

Session 11-33 a Regular Meeting of the Homer City Council was called to order on October 24, 2011 at 6:00 p.m. by Mayor James C. Hornaday, at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

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

STAFF: ACTING CITY MANAGER ROBL
CITY CLERK JOHNSON
FINANCE DIRECTOR MAURAS
LIBRARY DIRECTOR DIXON
PERSONNEL DIRECTOR PETERSEN
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Council met as a Committee of the Whole from 5:00 p.m. to 5:34 p.m. to discuss 2012 Budget and 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 approved by consensus of the Council.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There were no public comments.

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 October 10, 2011 and Special Meeting minutes of October 10 and 17, 2011. City Clerk. Recommend adoption.
- B. **Memorandum 11-142**, from Mayor Hornaday, re: Reappointment of Barbara Howard to the Permanent Fund Committee.

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

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

A. Dale Banks, Community Composting Program

Dale Banks, Community Composting Coalition, provided an overview of a potential composting program at the landfill location. Mr. Banks was a member of the City's Global Warming Task Force in 2007 that helped draft the Climate Action Plan. Compost is organic material that can be used as a soil amendment or a medium to grow plants. It can produce or eliminate the need for fertilizer, promote higher crop yields, facilitate wetland restoration, and provide erosion control. Food, yard, land clearing, construction, and fish waste are a good stream of compostable materials. The landfill will soon close and be turned into a transfer site. It would be a good spot for a pilot composting program and now is the time to do it. Not only will composting create a useable end product to sell or give away, it will reduce the amount of solid waste hauled to Soldotna. There is good value for compost in road construction, erosion control, home gardens, and the growing agricultural community. Currently the community only recycles 3.5% of its garbage. Mr. Banks is supportive of Resolution 11-100 requesting that the Borough perform a feasibility study for a community composting program at the landfill site.

Council directed questions to Mr. Banks about the potential compost site, including how clean the composting needed to be, if weed and feed on lawn clippings would contaminate compost, and whether a public composting facility would have an adverse effect on the private companies doing it. Mr. Banks answered that local restaurants, the hospital, and Senior Center could participate with workers at each business sorting food waste from garbage. Well designed recycle bins and good signage would produce a clean stream of recyclable material. Compost kept at proper temperatures would kill contaminants such as fertilizer, but some chemicals are banned. Presently people are making compost using specific ingredients, whereas the municipality would be a slightly different compost. The feasibility study would address the effect a municipal compost facility would have on private companies.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Borough Report

Kenai Peninsula Borough Assemblyman Bill Smith reported the Borough does not have area-wide solid waste powers, but cities within the Borough authorized them to manage the solid waste. Resolution 11-100 is timely and could get some positive results depending on the reception it receives from the Assembly and new Mayor. At next week's Borough committee meetings discussion will be made on the maintenance of the track.

B. Commissions/Board Reports:

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

Dave Brann, Parks and Recreation Advisory Commissioner, reported the commission supports reinstatement of the parks maintenance position, especially with the prospect of additional restrooms at the harbor. They support the track improvements and whatever Council can do to add to it. A vault toilet system is needed for Mariner Park as the current facilities are not sufficient for the number of visitors there. The commission has a budgetary request of \$1,000 to go towards park day activities. The commission received a good report from HoPP (Homer Playground Project) of activities at Karen Hornaday Park including removal of the big red storage building. The commission is exploring options on the Kachemak Drive Path and plans to write a letter to all landowners to get their feedback. We had the first official adopt-a-park with the Rotary Club adopting the Ben Walters Park. Plans are in the works to paint the bathrooms, plant some flower bulbs, and to get the kiosks standing upright. The commission hopes to co-sponsor an ice skating party with the Rotary Club.

Commissioner Brann reported a proposal was presented to the Kachemak Drive Path Committee for signs indicating bicycles were on the road and digital radar signs for awareness and safety. The Kachemak Bay Water Trail Program is making progress, with the application for technical support from the Park Service being approved. The group will receive support for two years. The trail will be developed around Kachemak Bay for boaters. Upcoming meetings at both the Pratt Museum and Chamber of Commerce will be held on Wednesday. A recent press release from the United States Department of the Interior, Office of Secretary, was issued to approve two park projects within the State of Alaska. Those projects include an all-season trail at Denali State Park and the Kachemak Bay Waterway. The trail will be an economic boon to the area with wonderful recreational possibilities. Other work includes picking up garbage and trash on the Mud Bay Trail.

