

Session 16-23 a Regular Meeting of the Homer City Council was called to order on November 21, 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
DEPUTY CITY CLERK JACOBSEN
DEPUTY HARBORMASTER CLARKE
FINANCE DIRECTOR LI
FIRE CHIEF PAINTER
IT MANAGER POOLOS
LIBRARY DIRECTOR DIXON
PERSONNEL DIRECTOR BROWNING
POLICE CHIEF ROBL
POLICE LIEUTENANT HUTT
PUBLIC WORKS SUPERINTENDENT GARDNER
WATER/WASTEWATER TREATMENT
SUPERINTENDENT COOK

Council met for a Worksession from 4:00 p.m. to 4:50 p.m. to discuss the 2017 Budget. From 5:00 p.m. to 5:48 p.m. Council met as a Committee of the Whole to hear from Brandon Nyberg, Wells Fargo, on Employee Healthcare, continue discussion on the 2017 Budget, and review Consent and Regular Meeting Agenda items.

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

Mayor Zak called for a motion to move Mayor's Recognition to Todd Cook to be heard prior to Agenda Approval.

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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 - Resolutions 16-116, 16-117, 16-118, and 16-119**, Leases on the Homer Spit. Written public comments. **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS** - Mayor's Proclamation, Light Up Homer for the Holidays. **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. Proposed budget amendments. **CITY MANAGER'S REPORT - Kenai Peninsula Borough Resolution 2016-070**, A Resolution Approving an Automatic Aid Agreement and Operational Plan Between Kachemak Emergency Service Area and the City of Homer Volunteer Fire Department for Fire Apparatus and Personnel. Mayor.

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.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Mike McCune, city resident and part owner of Fish Factory, supports Resolution 16-117. Seven Seas wishes to purchase the facility and keep everyone employed. They have the capital to operate and improve the facility and the fish tax is estimated to be four to five times more than what was paid this year.

Ken Landfield, city resident and Pier One Theatre Board of Trustees, supports Resolution 16-118. It is the theatre's 43rd season on the Homer Spit. He announced the numerous plays that were held at the theatre.

Melissa Jacobsen, city resident, opposes consolidating dispatch services. There is no compelling financial benefit, it will mean a loss of seven jobs, and the dollars spent to train

dispatch are wasted. Both past and current City administration has not recommended consolidation. She asked that Council defeat Resolutions 16-111(A) and 16-123.

RECONSIDERATION

- A. **Resolution 16-111(A)**, A Resolution of the Homer City Council Giving Direction to the City Manager to Reject the Proposal to Consolidate 911 Dispatch Services With the Kenai Peninsula Borough. Mayor. *(Reconsideration issued by Councilmember Aderhold October 25, 2016.)*

Memorandum 16-184 from Police Chief as backup.

STROOZAS/SMITH - MOTION TO RECONSIDER RESOLUTION 16-111(A).

There was no discussion.

VOTE: YES. SMITH, STROOZAS, ERICKSON

VOTE: NO. LEWIS, ADERHOLD, REYNOLDS

Mayor Zak broke the tie with a NO vote.

Motion failed.

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 October 24, 2016. City Clerk. Recommend adoption.
- B. **Ordinance 16-56**, 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 and Amending HCC 2.08.120 to Permit Council Members to Participate in More Than Three Meetings Telephonically Where Otherwise Permitted by the Homer City Code. Mayor. Recommended dates: Introduction November 21, 2016, Public Hearing and Second Reading December 5, 2016.

Moved to Ordinances, Item A. Reynolds.

- 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. Recommended dates: Introduction November 21, 2016, Public Hearing and Second Reading December 5, 2016.

- D. **Resolution 16-114**, A Resolution of the City Council of Homer, Alaska, in Support of Full Funding for the State of Alaska Harbor Facility Grant Program in the FY 2018 State Capital Budget. City Manager/Port and Harbor Director.

- E. **Resolution 16-115**, A Resolution of the Homer City Council Approving and Accepting the Donation of a Ceramic Tile Painting Titled 'Husky Star' by Homer Middle School Art Students to be Placed at City Hall. City Clerk/Parks Art Recreation and Culture Advisory Commission.

Memorandum 16-181 from Parks Art Recreation and Culture Advisory Commission as backup.

- F. **Resolution 16-116**, A Resolution of the Homer City Council Approving an Assignment of Lease for Bob's Trophy Charters on Tract 1-B and Awarding Todd Strand, DBA Bob's Trophy Charters, a Twenty-Year Lease With Two, Five-Year Options for Tract 1-B, Fishing Hole Subdivision No. 2, With an Annual Base Rent of \$6,256.80, and Authorizing the City Manager to Move Forward With Lease Negotiations and Execute the Appropriate Documents. City Manager.

