

Session 11-21 a Regular Meeting of the Homer City Council was called to order on June 27, 2011 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 (telephonic), HOWARD, LEWIS,  
ROBERTS, WYTHE, ZAK

STAFF: CITY MANAGER WREDE  
CITY CLERK JOHNSON  
FINANCE DIRECTOR MAURAS  
PORT AND HARBOR DIRECTOR HAWKINS

Councilmember Hogan has requested telephonic participation.

LEWIS/WYTHE – MOVED TO ALLOW COUNCILMEMBER HOGAN TO PARTICIPATE BY PHONE.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Council conducted a Worksession from 4:00 p.m. to 4:56 p.m. to discuss the Salary & Benefit Parity Study. Council met as a Committee of the Whole from 5:04 p.m. to 5:37 p.m. to discuss Regular Meeting Agenda items.

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

### **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 include the following changes: **CONSENT AGENDA** - **Memorandum 11-088**, from Mayor, Re: Appointment of Doug Stark to the Advisory Planning Commission, Appointment of Monte Davis to the Economic Development Advisory Commission, and Appointments of Barbara Howard, David Lewis, and Beth Wythe to the Port and Harbor Improvement Committee. Written public comments. **VISITORS** - Roland Maw, Executive Director, United Cook Inlet Drift Association (CANCELED); Eric Mohrmann, Kenai Peninsula Borough Office of Emergency Management, 10 minutes. **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS** - Letter from Governor Sean Parnell to Mayor Hornaday, re: Homer Area Natural Gas Pipeline; **CITY MANAGER'S REPORT** - **U.S. Army Corps of Engineers** Public Notice of Application for Permit to Dredge a Sediment Trap by the Pioneer Dock and the Old Timber

Dock; **Alaska Department of Natural Resources** Division of Forestry Public Notice, Reissuance of an Interagency Land Management Assignment; **RESOLUTIONS - Memorandum 11-094** from City Manager, re: backup to Resolution 11-061(A)(S) Setting a Minimum of \$200,000 to Water/Sewer Depreciation Reserves Annually Through the Budgeting Process, and Additionally, Any Residual Amount at Year End is to be Transferred to the Water/Sewer Depreciation Reserves; **Memorandum 11-095** from City Manager, re: backup to Resolution 11-066 Authorizing the City Manager to Apply for, Accept and Appropriate an Alaska Clean Water Fund (ACWF) Loan in the Amount of \$2.1M and an Alaska Drinking Water Fund (ADWF) Loan in the Amount of \$2.15M for the Purpose of Constructing the Kachemak Drive Phase Two Water and Sewer Project; **Resolution 11-067(S)**, Authorizing Formation of the Kachemak Drive Phase Two Water and Sewer Improvement/Assessment District at 75% Property Owner Share of Assessments and Authorizing the City Manager to Proceed with the Preparation and Construction of the Kachemak Drive Phase Two Water and Sewer Project. Written objection.

Resolutions 11-066 and 11-067 were reversed by title to provide for the financing after approval of the Kachemak Drive Phase Two Water and Sewer Improvement District. Memorandum 11-088 was removed from the Consent Agenda and placed under New Business.

WYTHE/LEWIS - MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Jan Needham, city resident, expressed her appreciation she will be relieved from the Kachemak Drive water and sewer improvements since she has no street frontage. It has been six years since the LID started and she is hopeful.

Mike Illg, city resident, commented as a father of 2 yr. old he is supportive of Ordinances 11-24, 11-26, and 11-27(A). There is great energy and support behind the parks.

#### **RECONSIDERATION**

#### **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 and Regular Meeting minutes of June 13, 2011. City Clerk. Recommend adoption.

- B. **Memorandum 11-088**, from Mayor, Re: Appointment of Doug Stark to the Advisory Planning Commission, Appointment of Monte Davis to the Economic Development Advisory Commission, and Appointments of Barbara Howard, David Lewis, and Beth Wythe to the Port and Harbor Improvement Committee.

(Item B was moved to New Business.)

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

LEWIS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **VISITORS**

- A. Roland Maw, Executive Director, United Cook Inlet Drift Association

Canceled.

