

Session 11-20 a Regular Meeting of the Homer City Council was called to order on June 13, 2011 at 6:02 p.m. by Mayor James C. Hornaday, at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

**PRESENT:** COUNCILMEMBERS: HOGAN, HOWARD, LEWIS, ROBERTS,  
WYTHE, ZAK

STAFF: CITY MANAGER WREDE  
CITY CLERK JOHNSON  
CITY ATTORNEY WELLS  
CITY PLANNER ABOUD  
LIBRARY DIRECTOR DIXON  
POLICE CHIEF ROBL  
PORT AND HARBOR DIRECTOR HAWKINS  
PUBLIC WORKS DIRECTOR MEYER

Council conducted a Special Meeting from 4:01 p.m. to 4:42 p.m. in Executive Session to discuss City Attorney Contract. From 5:00 p.m. to 5:40 p.m. Council met as a Committee of the Whole to hear Mikunda, Cottrell, & Co. Auditor Report and 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 add: **CITY MANAGER'S REPORT** - **Supreme Court Opinion**, Griswold vs. City of Homer, City Clerk Jo Johnson, and Kachemak Shellfish Mariculture 3HO-08-137CI/S-13734 and **COMMITTEE REPORTS** - Memorandum 11-085, Email from Committee Member John Velsko as backup.

The agenda as amended was approved by consensus of the Council.

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

John Velsko, city resident, commented on the idea of right hand turns as outlined in Memorandum 11-085. The TAC recommended all streets between Lake Street and Pioneer Avenue, leaving Pioneer as a left or right turn. It would create a big roundabout in the town; it is not much inconvenience in the summer months to make right hand turns rather than blocking traffic by making left turns. It is a short term solution until the State finds funds for traffic control.

Miranda Weiss, city resident and member of Homer Playground Project (HOPP), expressed support for Ordinance 11-27, along with several members of the audience. There are many volunteers of different backgrounds with lots of enthusiasm, energy, and commitment to rebuild the playground at Karen Hornaday Park. They would like to start the design the end of the summer and build next fall.

Casey Parrett, HOPP, supports Ordinance 11-27 and would like to make the renovations on Karen Hornaday Park to put it back in its glory.

Jack Wiles, HOPP, supports Ordinance 11-27. Karen Hornaday Park represents the values of the community. Improvements to the park are a major community involvement process. If we neglect the parks, we neglect the community.

Lynn Whitmore voiced support for Resolution 11-063. If approved it will be taken to the Kenai Peninsula Borough Assembly.

Bob Hartley, city resident and Port and Harbor Advisory Commissioner, expressed support for Resolution 11-060. The harbor is the lifeblood of the community.

## **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 Regular Meeting minutes of May 24, 2011. City Clerk. Recommend adoption.
- B. **Memorandum 11-076**, from Mayor, Re: Appointment of Jennifer Sonneborn to the Advisory Planning Commission and Reappointment of Tom Bos and James Dolma to the Advisory Planning Commission.

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

HOWARD – SO MOVED.

WYTHE/HOWARD – MOVED TO AMEND TO MOVE MEMORANDUM 11-076 UNDER NEW BUSINESS.

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.

## **VISITORS**

### **A. Michelle Drew, Mikunda, Cottrell Auditor's Report**

Michelle Drew, Mikunda, Cottrell, & Co., reported the audit was clean with an unqualified opinion, meaning it had the highest report card. \$1.6M was spent in federal funds; the federal audit also had an unqualified opinion with no findings. In 2010 the general fund increased its total fund balance by \$678,000. It was better than was budgeted, with revenues higher than anticipated and expenditures less than projected. Every department except for community services came in on budget. The City converted the water/sewer enterprise fund to a special revenue fund. The aggregate of the funds are at a break even position, indicating rates and taxes are covering the day to day operating costs. Converting the fund to a special fund means depreciation is no longer being funded. The Port remains as an enterprise fund. The Port incurred a \$750,000 loss, but that is a 50% improvement over the prior year. Because the Port is an enterprise fund it does not reflect \$1.4M in depreciation. Had the port not incurred the \$1.4M in depreciation it would have shown a \$700,000 profit. All funds administered ended with a positive fund balance. The City has done a good job of forward funding its grant matching requirements. The financial statements look pretty good; the City had a pretty healthy year. There were not a lot of journal entries posted, which provides confidence in the credibility of financial statements received throughout the year. The Finance and Accounting office continue to show improvement and are doing better every year.

