

Session 11-36 a Regular Meeting of the Homer City Council was called to order on December 12, 2011 at 6:01 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,
WYTHER, ZAK (telephonic)

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER
CITY PLANNER ABOUD
FINANCE DIRECTOR MAURAS
LIBRARY DIRECTOR DIXON
PERSONNEL DIRECTOR PETERSEN
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Councilmember Zak has requested telephonic participation or excusal.

Mayor Hornaday called for a motion to allow Councilmember Zak to participate by phone.

LEWIS/HOGAN – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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 approved by consensus of the Council with the following changes: PUBLIC HEARINGS - Ordinance 11-41, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2012 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures). City Manager. Written public testimony; and RESOLUTIONS - Resolution 11-109(S), A Resolution of the City Council of Homer, Alaska, Establishing the 2012 Regular Meeting Schedule for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks and Recreation Advisory Commission, Advisory Planning Commission, Port and Harbor

Advisory Commission, Lease Committee, Permanent Fund Committee, Public Arts Committee and Transportation Advisory Committee. City Clerk.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Michele Miller, city resident and Chair of 1% for Arts Committee, reported they selected four pieces of art for the City Hall Renovation and Expansion Project.

Angie Newby, city resident, voiced her support for the 1% for the Arts Committee.

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 November 28, 2011. City Clerk. Recommend adoption.
- B. **Memorandum 11-159**, from Mayor, Re: Appointment of Neil Wagner to the Economic Development Advisory Commission and Appointment of Debra Lowney to the Parks and Recreation Advisory Commission.

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

WYTHE/HOWARD – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION.UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. **Buck Laukitis**, North Pacific Fisheries Association, Inc., Report on United Fishermen of Alaska Meeting

Buck Laukitis is President of the North Pacific Fisheries Association (NPFSA). The organization was founded in 1954 before Statehood. Members consist of longliners, salmon fishermen, ground fish harvesters, and processors. In October the United Fishermen of Alaska's (UFA) board meeting was held in Homer. NPFSA is a member of the UFA; Homer residents are members of the UFA. It was a productive meeting. A side light was the visitors' perception of

Homer as a vibrant marine trades community. Both UFA and NPFA produced economic fact sheets. There are 575 permit holders in Homer, they own over 1,000 permits, 21% of the residents fish commercially, 2010 income for Homer based fishermen was \$77M, seafood processing jobs on the Kenai Peninsula were 1,846, total processing wages were \$11.5M, and first wholesale value on the Kenai Peninsula is \$151M. There is over \$200M of investment value in permits by residents of Kachemak Bay. UFA recognized Bob Moss, Sr., a true pioneer in the seafood industry. He was former Chairman of the Board of Fish and part of the advisory committee what is now called the North Pacific Council. Mr. Moss was instrumental in helping us Americanize the fisheries by working with Jay Hammond and Clem Tillion. The people before us let us enjoy good economic times and the sustainable fisheries.

NPFA passed a resolution for the renewal of coastal zone management; they will oppose the Chuitna Mine development. NPFA would like to work with City Council on House Bill 184, sharing the fisheries business tax and fisheries resource landing tax. Homer is still the halibut capital of the world, but there will be a lot less halibut in the world in the coming years.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Borough Report

Bill Smith, Kenai Peninsula Borough Assemblyman, reported the Borough received \$35,512 for cruise ship tax for the City of Homer. Seldovia believes they are impacted by the cruise ships that land in Homer, so allocation of the money has been postponed to January. The money may be reallocated, resulting in the City of Homer getting less than the allotted amount.

Mayor Hornaday commented Borough Mayor Navarre was in town recently and seems interested in Homer's projects.

Mayor Hornaday gave a shout out to the Finance Director and Finance Department that received indication our finances are being properly handled.

B. Commissions/Board Reports:

1. Library Advisory Board

Eileen Faulkner, Chair of the Library Advisory Board, reported the LAB along with the citizens of Homer and surrounding communities are concerned about the proposed reductions to the book budget. The proposed cuts could amount to \$6,000, bringing the book budget down to \$14,000. Books are the purpose of the library. They are about educating the youngest baby in the lap sit program to the wisest residents in their 90's. A new circulation record was set in 2010 with over 103,000 items being checked out, to include books, magazines, DVDs. The library benefits more than just a select few. Book circulation for 2010 is nearly 28,000 items checked out. Folks still want and need the latest and greatest information. Some books need replacement due to damage. The average age of non fiction books in the library is 1989. Examples of other small Alaska

communities book budgets include: Haines \$19,000, Seward 20,000, Talkeetna and Willow over \$22,000.

