

Session 16-16 a Regular Meeting of the Homer City Council was called to order on August 8, 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, LEWIS, REYNOLDS, SMITH, VAN DYKE,
ZAK

STAFF: CITY MANAGER KOESTER
CITY CLERK JOHNSON
CITY ATTORNEY WELLS
CITY PLANNER ABBOUD
FINANCE DIRECTOR LI
LIBRARY DIRECTOR DIXON
PORT AND HARBOR DIRECTOR HAWKINS

Council met as a Committee of the Whole from 5:00 p.m. to 5:36 p.m. to discuss Resolutions 16-080, 16-084, 16-085, and 16-086, Memorandums 16-128, 16-129, 16-130, and 16-131, and 2017 Budget Priorities along with Consent Agenda and Regular Meeting Agenda items.

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

AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

The following changes were made: **PUBLIC HEARINGS - Ordinance 16-38(S)**, An Ordinance of the City Council of Homer, Alaska, Amending HCC 7.04.030, Traffic Fine Schedules, and Enacting Homer City Code Chapter 7.15, Animals in Vehicles, Regarding Animals in Vehicles; and Amending Homer City Code Title 20, Animals, Regarding the Regulation and Impoundment of Animals, and Penalties for Animal Violations. City Manager/Police Chief. Written public testimony.

Mayor Wythe called for a motion for the adoption 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

Olga vonZiegesar, Homer resident, spoke on Resolution 16-081. She asked Council to change the time and place of the Navy practices.

Roberta Highland, city resident, supports Resolution 16-081. She referenced the Sonic Sea film showing the devastating effects of Navy exercises.

Mako Haggerty, Homer resident, supports Resolution 16-081. In 2011 Alaska let the coastal management plan go away so it now falls on the coastal municipalities to let the federal government know we care and are watching.

Sue Christiansen, city resident, spoke on Resolution 16-081. While war games are intended to help us become nationally secure, the cumulative impacts to food and marine environment are devastating.

Rhema Smith supports Resolution 16-081. The Navy can find another place and different time of year for their activities.

Robert Archibald, city resident, spoke on Resolution 16-081. The active sonar has devastating effects on mammals traveling in the areas. He would like the Navy to look at the timing and place.

Amanda Johnston, city resident, supports Resolution 16-081. There is never a good time for the activities, but it would be less detrimental in the winter months.

Maya, Hawaii and Homer resident, supports Resolution 16-081 to minimize impacts on fish and marine mammals. It is irresponsible to have Navy war games in the areas that affect our resources.

Bob Shavelson, Cook Inletkeeper, commented on Resolution 16-081. Kachemak Bay has had a significant change in the last two years with the die-off of otters, murrelets, and clams. He suggested the Navy move away from areas in May and push further off the coast.

Tom Zitzmann, city resident, supports Resolution 16-081. He sees the beauty of the bay with the abundance of humpback whales playing. The timing of the events may impact the humpbacks coming to Kachemak Bay.

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 July 25, 2016. City Clerk. Recommend adoption.

- B. **Ordinance 16-43**, An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to Change the Terms for Adjusting the Amortization of Principal of the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02, and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager. Recommended dates: Introduction August 8, 2016, Public Hearing and Second Reading August 22, 2016.

- C. **Resolution 16-082**, A Resolution of the Homer City Council Approving the Terms and Conditions for the Sale of Parcel No. 175-241-26, T 6S R 14W SEC 24 S.M. HM 0880016 Lillian Walli Estate Lot 57; Parcel No. 175-241-28, T6S R14W SEC 24 S.M. HM0880016 Lillian Walli Estate Lot 58; Parcel No. 175-241-27, T 6S R 14W SEC 24 S.M. HM 0880016 Lillian Walli Estate Lot 59; Parcel No. 175-241-26, T 6S R 14W SEC 24 S.M. HM 0880016 Lillian Walli Estate Lot 60; Parcel No. 175-241-30, T 6S R 14W SEC 24 S.M. HM 0880016 Lillian Walli Estate Lot 65; Parcel No. 175-241-11 T 6S R 14W SEC 24 S.M. HM 0880016 Lillian Walli Estate Lot 66; Parcel No. 175-241-12, T 6S R 14W SEC 24 S.M. HM 0880016 Lillian Walli Estate Lot 67; Parcel No. 175-241-10, T 6S R 14W S.M. HM 0880016 Lillian Walli Estate Lot 70 to the Highest, Responsible Bidder for Those Lots and Authorizing the City Manager to Execute the Appropriate Documents to Finalize the Sales. City Manager. Recommend adoption.