5. Port and Harbor Advisory Commission

Pete Wedin, Port and Harbor Advisory Commissioner, reported there are a lot of projects in the harbor that are waiting for funding. Much of the maintenance has been delayed. He questioned the fast tracking of Resolution 11-099 as the commission has not gotten a lot of information from

the Port and Harbor Improvement Committee for the bonding. People will ask why this is happening so fast when it is tied to stiff tariff increases. The reserves are low. A 3% increase in tariff is proposed and could increase up to 20% in the next six years. He favors more public input before the resolution for bonding is approved.

Councilmember Wythe commented the initial recommendation is from the Port and Harbor Improvement Committee and how to move forward. The request is that Council authorize the committee to continue the research and review of how we can do the projects. The committee is asking Council if we can look further to see if it is financially feasible. We would not be locked into anything until we actually did the bond and drew the money. There are several steps and Council would look at it a minimum of two times. The Committee believes it is feasible to start looking at a bond.

Councilmember Lewis asked Commissioner Wedin if he would like the Port and Harbor Advisory Commission to have a say. Commissioner Wedin indicated he just finished the fishing season and has been gathering a lot of information today. A new harbor building would not receive the public's vote and it would not make us any money. If we have to lump projects to sell it to the public it will not be palpable.

C. Prince William Sound Regional Citizens' Advisory Council, Report by John Velsko

PUBLIC HEARING(S)

A. **Ordinance 11-42**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating State Department of Corrections Capital Project Funds in the Amount of \$3,500 to Purchase New Lockers for Prisoner's Personal Property and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Introduction October 10, 2011, Public Hearing and Second Reading October 24, 2011.

Memorandum 11-138 from Police Chief as backup.

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

Mayor Hornaday called for a motion for the adoption of Ordinance 11-42 by reading of title only for second and final reading.

LEWIS/WYTHE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- A. **Ordinance 11-43**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 14.08.037, Water Meters; Regarding the Number of Water Meters Required Per Lot. City Manager. Recommended dates: Introduction October 24, 2011, Public Hearing and Second Reading November 28, 2011.

Memorandum 11-143 from City Manager as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-43 for introduction and first reading by reading of title only.

WYTHE/HOGAN - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

- A. City Manager's Report

BUDGET MESSAGE
FY 2012 OPERATING BUDGET
Submitted September 28; Introduced October 10, 2011

Introduction:

The Draft FY 2012 Operating Budget was delivered to the City Council on September 28, 2011. The draft budget was a result of many hours of hard work, number crunching, and program review by the department heads and their staff. I would like to especially thank Regina Mauras, the Finance Director, for her immeasurable contribution to this effort. I believe the budget document contains more information and is easier to read than ever before. This draft budget is often referred to as the "Manager's Budget" and it is scheduled to be introduced via a budget ordinance at the regular meeting on October 10, 2011. After the budget is introduced by ordinance, it becomes the Council's budget and it can be amended as Council sees appropriate at anytime right up to final adoption.

The draft budget contains new graphics and data regarding personnel costs that I think the Council and the public will find to be helpful. The budget incorporates a recalibration of how some expenditures on the Spit related to the visitor industry (garbage collection, restroom maintenance and custodial) are shared between the General Fund and the Port and Harbor Enterprise Fund. The budget also fully incorporates the transfer of the port maintenance function from the Public Works Department to the Port and Harbor Department.

In developing this budget, I did my best to adhere to the budget priorities identified by the Council and balance them against fiscal reality and what is needed to maintain core municipal services. For example, my priorities as City Manager were workforce morale, productivity, building reserves, filling some vacant positions, and maintaining a high level of service delivery. This budget achieves those objectives for the most part with the notable exceptions of COLA's and filling vacant positions. The budget addresses Council priorities including no new or

increased taxes or fees, at least in the initial draft, a conservative budget that acknowledges continued economic and revenue uncertainty, and increased transfers to depreciation and fleet reserve accounts. One Council priority that the budget does not address at this time is refilling vacant positions in core programs.

A budget summary follows which provides a quick overview of the draft budget. This summary covers all three operating funds and highlights the “flashpoints” that many people zero in on and want to know first about the budget. A more detailed description of the contents of each fund follows in subsequent sections and we will go through the budget with you line item by line item at the Committee of the Whole on Monday.