2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission
4. Parks and Recreation Advisory Commission

Dave Brann, Parks and Recreation Advisory Commissioner, welcomed the new commissioner appointment. They are anticipating a \$1,000 budget for Park Day. The commission continues to look at Mariner Park, the Kachemak Drive path/trail, and Karen Hornaday Park.

5. Port and Harbor Advisory Commission

C. Matt Clarke, Chair, Employee Committee Report

Memorandum 11-159 from Employee Committee as backup.

Matt Clarke, Chair of the Employee Committee, provided a report on the committee's work on the employees benefit package. In December 2010 several councilmembers expressed their desire for the city employees to take part in their healthcare plan in the form of out of pocket premiums. One employee from each department was dedicated to represent their department on the Employee Committee. In August 2011 the committee met to analyze the benefit package. Meetings were held following Robert's Rules of Order, and requiring seven people present. They developed nine goals and objectives:

- To educate committee members on healthcare terminology
- To review the City's current health insurance plan
- To analyze the parity study and other pertinent industry information
- Identify municipal industry standards within the State of Alaska relevant to the City of Homer
- See what is driving the City's costs
- Review COLA
- Develop options in accordance with municipal industry averages designed to provide the City of Homer savings and achieve benefits package sustainability
- Employee wide vote to determine a majority approved proposal
- Bring the information before City Council

The committee analyzed the parity study and a statistical overview provided by Meritain Health, the claims administrator. At the time of the parity study 277 employees and dependents were insured. The dependent to employee ratio is 2:1. The cost to insure an employee and family is \$1,354, well below municipal industry average. The committee found \$156,000 savings was needed to achieve the municipal industry average. The City's insurance costs are being driven by: 83% medical claims, prescription claims 11%, dental claims 5%, and vision 1%. In 2007 - 2010 employees claims expense was 66%, spouses 26%, and children 7%. In the first and second quarters of 2011 employees claims 77%, spouses 12%, children 11%.

The Employee Committee reviewed COLA, a discretionary budget item. Homer's COLA awards are slightly behind other Kenai Peninsula employers. The committee discussed developing a method of monitoring local factors driving the cost of living in the City rather than relying on Anchorage's consumer price list.

A ballot was developed with two options for the City to save \$150,000 annually. The options were either a premium to employees with no changes to the current insurance plan or a premium to employees with adjustments to the schedule of benefits. Although the committee determined a no change option was preferred by the majority of the employees, the committee chose to exclude that option. On December 6th 57 employees cast their ballot for the premium only which is \$463 annually for an employee; \$1,475.50 annually for spouse; \$125.06 annually for each child. The committee identified additional savings through the PERS agreement. The City and new hires will not be required to contribute to PERS until they successfully pass probation, or six months of service for public safety employees. Recent hiring trends indicate a potential savings of up to \$40,000 annually.

Councilmembers Hogan and Roberts proposals were outlined; neither would supplement the proposed 2012 health insurance budget.

Matt Clarke reported the Employee Committee wants Council to know it was a very difficult decision, one that effectively reduces every benefitted employee's income. City employees offer this contribution after not having received a COLA since 2009. If the City Council determines that it must amend the employee benefit package for budgetary reasons, the proposal is offered as an alternative to the existing proposed budget amendments drafted by Councilmembers Hogan and Roberts.

D. South Peninsula Gas Line Project (Email to Governor Parnell from Karin Marks)

PUBLIC HEARING(S)

A. **Ordinance 11-41**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2012 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures). City Manager. Introduction October 10, 2011, Public Hearings November 28 and December 12, 2011, Second Reading December 12, 2011.

Memorandum 11-160 from Parks and Recreation Advisory Commission.

Mayor Hornaday opened the public hearing.

Bette Seaman, city resident and Library Advisory Board member, advocated for the library books. She asked that the Library Director be able to set the book budget.

