

ACTION AGENDA
Monday, July 22, 2013
Worksession
Committee of the Whole
Regular Meeting

WORKSESSION AGENDA

1. CALL TO ORDER, 4:00 P.M.

Mayor Wythe called the meeting to order at 4:00 p.m.

2. 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.

3. Ordinance 13-25, An Ordinance of the Homer City Council, Amending HCC 3.10.130, Governance of Homer Permanent Fund Assets, HCC 3.12.020, Contributions, HCC 3.12.030 Allocation to Sub-Funds, HCC 3.12.060 Expenditures of Income and HCC 3.12.080, Expenditure of Principal; Enacting HCC 3.12.015, Definitions; and Repealing HCC 3.12.070, Loans from Income Sub-Fund; Regarding the Homer Permanent Fund. City Clerk/Permanent Fund Committee. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-098 from Permanent Fund Committee as backup.

Ordinance 13-26, An Ordinance of the Homer City Council, Appropriating \$67,310.08 from the Homer Permanent Fund to the Homer Foundation City of Homer Endowment Fund. City Clerk/Permanent Fund Committee. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-098 from Permanent Fund Committee as backup.

4. COMMENTS OF THE AUDIENCE

There were five who commented.

5. ADJOURNMENT NO LATER THAN 4:50 P.M.

Mayor Wythe adjourned the meeting at 4:45 p.m.

COMMITTEE OF THE WHOLE AGENDA

1. CALL TO ORDER, 5:00 P.M.

Mayor Wythe called the meeting to order at 5:00 p.m.

2. 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.

3. Resolution 13-079, A Resolution of the City Council of Homer, Alaska, Requiring the Finance Department to Provide a Quarterly Report of Finances of the City of Homer. Roberts/Burgess.

4. CONSENT AGENDA

5. REGULAR MEETING AGENDA

6. COMMENTS OF THE AUDIENCE

There were three who commented.

7. ADJOURNMENT NO LATER THAN 5:50 P.M.

Mayor Wythe adjourned the meeting at 5:46 p.m.

REGULAR MEETING AGENDA

Session 13-15, a Regular Meeting of the Homer City Council was called to order on July 22, 2013 at 6:00 p.m. by Mayor Mary E. Wythe 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: BURGESS, DOLMA, HOWARD, LEWIS, ROBERTS, ZAK

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER
CITY PLANNER ABOUD

COMMUNITY AND ECONOMIC
DEVELOPMENT COORDINATOR KOESTER
FINANCE DIRECTOR LI
FIRE CHIEF PAINTER
IT MANAGER POOLOS
LIBRARY DIRECTOR DIXON
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

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

2. 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:

RECONSIDERATION - **Resolution 13-048(S)(A)**, A Resolution of Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. Revenue Impact on the City of Kachemak and Meeting Minutes; Rate Calculations by Finance Director; Written public comments. **CONSENT AGENDA** - **Ordinance 13-27**, An Ordinance of the City Council of Homer, Alaska, Making Technical Corrections to Title 21 of the Homer City Code for its Republication by Code Publishing, Inc. Planning. Memorandum 13-107 from City Planner as backup. **Resolution 13-078(S)**, A Resolution of the City Council of Homer, Alaska, Mandating the City Manager to Propose Projects that Utilize the Funds in Excess of \$3 Million Dollars in the HART Fund and Funds in Excess of \$3 Million Dollars in the HAWSP Fund for Consideration of the Homer City Council. Burgess/Roberts. **Resolution 13-080(S)**, A Resolution of the City Council of Homer, Alaska, Requiring Invitations to Bid (ITB) and Request for Proposals (RFP) Plans and Specifications with Searchable Text and Plan Holder's Lists to be Posted on the City of Homer Website **in a System Similar to That Utilized by the Kenai Peninsula Borough**. Roberts/Burgess. Examples of bid information for website. **RESOLUTIONS** - **Resolution 13-082(S)**, A Resolution of the Homer City Council Awarding the Contract for the Homer Small Boat Harbor System 5 Electrical Improvements to the Firm of Puffin Electric, Inc. of Homer, Alaska, in the Amount of \$477,778.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Memorandum 13-108 from Public Works Director as backup. **Resolution 13-083(S)**, A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Trail Shore Protection Project to the Firm of Alaska Marine Excavation, LLC of Anchor Point, Alaska, in the Amount of \$919,888.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Memorandum 13-109 from Public Works Director as backup. **Resolution 13-084**, A Resolution of the Homer City Council Awarding the Contract for Meadow-Wood Place Subdivision Sanitary Sewer Repair Project to the Lowest Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute

the Appropriate Documents. City Manager/Public Works Director. Memorandum 13-105(S) from Public Works Director as backup.