Budget Summary:

- There are no new or increased taxes or fees
- All funds are balanced, meaning that revenues meet or exceed expenditures
- Transfers to depreciation and fleet reserves are included for the General Fund this year but they have been reduced slightly for the Port and Harbor Enterprise Fund and the Water and Sewer Utility Fund.
- Increases in real expenditures are limited to fixed costs, training, and basic operating supplies.
- Non-profits are funded at last year’s level. That includes The Chamber of Commerce, the Homer Foundation, the Pratt Museum, and Haven House.
- There are no new positions or vacant positions that have been filled with the exception of a part time seasonal position with Parks.
- There are no changes to employee compensation from last year.
- The budget does not include a COLA.

The General Fund

The General Fund is balanced in the sense that revenues meet or exceed expenses. The total General Fund Budget is \$10,782,862. Total Revenues and Transfers are projected to increase by \$668,004. This is due largely to the fact that PERS relief payments are shown as revenue. Property tax is projected to remain essentially level and sales tax is projected to increase by almost \$200,000 over what was budgeted last year. Expenditures increase by \$622,756 over 2011 however, most of that is accounted for by transfers to depreciation and reserve accounts and PERS relief payments which also are included on the expenditures side. Projected revenues exceed projected expenditures by \$ 443,246 before transfers. Virtually all of those excess funds were transferred into reserve accounts. Of that amount, \$329,894 was transferred into depreciation and fleet reserve accounts.

Following are some budget highlights that I would call your attention to:

- The lobbying contract is included at the same level as last year, pending Council action. \$22,000 from the General Fund and \$22,000 from P&H Fund (page 55).
- The Attorney Contract and budget is included at last year’s level, consistent with Council action. (page 55).
- The Animal Shelter contract is included at last year’s level, pending Council action. (page 97).
- Non-Profits are included at last year’s level (Pages 66, 92, and 114.)

- Fishing Hole Contribution included at last year's level (page 66).
- Contributions to depreciation and fleet reserves included for first time in two years, restored to 2009 levels but still far short of 2008 (page 47).
- Almost no major capital expenditures from reserve accounts proposed (page 201)
- No new positions or vacant positions filled with exception of restoration of vacant summer temporary Parks position. (page 228.)
- Funding restored for Council stipends (back to previous level) and for Council travel (for AML and Juneau) (page 55).
- Funding restored on limited basis for training (Clerk, Finance, Personnel, Police, Fire) and for basic operating supplies.
- Funding included for two elections (to provide for possible runoff or special elections) (page 60).
- Estimated "warm status" costs for HERC Building (Old School) (page 70)
- Estimated energy costs for expanded but more efficient City Hall (page 78)

Analysis / Comment

Overall, the general fund is in much better shape than it has been the previous couple of years. We can be thankful that at least this year, we are not talking about layoffs, eliminating entire programs, reducing the level of services, and deleting funding for services that might be considered "nice" but not essential. I am very pleased that we were able to include transfers to depreciation and fleet reserves for the first time since FY 2009.

However, we should not allow our collective relief over the fact that we can manage to produce what is essentially a status quo budget cloud our vision. There are still a number of concerns that must be addressed. Although the General Fund reserve is now close to the level recommended by the auditors, this budget does not "grow" the reserve at all. Second, although we are happy to be able to do something about depreciation this year, the amount transferred is far below what was transferred in the past and that recommended by the auditors and Council resolution. The economy and tax revenues continue to be very uncertain as we move forward. That is why I chose to place all of the excess revenues this year into savings accounts rather than fill vacant positions. I was not confident that the positions we would fill would be sustainable. Finally, the number of vacant positions continues to be a problem. The most critical positions right now, in my opinion are the project manager, maintenance and custodial, dispatch, and the jail. I would be happy to talk with the Council about this in detail.

Port and Harbor Enterprise Fund:

The Port and Harbor Enterprise Fund is balanced in that projected total revenues (\$3,431,243) exceed projected total expenditures (\$3,174,725). The fund is operating in the black in terms of operating expenses however, when the recommended depreciation expenses are included as though they represented a real expenditure this year, it appears that the fund in operating in the red, and by a large margin. Projected revenues are down slightly from 2011. The budget includes expenditures that are up approximately \$100,000; a fact that can be attributed largely to PERS Relief, increases in operating supplies, and increased garbage collection costs. This budget transfers \$470,000 into depreciation and fleet reserves which is \$30,000 less than 2011. Budget highlights for the Port and Harbor Enterprise Fund include:

