

Session 14-03 a Regular Meeting of the Homer City Council was called to order on January 27, 2014 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, LEWIS, ROBERTS, VAN DYKE, ZAK

ABSENT: HOWARD (excused)

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
COMMUNITY & ECONOMIC DEVELOPMENT
COORDINATOR KOESTER
DEPUTY HARBORMASTER CLARKE
FINANCE DIRECTOR LI
IT MANAGER POOLOS
LIBRARY DIRECTOR DIXON
PROJECT MANAGER NELSEN

Councilmember Howard has requested excusal.

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

Council met for a Special Meeting in Executive Session from 4:00 p.m. to 4:37 p.m. for the purpose of a legal briefing on Castner vs. City of Homer. From 4:37 p.m. to 4:59 p.m. Council conducted a Worksession to discuss Employee Compensation Package. Council met as a Committee of the Whole from 5:03 p.m. to 5:46 p.m. to discuss Consent Agenda 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 following changes were made: **CONSENT AGENDA - Ordinance 14-06**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$300,000 from the General Fund Balance for the Purpose of Providing a Loan to the Port and Harbor Enterprise Fund to Complete the Financing Package for the New Port and Harbor Building. City Manager. Memorandum 14-026 from Port and Harbor Advisory Commission as backup. **PUBLIC HEARINGS - Ordinance 14-03**, An Ordinance of the Homer City Council,

Amending HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100, to Repeal the Exemption From City Sales Tax of Sales of Nonprepared Foods From September 1st Through May 31st; Amending HCC 9.16.010 to Dedicate a Sales Tax of One-Quarter Percent (.25%) to Fund a Parks and Recreation Department; and Submitting the Question of Repealing Such Sales Tax Exemption and Such Sales Tax Dedication to the Qualified Voters of the City at the October 7, 2014 Regular City Election. Burgess. Written public comments. **RESOLUTIONS - Resolution 14-023**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Donation of a Life-Size Bronze Bust of Brother Asaiah Bates by an Anonymous Donor and Created by Homer Artist Leo Vait for Permanent Placement in WKFL Park. City Clerk/Public Arts Committee. Written public comments.

Mayor Wythe called for a motion to approve the agenda as amended.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Ken Castner, city resident, commented on Resolution 13-116, requesting that commissioners reside in the 99603 zip code.

Kevin Walker, Kachemak City resident, commented on Resolution 14-008, requesting that the billable sewage be reduced to 2,500 gallons.

Steve Zimmerman, city resident, spoke on Ordinance 14-06, requesting a zero interest loan for the new harbor building.

Cathy Ulmer, city resident, commented on Ordinance 14-06, requesting a zero interest loan for the new harbor building.

Kevin Hogan, city resident, commented on Ordinance 14-06, citing Article 9, Section 8 of the constitution regarding the loan.

Bumppo Bremicker, city resident, supports Resolution 14-023 as written.

Ken Landfield, city resident, questioned Resolution 14-023 and read a letter he had published in the Homer News.

Michael Kennedy, city resident, spoke in opposition of Resolution 14-023.

Charles Davis, city resident, supports Ordinance 14-06 and opposes Resolution 14-023.

Leo Vait, city resident, supports Resolution 14-023, noting Brother Asaiah volunteered for the sculpture, knowing it was to be in a public setting.

Larry Slone, city resident, suggested Resolution 14-023 should be postponed and sent to the community for further review.

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 January 13, 2014. City Clerk. Recommend adoption.
- B. **Memorandum 14-013**, from Mayor, Re: Reappointment of Cathy Ulmer, Bob Hartley, and Mike Stockburger to the Port and Harbor Advisory Commission; Appointment of Barbara Howard, David Lewis, Mike Stockburger, Bryan Hawkins, Todd Hoppe, and John Michael Pate to the Vessel Haul-Out Task Force; and Mayor Wythe to the Public Safety Building Review Committee.
- C. **Memorandum 14-014**, from City Manager, Re: City Representation at Board of Fisheries Meeting.
- D. **Memorandum 14-021**, from City Clerk, Re: Travel Authorization for Councilmember Zak to Attend the Alaska Municipal League Winter Legislative Conference in Juneau, Alaska, February 17 – 19, 2014.
- E. **Ordinance 14-05**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$500,000 from the Port and Harbor Enterprise Fund Depreciation Reserves for the Purpose of Providing the City's 25% Local Match for the New Port and Harbor Building. City Manager. Recommended dates: Introduction January 27, 2014, Public Hearing and Second Reading February 10, 2014.

Memorandum 14-003 from Project Manager as backup.

- F. **Ordinance 14-06**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$300,000 from the General Fund Balance for the Purpose of Providing a Loan to the Port and Harbor Enterprise Fund to Complete the Financing Package for the New Port and Harbor Building. City Manager.

Recommended dates: Introduction January 27, 2014, Public Hearing and Second Reading February 10, 2014.

Memorandum 14-003 from Project Manager as backup.

Memorandum 14-026 from Port and Harbor Advisory Commission as backup.

Moved to Ordinances.

- G. **Ordinance 14-07**, An Ordinance of the City Council of Homer, Alaska, Amending the 2014 Operating Budget by Appropriating \$34,089 from the Airport Reserve Fund for the Replacement of the Boilers at the Airport Terminal and Authorizing the City Manager to Execute All Appropriate Documents. City Manager/Public Works Director. Recommended dates: Introduction January 27, 2014, Public Hearing and Second Reading February 10, 2014.

Memorandum 14-022 from Public Works Director as backup.

- H. **Resolution 14-022**, A Resolution of the City Council of Homer, Alaska, Approving a New Five Year Lease at the Homer Airport Terminal Between the City of Homer and Era Aviation, and Finding that it is in the Public Interest to Award the Lease Without a Competitive Bidding Process. City Manager. Recommend adoption.

Memorandum 14-015 from City Manager as backup.

- I. **Resolution 14-025**, A Resolution of the Homer City Council Awarding the Contract for the Homer Harbor Facilities Improvements 2014 to the Firm of Harris Sand & Gravel, Inc. of Valdez, Alaska, in the Amount of \$4,834,748.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Port and Harbor Director. Recommend adoption.

Memorandum 14-020 from Project Manager as backup.

