

Session 16-19 a Regular Meeting of the Homer City Council was called to order on September 12, 2016 at 6:00 p.m. by Mayor Mary E. Wythe at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

**PRESENT:** COUNCILMEMBERS: ADERHOLD, SMITH, VAN DYKE, ZAK  
  
ABSENT: LEWIS, REYNOLDS (both excused)  
  
STAFF: CITY MANAGER KOESTER  
CITY CLERK JOHNSON  
CITY PLANNER ABBODD  
FINANCE DIRECTOR LI  
PERSONNEL DIRECTOR BROWNING  
PORT AND HARBOR DIRECTOR HAWKINS

Councilmembers Lewis and Reynolds have requested excusal.

Mayor Wythe ruled Councilmembers Lewis and Reynolds absences as excused and there was no objection from the Council.

The Worksession and Committee of the Whole were cancelled due to lack of a quorum.

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: **VISITORS - Kenai Peninsula Borough Ordinance 2016-31**, An Ordinance Amending Sections of KPB Chapter 5.18 to Update and Clarify the Borough Sales Tax Code, Including Changes to Several Provisions on Tax-Exempt Sellers and Taxable Sales and Services. Mayor. **CITY MANAGER'S REPORT - Projected Revenues for 2017**, Written public comments; **Kenai Peninsula Borough Ordinance 2016-25**, An Ordinance Amending KPB 2.40.010 to Reduce Planning Commission Membership. Mayor Substitute; **Memorandum 16-145**, from Deputy City Clerk, Re: Planning Commission Recommendation on KPB Ordinance 2016-25; and **Memorandum 16-146**, from City Planner, Re: KPB Ordinance 2016-25, An Ordinance Amending KPB 2.40.010 to Reduce Planning Commission Membership.

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

ZAK/ADERHOLD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Kevin Hogan, city resident, commented on Resolution 16-096. It is an exciting grant-driven project that he hopes will succeed. He questioned the language in the resolution and joint agreement of being treated as every other lease. All leases are not equal; some get the red carpet while others get red tape. The City is bending over backwards for those without money and those that have money and have created jobs can't get anything. He told Council to be fair and equitable.

### **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 Special meeting minutes of August 11, 2016 and Regular meeting minutes of August 22, 2016. City Clerk. Recommend adoption.
- B. **Memorandum 16-140**, from Mayor Wythe, Re: Appointment of Jonathan Sharp to the Parks, Art, Recreation and Culture Advisory Commission and Appointment of Emilie Springer to the Library Advisory Board.
- C. **Ordinance 16-46**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Department of Homeland Security FY2015 Staffing for Adequate Fire and Emergency Response (SAFER) Grant in the Amount of \$248,421.00 to Fund the Assistant Fire Chief Position for Two Years, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommended dates: Introduction September 12, 2016, Public Hearing and Second Reading September 26, 2016.

- D. **Resolution 16-091**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Donation from Paul Mackie of a Carved Opal Stone Sculpture Titled 'Bookworm' by Artist Odraf Nkomo to be Placed at the Library. City Clerk/Parks Art Recreation and Culture Advisory Commission. Recommend adoption.

Moved to Resolutions, Item C. Aderhold.

- E. **Resolution 16-092**, A Resolution of the Homer City Council Amending the Drug Free Workplace Policy. City Manager. Recommend adoption.

Moved to Resolutions, Item B. Smith.

- F. **Resolution 16-094**, A Resolution of the Homer City Council Approving the City of Homer Parks, Art, Recreation and Culture Advisory Commission Bylaws to Prescribe Its Duties and Responsibilities, and Provide for the Transition From the Former Public Arts Committee and Parks and Recreation Advisory Commission. City Clerk/Parks, Art, Recreation and Culture Advisory Commission. Recommend adoption.

Memorandum 16-141 from Parks, Art, Recreation and Culture Advisory Commission as backup.

- G. **Resolution 16-095**, A Resolution of the Homer City Council Awarding the Contract for the Construction of the Kachemak Drive (Phase III) Water and Sewer Improvement Project to the Firm of Southcentral Construction, Inc. of Anchorage, Alaska, in the Amount of \$912,488.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Recommend adoption.