Memorandum 16-177 from Lease Advisors as backup.

Memorandum 16-180 from Port and Harbor Advisory Commission as backup.

Moved to Resolutions, Item C. Aderhold.

- G. **Resolution 16-117**, A Resolution of the Homer City Council Approving an Assignment of Lease for the Fish Factory on Lot 12-A1 and Awarding Seven Seas Fish Company, DBA Alaskan Fish Factory, a New Lease With Options to Renew for Lot 12-A1, Port Industrial No. 3, and a Portion of Lot 12B, Port Industrial No. 4, With an Annual Base

Rent of \$26,119.80, and Authorizing the City Manager to Move Forward With Lease Negotiations and Execute the Appropriate Documents. City Manager.

Memorandum 16-178 from Lease Advisors as backup.

Memorandum 16-180 from Port and Harbor Advisory Commission as backup.

Moved to Resolutions, Item D. Aderhold.

- H. **Resolution 16-118**, A Resolution of the Homer City Council Awarding Pier One Theatre a Five-Year Lease With No Options for Renewal, a Portion of Tract 1-A, Fishing Hole Subdivision No. 2, With an Annual Base Rent of \$1.00, and Authorizing the City Manager to Move Forward With Lease Negotiations and Execute the Appropriate Documents. City Manager.

Memorandum 16-179 from Lease Advisors as backup.

Memorandum 16-180 from Port and Harbor Advisory Commission as backup.

Moved to Resolutions, Item E. Aderhold.

- I. **Resolution 16-119**, A Resolution of the Homer City Council Awarding United States Coast Guard (USCG) a New One-Year Lease With Nine, One-Year Options to Renew for Lot 2, Homer Spit Four Sub, With an Annual Base Rent of \$17,058.60, and Authorizing the City Manager to Move Forward With Lease Negotiations and Execute the Appropriate Documents. City Manager.

Memorandum 16-180 from Port and Harbor Advisory Commission as backup.

Memorandum 16-182 from City Manager as backup.

Moved to Resolutions, Item F. Aderhold.

- J. **Resolution 16-120**, A Resolution of the City Council of Homer, Alaska, Approving a New One-Year Contract for Employee Health and Life Insurance for 2017 With Premera Blue Cross, Assurant Health, and Prudential. City Manager/Personnel Director.

Memorandum 16-183 from Personnel Director as backup.

- K. **Resolution 16-121**, A Resolution of the City Council of Homer, Alaska, Supporting the Standing Rock Lakota Tribe and Opposing the Dakota Access Pipeline. Lewis.

Moved to Resolutions, Item G. Stroozas.

- L. **Resolution 16-122**, A Resolution of the Homer City Council Amending the City Council Operating Manual Under City Council Agenda and Meeting Conduct Guidelines to Add Mayoral Proclamations and Mayoral Recognitions Following Agenda Approval. Lewis.

Item B, Ordinance 16-56 was moved to Ordinances, Item A. Reynolds.

Items F, G, H, and I, Resolutions 16-116, 16-117, 16-118 and 16-119 were moved to Resolutions, Items C, D, E and F. Aderhold.

Item K, Resolution 16-121 was moved to Resolutions, Item G. Stroozas.

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

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. Lia Patton, BDO, Auditor's Report

Lia Patton, BDO, reported on the audit for the period ending December 31, 2015. An unmodified opinion was issued that states the financial statements present fairly in all material respects. The unrestricted net is \$5M, available to be used to meet ongoing City obligations. The fund financial statements focus on short term inflows and outflows. The ending combined fund balance of \$21M for 2015 was an increase of \$2M from prior years. Attributing to the increase were capital projects of the gas line and HART funds, and water and sewer special funds. The general fund decreased by \$48,000. Findings included a material weakness due to financial reporting of timely journal entries, an error in the bank reconciliation process, and timely grant reporting.

The Finance Department has been working diligently and has put measures into place to correct the discrepancies. Grant reporting is corrected and account reconciliations are being

done on a more timely basis. The delay in reporting the 2015 audit was due to Gatsby 68 and obtaining PERS information from the State of Alaska.

