

Session 15-29 a Regular Meeting of the Homer City Council was called to order on September 28, 2015 at 6:00 p.m. by Mayor Pro Tempore Francie Roberts 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, REYNOLDS, ROBERTS, VAN DYKE, ZAK  
(telephonic)

ABSENT: LEWIS (excused)

STAFF: CITY MANAGER KOESTER  
CITY CLERK JOHNSON  
ASSISTANT CITY MANAGER LAWRENCE  
FINANCE DIRECTOR LI  
PORT AND HARBOR DIRECTOR HAWKINS  
PUBLIC WORKS DIRECTOR MEYER

Mayor Wythe and Councilmember Lewis have requested excusal.

Mayor Pro Tempore Roberts ruled Councilmember Lewis' absence as excused. There was no objection from the Council.

Councilmember Zak has requested telephonic participation.

Mayor Pro Tempore Roberts called for a motion to allow Councilmember Zak to participate by telephone.

REYNOLDS/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Pro Tempore Roberts welcomed the Homer High School government class.

Council met for a Worksession from 4:02 p.m. to 4:36 p.m. for Strategic Doing. Larry Persily, Kenai Peninsula Borough, provided an update on the AKLNG Project and the Council heard an update on the Deep Water Dock. Council met as a Committee of the Whole from 5:00 p.m. to 5:49 p.m. to hear a presentation on towers from City Planner Abboud in relation to Ordinance

14-18(A). Preliminary Budget Assumptions, Revenue Solutions: Town Hall Meeting Update was deferred to the October 12<sup>th</sup> meeting. Consent and Regular Meeting Agenda items were discussed.

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: **RESOLUTIONS - Resolution 15-084**, A Resolution of the Homer City Council Adopting the 2016-2021 Capital Improvement Plan and Establishing Capital Project Legislative Priorities for State Fiscal Year 2017. Mayor/City Council. Written public comments. **Resolution 15-085(S)**, A Resolution of the Homer City Council Awarding the Sale of the Waddell Way Cabins to Guy Rossi of Homer, Alaska, in the Amount of \$92,789.91 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Memorandum 15-160(S) from Public Works Director as backup. Memorandum 15-164 from City Clerk, Re: Request for Executive Session Pursuant to AS 44.62.310(A-C)(1&5) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Attorney /Client Privilege (Castner vs. City of Homer Proposal for Settlement). A second public comments period after Comments of the City Attorney was added.

REYNOLDS/VAN DYKE - MOVED TO ADOPT THE AGENDA AS AMENDED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

Gart Curtis, city resident, spoke on Resolution 15-084. He approves of the Boat House Pavilion on the Spit as a gathering space to wait for people, sit down, and get out of the rain. It will enhance the harbor's maritime culture, overslope development, and values of surrounding properties. It is a community funded project with The Homer Foundation as the fiscal sponsor and has support from both the Port and Parks and Recreation Advisory Commissions.

### **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 14, 2015. City Clerk. Recommend adoption.
- B. **Ordinance 15-35**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 1.08.020, Enactment Procedures, to Authorize the Introduction of Ordinances by the City Clerk. City Manager. Recommended dates: Introduction September 28, 2015, Public Hearing and Second Reading October 12, 2015.
- C. **Resolution 15-082**, A Resolution of the City Council of Homer, Alaska, Expressing Support for the Pratt Museum's Grant Request in the Amount of \$1.65 Million for its New Facility. Reynolds/Roberts. Recommend adoption.
- D. **Resolution 15-083**, A Resolution of the Homer City Council Amending the 2015 Meeting Schedule for the December City Council Meeting to Be Held on December 7, 2015. Mayor. Recommend adoption.
- E. **Memorandum 15-156**, from Deputy City Clerk, Re: Confirmation of Election Judges for the Regular City of Homer Election October 6, 2015. Recommend adoption.
- F. **Memorandum 15-157**, from City Clerk, Re: Deferred Assessments for the Homer Natural Gas Special Assessment District. Recommend adoption.

Mayor Pro Tempore Roberts called for a motion for the approval of the recommendations of the consent agenda as read.

