

Session 13-21 a Regular Meeting of the Homer City Council was called to order on October 28, 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, HOWARD, LEWIS, ROBERTS, ZAK

ABSENT: VAN DYKE (excused)

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
COMMUNITY & ECONOMIC DEVELOPMENT
COORDINATOR KOESTER
LIBRARY DIRECTOR DIXON
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS PROJECTS MANAGER NELSEN

Council met for a Worksession from 4:00 p.m. to 4:56 p.m. to discuss the 2014 Budget. Council met as a Committee of the Whole from 5:04 p.m. to 5:30 p.m. to hear a presentation from Ken Castner, Petition for Charter Commission Election, discuss the 2014 Budget and items on the consent agenda and regular meeting agenda.

Councilmember Van Dyke has requested excusal.

Mayor Wythe declared Councilmember Van Dyke's absence as excused. There was no objection from the Council.

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 following changes were made: **CONSENT AGENDA - Ordinance 13-44**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2014 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures). City Manager. Written public comments.

Mayor Wythe called for a motion for approval of the agenda as amended.

BURGESS/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Jim Lavrakas, Executive Director of the Homer Chamber of Commerce, spoke on behalf of the members who support Ordinance 13-42. The change is warranted as fair and reasonable.

Gail Edgerly, Executive Director of Homer Council on the Arts, expressed appreciation for the funds the organization receives from The Homer Foundation. The recent dance and aerial show Quixotic Fusion had two sold out performances and reached over 2,700 community members. During their week long visit, \$75,000 moved through the community with ticket sales, fundraisers, and grants.

Marjorie Scholl, Sprout Family Services, expressed gratitude to Claudia Haines for her work in expanding library services. She asked that a full-time position be funded for the library to provide library outreach services.

Lisa Asselin, former preschool teacher and parent, asked Council to fund a full time children's librarian position in the 2014 budget. The services are extraordinary, expertly delivered, and well thought out.

Adrienne Sweeney, city resident and business owner, expressed support for Ordinance 13-42.

Larry Slone, city resident, commented on Ordinance 13-44, employee health care benefits. The \$2,000 per month expenditure per employee is a tremendous amount. There are lots of people who are doing fine jobs without additional benefits. Ninety percent of the residents do not participate; the other ten percent are concerned. A charter commission may establish principles.

It was clarified the current budget reduces the health care coverage from its escalating path of \$2,000 per month to \$1,500 per month per employee.

Charles Davis, city resident, offered his support for Ordinance 13-42. The last time the nonconforming use was needed was for Guy Rosey. Council should come up with a generic solution that would work for everyone. The City does not have a compelling interest since

there are other motels up there. We need more money for library people. After 36 years he still lives here without water and sewer.

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 September 23 and October 14, 2013. City Clerk. Recommend adoption.
- B. **Memorandum 13-148**, from Mayor, Re: Appointment of Corbin Arno to the Economic Development Advisory Commission, Reappointment of Councilmember Bryan Zak to the Economic Development Advisory Commission as Consulting Member, and Reappointment of Matt North to the Permanent Fund Committee.
- C. **Memorandum 13-151**, from Deputy City Clerk, Re: Liquor License Renewal for Salty Dawg Saloon and Café Cups.
- D. **Ordinance 13-42**, An Ordinance of the City Council of Homer, Alaska, Amending the Definition of “Discontinued” in Homer City Code 21.61.015, Definitions, to Extend the Time Required to Discontinue a Nonconforming Use from 12 Months to 36 Months. Zak. Recommended dates: Introduction October 28, 2013, Refer to Planning Commission, Public Hearing and Second Reading November 25.

Moved to Ordinances.

- E. **Ordinance 13-43**, An Ordinance of the Homer City Council Authorizing the Expenditure of Homer Accelerated Water and Sewer Program (HAWSP) Funds for Paradise Place Sewer Main Extension and Approving the Creation of a Deferred Assessment on Benefitted Properties. City Manager/Public Works Director. Recommended dates: Introduction October 28, 2013, Public Hearing and Second Reading November 25, 2013.

Memorandum 13-150 from Public Works Inspector as backup.