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There were ten who commented.

4. RECONSIDERATION

- A. **Resolution 13-048(S)(A)**, A Resolution of Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk.

Memorandum 13-073 from Water and Sewer Rate Task Force as backup.

RECONSIDERED with no discussion. See Pending Business.

5. 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 June 24, 2013. City Clerk. Recommend adoption.
- B. **Memorandum 13-104**, from City Clerk, Re: 2014 Proposed Budget Schedule.
- C. **Ordinance 13-25**, An Ordinance of the Homer City Council, Amending HCC 3.10.130, Governance of Homer Permanent Fund Assets, HCC 3.12.020, Contributions, HCC 3.12.030 Allocation to Sub-Funds, HCC 3.12.060 Expenditures of Income and HCC 3.12.080, Expenditure of Principal; Enacting HCC 3.12.015, Definitions; and Repealing HCC 3.12.070, Loans from Income Sub-Fund; Regarding the Homer Permanent Fund. City Clerk/Permanent Fund Committee. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-098 from Permanent Fund Committee as backup.

- D. **Ordinance 13-26**, An Ordinance of the Homer City Council, Appropriating \$67,310.08 from the Homer Permanent Fund to the Homer Foundation City of Homer Endowment Fund. City Clerk/Permanent Fund Committee. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-098 from Permanent Fund Committee as backup.

- E. **Ordinance 13-27**, An Ordinance of the City Council of Homer, Alaska, Making Technical Corrections to Title 21 of the Homer City Code for its Republication by Code Publishing, Inc. Planning. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-106 from City Attorney as backup.
Memorandum 13-107 from City Planner as backup.

- F. **Ordinance 13-28**, An Ordinance of the City of Homer, Amending Homer City Code Chapter 11.12, Street and House Numbering, to Establish Standards and Procedures for the Naming and Renaming of Streets. Burgess. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Moved to Ordinances.

- G. **Ordinance 13-29**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2014 in the Amount of \$6,600, with a Local Match of \$7,000 for Books and Library Materials, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Library Director. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-099 from Library Director as backup.

- H. **Ordinance 13-30**, An Ordinance of the Homer City Council, Amending HCC 14.04.040, Sewer Rate Schedule, and HCC 14.08.080, Schedule of Rates--Rules and Regulations; to Provide that Sewer and Water Rate Schedule Changes Shall Take Effect as of the Date Set Forth by Resolution. City Manager. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-102 from City Clerk as backup.

- I. **Ordinance 13-31**, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget By Appropriating an Additional \$69,000 from the Water Reserve Fund for the Demolition of the Redwood Tank at the Water Treatment Plant. City Manager/Public Works Director. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-101 from Public Works Director as backup.

- J. **Resolution 13-073**, A Resolution of the Homer City Council Confirming the Appointment of Zhiyong Li as Treasurer for Calendar Year 2013. City Manager. Recommend adoption.

K. **Resolution 13-074**, A Resolution of the City Council of Homer, Alaska, Designating Signatories of City Accounts and Superseding Any Previous Resolution So Designating. City Clerk. Recommend adoption.

L. **Resolution 13-075**, A Resolution of the Homer City Council Amending the Library Facility Use Policy. City Manager/Library Director. Recommend adoption.

Memorandum 13-100 from Library Advisory Board as backup.

M. **Resolution 13-076**, A Resolution of the City Council of Homer, Alaska, Amending the Fee Schedule for Library Facility Use Fees. City Clerk/Library Advisory Board. Recommend adoption.

N. **Resolution 13-077**, A Resolution of the City Council of Homer, Alaska, Requesting the City Manager to Prepare a Plan Requesting that the State Fire Marshal Delegate Fire Marshal Authority to the City of Homer Fire Chief. Burgess/Roberts. Recommend adoption.