Ordinance 14-06 was moved to Ordinances A. (Van Dyke)

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. Lisa Roberts, United Way

Lisa Roberts, Executive Director for Kenai Peninsula United Way, reported they help fund programs to support victims of domestic violence and sexual assault, provide confidential health care services, active social daycare for elderly people, services to children under age 3 that might be experiencing development delays, and a mentoring program for children in the area. These programs are vital to the health of our community. Some agencies rely heavily on the help from United Way. There are 27 member agencies that receive funds from the annual campaign; six of those reside in Homer. Last year for every dollar donated to United Way from Homer, \$5 was returned. Kenai Peninsula United Way uses only 15% of the raised funds for administrative costs. Everything that is raised stays on the peninsula. The organization runs with minimal staff. United Way wants to advance the common good of the whole peninsula by focusing on education, income, and health. She would like to recruit people and organizations to give and partner for a better community. For more information see United Way on Facebook, their website: www.kpunitedway.com, phone 283-9500, or email: kpuw@ptialaska.net.

B. James Hornaday & George Matz, Kachemak Bay Research Reserve

Ralph Brosches, Kachemak Bay Research Reserve (KBRR) member, reported they have a federal and state partnership between the NOAA coastal office and the Alaska Department of Fish and Game (ADF&G) Division of Sports Fish. The local council fosters dialogue with local coastal issues of concern and provides a voice for the community. KBRR was dedicated as an estuarine research system in 1999. It is Alaska's first and only research reserve, the only sub-arctic reserve, and the largest reserve in the national system. The mission of KBRR is to enhance understanding of the Kachemak Bay estuary and adjacent waters to ensure the ecosystems remain healthy and productive. The ADF&G Sports Fish is undergoing a period of sustained budget constraints that is associated with declining license revenues, decreased federal grant funding, and limited general fund allocations relative to increasing operating costs. ADF&G contributes 40% to the research. The outlook for 2014 is uncertain. It is the intent of ADF&G to seek a new state partner.

KBRR is an economic driver for the community with an annual operating budget of \$2M. This provides local jobs and expenditures to the community. They also partner with local state and federal agencies for added grant funding. This brings research to Kachemak Bay including coastal erosion, bluff erosion, sea level rise, and coastal uplift and juvenile salmon nursery research. KBRR is important to K-12 local school education, reaching 3,500 people per year. State funding is crucial for funding to the Islands and Ocean Visitor Center.

Jim Hornaday, member of KBRR, passed out a memo. He provided a three-point sermon:

1. KBRR is the furthest north national estuarine reserve. They have a good relationship with ADF&G Sports Fish Division. There is a close connection on the work of the reserve and the City of Homer Climate Action Plan. They are doing legal research on ocean rise, uplift, and erosion. The City is implementing the Climate Action Plan to include: converting buildings to natural gas, buying more efficient cars, and tidal power development. KBRR coordinates with other agencies.
2. KBRR is an important economic engine bringing in millions of dollars over the years in wages and grants. Since the fishing industry is the key to our economic survival, the KBRR works on salmon and the overall health of Kachemak Bay. Preservation of the beauty and integrity of the environment is essential to the tourism industry.
3. Ask the City to pass a resolution in support of KBRR and urging the State of Alaska to meet its continuing responsibility to serve as a partner to NOAA and the agreement with Islands and Ocean Visitor Center.

KBRR employs eleven people; employment varies in the summer. ADF&G Sports Fish is looking for a new partner or mesh of partners to help with the financial responsibility. There is currently nothing in the works. When Islands and Ocean Visitor Center was built the State was to take over the rental agreement. The State entered into the original agreement with NOAA, who requires a state partner. There is a moral obligation and argument can be made that there is a legal requirement. Another lease agreement will be signed in April and may include a new partner.

Jessica Ryan, Education Coordinator at KBRR, reported they are doing research on melting glaciers and measuring the rebound of the mountains across the bay. They are rising and there is instrumentation in place that compares that with the sea level rise. In a three-year study it appears that we are outpacing sea level rise by a little bit. KBRR is looking at circulation patterns as the fresh water empties into the bay and accelerates with warmer weather and more melting. It may change circulations patterns by creating more of a freshwater lens on top of the bay that that will change what organisms live in the bay and affect the food chain of the bay. The uplift at the current time is more rapid than the rise of the ocean. Dredging in the harbor will continue as we are losing 2.5 ft. to erosion.

The City could be most effective with general support, requesting that the State meet the requirements it signed on for.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. **Mayor's Proclamation, "Congenital Heart Defect Awareness Week" February 7 – 14, 2014**

Mayor Wythe read and presented the proclamation to Dottie Zopp, grandmother of baby Chloe.

- 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
 - a. Letter from Kate Crowley, Re: ReCreate Rec Fundraising

Dave Brann, Parks and Recreation Advisory Commissioner, reported the commission discussed the sculpture of Brother Asaiah and agreed the City should accept the commission. The placement of the bust should have more public discussion. They talked about the recreation needs assessment and the City Manager provided them information about forming a steering committee to get things moving quickly. Chair Steffy asked to join the Alaska Recreation and Parks Association, and the commission agreed to become a member. The ribbon cutting ceremony for the Kachemak Bay Water Trail will be Friday, June 6th. An agreement with the Little League for park usage is being worked on. Lastly, it is an ongoing effort to get hosts at Karen Hornaday Park. The commission is exploring options for providing utilities or a better site.

5. Port and Harbor Advisory Commission

Mike Stockburger, Port and Harbor Advisory Commissioner, reported there are exciting times at the port and harbor. Money is coming in and needs to be spent so more money will come in. He thanked Council for approving folks for the Large Vessel Haul-Out Task Force. Several people have voiced an interest in a larger boat haul-out facility that may attract more people to Homer. It could be a new building in a new location to facilitate the needs. There will be a new load and launch ramp with funding from Fish and Game. The five lanes will remain to allow bigger boats to come in. A steeper slope will help with the loading of boats on trailers. They are trying to get rid of the hard break at the top of the ramp and provide improved traction on both the ramp and walking ramp.

PUBLIC HEARING(S)

A. Crittenden Drive Road Reconstruction and Paving Special Assessment District

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

B. Webber Subdivision Road Reconstruction and Paving Special Assessment District

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

C. Ordinance 14-01, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 1.78.010, Commission - Creation and Membership, to Make the Director of the Homer Chamber of Commerce an Ex Officio, Non-Voting Member of the Economic Development Advisory Commission. City Clerk/Economic Development Advisory Commission. Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

Memorandum 14-024 from Community and Economic Development Coordinator as backup.