Memorandum 16-142 from Public Works Director as backup.

- H. **Resolution 16-096**, A Resolution of the Homer City Council Approving a Joint Agreement Between the City of Homer and Global Sustainable Fisheries of Alaska (GSFA) for the Purposes of GSFA Obtaining a Grant From the U.S. Department of Commerce and Economic Development Administration for Project Funds for Establishing a High Quality Seafood Processing Company Within the City of Homer. City Manager. Recommend adoption.

Moved to Resolutions, Item D. Aderhold.

- I. **Memorandum 16-144**, from Deputy City Clerk, Re: Confirmation of Election Judges for the City of Homer October 4, 2016 Regular Election. Recommend approval.

Item E, Resolution 16-092 was moved to Resolutions, Item B. Smith.

Item D, Resolution 16-091 was moved to Resolutions, Item C. Aderhold.

Item H, Resolution 16-096 was moved to Resolutions, Item D. Aderhold.

ADERHOLD/ZAK – MOVED TO APPROVE THE CONSENT AGENDA AS READ.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **VISITORS**

- A. Public Safety Building Review Committee, Project Update

Public Safety Building Review Committee Chair Ken Castner explained the dire need to replace existing public safety facilities in the most efficient and effective manner. The Fire Department has taken remedial action to renovate the existing building. The floor in the bays was removed and new concrete poured.

The ballot proposition for the new police station is for \$12M. We want to deliver to the police what they need to maintain an effective force for the next 40 years. The facility is larger than imagined for the growth rate that is unknown. We have utilized 60% of the new facility into the existing HERC facility; that means new construction has been cut by 60% in the proposed 28,000 sq. ft. facility. Council has a method to finance the project and deliver it. It is unlikely the full \$12M will be spent since the scope on the project is at \$11M. More will be known when the design parameters for electrical, mechanical, and security are complete. Mr. Castner has been making presentations to the City's commissions and local organizations and the public response has been positive. People have asked questions about the 6-month seasonal sales tax; that tax will be additional to the 4 months food is now taxed if the proposition passes.

The Police Department is much more of a social agency. Interactions with the public are frequent and there is no space to meet with people. They are not just a crime fighting organization; they do a lot of social interaction in the hope of preventing future events. Their mission has changed a lot, as have their space requirements. Mr. Castner is representing the police, acting as their champion, as they would not complain about the deplorable working

conditions on their own. We have neglected the police station for a long while and now is the time to step up and do. Open houses at the police station will be offered for the public to view the current working conditions.

B. Mayor Navarre and Larry Persily, Kenai Peninsula Borough Tax Code Changes

Kenai Peninsula Borough Mayor Navarre reported over a year ago the Borough started a comprehensive review of the sales tax and property tax code. That is when the Borough decided to increase education spending to 68% of the budget. Increasing revenues and still keeping a balance between sales tax and property tax is the Borough's goal. It is likely there will be a property tax increase in the FY2018 budget. Future revenue projections show reductions in education and revenue sharing for communities given the State's fiscal situation.

Property tax and sales tax require a public vote. The existing sales tax code, in place since 1965, caps sales tax at the first \$500 in sales. One proposition will increase the sales tax cap to \$1,000 in sales and eliminate sales tax on rents. That increase will provide \$3.6M revenue for the Borough and a reduction of \$700,000 by eliminating residential rents. The net increase will be \$2.9M for the Borough; Homer will have a \$358,000 increase with the sales tax cap increase, minus \$231,000 in the residential rent exemption.

Another proposition is to eliminate the optional portion of the senior citizen property tax exemption over a 6-year period. Seniors are currently exempt from borough property taxes on \$300,000 in assessed value. The State requires \$150,000 senior exemption and the Borough adopted an additional \$150,000 senior exemption. Additionally, there is a \$50,000 residential exemption allowed for all homeowners. If over 65 years old you are exempt from paying for emergency services, but young families and non-seniors pay more. In addition to the \$350,000 exemption for seniors there is a 2% hardship exemption. This means after the \$350,000 exemption is applied and a person's house is worth more than \$350,000 they just pay 2% of household income. Last year there was \$850M in senior-owned property off the tax rolls. The borough senior population is growing faster than any other place in the state. The proposition won't affect anyone who currently gets benefits and anyone that turns 65 before January 1, 2018. By January 1, 2024 the borough exemption will be gone, but the 2% hardship exemption to take care of the most needy will still remain.