O. **Resolution 13-078**, A Resolution of the City Council of Homer, Alaska, Mandating the City Manager to Propose Projects that Utilize the Funds in Excess of \$3 Million Dollars in the HART Fund and Funds in Excess of \$3 Million Dollars in the HAWSP Fund for Consideration of the Homer City Council. Burgess/Roberts. Recommend adoption.

Resolution 13-078(S), A Resolution of the City Council of Homer, Alaska, Mandating the City Manager to Propose Projects that Utilize the Funds in Excess of \$3 Million Dollars in the HART Fund and Funds in Excess of \$3 Million Dollars in the HAWSP Fund for Consideration of the Homer City Council. Burgess/Roberts.

Moved to Resolutions.

P. **Resolution 13-079**, A Resolution of the City Council of Homer, Alaska, Requiring the Finance Department to Provide a Quarterly Report of Finances of the City of Homer. Roberts/Burgess. Recommend adoption.

Q. **Resolution 13-080**, A Resolution of the City Council of Homer, Alaska, Requiring Invitations to Bid (ITB) and Request for Proposals (RFP) Plans and Specifications with Searchable Text and Plan Holder's Lists to be Posted on the City of Homer Website. Roberts/Burgess. Recommend adoption.

Resolution 13-080(S), A Resolution of the City Council of Homer, Alaska, Requiring Invitations to Bid (ITB) and Request for Proposals (RFP) Plans and Specifications with Searchable Text and Plan Holder's Lists to be Posted on the City of Homer Website **in a System Similar to That Utilized by the Kenai Peninsula Borough**. Roberts/Burgess.

Moved to Resolutions.

- R. **Resolution 13-081**, A Resolution of the Homer City Council Awarding the Contract for Septic Tank Purchase – Kachemak City Sewer System to Consteel Concrete Company of Wasilla, Alaska, in the Amount of \$31,920 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

Memorandum 13-103 from Public Works Director as backup.

Item F – Ordinance 13-28 was moved to Ordinances.

Item O - Resolutions 13-078 and 13-078(S) and Item Q - Resolutions 13-080 and 13-080(S) were moved to Resolutions.

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

6. VISITORS

- A. **Buccaneer Energy**, 10 minutes.

Buccaneer Energy representatives provided an overview of operations within the area.

- B. **Pratt Museum**, Update on the Exhibits and Education Program, Scott Bartlett, Curator of Exhibits and Rajil Christianson, Director of Education, 10 minutes.

Rajil Christianson and Scott Bartlett provided an update on the education and exhibits programs at the Pratt Museum.

Mayor Wythe called for a recess at 7:11 p.m. and reconvened the meeting at 7:19 p.m.

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. Borough Report

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

8. PUBLIC HEARING(S)

- A. **Ordinance 13-20**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Legislative Grant in the Amount of \$4,200,000 for Harbor Projects. City Manager. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

Ordinance 13-20(S), An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Legislative Grant in the Amount of \$4,200,000 for Harbor Projects. City Manager.

There was no public testimony.

SUBSTITUTE ADOPTED without discussion.

- B. **Ordinance 13-21**, An Ordinance of the Homer City Council Accepting and Appropriating a Legislative Grant in the Amount of \$2,000,000 for the Port and Harbor Office and Skyline Fire Station. City Manager. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

Ordinance 13-21(S), An Ordinance of the Homer City Council Accepting and Appropriating a Legislative Grant in the Amount of \$2,000,000 for the New Port and Harbor Office and Skyline Drive Fire Station. City Manager.

There was no public testimony.

SUBSTITUTE ADOPTED without discussion.

- C. **Ordinance 13-22**, An Ordinance of the City Council of Homer, Alaska, Dedicating the Oil and Gas Property Tax Revenues to be Paid in 2013 by the Owners of the Drill Rig Endeavour (\$181,087.16) to the City of Homer Permanent Fund. Mayor. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

Memorandum 13-097 from City Clerk as backup.

There was no public testimony.

ADOPTED without discussion.