BURGESS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## VISITORS

## **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS**

### A. Borough Report

Assembly Member Kelly Cooper thanked the Council for allowing the Kenai Peninsula Borough Assembly use the council chambers for their September 15<sup>th</sup> meeting. At that meeting the Assembly approved the purchase of Homer Medical Center for South Peninsula Hospital. SPH owns the practice and now they have purchased the building. The Assembly has received a report from the Marijuana Task Force who continues to meet and give feedback to the state board as the legislation comes along. The Health Care Task Force has started meeting monthly. They have representatives from the entire borough to include business people, two assembly members, Bill Smith, physicians, and the CEO's of both hospitals. There is a subcommittee for the primary care portion of health care reform. The meetings are open to the public and testimony is heard. The minutes are available on the borough website. The Assembly is continuing their review of the tax code. She is sympathetic to the Council and hears them and will do her best to help them meet their goals for the budget.

### B. **Mayor's Recognition** - Alaska Recreation & Parks Association Day and ARPA's 40<sup>th</sup> Anniversary

Mayor Pro Tempore Roberts read and presented the recognition to Mike Illg, Community Recreation Coordinator.

Mike Illg announced the upcoming Alaska Recreation and Parks Association Conference in Homer October 7 – 10 at Land's End. Governor Walker and First Lady Donna will be in attendance.

### C. **Mayor's Proclamation** – 2015 Breast Cancer Awareness Month

Mayor Pro Tempore Roberts read and presented the proclamation to Kachemak Bay Family Planning Clinic.

### D. **Executive Proclamation by Governor Bill Walker** – First Responder Appreciation Day, September 27

### E. **Prince William Sound Regional Citizens' Advisory Council** – Report by Robert Archibald

- F. Commissions/Board Reports:
1. Library Advisory Board
  2. Homer Advisory Planning Commission
    - a. Minutes of August 19, 2015
  3. Economic Development Advisory Commission
  4. Parks and Recreation Advisory Commission
  5. Port and Harbor Advisory Commission
  6. Cannabis Advisory Commission

Don Stead, Cannabis Advisory Commissioner, reported the last packet was a compilation of all the regulations from the State. The CAC has compiled comments to provide to the State. The CAC will be starting on planning regulations. He referenced the map within council chambers that defines cannabis buffers around parks and schools and restricted areas the CAC plans to propose. Their focus has been keeping cannabis out of the hands of minors.

## **PUBLIC HEARING(S)**

- A. **Ordinance 15-32**, An Ordinance of the Homer City Council Amending Homer City Code 7.04.030, Traffic Fine Schedules, and Homer City Code 7.06.020, Use of Jake Brakes Prohibited, to Substitute a Generic Term for the Trademarked Term “Jake Brake,” and to Prohibit the Use of Improperly Muffled Engine Brakes. City Manager. Introduction September 14, 2015, Public Hearing and Second Reading September 28, 2015.

Mayor Pro Tempore Roberts opened the public hearing. In the absence of public testimony, Mayor Pro Tempore Roberts closed the public hearing.

Mayor Pro Tempore Roberts called for a motion for the adoption of Ordinance 15-32 by reading of title only for second and final reading.

BURGESS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 15-33**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Code Blue Grant From the State of Alaska in the Amount of \$95,500 and Appropriating the Required Local Match in the Amount of \$84,500 for Replacement of Medic 1 and Authorizing the City Manager to Execute the Appropriate Documents. Burgess. Introduction September 14, 2015, Public Hearing and Second Reading September 28, 2015.

Mayor Pro Tempore Roberts opened the public hearing. In the absence of public testimony, Mayor Pro Tempore Roberts closed the public hearing.

Mayor Pro Tempore Roberts called for a motion for the adoption of Ordinance 15-33 by reading of title only for second and final reading.

BURGESS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Ordinance 15-34**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a 2015 State Homeland Security Program Grant From the Division of Homeland Security and Emergency Management (DHS&EM) in the Amount of \$114,300 for a Backup Generator at the Homer Public Library and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction September 14, 2015, Public Hearing and Second Reading September 28, 2015.

Mayor Pro Tempore Roberts opened the public hearing. In the absence of public testimony, Mayor Pro Tempore Roberts closed the public hearing.

Mayor Pro Tempore Roberts called for a motion for the adoption of Ordinance 15-34 by reading of title only for second and final reading.

REYNOLDS/VAN DYKE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

**ORDINANCE(S)**

- A. **Ordinance 15-36**, An Ordinance Amending HCC 9.16.010 to Suspend the Dedication of 0.75% of the City Sales Tax to the Homer Accelerated Roads And Trails (H.A.R.T.) Program for a Period of Five Years, and Authorizing the City to Submit the Question of Suspending Such Sales Tax Dedication to the Qualified Voters of the City at a Special Election to Be Held in the City on \_\_\_\_\_. Mayor. Recommended dates: Introduction September 28, 2015, Public Hearing and Second Reading October 12, 2015.