- D. **Resolution 16-084**, A Resolution of the Homer City Council Approving an Amendment to the Michael Yourkowski Lease on Lot 88-2, Homer Spit Sub No. 2 Amended, to Permit the Use of 611 Square Feet of the City of Homer's Right of Way for Restaurant Seating, Amending the Base Rent to Be Paid in Quarterly Installments, and Amending Verbiage Related to Subleasing to Bring It To-Date With Current Policies, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 16-128 from Lease Committee as backup.

Memorandum 16-129 from Port and Harbor Advisory Commission as backup.

Moved to Resolutions, Item D. Lewis.

- E. **Resolution 16-085**, A Resolution of the Homer City Council Approving a Request to Sublease to Michael Yourkowski to Permit Commercial Subleases in Eight Buildings Located on the Leased Property Lot 88-2, Homer Spit Sub No. 2 Amended. City Manager. Recommend adoption.

Memorandum 16-128 from Lease Committee as backup.

Memorandum 16-129 from Port and Harbor Advisory Commission as backup.

Moved to Resolutions, Item E. Lewis.

- F. **Resolution 16-086**, A Resolution of the Homer City Council Awarding to Global Sustainable Fisheries of Alaska a 20-Year Lease With Two, Five-Year Options for Lot 9-A and Lot 10-A, Homer Spit Replat 2006, With a Base Rent of \$36,133.00 Per Year, and Authorizing the City Manager to Move Forward With Lease Negotiations and Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 16-130 from Lease Committee as backup.

Memorandum 16-131 from Port and Harbor Advisory Commission as backup.

- G. **Resolution 16-087**, A Resolution of the City Council of Homer, Alaska, Opposing the National Park Service's Closure of the Homer Field Office for Lake Clark National Park. Aderhold. Recommend adoption.

Moved to Resolutions, Item F. Smith.

- H. **Memorandum 16-126**, from Library Advisory Board, Re: Request to Hold a Special Meeting.

Item D, Resolution 16-084 was moved to Resolutions, Item D. Lewis.

Item E, Resolution 16-085 was moved to Resolutions, Item E. Lewis.

Item G, Resolution 16-087 was moved to Resolutions, Item F. Smith.

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

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. Emily E. Stolarcyk, Program Manager for Eyak Preservation Council, Overview of U.S. Navy Training Activities in the Gulf of Alaska

Emily E. Stolarcyk, Program Manager for Eyak Preservation Council, showed a map of the Navy designated training area. It is 12 miles from the nearest point of land and encompasses 300 x 150 nautical miles. NOAA is the authorizing agency for the training sessions that have brought forward several lawsuits. Trainings occur in the rich habitat area for five species of salmon.

Last year the Navy conducted training from June 15 – 26. The communities of Cordova, Kodiak, and Homer, along with regional tribes passed resolutions against the activities. Senator Murkowski launched an investigation, but the Navy was authorized to proceed with the training. Last year they used 3% of authorized ordnance and deployed formerly classified weapon systems. Eyak Preservation Council has been filing freedom of information acts with the Navy, but they have refused all requests. The permits run in 5-year increments so the Navy is now seeking reauthorization for the next 5 years. There is a 30-day comment period and then the Navy will release their decision for the next 5 years. The Navy has scheduled trainings for May 1 - 12, 2017. Hawaii and California had a joint lawsuit against the practices and the settlement excluded the Navy from practicing in Honolulu. The Pritzker lawsuit is currently pending for the Gulf of Alaska. Kodiak multi-tribe government to government consultation resulted in the exclusion of explosions in Portlock Bank.

The sonar is 235 decibels and causes direct injury, mortality, and exposure to chemical byproducts. It is estimated about 20% of the area will be polluted by the trainings. Over 352,000 pounds of weapons could be used; that number excludes classified weapons. The majority of testing material is nonhazardous but over 10,000 pounds is classified as hazardous. When torpedoes are exploded in the water it is 140 – 150 times the effects of cyanide.