B. Karen Zak, Executive Director, Homer Chamber of Commerce

Homer Chamber of Commerce Executive Director Karen Zak reported the Chamber organizes and markets quality of life events to include the Winter Carnival on February 11th, Clean-up Day May 4th, Fourth of July Parade, and Holiday Tree Lighting on December 2nd. About 310 chamber staff hours and 118 volunteer hours go into the quality of life events for the community. The Chamber markets the Shorebird Festival both locally and nationally. They have been active in the Pioneer Avenue Revitalization Task Force by donating to the murals and planting 2,000 peonies. The new logo, City of Peonies, will be marketed. There is a new satellite visitor info center at Baycrest Hill. There will be displays on educational materials, Kachemak Bay, trails, and events. It is estimated over 40,000 people stop there. The Chamber has a brand new website rollout before the end of the year. They have a very active visit Homer website along with a local Homer Chamber Facebook site. They are continuing their focus on Homer as a health and wellness destination. In the spring they kick off the tourist season with the get to know Homer training both in May and June. It is training for frontline staff assisting visitors.

The visitor industry outlook is good. In 2016 Alaska Travel Industry Association reported \$2M visitors, the first time in the history of Alaska. The trend is continuing. This year we saw an increase in media and writers. Travel channel came to film grand slam fishing. They continue to do the Great Alaska Sportsman show in Anchorage and participate in the boat show with the port and harbor. This year there were 1,500 participants in the Winter King Tournament, held at the same time as the hockey tournament. Hotels were at full capacity. The Jackpot Halibut Derby runs May through September. The Chamber operates a year-round visitor's center seven days a week. This year we saw more international visitors, an increase of visitors on motorcycles, and destination weddings. There were 19,000 visitors this summer, the top countries being Australia, Germany, Canada, and Switzerland; in all there were visitors from 70 countries. Walking guide hosts were at the bus stops.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Mayor's Proclamation, Small Business Saturday

Councilmember Stroozas read the proclamation.

B. Mayor's Proclamation, Light Up Homer for the Holidays

Councilmember Smith read and presented the proclamation to Jan Knutsen, Chamber of Commerce.

- C. Mayor's Presentation, Todd Cook, Water/Wastewater Treatment Superintendent, Alaska Rural Water Association, Best Tasting Water

Presented prior to Agenda Approval.

- D. Borough Report

Kenai Peninsula Borough Assembly President Kelly Cooper reported on the revenue the Borough will attain with permanent motor vehicle registrations if adopted. Currently a 2-year vehicle registration is \$100 to the State and \$30 for the Borough. A trailer is \$30 for the State and \$10 for the Borough. The permanent registration would be \$125 to the State and \$75 to the Borough and \$55 to the State and \$25 to the Borough for trailers. The estimated DMV revenue for vehicles and trailers over 8 years old is \$740,000 borough-wide with 3.553% (\$26,000) allocated to Homer. It will be less of an impact for the number of utility and boat trailers and children's trucks that don't leave the property.

Recently the Borough Finance Director refinanced the South Peninsula Hospital bonds, equating to a savings of \$322,000.

When the amendments to the tax codes were completed there were a few unintended consequences. Those were the sales tax on tuition, education, instruction and dues for non-profits and the winter exemption to charge sales tax on non-prepared foods that was removed for all retailers that did not accept food stamps. All convenience stores in Homer do not take food stamps and will be exempt from sales tax on non-prepared foods during the winter. The Borough has an ordinance exempting flightseeing from sales tax. Federal and State regulations prevent the exemption.

She and Assembly Member Willy Dunne met with the Library Advisory Board to discuss revenue sources. They talked about service areas and the creation of same.

The Homer Annex will be open on December 6th to take testimony on the ordinance regarding allocating \$75,000 for legal fees for potential litigation on the invocation policy.

Mayor Zak congratulated Ms. Cooper on her election to the Alaska Municipal League and her support for full funding of Alaska harbors. The Kenai Peninsula now has three members on the AML Board: Linda Murphy, Tim Navarre, and Ms. Cooper.

E. Commissions/Board Reports:

1. Library Advisory Board

Library Advisory Board Chair Jackie Peterson and Vice-Chair Marcia Kuzmaul reported they added three new board members and are exploring new ways to increase funding and plan for the future to make it the best library in the state. The LAB works with the Library Director to establish operational policies for Council's approval. The LAB assists with the budget, bylaws, solicits donations, and represents the library in the community. They welcome community input.

The library provides community space, access to online resources, candidate forums, author visits, preschool story time, tech support, and books. The library encourages curiosity and early literacy. For decades they have provided support for surrounding areas. Individuals support our community through shopping and paying for sales tax. When the economy is downturn, demand for library services go up. It is a safety net for our most vulnerable community members. Libraries offer certain basic services free of charge including maintaining a collection of books, access to interlibrary loan services, provide reading or other educational programs for children, and reference information.