Debbie Waldorf, library employee, advocated for library books to stay current with information. As to the employee benefit proposal, her take home pay would be less than when she started in 2008 as a full time employee.

Phil Gordon, city resident and past librarian, spoke in favor of funding for the library. Homer spends only \$1.77 per capita for books.

Todd Cook, city employee, asked Council for more time on the employee benefits.

Lee Page, Homer resident, advocated for funding of library books.

Nick Poolos, new city employee, asked Council to consider the health care benefit package which balanced the cost of living increases of his moving to Homer.

Chris Moss, Homer resident, believes the allocation to the Chamber of Commerce needs to be defined for what it is – visitor marketing.

Nancy Hillstrand, Homer resident, expressed concern on expenditures on lawyer's fees. The amount spent against its own citizens is high. Safety, health, and the environment are the essentials.

Monte Davis, city resident and Executive Director of the Chamber of Commerce, clarified the contribution to the Chamber is for marketing for the City of Homer. He asked that another entity be selected to handle visitor marketing if Council did not want to allocate funds to the Chamber.

Jo Earls, city employee, encouraged Council to leave the budget as presented by the City Manager. She asked for 6 months to a year to look at ideas. Many people on the Employee Committee felt pushed into deadlines and weren't real comfortable with it.

Buck Laukitis, Homer resident, suggested spending the money for visitor marketing with the new marine trades group.

Kathy George, city employee, asked Council to postpone any decisions on employee benefits until hearing from the broker.

Mayor Hornaday closed the public hearing.

WYTHE/LEWIS - MOVED FOR THE ADOPTION OF ORDINANCE 11-41 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Budget Amendment A-1 (Management)

Finance Director Mauras clarified the need for additional funds came after preparation of the budget.

WYTHER/HOWARD – MOVED FOR THE ACCEPTANCE OF THE INCREASE OF THE PORT AND HARBOR BY \$2,100 TO COVER OVERTIME EXPENSES.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Budget Amendment A-2 (Wythe)

WYTHER/HOWARD - MOVED TO TRANSFER \$100,000 FROM THE PORT AND HARBOR DEPRECIATION RESERVE FUND TO CREATE A FISHING HOLE (NICK DUDIACK FISHING LAGOON) MAINTENANCE RESERVE FUND.

A maintenance fund will insure monies are available for upkeep on the Fishing Hole. Money originally came from the Port and Harbor fund to create the Fishing Hole.

City Manager Wrede requested the funds come from the general fund depreciation reserves since the Fishing Hole is not a part of Port and Harbor operations.

Councilmember Wythe asked for a friendly amendment that the funds come from the general fund depreciation reserves into a general fund Fishing Hole maintenance reserve.

There was no opposition from Councilmember Howard.

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

VOTE: NO. HOGAN

Motion carried.

Budget Amendment A-3 (Wythe)

WYTHER/HOWARD – MOVED TO TRANSFER \$500,000 FROM THE PORT AND HARBOR DEPRECIATION RESERVE TO CREATE A BOND RESERVE FUND.

A bond reserve fund establishes a dedicated reserve fund that is required for bonding purposes. If we do not bond the monies can be rolled back into reserve. We must have 1.25% of a single year's payment in a reserve account in order to qualify as a bond fund. It is a good faith effort that the funds are available and we are willing to allocate them to the bond reserve. The source of the Port and Harbor reserve fund is the revenue from the Port and Harbor. An income producing product is a requirement for bonding. The Port and Harbor enterprise fund is a revenue producing product.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Amendment A-4 (Management)

Finance Director Mauras clarified the need for additional funds came after preparation of the budget. The replacement of a base station for the Fire Department to meet the FCC requirements is needed.

WYTHE/LEWIS - MOVED FOR THE APPROVAL OF AN ADDITIONAL \$10,000 TO FIRE DEPRECIATION RESERVE FUND.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Hornaday called for a recess at 7:21 p.m. and reconvened the meeting at 7:26 p.m.

Amendment A-5 (Lewis)

LEWIS/HOGAN – MOVED TO TAKE \$10,000 FROM THE GENERAL FUND AND GIVE IT TO THE HOMER FOUNDATION FOR THE KEVIN BELL ARENA.