- No new fees or fee increases pending Council action (see below)
- Incorporation of the port and harbor maintenance function
- Moderate expenditures from reserves (page 201)
- No new personnel
- An essentially status quo operating budget

Analysis / Comment:

The Port and Harbor Enterprise Fund is solvent but it is essentially treading water. This is basically a maintenance budget. It covers day to day operating costs and that is about it. The City has deferred maintenance, repair, upgrades, and investment in this vital infrastructure for too long. There is room to generate more revenue that can be reinvested in the port and harbor however, deciding how to increase revenues and what to spend them on can be difficult. Political pressure to keep fees low has trumped good management. As a result, fees have not kept up with inflation and they do not generate enough revenue to address basic depreciation. Because the City has not raised fees as it should and has not kept up with maintenance, repair and investment, the decisions get harder and the necessary fee increases more drastic.

The Enterprise Fund does not have as much in its depreciation reserve account as it should given its assets and the value of its infrastructure. Instead of transferring \$500,000 a year, the City should be transferring three times that much. The Fund is also developing a problem with retained earnings and cash on hand. This is getting dangerously low and it means that the Fund does not have much margin for error if a large unforeseen expense occurs or revenues suddenly decline.

As noted above, there are legitimate opportunities to raise fees and the City should probably do so simply to grow the depreciation reserves and improve the Fund's retained earnings position. But, given the current state of the economy, care should be taken to not raise fees to the point of diminishing returns. As you know, the Special Port Revenue Bond Committee is looking at the possibility of selling revenue bonds to leverage other funds and finance improvements in the harbor. This would also require raising fees. This is where the decisions get tough. But, the City has a wonderful asset and economic engine here. We have exciting opportunities before us to improve and maintain the asset if we manage it carefully with an eye toward the future.

Water and Sewer Utility Fund

The Water and Sewer Utility Fund is balanced but the margin between revenues and expenditures is tight. Water revenue is projected to increase by about \$150,000 over the 2011 Budget to \$1,717,101 but sewer revenues are anticipated to decrease by \$300,000 to \$1,572,089. Total revenues are projected to decrease by \$129,852 to \$3,289,190. Expenditures are budgeted to increase by \$115,284 to \$3,107,571. This can be accounted for by PERS relief showing as an expense, and by increases in fixed costs and essential operating supplies. Only the minimum amount authorized by resolution, \$200,000, was placed in the depreciation reserves. That was necessary to balance the budget.

Highlights for the Water and Sewer Revenue Fund Include:

- No increases in fees consistent with the fee schedule adopted in July
- No new staff positions
- Expense increases limited to inflation and purchase of basic supplies

- Moderate capital expenses from reserves for basic infrastructure upgrades and repair (page 201)

Analysis / Comment:

The Water and Sewer Utility Fund remains vulnerable because of the basic structural flaws we have discussed in the past. We have a production and distribution infrastructure that is very expensive to operate and maintain and relatively few customers to pay for it. We have a reliable source of funds to build things and expand the infrastructure (dedicated sales tax) but inadequate funds to maintain it all (user fees). There is intense political pressure to keep fees down even though doing so may not always be in the best interest of the Fund. Our bonded indebtedness is significant and will limit opportunities to finance new projects or expansion of the distribution system for the next few years at a minimum. That is a problem if the Council's goal is to increase the number of customers. This year we have further uncertainty on the revenue side until we fully understand how the new "meter" ordinance will work in practice. We have already discovered some unanticipated flaws and will soon be discussing amendments with the Council.

Acting City Manager Robl indicated the report was included in the packet.

B. Bid Report

C. Games Report

1. Benevolent & Protective Order of Elks Lodge #2127
2. K-Bay Marines Detachment 838 Marine Corp League

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

F. Port and Harbor Improvement Committee

PENDING BUSINESS

Mayor Hornaday called for a recess at 6:40 p.m. and reconvened the meeting at 6:43 p.m.

NEW BUSINESS

A. **Memorandum 11-144**, from City Manager, re: Special Projects Coordinator Position

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandum 11-144.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

RESOLUTIONS

- A. **Resolution 11-099**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Draft and Submit a Revenue Bond Sale Application and Take Other Steps Necessary to Prepare for a Possible Bond Sale to Finance Construction of Six Top Priority Capital Projects Within the Homer Harbor. Howard, Lewis, Wythe.