Mayor Pro Tempore Roberts called for a motion for the adoption of Ordinance 15-36 for introduction and first reading by reading of title only.

REYNOLDS/ZAK – SO MOVED.

BURGESS/REYNOLDS – MOVED TO POSTPONE TO OUR NEXT REGULARLY SCHEDULED COUNCIL MEETING.

Councilmember Burgess would like a larger discussion with the Mayor and Councilmember Lewis. He cautioned introducing the ordinance that precludes other revenue options that were popular with the public. The availability of HART funds represents the failure of the City and the Council to use the funds. Without the collection of HART funds for the next five years, it is limiting our long term ability to create financial situations to increase sales and property taxes.

Councilmember Reynolds expressed approval of combining the ordinance with another revenue option at the next meeting although she will be absent.

Mayor Pro Tempore Roberts expressed opposition to the postponement since the budget is usually completed by December 10<sup>th</sup>. Postponing the ordinance will not allow anything to happen in this fiscal year and we need to help the City Manager make a balanced budget.

Councilmember Zak is reluctant to postpone and supports voting on it tonight as it is critical funding for the budget.

City Manager Koester advised the Council if they want to combine a revenue option with a run-off election it would need to be introduced today with second reading on October 12<sup>th</sup>. There are lots of arguments against the tight turnaround and asking the voters to come back to the polls in close proximity. October 12<sup>th</sup> and 26<sup>th</sup> meetings will allow ordinance introduction and second reading timely for a special election on December 1<sup>st</sup>. It is a difficult time for staff in the Clerk's office and absentee voting will fall over Thanksgiving.

VOTE: (postponement) YES. BURGESS

VOTE: NO. ROBERTS, REYNOLDS, ZAK, VAN DYKE

Motion failed.

Councilmember Burgess expressed concern of the short notice to the voters. If we want to generate support we owe it to the public to provide a 45-day advance notice. It will still accommodate the goal of passing a balanced budget for 2016. Another revenue source generated nearly as much support. When the City annexed properties we have not delivered on city services. HART is the only pot of money that should make good for city services. It is a short term solution that will create more long-term revenue concerns for the community.

Councilmember Reynolds agreed on the importance of preserving HART long term. The ordinance suspends the collecting of the sales tax; we could use the \$7M accrued. She prefers reducing the time to two or three years to allow time to implement revenue through the Borough with a tax.

VAN DYKE/REYNOLDS - MOVED TO AMEND TO SUSPEND THE HOMER ACCELERATED ROADS AND TRAILS PROGRAM FOR A PERIOD UP TO FIVE YEARS, AND INCLUDE ALL PARALLELLING LANGUAGE.

Councilmember Burgess expressed opposition as it might as well be five years. There needs to be a legal mechanism in place to decide when the "up to" amount actually happens.

Mayor Pro Tempore Roberts deferred to City Clerk Johnson about the amended language. City Clerk Johnson suggested the attorney review the amendment.

City Manager Koester advised she asked the attorney how HART could be instituted earlier than the five-year window. The solution would be the Council appropriating funds to HART. It is legally binding by the voters and would sunset after five years. At any time the Council could put funds into the HART fund, but the Council can't reverse it. City Manager Koester expressed concern with a short three-year window and putting staff and the community through the painful budget crunch process. She is concerned about not being able to focus on other important priorities. In looking at the direction the State is headed we will be looking at less revenue in the future. It may be impacting us more heavily in the next five years, although there is no way to predict the future.

Councilmember Burgess commented if we are suspending HART as a stop gap measure to pass a balanced budget without implementing drastic cuts, it should be a temporary solution. If the goal is to dissolve HART then we should make that call. In an attempt to move forward in a predictable fiscal environment, eight years ago the Council decided to underfund depreciation accounts. Now we are deciding to steal from funds we haven't been spending as we should to help the people we told would be benefitted by the fund. There needs to be an honest discussion.

Mayor Pro Tempore expressed opposition to the amendment, but would consider three years.

VAN DYKE/BURGESS – MOVED TO AMEND THE AMENDMENT TO STRIKE THE UP TO FIVE AND REPLACE WITH THREE YEARS.

There was no further discussion.

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

Motion carried.

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

VOTE: NO. BURGESS

Motion carried.