### **B. Roland Maw, Executive Director, United Cook Inlet Drift Association**

Councilmember Hogan reported Mr. Maw's presentation was cancelled and will be rescheduled.

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

### **A. Borough Report**

Mayor Hornaday reported the emergency alarm system is not working as it is garbled and the high school track needs to be fixed.

### **B. Prince William Sound Regional Citizen's Advisory Council Report, by John Velsko**

### **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, complimented staff on their job of preparing for the meetings and the day to day management of the harbor. The new parking program is in place and is working. As we go through the summer we will learn more about what we can do to improve the program. Corrections can be made in the fall. The commission discussed the merits of using revenue bonds to finance future harbor improvements. The harbor needs a lot of work as it is the primary economic engine of the community. Commissioner Howard urged Council to support Resolution 11-060.

D. Matt Montavon, 1,100 Mile Run Across Alaska for the Wounded Warrior Project.

Matt Montavon completed his run, arriving in Homer on Friday.

#### **PUBLIC HEARING(S)**

**A. Ordinance 11-21**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.04.010, Definitions; and Amending Homer City Code 2.08.010, Management of Public Records; Regarding the Management of City Records. City Attorney/City Manager. Introduction May 24, 2011, Public Hearing and Second Reading June 13, 2011.

Memorandum 11-077 from City Attorney 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 11-21 by reading of title only for second and final reading.

LEWIS/HOWARD – SO MOVED.

Councilmember Wythe referenced line 30 as to a missing word. City Clerk Johnson clarified the City Attorney asked that “limitation” be added.

WYTHE/LEWIS – MOVED TO ADD THE WORD “LIMITATION” AFTER “WITHOUT” ON LINE 30.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/ROBERTS – MOVED TO AMEND LINE 33 TO READ “APPLICATIONS INCLUDING MICROFILM”.

City Attorney Wells advised against the amendment to avoid expanding it past what is included in the definition.

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

Motion failed.

Councilmember Wythe referenced lines 42-46 regarding library and museum material and reference and transitory documents. Items are defined independently under i and j. She asked if there should be consistency in the formatting.

City Attorney Wells advised the reference and transitory documents often have different definitions. The language was intentional.

Asked where emails would fall and Council’s responsibility, City Attorney Wells answered email is a public record. Council needs to be aware of where they are keeping their records. She advised to check with the Clerk and follow the City’s policies as emails are subject to production.

City Manager Wrede added there will be additional training and orientation with the staff. We have a huge responsibility when the records come in. The Clerks decide what is permanent and how it is categorized; staff needs training when the records come in.

City Attorney Wells said there is a lot of ambiguity and little case precedent. There are questions about Twitter, Facebook, and blogs. Authority from the Supreme Court has not yet been given. Ms. Wells cautioned Council to save everything. A future training program will create a level of comfort for inspection.

Councilmember Howard called for a point of order as the conversation is not related to language within the ordinance.

City Attorney Wells advised we don’t know where the lines are legally. The State has a public record requirement. We have to parallel them, thus the ordinance to clarify them.

Councilmember Wythe commented any email that comes or goes to this office will be preserved on the City’s server. The question is if someone is sending email to another councilmember outside the City. When sending email she copies Walt or Jo as a means of preserving the email.

City Attorney Wells agreed that is a good practice. There are not yet boundaries established by the courts so it is not fair to impose boundaries on the way you govern.

City Clerk Johnson called attention to line 50 to remove “series and” as recommended by the City Attorney.

WYTHE/ROBERTS – MOVED TO AMEND LINE 50 TO READ: SEGREGATED AS TO THE YEAR OF ACQUISITION.

There was no discussion.

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

Motion carried.

Councilmember Howard noted the ordinance is terribly important to the Clerk and the City Manager. It is well written. It was important to take the time to get the definitions correct. She would like to see ordinances come to Council in a lined document, a memo, and a clean copy.

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

Motion carried.

B. **Ordinance 11-22**, An Ordinance of the City Council of Homer, Alaska, Establishing a Preliminary Project Budget and Authorizing Expenditures for Phase I Improvements to Karen Hornaday Park. City Manager/Parks & Recreation Advisory Commission. Introduction May 24, 2011, Public Hearing and Second Reading June 13, 2011.

