

ACTION AGENDA
Monday, August 8, 2011
Special Meeting
Committee of the Whole
Regular Meeting

Session 11-24 a Special Meeting of the Homer City Council was called to Order on August 8, 2011 at 4:00 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, WYTHE, ZAK

ABSENT: ROBERTS

STAFF: CITY MANAGER WREDE
DEPUTY CITY CLERK JACOBSEN
CITY ATTORNEY KLINKNER

Councilmember Roberts requested excusal.

AGENDA APPROVAL

(Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

The agenda was approved by consensus of the Council.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

NEW BUSINESS

- A. **Memorandum 11-115**, Request For Executive Session Pursuant To As §44.62.310(C)(1 & 5), Matters, The Immediate Knowledge Of Which Would Clearly Have An Adverse Effect Upon The Finances Of The Government Unit And Attorney/Client Privilege. (Briefing On Dietzman Case By Attorney Frank Koziol)

APPROVED without discussion.

The Council adjourned into executive session at 4:03 p.m. and reconvened at 4:35 p.m.

Mayor Pro Tempore Wythe stated the met with their legal council for an update on the status of the Dietzman case and provided instruction for further updates.

COMMENTS OF THE AUDIENCE

There were no comments of the audience.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comment.

COMMENTS OF THE CITY CLERK

Deputy City Clerk Jacobsen had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Hornaday had no comment.

COMMENTS OF THE CITY COUNCIL

Councilmembers had no comment.

ADJOURNMENT NO LATER THAN 4:50

Mayor Hornaday adjourned the meeting at 4:36 p.m.

COMMITTEE OF THE WHOLE AGENDA

CALL TO ORDER, 5:00 P.M.

Councilmember Roberts requested excusal.

AGENDA APPROVAL

(Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

The agenda was approved by consensus of Council.

Budget Process

Budget Priorities for 2012

REGULAR MEETING AGENDA

COMMENTS OF THE AUDIENCE

There were no audience comments.

ADJOURNMENT NO LATER THAN 5:50 P.M.

Mayor Hornaday adjourned the meeting at 5:48 p.m.

REGULAR MEETING AGENDA

Special Meeting 4:00 p.m. and Committee of the Whole 5:00 p.m. in Homer City Hall Cowles Council Chambers.

Session 11-25 a Regular Meeting of the Homer City Council was called to Order on August 8, 2011 at 4:00 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, WYTHE, ZAK

ABSENT: ROBERTS

STAFF: CITY MANAGER WREDE
DEPUTY CITY CLERK JACOBSEN
CITY ATTORNEY KLINKNER
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS
CITY PLANNER ABOUD
LIBRARY DIRECTOR DIXON

Councilmember Roberts has requested excusal.

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 change: **RESOLUTIONS-** Resolution 11-81 corrected to Resolution 11-082 A Resolution of The City Council Of Homer, Alaska Adopting The City Of Homer Hazard Mitigation Plan, Approving Its Inclusion As An Annex To The Kenai Peninsula Borough Multi-Jurisdictional Hazard Mitigation Plan, And Adopting The Kenai Peninsula Borough Multi-Jurisdictional Hazard Mitigation Plan.

APPROVED as amended without discussion.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There was one who commented.

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 July 25, 2011. City Clerk. Recommend adoption.

APPROVED without discussion.

VISITORS

- A. **Homer Chamber of Commerce**, Monte Davis, Executive Director, 10 minutes.

Monte Davis, Homer Chamber of Commerce Executive Director updated the Council on recent Chamber events. Clean up day was very successful with more than 722 bags of garbage logged and 88 of those bags were recycled. Clean up day is a partnership with Kachemak Bay Lions Club, the Homer/Kachemak Bay Rotary Clubs, Alaska Waste, Kenai Peninsula Borough and Homer Landfill, and many other services. The Shorebird Festival was done in partnership with the US Fish and Wildlife Service and Islands and Ocean Visitor Center, and was a complete success with community members and visitors selling out almost 100% of the events. Next year is the Shorebird Festival's 20th anniversary. The Halibut Derby runs through the end of September, ticket sales are slightly down from last year, but people are still looking for the barn door and tagged fish. In the online contest of the Ultimate Fishing Town USA, Homer ranked in the top 10, the top two towns were in New York. Statistically visitors are up this year between 10 and 12%. Taking into consideration it was down 20% two years ago some of the small businesses in town are still struggling. Mr. Davis said the Chamber is hosting an informational meeting regarding the Catch Share Plan on August 12th at 7 p.m. NOAA has to interpret and regulate the law so there will be representatives here to speak about it. If the law goes into effect it could have serious consequences to for the derby next year. The first Derby Committee meeting is Wednesday night to discuss effects the Catch Share Plan. There have been 10 cruise ship delivering a little over 10,000 visitors. Mr. Davis explained the State has been tracking this and approximately 1 out of 3 cruise visitors come back to Alaska for a 7 to 10 day visit within 3 years with a group of 3.8 people. On the cruise they see spectacular scenery from the time they leave Seattle, but what draws them back is the friendliest communities. Mr. Davis reported that Chamber membership is steady, and the membership drive will be starting soon. The Port and Harbor will be partnering with the Chamber and have a presence in the Pacific Marine Expo in November. It is the largest commercial marine trade show on the west coast serving all aspects of the market and they hope to promote the year round marine trade services in Homer. They have put aside funds to launch a new website by January 1. He reported that the Chamber budget is primarily made up of membership dues, and the Halibut Derby and car raffle funds and he is getting ready to start the annual budget. Mr. Davis commented about the Borough initiative for Economic Development funding on this years ballot and the benefits the communities can expect from those funds.