- D. **Ordinance 13-23**, An Ordinance of the City Council of Homer, Alaska, Dedicating and Transferring All Port Tariff Fees Generated by the Drill Rig Endeavor's Moorage at the Deep Water Dock in 2012 and 2013 (\$576,815.53) to the Port and Harbor Depreciation Reserve Fund. Mayor. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

Memorandum 13-097 from City Clerk as backup.

There was no public testimony.

AMENDED: Line 38 amended to read: Port and Harbor Depreciation Reserve Fund.

ADOPTED as AMENDED with discussion.

- E. **Ordinance 13-24**, An Ordinance of the City Council of Homer, Alaska Amending the FY 2013 Capital Budget by Appropriating \$98,500 From the Homer Accelerated Roads and Trails Program Fund (HART) for Road Improvements, Trail Construction, and Pedestrian Safety and Walkability Enhancements in Old Town. Lewis/Roberts. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

Memorandum 13-097 from City Clerk as backup.

There were seven who testified.

ADOPTED with discussion.

9. **ORDINANCE(S)**

- A. **Ordinance 13-28**, An Ordinance of the City of Homer, Amending Homer City Code Chapter 11.12, Street and House Numbering, to Establish Standards and Procedures for

the Naming and Renaming of Streets. Burgess. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

AMENDED to add Whereas clauses: WHEREAS, Homer is a First Class city and has a plan for adopting street addresses; WHEREAS, The Planning Department coordinates the addressing of properties in the City of Homer; WHEREAS, Street names and addresses shall comply with the National Emergency Number Association; WHEREAS, There is a need and benefit to improving the process of naming streets; and NOW, THEREFORE, THE CITY OF HOMER HEREBY ORDAINS:

ADOPTED as AMENDED with discussion.

10. CITY MANAGER'S REPORT

A. City Manager's Report

1. July Employee Anniversaries
2. Letter to DOT/PF, Re: Tree Cutting and End of Runway
3. Capital Project Status Report

City Manager Wrede commented on the email glitches last week and Council not receiving an invitation to tour Icicle's floating processor.

Administration has had meetings with Enstar, contractors, and DOT. The gas line project has made significant progress, is right on schedule, and is very close to budget. The trunk line is 68% complete; construction is on target to get the line out to Kachemak City by this fall. Both the hospital and high school could be supplied with gas the first week of August. Much of the remaining work to be done is on the Anchor River. Enstar reported they have 1,000 meters already set. UTI, the contractor for the distribution system, is doing a terrific job. We were worrying about complaints of damage to property, but so far that has not happened. Instead we are receiving compliments. UTI is going out of their way to address concerns. By the first of August UTI expects all of the downtown area between East and West Hill along with Pioneer Avenue will be done. They are making good progress.

The Rotary Club has been volunteering at Ben Walters Park with their time and money. The Parks and Recreation Advisory Commission has Park Day scheduled for Saturday, August 17th. They will highlight the work done by the Rotary there.

Mayor Wythe noted the employee anniversaries, 13 employees celebrating 125 years of service.

Councilmember Lewis asked for an update on the Mike Kennedy case and Grant Air.

City Manager Wrede reported Grant Air walked away from their lease agreement with no prior notice. We are trying hard to get their attention about owing the City money, including back rent of \$20,000. We are trying hard to work with Mr. Kennedy to resolve the issue. The hope is that we don't have a court date.

Katie Koester reported on the Governor's Picnic scheduled for July 25th from 4:00 – 7:00 p.m. at Karen Hornaday Park. The City will be hosting the picnic with other community members. Best Beginnings Homer has been helping with the planning of the event over the last few months. Mrs. Koester thanked the community for their generosity of donations and volunteers. If the weather stays we will have a great turnout and a lot of fun. The event is meant to celebrate Homer. The Governor will be attending with most of his cabinet and the First Lady. It is a great opportunity to show them Homer.

Ten booths of state departments will be available to answer questions. Sparky of DNR Forestry will be there. There are nine booths for kids' activities. Good food, the ukulele band, and distinguished guests will be there. It is a huge community picnic with food, fun, and hopefully sunshine. Tents will be available for the picnic – rain or shine.

Councilmember Lewis asked about the FAA requirement of tree removal along Kachemak Drive.