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 11-22 by reading of title only for second and final reading.

LEWIS/WYTHE - SO MOVED.

Councilmember Hogan asked the status of unreserved and unallocated funds. City Manager Wrede answered the funds will not be spent now and it requires Council approval. The Parks and Recreation Advisory Commission were nervous about spending it all and wanted to retain some to leverage a land and water conservation grant.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

**ORDINANCE(S)**

- A. **Ordinance 11-23**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Sections 21.12.020; 21.14.020; 21.16.020; 21.18.020; 21.20.020; 21.22.020; 21.24.020; 21.26.020; Addressing Permitted Uses and Structures; and Homer City Code 21.28.030 Conditional Uses and Structures; to Add Hostel as a Permitted Use in the Rural Residential, Urban Residential, Residential Office, Central Business, Town Center, Gateway Business, General Commercial 1, and General Commercial 2 Zoning Districts, and to Add Hostel as a Conditional Use in the Marine Commercial Zoning District. Wythe. Recommended dates: Introduction June 13, 2011, Public Hearing and Second Reading June 27, 2011.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-23 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

ROBERTS/HOWARD - MOVED TO AMEND LINES 11 AND 12 TO ELIMINATE URBAN RESIDENTIAL AND ELIMINATE THE SECTION FOLLOWING URBAN RESIDENTIAL.

Councilmember Roberts stated zoning is for differentiating uses. Including hostel in an urban residential area is not parallel to the purposes of urban residential.

Councilmember Wythe explained the intent was to include hostel in all places where we have rooming houses and bed and breakfast. A hostel in its pure sense is not substantially different than a rooming house or bed and breakfast. We have just one hostel in Homer.

Hostel is defined, but it is not listed as a use in any area.

Councilmember Wells advised if the amendment passes it will be a substantive change and it would need to go through introduction again. The re-introduction would allow the public to comment on the newly revised ordinance.

City Manager Wrede asked if a recommendation from the Planning Commission was needed. Instructions from Council could be included in the referral.

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

Motion failed.

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

Motion carried.

WYTHE/HOWARD - MOVED TO DIRECT ORDINANCE 11-23 TO THE PLANNING AND ZONING FOR REVIEW AND CONSIDERATION.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **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. Recommended dates: Introduction June 13, 2011, Public Hearing and Second Reading June 27, 2011.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-24 for introduction and first reading by reading of title only.

LEWIS/HOGAN – SO MOVED.

Councilmember Zak expressed concern that the Parks and Recreation Advisory Commission will be soliciting donations. He asked if that was a typical function for parks and recreation. City Manager Wrede answered people may want to donate, like the \$2,000 Council received for Bayview Park. The same power was given to the PAC. It would give the commission the authority to talk to people about donations.

Asked by Councilmember Howard if it gave the commission the authority to sponsor a cookie drive, City Attorney Wells answered yes.

Asked by Councilmember Wythe if there would be a substantial amount of labor involved in the accounting of these monies, City Manager Wrede did not have a good answer at this time.

Councilmember Wythe suggested it may be better to establish a Friends of the Homer Parks, like the Friends of the Library who does incidental fundraising for the library. It would not put an additional burden on the Council, although it does not address deeding of properties.

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

VOTE: NO. ZAK

Motion carried.

- C. **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. Recommended dates: Introduction June 13, 2011, Public Hearing and Second Reading June 27, 2011.

Memorandum 11-079 from City Clerk as backup.



Mayor Hornaday called for a motion for the adoption of Ordinance 11-25 for introduction and first reading by reading of title only.

WYTHE/HOWARD - SO MOVED.

VOTE: YES. HOWARD, LEWIS, ROBERTS, WYTHE

VOTE: NO. HOGAN, ZAK

Motion carried.

- D. **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. Recommended dates: Introduction June 13, 2011, Public Hearing and Second Reading June 27, 2011.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-26 for introduction and first reading by reading of title only.

ROBERTS/WYTHE – SO MOVED.

