

Session 16-24 a Regular Meeting of the Homer City Council was called to order on December 5, 2016 at 6:00 p.m. by Mayor Bryan Zak 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: ADERHOLD, ERICKSON, LEWIS, REYNOLDS, SMITH, STROOZAS

STAFF: CITY MANAGER KOESTER
CITY CLERK JOHNSON
CITY ATTORNEY WELLS
CITY PLANNER ABBOUD
LIBRARY DIRECTOR DIXON
PERSONNEL DIRECTOR BROWNING
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS SUPERINTENDENT GARDNER

Council met as a Committee of the Whole from 5:00 p.m. to 5:53 p.m. to discuss Consent 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: **PUBLIC HEARINGS - Ordinance 16-54**, An Ordinance of the Homer City Council Appropriating Funds for the Calendar Year 2017 for the General Fund, the Water Fund, the Sewer Fund, the Port/Harbor Fund, Capital Projects, and Internal Service Funds. City Manager. Written public comments. **NEW BUSINESS - Memorandum 16-195**, from City Clerk, Re: Vacation of a 20-foot Wide Public Trail Easement Centered Along an Unconstructed Pedestrian Trail That Traverses Lots 1-A and 1-B, as Depicted on Record of Survey Guy Waddell Subdivision No. 3 Junes Addition (HM 2009-40). Written documents from Kenai Peninsula Borough Planning.

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

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

A. Mayor's Recognition, Sherry Bess, Service to the Homer Animal Shelter

Police Chief Robl read and presented the recognition to Sherry Bess.

B. Daniel Zatz, South Peninsula Athletic and Recreation Center (SPARC), 2016 Alaska Community Award of Excellence

Mayor Zak read the community award for Daniel Zatz.

C. Mayor's Recognition, The Homer Foundation, Celebrating 25 Years of Community Philanthropy

Mayor Zak read the recognition and presented it to Homer Foundation representatives.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Ken Castner, city resident, supports Resolution 16-132. Funding for the Boathouse Pavilion was raised outside of granting. Concrete will be poured this winter and the structure is to be up before Memorial Day.

Nancy Lord, city resident, commented on Resolution 16-126. She suggested looking in the archives to find the work done previously by the Library Advisory Board on a service area for the Library.

Christina Hendrickson, Girdwood resident and representative of the Eyak Preservation Council, commented on the Navy exercises. She requested that the training exercise be moved to winter, specifically between the fall and spring equinox, for less impact to marine species.

Olga Von Ziegesar, Homer resident, commented on the Navy training exercises. NOAA has made a sanctuary that touches the northern edge of the practice area. Bird migrating, fish moving, whales migrating, dolphins, otters and seals are in full feeding mode in May.

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 November 21, 2016. City Clerk. Recommend adoption.
- B. **Memorandum 16-185** from Mayor Zak, Re: Appointment of Ingrid Harrald to the Parks Art Recreation and Culture Advisory Commission.
- C. **Memorandum 16-186** from Deputy City Clerk, Re: Liquor License Renewals for the Otter Room and Beluga Lake Lodge.
- D. **Ordinance 16-58**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.08.100 to Clarify That the Mayor Retains the Right to Cast a Tie-Breaking Vote Even When Attending a Council Meeting Telephonically. Lewis. Recommended dates: Introduction December 5, 2016, Public Hearing and Second Reading January 9, 2017.

Moved to Ordinances, Item A. Reynolds.

- E. **Resolution 16-124**, A Resolution of the City Council of Homer, Alaska, Establishing the 2017 Regular Meeting Schedule for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks Art Recreation and Culture Advisory Commission, Advisory Planning Commission, Port and Harbor Advisory Commission, and Cannabis Advisory Commission. City Clerk.

Memorandums 16-188, 16-189, 16-190, 16-191, 16-192, and 16-193 from City Advisory Commissions as backup.

- F. **Resolution 16-125**, A Resolution of the City Council of Homer, Alaska, Noting the Insufficiency of the Petition for Ocean Drive Loop Road Reconstruction and Paving Special Assessment District. City Clerk.

- G. **Resolution 16-126**, A Resolution of the Homer City Council Requesting the Library Advisory Board to Look Into How Non-City Residents Can Contribute to Library Operations. Erickson.

Memorandum 16-194 from Library Director as backup.

- H. **Resolution 16-127**, A Resolution of the City Council of Homer, Alaska, Disbanding the Public Safety Building Review Committee. Mayor.
- I. **Resolution 16-128**, A Resolution of the City Council of Homer, Alaska, Creating a Police Station Building Task Force and Establishing the Scope of Work and Parameters Under Which the Task Force Will Conduct Its Work. Mayor.

Moved to Resolutions, Item A. Lewis.