Mayor Wythe opened the public hearing.

Kevin Hogan, city resident, opposes Ordinance 14-01 due to the Chamber of Commerce's conflict of interest.

Larry Slone, city resident, supports Ordinance 14-01 to facilitate communication between the entities.

Jackie Dentz, city resident, supports Ordinance 14-01 since the Chamber is strictly advisory.

Jim Lavrakas, Chamber of Commerce Executive Director, supports Ordinance 14-01 and Katie Koester serving on their board.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 14-01 by reading of title only for second and final reading.

LEWIS/ZAK – SO MOVED.

ROBERTS/ZAK - MOVED TO AMEND AFTER LINE 30 FOLLOWING "MEETING" TO ADD: WHEREAS, THE HOMER MARINE TRADES ASSOCIATION REPRESENTS PROFESSIONALS

AND BUSINESSES IN THE MARINE TRADES THAT CONTRIBUTE TO THE ECONOMIC VITALITY OF THE COMMUNITY; AND WHEREAS, THE WORK THE ECONOMIC DEVELOPMENT ADVISORY COMMISSION DOES TO PROMOTE ECONOMIC DEVELOPMENT WOULD BENEFIT FROM THE PERSPECTIVE AND EXPERTISE OF THIS INDUSTRY AND I WOULD ALSO LIKE TO AMEND LINE 45 FOLLOWING THE WORD "COUNCILMEMBER" TO INSERT: A REPRESENTATIVE OF THE HOMER MARINE TRADES ASSOCIATION.

There was no discussion.

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

Motion carried.

ROBERTS/LEWIS - MOVED TO AMEND THE TITLE TO REFLECT THE PREVIOUS AMENDMENT.

There was no discussion.

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

Motion carried.

Mayor Wythe called for a motion to postpone to February 10th for public hearing and second reading due to the substantive amendment.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

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

Motion carried.

D. **Ordinance 14-03**, An Ordinance of the Homer City Council, Amending HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100, to Repeal the Exemption From City Sales Tax of Sales of Nonprepared Foods From September 1st Through May 31st; Amending HCC 9.16.010 to Dedicate a Sales Tax of One-Quarter Percent (.25%) to Fund a Parks and Recreation Department; and Submitting the Question of Repealing Such Sales Tax Exemption and Such Sales Tax Dedication to the Qualified Voters of the City at the October 7, 2014 Regular City Election. Burgess. Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

Mayor Wythe opened the public hearing.

Kathy Hill, city resident, opposes Ordinance 14-03. She asked that the recreation needs assessment be completed, compiled, and studied.

Kate Crowley, city resident, spoke for Recreate Rec in opposition of Ordinance 14-03.

Barb Brodowski, city resident, spoke in opposition of Ordinance 14-03 as it will bring an undue hardship on people.

Andy Haas, Homer resident, supports Ordinance 14-03 for stable funding.

Bumppo Bremicker, city resident, spoke in support of Ordinance 14-03 since it is easier to pay a little bit every time you buy groceries.

Larry Slone, city resident, spoke in opposition of Ordinance 14-03 as it taxes people on primary needs and gives in for secondary things.

Kevin Hogan, city resident, spoke in opposition of Ordinance 14-03 citing the constitution Article 9, Section 7.

Charles Davis, city resident, opposes Ordinance 14-03 as it is taxing the wrong people instead of those that will benefit from enhanced recreation.

Steve Zimmerman, city resident, spoke in opposition of Ordinance 14-03 as it is confusing with three different things in it.

Ken Landfield, city resident, spoke in opposition of Ordinance 14-03 as it the cultural and recreation needs on the backs of poor hungry people.

Michael Kennedy, city resident, opposes Ordinance 14-03 on the basis of meeting primary needs versus secondary needs.

Jim Lavrakas, Chamber of Commerce Executive Director, commented the Board of Directors at the Chamber are opposed to Ordinance 14-03.

Steve Hooker, city resident, opposes Ordinance 14-03 since it will be a hardship on families.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 14-03 by reading of title only for second and final reading.

LEWIS/BURGESS – SO MOVED.

Mayor Wythe called for a recess at 7:35 p.m. and reconvened the meeting at 7:41 p.m.

Councilmember Lewis expressed doubts the ordinance will pass. People drive up the road and pay sales tax to Soldotna and Kenai that goes to their parks and recreation. There is the sin (alcohol) and bed taxes, but both come with costs to administrate them. As a hockey and soccer parent he drove up the road and spent thousands of dollars in other cities paying for their facilities. Sarah Palin instituted the sales tax in Wasilla to fund their sports center.

Councilmember Burgess commented the idea of sponsoring the ordinance was to initiate a dialogue and have the community take some responsibility for finding a solution. The ordinance puts something on the table the voters can vote on at the next election. During budget discussions the most consistent consensus from people who wanted funding for recreation and public arts was to reinstate the sales tax on food. Although he finds the idea abhorrent, most of the citizens felt it was a reasonable idea. Recreate Rec doesn't support it because it is not a dedicated tax. Nothing Council does is set in stone; the voters can change it. He is not sure he buys the fact people will go elsewhere for food, but does sympathize that the food tax is regressive. He questioned the harm in letting people vote on this. Recreation is a fundamental need. Another option is a service area, but it is not as easy as a tax since it is a borough-wide effort and not all property owners will support it. His hope is someone will come forward with a better solution.

Councilmember Van Dyke knows there are ways we can fund things; we have to get together and figure out the good way to do so. He opposes the ordinance as it is an unfair burden on residents within the city. Money will go up the road and the .25% allocated to recreation is only as good as the council seated here. He would like to see the ordinance buried so deep it never surfaces again.

Councilmember Roberts noted it does not just put the burden on the city residents, but also collects sales tax from people outside the city. She asked if the ballot measure can be pulled if the recreation needs assessment comes up with a different choice.

City Clerk Johnson answered the question could always be removed from the ballot by the end of June.

LEWIS – MOVED TO AMEND THE DEDICATED SALES TAX TO FUND A PARKS AND RECREATION DEPARTMENT FROM .25 TO .75 SO IT IS AT THE SAME AMOUNT AS HARP AND HAWSP FUNDS.

Motion died for lack of a second.