Councilmember Hogan expressed opposition as we need to move away from the method of metering water. He spoke with Weights and Measures who stated they cannot accurately meter water. They cannot certify a water meter for commerce. The Regulatory Commission of Alaska (RCA) exempts us from their oversight, making no consumer protections for charging water by the gallon. People that have apartments built already are able to pay the higher commercial rate or take the huge expense of going to individual meters. Although a good idea for increased revenues, he does not believe it is fair to the public.

VOTE: YES. HOWARD, LEWIS, ROBERTS, WYTHE

VOTE: NO. ZAK, HOGAN

Motion carried.

- E. **Ordinance 11-27**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget by Appropriating \$5,000 from the Parks and Recreation Reserves to the Homer Foundation to Support Community Efforts to Create a New Improved Playground at Karen Hornaday Park. City Manager. Recommended dates: Introduction June 13, 2011, Public Hearing and Second Reading June 27, 2011.

Memorandum 11-084 from Special Projects Coordinator as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-27 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

WYTHE/ZAK - MOVED TO AMEND LINE 36 FOR THE ACCOUNT NUMBER TO BE 151-776.

The current account description of Parks and Recreation Reserves may need to be amended.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Wythe noted the current ordinance allocates the funds to The Homer Foundation. She questioned why the appropriation could not go directly to the park project.

WYTHE/HOGAN – MOVED TO STRIKE LINES 25 AND 26.

Councilmember Roberts voiced the same initial concern about the allocation. Memorandum 11-084 indicates the \$5,000 was for seed money for a community-wide campaign to raise \$250,000 led by Homer Playground Project (HOPP). She expressed concern if anything would happen with the money this year.

City Manager Wrede summarized there is a frustration with budget problems each year, there is not much money in parks and reserve, and there is not much staff to get the job done. Now we have an enthusiastic group that wants to help the City. They are based on a model other cities have used. By running it through The Homer Foundation, people are more likely to donate. HOPP is not doing any work on the playground improvements until 2012. The \$5,000 is to be used as seed money to set up a website and hire a park designer.

Councilmember Howard referenced it as an out of budget cycle for a non profit to receive funding. It is opening the box for any and all folks to come in through another door.

Discussion ensued whether the ordinance was needed if The Homer Foundation was removed. Ordinance 11-22 was just adopted to appropriate funds for Karen Hornaday Park for playground equipment.

City Attorney Wells advised there is no conflict that The Homer Foundation is restricted to using the funds for the playground. The \$5,000 could be used for fundraising towards the playground.

Councilmember Wythe will not be supporting the ordinance as the \$5,000 is for additional improvements to the playground rather than the playground equipment.

Councilmember Zak expressed support. If the City had to improve the equipment without an active group we would have to spend a lot of money. The HOPP is motivated and wants to make it happy quickly. Passage of the ordinance will let them leverage money.

Councilmember Roberts noted the account was changed to that of Ordinance 11-22. The 156-385 is a separate account. City Manager Wrede explained that was a mistake as it was always the

intent the \$5,000 appropriated in Ordinance 11-22 was the amount transferred to The Homer Foundation. It could not be done by amending Ordinance 11-22, as that was a substantive change, thus this ordinance.

Mayor Hornaday called for a recess at 7:20 p.m. and reconvened the meeting at 7:25 p.m.

VOTE: (amendment to strike lines 25 & 26) YES. WYTHE, HOWARD

VOTE: NO. ZAK, HOGAN, LEWIS, ROBERTS

Motion failed.

City Attorney Wells advised Section 1 shall read: The FY 2011 Operating Budget is hereby amended to appropriate the \$5,000 expenditure authorized for “playground improvements” in Ordinance 11-22 to The Homer Foundation to support community efforts to create a new improved playground at Karen Hornaday Park as follows:

Mayor Hornaday called for a motion to make the amendment.

LEWIS/ZAK – MOVED TO USE THE WORDING THE CITY ATTORNEY JUST SAID.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Wythe expressed opposition since we are providing non profit funding in the middle of the year.

Councilmember Zak expressed support for the quality of life and to keep the momentum going.

Councilmember Roberts expressed support since the playground is part of the Karen Hornaday Park Master Plan and HOPP is willing to work on it.

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

VOTE: NO. WYTHE, HOWARD

Motion carried.