- B. Eric Mohrmann, Kenai Peninsula Borough Office of Emergency Management

Eric Mohrmann, Director of the KPB Office of Emergency Management, provided a summary of the events surrounding the June 23<sup>rd</sup> tsunami warning and the failures of the equipment. A 7.3 earthquake occurred at 7:10 p.m. on the Aleutian chain. The West Coast and Alaska Tsunami Warning Center (WCAWC) issued a tsunami warning for the Aleutian chain area at 7:15 p.m. Mr. Mohrmann became aware of the warning at 7:30 p.m. An email was sent at 7:15 p.m., yet the sirens had not sounded. When a tsunami warning is issued by the WCAWC it goes to the National Weather Radio System operated by NOAA and the Emergency Alert System (EAS) operated by the State of Alaska Division of Homeland Security Emergency Management. The National Weather Radio System sends a tone that activates the sirens on the peninsula and a broadcast on their own radio system. The Emergency Alert System (EAS) issues an alert over the television. When the alert was sent the tone (FIPS Code) was not issued so the sirens did not go off. When it was discovered there was no tsunami, the WCAWC sent a cancellation of the warning for the Aleutian chain. They used a FIPS Code that activated the sirens to indicate the warning was cancelled. That was followed by the activation tone again. The tsunami warning system installed by the Borough did work as designed. It activated the FIPS tone and the internet notification.

The question is why did they issue a warning on the KPB when it was the Aleutian chain? The state issues one tone statewide for any event anywhere. If something affects the Aleutian chain or

Southeast Alaska it will go everywhere. They are currently capable of issuing a tone for certain regions affected by the tsunami. In the past when they tried the separate regions it failed. To prevent failure of the tone it is sent statewide to activate the sirens and alert the populous. It is unknown when the regional notification can be used without error.

There are two options. We either stay as we are now to be notified of warnings for the entire state. The second option is to disconnect from the radio system. If we disconnect, the local dispatch systems would be responsible to monitor the WCAWC and make the decision to act. They will have to remember how to operate the equipment and activate the tone. His office is not staffed 24/7 and cannot offer the service. If we drop the National Weather Radio System we would be totally reliant on the internet and satellite technology for remote areas. A couple units have given them many problems, including the one at Mariner Park.

Mr. Mohrmann would be happy to assist in public education programs. Evacuation is voluntary as the Governor is the only person that can mandate an evacuation. In July there will be opportunity to register cell phones to receive the notifications. Local dispatch centers have the ability to use a microphone to speak over the towers and notify citizens of the time allowed for evacuation.

Mayor Hornaday expressed frustration at the equipment failures.

Councilmember Wythe expressed appreciation at how far the tsunami alarm notification system has come since its inception.

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

### **A. Borough Report**

Bill Smith, Kenai Peninsula Borough Assemblyman, reported representatives are interested in a functioning tsunami warning system. He hopes to see further progress and good resolution to the problems. Part of the emergency management department could be there to receive warnings and pass them on expeditiously. The Borough Assembly approved increasing the phone surcharge to \$1.50 per month. It is 50% funded by the State of Alaska; they are not doing their part to furnish the personnel. The Soldotna dispatch center dispatches fire, emergency, and police all the way to Girdwood.

Recent ordinances adopted were for anadromous streams habit protection. To date there are 25 streams protected. They have extended the habitat protection to all streams within the Borough effective January 1, 2012. Another ordinance was passed that pertains to conflicts of interest for the mayor. The Assembly adopted a budget just short of \$17M. It was \$2M from the ending fund balance and they are looking for ways of keeping the fund balance from going lower. Pending ballot issues include a 1/10% sales tax increase for economic development and amending term limits to three full terms, or a maximum of nine years.

Mayor Hornaday asked about the poor shape of the school tracks and when repairs could be expected. Assemblyman Smith answered he talked to the board president of the KPBSD and learned they are looking for a capital budget next year to start working on the tracks.

B. Mayor's Proclamation – July as Parks and Recreation Month

Mayor Hornaday read the proclamation and presented it to Mike Illg, Community Recreation Coordinator.

C. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission
4. Parks and Recreation Advisory Commission
5. Port and Harbor Advisory Commission

Bob Howard, Port and Harbor Advisory Commissioner, reported the commission is still discussing parking on the Spit, fines for long term parking specifically. People that park long term will rack up a significant fine at \$25 per day. The commission moved to limit the long term parking fine to \$250 and allow the person to pay a \$250 fine and be issued a long term parking pass. The parking regulations are for compliance, not revenue. A resolution will reach Council at the July meeting and the commission would appreciate positive support for the fall fishing season. The parking program is working quite well with 50 long term and 10 seasonal parking passes issued to date. It has produced between \$10,000 and \$12,000 in income for the Port and Harbor enterprise fund.