- J. **Resolution 16-129**, A Resolution of the City Council of Homer, Alaska, Requesting That the Parks, Art, Recreation and Culture Advisory Commission Explore a Suitable Venue to Display the Sister City Art Collection. Lewis.
- K. **Resolution 16-130**, A Resolution of the Homer City Council Confirming the City Manager's Appointment of Jo Johnson as Acting City Manager for Calendar Year 2017. City Manager.
- L. **Resolution 16-131**, 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.

Moved to Resolutions, Item B. Lewis.

- M. **Resolution 16-132**, A Resolution of the City Council of Homer, Alaska, Approving a Memorandum of Understanding Between the City and The Homer Foundation Setting Forth a Construction Agreement for the Boathouse Pavilion. City Manager.
- N. **Resolution 16-133**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Negotiate and Prepare a Purchase Offer for Kenai Peninsula Borough Parcel No. 17901024, Jack Gist Subdivision Lot 3, in an Amount Not to Exceed Fair Market Value for the Purpose of Enhancing Current Jack Gist Park Facilities. Lewis.

Moved to Resolutions, Item C. Smith.

Item D, Ordinance 16-58 was moved to Ordinances, Item A. Reynolds.
Item I, Resolution 16-128 was moved to Resolutions, Item A. Lewis.
Item L, Resolution 16-131 was moved to Resolutions, Item B. Lewis.
Item N, Resolution 16-133 was moved to Resolutions, Item C. Smith.

Mayor Zak called for a motion for the approval of the recommendations of the consent agenda as amended.

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Zak called for a motion to amend the agenda to move the Employee Committee report to Item 8 under Announcements and Committee Reports.

ADERHOLD/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. Alaskan Command and Navy Representatives from Pacific Fleet, Military in Alaska and Training Exercises

Alex Stone, U.S. Pacific Fleet, responsible for environmental planning for Navy training in the Gulf of Alaska, and Lt. Commander Carl Sander, lead exercise planner at Alaskan Command, presented on the Northern Edge 2017 training exercise. The exercise is conducted on behalf of the Pacific Command, is held biennial on odd years, and dates back to 2002. All military branches participate along with interagency partners. It is a contingency exercise that replicates the most challenging issues. It provides realistic training for Air-to-Air, Air-to-Surface, Tactical Command and Control, with Live-Virtual-Constructive Integration. Most of the activities happen close to the center of the defined areas. The estimated economic impact spread across Southcentral and Interior Alaska is over \$13M. That includes lodging, rental cars, support contracts, port fees for ship visit, contracted fishing vessels, and participant spending in communities. The exercise is scheduled for May 1 - 2, 2017 and involves 6,000 people, 175 airplanes, and two Navy ships with helicopters.

The Navy appreciates the unique environment in the Gulf of Alaska. They do everything to protect the environment while meeting their training mission. They have been doing studies and environmental impact and planning. They have held public meetings on their

environmental impact statement as they want to engage the community. The Environmental Impact Statement (EIS) is done every five years, the last statement completed in 2011. The EIS for 2016 has been released. It gives the most flexibility and covers the maximum activities they would do. The two most impactful things in the Gulf of Alaska are the use of explosives and sonar. They spend a lot of time working with scientists and the National Marine Fishery to develop mitigation measures. They establish a safety area around the activity to make sure there are no marine mammals in the area. They avoid explosives in the Portlock Bank area, and avoid sonar and explosives in the area for the Northern Pacific Right whale.

Mid-frequency active sonar is not heard by most fish species and military expended materials will not have significant effects on fish or fish habitat. Exercises are held April through October. The concern of holding the exercises during the winter is the need to cancel a lot of the training due to adverse weather. They spend a lot of resources and don't get a lot of training. If the record of decision and training permits are not issued prior to the training exercise it will be canceled. The boundaries established for the training exercise avoids the more sensitive coastal areas, while encapsulating the biggest area. Comments may be submitted at go@eis.com.

B. Eric Pederson, Principal, Paul Banks Elementary, Pending Changes to School Bussing

Paul Banks Elementary Principal Eric Pederson and Homer Middle School Principal Kari Dendurent provided an update on school start times for 2017. McNeil Canyon Principal Pete Swanson was introduced. They are willing to build a stronger partnership with the City. Next year the bussing contract will change and school start times will change. Paul Banks students will begin school at 7:50 a.m. and get out at 2:20 p.m. Many families are concerned about childcare. Middle schools and the high schools will begin at 9:00 a.m. It may or not impact about 700 students in Homer. Area principals have contacted the Girls and Boys Club; one of their questions is about the possibility of using the HERC building. They will be providing daycare lists to parents and talking to local churches who can provide gym or outdoor space. They will be holding a stakeholder's meeting. They have talked about the possibility of Homer High School and Homer Flex doing an early childhood academy to allow the high school students to provide additional support for the younger students while earning credit. A list of all local activities will be provided, as well as surrounding options.