Ms. Stolarcyk recommended passing the resolution tonight. Asking the Navy not to conduct training exercises at all is not likely to be successful. Although the military needs to show they are prepared in Arctic waters, the Navy could move further off-land.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Borough Report

B. Commissions/Board Reports:

1. Library Advisory Board

Jacque Peterson, Library Advisory Board Member, reported the library summer reading program is wrapping up. This year 423 people participated, an increase of 10% from 2015. Circulation continues to grow with June statistics at 13,953 items checked out, up from 10,423 from the same month in 2015. July circulation statistics had a 10% increase. On Thursdays, August 4, 11, and 18, a three-part video will be shown on Becoming Human. August 10th the Kenai Peninsula Orchestra will present a Children's Concert. In September the Library will be 10 years old; a celebration is planned for September 17th. William Henley, the summer intern, has completed two big projects in the children's area. His position is funded through the Alaska State Library. Lastly, the Tech Insider mentioned the most beautiful libraries in every state, including ours for Alaska.

2. Homer Advisory Planning Commission

Planning Commissioner Roberta Highland reported the commission worked on the tower ordinance and hopes it is better. Tower regulations have been a long haul for the commission; fortunately no requests for towers have come before the commission yet. At the last meeting the commission had a long discussion on a plat on Mission Road to vacate a right-of-way easement and vacate a portion of the right-of-way. Both actions were approved. Additionally, the commission is reviewing the Homer Accelerated Water and Sewer Program (HAWSP) and hope to get enough information to make recommendations. Finance Director Li and Public Works Director Meyer made a presentation on HAWSP at their last meeting.

3. Economic Development Advisory Commission

4. Parks, Art, Recreation and Culture Advisory Commission

Parks, Art, Recreation and Culture Advisory Commissioner Robert Archibald reported the commission discussed the Capital Improvement Plan (CIP) and will narrow the list down and present several projects. Improvements to the water supply at Jack Gist Park are foremost. On Saturday the Pratt Museum will be working on the trail on Pioneer Avenue from 9:00 a.m. to 2:00 p.m. They are looking for volunteers. People are asked to bring work gloves, shovels, rakes, and wheelbarrows. The animal ordinance did not go before the commission, but while reviewing beaches the commission talked a lot about dogs. There are issues with loose dogs and he questioned how a dog can be under voice control.

5. Port and Harbor Advisory Commission

Cathy Ulmer, Chair of the Port and Harbor Advisory Commission, told Council the East Boat Harbor is needed. We need to rev up the economic engine. On a personal note, she expressed her deep gratitude for Resolution 16-081.

6. Cannabis Advisory Commission

Councilmember Reynolds reported at the last meeting the commission discussed items for the CIP. There was a lot of input from City Attorney Wells regarding marijuana taxes. Councilmember Lewis reported coming up with an excise tax on marijuana will cost \$25,000. We will wait and hope some other government entity comes up with the language so we can piggyback. It will save the City money, attorney time, and keep us out of court.

B. Sister City Teshio Update, by Councilmember Lewis

Councilmember Lewis reported he will be visiting Teshio from September 12 – 16 while on a personal vacation. The only expense to the City will be the costs for gifts and shipping them to Japan.

Mayor Wythe called for a recess at 7:05 p.m. and reconvened the meeting at 7:10 p.m.

PUBLIC HEARING(S)

A. **2017 BUDGET PRIORITIES**

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

B. **Ordinance 16-38(S)**, An Ordinance of the City Council of Homer, Alaska, Amending HCC 7.04.030, Traffic Fine Schedules, and Enacting Homer City Code Chapter 7.15,

Animals in Vehicles, Regarding Animals in Vehicles; and Amending Homer City Code Title 20, Animals, Regarding the Regulation and Impoundment of Animals, and Penalties for Animal Violations. City Manager/Police Chief. Introduction June 27, 2016, Public Hearings July 25 and August 8, 2016, Second Reading August 8, 2016.

Memorandums 16-026 and 16-111 from Deputy City Clerk as backup.
Memorandum 16-114 from City Attorney 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 to postpone Ordinance 16-38(S) to August 22nd for Public Hearing and Second Reading.