D. Letter from Governor Sean Parnell to Mayor Hornaday, re: Homer Area Natural Gas Pipeline.

**PUBLIC HEARING(S)**

- A. **Ordinance 11-24**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 1.74.040 Duties and Responsibilities of Commission, to Authorize the Parks and Recreation Advisory Commission to Solicit Donations of Money and Property for the Benefit of Parks and Recreation Facilities in the City. City Clerk/Parks and Recreation Advisory Commission. Introduction June 13, 2011, Public Hearing and Second Reading June 27, 2011.

Memorandum 11-078 from Parks and Recreation Advisory Commission 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 11-24 by reading of title for second and final reading.

LEWIS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 11-25**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 18.08.120, Sublease, Regarding the Charging of Additional Rent for Subleases of City Property. City Manager. Introduction June 13, 2011, Public Hearing and Second Reading June 27, 2011.

Memorandum 11-079 from City Clerk 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 11-25 by reading of title for second and final reading.

HOWARD/ROBERTS – SO MOVED.

Councilmember Hogan expressed opposition to the ordinance. Since 2004 when the provision was added to city code there have only been four new long term leases. The EDC reviewed and recommended the sublease provision be eliminated as it is a huge reduction for economic development. New leases since 2004 are the Kenai Peninsula Housing Initiative, Alaska Marine Highway System, and Seldovia Ferry.

Councilmember Roberts sees the code amendment to be consistent with the lease documents that were passed earlier, not a significant change. She asked if Councilmember Hogan may have a conflict of interest since he has a lease.

Councilmember Lewis noted the ordinance is for sublease of property. If you are occupying the inside of a lessee's building there is no additional charge. He sees no conflict with Councilmember Hogan's lease or the Seldovia Ferry with the oyster people.

City Manager Wrede agreed it only applies if you are subleasing city land, not your own.

Councilmember Hogan stated he has related companies leasing between each other. His lease does not subject them to this policy since it is already in effect.

Councilmember Wythe remembers the previous discussion on a possible conflict of interest for Councilmember Hogan. She recalled the City Attorney concurred Mr. Hogan has no conflict as he has an existing lease. If one were in the process of negotiating a lease it would be a conflict.

Mayor Hornaday ruled Councilmember Hogan did not have a conflict of interest. There was no objection from the Council.

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

VOTE: NO. HOGAN

Motion carried.

C. **Ordinance 11-26**, An Ordinance of the City Council of Homer, Alaska, Repealing Subsection (c) of Homer City Code 14.08.035, Water Connection and Extension Permit Fee; and Enacting Homer City Code 14.08.037, Water Meters; Regarding the Number of Water Meters Required Per Lot. Roberts/Wythe. Introduction June 13, 2011, Public Hearing and Second Reading June 27, 2011.

Mayor Hornaday opened the public hearing.

Gary Thomas, city resident, is affiliated with an organization that has several buildings and meters. He appreciates the grandfather clause. Last month's water bill was \$850 and will be \$1,089 with the new policy. He asked that Council make sure they include the grandfather allowance for customers that complied with previous city regulations.

Mayor Hornaday closed the public hearing.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-26 by reading of title for second and final reading.

HOWARD/ROBERTS - SO MOVED.

VOTE: YES. LEWIS, ROBERTS, WYTHE, HOWARD

VOTE: NO. ZAK, HOGAN

Motion carried.

D. **Ordinance 11-27(A)**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget by Appropriating \$5,000 from the Karen Hornaday Park Phase I Account to the Homer Foundation to Support Community Efforts to Create a New Improved Playground at Karen Hornaday Park. City Manager. Introduction June 13, 2011, Public Hearing and Second Reading June 27, 2011.

Memorandum 11-084 from Special Projects Coordinator as backup.

Mayor Hornaday opened the public hearing.

Miranda Weiss, city resident and HoPP member, stated there are volunteers interested in rebuilding the Karen Hornaday Park playground in the summer of 2012. Mayor Hornaday pledged \$5,000 and The Homer Foundation awarded them a \$7,500 grant. The City's \$5,000 appropriation will be put to use now to reach out to the community to design the new playground. They are following a model of a community designed, community built playground and are working closely with Parks and Recreation. Mike Illg and Angie Otteson have attended their meetings and a letter from Parks and Recreation Advisory Commission Chair Bumpo Bremicker addresses the project. The project's budget will be \$200,000 to \$250,000 with the design outreach phase costing \$30,000.

Mike Illg, city resident, supports Ordinance 11-27(A) as it is a wonderful opportunity for the community to rally and build a playground, setting the tone for future parks and playgrounds in the community. Partnering with the City and other granting agencies will make Homer beautiful and benefit families and kids.