C. Councilmember Lewis, Sister City Teshio, Japan

Councilmember Lewis presented slides and a narration of his recent trip to Sister City Teshio, Japan.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS (10 minutes)

A. Borough Report

B. Commissions/Board Reports:

1. Library Advisory Board

Marcia Kuszmaul, Library Advisory Board Vice Chair, reported on the November statistics for the Library. Circulation, attendance, and internet use have all increased. The staff ratio for reference questions is appropriate in comparison to other libraries. She advised against reductions to the library budget that will affect children who account for a third of all the circulation. Three other states in the United States receive an average of \$4.50 per person return on investment of library services to the community. The LAB is looking forward to exploring ways to increase revenue.

2. Homer Advisory Planning Commission

3. Economic Development Advisory Commission

4. Parks Art Recreation and Culture Advisory Commission

PARC Advisory Commissioner Robert Archibald reported the commission has been working on the mission statement to include the combined commission (with Public Arts Committee). There are three new commissioners and Ingrid Harrald was appointed tonight. He thanked Councilmember Lewis for speaking to the commission. Former member Dave Brann received a legislative citation from the Legislature for his volunteerism. He questioned why the heavy equipment is still at Bishop's Beach; Fish and Wildlife didn't have an answer why the equipment was still there.

5. Port and Harbor Advisory Commission

6. Cannabis Advisory Commission

Councilmember Reynolds reported the commission is only meeting quarterly and has not met since her last report.

7. Employee Committee

Matt Clarke and Melissa Jacobsen, Employee Committee Co-Chairs, reported on potential cuts to employee COLA and healthcare costs. On behalf of the committee, they ask to retain the 1.5% COLA. In the past seven years the Anchorage CPI has risen 12.5% while the employees' wage schedule has only been adjusted 2%. Driving inflation is healthcare costs. The committee convened to discuss Councilmember Stroozas' budget amendment for significantly higher employee contributions. The Employee Committee originally endorsed a 10.4% increase to premiums as proposed in the city manager's budget to share the responsibility. Expenditures from the health insurance fund have been significantly reduced since 2012. The proposed \$1.6M for 2017 employee healthcare is about \$800,000 less than the peak 2013 expenditures. Much of the cost savings come from the transition from the former self-insured health plan to a fully insured health plan. Employees have higher deductibles, higher out of pocket maximums, and employee out of pocket premiums. We have no control over federal policies and private market forces driving healthcare costs up. If the Council is committed to increasing the burden of healthcare costs for employees, the Employee Committee endorses a \$38,000 increase to employee premiums. The proposal offers a more affordable solution for employees, yet satisfies the councilmembers' desire for employees to burden more of the cost of the healthcare plan. Employee wage benefits are not staying current with inflation. A COLA should not be a negotiation point every year, but instead tied to the Anchorage CPI and adjusted annually tied to compensation. The goal is to retain a competitive wage and benefits package consistent with Alaska State Municipal Industry Standards for wage compensation, quality and cost.

C. Alaska Municipal League Reports

1. Mayor Zak
2. Councilmember Stroozas
3. Councilmember Erickson

D. **Memorandum 16-187**, from City Clerk, Re: Kenai Peninsula Borough Planning Commission Denial of a Vacation of a Portion of a Public Right-of-Way and a Road Easement in the City of Homer on Mission Road, in Skyline View Subdivision.

Mayor Zak called for a recess at 7:35 p.m. and reconvened the meeting at 7:45 p.m.

PUBLIC HEARING(S)

- A. **Ordinance 16-54**, An Ordinance of the Homer City Council Appropriating Funds for the Calendar Year 2017 for the General Fund, the Water Fund, the Sewer Fund, the Port/Harbor Fund, Capital Projects, and Internal Service Funds. City Manager. Introduction October 24, 2016, Public Hearings November 21, 2016 and December 5, 2016, Second Reading December 5, 2016.

Mayor Zak opened the public hearing.

Mitchell Hrachiar, Public Works Department employee, prides himself on shopping local and pointed out all the items he was wearing that he bought locally. His COLA would be spent locally.

Nelton Palma, city resident, spoke against library cuts. Library services are vital to small communities; they are relatively invisible to the privileged. The services help a vast array of people and the proposed 10% cut undermines the purpose of the library.

David Raskin, scientist and educator, is a major donor of the new library. The City made a covenant with the community, funders, and granting agencies. It would be a reneging of the covenant the City made to operate the library based upon the funds received from major donors.

Marga Raskin commented it is a last minute preposterous budget amendment that will reduce library staff by 10% and reduce hours. If approved the entire community would be negatively affected. She thanked Council for forgetting the stupid amendment.

Carolyn Norton, city resident, supports the library and City of Homer employees. They need to be paid competitively and receive appropriate benefits. She is a lifelong user of the library. The library addresses specific community needs and is vital to all of us.

Andy Haas, city resident, attorney, and Friends of Homer Library (FOHL) board member, advocated for the library. It is very important. There is no fat to cut from the budget. It serves the most vulnerable people in the community and provides a safe environment.