Memorandum 11-145 from City Manager as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 11-099 by reading of title only.

HOWARD/WYTHE - SO MOVED.

Councilmember Wythe offered the following report from the Port and Harbor Improvement Committee:

The City of Homer considers the Port and Harbor to be a vital economic contributor to the community, but provides little funding for the proper maintenance and development of the facilities. The Port and Harbor Department is established as an enterprise fund, meaning that the expenses for the operations and maintenance of the port and harbor should be derived from the users of that facility. In exchange for user fees, the mission of the Port and Harbor Department is:

- To provide safe port and harbor facilities for our commercial clients, recreational users, and the general public.
- To manage and maintain these facilities cost effectively.
- To administer our Tariff and procedures fairly and equitably for all users.

There have been several items languishing in the Capital Improvement Plan for a number of years and in the absence of receiving state or federal funding to complete these projects, it is important that the enterprise fund take the initiative to move these projects forward. In June of this year Resolution 11-060 was adopted to form a committee to consider the possibilities of a

revenue bond to help fund these items and improve the port and harbor facilities that we consider a vital economic contributor to our community.

Port and Harbor Improvement Committee members included Councilmembers Howard, Lewis, and Wythe, Port and Harbor Advisory Commissioners Hartley and Howard, and Harbormaster Hawkins.

The committee activities included:

- Port and Harbor financial status review.
- Educations presentation from Deven Mitchell, Alaska Bond Bank.
- Reviewing the required revenues to qualify for “Revenue Bonding”.
- Reviewed projects included in the original resolution:
 - ❖ Harbormaster’s Office
 - ❖ Harbor Entrance Erosion Control
 - ❖ Ramp 3 Gangway Replacement
 - ❖ Harbor Float Replacement
 - ❖ System 5 Upgrade
 - ❖ Fish Dock Restrooms
- Reviewed projects that have the potential for increasing Port and Harbor revenues:
 - ❖ Harbor Sheet Pile Loading Dock/Pier
 - ❖ Truck Loading Facility/Fish Dock
 - ❖ HH Float Improvements
 - ❖ Barge Mooring Facility
 - ❖ Marine Ways Large Vessel Haul Out
 - ❖ Ice Plant Upgrades

It is likely that the Port and Harbor enterprise would only be able to afford a bond debt in the range of \$5M or \$6M, and for this reason, ultimately the only items considered were those that would qualify for a substantial matching grant. Those projects were determined to include:

- ❖ Load and Launch Ramp 75% Federal / 25% City
 - Note: The City’s 25% match for the Load and Launch Ramp May qualify for a State Harbor Grant.
 - ❖ Ramp 3 Gangway 50% State Harbor Grant
 - ❖ System Five Upgrade 50% State Harbor Grant
 - ❖ Harbor Float Replacement 50% State Harbor Grant
 - ❖ Harbormaster’s Office Safety Need
 - ❖ Harbor Entrance Erosion Control 50% State Harbor Grant
- Evaluated projects for inclusion in final recommendation based on :

<u>Criteria</u>	<u>Possible Points</u>
❖ Was on the enabling resolution	5

- | | |
|--|----|
| ❖ Addresses Health/Safety issues | 15 |
| ❖ Bonding will leverage other money | 20 |
| ❖ Stimulate Economic Development/Jobs | 15 |
| ❖ Provide Revenue | 15 |
| ❖ Improve Service Delivery | 15 |
| ❖ Identifiable revenue stream from users | 15 |
- The resulting ranking was:
 1. Load and Launch Ramp
 2. Ramp 3 Gangway
 3. System Five Upgrade
 4. Harbor Float Replacement
 5. Harbor Master's Office
 6. Harbor Entrance Erosion Control

The committee has a concern that the criterion established for the ranking of the projects did not adequately express the Harbormaster's Office as a vital project. This project may need to be addressed separately in some way, but should not be removed from serious consideration if the Port and Harbor Improvement project is moved forward.

The Fish Dock restrooms project was removed from consideration because a restroom will be included in the Ice Plant and has already been funded.

The Load & Launch Ramp project was added because it has revenue production capabilities and has funding options available which may reduce, or totally eliminate any cost to the City.

There are several additional items that will need to be considered before a final determination is made to move forward with a revenue bonding project including:

- The need for increased rates to provide adequate funding.
- The ability to acquire bonding funds in a staged manner to allow for a gradual rate increase.
- Updating the cost for the projects list.
- Considering additional partners for project funding.
- Reviewing possible tenants to provide a revenue basis for the new Harbormaster's Office.