Mayor Wythe recognized the community has voted on reinstating sales tax on nonprepared food two or three times. That is the only reason the community does not collect sales tax on food from September to May. As the vote was passing the Borough changed the regulations so that a First Class city could choose to accept or decline the city's portion of the sales tax. Per the voters will that they were eliminating both city and borough sales tax, she was a strong supporter of eliminating the tax. She would like the community to recognize the ownership of

the 4.5% tax belongs to the City Council, not the community. Citizens believed they were voting the whole thing down and that is the only reason Council has taken this position. This tax exists today on our books and is waived at the pleasure of the Council. They are not required to bring it to the voters. It is not a new tax; it exists on our books. Council can reinstate the tax at any time. Mayor Wythe hopes Council votes this down.

When we raised the sales tax by 1% we also lowered the mil rate by .5%. Those rates have not changed since the Library was built. She suggested creating a blog spot on the city webpage where citizens could give us their ideas to find additional revenue.

Councilmember Lewis called the title "nonprepared foods" a misnomer. You do not pay sales tax on food staples, nor do you pay sales tax on junk food snacks. Whatever is covered under the SNAP (Supplemental Nutritional Assistance Program) is included.

Councilmember Burgess noted the budget included funding for things outside the primary needs. When people say we need to fund the wonderful and essential things we say yes we will fund them. When people say you need to balance your budget on paper we say no that's okay we won't fund our depreciation. We will pass that on to our kids and grandkids. It is not sustainable and we are going into debt to run our city government. City employees are taking a down cut on their healthcare and we are looking at workforce reduction quality. Council needs to take more responsibility and put something forward for the voters to vote on. If you want to raise revenues it is the people that have to do it. We are not living within the means set for us.

Councilmember Roberts clarified the .25% tax does not come from just increased food tax; it comes from total city sales tax.

Councilmember Burgess explained if we were to reinstate the winter sales tax on nonprepared food it raises about \$800,000. Dedicating .25% of total sales tax is \$300,000 to \$350,000, an amount to sustain the parks and recreation department at the current level or fund a debt service on a community recreation facility. If approved, one-third of the income would go to community recreation and the other two-thirds to the budget shortfall and a portion of reserve account funding. We would still be running at a long term deficit.

VOTE: (main motion) YES. LEWIS, BURGESS, ROBERTS

VOTE: NO. ZAK, VAN DYKE

Motion failed.

- E. **Ordinance 14-04**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$35,000 From the Port and Harbor Depreciation Reserves to Replace the Fish Grinder in the Fish Waste Grinding Facility. City Manager/Port and Harbor Director. Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

Memorandums 14-005 and 14-017 from Port and Harbor Director as backup.

Mayor Wythe opened the public hearing.

Kevin Hogan, city resident, opposes Ordinance 14-04, another example of the City's parade of spending on sole source procurements.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 14-04 by reading of title only for second and final reading.

LEWIS/ROBERTS – SO MOVED.

Councilmember Van Dyke would like to see more information on different types of machines.

Councilmember Burgess supports the expenditure for the specialized fish grinder. He agrees with Mr. Hogan that the City could take an in-depth look at the RFP process. There could be an email subscription list to get more private enterprise involved. He suggested a Worksession to come up with different ways to do this.

City Manager Wrede acknowledged the need to revamp the procurement policy. He doesn't believe we are consciously trying to go around the procurement policy. There are problems and we could do better. We can review the policy and make some recommendations on how to change it.

VOTE: YES. ROBERTS, LEWIS, BURGESS

VOTE: NO. ZAK, VAN DYKE

Motion failed.

At the end of Ordinances Councilmember Zak requested reconsideration of Ordinance 14-04. It was reconsidered and adopted with five votes.

ORDINANCE(S)

- A. **Ordinance 14-06**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$300,000 from the General Fund Balance for the Purpose of Providing a Loan to the Port and Harbor Enterprise Fund to Complete the Financing Package for the New Port and Harbor Building. City Manager. Recommended dates: Introduction January 27, 2014, Public Hearing and Second Reading February 10, 2014.

Memorandum 14-003 from Project Manager as backup.

Memorandum 14-026 from Port and Harbor Advisory Commission as backup.

Mayor Wythe called for a motion for the introduction of Ordinance 14-06 by reading of title only.

LEWIS/ROBERTS – SO MOVED.

Councilmember Van Dyke commented the building is still \$300,000 over budget. He doesn't want to take \$300,000 from other city budgets to fund it; we can comply with the \$2M available for it.

ROBERTS/LEWIS – MOVED TO AMEND LINE 56 TO SAY ANNUAL INTEREST RATE IS ZERO PERCENT.

Council discussed charging the port 2% interest on the loan. The port generates its share of sales tax that goes to the general fund. A different aspect is there is value to time and every business in the community provides sales tax revenue to the city.

VOTE: (amendment) YES. LEWIS, VAN DYKE, ROBERTS

VOTE: NO. ZAK, BURGESS

Motion failed.

ROBERTS/LEWIS - MOVED TO AMEND LINES 8 AND 42 PRECEDING \$300,000 AND ADD "UP TO" \$300,000.

The amendment was suggested since all of the monies may not be used.

VOTE: (amendment) YES. VAN DYKE, LEWIS, ZAK, ROBERTS, BURGESS

Motion carried.

Mayor Wythe and Councilmember Lewis commented the building will last 20 to 30 years and has to be built well to meet the up and coming needs of the harbor. Everything in the building is important. When the East Boat Harbor is added the second story will be useful.

Councilmember Zak asked for immediate reconsideration of the vote on the amendment regarding interest.

City Clerk Johnson requested a recess to provide an answer on the reconsideration.

Mayor Wythe called for a recess at 8:25 p.m. and reconvened the meeting at 8:28 p.m.

City Clerk Johnson advised Council the reconsideration was appropriate from Councilmember Zak.

ZAK/ROBERTS – MOVED FOR IMMEDIATE RECONSIDERATION OF THE VOTE ON THE AMENDMENT TO OFFER ZERO PERCENT INTEREST ON THE \$300,000.

There was no discussion.

VOTE: (reconsideration) YES. ZAK, VAN DYKE, LEWIS, ROBERTS
VOTE: NO. BURGESS

Motion carried.

VOTE: (motion to eliminate 2% interest rate) YES. LEWIS, ZAK, ROBERTS
VOTE: NO. BURGESS, VAN DYKE

Motion failed.

VOTE: (main motion as amended) YES. LEWIS, BURGESS, ROBERTS, ZAK, VAN DYKE

Motion carried.

ZAK/LEWIS - MOVED FOR IMMEDIATE RECONSIDERATION OF ORDINANCE 14-04.