C. Derotha Ferraro, Director of Public Relations, South Peninsula Hospital, Hospital Improvements Funded by Kenai Peninsula Borough Proposition 2

Derotha Ferraro, Director of Public Relations at South Peninsula Hospital, commented on the much needed projects for the hospital. Operating rooms need HVAC systems replaced as they

are over 40 years old. The technology is antiquated; they have a very limited capacity and do not meet current construction codes. Homer has exceeded the average high all but four days this summer and Alaska has had 200 consecutive days reaching warmer than normal temperatures. Additionally, there is an increased demand for the operating rooms. The number of surgeries has nearly tripled in 18 years. The project is to design, purchase, construct and install a new HVAC system that exceeds quality and safety patient goals, yet is affordable and gives us great value, meets our long term needs, and has the least amount of disruption on the operating rooms. It will be designed this fall and winter and construction completed by next summer.

The other project is the expansion of the Homer Medical Center. The building is over 30 years old, very crowded, and there is a long wait time for an appointment. We are unable to recruit new providers due to lack of space. It is the fastest growing and busiest clinic on the southern peninsula. In the last three years 9,136 residents of the service area utilized Homer Medical Center. There are seven providers and they are open six days a week and two evenings per week. They have 60-70 patients waiting for their first appointment. The project is a 5,700 sq. ft. addition to include seven additional exam rooms, a consult area, and additional office space to bring the medical coders and billing office across the street from a leased building. It will include renovation for a new roof, expansion of the waiting room, improved parking, and an enlarged lab and imaging area. The project will go out to bid, award in November, and be completed by next summer.

The estimated cost for OR is estimated at just over \$2M; Homer Medical Center is estimated at \$3M. The financing options are to borrow from the Borough, borrow commercially, or ideally by General Obligation bond. It is the least expensive way to fund the projects. It would take .21 mills to pay it back, but based on current assessments there would be no need to increase the current mill rate. The service area will vote on Proposition 2 on October 4<sup>th</sup>. Tours for Homer Medical Center are offered by contacting Ms. Ferraro at South Peninsula Hospital.

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

A. Mayor's Proclamation - National Estuaries Week, September 17 – 24, 2016

Mayor Wythe read and presented the proclamation to Councilmember Aderhold.

B. Mayor's Proclamation – National Senior Center Month, September 2016

Mayor Wythe read and presented the proclamation to Daniel Weisser, Adult Day Services Manager, Homer Senior Citizens, Inc.

C. Borough Report

Kenai Peninsula Borough Mayor Navarre reported Assembly Member Kelly Cooper is attending the school board meeting tonight. The Assembly and Administration will be meeting in Homer next Tuesday. The Assembly had a worksession today with Governor Walker. He spoke to the Assembly about the fiscal situation in the state and the need to face it. The Legislature and Alaskans will be faced with difficult issues for the future.

D. Commissions/Board Reports:

1. Library Advisory Board

Library Advisory Board Member Mark Massion reported the library was designated as the most attractive in the state. In August 2014 there were 11,101 items in circulation; August 2015 there were 12,367 items in circulation; and August 2016 there were 15,872 books, periodicals, and CDs circulated within the month. Last month 14,221 people came through the door and year to date more than 95,000 people have used the library. The library is now accepting credit cards. Claudia Haines, Youth Services Librarian, has become a published author with her book titled *Becoming a Media Mentor*. Mr. Massion invited everyone to the library's 10<sup>th</sup> anniversary on Saturday, September 17<sup>th</sup> from 12:00 to 3:00 p.m.

2. Homer Advisory Planning Commission

Tom Stroozas, Vice Chair of the Planning Commission, reported the commission will meet on Wednesday, September 14<sup>th</sup> for a special meeting. They will work on three conditional use permits. There was an error in communicating the meetings to the public so they will resolve that this week. At the last meeting the commission worked on HAWSP (Homer Accelerated Water and Sewer Program) and made recommendations on the cost ratio and that fees be increased to start a special assessment district from the current \$100 to \$1,000. Their recommendations will go to Council soon. Upon review of Borough Ordinance 2016-25 the commission felt there would be a lack of representation for Anchor Point with the proposed reduction of commissioners. The commission is asking the Council to address that to the Borough.