Angie Newby, city resident, supports Ordinance 11-27(A). There is a dynamic, skillful, and industrious group of local moms and dads, known as HoPP. Toddlers and young children need motor and social skills. HoPP members are donating time and money and breathing new life and excitement into the parks and recreation efforts. They are following a community park design model that has proved to be successful. There are volunteers to do the work, 75% of the fundraising will be within the community, and the City will not be burdened with the financial records.

Ingrid Harrald, Parks and Recreation Advisory Commissioner, reported the commission has been looking at the Karen Hornaday Park plan. The commission felt the work on the playground and ballfields were both worthwhile projects. It is a win, win situation with the volunteer efforts.

Mayor Hornaday closed the public hearing.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-27(A) by reading of title for second and final reading.

LEWIS/ZAK - SO MOVED.

Councilmember Wythe asked if an accounting of staff time/in-kind services was being tracked to allocate as city support. City Manager Wrede answered keeping track of staff time was not considered. Mike and Angie will do some of the work through their normal duties. We could also track the time spent.

Community Recreation Coordinator Mike Illg reported he attended the three meetings of the HoPP. He has drawn the line on how much he is going to participate as a city employee.



Although it is a natural fit, he is a salaried employee, with no overtime. He is able to fill other work obligations when the meetings take place at the high school.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

E. **Resolution 11-062**, A Resolution of the City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. Recommended date: Public Hearing June 27, 2011.

Memorandum 11-087 from City Clerk 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 June 13: MOTION FOR THE ADOPTION OF RESOLUTION 11-062 BY READING OF TITLE ONLY.

WYTHE/ROBERTS – MOVED TO AMEND LINE 6 TO STRIKE “AMENDING” AND REPLACE WITH “MAINTAINING.”

There was no discussion.

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

Motion carried.

WYTHE/ROBERTS - MOVED TO AMEND LINE 15 AFTER RATES TO ADD A COMMA AND THE LANGUAGE “AND DETERMINED THAT THERE WAS NO ADJUSTMENT NEEDED AT THIS TIME.”

There was no discussion.

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

Motion carried.

WYTHE/LEWIS – MOVED TO AMEND LINE 18 TO STRIKE THE WORD “AMENDED” AND REPLACE IT WITH “MAINTAINING.”

There was no discussion.

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

Motion carried.

VOTE: (main motion as amended) YES. ROBERTS, WYTHER, ZAK, HOWARD, LEWIS  
VOTE: NO. HOGAN

Motion carried.

### **ORDINANCE(S)**

- A. **Ordinance 11-28**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Coastal Impact Assistance Program Grant of \$65,351.11 Through the Kenai Peninsula Borough for the Beluga Slough Trail Reconstruction Project and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommended dates: Introduction June 27, 2011, Public Hearing and Second Reading July 25, 2011.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-28 for introduction and first reading by reading of title only.

LEWIS/WYTHER - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 11-29**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code, Chapter 1.74 Parks and Recreation Advisory Commission, Section 1.74.030 Proceedings of the Commission, Amending the Monthly Meeting Frequency to Monthly Meetings with the Exception of the Month of December. City Clerk/Parks and Recreation Advisory Commission. Recommended dates: Introduction June 27, 2011, Public Hearing and Second Reading July 25, 2011.

Memorandum 11-090 from Parks and Recreation Advisory Commission as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-29 for introduction and first reading by reading of title only.

WYTHER/LEWIS - SO MOVED.

WYTHER/ZAK – MOVED TO AMEND LINE 74, THE FISCAL NOTE TO REFLECT THE 9 OR 10 ADDITIONAL HOURS OF OVERTIME FOR THE CLERK.

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. Attorney Contract: The City attorney recently returned from vacation but he is aware that Council would like to know if he proposes any amendments to his contract. He has assured me that he will address this issue prior to the meeting. At the time this was written, that had not yet occurred but I and sure I will be able to report on that by meeting time.
2. Health Insurance: We are currently looking into hiring a broker to assist us with managing the City's Health Insurance Program. Most cities have brokers and it appears that hiring one would not cost any additional money since the broker would be paid by the plan administrator (Meritain Health). The broker would do some of the tasks Meritain is doing now for us. A broker would have a number of advantages including helping to shop for competitive rates and acting as a consultant on all things related to health insurance. This is very important in this time of rapidly changing rules and regulations. If the City moves ahead on this, we would issue an RFP for broker services. A sample RFP is attached so that you can see the scope of what a broker might be asked to do. We are currently evaluating a number of cost saving measures for the health care plan and will be talking with the employees about the options soon. Council will be pleased to know that at this point we project that we will likely be in a position to reduce the contribution to the health insurance fund, or at least keep it static, again this year. This is great considering that most other municipalities are experiencing huge cost increases. The primary reasons for this are the fact that Homer has a well managed self insured plan, the staff has been relatively healthy overall, and the reserve account is very healthy. (**NEW INFORMATION**). I included the above report again since this might be a topic we want to address during the workshop on the parity study. Andrea and I are both planning to attend the first Borough meeting on health care plans scheduled for June 29 at noon in Soldotna. We are beginning the process of re-establishing the employee committee so that it is organized and in good position to provide input on any proposed modifications to the insurance plan.
3. KBBI / Emergency/Disaster Equipment Contribution: After the recent tsunami in Japan, we discovered some flaws in our overall emergency communication system and SOPs. One of them was that the radio stations did not get quick and accurate information for emergency broadcast messages. In a recent meeting with KBBI, Chief Robl suggested that one good way to provide staff with alerts, even late at night when no one is in the office, is for key personnel to have a NOAA Marine / Emergency Alert Radio in their homes. Funding was an issue. We offered to contribute \$135.00 from the Police communications budget to purchase three of these radios for KBBI. We reasoned that this expenditure was justified in the interest of public safety.