A handout was provided to Council listing their long and short term goals. The LAB wants to address the shrinking budget for the collection, reducing debt on the library building, and more equitable and sustainable funding for library services. The Homer Library was named to be in the top 3.5% of public libraries in the nation with only five Alaska libraries named. History of the past ten years was shown, depicting a steady growth. The collection budget for the library has declined over this period of time.

Mayor Zak suggested the LAB and Council schedule a Worksession in the future.

2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission
4. Parks Art Recreation and Culture Advisory Commission

Parks Art Recreation and Culture Advisory Commission Chair Matt Steffy thanked Councilmember Lewis and City Manager Katie Koester for joining the commission at their meetings. The commission finished updates on the Beach Policy and the draft will be posted on the City website soon. They have updated their strategic plan to include ongoing long and short term items.

5. Port and Harbor Advisory Commission

6. Cannabis Advisory Commission

Councilmember Lewis reported the commission voted to go to a quarterly meeting schedule with the ability to hold meetings as licenses are applied for. So far there have been no licenses applied for.

Mayor Zak called for a recess at 7:28 p.m. and reconvened the meeting at 7:35 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. In the absence of public testimony, Mayor Zak closed the public hearing.

LEWIS/REYNOLDS - MOVED TO SUBTRACT \$2,500 FROM THE \$22,000 FOR THE LOBBYIST FROM THE GENERAL FUND AND GIVE THAT TO THE PRATT.

The \$2,500 would be given to the Pratt since the City will no longer provide snow removal and sanding services. They will have to set up their own contract for snow removal and sanding.

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

VOTE: NO. ERICKSON

Motion carried.

Councilmember Reynolds withdrew her budget request for additional funding for The Homer Foundation with the rest to reserves for a roof for City Hall.

ADERHOLD/LEWIS - MOVED TO AMEND THE BUDGET BY TAKING \$25,000 FROM THE CITY HALL RESERVE FUND AND RESERVING THAT FOR AN AMERICANS WITH DISABILITIES ACT TRANSITION STUDY.

Funds would be used to hire a consultant to help complete an assessment of city facilities and other facilities the public visits, such as parks and trails, to make sure they meet ADA compliance. For facilities and buildings that do not meet compliance, deficiencies would be

identified and there would be a plan and time frame to remedy the deficiencies. That is the purpose of the ADA Compliance Committee that was established this year. The City needs to be brought into compliance with ADA. Northwest ADA Center provided a cost estimate for the assessment. They are the same group that provided training to city employees earlier this year. The estimate was \$54,000, higher than expected based on a similar project in Ketchikan. Last week when the ADA Compliance Committee met they discussed different ways to bring the cost down, including phasing the project and prioritizing the most public used city buildings. Additionally, volunteers can be brought in to help. The ADA Compliance Committee doesn't have the knowledge and skills to do the survey. If funds are not appropriated for the study, the City could potentially have an ADA lawsuit. We have a grievance procedure and know there are city resources that are potentially not in compliance. A lawsuit could cost much more than \$25,000.

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

VOTE: NO. STROOZAS

Motion carried.

Mayor Zak called for a motion to approve his budget request for \$3,000 in additional funds from City Hall reserves for Councilmembers' transportation and subsistence to travel to Juneau.

LEWIS/REYNOLDS – SO MOVED.

Mayor Zak asked that it be defeated to allow Council to vote on Councilmember Smith's amendment for additional travel funds.

By unanimous consent, Council opposed the motion.

Motion failed.

SMITH/REYNOLDS - MOVED TO AMEND THE BUDGET TO APPROVE COUNCILMEMBER SMITH'S AMENDMENT TO ELIMINATE LOBBYING \$44,000.

The lobbyist would not be funded for \$44,000 and \$18,000 would be returned to City Hall reserves, and \$20,500 would be returned to Port and Harbor reserves. The funding for two councilmembers' travel to Juneau will be funded at \$3,000.

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

- C. **Ordinance 16-55**, An Ordinance of the City Council of Homer, Alaska, Amending the 2016 Operating Budget by Appropriating \$494,000.00 From the Homer Accelerated Roads and Trails Program (HART) Fund to Provide for Rehabilitation of the Bunnell Street Storm Drain. City Manager/Public Works Director. Introduction October 24, 2016, Public Hearing and Second Reading November 21, 2016.

Memorandum 16-174 from Public Works Superintendent 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 Ordinance 16-55 by reading of title only for second and final reading.