City Manager Wrede answered healthy tall trees on Kachemak Drive between the hill up from the Spit road and parking lots will be removed. The FAA told DOT unless the trees are cut, flights will not be allowed to approach after dark. It is a health and safety issue due to flights. Most of the trees are on city land. DOT asked for permission to cut them and that was given under certain conditions. The trees will be cut by hand and the stumps will be left to keep the soil in place. If the trees fall and cover the existing trails they will be cut back 10 ft. The Forest Service will supervise the operation and make public firewood available. The trees are healthy and alive and not everyone wants to see them cut. They are in the same location of the proposed path.

Included in the Manager's Report was a capital project status report. There are 21 ongoing capital projects with four beginning the design phase and another six to begin soon. In between the gas line and road improvements, a lot of work is going on.

B. Bid Report

C. Games Report

1. Alaska Marine Conservation Council

11. CITY ATTORNEY REPORT

A. City Attorney's Report for June 2013

City Attorney Klinkner reported a judgment was recovered against the derelict vessel *Albert* in the harbor. We will work on collecting the judgment from the vessel owner.

Ben Walters Park litigation was successfully concluded in the City's favor. The donor of the park land asserted that the City was obligated to plow Beluga Lake in the winter for ice skating as a condition of the donation. The court ruled against that, stating the document that the donor relied on was not part of the transaction because it was not approved by the Council. Attorney Klinkner thanked City Clerk Jo Johnson for marshaling the city records necessary to establish the case. The transaction began in 1981 and spanned through 1983.

An action has been filed against Grant Aviation for unpaid back rent, failure to remove their property from the terminal, and for future unpaid rent under the lease until February 2014.

Continued efforts are being made to resolve the zoning complaint against Mr. Kennedy.

A claim against Matt Shadle for an illegal gravel pit on the way into town on Sterling Highway is ongoing. We have moved for judgment. There has been no response from Mr. Shadle.

On the Ken Castner case pertaining to the method of assessments for condominiums for natural gas, arguments have been made. The court invited supplemental submissions on issues that arose in the oral argument. Submissions have been made and it is in the hands of the judge.

12. COMMITTEE REPORT

A. Public Arts Committee

B. Transportation Advisory Committee

C. Permanent Fund Committee

D. Lease Committee

E. Port and Harbor Improvement Committee

F. Employee Committee Report

13. PENDING BUSINESS

- A. **If reconsidered - Resolution 13-048(S)(A)**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk.

Memorandum 13-073 from Water and Sewer Rate Task Force as backup.

AMENDED: rate model amended to eliminate BOD fees and sprinkler fees; \$5 administrative fee per month for any person that only gets sewer usage; amended billable sewage for all users to 3,000 gallons per month.

POSTPONED to August 12th for a Public Hearing.

14. NEW BUSINESS

15. RESOLUTIONS

- A. **Resolution 13-082**, A Resolution of the Homer City Council Awarding the Contract for the Homer Small Boat Harbor System 5 Electrical Improvements to the Lowest Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Resolution 13-082(S), A Resolution of the Homer City Council Awarding the Contract for the Homer Small Boat Harbor System 5 Electrical Improvements to the Firm of Puffin Electric, Inc. of Homer, Alaska, in the Amount of \$477,778.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Memorandum 13-108 from Public Works Director as backup.

Councilmember Burgess declared his financial conflict of interest and was excused from participation.

SUBSTITUTE ADOPTED without discussion.

- B. **Resolution 13-083**, A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Trail Shore Protection Project to the Lowest Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Resolution 13-083(S), A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Trail Shore Protection Project to the Firm of Alaska Marine

Excavation, LLC of Anchor Point, Alaska, in the Amount of \$919,888.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Memorandum 13-109 from Public Works Director as backup.

Mayor Wythe called for a recess at 8:49 p.m. and reconvened the meeting at 8:54 p.m.

SUBSTITUTE ADOPTED without discussion.

- C. **Resolution 13-084**, A Resolution of the Homer City Council Awarding the Contract for Meadow-Wood Place Subdivision Sanitary Sewer Repair Project to the Lowest Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 13-105 from Public Works Director as backup.

