxpayers to give them the best deal, regardless of who staff thinks should be submitting proposals. It is a \$125,000 piece of equipment.

Public Works Director Meyer explained they have followed procurement regulations. Finding the equipment is peculiar, but this is the method that has always been used to purchase equipment. An RFP was put out; there are a limited number of vendors who will sell and service this type of equipment. The price was based on a price competitively obtained by DOT. We could have spent thousands of dollars to advertise in the Anchorage Daily News. These are the three vendors within the state of Alaska that provide the equipment. We cannot go to Seattle as dealers in another state cannot provide this equipment. There are three proposals from three dealers for three pieces of equipment, with three different prices. They selected the lowest price and vendor who provided the equipment that would do what we need it to do.

City Attorney Klinkner advised he drafted the substitute resolution to clarify the sole source basis for the procurement. He was not aware prior that this procurement is based where pricing was based on a previous State procurement. HCC 3.16(h) allows procurement using local state or government contracts. In public contracting if a large purchaser goes out to bid and gets the bid on their requirements, a smaller governmental unit can piggyback on the deal. We have accepted what the state has done by bidding it ourselves.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/LEWIS MOTION FOR THE ADOPTION OF RESOLUTION 10-92(S) BY READING OF TITLE ONLY.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 10-96**, A Resolution of the City Council of Homer, Alaska, Amending the Parks and Recreation Advisory Commission By-Laws to Establish the Time of 5:30 p.m. as the Regular Meeting Time. City Clerk/Parks and Recreation Advisory Commission.

Memorandum 10-162 from Parks and Recreation Advisory Commission as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 10-96 by reading of title only.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 10-97**, A Resolution of the City Council of Homer, Alaska, Establishing the 2011 Regular Meeting Schedule for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks and Recreation Advisory Commission, Advisory Planning Commission, Port and Harbor Advisory Commission, Lease Committee, Permanent Fund Committee, Public Arts Committee and Transportation Advisory Committee. City Clerk.

Memorandum 10-155 from Economic Development Advisory Commission as backup.

Memorandum 10-156 from Planning Commission as backup.

Memorandum 10-157 from Transportation Advisory Committee as backup.

Memorandum 10-158 from Port and Harbor Advisory Commission as backup.

Memorandum 10-159 from Lease Committee as backup.

Memorandum 10-163 from Parks and Recreation Advisory Commission as backup.

Memorandum 10-164 from Public Arts Committee as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 10-97 by reading of title only.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Resolution 10-98**, A Resolution of the City Council of Homer, Alaska, Approving a Five Year Lease with Two One Year Options on One Half of Lot 13-B for Snug Harbor Seafoods and Authorizing the City Manager to Negotiate and Execute the Document. Lease Committee.

Memorandum 10-161 from Deputy City Clerk as backup.

Councilmember Hogan declared a conflict of interest. He is in competition and has a business relationship with Snug Harbor Seafoods.

City Attorney Klinkner advised it appears Councilmember Hogan has a substantial financial interest and should be recused.

Mayor Hornaday ruled Councilmember Hogan does have a conflict of interest. There was no objection from the Council.

Councilmember Hogan excused himself from discussion.

WYTHE/ROBERTS – MOVED FOR THE ADOPTION OF RESOLUTION 10-98 BY READING OF TITLE ONLY.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Hogan resumed his seat.

#### **COMMENTS OF THE AUDIENCE**

Leonard Wells, city resident, suggested each person utilizing water on the docks put in their own line and supply a meter that charges for water. At the fish cleaning area there should be a meter with a monitor and the City of Homer should pay for that water. Mr. Wells did not see the preliminary and final budget numbers.

Steve Zimmerman, city resident, is glad Brad's lease passed. It will save the City costs of an RFP; there are like properties out there that are open. He was blindsided by raising the itinerant merchant fee, as it puts up obstacles in front of business. We don't need to get the money up front by high leases and money on city fees. Make it easier to put business here.

#### **COMMENTS OF THE CITY ATTORNEY**

City Attorney Klinkner had no comment.

#### **COMMENTS OF THE CITY CLERK**



City Clerk Johnson advertised the Kachemak Drive Path Committee and Spit Parks and Recreation Committee meetings for Thursday, December 16<sup>th</sup> at 5:15 and 5:30 respectively. She wished everyone a Merry Christmas.

### **COMMENTS OF THE CITY MANAGER**

City Manager Wrede wished everyone a Merry Christmas.

### **COMMENTS OF THE MAYOR**

Mayor Hornaday wished everyone a Merry Christmas.

### **COMMENTS OF THE CITY COUNCIL**

Councilmember Wythe thanked staff, the community, and Council for their diligence on the budget. She thanked Council for working with her on the January schedule. She wished everyone a Merry Christmas.

Councilmember Lewis wished everyone a Merry Christmas, Happy New Year, and belated Happy Hanukah.

Councilmember Hogan expressed disappointment on the budget. It is important to get staff to buy in with the health care benefit package. It is out of line with the rest of the country; everywhere cities are making drastic cuts. He wished everyone a Merry Christmas.

Councilmember Howard thanked the merchants for all the décor put up. It looks magical and stimulates the thought process. She asked for a worksession the first meeting in March to discuss the budget. Although not perfect, Council's heart is in the right place for the budget. Mrs. Howard wished all Happy Holidays.

Councilmember Roberts commented she heard two people testify to increase the mil rate to balance the budget. Sales tax in the wintertime would be a better way to get money. She sees those issues coming forward next year. Brad Faulkner is a valuable member of the community, yet it is her responsibility as a councilmember to follow lease policy regulations, thus her vote against the lease. She apologized to the listening public for the paper shuffling, as Council had over 1,000 pieces of paper in front of them. Ms. Roberts wished everyone Happy Holidays.

Councilmember Zak thanked Council for their work on the budget. It may have been historical that they dipped into the general fund. He thanked Councilmember Hogan for advocating for the fish tax in Juneau. Mr. Zak thanked everyone that came out; he believes in working together. He thanked the PAC for putting together their resolution; they are doing a lot to create a spirit within the community. He saw that with the McBride family and others that spoke of the Pratt Museum. He wished all a Merry Christmas.

**ADJOURNMENT**

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 8:55 p.m. The next Regular Meeting is scheduled for Monday, January 10, 2011 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, January 10, 2011 at 5:00 p.m. Special Meetings are scheduled for Tuesday, January 4, 2011 at 5:30 p.m. and Monday, January 10, 2011 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.

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JO JOHNSON, CMC, CITY CLERK

Approved: \_\_\_\_\_