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

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

Motion carried.

- C. **Ordinance 16-39**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds in the Amount Of \$5,000 from the Public Safety Building Fund for Public Information Campaign in Support of the Ballot Proposition to Issue General Obligation Bonds not to Exceed \$12 Million Dollars to Finance the Acquisition and Construction of a Police Station and Provide for an Increase in the Rate of City Sales Tax from 4.5% to 5.15% from April 1 through September 30 with the Increase Providing Funds to Pay Debt Service on the General Obligation Bonds and Expiring on September 30 the Year when the City has Received Sufficient Funds from the Increase to Pay all of that Debt Service, Including Information that may Influence the Outcome of the Election on the Proposition. Mayor/City Manager. Introduction July 25, 2016, Public Hearing and Second Reading August 8, 2016.

Memorandum 16-117 from Deputy 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 16-39 by reading of title only for second and final reading.

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 16-40**, An Ordinance of the City Council of Homer, Alaska, Transferring Recreational Powers to the Kenai Peninsula Borough for the Leasing of Borough Property as a Site for an Indoor Athletic Field. City Manager. Introduction July 25, 2016, Public Hearing and Second Reading August 8, 2016.

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 16-40 by reading of title only for second and final reading.

LEWIS/REYNOLDS - SO MOVED.

SMITH/REYNOLDS - MOVED TO CHANGE IN ALL INSTANCES TRANSFER OF LIMITED RECREATIONAL POWERS.

City Attorney Wells cautioned Council about adding the limited recreational powers clause. The change to limited powers might inadvertently step into a change the Borough Assembly and legal counsel are not comfortable with, slowing down the process. At this stage the effectiveness of the ordinance is valid. The Borough does not have full parks and recreation powers for the City of Homer; they are limited to this project.

VOTE: (amendment) NO. LEWIS, SMITH, ADERHOLD, REYNOLDS, ZAK, VAN DYKE

Motion failed.

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

Motion carried.

- E. **Ordinance 16-41**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget to Provide for Necessary Mid-Year Adjustments by Appropriating and Transferring Funds from the General, Water and Sewer and Port and Harbor Funds. City Manager/Finance Director. Introduction July 25, 2016, Public Hearing and Second Reading August 8, 2016.

Memorandum 16-118 from City Manager as backup.

Memorandum 16-132 from City Planner as backup.

Memorandum 16-134 from Finance Director 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 16-41 by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

Mayor Wythe called for a recess at 7:25 p.m. and reconvened the meeting at 7:35 p.m.

ZAK/REYNOLDS – MOVED TO AMEND ORDINANCE 16-41 INSTEAD OF ALLOCATING AMOUNTS TO INDIVIDUAL DEPARTMENT RESERVES TO ALLOCATE TO INDIVIDUAL HEALTH INSURANCE COSTS.

Account information will be provided by the Finance Director. City Manager Koester confirmed the items on Ordinance 16-41 can be funded by individual department reserves.

VOTE: (amendment) YES. ZAK, SMITH, VAN DYKE

VOTE: NO. ADERHOLD, REYNOLDS, LEWIS

Mayor Wythe broke the tie with a YES vote.

Motion carried.

Asked about replacing computers at the Library, City Manager Koester explained the computers were purchased by a grant. They receive high usage and a request to replace them was denied due to tight times. Jenny is looking at other grant programs.

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

VOTE: NO. LEWIS

Motion carried.

- F. **Ordinance 16-42**, An Ordinance of the City Council of Homer, Alaska Enacting Homer City Code 10.04.115, Appeal from Port and Harbor Citation Issued Pursuant to Homer City Code Title 7 and Homer City Code Title 10. City Manager. Introduction July 25, 2016, Public Hearing and Second Reading August 8, 2016.

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 16-42 by reading of title only for second and final reading.

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

CITY MANAGER'S REPORT

- A. City Manager's Report

Roger's Loop Trailhead

The City has signed an agreement to purchase two pieces of property off of Roger's Loop that serves the Homer Demonstration Forest, provides year round access to the Baycrest trail system, and is key to providing future access to the City owned Diamond Creek property. \$65,000 for acquisition of this property was budgeted for in the 2015 budget out of HART trails

and authorized in Resolution 14-118. The Parks and Recreation Advisory Commission has been advocating for acquisition of this piece for some time and will be pleased to see progress. Long term plans for this property are to pursue grants and volunteer labor to develop the vacant lots into a trailhead with amenities such as parking and a visitor kiosk.