4. City Hall Construction: You have probably noticed that construction is well under way. The foundation for the addition has been poured and much of the drainage work, including the storm water retention area is pretty far along. Preliminary renovation work in the old planning, IT, and administration areas has begun. The planning, administration, and IT staff are all now located at the Old Intermediate School. This move was a major undertaking and we could not have done it without tremendous assistance from the Homer High Football team. We anticipate being at this location until Thanksgiving or Christmas. We are tracking the costs associated with this move. So far the costs are minimal and include a contribution to the football team and re-keying the building. We expect costs will stay low through the summer and early fall months. We are using very little electric and heat at this point and will do what we can to minimize energy usage. The Boys and Girls Club is closed for the summer and depending upon decisions made later on, they may not be there in the fall either. That will also reduce energy costs.
5. State Capital Projects / : At the time this report was written, we were still waiting, like everyone else around the state, to see what the Governor might decide regarding the Capital Budget. We sent him correspondence regarding the gas line and the Mayor invited him to visit Homer and view the project himself. During the past two weeks, Bryan, Anne Marie, and your lobbyist Linda Anderson, have been providing information to the Director of the Office of Management and Budget regarding the cruise ship passenger enhancement project. Karen has been communicating with us directly and has been asking good questions, which we hope is a positive sign.
6. Old Intermediate School: Last week I met with the two groups that submitted proposals to lease the old intermediate school as requested by the combined Lease and EDC Committees. The purpose of the meetings was to obtain more information that would be needed before the committee would be prepared to make a recommendation to the Council. There are several immediate issues for us to consider. First, the applicant who submitted a proposal to lease the entire building does not want to occupy it until the fall of 2012. If this proposal is ultimately accepted by the Council, it would mean keeping the building in “warm status” for almost a year. Second, and more immediate, is the Boys and Girls Club. The Club has not secured a new location. Since we are occupying the building, and will be until the end of the year, the Council could consider allowing the Club to continue to occupy the lower floor until then. The Club’s Board has stated that it would be able to make payments of \$700 per month to help offset the cost of utilities.
7. Transportation Committee Recommendation: At the last meeting, the Council received a recommendation from the Transportation Committee that all intersections on the Sterling Highway between Pioneer Avenue and Lake Street be designated as right hand turn only. I assume Lake Street would be exempt because of the traffic signal and that this scheme would be summer only. Council asked for a map showing the intersections involved with turning arrows. It also asked for a draft resolution. A large map will be provided at the meeting for discussion purposes. The draft resolution is attached.
8. Fishing Hole Concerns: As you know, the Fishing Hole has been filling in and it needs to be dredged. We have discussed this as a capital project in need of funding on several occasions in the past few years. You may also know that ADF&G is experiencing a survival problem with stocked smolt; especially with the early kings. This occurred again this year when over 50% of the smolt died in the pens on June 6. A decision was made to release the fish early the next day which may further reduce survivability. There are

many theories about what is going on. Some think that the depth of the lagoon may be a problem. ADF&G has also discovered a Chaetoceros Bloom (Diatoms) which is known to affect the gills of young fish. ADF&G is currently doing research on this bloom and other possible explanations with assistance from KBRR and others. They are also doing depth studies at the lagoon. As the results of these studies come in and the scientists get a better idea of what they think the problem is, we will provide updates and perhaps invite ADG&G to make a presentation. In the meantime, the City should probably focus on how to get the dredging done.