Memorandum 13-105(S) from Public Works Director as backup.

ADOPTED without discussion.

- D. **Resolution 13-078**, A Resolution of the City Council of Homer, Alaska, Mandating the City Manager to Propose Projects that Utilize the Funds in Excess of \$3 Million Dollars in the HART Fund and Funds in Excess of \$3 Million Dollars in the HAWSP Fund for Consideration of the Homer City Council. Burgess/Roberts. Recommend adoption.

Resolution 13-078(S), A Resolution of the City Council of Homer, Alaska, Mandating the City Manager to Propose Projects that Utilize the Funds in Excess of \$3 Million Dollars in the HART Fund and Funds in Excess of \$3 Million Dollars in the HAWSP Fund for Consideration of the Homer City Council. Burgess/Roberts.

SUBSTITUTE RESOLUTION AMENDED: “mandating” replaced with “directing”.

POSTPONED to August 12th for a Public Hearing.

- E. **Resolution 13-080**, A Resolution of the City Council of Homer, Alaska, Requiring Invitations to Bid (ITB) and Request for Proposals (RFP) Plans and Specifications with Searchable Text and Plan Holder’s Lists to be Posted on the City of Homer Website. Roberts/Burgess. Recommend adoption.

Resolution 13-080(S), A Resolution of the City Council of Homer, Alaska, Requiring Invitations to Bid (ITB) and Request for Proposals (RFP) Plans and Specifications with

Searchable Text and Plan Holder's Lists to be Posted on the City of Homer Website **in a System Similar to That Utilized by the Kenai Peninsula Borough**. Roberts/Burgess.

SUBSTITUTE RESOLUTION AMENDED: Lines 11 and 12 amended to delete "IN A SYSTEM SIMILAR TO THAT UTILIZED BY THE KENAI PENINSULA BOROUGH".

ADOPTED as AMENDED with discussion.

16. COMMENTS OF THE AUDIENCE

There were three who commented.

17. COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comment.

18. COMMENTS OF THE CITY CLERK

City Clerk Johnson announced an opportunity for adventure with the candidacy filing period for two 3-year term council seats. The filing period opens August 1st and ends on August 15th.

19. COMMENTS OF THE CITY MANAGER

City Manager Wrede expressed sentiments to Land's End for putting the ad out because it did get people's attention. He hopes people will look and search for the truth. There was some false stuff in there: \$1M to process water bills: that is not even close to true. The committee determined 40% of the Finance Department's budget was devoted to water and sewer issues and that was \$300,000. That includes sending the bills out, collecting the money, providing customer service, and all the other things the Finance Department does. There is one recurring theme; that we have to cut costs. We are always looking to cut costs and have done so with energy saving methods we have taken. This budget cycle we will really focus on costs on water and sewer. We will take a serious look at every cost and justify each one. If we can reduce costs we will do that.

20. COMMENTS OF THE MAYOR

Mayor Wythe appreciates the small businesses coming out. She has been trying to get small businesses to get involved. She believes small businesses hurt themselves more by not becoming involved. Every time they are not here, planning and zoning and water/sewer rate decisions are made that may impact them. She encouraged the people on the list (of the ad) in the Homer News to contact Finance Director John Li to see what their water/sewer rates would be. Many consumers' rates will be going down. There are winners and losers every time the rates are

juggled. The commodity based rate means the high volume user is the one that will be impacted. Right now low volume users are impacted because we have a substantial per user fee and the multi-plex or per apartment fee. Those people are carrying the burden and it will shift so people using water will pay the costs. There were several comments about the windfall to the Port and Harbor. Port and Harbor is an enterprise fund just like the water/sewer fund. Those monies are not available to the general fund or water/sewer fund. If you have two businesses owned by separate companies they are totally independent of one another and responsible for maintaining their own expenses without subsidy from other sources. She has heard about the belt tightening and understands it. In eight years of her term on the Council they have reduced the budget by over \$3M. We have reduced property tax by .5 mill and eliminated the winter sales tax on food. We have reduced the budget repeatedly for eight years. People at the table are continually looking for ways to cut costs. Council is working hard to make decisions for the best of Homer.