## **CITY MANAGER'S REPORT**

- A. City Manager's Report
  - 1. Memorandum 15-162 from City Attorney, Re: Election Issues

### **Changes to Council Packets**

After attending the Borough Assembly meeting that was held in Homer, Councilmember Reynolds recommended instituting a cover sheet similar to the one the Borough uses for to help the public better understand the meeting process and when to comment. Mayor Wythe and I talked about developing some short titles for Resolutions and Ordinances that could help the public follow what item the Council is referring to beyond the resolution and ordinance number. City Clerk Johnson and I are working on these updates to improve the public's ability to follow and contribute to Council proceedings and plan to implement in October. Please let us know if there are other recommendations you feel would be helpful.

### **Winter Road Maintenance Privatization Considerations**

At the request of Councilmember Lewis, Superintendent Gardner drafted the attached memo outlining the consequences of privatizing winter road maintenance. In summary, city of Homer equipment operators do much more than plow and sand streets. When not plowing roads and sanding streets there is a long list of necessary maintenance activities the equipment operators perform that range from utility locates to ditch clearing. If winter road maintenance were privatized, these activities would still have to occur. Having the flexibility to respond to winter road conditions with the same employees that perform many other maintenance helps ensure that the City gets the most out of these talented employees.

City Manager Koester thanked Councilmember Reynolds for the suggestions on making the public council packet better. She referenced the memorandum on contracting winter road maintenance with a private company. Stantec is the team of consultants working on the public safety building outreach. They are in town this week doing public outreach surveys at the grocery stores and will be hosting a public meeting Wednesday, September 30<sup>th</sup> from 5:30 p.m. to 7:00 p.m. in council chambers.

City Clerk Johnson reported with a successful election, candidates would be sworn in on October 20<sup>th</sup> and Councilmember Roberts would be leaving office after October 12<sup>th</sup>. Votes cast in the election will be divided in half with two seats. With six candidates we will compute the percentage each candidate receives. Each candidate will need 20% of votes cast to avoid the run-off.

## **CITY ATTORNEY REPORT**

### **COMMITTEE REPORT**

- A. Public Arts Committee

- B. Permanent Fund Committee
- C. Employee Committee Report
- D. Public Safety Building Review Committee
- E. Vessel Haul-Out Task Force
- F. Sustainable Animal Control Review Committee

### **PENDING BUSINESS**

### **NEW BUSINESS**

- A. **Memorandum 15-164**, from City Clerk, Re: Request for Executive Session Pursuant to AS 44.62.310(A-C)(1&5) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Attorney /Client Privilege (Castner vs. City of Homer Proposal for Settlement).

REYNOLDS/BURGESS - MOVED TO MOVE THIS LATER IN THE AGENDA SO EVERYONE IN THE AUDIENCE DOES NOT NEED TO SIT THROUGH THE ADJOURNMENT UNLESS THEY DESIRE TO; I SUGGEST WE MOVE IT TO AFTER ITEM 16 COMMENTS OF THE AUDIENCE.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **RESOLUTIONS**

- A. **Resolution 15-084**, A Resolution of the Homer City Council Adopting the 2016-2021 Capital Improvement Plan and Establishing Capital Project Legislative Priorities for State Fiscal Year 2017. Mayor/City Council.

Memorandum 15-158 from Assistant City Manager as backup.

Mayor Pro Tempore Roberts called for a motion for the adoption of Resolution 15-084 by reading of title only.

BURGESS/REYNOLDS – SO MOVED.

BURGESS/REYNOLDS - MOVED TO AMEND TO INCLUDE THE BOAT HOUSE PAVILION AND PLAZA TO THE LIST.

Councilmember Burgess expressed appreciation of the project that has lots of merit, keeps public spaces out of the way, and adds economic value to existing businesses. It is a great location and has potential for funding with community support.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Discussion on the priority of the Barge Mooring Facility over the Harbor Sheet Pile Loading Dock ensued.

City Manager Koester pointed out the Harbor Sheet Pile Loading Dock has received \$350,000 funding from the Legislature. Both projects are important to service the fleet and increase capacity at the harbor. The Harbor Sheet Pile Loading Dock is being designed now and there will be some funds left over that need to go into build. The Barge Mooring Facility is continuing as a project.

Councilmember Zak suggested the Harbor Sheet Pile Loading Dock or Storm Water Master Plan since they are more likely to be funded this year. He would like to see those projects moved up to positions 1 and 2. He does not see a benefit this year of having the Public Safety Building taking the first spot on the CIP.

BURGESS/REYNOLDS - MOVED TO REMOVE THE MARINE WAYS LARGE VESSEL HAULOUT FACILITY FROM OUR CIP LIST.