Alaska North to the Future Volume V

I am pleased to report that the books the City purchased an 8-page spread in, Alaska North to the Future Volume V have been published and delivered. I have a number of copies for the City to use as gifts when we have official visits. We were able to put this to good use on Tuesday, July 26th when the Teshio Sister City delegation met with City officials. This book will be used by communities across the state and state officials to promote Alaska. In addition, we will be given a link to the book to post the electronic copy on our website.

\$145,000 in Savings for Enterprise Fund

The Enterprise experienced \$145,000 in unanticipated savings with the close out of the \$6 million dollar Cruise Ship Passenger Vessel Tax (CPV) grant we received in the 2011 State Capital Budget. The improvements of the \$6 million dollar project can be seen everywhere you turn on the Homer Spit and Downtown: restrooms on the Spit and Downtown, staging improvements for passengers, new fenders on the Deep Water Dock, new boardwalks and trails, and a new load and launch ramp. (See the attached project summary and benefits for more details). Part of the \$6 million dollar project was to provide a match to the Federal Dingel Johnson grant for replacement of the load and launch ramp (an over \$3 million dollar project). The City was required to come up with a local match of \$800,000. The City budgeted for \$600,000 to come out of the Enterprise reserves and the remaining \$200,000 by the CPV grant in Ordinance 14-27. Because a number of the CPV projects came in under budget, we were able to apply an additional \$144,000 of CPV grant money to the load and launch ramp match and recoup Enterprise expenses.

Termination of Lease Negotiations for Communications Tower on Homer Spit

Resolution 15-049 (6/29/2015) authorized the City Manager to enter into lease negotiations with SpitwSpots to construct a communications tower on Lot 11 of the Homer Spit that they would own, operate and manage. The City values the improved communications that a tower on the Spit could provide for mobile, internet, and public safety. However, the City has not been able to reach an agreement with the company on specifics of the lease. After a year of negotiations, multiple meetings, letters, emails, and back and forth with draft lease versions, there are a number of technical and safety points where we have not been able to come to an agreement that is mutually satisfactory to both parties. Part VII of the Tower RFP states that “the City of Homer reserves the right to terminate negotiations with any proposer should it be in the City of Homer’s best interest.” Lease Committee members will deliberate how to best move forward and will advise whether or not they recommend reissuing an RFP.

Most Beautiful Library

The Homer Public Library has put the City on the map again. In a July 29, 2016 online publication, Tech Insider, nominated the Homer Public Library as the most beautiful library in Alaska. The list highlights a library in each of the 50 states.

Soundview Project Receives TAP Grant Award

I am pleased to announce that the City of Homer received a \$500,000 grant from ADOT&PF Transportation Alternative Program (TAP) for pedestrian safety improvements on Soundview Avenue. This, combined with a City of Homer match (\$200,000) will make the area much safer for children walking to school. As you recall, Council approved sidewalk and pedestrian safety improvements in the 2016 budget process. The City became aware of this grant opportunity as a way to leverage HART funds, save some money, and expand the project to bring the sidewalk all the way to the school. It was a very competitive grant with 42 applicants and only 8 awards. Credit goes to the community for bringing this needed improvement to Council's attention, Council for having the foresight to budget for it which allowed us to do preliminary engineering and be eligible for the grant, Jenny Carroll for pulling together a well written grant in a short time frame and Carey Meyer for providing all the technical information and project scope required. Because federal dollars are being used, there are additional environmental and permitting processes to go through that will push the construction start date to 2017. Once we receive a grant agreement, I will bring an ordinance before Council accepting the grant. We have been told this could take a few months due to DOT's internal processes. See attached press release for more information.

Investment Policy

I regret that I had to cancel the investment policy worksession scheduled for today. Staff is overwhelmed and has not been able to put the time and attention into developing a 50-minute worksession that makes the best use of Council time. As you know, reviewing the investment policy to ensure that the City is receiving the highest rate of return while protecting the public's money has been on my radar since I was hired. Nevertheless, the City has a very robust investment policy on the books that is well within government standards and prioritizes safety (see attached HCC 3.10). When the Council has the time to dive into the details, I anticipate you will need to give staff direction and make minor tweaks in lieu of a wholesale re-write. Thanks for your patience as staff and Council juggles the many time consuming issues we are dealing with.