3. Economic Development Advisory Commission

The next meeting is scheduled for Tuesday, September 13<sup>th</sup> at 6:00 p.m.

4. Parks Art Recreation and Culture Advisory Commission

A. Report on the Conditions and Status of the Parks and Recreational Facilities

Commissioner Archibald will make the report on September 26<sup>th</sup>.

5. Port and Harbor Advisory Commission

Steve Zimmerman, Port and Harbor Advisory Commissioner, reported at the September 26<sup>th</sup> council meeting moorage fees will be discussed. He asked Council to look at the packet from the commission to show the work they have done for the last two years, including public hearings. He is looking forward to the next meeting when moorage rates will be discussed more fully.

6. Cannabis Advisory Commission

E. Alaska Municipal League Trip Report for Councilmember Zak

Mayor Wythe called for a recess at 7:03 p.m. and reconvened the meeting at 7:10 p.m.

**PUBLIC HEARING(S)**

- A. **Ordinance 16-44(A)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 17.04.190, Entitled “Deferment of Assessment Payments for Low Income Residents,” by Permitting Assessment Deferral Applicants to Apply for a Deferral in Any Year an Applicant is Eligible for the Deferral Regardless of Whether or Not the Applicant Applied for Deferral in the Initial Year of Assessment. City Manager. Introduction August 22, 2016, Public Hearing and Second Reading September 12, 2016.

Memorandum 16-135 from City Clerk as backup.

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

Mayor Wythe called for a motion for the adoption of Ordinance 16-44(A) by reading of title only for second and final reading.

ZAK/ADERHOLD – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 16-45(S)**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of \$30,000.00 From Port and Harbor Reserves to Purchase Twelve New LED Lights for the High Mast Light Pole #7 at the Harbor From Puffin Electric of Homer, Alaska, as a Sole Source Contract. City Manager/Port and Harbor Director.

Memorandum 16-136 and 16-143 from Port and Harbor Director as backup.

Mayor Wythe noted Councilmember Smith was recused from discussion due to a continued conflict of interest.

City Manager Koester said due to lack of a quorum Ordinance 16-45(S) will be automatically postponed to the next meeting. She referenced Memorandum 16-143 that says we would like Council to vote down the ordinance at the next meeting and we will bring a new ordinance forward to turn the project into a competitive bid instead of a pilot project. We won't proceed with the full project without testing one light pole to meet the needs. We will require the LED lights to be AMA (American Medical Association) compliant with proper covers to reduce glare.

Mayor Wythe opened the public hearing.

Steve Zimmerman, city resident, questioned the ordinance and Mayor Wythe explained it will be postponed to the next meeting when a new ordinance is before Council for introduction.

Mayor Wythe closed the public hearing.

Ordinance 16-45(S) continued to September 26, 2016.

## **ORDINANCE(S)**

### **CITY MANAGER'S REPORT**

- A. City Manager's Report

#### **Proposition 1:**

Proposition 1, authorizing the City to issue general obligation bonds in an amount not to exceed \$12 million and implementing a seasonal (April 1- September 30) .65% sales tax increase to pay the indebtedness, will be before voters on the October 4<sup>th</sup> municipal ballot. The attached 500 word informational summary was submitted (after review by the Attorney) to the Kenai Peninsula Borough Voter Pamphlet to educate voters on the proposition.

Meanwhile...the promotional campaign, Vote Yes on Prop 1 is gearing up. Staff met with the PSBRC at their August 24<sup>th</sup> meeting to help coordinate implementation of their Public Information Campaign plan in preparation for the October 4<sup>th</sup> vote on Ballot Proposition 1. To date, staff has completed the following:

- Feature article on City of Homer's main webpage;
- Postcard (draft design attached) to send to City of Homer residences by Sept. 23;
- PSA script to air on KBBI beginning Saturday, Sept. 24;
- Arranged for PSBRC representatives to present Prop 1 information at a Homer Chamber of Commerce Forum, September 20 at noon at the Best Western Bidarka;
- Scheduled two Police Department guided tours for the public (Wednesday, September 28 from 5:00 pm to 7:00 pm and Saturday, October 1 from 1:00 pm to 3:00 pm);
- Drafted Talking Points for PSBRC.