Councilmember Burgess commented the task force and staff recommended removing the project. We are addressing this in other ways with the barge haul-out and sheet piling loading. The East Boat Harbor expansion would interfere with that area. The haulout facility is best removed and brought back in a redesigned form later.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

REYNOLDS/ZAK - MOVED TO ADD THREE NEW PROJECTS TO THE CIP LIST: TWO NEW CITY OF HOMER PROJECTS - BOAT HOUSE PAVILION AND PLAZA ON THE HOMER SPIT AND MULTI-USE COMMUNITY CENTER AND ONE PROJECT BY A NON-CITY ORGANIZATION WHICH IS THE HOMER SENIOR CITIZENS ALZHEIMER'S UNIT BROUGHT BY THE SENIOR CENTER.

The Boat House Pavilion and Plaza on the Homer Spit was previously approved.

VOTE: NO. REYNOLDS, ROBERTS, VAN DYKE, ZAK, BURGESS

Motion failed.

REYNOLDS/ZAK - MOVED TO INTRODUCE THE MULTI-USE COMMUNITY CENTER TO THE CIP LIST.

Councilmember Reynolds noted several councilmembers made a commitment to the community when we were discussing the public safety building that we would not let the need for a new community recreation center to fall by the wayside. It is an important project we can start working towards in the long term.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ZAK/VAN DYKE – MOVED TO REMOVE THE PUBLIC SAFETY BUILDING FROM THE #1 POSITION, MOVING IT DOWN TO #3.

Councilmember Zak doesn't foresee any federal or state funds so it should not occupy the #1 position on the CIP this year.

Councilmember Burgess commented the CIP is not an outline of things the City is to commit financial resources to, but rather a way of garnering funding from federal or state. That is the rationale for leaving in #1; there is not another project to put in #1. The public safety building is a critical need and is the core of what the City provides, making it more likely to get money for the project.

Councilmember Zak expressed the need to show the public that we are listening. There are a lot of people concerned about it being over designed. We have spent money to get to the design phase and for him to get behind the project he will need a reasonable definition of what the building is. Now is a good opportunity to put storm water drainage ahead of this; the public safety building could be prioritized in years when it becomes more realistic.

Councilmember Reynolds agreed storm water drainage is a more accessible number, but it is important with the work that has gone into the public safety building not to demote it too far. More discussion is needed on the design.

Councilmember Burgess noted funding for a large project item is contingent on its ranking on the CIP. Nobody wants to pay for public safety until you need it. We don't need to spend any more money on this now. The core responsibility of the City is to take care of its citizens. Who knows what the actual cost will be in the end.

VOTE: YES. ZAK

VOTE: NO. VAN DYKE, REYNOLDS, ROBERTS, BURGESS

Motion failed.

ZAK/REYNOLDS – MOVED TO MOVE ALASKA MARITIME ACADEMY TO LONG-RANGE PROJECT.

Asked what we gain by keeping the Alaska Maritime Academy as a project, Port and Harbor Director Hawkins answered we gain the benefit of keeping it as a city project, but it keeps our focus on projects that will have a better chance of funding. The maritime academy goes to the national level. It is a decision if federal funding will be used for another maritime academy on the west coast. There are two academies on the west coast, one in Washington and one in California. It is a big undertaking to pull the project and he has serious doubts funding is available with the current climate.

VOTE: YES. ZAK, VAN DYKE, ROBERTS

VOTE: NO. BURGESS REYNOLDS

Motion failed.

BURGESS/REYNOLDS - MOVE TO DESIGNATE THE PUBLIC SAFETY BUILDING AND THE EAST BOAT HARBOR AS OUR TOP TWO FEDERAL PRIORITIES.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

BURGESS/REYNOLDS – MOVE THAT THEY BE PRIORITIZED AS PUBLIC SAFETY BUILDING #1 AND EAST BOAT HARBOR #2.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Projects that have been funded are removed by staff when the final CIP is made.

REYNOLDS/ZAK – MOVED TO ADD HOMER SENIOR CITIZENS ALZHEIMER’S UNIT BROUGHT BY THE SENIOR CENTER.

The project will go into the list of projects for which local non-profit organizations are seeking funding.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

BURGESS/REYOLDS - MOVED TO POSTPONE RESOLUTION 15-084 TO OCTOBER 12<sup>TH</sup>.

There was no discussion.

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

Motion carried.

- B. **Resolution 15-085**, A Resolution of the Homer City Council Awarding the Sale of the Waddell Way Cabins to the Highest Bidder of Homer, Alaska, in the Amount of the Highest Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 15-160 from Public Works Director as backup.