9. Training Dates: At the last meeting, during the discussion about the records retention ordinance, it was suggested that a training session for Council (and maybe for Commissions too) about public records and especially the use of e-mail would be a good idea. I discussed this topic with Holly and she could put something together quickly if the Council is ready to proceed. A target date for this training would be very helpful. Feedback from the Council would be very helpful.
10. Playground Improvements / Karen Hornaday Park: This agenda contains an ordinance that is up for second reading and public hearing which would make a \$5,000 contribution to the Homer Foundation to be used as seed money to launch a much bigger effort by HoPP to make major improvements at the playground. Some concerns have been expressed by individual Council members about this money being used for administration fees or for activities that do not include the direct purchase of playground equipment. Please let me know if any of these issues are of concern to the full Council. We have been looking further into these questions and are prepared to discuss them. I would also remind the Council that as the grantor, it can place conditions or stipulations upon grants or contributions that it makes. The agenda also contains a resolution approving an MOU between the City, the Homer Foundation, and HoPP. I have attached information located by the Clerk's office for the Mayor which shows that a similar approach (to the one proposed in the MOU) was used in 1997; the last time the playground was improved significantly.
11. STIP Amendment #22: DOT/PF recently issued Amendment # 22 to the State Transportation Improvement Program Plan. The Mayor asked that I provide an update for the Council regarding Homer Projects. At the time this report was drafted, we were still reviewing the amendment. I will be prepared to provide a verbal report at the meeting.
12. Kachemak Drive Water and Sewer / Phase II: The objection period is over and it looks like the property owners have given a pretty definitive "thumbs up" for moving ahead. As a result, the Tentative Agenda for this meeting contains several resolutions regarding this project. One awards the construction contract to the low bidder. The other authorizes us to borrow the additional money needed for financing the construction phase. At the time this was written, we were reviewing all of the information to make sure we are ready to go on both fronts.

City Manager Wrede reported the City Attorney does not ask for any changes to the current contract. A resolution to approve a one-year contract with Birch Horton Bittner & Cherot will follow in July.

City Manager Wrede asked Council to think about how to proceed with the Boys and Girls Club in the Old Intermediate School. Two lease proposals were received for the building, with the

Lease Committee asking him to meet with the proposers. One proposal is to lease the entire building, with occupation to begin in the fall of 2012. The City will occupy the building until Christmas and the Boys and Girls Club could stay until then. He will bring the subject back later for more conversation about the Boys and Girls Club.

The Transportation Advisory Committee made a recommendation for right hand turns for intersections on a seasonal basis. The map provided in the packet visualizes the traffic flow. Lake Street was left out since it has a traffic signal. If the idea is adopted DOT may try to push some costs on the City for signage and striping. Discussion ensued on the right hand turn idea forcing citizens to start using private property to turn around. A draft resolution was included in the Manager's Report.

City Manager Wrede indicated the tsunami warning system would be broadcast on both radio stations and both local newspapers.

Asked if the City incurred any costs for the Spit Run, City Manager Wrede answered he was not aware of any.

City Manager Wrede noted the two documents in the supplemental packet, the Corps dredging project under the Pioneer Dock to create a catch basin for sediment before it hits The Hickory slot. If it saves the Corps money it will save the Coast Guard money. The other document is public notice from DNR to continue with the demonstration forest.

As to STIP amendment #22 there are no Homer projects. The STIP does include Pioneer Avenue rebuild and reconstruction, Lake Street, limited work on East End Road and the Deep Water Dock to allow access to the \$2M appropriated by Congress a couple years ago.

Council confirmed a Special Meeting on July 25<sup>th</sup> for Executive Session with the City Attorney for discussion on the attorney contract.

B. Records Inventory Report

**CITY ATTORNEY 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

## PENDING BUSINESS

- A. **Resolution 11-061(A)**, A Resolution of the City Council of Homer, Alaska, Setting Water/Sewer Depreciation Reserve Transfers of a Minimum of \$200,000 Plus to the Net Change in Fund Balance Annually. Roberts.

**Resolution 11-061(A)(S)**, A Resolution of the City Council of Homer, Alaska, Setting a Minimum of \$200,000 to Water/Sewer Depreciation Reserves Annually Through the Budgeting Process, and Additionally, Any Residual Amount at Year End is to be Transferred to the Water/Sewer Depreciation Reserves. Roberts.

Memorandum 11-094 from City Manager as backup

Motion on the floor from June 13: MOTION FOR THE ADOPTION OF RESOLUTION 11-061(A).

Mayor Hornaday called for a motion to substitute Resolution 11-061(A)(S) for Resolution 11-061(A).