In process:

- Production of a "virtual tour" video to feature on website/social media;
- Display ads for local newspapers.

### **2017 Alaska Municipal League Resolutions**

October 7<sup>th</sup> is the last day to submit resolutions to the AML Office to be included in the conference packet. A 2017 AML Resolution is an action resolution to support a specific issue. To be eligible for consideration, a resolution has to be first passed by the community. That makes the September 26<sup>th</sup> council meeting the last meeting for Council to consider resolutions to forward to AML. Resolution procedures are on the AML website. Contact me if you want to sponsor a resolution and I will get the ball rolling. As a reminder, the AML Local Government Conference is November 14-18.

### **Visit With Senator Dan Sullivan**

As a former Board member, I was invited to attend a meeting with Senator Dan Sullivan on Economic Development issues on the Peninsula organized by Kenai Peninsula Economic Development District (KPEDD). It was a productive hour and a half meeting where the Senator spent time drilling down into the economic issues of each peninsula community. I highlighted the Large Vessel Harbor project as the next big economic development step for Homer and requested his support working with the Coast Guard on staging a rapid response cutter in Homer. The Coast Guard is currently in the planning phase for their rapid response cutters and has visited with Homer, among other communities, this summer about homeporting possibilities. I am working with Sen. Sullivan's Kenai Peninsula Regional Director, Elaina Spraker, on scheduling a trip to Homer to familiarizer her with our infrastructure and community.

Sen. Sullivan has taken an active role in fighting the opioid epidemic and recently sponsored a symposium on conquering the opioid crisis that brought together high-level government officials and representatives across Alaska. I had the opportunity to update him on Homer's

‘Strategic Doing’ efforts and asked his office to let us know of any federally sponsored opportunities to combat this growing epidemic as a community.

### **Dispatch**

After gathering feedback from Council at the last meeting, I have scheduled a quick work session on 911 Dispatch for Council on October 10<sup>th</sup> at 4:15 pm, directly after new members are sworn in (nothing like hitting the ground running). This will be an opportunity for me to explain the history, the research staff has done, why administration is recommending against consolidation, and collect any questions from Council to forward to the Borough before they address you. The Borough will be presenting their proposal to you during a work session on October 24<sup>th</sup>. I have also invited our ProComm consultant, Gary Peters, to present on the technical hurdles of a consolidated dispatch. I appreciate the Council’s desire to learn more about this complicated topic.

1. **Memorandum 16-145**, from Deputy City Clerk, Re: Planning Commission Recommendation on KPB Ordinance 2016-25.
2. **Memorandum 16-146**, from City Planner, Re: KPB Ordinance 2016-25, An Ordinance Amending KPB 2.40.010 to Reduce Planning Commission Membership.

City Manager Koester referenced the supplemental manager’s report that includes revenue sources for the general fund and an analysis of projected revenues. It calls for a 5.4% increase in sales tax and increased property tax for this year. City Manager Koester cautioned that the projections are based on sales tax returns from the Borough and can be adjusted. Homer is doing well with a strong visitor industry and hospitality businesses; it is more robust than other areas.

The Planning Commission reviewed KPB Ordinance 2016-25 to reduce membership of the Borough Planning Commission. Previously they recommended that Council oppose the ordinance and a letter was submitted to the Borough opposing the reduction of commissioners.

Mayor Navarre said we are out of compliance with state law with the allocation of planning commissioners. We are supposed to allocate commissioners outside the cities and inside the cities as to the population of areas. Because the areas outside the cities are growing faster than the cities we are now out of proportion. By designating the five seats for cities we have to increase the commission size to 15 members. There are not designated seats, only seats for First Class and Home Rule cities. Outside cities are not designated seats; commissioners are appointed and confirmed by the Assembly based on the Mayor’s discretion. If the population continues to grow we won’t have to have 16 or 17 members on the planning commission. We

want 11 positions that we can reallocate according to population which is compliant with state law.