LEWIS/STROOZAS - SO MOVED.

Improvements are for the storm drain, therefore, qualify for HART funds.

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

Motion carried.

- D. **Resolution 16-112**, A Resolution of the City Council of Homer, Alaska, Amending the Port of Homer Terminal Tariff No. 600 to Implement a New Graduated Harbor Moorage Rate Structure. Port and Harbor Director/Port and Harbor Advisory Commission.

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

Motion on the floor from October 24th: MOVED TO ACCEPT RESOLUTION 16-112.

There was no discussion.

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

Motion carried.

ORDINANCE(S)

- A. **Ordinance 16-56**, 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 and Amending HCC 2.08.120 to Permit Council Members to Participate in More Than Three Meetings Telephonically Where Otherwise Permitted by the Homer City Code. Mayor. Recommended dates: Introduction November 21, 2016, Public Hearing and Second Reading December 5, 2016.

Mayor Zak called for a motion for the adoption of Ordinance 16-56 for introduction and first reading by reading of title only.

STROOZAS - SO MOVED.

Motion died for lack of a second and ordinance failed.

CITY MANAGER'S REPORT

- A. City Manager's Report

Assistance to Fire Fighters Grant for Aerial Ladder Truck

The City is in the process of applying for an Assistance to Firefighters Grant for \$900,000 for a new aerial, or ladder truck. This has been identified as a high priority by Council and has been on the top 5 legislative priority list for 3 years now. The request requires a 5% local match, which I would ask the Council for via Ordinance if the grant is awarded. In the legislative request the City commits to a 10% match. We should know sometime this spring if successful. Though aerials are a very high priority for the funder, it is an extremely competitive national grant. Although we may not be successful this time, any work we do will provide important groundwork for future applications and the need will remain.

Withdraw from LWCF Grant for Karen Hornaday Park

In September City Council passed Resolution 16-102 authorizing the City Manager to apply for a Land and Water Conservation Fund Grant for a trail at Karen Hornaday Park for \$125,000 and committing to a \$125,000 match. The trail would have been an ADA accessible separated trail along Fairview Avenue in the park. It was a part of a larger plan to provide ADA pedestrian access to Karen Hornaday Park with the moving of the road, a longtime priority for the park. However, when looking at the project as a stand-alone project the trail would have not been connected to any other trail infrastructure, compromising its utility, especially as an ADA route. After consultation with representatives from the Parks, Art, Recreation, and Culture Advisory Commission and before extensive staff resources were invested, we decided

to not apply for the grant. In the meantime, the Special Projects and Communications Coordinator is working with the Commission on a form and process to help them vet potential grant projects.

Remote Participation of City Attorney

Currently under our contract with Birch Horton Bittner and Cherot, for a flat fee of \$12,000 a month they provide 65 hours of attorney services and one trip per month to a council meeting of the City attorney. Council has asked staff to look into what it would take from a technology standpoint to have attorney participation via distance.

According to IT Manager Poolos, the best affordable option for a regular video conference connection for the City Attorney will be via Google Chrome for meetings. The Google option is a better choice than Skype or other web conferencing solution due to the availability of dedicated hardware packages that include support. There is not the same combined hardware, software, and support available for the other alternative web conferencing systems such as Skype. To set up Council Chambers for regular video conferencing with the attorney, it will require a budget of \$2,000 initially and \$500 each year after the first. Set up will take 8 to 10 hours of IT staff time as additional cables will need to be run and the audio system levels will need to be adjusted. We would also likely require increased participation of IT at council meetings to run interface with technology, which has an opportunity cost.

Initial budget of \$2,000:

- \$1,000 for Chrome Device for Meetings Package
- \$400 for a dedicated TV monitor
- \$300 for a rolling TV stand
- \$200 for audio and network cabling
- \$100 for contingency

The \$500 year after the initial acquisition will be for:

- \$250 for the yearly support and management fee
- \$250 to reserves which will allow for hardware replacement and upgrade every 4 years

Lunch with a Councilmember 2017 Schedule

Please take a moment to look over the 2017 Lunch With a Councilmember schedule offered by the Homer Friends of the Library and consider signing up for a slot. The earlier notice the Friends have, the more advertising they can do.

Port and Harbor Tour

A huge thank you to the members who showed up to tour the public works, water treatment and sewer treatment facilities. It means a lot that you took the time to become more familiar with the facilities and services you are making decisions about. The employees really appreciated it, and I am sure you all learned a lot. To that end, I would like to extend the

opportunity for a Port and Harbor tour as the next facility on our list. Please contact me if you are interested so I can get a head count and coordinate a time.