Nancy Lord, city resident, asked for full funding of the library. She was very involved in the new library project. At that time they were hopeful library hours could be extended and they have not been. She asked Council to appreciate the volunteerism that goes into the library.

Mercedes Harness, Coordinator for FOHL, told Council the library is a safety net for the community and serves from birth to age 99. We don't have a homeless shelter, a community center, or a Boys and Girls Club. But we do have a thriving library.

Royce Page, city resident, doesn't understand the cuts to the library when the city manager slashed the budget to bare bones last year. Citizens have suggested a bed tax to Council as a revenue source. Lots of citizens are lobbying the Council for the library; they did it last year and again this year.

Marylou Burton, Homer resident, spoke against the proposal to slash the library budget. The number was provided without thought of the consequences. It will have an effect on the free programs that are offered at the library, mostly the Summer Read Program.

Rachel Lord, city resident, supports full funding for the library. A last minute amendment to slash the library budget by 10% is irresponsible. The library is a core service for everyone. It is an amazing opportunity for parents and children.

Manfred Kirchner, city employee, spoke on the proposed budget amendment to employees' overtime, COLA, and merit increases. The City was involved with a compensation study and wages have never been above the 50% range. City employees are talented and skilled people that are underpaid.

Lyn Maslow, city resident, supports the other speakers. She would like the Council to pass the balanced budget the city manager recommended. She referenced the letter she and others sent to Council.

Christine Scozinski, wife of city employee, advocated for city employees and asked that Council not propose last minute budget amendments as she doesn't have time to prepare.

Nancy Hillstrand, Homer resident, commented her business pays a lot of taxes. We all need to bear a little belt tightening since we have all lost revenue. Do anything you can to tighten the budget.

Tricia Jones, wife of city employee, said they are a young family who has chosen to live here. It is really hard as they cannot live off city wages and have to supplement it. To cut benefits is detrimental to people's health.

Bob Hickman, Water and Waste Maintenance Technician, commented he does a lot of positions as a city employee. It would take four positions to perform the diversified jobs he does. Although you can hire someone for cheap wages they won't have the qualifications needed.

Michael Scozinski, city employee, advocated for city employees. As an employee he keeps going backwards and has had assistance. It is tough to live here. He feels like he is not valued as an employee or a good father when he is not able to provide.

Joe Young, Sewer Treatment Plant Operator, commented he acquired skills from his parents and college. He is building his own house that he can afford since he is building it himself. The city manager presented a balanced budget and the amendment on behalf of employees comes one week in advance.

Mayor Zak closed the public hearing.

Mayor Zak called for a motion for the adoption of Ordinance 16-54 by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

REYNOLDS/LEWIS - MOVED TO REDUCE THE OVERTIME BUDGET BY 15% WITH MOST TO CITY HALL RESERVES AND \$6,000 TO THE HOMER FOUNDATION.

The formula used for calculating overtime is based on an average of the last several years; it is higher due to unfilled positions that required more overtime within the departments. The extra funds will be used for the City Hall roof replacement with the extra \$6,000 to the Homer Foundation.

VOTE: (amendment) YES. LEWIS, SMITH, ADERHOLD, REYNOLDS, STROOZAS, ERICKSON

Motion carried.

Council did not offer a motion to the budget amendment to spend \$3,910 for new iPads for three councilmembers as proposed by Mayor Zak.

Mayor Zak called for a motion for the \$65,443 (10%) cut to library personnel.

STROOZAS/SMITH - SO MOVED.

Councilmember Aderhold declared a potential conflict of interest as her step-daughter works at the Library.

Mayor Zak ruled there was no conflict of interest, due to the lack of cumulative financial affect. There was no objection from the Council.

Council discussed the reduction of 5 to 6 hours a week that the Library would be open. They are currently open 52 hours a week.

The library in its former location was the lowest cost maintenance of all city buildings. When the new library was built ten years ago many specifications were required since grant money funded a portion of the building. The new library is now the highest cost maintenance of all city

buildings. Additionally, the library budget has increased by \$600,000 per year over the last ten years.

The voters supported funding to build the new library. Reducing the hours would eliminate state funding. It is a hub for many people and lots of kids visit it. The Library Advisory Board is encouraged to find additional funding.

VOTE: (amendment) NO. ADERHOLD, REYNOLDS, LEWIS, STROOZAS, SMITH, ERICKSON

Motion failed.

Mayor Zak called for a motion to amend the budget to increase the employee health insurance contribution from \$18,333 to \$75,000 of the increase in health insurance costs.

STROOZAS/SMITH – SO MOVED.

Councilmember Aderhold declared a potential conflict of interest as her step-daughter works at the Library.

Mayor Zak ruled there was no conflict of interest, due to the lack of cumulative financial affect. There was no objection from the Council.