There is a need to work on the RFP process and also a need to grind fish this summer.

VOTE: (reconsideration) YES. ROBERTS, LEWIS, ZAK, BURGESS, VAN DYKE

Motion carried.

VOTE: (Ordinance 14-04) YES. LEWIS, VAN DYKE, ZAK, BURGESS, ROBERTS

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

1. **Memorandum 14-023**, from Community and Economic Development Coordinator, Re: Citizens Academy.

1. Natural Gas Conversions: City Hall, the Library, the Public Works building, the Sewer Treatment Plant, and the Animal Shelter are all converted, hooked up, and being heated with natural gas. The two new restrooms downtown are also connected. The

- remainder of the buildings on the approved list for conversion will be done in phase II, probably late summer or early fall this year. We have taken another look at converting the Fire Hall and may want to discuss that further.
2. Airport Terminal Gas Conversion: The Airport Port Terminal was also scheduled to be converted to natural gas this month. However, that project has been slowed a bit while PW looks at another approach. The mechanical room at the terminal is rather small. It turns out that adding new jets to the furnace there makes it almost impossible to get in and do any work. The boiler is already 20 years old and may need increased maintenance going forward. We are considering the purchase of a new boiler instead of converting the old one. The new boilers are close to 100 percent efficient, they are so small that they can be mounted on the wall, and of course, you have a boiler that you can expect to last many years. If we went this route, we would have to request another \$20,000 from the Council, but I think it would be worth it. Even though more investment would be required upfront, the payback period is still just a little over a year and the City ends up with a new and much more efficient boiler. Much depends on whether we can sell or find a use for the jets we already purchased. Carey and Dan are working on that now.
 3. Downtown Restrooms: The new downtown restrooms are undergoing final inspection and they will be ready for use shortly. By far, most of the feedback we have gotten is that they look really attractive and will add to downtown. The downtown business owners have been requesting public restrooms for many years and it is finally a reality. Many business owners have expressed how happy they are about this and we are receiving inquires about when they will be open. We anticipate that the restroom at WKFL park will receive more use in the winter than the one by Bartlett St. They will be really popular during parades and special events. Right now the tentative plan is to keep just one door open in each restroom during the winter months. After a few months, we should have better information about usage patterns and maintenance and operations costs.
 4. Harbor Construction Projects: This agenda contains a resolution awarding a construction contract for the replacement of Ramp 3 and several floats in the harbor. You may recall that this work was paid for by a 4.2 Million State grant and \$4.2 Million in bond sale revenue. Here is the good news. All of the bids came in under the engineers estimate and the two lowest, from very reputable companies, came in approximately \$2 Million under the estimate. Carey has double checked the bids and he and Bryan have talked to the engineers who did the cost estimate to look for discrepancies. So, there are decisions to be made about what to do. We are currently checking with the granting agency, the Municipal Bond Bank, our attorney's, and others to see what the possibilities are, from borrowing less and returning some grant money to using the money for other projects. Bryan is compiling a list of other projects on the CIP list that these funds could be used for. We would be very happy to discuss this situation in detail at the meeting. Right now, we are leaning toward recommending that we add a change order to the construction contract to replace additional floats on the CIP List and provide them with water and electric. Bryan would like to design a new float to accommodate the 60' by 60" fishing vessels that are becoming more common in the

- fleet. This could generate additional revenue for the Enterprise Fund. The advantages of going this route include 1) save on mobilization costs, 2) save on engineering and design costs, 3) approval from funding agencies is easier because we are simply expanding the existing project scope rather than adding new, completely different projects, and 4) we can move quickly. Remember that the State grant money must be expended within 18 months.
5. Skyline Drive Fire Station: As you know, the City has many construction projects underway, soon to be completed, or in the planning stages. It is really hard to keep all of those balls in the air and I am constantly amazed and appreciative of the job that Carey, Bryan, and Dan do in that regard. I really don't believe we could keep up this pace and get as much done as we are if the Council had not seen the wisdom in hiring a new project manager several years ago. One of the projects that is flying under the radar a little is the new Fire Station on Skyline Drive. I just wanted to mention that this project is also moving ahead. Engineering and design is complete and I signed the Public Notice / Request for Construction Bids this week. Hopefully we will receive good bids and construction will commence this spring or summer.
 6. Parks and Recreation Needs Assessment: Work has begun on the Parks and Recreation Needs Assessment. Based upon the conversation the Council had at the last meeting (move fast, form a committee administratively, use the Parks and Recreation Commission) and the discussion the Parks and Recreation Commission had at its meeting on January 16, I have formed the small working group/steering committee. The first meeting is Thursday, January 23, at 5:30. It is a seven member Committee. Not all of the names have been finalized at the time this was written but the seats include Community Recreation Program, ReCreate Rec, Chair of the Parks Commission, MAPP, Homer Council on the Arts, Voices for Business, and the Homer Hockey Association. The first meeting will be organizational in nature and will include meeting schedule, work plan, etc. The Parks and Recreation Commission will be involved at key points, approve work products, hold public hearings do public outreach, and make recommendations to the Council.
 7. GC/CM Proposal Receipt Log: At the last meeting the Council approved creation of a GC/CM Committee to oversee the new public safety building project. You may recall that the City has already solicited proposals which were due January 21. Evaluating the proposals is one of the first tasks the Committee will do. Attached is the Proposal Receipt Log. You can see that we got a good response. I am pleased to see a good response from local firms.
 8. Citizen's Academy: Katie is working very hard on setting up the Citizens Academy. The Academy is scheduled to begin February 20. We appreciate the helpful input from Council member Howard. Attached is a memorandum from Katie on this topic and she will be available to discuss it at the meeting.
 9. Compensation Parity Studies: At the last workshop on employee compensation, the Council requested copies of recent parity studies conducted by other municipalities. Andrea has obtained these documents and I believe they will take up several hundred pages in your packet. Sorry! Andrea is also doing a report for you which summarizes and consolidates this mass of information so it is easier to digest. Because of the