## **CITY MANAGER’S REPORT**

### **A. City Manager’s Report**

1. Memorandum 11-080 from Police Chief, re: Withdrawal from CAD Program

2. **Supreme Court Opinion**, Griswold vs. City of Homer, City Clerk Jo Johnson, and Kachemak Shellfish Mariculture 3HO-08-137CI/S-13734

City Manager Wrede referenced Memorandum 11-080, the City's withdrawal from the CAD program. At an earlier meeting the Borough made a presentation and Council authorized participation in the program at level 6. The Police Chief recommends we do not participate in CAD any further.

In response to Councilmember Hogan's request for a report on the crane accident at the fuel dock, Port and Harbor Director Hawkins reported there were 27 man hours involved. Those hours included the initial response, traffic control, and oversight by the Harbormaster. It was critical to stay involved as the incident was of a delicate nature that could have turned south at any time. A harbor officer was always on duty.

Councilmember Hogan asked if the party had a terminal use permit (TUP) and the proper insurance. Port and Harbor Director Hawkins answered he had the proper insurance, but no TUP. He was working on Petro's property. There are no ramifications or exposure for the City.

Councilmember Lewis referenced the Supreme Court case and asked if the City was entitled to reimbursement for legal fees. City Attorney Wells answered costs and attorney fees were successful at the lower level. There is a process to go through to collect and recover fees.

B. Bid Report

**CITY ATTORNEY REPORT**

City Attorney Wells offered to answer questions on the Supreme Court case and Council had none.

**COMMITTEE REPORT**

A. Public Arts Committee

B. Transportation Advisory Committee

1. Memorandum 11-085 from Transportation Advisory Committee re:  
Recommending Right Turns Only off Streets Between Pioneer Avenue and Lake Street

Transportation Advisory Committee Member Francie Roberts reported the committee has the idea of right turns only on the streets from Pioneer to Lake on their August agenda for more discussion. The committee wanted Council to think about it.

Councilmember Wythe asked staff to develop a resolution recommending and identifying the specific intersections and showing what the indicators would be.

Mayor Hornaday questioned if the merchants had been informed.

C. Lease Committee

D. City Hall Renovation and Expansion Task Force

City Manager Wrede reported the contractors for the City Hall renovation and expansion are moving fast and doing a good job. Planning is now temporarily located at the old intermediate school. Administration will move there on Wednesday. Vacating the offices will help the contractors and speed up the process. It will be noisy and dusty during the construction.

### **PENDING BUSINESS**

### **NEW BUSINESS**

A. **Memorandum 11-076**, from Mayor, Re: Appointment of Jennifer Sonneborn to the Advisory Planning Commission and Reappointment of Tom Bos and James Dolma to the Advisory Planning Commission.

WYTHE/LEWIS - MOVED TO BRING MEMORANDUM 11-076 TO THE FLOOR.

WYTHE/LEWIS – MOVED TO STRIKE THE APPOINTMENT OF JENNIFER SONNEBORN TO THE ADVISORY PLANNING COMMISSION FROM THE MEMO.

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.

### **RESOLUTIONS**

A. **Resolution 11-054**, A Resolution of the City Council of Homer, Alaska, Accepting the 2010 Comprehensive Annual Financial Report with Audit and Financial Statements and Acknowledging the Management Letter Submitted by the City/s Independent Auditor, Mikunda, Cottrell, & Co. and Authorizing the City Manager to Execute the Financial Report. City Manager/Finance.

Mayor Hornaday called for a motion for the adoption of Resolution 11-054 by reading of title only.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 11-055**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Renewal of the Jail Service Contract for FY 2012 with the State of Alaska in the Amount of \$611,099.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief.

Memorandum 11-081 from Police Chief as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-055 by reading of title only.

LEWIS/ZAK - SO MOVED.

Police Chief Robl reported the jail service contract with the State has been held since 1985. For the last three years he, along with other community jail chiefs have lobbied with the State Department of Corrections, Commissioner of Corrections, and Commissioner of Public Safety to bring the contracts come up to a realistic level. The efforts paid off with a \$200,000 annual increase.

ROBERTS/LEWIS - MOVED TO AMEND LINE 13, THE WORD "CONTACT" SHOULD BE CHANGED TO "CONTRACT".

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

- C. **Resolution 11-056**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Renewal of the Special Services Contract for FY 2012 with the Alaska Department of Public Safety in the Amount of \$36,000.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief.

Memorandum 11-082 from Chief of Police as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-056 by reading of title only.