STROOZAS/SMITH - MOVED TO AMEND THE BUDGET TO CHANGE THE \$75,000 IN HEALTH INSURANCE COST TO A FIGURE OF \$38,000 INCREASE AS PROPOSED BY THE EMPLOYEE COMMITTEE.

Council voiced concerns for the increase in health care costs. The City cannot afford to provide 90% of healthcare costs. The Employee Committee is trying to manage costs and willing to meet increased costs halfway. It was suggested the Council work with the Employee Committee to create a sustainable model.

VOTE: (amendment) YES. REYNOLDS, ADERHOLD, ERICKSON, STROOZAS, SMITH, LEWIS

Motion carried.

VOTE: (main motion as amended) YES. ERICKSON, STROOZAS

VOTE: NO. LEWIS, REYNOLDS, ADERHOLD, SMITH

Motion failed.

Council did not offer a motion to the budget amendments to eliminate the 1.5% COLA or 25% unallocated reduction in General Fund overtime as proposed by Councilmember Stroozas.

Mayor Zak called for a motion to amend the budget to have a wage and hiring freeze, eliminate COLA and merit increases, and two new positions.

SMITH/STROOZAS - MOVED TO INTRODUCE THIS AMENDMENT.

Councilmember Aderhold declared a potential conflict of interest as her step-daughter works at the Library.

City Attorney Wells advised the benefit could be over \$5,000 in one year and recommended excusal of Councilmember Aderhold.

Mayor Zak ruled there was a conflict of interest due to the financial affect. There was no objection from the Council.

Councilmember Aderhold was excused from her seat at the dais.

Councilmember Smith commented without resolving the deficit that we are funding through HART funds, we haven't received voter approval to fund the \$1M. By increasing last year's budget to grant merit increases, provide a COLA, and add new positions, we are increasing the deficit without resolution to the \$1M deficit we already have. We are not cutting anything out of the budget. Seward had a hiring freeze and in his own job he has not had a COLA in his 20 years of employment. Both a merit increase and COLA is practically unheard of nowadays. We are not immune to the pressures and constraints of everyone else. If the community suffers, we have to suffer. If not, we are not in touch with the community. Fishermen have had the worst year and slope workers have had to take pay cuts.

Councilmember Lewis said it would have been nice to bring this up in October instead of dropping it the week the budget is due. A lot of people took lower paying jobs at the City due to the benefits. Now employees are paying a portion of the benefits. Their buying power and spending power has gone down. Councilmember Lewis acknowledged the poor fishing last year, but the previous two to three years they had dynamic years. The slope workers were also doing well, but the city workers were taking the cuts.

Councilmember Stroozas noted we were not cutting anything, just maintaining wages.

Mayor Zak told Council he asked for amendments to the budget in October and for this to come before Council tonight is too big for this discussion at this budget session. If he were voting he would not support it. He appreciates the concern on the budget, but it is not appropriate to bring this forward. He referenced the testimonies of the employees and the Employee Committee's report.

Councilmember Stroozas commented the amendment came in within the lawful window of making amendments.

VOTE: (amendment) YES. STROOZAS, SMITH

VOTE: NO ERICKSON, REYNOLDS, LEWIS

Motion failed.

Councilmember Aderhold returned to her seat at the dais.

Mayor Zak called for a motion to amend the capital budget for Public Works light duty pickup request from one new truck at \$30,000 to two used trucks at \$40,000.

ERICKSON/LEWIS - SO MOVED.

City Manager Koester said we typically purchase new vehicles, but have purchased used vehicles in the past. It is a possibility to purchase used vehicles, but it requires more time and there is no warranty guarantee.

Councilmember Stroozas commented the light duty vehicles are comparable to the Ford F-150.

Councilmember Erickson noted some of the vehicles were dated 1987 – 1999. It is important we get a schedule in place so we are eventually buying new vehicles.

VOTE: (amendment) YES. SMITH, REYNOLDS, LEWIS, STROOZAS, ADERHOLD, ERICKSON

Motion carried.

Mayor Zak called for a motion to remove \$10,000 from Parks Art Recreation and Culture Advisory Commission capital project for \$10,000 in regulatory signage at parks and beaches.

ERICKSON/REYNOLDS - MOVED TO ACCEPT THIS.

ERICKSON – MOVED TO AMEND TO PUT THE \$10,000 INTO LAND HOLDINGS AS OPPOSED TO SIGNAGE OF PARKS AND BEACHES.

Motion failed for lack of a second.

Originally, \$20,000 was budgeted for signage. Council questioned if \$10,000 would be enough to cover beach signage and replace faded and worn banners on Pioneer Avenue.

City Manager Koester said there were a number of capital budget requests from the PARC Commission. The city manager's budget recommended a partial request for signage for the new Beach Policy recommendations. The amendment is to remove \$10,000 in regulatory signage for parks and beaches.

Councilmember Reynolds commented communicating to our visitors is important and will help police officers in their roles.