- executive session, it is likely that we won't have too much time to talk about this on Monday night. Another workshop will probably have to be scheduled if the Council wants to dive into this in any detail.
10. Sound System in Council Chamber: You will recall that the sound system, the mikes, the teleconference connection, and everything associated with it was a disaster at the last meeting. Further, the reception at KBBI was awful as well. Nick is looking into this in detail and will provide you with a report and some recommendations, probably at the next meeting.
 11. Critical Habitat Legislation: Katie and Linda Anderson are making great progress with building consensus and crafting legislation that would remove the Homer Port and Harbor from the Kachemak Bay Critical Habitat Area. We have received lots of help from the Planning Department, Bryan Hawkins, ADF&G, and DNR. The legal description of the new boundaries is being prepared by DNR and will be included in legislation that will be introduced shortly. Special thanks go to Representative Seaton, Senator Micciche, and the Speaker of the House, Mike Chenault.
 12. Spit Parking Lot: At the last meeting, during public comments, a citizen mentioned that he thought HART funds should not have been used to construct a parking lot on the Spit. That is a fair point and may warrant additional discussion. You will recall that Council recently approved design of a parking lot extension adjacent to the existing parking lot at the Seafarer's Memorial. We told you at the time that using HART funds for this might be a stretch and that other sources of funding were available if Council wanted to discuss it. In short, we have used HART money for parking lots in the past. We have received legal guidance that constructing parking lots was probably OK if the parking lot has a direct nexus to a trail. In other words, it was the jumping off point for a trail, access point, or it was obvious that everyone parked there to use the trail. We did this most recently with the parking lot improvements at Bishops Beach (paving) because it is a jumping off point for the Beluga Slough Trail, the new trail to be built on Charles Way, and the new pedestrian lanes in Old Town. I think we may have also used HART funds for improvements and expansion at the Spit Trail Parking Lot on Kachemak Drive. The parking lot expansion at the Seafarers Memorial will clearly be used by folks using the new and extended Spit Trail and the trail extension to Coal Point. However, it is across the street and a block away from the trail and it will also be used by folks patronizing local businesses. So, let us know if you want to discuss this one further.
 13. Chief Painter Accepted into FEMA Academy: Fire Chief Bob Painter has been accepted into the National Emergency Management Executive Academy. This program is a collaborative effort between FEMA's Emergency Management Institute and prominent programs at higher education institutions offering a cutting edge curriculum that support the advancement of the emergency management profession and its executive leadership. Collaborators include Harvard University, the University of Hawaii-National Disaster Preparedness Training Center, U.S Navy Post graduate School, Center for Homeland Defence and Security, and Texas A&M Engineering and Extension Service. Only 40 applicants were selected nationwide. The course is held in Emmitsburg Maryland in four week long sessions spread over the entire year. Congratulations to

- Bob. This training will serve the community well and we are fortunate to have someone as qualified as Bob in this position.
14. Wastewater Agreement with Kachemak City: This agenda contains a resolution approving a new wastewater agreement between the City of Homer and Kachemak City. This agreement has not been updated since it was originally signed in 1988. The new version is mostly an update and removes much of the language that is no longer relevant; especially all of language having to do with construction of the new sewer treatment plant and the sewer lines in Kachemak City. One thing of particular note is that the draft agreement says the baseline average for gallons put into the system is 2,500 instead of 3,500. You will recall that this was a big issue for Kachemak City when the new water and sewer rate fee schedule was approved. Since the fee schedule was approved, we have spent more time talking to Kachemak City about this and we are pretty certain that the average monthly number of gallons placed into the collection system is significantly less than 3,500. There are many reasons for this including the fact that everyone either hauls water or has it delivered. People who do that tend to be much more conservation minded. Also, the demographics there are changing. Kids are grown up and moving out, the population is aging, and many residences have only two occupants. The new rate model was based primarily upon consumption. Keeping that in mind, it seems inconsistent with the intent of the model to charge people for more than they are actually using. Installing meters is problematic for a variety of reasons and measuring how much water people use is complicated because it is delivered, hauled, collected by roof cistern systems, and obtained via wells. 2,500 gallons seems like a reasonable number. The available evidence seems to suggest that the average is probably less than that. Another reason for dropping the number to 2,500 is that Kachemak City residents do not have the ability to shut off their meters and pay less during the months that they are away and are not putting anything into the system. They pay the full amount whether they are home or not. We recommend changing the amount to 2,500. If Council agrees, we will have to amend the fee schedule. The estimated fiscal impact is about \$27,000.
 15. The Finance Department has been awarded a Certificate of Achievement for Excellence in Financial Reporting for their comprehensive annual financial report for the fiscal year ending December 31, 2012. This certificate is well deserved by the dedicated staff in the Finance Department.

City Manager Wrede congratulated the Finance Department on the Certificate of Achievement for excellence in financial reporting. It was for a good audit and very few comments.

Fire Chief Painter has been accepted into the prestigious National Emergency Management Executive Academy which will benefit the entire community.

The bid for harbor construction projects came in \$2M under the engineer's estimate. The Port and Harbor Advisory Commission will discuss if we should return grant money or put the excess funds towards other projects on the CIP list. Council could amend the contract with the contractor and do some float work and upgrades to water and electric. Adding projects now

will realize less mobilization and engineering and design costs. Council will have a conversation at the next meeting. We have 18 months to expend the grant monies. One project would be to reconfigure one float to accommodate 60 ft. x 60 ft. vessels.

Councilmember Burgess issued kudos to Project Manager Nelsen on the Port and Harbor building project.

B. Games Report

1. Homer Animal Friends

CITY ATTORNEY REPORT

COMMITTEE REPORT

- A. Public Arts Committee
- B. Transportation Advisory Committee
- C. Permanent Fund Committee
- D. Lease Committee
- E. Port and Harbor Improvement Committee

Bob Hartley, Port and Harbor Improvement Committee Member, reported the committee supports additional funds for the harbor. They can't see leaving those funds unused and sent back to the State. They can only be used for projects in the harbor. If we don't expend them now we will have to within a couple years.

- F. Employee Committee Report
- G. Port and Harbor Building Task Force

PENDING BUSINESS

- A. **Resolution 13-116**, A Resolution of the City Council of Homer, Alaska, Amending the Economic Development Advisory Commission Bylaws to Include That the Director of the Homer Chamber of Commerce May Serve as a Non-Voting, Ex-Officio Member of the Commission. City Clerk/Economic Development Advisory Commission. (Pulled from December 9, 2013.)

Memorandum 13-165 from Economic Development Advisory Commission as backup.

Memorandum 14-024 from Community and Economic Development Coordinator as backup.

Mayor Wythe called for a motion for the adoption of Resolution 13-116 by reading of title only.

LEWIS/BURGESS – SO MOVED.