Legislative Working Group

You have all given so much of your time and attention, I hate to ask for more...but with the legislative session just around the corner and the loss of paid representation in Juneau, Council should think about how you want to approach keeping tabs on and providing input in Juneau. I would like to meet with Councilmembers who are interested in following Juneau more closely and strategize on the best way to stay connected. I foresee a possible legislative working group that is able to give me direction on drafting official City comments, testify on issues, meet regularly with staff via teleconference, and perhaps travel to Juneau. Depending on the level of interest, it could be an informal group of a few members or a more formal legislative working group established by resolution. Travel dates will likely center around the Alaska Municipal League fly in is February 21-23.

New Flood Insurance Rates in Effect

The Flood Insurance Rate Maps (FIRM) dated October 20, 2016 are now effective! The 2016 FIRMs provide more accurate elevations on everything but the Spit; as in Old Towne, Beluga Slough, and east-west along Kachemak Bay. The City Council adopted these maps with Ordinance 16-33 on June 27, 2016. The Planning Office started this project in 2013 so it's a relief to see that these flood maps are now effective.

Postponement of HVFD Expansion/Renovations Project

Public Works Director Meyer provided the attached update on the Homer Volunteer Fire Department renovations project and public safety building budget. As you can see, there is approximately \$127,000 left in the Public Safety building budget. The Homer Volunteer Fire Department renovations project (separate from the public safety building budget) is over budget and some thought needs to be put into reducing the scope or additional funding. Because of budget concerns, the only floor slab removal in bay 3 has been completed to date. The project is postponed until the spring when fire equipment can be stored outside which gives council time to work on solutions.

City Manager Koester referenced Kenai Peninsula Borough Resolution 2016-070 approving an automatic aid agreement and operation plan between Kachemak Emergency Service Area (KESA) and the City of Homer Volunteer Fire Department for fire apparatus and personnel. The City has been working with the Borough on the aid agreement and is happy to have increased participation and volunteer training with KESA. A recent day long fire training on the Homer Spit included KESA, Anchor Point, and Homer. She will submit a letter to the Borough showing Council's support.

Council discussed the prospect of remote participation by the city attorney. The current contract allows for the attorney to travel to Homer for one meeting per month. Telephonic

participation may not save much money and Council appreciates the in-person meetings. Birch Horton Bittner and Cherot is willing to match the City on equipment expenditures to make remote participation available if Council should request it.

The HVFD renovation and expansion project is over budget. The design work of the living quarters' expansion is a few \$100,000 dollars over budget. It is a \$700,000 chunk of the budget. Council should pause and take time to analyze the improvements. There is \$127,000 left over that was allocated to the public safety building. City Manager Koester would like to review the budget with the Fire Chief and the see if Council is willing to make an additional investment in the Fire Station improvements.

CITY ATTORNEY REPORT

City Attorney Wells reported they are in the process of submitting briefing in the Griswold case. She will have more to report at the next meeting, including a litigation report.

COMMITTEE REPORT

A. Employee Committee Report

Melissa Jacobsen and Matt Clarke, Co-Chairs of the Employee Committee, reported they met with insurance consultants to review health and life insurance proposals. Competing proposals added 10.4% or \$150,000 to the annual premiums specific to the medical benefit package with no changes in the plans. The increase is due to the City being a loss to Premera with open-ended claims that are a high cost risk in 2017. Premiums have increased 20% across the nation. The Employee Committee chose to select Premera and avoid a change or disruption in service.

Employees are committed to controlling costs associated with the health plan. In 2015 employees endorsed several concessions to the quality of the health care plan to offset substantial premium increases for 2016. Recognizing another year of increased premiums, employees are prepared to share in the same percentage of increased premiums. Employees continue to maintain a strong participation level in the wellness program. The current wellness program is administered through Virgin Health. It offers employees cash incentives through a progressive tier of achievements. Wellness programs are proven to reduce absenteeism, increase workplace productivity, and decrease health care costs due to proper diet and exercise. The goal is to retain a benefits package consistent with Alaska state municipality standards for quality and costs.

From 2004 to 2009 city employees received a COLA each year; 2008 was the highest at 4% and remaining years varied between 2% and 3%. From 2010 to 2014 employees did not receive a COLA; employees received a 2% COLA in 2014. Costs of goods and services, the local housing

market for rent and home purchase, and health care costs have all increased. Over the last seven years employees received one COLA in 2014 and as a comparison the Anchorage CPI has increased an accumulative of 12.5% over the same period. The City's compensation package is decreased every year we do not provide a COLA.