City Manager Koester announced 'Lunch With Councilmembers' will resume on October 10<sup>th</sup> at the library. Councilmember Reynolds will be at that session and there is space for one more councilmember.

City Manager Koester acknowledged the work done by Special Projects and Communications Coordinator Jenny Carroll on Proposition 1, the bond for the police station. A flyer will go out to all households within the city.

The Worksession on the Capital Improvement Plan has been continued to September 26<sup>th</sup> when a quorum is present.

B. Bid Report

#### **CITY ATTORNEY REPORT**

#### **COMMITTEE REPORT**

A. Employee Committee Report

B. Public Safety Building Review Committee

Mayor Wythe announced the next meeting is Wednesday, September 14<sup>th</sup> at 5:30 p.m. in the Conference Room.

C. Americans with Disabilities Act Compliance Committee

Councilmember Aderhold reported the cost estimate for reviewing facilities and preparing a transition plan will be available in the next couple weeks. The committee discussed city facilities included in the review and transition plan, provided input for completing a grant application for the trust of completing the review and transition plan.

#### **PENDING BUSINESS**

#### **NEW BUSINESS**

#### **RESOLUTIONS**

- A. **Resolution 16-093**, A Resolution of the City Council of Homer, Alaska, Expressing Support for Kenai Peninsula Borough Ordinance 2016-31 Amending Sections of KPB Chapter 5.18 to Update and Clarify the Borough Sales Tax Code, Including Changes to Several Provisions on Tax-Exempt Sellers and Taxable Sales and Services. Mayor/City Council.

Mayor Wythe called for a motion for the adoption of Resolution 16-093 by reading of title only.

ZAK/ADERHOLD – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 16-092**, A Resolution of the Homer City Council Amending the Drug Free Workplace Policy. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 16-092 by reading of title only.

ADERHOLD/VAN DYKE – SO MOVED.

Councilmember Smith questioned what the existing Drug Free Workplace Policy was.

Personnel Director Browning explained paragraph 3 was added to the policy to follow state law on controlled substances. The amendment is to further clarify this for employees so they understand what falls into the Drug Free Workplace Policy.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 16-091**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Donation from Paul Mackie of a Carved Opal Stone Sculpture Titled 'Bookworm' by Artist Odraf Nkomo to be Placed at the Library. City Clerk/Parks Art Recreation and Culture Advisory Commission.

ADERHOLD/ZAK - MOVED TO ACCEPT RESOLUTION 16-091.

Councilmember Aderhold asked if the Parks Art Recreation and Culture Advisory Commission has had a chance to review and accept this.

City Clerk Johnson answered PARC Advisory Commission has not reviewed the request for the art donation. The request was made in May prior to the Public Arts Committee and Parks and Recreation Advisory Commission combining into one commission.<sup>1</sup>

ADERHOLD/ZAK - MOVED TO POSTPONE THE ACCEPTANCE OF THIS PIECE OF ART AND REFER IT TO THE PARKS ART RECREATION AND CULTURE ADVISORY COMMISSION FOR THEIR REVIEW.

There was no discussion.

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

Motion carried.

Resolution 16-091 will return to Council on October 24<sup>th</sup> to allow PARC Advisory Commission time to review the request.<sup>2</sup>

D. **Resolution 16-096**, A Resolution of the Homer City Council Approving a Joint Agreement Between the City of Homer and Global Sustainable Fisheries of Alaska (GSFA) for the Purposes of GSFA Obtaining a Grant From the U.S. Department of Commerce and Economic Development Administration for Project Funds for Establishing a High Quality Seafood Processing Company Within the City of Homer. City Manager. Recommend adoption.

Mayor Wythe called for a motion for the adoption of Resolution 16-096 by reading of title only.

ZAK/ADERHOLD – SO MOVED.

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<sup>1</sup> The donation of the sculpture was reviewed by the Parks Art Recreation and Culture Advisory Commission on June 16, 2016 and accepted into the Municipal Art Collection for placement at the library.

<sup>2</sup> Resolution 16-091 will return to Council on September 26, 2016.

Councilmember Aderhold acknowledged the public comment about applying our leases differently and would like to make sure the lease to GSFA is applied as it would be to anyone else.