ROBERTS/LEWIS – MOVED TO AMEND LINES 10 AND 32 AFTER THE WORD “COMMERCE” SAY “AND MARINE TRADES ASSOCIATION MEMBER.”

The amendment will parallel the amendments in Ordinance 14-01.

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

Motion carried.

ROBERTS/LEWIS - MOVED TO AMEND THE ECONOMIC DEVELOPMENT ADVISORY COMMISSION BYLAWS SECOND PARAGRAPH, SECTION 1, AFTER FIRST SENTENCE “TWO MEMBERS MAY BE RESIDENTS FROM OUTSIDE THE CITY LIMITS” TO ADD: “AND RESIDE IN ZIP CODE 99603.”

Councilmember Zak expressed opposition.

VOTE: YES. VAN DYKE, LEWIS, ROBERTS

VOTE: NO. ZAK, BURGESS

Motion failed.

ROBERTS/LEWIS – MOVED TO POSTPONE RESOLUTION 13-116 TO PARALLEL ORDINANCE 14-01(A).

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. **Resolution 14-008**, A Resolution of the City Council of Homer, Alaska, Approving a New Intergovernmental Wastewater Agreement Between the City of Homer and Kachemak City. City Manager. (Postponed from January 13, 2014.)

Motion on the floor from January 13: MOTION FOR THE ADOPTION OF RESOLUTION 14-008 BY READING OF TITLE ONLY.

Councilmember Burgess commented water and sewer is a contentious issue. To alleviate some derisiveness the Water and Sewer Task Force was formed. The task force worked hard to bring in all the information to make an informed decision. It was decided to use the 3,500 gallon figure of sewer usage per user per month for Kachemak City residents. It was based on precedent and no hard information to go on. Kachemak City users have their water delivered or they are on wells; there is no way to assess the sewer usage figure. In the contract we are reducing the rate of sewer usage to Kachemak City users by a third - from 3,500 to 2,500 gallons per user. As a representative of the City of Homer when he thinks of an external user group, city residents should have a benefit for a system they pay for. He would like to err on the side of financial conservatism when charging for water and sewer outside of the city. He has received input from Kachemak City residents that they should be charged a fair price. There are lots of options: to meter the one flow in from all of Kachemak City. Some Kachemak City users are using far less than 3,500 gallons per month and some are using way more. Council should have a larger discussion. Also in the contract is the City's obligation to hire a third party consultant to act as an arbitrator. He sees big dollar signs and smiling attorneys.

Councilmember Roberts concurs with the concerns of Councilmember Burgess and is not ready to vote. She ultimately wants to pass a contract for Kachemak City, but first we should examine how much sewage they are sending into the system.

ROBERTS/BURGESS – MOVE TO POSTPONE UNTIL AFTER WE HAVE A WORKSESSION.

The Clerk will send out a meeting invitation.

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

Motion carried.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 14-021**, A Resolution of the Homer City Council Approving an Economic Development and Tourism Marketing Agreement Between the City of Homer and the Homer Chamber Of Commerce. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 14-021 by reading of title only.

ZAK/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 14-023**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Donation of a Life-Size Bronze Bust of Brother Asaiah Bates by an Anonymous Donor and Created by Homer Artist Leo Vait for Permanent Placement in WKFL Park. City Clerk/Public Arts Committee.

Memorandum 14-016 from Public Arts Committee as backup.

Memorandum 14-018 from Parks and Recreation Advisory Commission as backup.

Mayor Wythe called for a motion for the adoption of Resolution 14-023 by reading of title only.

ZAK/ROBERTS – SO MOVED.

LEWIS/ROBERTS – MOVED TO POSTPONE AND REFER TO THE PUBLIC ARTS COMMITTEE TO HOLD PUBLIC MEETINGS AND COME BACK TO COUNCIL WITH A CONSENSUS AS TO WHAT SHOULD BE DONE WITH THE STATUE AND WHERE IT SHOULD BE PLACED.

The next Public Arts Committee meeting is February 13.

Artist Leo Vait has a spot for casting in early March. He can still complete the statue if a decision is made by May.

Councilmember Burgess voiced his apprehension about placing a statue of a person with a religious association in a public place. As a secular organization we are treading on thin water. The feedback he received was that Brother Asaiah's philosophy was better immortalized than he was in human. We need to heed the public's input.

LEWIS/ROBERTS - MOVED TO BRING THE RESOLUTION BACK TO THE SECOND MEETING IN MARCH (MARCH 24) WITH A RECOMMENDED CONSENSUS OF WHERE THIS SHOULD BE PLACED.

There was no discussion.

VOTE: (amendment) YES. ZAK, VAN DYKE, LEWIS, ROBERTS

VOTE: NO. BURGESS

Motion carried.

VOTE: (postponement) YES. LEWIS, ZAK, ROBERTS, VAN DYKE

VOTE: NO. BURGESS

Motion carried.

- C. **Resolution 14-024**, A Resolution of the City Council of Homer, Alaska, Awarding the Contracts for Park Signage to Handpainted Designs by Dan Coe of Anchor Point, Alaska, in the Amount of \$1,650.00 for Jeffrey Park, Bayview Park, and Louie's Lagoon; to Lost Things Designs of Homer, Alaska, in the Amount of \$1,360.00 for the Jack Gist Park; and Approving the Uniform Sign Design Criteria as Standards for All City Parks, Trails, Beaches, and Recreational Areas. City Clerk/Public Arts Committee.

Memorandum 14-019 from Parks and Recreation Advisory Commission as backup.

Mayor Wythe called for a motion for the adoption of Resolution 14-024 by reading of title only.

LEWIS/ROBERTS - SO MOVED.

Councilmember Zak declared a potential conflict of interest as he buys things from Dan Coe. Mayor Wythe ruled there was not a conflict since Dan Coe did not buy things from Councilmember Zak. There was no objection from the Council.

Councilmember Van Dyke declared a potential conflict of interest as Dan Coe has his car fixed in his shop. Councilmember Van Dyke has not derived more than \$500 per occurrence or more than \$5,000 in a year for car repairs. Mayor Wythe ruled there was not a conflict and there was no objection from the Council.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Lindianne Sarno, city resident and Recreate Rec, commented on the HERC building. It is now called Homer Heritage High School and they want to save the building and operate it as Kachemak Bay Community Center for culture, arts, recreation, education, and economic development programs.