21. COMMENTS OF THE CITY COUNCIL

Councilmember Roberts commented she feels like we are getting closer on the water/sewer rates. She appreciates the input from all the people. She would hate to say we discard all this and start over; it is not the right thing to do. UTI has been in her neighborhood installing gas lines. She concurs with Walt. They are nice people, ask you things, and try to make it right. She appreciates their care about the neighborhood. In the City Manager's report there are three pages of Public Works Department projects. It is amazing and lots of nice things are going on in the city.

Councilmember Zak is against the existing water and sewer proposal. It is the general policy and the hypothesis behind the policies of the City. He is outnumbered here. He encouraged anyone out for an adventure (City Council candidates) to come on; we could use some help. It is good to have a separate voice as someone is listening and hears what you are saying. He asked people to email him. Although we have reduced the budget we have hurt the local economy. We have got the gas line, a wonderful thing, and have reduced our costs of doing business. There is a whole lot more policy wise that can be done.

Councilmember Dolma said for the 50% of folks that have a rate increase, 50% of the rates will go down. Someone is getting a better deal. It is a fair rate. More than the philosophy of it should be this way or that, consistency is important. If you can plan ahead for the next 10 to 20 years, that is important to businesses. If you are a big user that will affect you more and big users should plan for change. For the twenty sewer users that do not use water, he apologized for the flip comment. He doesn't know how to address that in this model. Just because someone tells you something doesn't mean it is true and doesn't mean it is in your best interests. Challenge folks and listen to more than one person. There was a lot of poor information tonight, some inadvertent, some intentional. Get out and talk to folks and get to the truth of the information.

Councilmember Burgess would like to see us put the water/sewer rate schedule behind us so we can tackle the real question of how we make our system cost effective. How do we infill and expand the system to make it economically viable? He cares what we will be doing 10, 20, 30 years from now. He wants his kids to live in an economically solvent city. Look around at the city. It's beautiful, it's sunny, your streets are getting paved, you are going to get gas at your front door, and most businesses are having the most profitable year they have had in half a decade. Most of it happened because this council built consensus and took bold steps when a few people said this was not the way to go. Council did what they thought was in the best interests of the majority of the people for the long term. We are all committed to doing that. If he has to continue under the precept that democracy depends on well informed citizens willing to participate, it concerns him when individuals specifically and intentionally rely on misinformation to advance their point. What goes around comes around. It is a dangerous path to follow and once any of us go down that road we risk disparaging our own community and good name of our neighbors. The news media should also be aware of that when choosing their headlines or reporting their facts. We rely on you to be investigative and to do a good job at researching these things, not to just believe everything you are told. He doesn't know if he speaks for the rest of the council, but he supports the City Manager in finding a budget healthy solution for employee health costs. This is an important decision that affects the livelihood of the community. The City Manager is not out to get you. He has a tough issue to solve and the more we work together the better the outcome for everyone. Councilmember Burgess finds it interesting when small business owners come up and say they are too busy to participate in local government. As the owner of several local small businesses and somebody who sacrifices sleep in order to contribute to the success of those businesses, that is hard for him to swallow. He is on this council because he didn't want to be part of the landscape; he wanted to have a voice. There are two seats available on the council. Come join the party. The adventure awaits you. It's been a great summer. Go out and enjoy it!

Councilmember Lewis would have bought a bulls-eye shirt for Beau if he had known he was going to be picked on so much. When the committee was formed he called two of the largest water users and let them know to get a seat on the committee. Neither one applied. They need to step up and sit on those; it is in their best interest. It is expensive to live in Homer. You need a good job to make it here. As much as he would love to say we can make it cheaper and better you have to live with it.

Councilmember Howard thanked Katie and the City Manager for putting together the CIP status report. On so many projects you could see the word "cruise head tax" and how important that is to us. She thanked the Permanent Fund Committee for the work they did and the City Attorney for his valuable help to get this straightened out so we can stay focused on sewer and water.

Mayor Wythe reminded the public of the Governor's Picnic on Thursday, July 25th from 4:00 to 7:00 p.m. at Karen Hornaday Park.

22. ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 9:28 p.m. The next Regular Meeting is Monday, August 12, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Saturday, August 17, 2013 from 9:00 a.m. to 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.