Lately the skating rink has had a loss of gaming revenue. Recent compressor problems resulted in a \$10,000 bill for repairs. The rink brings a lot of revenue to the city. Tournaments in the winter keep local people home and the shopping here. Most ice skating rinks are owned and operated by their municipality. Homer's rink is the only one in the state, and one of the few rinks in North America that is owned by an association.

Years were spent moving non profits out of council chambers and to The Homer Foundation for funding. The community is interested in non profits, and each person has the ability to make their own contribution to a non profit of their choice.

VOTE: YES. LEWIS, HOGAN

VOTE: NO. ROBERTS, WYTHE, ZAK, HOWARD

Motion failed.

Amendment A-6 (Zak)

ZAK/HOWARD – MOVED TO REMOVE PROPOSED FUNDING FOR SISTER CITY.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ZAK/ROBERTS – MOVED TO FUND THE PARKS AND RECREATION COMMISSION.

It was noted as a low investment in the community to help with volunteers and community projects.

Finance Director Mauras advised a depreciation reserve for Parks and Recreation would come from the general fund balance.

WYTHE/HOWARD – MOVED TO AMEND TO ESTABLISH A FUND FOR PARKS AND RECREATION BY APPLYING \$1,000 FROM THE REMAINING GENERAL FUND BALANCE AFTER THE BUDGET IS COMPLETED.

There was no additional discussion.

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

Motion carried.

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

Motion carried.

ZAK/ROBERTS – MOVED TO REMOVE THE AMENDMENT TO BOOKS.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ZAK/ROBERTS - MOVED TO REMOVE THE AMENDMENT TO BUDGET FOR ADVERTISING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ZAK/ROBERTS - MOVED TO REMOVE THE \$2,000 AMENDMENT FOR ADVERTISING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Amendment A-7 (Hogan)

HOGAN/ROBERTS - MOVED TO SUBSTITUTE THE FIRST THREE HEALTH CARE CONTRIBUTIONS LINES 1, 2, AND 3 WITH THE CITY'S HEALTHCARE EMPLOYEE COMMITTEE SUBSTITUTION AND ANY SAVINGS TO GO BACK TO THE HEALTHCARE PLAN AND REQUEST THE HEALTH CARE COMMITTEE PROVIDE AN IMPLEMENTATION REPORT AT THE FIRST MEETING IN JUNE.

Discussion on the effective date included notification requirements to employees before changing their benefits.

Personnel Director Petersen advised since we are a public entity we do not need to follow URESA (Uniform Reciprocal Enforcement of Support Act) that requires a 60-day notice. We could implement the changes January 1st. It would require paperwork for all employees.

Asked of the requirements, City Attorney Klinkner will have to defer to an attorney within his firm who has the expertise in employee benefit laws.

Councilmembers Hogan and Roberts would like to go forward on the amendment.

Councilmember Lewis would like to wait to hear from the benefit broker of the ramifications of the health care law before making changes to the health care benefits. Councilmember Wythe expressed concern for the library employee who reverts to her 2009 wage. Recent employees came here due to the benefit package. There are people it will be a big impact for. The cost of replacing an employee is nearly two times their annual salary. The cost of replacing two employees would wipe out any savings.

Councilmember Howard noted premiums are pre tax. She asked that the insurance premium not be implemented for three months.

HOWARD/HOGAN – MOVED TO AMEND NOT TO IMPLEMENT THIS PLAN FOR THE NEXT 90 DAYS.

The insurance broker could work with staff to devise a plan for payroll deduction.

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

Motion carried.

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

Mayor Hornaday broke the tie with a YES vote.

Motion carried.

Mayor Hornaday would like to hear from the insurance broker. The insurance premiums are implemented, with a 90-day delay.

HOGAN - MOVED TO ELIMINATE THE STIPEND FOR THE CHAMBER OF COMMERCE.

Motion failed for lack of second.

HOGAN/HOWARD - MOVED TO ELIMINATE LEASED PROPERTIES (FUEL/LUBE).

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

HOGAN/HOWARD – MOVED TO ELIMINATE LIBRARY (BOOKS).

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

HOGAN - MOVED TO INTRODUCE MUSEUM FOR DISCUSSION.

Motion failed for lack of a second.

HOGAN/LEWIS – MOVED TO INTRODUCE HOMER HOCKEY (\$10,000).