- F. **Ordinance 13-44**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2014 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures).

City Manager. Recommended dates: Introduction October 28, 2013, Public Hearings November 25 and December 9, 2013, and Second Reading December 9, 2013.

- G. **Resolution 13-107**, A Resolution of the City Council of Homer, Alaska, Maintaining the City of Homer Fee Schedule at Current Rates. City Clerk. Recommended to follow Budget Ordinance 13-44 schedule.
- H. **Resolution 13-108**, A Resolution of the City Council of Homer, Alaska, Maintaining the Port and Harbor Terminal Tariff No. 600 at the Current Rates. City Clerk. Recommended to follow Budget Ordinance 13-44 schedule.
- I. **Resolution 13-109**, A Resolution of the Homer City Council Awarding the Bid for the Port and Harbor Surplus Dock Fenders to the Firm of Alaska Marine Excavation LLC of Anchor Point, Alaska, in the Amount of \$25,500 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Recommend adoption.

Memorandum 13-152 from Port and Harbor Director as backup.

Item D – Ordinance 13-42 was moved to Ordinances.

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

LEWIS/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. **Jim Lavrakas**, Homer Chamber of Commerce, 10 minutes.

Jim Lavrakas, Executive Director of the Homer Chamber of Commerce, provided an overview of the Chamber's marketing program. Funds from the City are used exclusively for advertising and promoting Homer. He requested a \$50,000 contribution to the Chamber for next year's budget.

Some notable visitors to the City of Homer this year have been:

Trek America representatives from England, Germany, the Netherlands, and the U.S.; Cooke & Haggerty party; and Elizabeth Hey AAA's VIA magazine. Homer was also featured in Sunset Magazine. Mr. Lavrakas entertained an Anchorage Daily News photographer for the Shorebird Festival that resulted in over \$15,000 advertising with the ADN.

Future plans include increased promotions of Homer through television and website ads, the Alaska Milepost, a presence on 4th Avenue in Anchorage, a *They're Coming* campaign on the return of salmon to the Fishing Hole, a webcam for the harbor, and an effort to increase winter tourism.

B. **Ken Castner**, Petition for Charter Commission Election, 5 minutes.

Ken Castner and Ginny Espenshade made a presentation on the recently filed petition for a charter commission election.

Mr. Castner has filed a petition with the City for a charter commission to become a home rule city. There are many Alaskan cities with a home rule form of government. Being a home rule city means we can write our own constitution and establish how our government will operate as a city. We can even decide how our government is going to cooperate with non government organizations. A constitution can establish guidelines and open new pathways for the citizenry to feel more enfranchised with their government.

Mr. Castner put the petition together as he felt there is an ongoing marginalization of the electorate. The electorate is being asked to do less and less and there is a general malaise in the town that needs to be addressed. The process will allow us to talk about what the citizens expect of the elected officials.

Ginny Espenshade is attracted to the process as it is a way for Homer to decide if we have common core values. Can we develop guiding principles for the long term? She is a self-professed constitution geek who teaches fifth graders and is thrilled to live in a state where there are still people alive that wrote the state constitution. The process won't be easy work; is the community willing to do the work? To be meaningful it must be a diverse group and a group ready to roll up their sleeves.

The most recent home rule city is Nenana, who adopted their charter in 1982. The earliest cities adopted their charters in 1960. There are currently twelve home rule cities in Alaska: Cordova, Fairbanks, Kenai, Ketchikan, Kodiak, Nenana, North Pole, Palmer, Petersburg, Seward, Valdez, and Wrangell. Anchorage is a home rule borough. Cities can incorporate first and then become home rule at a later date.

A benefit Homer will have is hindsight. We can look at the other charters and see how many times they were amended or taken to court because the language wasn't clear.

Council suggested the process be inclusive and reach out to the community and make it meaningful. If the goal is to create consensus, it is important to be as inclusive as possible. A home rule city has significantly more power than the current government.

An example where a home rule government would be advantageous is for plat approvals of new subdivisions. A while back a group of Homer residents had to travel to Soldotna for a plat approval before the Borough Assembly. The approval was made by a group of people in the upper peninsula. Who is better suited to make local decisions than the local people?