Statewide Transportation Improvement Plan (STIP)

Amendment Number 1 to the STIP was released by AKDOT&PF mid-July that delays/changes projects that are critical to Homer's downtown core: The amendment was released just days after DOT had an open house for the two projects which were summarized in the June 27th City Manager's Report. Full funding of Lake Street Rehabilitation has been delayed from 2018 to indefinitely (after 2019 is listed in the amendment). Rehabilitation of Pioneer Avenue has been eliminated entirely. DOT staff has informed us this project has been downgraded to a pavement preservation project which is funded as part of statewide appropriation, however we do not know at what funding level. City Planner Abboud has prepared comments on the

STIP Amendment 1 (attached) that will be submitted after this Council meeting. Comments and/or additions from Council are welcome.

Alaska Municipal League Position Statements

The July 25th City Manager's report included a copy of the AML Position Statement that was adopted at the 2015 AML Annual Conference. AML asked municipalities to review the Position Statement and submit a resolution if any amendments are recommended. No comments were received; therefore the City of Homer will not be forwarding recommendations on the Alaska Municipal League Position Statements (due by resolution August 12). The AML Legislative Committee will present final recommendations to be voted on by the membership at the 2016 AML Annual Conference in November.

City Manager Koester referenced the letter to Governor Walker and the legislative delegation about a proposed state sales tax. The letter was written at the direction of the Council to express their concern about the impact on the local economy.

The Soundview TAP Grant award will allow for the expansion of more sidewalk. The scope of the project and details will be provided in the next city manager's report. Because federal dollars will be spent the project will be more expensive, but the City hopes to save \$100,000 with our match. We won't have a grant agreement until September because of the internal process at DOT. Although the grant will slow down the project in the end we will have a better project, get more done, and be able to save HART dollars for another use.

The termination of lease negotiations for a communications tower on the Homer Spit is a contractual issue. Council doesn't have a mechanism to intervene. City Manager Koester told Council if the successful bidder feels that they have complaints they can put them in writing. City Attorney Wells added that is a good approach and provides the City opportunity to respond to any concerns that may be raised. The way Homer has set up its administrative and legislative processes, this is a contractual issue.

B. Bid Report

CITY ATTORNEY REPORT

Attorney Wells reported there will be an attorney report in the next council packet. There are two Supreme Court cases brought by Frank Griswold. Pleadings are due this month so there will be an update on the report.

COMMITTEE REPORT

- A. Employee Committee Report
- B. Public Safety Building Review Committee

Mayor Wythe announced the next meeting on August 10th at 5:30 p.m.

- C. Americans with Disabilities Act Compliance Committee

Councilmember Aderhold announced the next meeting on August 11th at 4:00 p.m.

PENDING BUSINESS

- A. **Ordinance 14-18(A)(S)**, An Ordinance of the Homer City Council Amending Homer City Code 21.03.040, Definitions Used in Zoning Code, Homer City Code 21.05.030, Measuring Heights, and Homer City Code 21.70.010, Zoning Permit Required; Repealing Homer City Code Chapter 21.58, Small Wind Energy Systems; and Enacting Homer City Code Chapter 21.58, Towers and Related Structures. Planning. Introduction April 28, 2014 and Referred to Planning Commission. Amended Substitute Adopted March 29, 2016 and Referred to Planning Commission.

Ordinance 14-18(A)(S-2), An Ordinance of the Homer City Council Amending Homer City Code 21.03.040, Definitions Used in Zoning Code, Homer City Code 21.05.030, Measuring Heights, and Homer City Code 21.70.010, Zoning Permit Required; Repealing Homer City Code Chapter 21.58, Small Wind Energy Systems; and Enacting Homer City Code Chapter 21.58, Towers and Related Structures. Planning.

Memorandum 16-127 from City Planner as backup.

Motion on the floor from March 29, 2016: MOTION FOR THE ADOPTION OF ORDINANCE 14-18(A)(S) FOR INTRODUCTION AND FIRST READING BY READING OF TITLE ONLY.