HOGAN/ROBERTS – MOVED TO WITHDRAW HOMER HOCKEY ALLOCATION.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

HOGAN/LEWIS - MOVED TO AMEND BOYS AND GIRLS CLUB TO \$11,375.

Funds will come from general fund reserves. A later discussion on the Boys and Girls Club will follow.

VOTE: YES. HOGAN, LEWIS

VOTE: NO. WYTHER, ZAK, HOWARD, ROBERTS

Motion failed.

HOGAN/LEWIS – MOVED TO INTRODUCE WATER SERVICE ON THE FLOATS.

The intent is to charge for water service on the harbor floats. Instead of transferring revenue to Port and Harbor reserves the revenue would be transferred to the water and sewer fund. Public Works would collect the money and it would go into the water fund. If someone on the harbor wanted water service they would have to get a water meter and pay the rates accordingly.

Asked for his thoughts on the amendment, Port and Harbor Director Hawkins referenced the discussion last year about putting water meters on the floats and individual meters for vessels. The cost to implement and maintain it would be very high and exceed the revenues generated. Costs for water on the floats is already included in fees paid for moorage.

Councilmember Hogan's idea is that the cost would be borne by the user, not the enterprise fund.

VOTE: YES. HOGAN, LEWIS,

VOTE: NO. ROBERTS, WYTHER, ZAK, HOWARD

Motion failed.

HOGAN/ROBERTS – MOVED TO WITHDRAW CITY CLERKS AND FINANCE (PART-TIME CLERICAL POSITION)

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Amendment A-8 (Howard)

HOWARD/ROBERTS – MOVED TO APPROVE \$10,250 FOR LEASED PROPERTIES.

It is estimated \$21,000 is needed for utilities for the HERC building from January to May. With new revenues of \$3,750 from the Boys and Girls Club rent, a request of \$10,250 from the general fund reserves is requested.

VOTE; YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

HOWARD/WYTHER - MOTION TO REDUCE CITY COUNCIL STIPEND OF \$4,500 TO GO TO COMMISSION AND COMMITTEE APPRECIATION EVENT.

Councilmember Howard would like to take one day a year and thank the 65 volunteers that serve on the board, commissions, and committees. It would be a dinner and time for each of the commissions and committees to present themselves to each other, their work plan, and achievements. It would be a time for Council to thank them with the use of their salary. She views boards and commissions as grooming grounds for future city council members.

Councilmember Hogan would rather see the money spent by the commissions on their work products that need a budget.

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

Motion carried.

HOWARD/ROBERTS - MOVED TO WITHDRAW JUSTIFICATIONS TO FUND THE HOMER HOCKEY.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

HOWARD/ROBERTS – MOVED TO WITHDRAW REDUCED FUNDING TO THE PRATT MUSEUM AND CHAMBER OF COMMERCE.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Amendment A-9 (Roberts)

ROBERTS/HOWARD – MOVED TO WITHDRAW ALL THREE AMENDMENTS (SALARIES AND BENEFITS).

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Amendment A-10 (Management)

ROBERTS/WYTHE - MOVED TO INTRODUCE CITY MANAGER/AIRPORT/ECONOMIC DEVELOPMENT SALARIES AND BENEFITS.

City Manager Wrede noted there was a \$6,000 deficit and suggested the balance be taken from the general fund reserves or city hall depreciation reserves of \$10,000.

ROBERTS/HOWARD - MOVED TO AMEND TO TAKE THE \$10,000 FROM THE GENERAL FUND.

There was no discussion.

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

Motion carried.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Amendment A-11 (Management)

WYTHE/HOWARD – MOVED FOR THE APPROVAL OF THE PORT AND HARBOR DEPRECIATION FUND FOR A PROJECT OF \$125,000 FOR REPLACEMENT OF THE FENDERS ON THE DEEP WATER DOCK.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Amendment A-12 (Wythe)

WYTHE/HOWARD - MOVED TO MAKE A \$20,000 ALLOCATION FROM THE PORT AND HARBOR RESERVES FOR BONDING ON PORT AND HARBOR IMPROVEMENT PROJECTS.