LEWIS/WYTHE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Resolution 11-057**, A Resolution of the City Council of Homer, Alaska, Awarding Contracts for the Public Works Gravel Supply 2011, 2012, and 2013 to the Firms of R/C Land Improvements of Anchor Point, Alaska, in the Amount of \$37,514.00 and Brown Construction Company, Inc. of Homer, Alaska, in the Amount of \$950.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Memorandum 11-083 from Public Works Superintendent as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-057 by reading of title only.

LEWIS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Resolution 11-058**, A Resolution of the City Council of Homer, Alaska, Awarding Contracts for the City Owned Dredge Spoils to the Firms of Herndon Construction LLC in the Amount of \$1,050.00 and Homer Boat Yard of Homer, Alaska, in the Amount of \$1,050.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Mayor Hornaday called for a motion for the adoption of Resolution 11-058 by reading of title only.

WYTHE/ZAK - SO MOVED.

Councilmember Wythe referenced Ordinance 11-09 for removal of dredge material from the Spit. The ordinance specifies five steps, with four of them prior to bid. She inquired if steps 1-4 had been done prior to offering removal of the dredge spoils from the Spit.

Port and Harbor Director Hawkins answered he has two permits pending and is seeking permits for build up projects on the Spit and for beach re-nourishment. They plan to maintain a 8,000 yard stockpile on the Spit for emergency repairs on the Spit due to storm damage. The bid was prioritized for the sale of materials on the Spit and then for sale off the Spit. The bid was advertised for 5,000 yards; they received bids for 400 yards @ \$5.25 per yard with a minimum amount of 100 yards per bid.

Councilmember Wythe asked if Council could help with getting the permits approved to get the spoils redistributed. Port and Harbor Director Hawkins answered it was a time consuming process with questions back and forth.

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

VOTE: NO. HOGAN

Motion carried.

- F. **Resolution 11-059**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to Arno Construction, of Homer, Alaska, in the Amount of \$6,720 for the Construction of the West Elementary Trail and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Memorandum 11-086 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-059 by reading of title only.

LEWIS/WYTHER - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- G. **Resolution 11-060**, A Resolution of the City Council of Homer, Alaska, Establishing a Committee to Develop a Port and Harbor Improvement Revenue Bonding Plan and Provide Committee Review and Oversight Throughout the Implementation and Completion of any Approved Plan. Wythe.

Mayor Hornaday called for a motion for the adoption of Resolution 11-060 by reading of title only.

WYTHER/HOWARD - SO MOVED.

Councilmember Wythe thanked Port and Harbor Advisory Commissioners Howard and Hartley for their presence tonight. She attended a commission meeting to speak to them in advance of the



resolution to see if they were in support of the concept. The port and harbor is an enterprise fund meaning it generates its own revenue and qualifies for revenue bonding. A committee could be formed to see what potentials are for acquiring revenue bonding. Specific items are defined including a safe working environment for employees. The port and harbor is one of our best economic engines, yet we look to others to fund it. As our best engine, we need to feed that engine.

Councilmember Howard has heard from a good part of the community there is good support for the concept for improvements at the harbor.

Councilmember Hogan termed it as a great idea. He questioned if \$400,000 for Fish Dock restrooms was necessary.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

H. **Resolution 11-061**, A Resolution of the City Council of Homer, Alaska, Setting Water/Sewer Depreciation Reserve Transfers to the Net Change in Fund Balance Annually. Roberts.

ROBERTS/WYTHE - MOVED FOR THE ADOPTION OF RESOLUTION 11-061.

Councilmember Roberts explained we budget a depreciation amount for the water/sewer fund. This resolution will transfer reserves into depreciation at the end of the fiscal year.

WYTHE/LEWIS - MOVED TO AMEND THE TITLE AND NOW THEREFORE BE IT RESOLVED AFTER "DEPRECIATION RESERVES TRANSFER TO" TO INSERT "A MINIMUM OF \$200,000 PLUS" AND THEN CONTINUE ON WITH "THE NET CHANGE IN FUND BALANCE ANNUALLY."

Councilmember Wythe defended reserves would not be budgeted. Money would be moved after expenses were covered. If you do not budget for reserves they won't show in the cost collected to maintain the fund. We need to make sure we are planning for the future instead of waiting to fail.