**Resolution 15-085(S)**, A Resolution of the Homer City Council Awarding the Sale of the Waddell Way Cabins to Guy Rossi of Homer, Alaska, in the Amount of \$92,789.91 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 15-160(S) from Public Works Director as backup.

Mayor Pro Tempore Roberts called for a motion for the adoption of Resolution 15-085 by reading of title only.

REYNOLDS/VAN DYKE - SO MOVED.

Mayor Pro Tempore Roberts called for a motion to substitute Resolution 15-085(S) for 15-085.

REYNOLDS/VAN DYKE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

- C. **Resolution 15-086**, A Resolution of the City Council of the City of Homer, Alaska, Calling for a Special Election to Be Held in the City on \_\_\_\_\_, for the Purpose of Submitting to the Qualified Voters of the City a Proposition to Suspend the Dedication of 0.75% of the City Sales Tax to the Homer Accelerated Roads and Trails (H.A.R.T.) Program for a Period of Five Years. Mayor.

Memorandum 15-163 from City Clerk and City Manager as backup.

Mayor Pro Tempore Roberts called for a motion for the adoption of Resolution 15-086 by reading of title only.

REYNOLDS/VAN DYKE - SO MOVED.

BURGESS/REYNOLDS - MOVED TO AMEND EVERYWHERE IT APPEARS FIVE YEARS TO THREE YEARS.

There was no discussion.

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

Motion carried.

REYNOLDS/VAN DYKE - MOVED TO POSTPONE THIS RESOLUTION TO THE NEXT SCHEDULED MEETING.

There was no discussion.

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

Motion carried.

### **COMMENTS OF THE AUDIENCE**

Michael Armstrong, Homer News reporter, questioned if this was a continued Executive Session from a previously scheduled session. He does not see this as properly noticed and he objected.

Kim Smith, city resident, agreed with Councilmember Burgess' thoughts on the HART funds. We have been paying into the fund with no noticeable improvement. Roads and trails help our economy. She sees the need to shift funds to balance the budget and welcomes looking at revenue systems that will help the community function. She supports the employees and

services and would like to see revenues increased. Council should be brave and look at a bed tax and seasonal tax.

## **NEW BUSINESS**

- A. **Memorandum 15-164**, from City Clerk, Re: Request for Executive Session Pursuant to AS 44.62.310(A-C)(1&5) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Attorney /Client Privilege (Castner vs. City of Homer Proposal for Settlement).

Mayor Pro Tempore Roberts called for a motion to go into Executive Session.

REYNOLDS/BURGESS - SO MOVED.

Council questioned if it was a time sensitive issue to hear tonight and the legality of holding an Executive Session without prior public notice on the agenda.

City Manager Koester stated City Attorney Klinkner requested that it be taken care of this evening and advised against postponement. Mr. Castner's attorney will be taking an extended absence.

City Clerk Johnson stated Council can hold an Executive Session at any time in a meeting without prior notice. Councilmember Zak is not eligible to participate due to his telephonic status.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

REYNOLDS/VAN DYKE – MOVE TO ADJOURN INTO EXECUTIVE SESSION.

There was no discussion.

VOTE: YES. BURGESS, REYNOLDS, ROBERTS, VAN DYKE

Motion carried.

The Council adjourned to Executive Session at 7:32 p.m. and reconvened the meeting at 7:48 p.m.

Councilmember Burgess stated we met with our attorney to discuss the Castner case and gave guidance to our attorney on how to proceed.

BURGESS/REYNOLDS - MOVED TO ACCEPT MR. CASTNER'S SETTLEMENT OFFER OF \$42,500.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **COMMENTS OF THE CITY ATTORNEY**

City Attorney Klinkner was not present.

### **COMMENTS OF THE AUDIENCE**

Michael Armstrong, Homer resident, referenced former City Attorney Gordon Tans' opinion on Executive Sessions. Although notice of a public meeting was made, he suggested someone say that the Council is allowed to go into Executive Session.

### **COMMENTS OF THE CITY CLERK**

City Clerk Johnson announced the upcoming election on October 6<sup>th</sup> with the polls open from 7:00 a.m. to 8:00 p.m. Absentee voting is available at the Clerk's office Monday through Friday from 8:00 a.m. to 5:00 p.m. through election day.

### **COMMENTS OF THE CITY MANAGER**

City Manager Koester thanked the students in attendance and announced the student seats available on the advisory boards. Applications are available at the City Clerk's office.