City Manager Wrede reported the Port and Harbor Improvement Committee met last week. They asked that we keep the ball moving. The committee asked how we could get reasonable enough cost estimates to put a bond application together. The \$20,000 allocation would be sufficient to put a bond application together and to figure out what adjustments to make to the fee schedule to pay for it. An engineer would review the projects and see if the cost estimates were reasonable. Port and Harbor Director Meyer is working on an RFP for a term contract for a marine engineer. Per the Procurement Policy if there are specialists with an expertise in particular jobs they can just be hired. The committee asked for the fast movement so we do not miss deadlines for grant applications and the matching money.

Councilmember Howard noted there is a legislative deadline in April and a grant deadline in June. The committee is asking for a quick current cost estimate of the projects in the resolution.

Councilmember Wythe added there are a number of items on the list that could garner 50% or more funding through matching funds from the State. We cannot put forward a proposal without knowing the cost. There are a number of items that Homer is high on the list for consideration and we want to take advantage of that.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

The Port and Harbor reserve fund balance is \$1.9M. Taking out the above approximate \$500,000 leaves \$1.4M. Funds are still available to the Port and Harbor.

City Manager Wrede hopes we do not spend the \$125,000 allocated for fenders at Deep Water Dock. It is an emergency to get the repairs designed. FEMA will be here this week to look at the project. It may be eligible for the Borough's disaster assistance because of the big wind storm, or alternately from the cruise ship grant tax. Currently the use of the dock is restricted and there are safety issues.

VOTE: (Ordinance 11-41 as amended) YES. HOGAN, LEWIS, ROBERTS, WYTHE, ZAK, HOWARD

Motion carried.

WYTHE/LEWIS – MOVED FOR IMMEDIATE RECONSIDERATION OF THE BUDGET AS PRESENTED.

VOTE: YES. HOWARD, LEWIS, WYTHE, ZAK

VOTE: NO. HOGAN, ROBERTS

Motion carried.

WYTHE/LEWIS – MOVED FOR APPROVAL OF THE BUDGET AS PRESENTED.

Councilmember Wythe noted the reconsideration was to lock the budget in tonight.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. **Resolution 11-094**, A Resolution of the City Council of Homer, Alaska, Maintaining the City of Homer Fee Schedule at the Current Rates. City Clerk. Recommended to follow Budget Ordinance 11-41 schedule.

Resolution 11-094(S), A Resolution of the City Council of Homer, Alaska, Maintaining the City of Homer Fee Schedule at the Current Rates, and Amending Customer

Classifications in the Water and Sewer Rate Schedules. City Clerk. Recommended to follow Budget Ordinance 11-41 schedule.

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

Motion on the floor from October 10th: MOTION TO ADOPT RESOLUTION 11-094 BY READING OF TITLE ONLY.

WYTHE/HOWARD - MOTION TO SUBSTITUTE RESOLUTION 11-094(S) FOR 11-094.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

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

Motion carried.

C. **Resolution 11-095.** A Resolution of the City Council of Homer, Alaska, Maintaining the Port of Homer Terminal Tariff No. 600 at the Current Rates. City Clerk. Recommended to follow Budget Ordinance 11-41 schedule.

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

Motion on the floor from October 10th: MOTION TO ADOPT RESOLUTION 11-095 BY READING OF TITLE ONLY.

Councilmember Hogan referenced pg. 168 of the terminal tariff, specifically rule 34.2 regarding contract rates. His thought is filing something with the Federal Maritime Commission is to ensure uniformity to the published rates.

City Attorney Klinkner advised there is a provision for contract rates to be negotiated outside of the filed tariff.

Councilmember Howard supports passing the resolution that shows no change in the tariff. The Port and Harbor Improvement Committee is reviewing all tariffs to determine what rates need to be changed to service the bond. It is expected increases to support the bond will be before Council in March.

Councilmember Hogan asked for those amendments to go to the Port and Harbor Advisory Commission first.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 11-44**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.14.020, Permitted Uses and Structures; 21.16.020, Permitted Uses and Structures; and 21.18.020, Permitted Uses and Structures; to Add One Detached Dwelling Unit as a Permitted Accessory Building to a Principal Single Family Dwelling in the Urban Residential, Residential Office, and Central Business Zoning Districts. Planning. Recommended dates: Introduction November 28, 2011, Public Hearing and Second Reading December 12, 2011.