City Attorney Wells advised the resolution has the substantive change requirement so will need to reappear at the next council meeting.

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

Motion carried.

WYTHE/LEWIS - MOVED TO HAVE RESOLUTION 11-061 AS AMENDED POSTPONED FOR CONSIDERATION AT THE JUNE 27<sup>TH</sup> MEETING.

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

Motion carried.

- I. **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 called for a motion for the adoption of Resolution 11-062 by reading of title only.

ZAK/WYTHE – SO MOVED.

HOGAN/ZAK – MOVED TO AMEND LINE 53 THAT RESIDENTIAL RATES BE CHANGED TO \$8.47, COMMERCIAL RATES TO \$10.75 AND ON LINE 95 RESIDENTIAL \$3.75, COMMERCIAL \$9.69, AND BULK TO \$10.78 TO REFLECT A 15% DECREASE IN THE RATE.

Councilmember Lewis asked how it will affect the overall water/sewer fund to make sure we are balanced. Councilmember Hogan answered we will instruct Administration to make sure we have a balanced budget. It would be Administration's pleasure to reduce expenses or expand revenue by increasing the customer base.

Councilmember Wythe commented it is a bad way to balance the budget, as water/sewer is not paying for itself as it is. You cannot tell staff to figure out a way to make more money or cut revenues.

Councilmember Hogan believes it is also a bad way to manage business to ask for more money without any other means considered. Every time it dips into the rate users pockets rather than looking for ways to reduce the expenses. We have pushed the economic engines to the point in this town where people are not making it any more. Two restaurant owners who have businesses here and elsewhere on the Peninsula have approached him to say the rates are \$200, \$300, and \$1,200. Guess which one is Homer? Their least grossing store was the Homer store. If we instruct Administration we want another approach taken, he is capable of solving the problem.

Councilmember Roberts expressed opposition although she would love to reduce the water/sewer fund. There is no request to increase the rates at this time.

Councilmember Lewis does not support the amendment, but agrees it would be nice to find a way to reduce rates. We can try to find some way to keep the water/sewer rates under control. Over the next two years we can come up with a plan for a much better way. Unfortunately our water/sewer rates are not cheap.

Councilmember Wythe added that holding the rate unchanged for an additional two years will ask staff to reduce expenses anyway. Normal operation costs are going up everywhere. We are asking staff to maintain the existing rates with the increased costs.

Councilmember Howard noted we did not raise the rates last year and are now projecting not to raise them for two years. In her business every expense, including energy, has gone up, with the exception of water. There is no rate increase proposed due to the economic times.

Councilmember Zak expressed support for the rate reduction. Earlier this year he brought an ordinance forward to add the East End Road folks as water users. It would have decreased costs. We need to look at any opportunity to increase the customer base. When the rates were last increased it was quite a bit. The May 24 analysis of the Kenai Peninsula Borough communities showed our commercial users paying way above those amounts. The 15% decrease is fair, it does not even get us close to other areas. There has been a decrease in usage; we want to encourage more water use and greater customer base.

Councilmember Hogan added we want to balance the water budget, but not on the backs of the rate payers. Council is being led by Administration to raise the rates because we need the money. He wants the Council to be the leader telling Administration we want to cut expenses and raise the water.

Councilmember Howard believes the sewer and water treatment plants are being led by a licensing agency, The Clean Water Act, or the federal government. It is not being led down the rosy path by the City Manager.

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

Motion failed.

Councilmember Wythe called attention to lines 29 and 36 for service calls. The rates do not even cover the cost of sending an employee out for a repair. Where is the subsidy for that service coming from?

City Manager Wrede answered Beth is correct, as the costs are being spread to the other users.

J. **Resolution 11-063**, A Resolution of the Homer City Council Encouraging the Kenai Peninsula Borough Assembly to Designate 80 Acres, Kenai Peninsula Borough Parcel Number 179-010-26 Northwest of the Homer Airport as Wildlife Habitat. Roberts.

ROBERTS/WYTHE - MOVED TO ADOPT RESOLUTION 11-063.