Photos of the R Float, old deteriorating floats, the Harbormaster's Office, and Ramp 3 were shown.

If the City wants to consider the port and harbor as the jewel in our economic crown, it is important that we invest some time, energy, and effort in knocking off the grime and restoring the gems. The committee requests that Council authorize further review and consideration of the identified projects for feasibility of a Port and Harbor Improvement Revenue bond.

Councilmember Hogan agreed that a bonding mechanism is appropriate for realizing port and harbor improvements, although he feels it is being rushed. The Port and Harbor Advisory Commission should weigh in now and review before a bond application is submitted. These are the guys that spend time in the harbor and know what is going on out there. There is not a big hurry to get an application in.

HOGAN/LEWIS – MOVED TO POSTPONE TO THE NEXT CITY COUNCIL MEETING AND REFER IT TO THE PORT AND HARBOR COMMISSION.

Councilmember Lewis served on the committee and agrees with the recommendations. After hearing from Port and Harbor Advisory Commissioners who are not real happy, he believes they should have their say before going ahead with the resolution.

Councilmember Hogan appreciates all the work the committee put in on it, but he would like everybody on board.

Councilmember Roberts asked what would prevent the commission from weighing in even if Council passes the resolution. Councilmember Wythe answered this will go to the Port and Harbor Advisory Commission. The objective is to keep it moving forward. Without a timeline it will fall into government timing. Harbor improvements have been languishing, we are wringing our hands, the harbor is falling apart, and we need to move beyond.

Councilmember Hogan takes issue with the idea the port and harbor is falling apart. He commented Port and Harbor Director Hawkins and the crew at the icehouse are doing a great job getting the facility in shape without any additional funding. We are moving in the right direction. A lot of the time it is getting the right people with tools in hand. He asked that the Port and Harbor Advisory Commission get a chance to look at the recommendations and the opportunity to weigh in now and later. There are economic considerations, such as the one fish limit. Additionally, commercial halibut landings are 50% of what they were last year.

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

Motion failed.

Councilmember Howard commented the bond application process is lengthy; we are not getting married tonight. We are just beginning the process and the next appropriate question is what the application looks like. She asked people to please not be afraid of this first step. As a prior city clerk she has been through many bond sales with city councils. It will come before the council many times. It can go to the Port and Harbor Advisory Commission in the meantime.

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

Motion carried.

- B. **Resolution 11-100**, A Resolution of the City Council of Homer, Alaska, Requesting the Kenai Peninsula Borough to Perform a Feasibility Study for a Community Composting Operation at the Homer Solid Waste Transfer Facility. Mayor.

Mayor Hornaday called for a motion for the adoption of Resolution 11-100 by reading of title only.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Beth Cumming commented on the 2012 budget and Karen Hornaday Park improvements. She urged the City to re-apply for a matching land and water grant, and urged Council to add some money for the grant. The minimum match is \$50,000. She would like to see funds go to preliminary engineering and design work to relocate the road and develop a trail along Woodard Creek. Ms. Cumming told Council she is a small toad sitting in a tiny pond on the Parks and Recreation Advisory Commission; Council is in a much larger pond and she appreciates them.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson reminded everyone to vote in the Borough Mayoral runoff election.

COMMENTS OF THE CITY MANAGER

Acting City Manager Robl commented the Police Department has a supply of gun locks for free and a limited supply of CD's parents can download on their computer to help parents track internet usage of their kids.

COMMENTS OF THE MAYOR

Mayor Hornaday urged everyone to vote tomorrow.

COMMENTS OF THE CITY COUNCIL

Councilmember Wythe thanked Beth Cumming for her participation. All commissions are important and she appreciates the contributions they make. She appreciates the contributions of

the Port and Harbor Advisory Commission and is sorry the harbor bonding is offensive to them. The objective is to keep it moving forward, not to remove it, or disenfranchise the commission in any way.

Councilmember Hogan encouraged everyone to support the United Way fundraising efforts.

Councilmember Zak commented he learned some things tonight. We are not getting married, we are not throwing out the anchor, we are not running up on the beach, and we are in a big pond.

Councilmembers Howard, Lewis, and Roberts had no comment.

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 7:17 p.m. The next Regular Meeting is scheduled for Monday, November 28, 2011 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, November 28, 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: _____