The petition will be issued soon and 185 signatures must be collected. Following the certification of the petition, candidates that wish to serve on the commission are required to collect 50 signatures. An election will then be held to decide if there should be a charter commission, and if so, who the commissioners would be.

The process can either happen by Council passing a resolution or the citizens initiating the charter commission. Through the petition process, the sponsors enter into discussion about local government.

Mayor Wythe invited Mr. Castner and Ms. Espenshade to have an open forum at council meetings to present their cause. Council expressed the need to get the word out to the community.

Mayor Wythe called for a recess at 6:57 p.m. and reconvened the meeting at 7:03 p.m.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

Mayor Wythe called for a motion to suspend the order of business for a special mayor proclamation.

LEWIS/ROBERTS – SO MOVED.

Mayor Wythe commended Port and Harbor Director Bryan Hawkins for his award of Harbormaster of the Year.

A. **Mayor's Proclamation** - *Extra Mile Day* - November 1, 2013

Mayor Wythe read the proclamation.

B. Borough Report

- C. Commissions/Board Reports:
1. Library Advisory Board
 2. Homer Advisory Planning Commission
 3. Economic Development Advisory Commission
 4. Parks and Recreation Advisory Commission
 5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

- A. **Ordinance 13-39**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Land and Water Conservation Fund Grant from the State of Alaska Division of Parks and Outdoor Recreation in the Amount of \$75,000 and Appropriating the Required Local Match in the Amount of \$75,000 for Improvements to Karen Hornaday Park and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction October 14, 2013, Public Hearing and Second Reading October 28, 2013.

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

Mayor Wythe called for a motion for the adoption of Ordinance 13-39 by reading of title only for second and final reading.

LEWIS/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 13-40**, An Ordinance of the Homer City Council, Amending HCC 7.04.010, State Statutes Adopted by Reference, HCC 7.04.020, Copies of State Traffic Code on File, HCC 7.04.030, Violation—Penalty, HCC 7.08.010, Compliance with State Law, HCC 7.08.045, Handicapped Parking, HCC 7.08.058, Removal of Impoundment Notice, and HCC 10.04.110, Violation—Penalty; and Repealing HCC 7.04.023, State Schedule of

Minor Traffic Offenses and Bail Forfeiture—Adopted, HCC 7.04.025, State Schedule of Minor Traffic Offenses and Bail Forfeiture--Conflict with General Penalty, HCC 7.06.100, Penalty and Fine Schedule, HCC 7.08.060, Violation—Penalty, HCC 7.20.010, Compliance with State Law, HCC 7.20.080, Violation—Penalty, HCC Chapter 24, Traffic Violation Mandatory Sentences, and HCC 7.28.060, Violation; Penalty; to Establish a Consolidated Traffic Fine Schedule. City Clerk. Introduction October 14, 2013, Public Hearing and Second Reading October 28, 2013.

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

Mayor Wythe called for a motion for the adoption of Ordinance 13-40 by reading of title only for second and final reading.

LEWIS/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

C. **Ordinance 13-41**, An Ordinance of the City Council of Homer, Alaska, Appropriating a U.S. Fish & Wildlife Learning Landscape Grant with 50% In-Kind Matching Requirement, Up to \$25,000, for the Purpose of Completing Landscaping Improvements at Karen Hornaday Park Playground. City Manager/Public Works Director. Introduction October 14, 2013, Public Hearing and Second Reading October 28, 2013.

Memorandum 13-142 from Public Works Director as backup.

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

Mayor Wythe called for a motion for the adoption of Ordinance 13-41 by reading of title only for second and final reading.

LEWIS/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- A. **Ordinance 13-42**, An Ordinance of the City Council of Homer, Alaska, Amending the Definition of “Discontinued” in Homer City Code 21.61.015, Definitions, to Extend the Time Required to Discontinue a Nonconforming Use from 12 Months to 36 Months. Zak. Recommended dates: Introduction October 28, 2013, Refer to Planning Commission, Public Hearing and Second Reading November 25.

Mayor Wythe called for a motion for the adoption of Ordinance 13-42 for introduction and first reading by reading of title only.