- B. **Enstar Natural Gas Company**, John Sims, 15 minutes.

John Sims and Charlie Peirce participated in a question and answer session with Council. Enstar representatives encouraged Council to continue to build on the hard work of the community, the City Manager, and Representative Seaton. Enstar is still committed to this project and to finding ways to get this done. They still have to follow the guidelines and economic feasibility is the biggest hurdle right now. There are outstanding tariff pages that Representative Seaton has ideas for using. A key issue to help them in moving forward is for the City to help better define the core users for the first year. It would go a long way in helping them understand the dollars and

cents and volumes of gas needed. An example is that there has been talk of a Local Improvement District and understanding who would be involved in that LID would be very helpful. They anticipate a certain amount of usage per customer and per region and understanding the district would potential help estimate the years down the road. They are aware of the public buildings, like the schools and the state buildings interest. It was argued that Enstar is in the business of development and providing natural gas, the City of Homer is in the business of running a City, and it seems Enstar would be coming in with all this information and we would offer support, but Enstar says the city needs to give the information and help them develop it. Mr. Sims expressed the challenge in defining the customer base and the need to outline the initial improvement district. He explained that Anchor Point was the benefactor of a new find, the flow of the gas, and where the line needed to go. Mayor Hornaday noted that the City provided half a million dollars for that transfer station. Mr. Sims continued that with the work they are doing they anticipate a line this year. There was discussion of costs to develop the main line within the city boundary, surcharge, base rates, and volumetric charges. The scope of the project has changed significantly from when it began so the concern is that if the \$1 surcharge has to be multiplied by 3 or 4, does the consumer lose the incentive to convert to natural gas. He noted the additional upfront consumer cost of change equipment and appliances. Mr. Sims responded that local supply would make a big difference to the project and is wants to speak with anyone who gas they are willing to bring to market. Question was raised what it would take for us to demonstrate that we want and would use the product. Mr. Sims said that establishing that core boundary that will connect the first year would go a long way, he noted that Kachemak City is taking a vote to pay for the distribution system, and that is a very strong message. Enstar expects a return on capital dollars invested, and that is marginal with the City right now. They estimated MCF rate for an average residential user is about \$8.50 so looking at \$9.50 to \$10 with the initial dollar surcharge. The rates are adjusted quarterly. The dollar surcharge was based on full recovery of a \$3.5 million project in 10 years. The surcharge is removed once costs were recovered. Tariff information is available to review on Enstar's website.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Borough Report

Bill Smith, Borough Assemblymember, commented that the Assembly passed an amendment to term limit ordinance. He explained that the current ordinance has a variable maximum that can be from two years to six years and most terms would be six years. The amendment takes effect on October 14, the variable terms would be from six years and up, to accommodate partial terms. There was concern for the possibility for reapportionment that someone could serve a one year term, then getting another 1 year term and being term limited in two years. He wasn't sure how it would effect his position as he thought he was term limited, but it was pointed out to him that the term limit ordinance as it stands does not prohibit a person from running for office, it prohibits a person from serving. His circumstance is that he can file for office and run. If elected the amended ordinance takes effect after the two year limit for amending an initiative, then, according to the Borough Attorney, he could be sworn into office. He has filed for another term which as it turns out will be for one year, due to reapportionment happening next year. Councilmember Howard commented that the enactment earliest date is October 14 or the Justice Department clearance, whichever comes later. Mr. Smith noted the DOJ has 60 days and that falls before October 14. She asked as a voter, when someone files for office, the vetting process begins at point to verify eligibility. To say that he can run and not serve seems very interesting to her, so there could be many folks running that are not eligible to run. Mr. Smith responded that

there is a listing of things that make you eligible, but the term limits ordinance doesn't say that you are ineligible to run for office, but that you can not serve. Regarding State election code, he noted that if you aren't a resident you aren't eligible to run, and a felon who loses their voter privileges would be prohibited.