Ordinance 11-44(S) An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.14.020, Permitted Uses and Structures; 21.16.020, Permitted Uses and Structures; and 21.18.020, Permitted Uses and Structures; to Add One Detached Dwelling Unit as a Permitted Accessory Building to a Principal Single Family Dwelling in the Urban Residential, Residential Office, and Central Business Zoning Districts. Planning.

Memorandum 11-154 from City Planner as backup.

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

WYTHE/LEWIS - MOVED TO SUBSTITUTE ORDINANCE 11-44(S) FOR 11-44.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-44(S) by reading of title only for second and final reading.

WYTHE/HOWARD – SO MOVED.

Councilmember Lewis asked if there was a size on the permitted use structure that you can add. He asked if the neighbors would have a chance to weigh in on the changes.

City Planner Abboud answered an accessory would be considered smaller than the primary dwelling and still be acceptable. A permit would be put up and people can object to any decision made in the planning office and bring it to the Planning Commission. There would be no public notice, just a permit displayed on site before building began.

Ordinance 11-44(S) includes the exclusion of mobile homes. Mobile homes are only allowed outright in the Central Business District.

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

Mayor Hornaday broke the tie vote with a YES vote.

Motion carried.

- E. **Ordinance 11-45**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget by Accepting and Appropriating a Grant from The Homer Foundation in the Amount of \$4,904.00 for the Purpose of Making Energy Efficiency Improvements at the Port and Harbor Office Building. City Manager. Recommended dates: Introduction November 28, 2011, Public Hearing and Second Reading December 12, 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 11-45 by reading of title only for second and final reading.

WYTHER/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Ordinance 11-46**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2011 Operating Budget to Accept and Appropriate \$322,100 in the General Fund, the Utility Fund and the Port and Harbor Fund Operating Budgets for the Purpose of Recognizing and Accounting for State of Alaska PERS Relief Provided in 2011. City Manager/Finance. Recommended dates: Introduction November 28, 2011, Public Hearing and Second Reading December 12, 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 11-46 by reading of title only for second and final reading.

WYTHER/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- G. **Ordinance 11-47**, An Ordinance of the Homer City Council Amending the FY 2011 Capital Budget by Transferring \$415,873 from the City Hall / Town Center Project Construction Account to the New City Hall Expansion and Renovation Project Construction Account. City Manager/Finance. Recommended dates: Introduction November 28, 2011, Public Hearing and Second Reading December 12, 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 11-47 by reading of title only for second and final reading.

ROBERTS/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- A. **Ordinance 11-48**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2012 Capital Budget by Accepting and Appropriating a Legislative Grant in the Amount of \$6,000,000 for the Purpose of Constructing Deep Water / Cruise Ship Dock and Passenger Facility Improvements. City Manager. Recommended dates: Introduction December 12, 2011, Public Hearing and Second Reading January 9, 2012.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-48 for introduction and first reading by reading of title only.

WYTHER/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

- A. City Manager's Report

City Manager Wrede asked for a discussion on the Revolving Energy Fund at the January 9th Committee of the Whole. Finance Director Mauras will be present to report on some issues with the fund.

B. Games Report

1. Kachemak Bay Family Planning Clinic

CITY ATTORNEY REPORT

City Attorney Klinkner announced his written report for December is not yet ready. It will be forthcoming by the end of the week.

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
- F. Port and Harbor Improvement Committee

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 11-109**, A Resolution of the City Council of Homer, Alaska, Establishing the 2012 Regular Meeting Schedule for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks and Recreation Advisory Commission, Advisory Planning Commission, Port and Harbor Advisory Commission, Lease Committee, Permanent Fund Committee, Public Arts Committee and Transportation Advisory Committee. City Clerk.

Memorandum 11-161 from Planning Commission as backup.

Memorandum 11-162 from Parks and Recreation Advisory Commission as backup.

Memorandum 11-163 from Port and Harbor Advisory Commission as backup.

Memorandum 11-164 from Library Advisory Board as backup.

Memorandum 11-165 from Lease Committee as backup.

Memorandum 11-166 from Public Arts Committee as backup.

Memorandum 11-167 from Permanent Fund Committee as backup.
Memorandum 11-168 from Transportation Advisory Committee as backup.