Mayor Wythe called for a motion to substitute Ordinance 14-18(A)(S-2) for Ordinance 14-18(A)(S).

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

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

Motion carried.

Mayor Wythe called for a motion to postpone to August 22nd for Public Hearing and Second Reading.

ZAK/REYNOLDS - SO MOVED.

There was no discussion.

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

Motion carried.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 16-080**, A Resolution of the Homer City Council Reconfirming the Sister City Relationship With Teshio, Hokkaido, Japan. Lewis.

Mayor Wythe called for a motion for the adoption of Resolution 16-080 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

Mayor Wythe thanked Councilmember Lewis for bringing the resolution forward and taking time out of his vacation to visit Teshio.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 16-081**, A Resolution of the City Council of Homer, Alaska, Opposing Siting and Timing of U.S. Navy Training Exercises That Pose Risks to Fish and Fisheries in the Gulf of Alaska. Lewis.

Mayor Wythe called for a motion for the adoption of Resolution 16-081 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

Councilmember Lewis acknowledged the letter from Senator Murkowski's office asking us to postpone the resolution. A similar resolution was sent to Senator Murkowski last year asking for the same thing and never heard from them. He questioned the timing of their request and recommended passing the resolution.

The comment period ends on August 29th. Postponing the resolution until September will not allow the Council to provide public comment.

Councilmember Aderhold noted Resolution 16-081 asks the Navy to postpone training exercises next year. It is not part of the EIS, which would require a different resolution.

ZAK/REYNOLDS – MOVED TO AMEND LINE 57 AFTER NAVY, TO REPLACE THE REST OF THE SENTENCE WITH “NOT TO CONDUCT ITS TRAINING EXERCISES IN THE GULF OF ALASKA.”

Mayor Wythe noted the amendment will conflict other whereas clauses in the resolution.

Council discussed the need for the Navy to be ready to respond to our national security and providing an area where they can do the training exercises. Council requests that the training be scheduled after the salmon and whale migration. It was suggested Council could adopt a resolution asking the Navy to study the effects after a training exercise to see if there is documented damage.

VOTE: (amendment) YES. ZAK

VOTE: NO. VAN DYKE, LEWIS, REYNOLDS, ADERHOLD, SMITH

Motion failed.

Mayor Wythe called for a motion to amend Resolution 16-081 to add a new whereas clause at Line 15: “WHEREAS, THE CITY OF HOMER RECOGNIZES THE VALUE OF NAVAL PRACTICES IN PREPARATION OF OUR NAVY FOR WARTIME ACTIVITIES.”

LEWIS/VAN DYKE – SO MOVED.

Mayor Wythe commented if we cannot acknowledge that we appreciate the job the Navy does she will not support Resolution 16-081. It is important what they do for us and where we are right now in the world for potential conflict in our backyard. She would like them to be really prepared when it happens. It is not an “if” it is a “when” it will happen when you see them staffing up our military all across Alaska.

VOTE: (amendment) YES. VAN DYKE, SMITH, LEWIS, ADERHOLD

VOTE: NO. ZAK, REYNOLDS

Motion carried.

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

Motion carried.

- C. **Resolution 16-083**, A Resolution of the City Council of Homer, Alaska, Supporting the Cannabis Advisory Commission's Opposition to the Marijuana Control Board's Requirement of Federal Background Checks and Fingerprinting to Receive a Marijuana Handler Permit. Lewis/Cannabis Advisory Commission.

Memorandum 16-133 from Cannabis Advisory Commission as backup.

Mayor Wythe called for a motion for the adoption of Resolution 16-083 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

Councilmember Lewis explained the law reads that anyone that works in an establishment must be fingerprinted and go through a federal background check. It costs between \$200 and \$300 to acquire a Marijuana Handler Permit. This requirement includes people that mop the floors and is required even if you are not dealing with any kind of product. It exceeds the standard for people working at a liquor store or bar employees who just need a TAM card. Councilmember Reynolds concurred.

Councilmember Smith would be in favor of supporting change within the Marijuana Handler Permit requirements, instead of not supporting the requirements at all.