### **COMMENTS OF THE MAYOR**

Mayor Pro Tempore Roberts thanked city council candidates Donna Aderhold, Heath Smith, Joni Wise, and Bob Howard for attending the meeting. She thanked the Homer High School government students for attending. If you are annexed by the City of Homer and pay property taxes you don't automatically get water and sewer. It is a special fund. Very few people heard the 4 p.m. meeting in which Larry Persily from the Kenai Peninsula Borough talked about the AKLNG project. There is a lot of information in the packet. It is a 10-year project that will bring between 8,000 to 9,000 people here. When Mr. Persily was queried about local hire, he indicated there was no local hire mandate. She asked the citizens to think of a state income

tax since we let a lot of our resources depart the state for free. People are getting big salaries from projects such as this with no benefit to us.

## **COMMENTS OF THE CITY COUNCIL**

Councilmember Van Dyke wished everyone a nice evening and thanked people for coming out.

Councilmember Zak complimented Francie for leading an excellent meeting and for sharing the input from Larry Persily on the AKLNG project. It is an important item that we need to stay abreast of. When he was arguing to move the public safety building down the list it would have been thinking in line of developing areas on the Spit to make it more useful. He is glad Larry Persily recommended someone from Homer attend the meetings to ensure our voice is heard that we are open for business. From a strategic standpoint we want to be considered in the logistics involved with the whole large deal that has huge impacts to the whole state.

Councilmember Reynolds will not be at the October meetings. She thanked Councilmember Roberts for nine years of thoughtful, caring leadership on the City Council and as Mayor Pro Tem. On a personal level, she has been a great mentor and colleague to her both with the Council and on the KBBI board. She hopes she enjoys the free time that opens up now that she doesn't have all the council work, even if she does have to stick it out through October. Unfortunately for us, Francie is leaving the council at a time when we would really benefit from her big picture view, attention to detail with numbers and dollars, and her understanding and compassion for our whole community. Homer and the State of Alaska are facing a fiscal crisis. Some of the conversations about budgetary cuts have started honing in on City staff, hours worked, pay rates and benefits, and on further cutting or reducing services. In the bigger picture and an aspect of current US economics very relevant to this discussion, here we are working hard against what seems like impossibilities at the local and state government level. But she thinks that the City and city residents' current fiscal problems are in large part caused by the national scene. National income and wealth inequalities are impacting us here at the end of the road. In 1999 the median U.S. household income adjusted to today's dollar was \$5,000 more than it is now. In Homer the difference between 1999 and 2013 was \$4,664 lower (\$42,500 in 1999 = \$59,536 adjusted to today's dollars, while the actual is \$54,872). In the past two years the 15 wealthiest people (that's fifteen individuals not 15% and two of them are the Koch brothers) have seen a combined increase in wealth of \$170 Billion. Their increase in wealth is more than what is owned by the bottom 40% of U.S. citizens. The increase in wealth for these 15 people is twice what is spent on nutrition programs that feed 40 million people across the country. Since 1995 the typical middle class U.S. family has experienced a 36% drop in income from \$130,000/year to \$81,000/year. The transfer of wealth from middle class and poor (which includes the vast majority of us here in Homer) to multi-millionaires and billionaires is unjust and obscene. In 1985 90% of the population held 36% of the nation's wealth, now that 90% holds just 23%. During the same period the top 1/10<sup>th</sup> of 1% saw their share increase from 10% to 22%. This is immoral and unsustainable, and is a huge part of what is undermining Alaskan individuals and the City of

Homer and the State's economy. Our community members are feeling financially pinched, and have noticed that increasing over time. Repeatedly she hears that it's local costs and taxes that are blamed for the feeling of reduced personal and business financial capability. However, in recent years taxes from the City and Borough have been relatively static or have decreased, in fact the last tax increase was in 2005, a 1% sales tax increase. This was paired with a 1 mill rate property tax decrease in 2005. In 2006 the City passed the exemption for property tax on primary residences (on the first \$20,000 of assessed value). Households have also benefitted from the suspension of sales tax on non-prepared food items. Also, the Alaska Permanent Fund Dividends have been significantly above average. Blaming hardship on local government is short-sighted and ultimately incorrect. The reason for our lower personal economic well-being and the reason it feels like our households have less disposable income is mostly a tale of national proportions. The dollar amounts we're paying attention to at the City of Homer are insignificant in comparison. The diminishing and reduction of services we are talking about will negatively impact all of us and will do so at the expense of our neighbors who work for the city. Economic development, both attracting new people and new business to move to Homer as well as enticing tourists to visit, relies on the City of Homer maintaining an attractive quality of life: including maintaining services at least at the level that they are currently. The Council and the City of Homer is seeking long-term solutions to resolve the budget shortfalls so the City will be sustainable and responsible...a huge part of long-term opportunity and stability is impacted by the national scene. Outside parties, and big oil companies sway our representatives in Washington and at the State level. Some candidates for City Council are advocating for slashing City services without truly understanding and considering the ramifications of their proposal. Some candidates are not acknowledging the severe cuts that have been in effect throughout the City of Homer in recent years. They are advocating for solving the current situation solely by a reduction in spending, presenting this as a solution that has not even been considered, let alone implemented, up to this point. This may sound appealing as an election platform, but has no grounding in reality and reflects a naivety especially when coupled with campaign promises to increase certain services.