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

Councilmember Aderhold reported the committee met last week and received the cost estimate for the survey and transition plan. They had questions and comments and discussed ways to bring the cost down.

PENDING BUSINESS

- A. ***If reconsidered: Resolution 16-111(A)***, A Resolution of the Homer City Council Giving Direction to the City Manager to Reject the Proposal to Consolidate 911 Dispatch Services With the Kenai Peninsula Borough. Mayor.

Memorandum 16-184 from Police Chief as backup.

Resolution 16-111(A) was not reconsidered.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 16-113**, A Resolution of the Homer City Council Accepting the 2015 Comprehensive Annual Financial Report with Audit and Financial Statements and Acknowledging the Management Letter Submitted by the City's Independent Auditor, BDO, USA, LLP and Authorizing the City Manager to Execute the Financial Report. City Manager/Finance Director.

Mayor Zak called for a motion for the adoption of Resolution 16-113 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 16-123**, A Resolution of the Homer City Council Giving Direction to the City Manager to Fully Explore the Proposal to Consolidate 911 Dispatch Services With the Kenai Peninsula Borough. Smith.

SMITH/STROOZAS - MOVED TO INTRODUCE RESOLUTION 16-123.

Council supporting the 911 dispatch consolidation noted our equipment is very dated and at some point will become obsolete. Consolidation with the Borough would require less equipment for a new police building. There would be savings realized by not constructing the space or incorporating the technology. Dispatch has been consolidated in many counties in the Lower 48. It would be a net loss of one position if we retain 2.5 positions for the Police, an assistant for the City Manager, and the increase in janitorial staff. We are already looking at funding for an assistant fire chief. Although it may cost us more in the end, we will be a fully staffed city. Support for the resolution asks the city manager to fully explore the pros and cons to make the best decision for our community and citizens.

Council opposing the 911 dispatch consolidation noted there is a very minimal chance to save money, everything else is not an advantage, and it may be a risk. If for some reason we are cut off from Soldotna we have no communications here. We haven't maintained the system and don't have anything here to maintain it. The consolidation will create consternation within the dispatch department; morale will diminish, people may leave, and we won't have good trained individuals. Costs for the new police department can be cut by eliminating the shooting range.

VOTE: YES. ERICKSON, STROOZAS, SMITH

VOTE: NO. REYNOLDS, ADERHOLD, LEWIS

Mayor Zak broke the tie with a NO vote.

Motion failed.

- D. **Resolution 16-116**, A Resolution of the Homer City Council Approving an Assignment of Lease for Bob's Trophy Charters on Tract 1-B and Awarding Todd Strand, DBA Bob's Trophy Charters, a Twenty-Year Lease With Two, Five-Year Options for Tract 1-B, Fishing Hole Subdivision No. 2, With an Annual Base Rent of \$6,256.80, and Authorizing

the City Manager to Move Forward With Lease Negotiations and Execute the Appropriate Documents. City Manager.

Memorandum 16-177 from Lease Advisors as backup.

Memorandum 16-180 from Port and Harbor Advisory Commission as backup.

Mayor Zak called for a motion for the adoption of Resolution 16-116 by reading of title only.

ADERHOLD/LEWIS - SO MOVED.

Issues that Kevin Hogan brought up in a letter to Council were addressed including compliance with the Open Meetings Act (OMA) and excluding comments from the public on the leases.

City Attorney Wells advised Council the OMA deals in reality. The makeup composition of the body is the driving fact of whether the OMA applies. The lease committee is comprised of staff members who are an extension of the city manager. They are tasked with negotiating contracts and completing city projects. What they negotiate on is approved, vetted, recommended, and may be objected by the Port and Harbor Advisory Commission, Planning Commission, and then the Council. Since the committee is comprised solely of staff, it is exempt from OMA.

Comments of the public from the commission meeting were not included in the packet. The Council received an excerpt of the Port and Harbor Advisory Commission meeting pertaining to the leases. It is standard practice to only include an excerpt of the minutes from a commission meeting as backup, instead of the entire minutes.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Resolution 16-117**, A Resolution of the Homer City Council Approving an Assignment of Lease for the Fish Factory on Lot 12-A1 and Awarding Seven Seas Fish Company, DBA Alaskan Fish Factory, a New Lease With Options to Renew for Lot 12-A1, Port Industrial No. 3, and a Portion of Lot 12B, Port Industrial No. 4, With an Annual Base Rent of \$26,119.80, and Authorizing the City Manager to Move Forward With Lease Negotiations and Execute the Appropriate Documents. City Manager.