Ken Castner, city resident, supports the new harbor building. We need to agree what our values are. The CIP is the community's and he would like to see a better comprehensive approach in the CIP and expenditures. He turned in the Home Rule petition today with more than enough signatures.

Tony Burgess, city resident, urged Council to explore a locally or regionally public funded health insurance, sharing the risk with cities or the borough. There is an opportunity to make a remarkable statement of community values with a more coherent and compassionate approach to the welfare of our citizens.

Charles Davis, city resident, commented we are running an inefficient government that costs more money and hurts the low income people. We need to have a much more efficient operation with no more taxes on food.

Jeanne Parker, city resident, asked why the placement of the public safety building was so high on the CIP and came out of the blue. The HERC building is very important to her as it has the nicest gym floor in town. She would not want it torn down to build a new public safety building.

Ginny Espenshade, city resident, appreciates the efforts of finding a consensus to place the Brother Asaiah statue. She suggested a borough-wide recreational area funded by a small property tax increase.

Larry Slone, city resident, told Council there are alternative methods of funding the City's requirements. Gears of the government are beginning to slip and get gummed up with confusion, uncertainty, suspicion, and personal vendettas. The Citizens Academy may help get the City back on track.

Michael Kennedy, city resident, believes it is a bad idea to appeal the Castner lawsuit over natural gas. It has opened avenues for other inequities in the system. It is discriminating against Anchor Point to only allow 99603 zip code commissioners and would be a rule for only one commission and not the others. We are quibbling over \$300,000 for parks and rec yet talking \$15M for police and fire, something a town of 5,000 people cannot afford.

Ken Landfield, city resident, commented the \$15M for police and fire could include room for an arts and cultural facility. He appreciates there will be a community wide conversation on the statue of Brother Asaiah.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson announced the upcoming Citizens Academy.

COMMENTS OF THE CITY MANAGER

City Manager Wrede commented on the proposed amendment to limit commissioners to the 99603 zip code. Cutting out Anchor Point would cut out a lot of commissioners. As to the procurement policy, one guy comes to every meeting saying we don't follow the procurement policy. The first question City Manager Wrede asks department heads if we are going sole source is if we have a good reason. The policy needs to be rewritten, as it is a little outdated. For increased revenues there are ways outside the box. Maybe we should have a community discussion. Charlie Davis raised one, increasing the \$500 limit on sales tax. It hasn't been raised

since 1964. We asked the Borough to look into this and the estimated tax revenue is estimated at \$700,000 to \$800,000, about the same as reinstating sales tax on nonprepared food. There is a required ratio between property and sales tax with 6 mils being the limit. Sales tax is our biggest revenue source. The first meeting on the group working with the recreation needs assessment was held. There are strong feelings about keeping the HERC building, especially the gym. The site for the Public Safety building is not blocked in stone. The engineers will look at all the sites identified. The HERC site was preferred since the City already owns it and it has gas and utilities. Council has talked about the HERC building quite a bit and has looked at the costs to fix it up and tear it down. We have talked about getting together with contractors or cost estimators where improvements could be phased in. There is still a lot of debate to be had about the HERC.

COMMENTS OF THE MAYOR

Mayor Wythe commented to do anything different to the HERC building from the current classrooms, it has to be brought up to code. The \$7M estimate to do that could be used to build a new building. We do not have \$200,000 a year to expend just to keep it open. We do not have money for parks and recreation. The Public Safety building has been on the CIP for a number of years. It was elevated since there are potentially funds available. It is a five year project and we need to move forward. The existing public safety buildings are not meeting the needs of the community; they do not have adequate space. Public safety is a number one responsibility of a First Class city. We are not asking the community to come up with \$15M. Mayor Wythe congratulated Fire Chief Painter on his acceptance to the FEMA academy and Finance Director Li for the good audit report. Council is committed to doing a long range strategic plan and we need to get it on the agenda sooner than later. The meetings will be open to the public. There are currently two openings on the Public Safety Building Review Committee.

COMMENTS OF THE CITY COUNCIL

Councilmember Lewis commented he keeps bringing up the sales tax to bring Mike (Kennedy) here to keep him from doing other things. The college rented the HERC building for a number of years paying \$60,000 a year and performed the maintenance work on it. That is what kept the Boys and Girls Club there. Tomorrow night is senior night at the hockey rink with the high school hockey team. They beat SoHi the last two games and are playing Kenai. He invited people to come out and watch the game.

Councilmember Burgess said the City does work hard to honor the bid and procurement policy, but it could use a good revamp. If you are a member of the business community and have things to offer, please email him. The CIP process is quite inclusive with feelers sent to the commissions and non-profits. Council then prioritizes the list as to where we can get funding. A new public safety building is being sought, as it is a good opportunity for the State to supply funding without spending our own tax dollars. The site is not set in stone and HERC is not on the verge of getting demolished. It costs more money to remodel the HERC than it would cost to build something new. Council doesn't want to tear down the building or get rid of it unless it

has a means to do so. We are limiting ourselves by not exploring more building site options. We need to think outside the box for feasible options that the community can get behind.

Councilmember Van Dyke commented the port does need the new building. Although he is set in his ways that it should be done within the budget, he can bend.

Councilmember Zak commented tonight is an excellent example of why we serve on the council. It is the characters that make up the community. A meeting ago we learned the drift netters were affected by changes to Area 1A; city representatives are going to talk to the Board of Fisheries. That is **W**isdom. We gained **K**nowledge when Kachemak Bay Research Reserve shared the importance of their organization and the need to keep the economic base strong. We have **F**aith by Lisa Roberts' presentation of the United Way, and **L**ove for the little girl with the congenital heart condition and the many ways the community reaches out to the citizens. It is a unique and wonderful community with all those elements and the citizens all working together to bring it together. The budget process worked well; we have to make tough decisions.

Councilmember Roberts congratulated Fire Chief Painter for being selected for the FEMA academy. She worked with him on the Emergency Operation Plan last year. She thought the Borough Assembly had to raise the \$500 sales tax limit. During budget time a lot of people came to us asking for things and Council felt frustrated. There were a lot of comments on the sales tax and people are adamantly opposed to sales tax, yet people want recreation. Everyone needs to remember we don't know how we are going to do it. The Citizens Academy is about to come to fruition with city employees giving a lot of their time to explain their functions.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 9:49 p.m. The next Regular Meeting is Monday, February 10, 2014 at 6:00 p.m., Committee of the Whole 5:00 p.m., and a Worksession at 4:00 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: _____