Councilmember Aderhold said it is very important we keep the signage.

VOTE: (amendment) NO. LEWIS, SMITH, ADERHOLD, REYNOLDS, STROOZAS, ERICKSON

Motion failed.

Councilmember Lewis referenced the \$51,000 allocated to the Chamber. Mayor Zak has a conflict of interest since his wife works at the Chamber. Although Councilmember Stroozas doesn't get any money as President of the Chamber, he has an appearance of a conflict of interest. He was going to make an amendment to remove the Chamber funding. For next year's budget we can't have the appearance of a conflict; if the vote was tied the budget ordinance would fail.

City Attorney Wells said these are complex questions. When deciding the overall budget a line item may have components a person has an interest in. It could be a family member's position or a person on a board of a nonprofit. She would highly recommend from abstaining on voting on specific line item amendments. A vote on the overall budget is okay. It is a small town and there is always a balance when looking at the conflict on the overall budget. What are the consequences of having a mayor that can't participate and council continue to have a conflict on the overall general budget? It would be debilitating for Homer. Consistently this council has relied on legal advice to allow mayor participation even if they have a city employee as an immediate family member. When talking about agreements or separate appropriations for amendments affecting Chamber or personnel matters, the direct conflict analysis would apply.

Vote: (main motion as amended) YES. ADERHOLD, REYNOLDS, LEWIS, STROOZAS, ERICKSON
VOTE: NO. SMITH

Motion carried.

B. **Resolution 16-109**, A Resolution of the City Council Amending the City of Homer Fee Schedule Under Administrative, Camping, Library, Planning and Zoning, Fire, and Public Works Department Fees. City Clerk. (To follow Budget Ordinance 16-54 - Public Hearings November 21 and December 5, 2016.)

Memorandum 16-175 from City Clerk as backup.

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

Mayor Zak called for a motion for the adoption of Resolution 16-109 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. REYNOLDS, ADERHOLD, ERICKSON, STROOZAS, SMITH, LEWIS
Motion carried.

- C. **Ordinance 16-57**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.95.060 and Homer City Code 21.95.070 to Require the Homer Advisory Planning Commission to Review Amendments to Title 21 or the Official Zoning Map Before Such Amendments are Adopted by City Council But Not Necessarily Before Such Amendments are Submitted to City Council for Review. City Manager. Introduction November 21, 2016, Public Hearing and Second Reading December 5, 2016. Recommend: Refer to Planning Commission.

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

Mayor Zak called for a motion for the adoption of Ordinance 16-57 by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

ADERHOLD/LEWIS - MOVED TO REFER TO THE PLANNING COMMISSION.

There was no discussion.

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

Motion carried.

Mayor Zak called for a recess at 9:43 p.m. and reconvened the meeting at 9:50 p.m.

ORDINANCE(S)

- A. **Ordinance 16-58**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.08.100 to Clarify That the Mayor Retains the Right to Cast a Tie-Breaking Vote Even When Attending a Council Meeting Telephonically. Lewis. Recommended dates: Introduction December 5, 2016, Public Hearing and Second Reading January 9, 2017.

Mayor Zak called for a motion for the introduction of Ordinance 16-58.

LEWIS/STROOZAS – SO MOVED.

REYNOLDS/LEWIS - MOVED TO AMEND TO CHANGE EVERY INSTANCE OF HE OR SHE TO THE SINGULAR THEY SIMILAR PRONOUNS THROUGHOUT.

There was no discussion.

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

Motion carried.

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

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

Alaska Division of Homeland Security and Emergency Management Tsunami Workshop

The Alaska Division of Homeland Security and Emergency Management is interested in Homer hosting the 2017 State Tsunami Workshop in April. They are looking at the weeks of April 10th or April 17th and are in contact with Islands and Ocean about using their Seminar Room. This conference will likely bring 20-30 emergency managers from across the state to attend. In addition to providing a boost to our local economy, it will be an excellent opportunity for locals to learn more about tsunami preparedness.

Emergency Management Roles and Responsibilities for Mayor and Council

Do you know what your role is as a Councilmember in the event of a major disaster? Do you know the difference between a liaison officer and a public information officer and how they each interact with you? Councils and mayors have a lot of decision making authority in the event of a major disaster, and sometimes you are required to make rapid and costly decisions with incomplete information. Mayor Zak has requested a worksession on emergency management roles and responsibilities for Mayor and Council, scheduled for February. Chief Painter is working on getting the State of Alaska Director of Emergency Management to facilitate the worksession.