The wildlife designation will not affect the Kachemak Drive Water and Sewer LID.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **COMMENTS OF THE AUDIENCE**

Merlin Cordes, city resident, commented on the zoning problem on Meadow Drive. The house was built under rural residential. In 2001 the zoning was changed to GC1 and the homeowners had to get a non conforming residential use to remodel. In 2008 Council put in place a zoning regulation for non conforming use that there would be no replacement of existing buildings or changes. A year ago there was an offer on the house and it was shot down by the mortgage company due to the GC1 zoning. In the event of a fire there would be no way to replace it. It has placed a hardship on the family and is totally unfair. Mr. Cordes suggested four solutions:

- Any lot built on rural residential prior to 2001 stays that way until that property owner petitions for change.
- Buy them out for \$139,000 sales price as of June 2010, plus pay money lost including interest and taxes in the amount of \$146,000.
- Sell it for whatever you get and the City pays the difference between \$146,000 and the selling price.
- Get lawyers and go for lawsuits.

Charlie Young, aka Yukon Charlie, city resident, lives at the end of Bunnell Street. It is a dead end that is not marked dead end. Tourists come down the road in large motor homes thinking it is a shortcut to the Spit. He just griped and called until a dog got killed. The tourists make a turn into his driveway where there are kids and dogs. A dead end sign is all that is needed.

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

City Attorney Wells had no comment.

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

City Clerk Johnson had no comment.

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

City Manager Wrede clarified Council's request to have ordinances showing changes with backup memorandums and a clean copy of the ordinance.

### **COMMENTS OF THE MAYOR**

Mayor Hornaday hopes the City Attorney will look into the comments of Mr. Cordes and come up with some suggestions. He remembers VJ Day as a 6-year old in Des Moines, Iowa driving around and honking their horn in favor. We now have a Sister City in Japan and we welcome the Japanese defense ships in the bay. It is a big improvement.

## **COMMENTS OF THE CITY COUNCIL**

Councilmember Wythe congratulated staff on the audit and identifying cost cutting measures resulting in increased revenue reserves. We are within the six month reserve window. She requested a dead end sign for Bunnell Street in response to Charlie Young's comments. In the Mayor's absence she had the opportunity to welcome the General Federation of Women's Club. The Alaska chapter was founded in Nome. They have been involved in improving child labor laws, promoting the pure food and drug acts, improving education and health on reservations, working with the equal rights amendment in 1944, a buy a bomber campaign during World War II, participated in the conference to form the United Nations, and worked with the cooperative for American relief everywhere after the Korean war. Kathy Wilmeth is the lone member in Homer. They will be considering a group here and she encouraged women who are interested to become involved. It was the most fun thing she has done as mayor pro tempore.

Councilmember Lewis commented a dead end sign should be pretty simple. He echoed the Mayor's comments for a solution to the property. He hopes the sailors had a fun time this weekend.

Councilmember Hogan echoed the comments regarding both of the visitors. He expressed regrets and apologies for Dr. Maw for not being able to appear. He invited him to appear after the meeting with Fish and Game regarding the management of the Upper Cook Inlet fishery. The changes the board of fish made on the management plan will make drastic changes on the amounts of deliveries, boats that moor here, and amount of money that is spent here. Unless the run prediction exceeds 4.6M, everything will be moved up the inlet and delivered to Kasilof and Kenai. It has enormous impacts to the community. He requested Dr. Maw be moved to the June 27<sup>th</sup> meeting. Council needs to hear what the fish board did in response to the political pressure from the Matsu Borough.

Councilmember Roberts likes the new newsletter format with the team. She welcomed Library Director Ann Dixon.

Councilmember Zak thanked the group here earlier for the Karen Hornaday Park equipment replacements. The Navy was in this weekend and he knows at least ten sailors took the Boss Hogz challenge on the Spit. An old retired guy owns the record and if anyone wants to beat Councilmember Zak's record, have at it. It is a tough challenge. He went to the Homer Chamber meeting immediately afterword and didn't eat any wings or drink any beer but made it through the meeting.

Councilmember Howard had no comment.

## **ADJOURNMENT**

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 8:30 p.m. The next Regular Meeting is scheduled for Monday, June 27, 2011 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, June 27, 2011 at 5:00 p.m. A Worksession is scheduled for Monday, June 27, 2011 at 4:00 p.m. All meetings scheduled to be

HOMER CITY COUNCIL  
REGULAR MEETING MINUTES  
JUNE 13, 2011

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: \_\_\_\_\_