City Manager Koester told Council GSFA will be treated like another lease. It is a ground lease appraised every five years with no special incentives, terms and conditions. We are treating the lease like any other business be it a non-profit or for-profit business. The Joint Agreement spells out that GSFA will do all the reporting. The City is just the landowner and has offered a long-term lease through Resolution 16-086.

Councilmember Smith commented on the lack of conformity to existing leases. If we provide new opportunities we should be accommodating to current lease holders to provide employment and expansion opportunities. We want to make sure to address any conditions of non-conformity.

Mayor Wythe commented leases established 30 years ago would be different to new leases with new procedures. That is the benefit of having a 40-year versus 20-year lease. We don't change all existing leases just because we have made a change in the Lease Policy.

Councilmember Aderhold asked to define the EDA (Economic Development Administration) in the Joint Agreement.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **COMMENTS OF THE AUDIENCE**

Steve Zimmerman, city resident, questioned the sales tax increase in relation to the amount of inflation. Kevin Hogan's lease is less than 10 years old. He doesn't know what he is comparing to other leases, but there may be non-compliance issues with a few of them. He told Council to try not to spend so much money as we don't have it and taxes can't go up any more.

Tom Zitzmann thanked Council for the proclamation on National Estuaries Week. Maintaining the berm at Bishop's Beach and the impediments to prevent people from driving on the beach have made a significant improvement this summer. He suggested expanding areas outside Bishop's Beach estuary to help the berms heal.

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

City Attorney Wells was not present.

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

City Clerk Johnson announced absentee and early voting that begins on Monday, September 19<sup>th</sup> and continues through Election Day.

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

City Manager Koester had no comments.

### **COMMENTS OF THE MAYOR**

Mayor Wythe congratulated the library on their 10-year anniversary and announced the event on September 17<sup>th</sup> at the library. She asked people to give hard consideration to the police station bond funding. It is a necessity to make it safer for employees and patrons. Tours of the police station are available. She encouraged anyone to see the current conditions.

### **COMMENTS OF THE CITY COUNCIL**

Councilmember Smith appreciates the people that participated tonight and encouraged everyone to vote. It is an important right that we have. He reflected on the commemoration of 911 yesterday. It had an impact on him and he remembers the events vividly. It has transfigured and transformed our nation in many ways. It is worthy of reflection. At the top of the CIP it says a carefully prepared CIP has many uses. It can assist a community to plan for maintenance and operating costs so expenses are budgeted in advance to help avoid projects that the community cannot afford. We are chasing a \$1M deficit and borrowed from the HART to fill that gap. The current plan for the new police station is projected to add \$144,000 to annual maintenance costs. It is a 15% increase to that deficit. We haven't solved the fiscal gap and can't afford it. He has been to all the committee meetings since elected. We need a new police station, but can't afford it on that big of a scope. People need the big picture at what we are looking at fiscally and what the state is looking at. The cumulative cost of everything we do will have a serious effect.

Councilmembers Aderhold and Van Dyke had no comments.

Councilmember Zak thanked Mayor Navarre for coming to talk to us about the tax propositions on the borough ballot. He appreciates the sales tax clarification and a lot of good work done by the Borough. He looks forward to having the Assembly here next week for their meeting so that local citizens can attend. He thanked Derotha of South Peninsula Hospital for sharing information on what we need for Homer Medical Center and the HVAC for the hospital. Daniel received the recognition for the senior center. On Saturday from 3:00 to

5:00 p.m. you can go to the senior center and participate in wine tasting. He hopes the voters show up to vote. He is supporting the public safety building since the timing is right. We have to consider the costs, but the interest rates for the state are good and bonding won't get any better. The Public Safety Building Review Committee has done a lot of work in the past two years by securing the location and Ken Castner is telling everyone how important the police station is to the community. If people have questions they can reach out to Ken or him. The future city council will take a hard look at what being requested and whittle it down more. We need to make sure we have public safety and fire services in the future.

## **ADJOURNMENT**

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 7:52 p.m. The next Regular Meeting is Monday, September 26, 2016 at 6:00 p.m., Worksession at 4:00 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.

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JO JOHNSON, MMC, CITY CLERK

Approved: \_\_\_\_\_