BURGESS/ZAK - SO MOVED.

Councilmember Lewis expressed approval the ordinance will go to the Planning Commission. He does not support the extension of time for a nonconforming use. Although Dennis Novak with the Bay View Inn was a great person, Council can't be involved in this decision. The ordinance needs to be looked at how it affects the entire city. We could not want to extend the nonconforming use for a jerk. We could get into trouble and have to spend money with a lawyer. He would like to see a better way of doing this.

Councilmember Burgess noted at the last meeting there was an ordinance for an exception for one owner. From a policy standpoint, that is a poor way to go about things. The discontinued use is important to address since people are losing the value of their property for reasons outside their control. There is a strong argument that a year is not enough time to settle an estate and continue a discontinued use. If the structure can't be used for the intended purpose, it devalues the use. He opposes three years. The planning and zoning code is in the best interest of the community in how we use land. He would like to see an amendment to 24-months.

BURGESS/ROBERTS – MOVED TO AMEND THE ORDINANCE FROM 36 MONTHS TO 24 MONTHS.

Councilmember Roberts supports the amendment and sending it to the Planning Commission for review.

Councilmember Zak commented this did not come about for the sole purpose of a particular property. Over the last several meetings we have addressed nonconforming uses. Business owners say 36 months is not long enough due to probate or a business owner selling their property and coming up with a new business plan. Nonconforming use is an issue and he

favors the ordinance going to the Planning Commission so they can look at code to see if 36 months is reasonable.

Councilmember Burgess commented it is great that we are discussing this because of the Bay View Inn. To an extent we undermine property values within a zone by extending this too far. He can think of two other instances, one being his neighbor who has a large shop and is now annexed in a residential area. If he opened his shop one day in 24 months he would be conforming and have another 24 months nonconforming use.

VOTE: (amendment) YES. LEWIS, BURGESS, ROBERTS, HOWARD

VOTE: NO. ZAK

Motion carried.

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

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

City Manager Wrede announced a road closure of East End Road between town and Kachemak Drive due to a landslide. Traffic has been diverted on Kachemak Drive.

There is opportunity to apply for a Homeland Security Grant of \$83,000. If awarded, the funds would be used to purchase a backup generator at the library. There is no match required. The Library has been identified as an important building in the Emergency Operations Plan; it could be a potential Emergency Operations Center.

The Kachemak Bay State Park Advisory Committee passed a motion to submit an application to have Kachemak Bay State Park designated as a dark sky park. They have asked for a letter of support from Council. City Manager Wrede will bring the request to Council as a resolution at the November 25th meeting. A representative from Kachemak Bay State Park will be present at the next meeting.

Public Works Project Manager Dan Nelsen reported on the status of several city projects to include:

- Downtown and Spit restrooms

- Harbor restroom shelter guard shacks at Lands End and the Deep Water Dock
- Spit Trail and Deep Water Dock Trail
- Paving of Deep Water Dock parking lot and bus area
- System 5 electrical improvements
- Boardwalk revitalization
- Karen Hornaday Park new shelter construction
- Crittenden/Waddell road paving project
- Redwood Tank removal project

There are currently 23 ongoing construction projects.

City Manager Wrede will follow through on the resolution sent to the Borough on the deed restriction for the HERC building.

CITY ATTORNEY REPORT

COMMITTEE REPORT

- A. Public Arts Committee
- B. Transportation Advisory Committee
- C. Permanent Fund Committee

Chair Barbara Howard reported there will not be a November meeting. She welcomed Matt North back to the committee.

- D. Lease Committee
- E. Port and Harbor Improvement Committee
- F. Employee Committee Report
- G. Port and Harbor Building Task Force

Chair Barbara Howard reported the next meeting is November 1st at 3:30 p.m. The task force will be reviewing the 25% stage drawing for the harbor building.

PENDING BUSINESS

NEW BUSINESS

- A. **Memorandum 13-149**, from City Clerk, Re: Selection/Appointment of Mayor Pro Tempore for 2013/2014.