Graduated Linear Rate Structure Implementation One Year Out

In October the City Council passed Resolution 16-112 implementing a new graduated linear rate model for the Port and Harbor. The billing software that the Port and Harbor uses cannot accommodate the new rate structure. The 2016 budget appropriated \$30,000 for the Port and Harbor to work on new software. The Port and Harbor has hired a consultant to assist with drafting a request for proposal for new custom software that will not only exactly meet the City of Homer billing needs and provide ongoing support, but serve as a model for other ports and harbors in Alaska and possibly become a commodity we can sell to other communities (as more communities transfer to a linear rate model, the need for more complicated and custom

software will increase). Port and Harbor will ask Council for authorization to move forward on an RFP for billing software, and a budget appropriation to cover the increased cost, at the next council meeting (January 9). The Port and Harbor will not be able to implement the new rate structure until the software is complete, potentially delaying implementation for one year. A time frame for implementation and cost estimate will be included in the ordinance requesting moving forward on software upgrades at the next Council meeting.

Alaska Municipal League Travel Report

I attended the Alaska Municipal League winter conference the second week in November. It is a great opportunity to network with other community leaders and learn about statewide issues. During the Alaska Municipal Management conference, I was impressed with the number of City Managers who are in the process of port and harbor expansion projects or have just completed them. To gain more knowledge of HOW these communities were able to be successful with their projects, I have signed up for the Port and Harbor Committee. I attended worksessions on topics such as homelessness and opioid abuse and am looking forward to sharing with our community what other communities are doing to address these epidemics. Alaska Municipal League is always an interesting, relevant and rewarding trip. More than any other professional development, it is an opportunity to interact with other Alaskans about Alaskan issues. See 2017 AML priorities attached. These and 2017 resolutions can be found online at www.akml.org

Council discussed supporting the resolution on sustainable fisheries in Kachemak Bay as presented at the Committee of the Whole. It was suggested that City Manager Koester write a letter of support from the Council. After discussion, it was decided a resolution would appear on the January 9th council agenda after the impacts on the environment of Tutka Bay and increasing numbers of pink salmon were explored.

B. Bid Report

CITY ATTORNEY REPORT

There were no questions of City Attorney Wells.

COMMITTEE REPORT

- A. Employee Committee Report
- B. Public Safety Building Review Committee
- C. Americans with Disabilities Act Compliance Committee

Councilmember Aderhold reported the committee has not met since her last report and does not have a meeting in December.

PENDING BUSINESS

A. **Resolution 16-107**, A Resolution of the Homer City Council Recognizing Our Duty to Safeguard the Vitality of Ecosystems. Lewis. (Postponed from October 24, 2016.)

Resolution 16-107(S), A Resolution of the Homer City Council Recognizing Our Duty to Safeguard the Vitality of Ecosystems. Lewis/Aderhold.

Motion on the floor from October 24: MOTION FOR THE ADOPTION OF RESOLUTION 16-107 BY READING OF TITLE ONLY.

Mayor Zak called for a motion to substitute Resolution 16-107(S) for Resolution 16-107.

LEWIS/REYNOLDS - 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.

NEW BUSINESS

A. **Memorandum 16-195**, from City Clerk, Re: Vacation of a 20-foot Wide Public Trail Easement Centered Along an Unconstructed Pedestrian Trail That Traverses Lots 1-A and 1-B, as Depicted on Record of Survey Guy Waddell Subdivision No. 3 Junes Addition (HM 2009-40). The Easement was Formally Granted by Recorded Document, Serial Number 2010-000729-0, Homer Recording District. Located Within the E ½ of the N.E. ¼ of Section 16, Township 06 South, Range 13 West, Seward Meridian, in the City of Homer, Alaska and Within the Kenai Peninsula Borough; KPB File 2016-136; KPB PC Resolution 2016-32.

Mayor Zak called for a motion for the approval of the recommendations of Memorandum 16-195 to vacate the public trail easement.

LEWIS/REYNOLDS – SO MOVED.

Councilmember Aderhold declared a potential conflict of interest as the matter involves both of her step-children.

Mayor Zak ruled a conflict of interest did exist due to potential monetary gain. There was no objection from the Council.

Councilmember Aderhold was excused from her seat at the dais.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Aderhold returned to her seat at the dais.

RESOLUTIONS

- A. **Resolution 16-128**, A Resolution of the City Council of Homer, Alaska, Creating a Police Station Building Task Force and Establishing the Scope of Work and Parameters Under Which the Task Force Will Conduct Its Work. Mayor.

Mayor Zak called for a motion for the adoption of Resolution 16-128 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

LEWIS/ADERHOLD - MOVED TO POSTPONE TO FEBRUARY 13, 2017 UNTIL WE CAN DECIDE THE SCOPE OF WORK AND PARAMETERS UNDER THE TASK FORCE.

A Worksession was scheduled for January 9, 2017 to discuss the police station building project.

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

Motion carried.

- B. **Resolution 16-131**, 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 Zak called for a motion for the adoption of Resolution 16-131 by reading of title only.

LEWIS/ADERHOLD – SO MOVED.

Councilmember Lewis pointed out a potential conflict of interest for Mayor Zak.

City Attorney Wells agreed Mayor Zak has a conflict of interest.¹ It is a direct quasi-judicial action since it is an agreement. It brings us to a question of partiality.