Memorandum 16-178 from Lease Advisors as backup.

Memorandum 16-180 from Port and Harbor Advisory Commission as backup.

Mayor Zak called for a motion for the adoption of Resolution 16-117 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Resolution 16-118**, A Resolution of the Homer City Council Awarding Pier One Theatre a Five-Year Lease With No Options for Renewal, a Portion of Tract 1-A, Fishing Hole Subdivision No. 2, With an Annual Base Rent of \$1.00, and Authorizing the City Manager to Move Forward With Lease Negotiations and Execute the Appropriate Documents. City Manager.

Memorandum 16-179 from Lease Advisors as backup.

Memorandum 16-180 from Port and Harbor Advisory Commission as backup.

Mayor Zak called for a motion for the adoption of Resolution 16-118 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- G. **Resolution 16-119**, A Resolution of the Homer City Council Awarding United States Coast Guard (USCG) a New One-Year Lease With Nine, One-Year Options to Renew for Lot 2, Homer Spit Four Sub, With an Annual Base Rent of \$17,058.60, and Authorizing the City Manager to Move Forward With Lease Negotiations and Execute the Appropriate Documents. City Manager.

Memorandum 16-180 from Port and Harbor Advisory Commission as backup.
Memorandum 16-182 from City Manager as backup.

Mayor Zak called for a motion for the adoption of Resolution 16-119 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

C. **Resolution 16-121**, A Resolution of the City Council of Homer, Alaska, Supporting the Standing Rock Lakota Tribe and Opposing the Dakota Access Pipeline. Lewis.

Mayor Zak called for a motion for the adoption of Resolution 16-121 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

Councilmember opinions differed on support for the resolution:

- It is the rich nailing the poor.
- The pipeline was fast-tracked to put it through the poorest county in South Dakota underneath their drinking water reservoir; we would not allow a pipeline under our reservoir.
- It is showing support for the people that are fighting for their way of life that has been trampled.
- Corps of Engineers permits should not be circumvented.
- It is not our jurisdiction and does not affect the health, safety and welfare of Homer.
- Cannot support a protest on either side; it has become violent and is not our fight.

VOTE: YES. LEWIS, REYNOLDS, ADERHOLD

VOTE: NO. ERICKSON, STROOZAS, SMITH

Mayor Zak broke the tie with a YES vote.

Motion carried.

COMMENTS OF THE AUDIENCE

Jennifer Norton, Homer resident, thanked Council for approving the Pier One Theatre lease. It is important to get our community out on the Spit in an artistic way.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells thanked Council for their participation in the training session earlier this month.

COMMENTS OF THE CITY CLERK

City Clerk Johnson wished all a Happy Thanksgiving.

COMMENTS OF THE CITY MANAGER

City Manager Koester had no comments.

COMMENTS OF THE MAYOR

Mayor Zak announced the Thanksgiving dinners at both the Homer Elks Lodge and the Methodist Church.

COMMENTS OF THE CITY COUNCIL

Councilmember Stroozas announced the Elks Thanksgiving dinner that is free for all retired and active duty military, those discharged honorably and their families. All other donations will go to the wounded warriors.

Councilmember Lewis wished everyone a Happy Thanksgiving and congratulated the Homer High Hockey Team that won the End of the Road Shootout this weekend.

Councilmember Reynolds thanked the city manager and city attorney for the training session. Everyone was well served with the topics that included Open Meetings Act and conflicts of interest.

Councilmember Smith wished everyone a Happy Thanksgiving. He thanked the Lions Club, Fran VanSandt, and volunteers in participating in the annual event to put together food baskets for needy families. This year they prepared 229 boxes of food to be distributed to Homer, Anchor Point, and Ninilchik families. It is impressive to see that our community looks out for each other.

Councilmember Erickson thanked Jo and Holly for the training. She appreciated attending the AML conference for the training that focused on being transparent. The perception of where our hearts and thoughts are towards our world is important and that people see we care about our town.

Councilmember Aderhold acknowledged the passing of Ken Jones. He was a prominent member of our community, a positive member of the fishing community, and quite an athletic. She offered condolences to his family and commended the professionals and volunteers that searched overnight for him. She is thankful this community will do that for their fellow members.

ADJOURNMENT

There being no further business to come before the Council, Mayor Zak adjourned the meeting at 9:03 p.m. The next Regular Meeting is Monday, December 5, 2016 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: _____