HOWARD/LEWIS – MOVED TO NOMINATE FRANCIE ROBERTS TO BE MAYOR PRO TEMPORE.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

RESOLUTIONS

COMMENTS OF THE AUDIENCE

Larry Slone, city resident, reviewed Memorandum 13-137 on employee health benefits and stands corrected. The proposal by the City Manager is to budget \$1,500 per city employee/per month for health insurance. If we do not follow the recommendation, costs will increase to over \$2,000 per month/per employee. The City Manager's proposal is fiscally prudent; citizens have made the point clear with rejecting the prepared foods tax. He understands the employees will be taking a hit.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comments.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comments.

COMMENTS OF THE MAYOR

Mayor Wythe welcomed the City Manager back. She corrected a statement inferred to her earlier this evening. At the Committee of the Whole she made comments on the employee benefits package. What she said at that meeting is "Our compensation already is not attracting qualified persons. Reducing the benefits further will further reduce the ability to do

that.” It was inferred that she said quality employees. She has no doubt that we have quality employees; there are quality employees everywhere. However, there are not individuals qualified to conduct the business of the City of Homer everywhere. That is her concern, the ability to attract qualified employees.

COMMENTS OF THE CITY COUNCIL

Councilmember Howard congratulated Bryan Hawkins. She suggested that someone go to the Port and Harbor Advisory Commission meeting and present again. She urged people to remove the political signs that still remain 27 days after the election.

Councilmember Lewis commented it is budget time and we all want something. He would love to see soccer fields, a hockey rink funded, a new librarian, and all the positions filled, but we don't have the money. Unless we can find the funds some place else we won't be doing that. When you ask us for something, please give us an idea of where we can get the money from.

Councilmember Burgess commented we should talk about health care; it is a huge issue. Historically we pursued a self insurance option that worked out pretty well where we were not paying a middle man as mark up. When health costs were lower and we could manage our plan and provide direct employee incentives this worked out well. About two years ago this did not work out well. We had massive cost overruns and put \$800,000 back into the general fund to cover the costs. Proposed in the current budget, we have asked city staff to take a pretty substantial hit in the coverage that is afforded to them. Before, they had a Cadillac Rolls Royce plan by most standards. They are being brought into an industry standard line. They stick it to employees hard, just like they do to us in the private sector. Council would like to see a fixed cost scheme, but for now there are a lot of things up in the air. What are exchanges going to mean? It is a middle of the road thing. We also have to consider if we cut too many staff benefits we become a training ground for the oil industry. People put their foot in the door at the city; we train them well. Right about the time they are really useful to us they go and take a job in the private sector. We need to walk the fine line carefully. If you come here and want Council to spend money, where do we get the money? We are already on a lean budget. It is an illusion that we got more sales tax revenue. We have been taking money out of reserve funds and running down rainy day funds to meet operating expenses. There is no extra money left over. We have been operating in the long term in the negative.

Councilmember Zak commented he went the extra mile today with the rec folks of Homer by visiting the Sterling Community Center. He urged the rec group to never give up because there are all kinds of opportunities and ways. He congratulated Bryan Hawkins on his award and noticed that his comments were focused on the harbor team. This Friday there are opportunities to go the extra mile with the Rotary Health Fair. We can prepare for the future

with our own health. On Saturday night you can go to the Pratt Museum's annual event, Ritz at the Moulin Rouge at Wasabi's. The budget is limited. The Chamber is marketing for the community. We are all working together; we are all rowing in the same direction daily. He loves the core values idea of the charter commission as it is a common thread that brings us all together.

Councilmember Roberts congratulated Bryan Hawkins on his award. He deserves it as he does a great job; he is very humble in accepting the award. She echoed the comments of David and Beau that we don't have that kind of money. We have not put much in depreciation funds in a number of years. We need to save to repair our home, but we are shy in the depreciation area. She went to the Spit and visited the parks this weekend, looking at Public Works' projects. They are nice additions to our town. She is impressed that Public Works accomplished all these things in one season.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 7:54 p.m. The next Regular Meeting is Monday, November 25, 2013 at 6:00 p.m. and Committee of the Whole 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.

JO JOHNSON, MMC, CITY CLERK

Approved: _____