Mayor Zak passed the gavel to Mayor Pro Tempore Reynolds.

Councilmember Lewis pointed out a potential conflict of interest for Councilmember Stroozas since he is the president of the Chamber of Commerce.

City Attorney Wells told Council this is a much more complex analysis. The first step is ensuring we have an agreement that Councilmember Stroozas would be able to vote on assuming that he didn't have a conflict. A provision in Section 8 of the contract prohibits city employees or agents from providing services. It is best to postpone Resolution 16-131 to the next meeting so the agreement can reflect the intentions of the resolution's sponsors. We can then address the conflict of interest.

Councilmember Stroozas declared effective January 1 he will not have a conflict of interest because his term as president of the Chamber ends December 31st.

LEWIS/ADERHOLD – MOVED TO POSTPONE UNTIL THE PROPER WORDING IS THERE.

The Chamber of Commerce information from the November 21st council meeting should be included.

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

Motion carried.

Mayor Pro Tempore Reynolds returned the gavel to Mayor Zak.

C. **Resolution 16-133**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Negotiate and Prepare a Purchase Offer for Kenai Peninsula Borough

¹ Mayor Zak's wife Karen is the Executive Director of the Homer Chamber of Commerce.

Parcel No. 17901024, Jack Gist Subdivision Lot 3, in an Amount Not to Exceed Fair Market Value for the Purpose of Enhancing Current Jack Gist Park Facilities. Lewis.

Mayor Zak called for a motion for the adoption of Resolution 16-133.
LEWIS/REYNOLDS – SO MOVED.

LEWIS/REYNOLDS - MOVED TO REFER TO PARKS ART RECREATION AND CULTURE ADVISORY COMMISSION FOR THEIR RECOMMENDATION.

Councilmember Smith fully supports space for recreation. He was part of the group that got together when the land was gifted and helped in clearing the land. He fully participated in seeing the vision come to fruition. He would like to see the plan for use from the PARC Advisory Commission. There is adjacent land that would be far more beneficial to the expansion of Jack Gist Park.

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

Motion carried.

COMMENTS OF THE AUDIENCE

Todd Cook, Water and Sewer Treatment Superintendent, understands where we are financially as a city. We are running it as efficiently as possible. He thanked Council for their varying opinions, the discussion, and looking at it from different sides.

Christine Szocinski, city resident, thanked Council for their decision regarding employee wages and benefits. In the future she hopes more time is provided for addressing proposed amendments affecting city employees.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells had no comments.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comments.

COMMENTS OF THE CITY MANAGER

City Manager Koester had no comments.

COMMENTS OF THE MAYOR

Mayor Zak said this should be the time of year for celebration. He thanked Council for their good work this year and hard work on the budget. He hopes everyone is safe and has a Happy Holiday. Tonight we have witnessed the care in the community and the caring of our families. He thanked everyone that came to testify tonight and wished everyone a Merry Christmas and Happy New Year.

COMMENTS OF THE CITY COUNCIL

Councilmember Lewis had no comments.

Councilmember Smith thanked the employees that showed up to express their concerns and opinions. We represent the people and the representation is done through the services employees provide through their jobs. It is never something we want to underestimate or undervalue. He has to represent what he hears on the streets and what he feels. We have to build something that is sustainable and right now we are not there. He wished all a Merry Christmas and Happy New Year.

Councilmember Stroozas echoed Councilmember Smith's comments to all the city employees and public that showed up to engage in the lively discussion. We have to be mindful of how we spend our money. With all of us working together we will be able to make all our objectives. Getting started earlier on budget amendments is valid and doable. He appreciates his fellow council members, city manager, and city clerk. Council has tough jobs and we don't always end up where we hope to go, but together we'll get there. He wished everyone a Merry Christmas and safe holiday. He will be traveling to Charlotte to see his four grandkids and can't wait to get there.

Councilmember Reynolds thanked everyone for their participation. Council received lots of public comments and over 60 emails. She read them all. Homer does a good job of participating and it is very important to have these discussions and see everyone's passions come to light. She looks forward to seeing everyone in the new year; it will be a good one.

Councilmember Erickson wished everyone a very Merry Christmas and Happy New Year. It is one of the best times of the year with the snow. She thanked all of the employees, who do not have an easy job. In the last weeks she has seen some incredible work done by city employees. We are blessed to have employees that really care and she thanked them.

Councilmember Aderhold participated in Lunch with a Councilmember at the library today. They had a full house with lots of discussion. Many topics were brought up and she appreciates every one of them. She thanked the city employees. We have a stellar group of city employees. She wished everyone Happy Holidays and will see you in 2017.

ADJOURNMENT

There being no further business to come before the Council, Mayor Zak adjourned the meeting at 10:23 p.m. The next Regular Meeting is Monday, January 9, 2017 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 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: _____