Councilmember Zak expressed his objection to where this is going. Commenting on certain city council candidates is not appropriate.

Councilmember Reynolds apologized for her statements; she thought she was being broad enough by saying *some* candidates. It is important when we consider our options for President of the United States and the U.S. Senate and Congress over the next year and beyond, we need to make sure we don't vote against our own best interests. Here at the local level during our election on October 6<sup>th</sup> it is important to vote for candidates that recognize the complexities of the fiscal conundrum we face. She hopes everybody enjoys Homecoming this week, Go Mariners!, and the cross country are headed to state.

Councilmember Burgess expressed his appreciation at not having the longest closing comments. He supports a lot of what Catriona said. She is bold to say it and is feeling the burn as many of us are. If you want to look for dramatically cutting public services and public

spending, check out Greece. He hears things are going really well over there with a complete gutting of social services and the collectively owned portions of the economy. People are really loving it and tourism is way up. Wealth is economic activity that stays in the hands of people. We need to consider investing in our core infrastructure, investing in the things that give us the means to generate economic activity locally. That includes roads, water, and sewer. If we simply stop funding these things, they are the avenue to long-term growth. Looking back at the history of this country, our greatest economic expansions and activity were when we invested in the infrastructure projects such as the Interstate Highway Act and the CCC. When you invest in infrastructure and social capital it yields good dividends for society and that turnover is what has created an economic middle class and a wealthy class of people. There is a certain level of middle class economic activity below which doesn't sustain their vast corporate empires because there are no consumers to purchase the products manufactured thereby. Here at the end of the road we need to make sure the money stays here. If every economic activity we choose sends money out of Homer we are not creating a sustainable future for ourselves. He encouraged Catriona to talk about whatever she wants at a city council meeting. He appreciates the gentleman that came to speak to us about the LNG project and encouraged Katie to keep in contact with him and provide Council with regular updates. Don't be afraid to ask councilmembers to go up the road to advocate. Francie mentioned annexation water and sewer services; she is absolutely right. There is nothing about people outside the city who pay into water and sewer services directly. Councilmember Burgess moved to Homer right after annexation. There were lots of explicit and implicit promises to people in the annexed areas that when we annex you we are going to treat you like citizens of the city. There was a huge amount of discussion about bringing natural gas to Homer and that it was too expensive to bring to the outlying areas. It was suggested the gas just be brought to the core area. There were several people in support of that. The whole point of being in a city is to have the benefits of being in a city. It is not fair to pay the property taxes associated with being in a city and not receive the services. There is a lot more we can do with HART funds to improve road and trail access outside of the downtown core. People who are annexed and upset have a lot of right to be upset. As to Michael Armstrong's comments on the Executive Session, we are not going to adjourn to Executive Session unless there is a clear and essential need. It is unrealistic to constantly have to remind the public of the ins and outs of Robert's Rules of Order, of what we can and cannot do before our meeting. It is good to remind people that Council can adjourn into Executive Session at any properly noticed meeting. In his experience they would never do so unless there was a clear need to do so. He would like to encourage Mr. Castner to donate some of his awards to a local nonprofit of his choice. That might be a good use for those public monies. The single thing he will miss most about having Francie on council is the level of oversight and knowledge and detail she brings to the table. There are many times when nobody notices something very critical and Councilmember Roberts does. He admires that tremendously and will really miss her voice. She is getting out at the right time. Her expertise will be sorely missed.

**ADJOURNMENT**

There being no further business to come before the Council, Mayor Pro Tempore Roberts adjourned the meeting at 8:07 p.m. The next Regular Meeting is Monday, October 12, 2015 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: \_\_\_\_\_