WYTHE/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VOTE: (main motion as amended)

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## NEW BUSINESS

- A. **Memorandum 11-088**, from Mayor, Re: Appointment of Doug Stark to the Advisory Planning Commission, Appointment of Monte Davis to the Economic Development Advisory Commission, and Appointments of Barbara Howard, David Lewis, and Beth Wythe to the Port and Harbor Improvement Committee.

Mayor Hornaday declared a possible conflict of interest as he represented Doug and Sandy Stark eight years ago. The amount was over \$1,000. Mayor Hornaday is no longer practicing law and has no other financial connection. They do attend the same church. Mayor Hornaday passed the gavel to Mayor Pro Tempore Wythe for the determination.

Mayor Pro Tempore Wythe found there was no conflict of interest since there was no current financial transactions. There was no objection from the Council. Mayor Pro Tempore Wythe returned the gavel to Mayor Hornaday.

Mayor Hornaday called for a motion for the approval of Memorandum 11-088.

WYTHE/HOWARD – SO MOVED.

WYTHE/HOWARD - MOVED THAT WE BREAK THE ITEMS OUT FOR CONSIDERATION SEPARATELY, THE APPOINTMENT TO THE ECONOMIC DEVELOPMENT AS ONE, THE APPOINTMENT TO THE PORT AND HARBOR AS ONE, AND THE APPOINTMENT TO THE PLANNING ZONING AS A SEPARATE ITEM.

WYTHE/LEWIS - MOVED FOR THE APPROVAL OF THE APPOINTMENT OF MONTE DAVIS TO THE ECONOMIC DEVELOPMENT COMMISSION.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/HOWARD - MOVED FOR THE APPOINTMENT OF BARBARA HOWARD, DAVID LEWIS, AND BETH WYTHE TO THE PORT AND HARBOR IMPROVEMENT COMMITTEE.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/HOGAN - MOVED FOR THE APPOINTMENT OF DOUG STARK TO THE PLANNING AND ZONING COMMISSION.

There was no discussion.

VOTE: YES. HOGAN

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

Motion failed.

Mayor Hornaday called for a recess at 7:37 p.m. and reconvened the meeting at 8:47 p.m.



## RESOLUTIONS

- A. **Resolution 11-069**, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for the Prisoner Meal Contract for the Homer Jail to the Firm of Caribou Family Restaurant of Homer, Alaska, in the Amount of \$6.50 Breakfast, \$7.00 Lunch, and \$10.00 Dinner Per Day/Per Inmate With a Delivery Fee of \$5.00 Per Trip and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Memorandum 11-089 from Police Chief as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-069 by reading of title only.

HOWARD/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 11-064**, A Resolution of the City Council of Homer, Alaska, Approving a Memorandum of Agreement Between the City of Homer, the Homer Foundation, and the Homer Playground Project (HoPP) Regarding Improvements to the Playground at Karen Hornaday Park and Delineating the Roles and Responsibilities of the Parties. City Manager.

ROBERTS/LEWIS - MOVED TO ADOPT RESOLUTION 11-064.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 11-065**, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for the Deep Water Dock Security Gate and Camera Systems to the Firm of Puffin Electric of Homer, Alaska, in the Amount of \$130,800.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Memorandum 11-091 from Port and Harbor Director as backup.

Memorandum 11-092 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-065 by reading of title only.

LEWIS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Resolution 11-066**, A Resolution of the Homer City Council Authorizing Formation of the Kachemak Drive Phase Two Water and Sewer Improvement/Assessment District at 75% Property Owner Share of Assessments and Authorizing the City Manager to Proceed with the Preparation and Construction of the Kachemak Drive Phase Two Water and Sewer Project. City Clerk.

**Resolution 11-066(S)**, A Resolution of the Homer City Council Authorizing Formation of the Kachemak Drive Phase Two Water and Sewer Improvement/Assessment District at 75% Property Owner Share of Assessments and Authorizing the City Manager to Proceed with the Preparation and Construction of the Kachemak Drive Phase Two Water and Sewer Project. City Clerk.

Mayor Hornaday called for a motion to substitute Resolution 11-066(S) for Resolution 11-066.

WYTHE/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Hornaday called for a motion for the adoption of Resolution 11-066(S) by reading of title only.

WYTHE/ZAK – SO MOVED.

WYTHE/HOWARD - MOVED TO AMEND TO ADD AN ADDITIONAL BE IT FURTHER RESOLVED THAT UNDER A SEPARATE RESOLUTION THE ASSESSMENT ROLLS WILL BE AMENDED BY THE REMOVAL OF KENAI PENINSULA BOROUGH PARCEL NUMBER 179-330-04 IN THE ROCKY POINT SUBDIVISION LOT 44C FROM THE PRELIMINARY ASSESSMENT ROLL DATED MARCH 15, 2011.