Resolution 11-109(S), A Resolution of the City Council of Homer, Alaska, Establishing the 2012 Regular Meeting Schedule for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks and Recreation Advisory Commission, Advisory Planning Commission, Port and Harbor Advisory Commission, Lease Committee, Permanent Fund Committee, Public Arts Committee and Transportation Advisory Committee. City Clerk.

WYTHE/HOWARD - MOVED TO SUBSTITUTE RESOLUTION 11-109(S) FOR RESOLUTION 11-109.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Hornaday called for a motion for the adoption of Resolution 11-109(s) by reading of title only.

WYTHE/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. **Resolution 11-110**, A Resolution of the City Council of Homer, Alaska, Approving a New Contract with Anderson Group, LLC in the Amount of \$40,000 for Lobbying Services in Calendar Year 2012. City Manager.

Mayor Hornaday called for a motion for the adoption of Resolution 11-110 by reading of title only.

LEWIS/HOGAN - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 11-111**, A Resolution of the City Council of Homer, Alaska, Approving a Two Year Extension to the Current Agreement for Professional Services with Coastal Animal Care at the Current Annual Compensation of \$123,800 for Operation and Maintenance of the Homer Animal Shelter. City Manager.

Memorandum 11-169 from Police Chief as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-111 by reading of title only.

WYTHE/HOGAN - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Resolution 11-112**, A Resolution of the City Council of Homer, Alaska, Awarding the Art Work for the City Hall Renovation and Expansion Project to Keith Appel of Anchorage, Alaska, in the Amount of \$4,200, to Gerard HouseWorks of Homer, Alaska, in the Amount of \$3,300, to Tierra Tile, LLC of Homer, Alaska, in the Amount of \$5,000, to Moose Run Metalsmiths of Homer, Alaska, in the Amount of \$2,500, and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Memorandum 11-170 from 1% for the Arts Selection Committee as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-112 by reading of title only.

WYTHE/ROBERTS - SO MOVED.

Brief discussion on the criteria used for choosing different works of art over other pieces ensued. 1% for the Arts Selection Committee Member Rick Abboud reported there was a vast scoring criteria. The committee discussed all proposals and narrowed the list.

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 had no comment.

COMMENTS OF THE CITY CLERK

City Clerk Johnson announced the special meeting on the Seawall on December 19th at 5:00 p.m. at the West Campus.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Hornaday commented it was a nice memorial service for Dennis Novak. He was a good guy. There have been too many funerals.

COMMENTS OF THE CITY COUNCIL

Councilmember Wythe commented she attended a UA Listens meeting at the university. They were going to various towns asking how they could better serve the community. She enjoyed the meeting and the comments. She is sorry to hear the commercial fishing fleet has removed themselves from the Chamber of Commerce. Although she understands their disappointment with decisions the Chamber has made, she feels when you live in a small community and separate yourself from the problem instead of working through it is what creates division. Until they left there was a disagreement; when they left there became a division. She hopes to move forward with the port and harbor development plan. The fleet fishermen will be a big player in that also.

Councilmember Lewis had no comment.

Councilmember Hogan wished everyone a Merry Christmas and Happy New Year.

Councilmember Roberts thanked the employees for coming forward with the proposal. It was a good proposal. She knows it was a difficult evening for them. This is the last time we will sit in the present council chambers. Next time the décor will be different.

Councilmember Howard would like us to read the editorial in last week's newspaper where we are challenged for the community, by getting along with the division of thoughts in the maritime industry. She thanked the Employee Committee for their efforts. Their task was not easy and they did not have much time to work on it. She appreciates they were willing to begin the discussion and help to find solutions for the healthcare costs. The library report is well written and highly informative. She thanked Bryan for interrupting his vacation to attend tonight's meeting. He is missing some good quality weather. She wished everyone happy holidays.

Councilmember Zak said Auf Wiedersehen and thanked everyone for allowing him to participate by phone.

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 8:48 p.m. The next Regular Meeting is scheduled for Monday, January 9, 2012 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, January 9, 2012 at 5:00 p.m. A Worksession is scheduled for Monday, January 9, 2012 at 4:00 p.m. A Special Meeting is scheduled for Monday, December 19, 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.

JO JOHNSON, CMC, CITY CLERK

Approved: _____