- B. 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

PUBLIC HEARING(S)

- A. Budget Priorities for 2012

There were no public comments.

- B. **Ordinance 11-30**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 10.04.110, Violation-Penalty; Regarding the Payment of Citations for Parking Violations in the Harbor Area. City Clerk. Recommended dates: Introduction July 25, 2011, Public Hearing and Second Reading August 8, 2011.

Memorandum 11-098 from City Clerk as backup.

ADOPTED with out discussion.

- C. **Ordinance 11-31**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2012 in the Amount of \$6,500.00, with a Local Match of \$7,000.00 for Books and Library Materials and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Library Director.

Memorandum 11-099 from Library Director as backup.

ADOPTED without discussion.

- D. **Ordinance 11-32**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.34.010, Purpose; Homer City Code 21.24.020, Permitted Uses; and Homer City Code 21.34.030, Conditional Uses; Regarding the Purpose and Uses Permitted in the Conservation Zoning District. Planning. Recommended dates: Introduction July 25, 2011, Public Hearing and Second Reading August 8, 2011.

Memorandum 11-103 from City Planner as backup.

ADOPTED without discussion.

ORDINANCE(S)

- A. **Ordinance 11-33**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 8.12.300 to Include Exemptions for Public Transportation Companies Serving More Than 15 Passengers. Roberts/Lewis. Recommended dates: Introduction August 8, 2011, Public Hearing and Second Reading August 22, 2011.

Letter from Sally Oberstein as backup

ADOPTED without discussion.

- B. **Ordinance 11-34**, An Ordinance Of The City Council Of Homer, Alaska Amending The FY 2011 Operating Budget By Appropriating \$21,798.25 From The Port And Harbor Reserves For Parking Improvements At The Coast Guard Parking Area Adjacent To The Pioneer Dock. P&H Director / City Manager

Memorandum 11-112 from Port and Harbor Director as backup

ADOPTED without discussion.

- C. **Ordinance 11-35**, An Ordinance Amending the FY 2011 Operating Budget by Appropriating \$24,000 from the General Fund Reserves to Acquire New Narrow Band Radios for the Public Works Department. PW Director / City Manager.

Memorandum 11-113 from Public Works Superintendent as backup

ADOPTED with discussion.

CITY MANAGER'S REPORT

- A. City Manager's Report

City Manager Wrede commented that Council is going to need to talk about the Gas Line. He suggested that he could bring a recommended action plan for them to consider how to move forward. There was no objection expressed.

Regarding a letter provide from a resident about an overcharge for sewer costs, City Manager Wrede said Finance is looking into it and will provide a written response.

Councilmember Hogan questioned how the determination was made to recently deny entry of a vessel into the harbor. City Manager Wrede explained that city code provides the Harbormaster the broad authority to make the determination. The vessel in question has been rejected by us before, as well as other harbors. The City has had problems with derelict vessels and there was no way to determine the status of the vessel and we had no idea if the vessel was insured. The Harbormaster exercised his discretion to deny entry and City Manager Wrede supported the decision.

City Manager Wrede advised the jack up rig in the bay is Escepeda's. The city knew it was coming but did not know it was coming to Kachemak Bay. The Harbormaster has attempted to contact a representative, and he hopes to hear back soon so that the city can give out proper information. The rigs are allowed to anchor up in the bay for up to 14 days. The area is outside city limit, but the city does have great interest in why it is there.

Councilmember Hogan questioned the status of the Coast Guard request to have a windmill on the spit. City Manager Wrede responded that Planning advised them that it is against the zoning code due to lot size. They appreciate the Coast Guards desire to use alternate energy, and will look into alternatives if there are any.

B. Bid 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

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 11-082**, A Resolution Of The City Council Of Homer, Alaska Adopting The City Of Homer Hazard Mitigation Plan And Approving Its Inclusion As An Annex To The Kenai Peninsula Borough Multi-Jurisdictional Hazard Mitigation Plan. Fire Chief / City Manager

Memorandum 11-144 from Fire Chief as backup

ADOPTED without discussion.

COMMENTS OF THE AUDIENCE

There were no comments of the audience.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comment.

COMMENTS OF THE CITY CLERK

Deputy City Clerk Jacobsen had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Hornaday had no comment.

COMMENTS OF THE CITY COUNCIL

Mayor Pro Tempore Wythe had no comments, nor did Councilmembers Howard, Hogan, or Lewis

Councilmember Zak said he was happy to see the ordinance regarding the trolley be introduced, and offered his congratulations to a young business person.

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the Regular Meeting at 7:10 p.m. The next Regular Meeting is scheduled for August 22, 2011 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, August 22, 2011 at 5:00 p.m. All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.