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.

- D. **Resolution 11-067**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for, Accept and Appropriate an Alaska Clean Water Fund (ACWF) Loan in the Amount of \$2.1M and an Alaska Drinking Water Fund (ADWF) Loan in the Amount of \$2.15M for the Purpose of Constructing the Kachemak Drive Phase Two Water and Sewer Project. City Manager/Public Works Director.

Memorandum 11-095 from City Manager as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-067 by reading of title only.

WYTHE/LEWIS – SO MOVED.

Councilmember Wythe reported there was discussion at the Committee of the Whole about taking the two loans for \$4.2M for construction of the Kachemak Drive Phase Two Water and Sewer project. Taking these loans will stretch the amount of money for repayment of loans to a point that for a minimum of two years there will be no further LID assistance for the community of Homer.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Resolution 11-068**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to Herndon Construction of Homer, Alaska, in the Amount of \$3,533,004.74 for the Kachemak Drive Phase Two Water and Sewer Project and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Memorandum 11-093 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-068 by reading of title only.

LEWIS/HOWARD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **COMMENTS OF THE AUDIENCE**

There were no comments of the audience.

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

City Attorney Klinkner was not present.

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

City Clerk Johnson had no comment.

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

City Manager Wrede said he can't wait until Carey comes back from vacation so he can tell him Kachemak Drive is going ahead. It has been a long journey and he appreciates Council's patience and recognition on how important this project is. The employees appreciate Council's support for an employee committee and that Council will take seriously their recommendations on changes to the compensation package. He and the two chiefs will be talking a lot whether Homer should take over the responsibility for the emergency warning system and sirens. It would be a big responsibility as we would not have the automatic sirens and we wouldn't be on the national alert system. They will bring Council back a report.

### **COMMENTS OF THE MAYOR**

Mayor Hornaday commented the Rotary convention was a big success with 300 people in attendance. It was a real thrill to hear Bishop Tutu's daughter give the keynote address. The Little Shop of Horrors is being put on by the theatre. He has a small part and it will be a great play. For the 4<sup>th</sup> of July parade Council has been invited to ride in the car at the front of the parade.

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

Councilmember Wythe attended a dinner hosted by BP for their newly hired employees. Shelly Erickson invited her to attend. For 15 years BP has brought their employees here for a week long orientation for newly hired employees. There were 25 to 30 people here staying at Land's End and providing a community program. Young adults sat with members of the community, giving them an opportunity to meet the people they are impacting with BP's activities. It was an awesome boost to the community, hitting a lot of the avenues of the community. She appreciates BP putting that kind of money into the community since they don't have a presence otherwise.

Councilmember Hogan commented on Council's rejection of Mr. Stark's application for the Planning Commission. Although he disagrees with Mr. Stark more than he agrees with him, to reject an applicant for a volunteer position on an advisory committee strikes him as petty personal politics. He would like to think we are above that.

Councilmember Roberts was glad to see the Borough emergency person come down to talk about the tsunami emergency warning system. It is a really important topic and we need to have the best system possible. She is reluctant to leave the national system without clear abilities to warn on a 24-hour basis. Overriding the system or letting us know the warnings are false are some of the issues we should be looking at.

Councilmember Zak reiterated the City Manager's comments on Kachemak Drive Water and Sewer, knowing what it means for the residents and the boatyard. He still has his fingers crossed the Governor will bring natural gas to Homer. It will save the federal, state, private businesses, and citizens a lot of money.

Councilmember Howard expressed concern about the urgency of getting the right information to the public of what to do when the sirens go off. She hopes it remains at the top of our list. We have had some lessons lately and need to take it very seriously. She too attended the BP dinner for the second time. It is impressive that the young folks are so educated and full of energy. They came to listen and learn and offered a great opportunity to observe how they are getting involved in their new career. Next year they have 60 new hires and will be spending two weeks in Homer. She is grateful for the economic value it brings to Homer. The City of Kenai has won the second All-America City award. She has been involved with that process which is rigorous and expensive. It pulls the city together and she applauds them for the achievement. Councilmember Howard congratulated Bryan for his appointment to the Baldrige Quality Award. She thanked the listening audience for their participation.

## **ADJOURNMENT**

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 8:03 p.m. The next Regular Meeting is scheduled for Monday, July 25, 2011 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, July 25, 2011 at 5:00 p.m. A Special Meeting is scheduled for Monday, July 25, 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: \_\_\_\_\_