Mayor Wythe suspended the rules to address Resolutions 16-084, 16-085, and 16-087 while the city attorney was reviewing the regulations for marijuana handlers.

City Attorney Wells advised Council the Marijuana Handler Permit application includes the regulations. The permit is required for each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufacturers, tests, or transports marijuana or marijuana products, or who checks the identification of the consumer or visitor. There is a clearer definition of someone who sells in a store and someone who does tasks at the back of the store. The person who sweeps the floor may need the permit. The concern is who is involved in the retail activity. It is the person selling the product, handing the product over, taking the money, and talking directly to the consumers. In cultivation activities waste disposal requires handling of all the byproducts of marijuana. Janitorial services in a greenhouse require the Handler Permit as that person is charged with disposing of the waste. Although the line may be clear in retail, it is less clear in manufacturing and cultivation.

Councilmember Reynolds added the Marijuana Handler Permit should not be tied to fingerprints and background check as it is much more onerous than what is expected of alcohol handlers. They should be held to a similar standard of alcohol servers and liquor store employees.

VOTE: YES. REYNOLDS, LEWIS, ADERHOLD

VOTE: NO. SMITH, ZAK, VAN DYKE

Mayor Wythe broke the tie with a NO vote.

Motion failed.

D. **Resolution 16-084**, A Resolution of the Homer City Council Approving an Amendment to the Michael Yourkowski Lease on Lot 88-2, Homer Spit Sub No. 2 Amended, to Permit the Use of 611 Square Feet of the City of Homer's Right of Way for Restaurant Seating, Amending the Base Rent to Be Paid in Quarterly Installments, and Amending Verbiage Related to Subleasing to Bring It To-Date With Current Policies, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager.

Memorandum 16-128 from Lease Committee as backup.

Memorandum 16-129 from Port and Harbor Advisory Commission as backup.

Councilmember Reynolds expressed a possible conflict of interest. Her husband's business, Cycle Logical, is one of the subleases. The conflict applies to Resolutions 16-084 and 16-085.

Mayor Wythe ruled Councilmember Reynolds did have a conflict of interest. There was no objection from the Council.

Councilmember Reynolds was excused from her seat at the dais.

Mayor Wythe called for a motion for the adoption of Resolution 16-084 by reading of title only.

LEWIS/ADERHOLD – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Resolution 16-085**, A Resolution of the Homer City Council Approving a Request to Sublease to Michael Yourkowski to Permit Commercial Subleases in Eight Buildings Located on the Leased Property Lot 88-2, Homer Spit Sub No. 2 Amended. City Manager.

Memorandum 16-128 from Lease Committee as backup.

Memorandum 16-129 from Port and Harbor Advisory Commission as backup.

Councilmember Reynolds was conflicted out of discussion and decision due to her husband's business, Cycle Logical, is one of the subleases.

Councilmember Reynolds remained excused from her seat at the dais.

Mayor Wythe called for a motion for the adoption of Resolution 16-085 by reading of title only.

LEWIS/ZAK – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Reynolds returned to her seat at the dais.

- F. **Resolution 16-087**, A Resolution of the City Council of Homer, Alaska, Opposing the National Park Service's Closure of the Homer Field Office for Lake Clark National Park. Aderhold.

Mayor Wythe called for a motion for the adoption of Resolution 16-087 by reading of title only.

LEWIS/ADERHOLD – SO MOVED.

Council discussed the need for a field office in Homer. Only one national park service staff is based in Homer and the field office has been here for ten years. The position is a federal job.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Emily Stolarcyk, Eyak Preservation Council, thanked Council for passing Resolution 16-081.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells had no comments.

COMMENTS OF THE CITY CLERK

City Clerk Johnson announced candidacy filing for the mayor and two councilmember seats is open until noon on August 15th. Absentee voting for the Primary Election is open now and continues through August 15th at City Hall, downstairs lobby.

COMMENTS OF THE CITY MANAGER

City Manager Koester thanked the Planning Commission for taking on HAWSP rewrites and the debt service ratio on special assessment districts. The commission and the Planning Department staff have stretched their noggins to make clear perimeters. She appreciates the hard work and thought the commission is putting into it.

COMMENTS OF THE MAYOR

Mayor Wythe thanked Council for the opportunity to be absent from the July 25th council meeting. In twelve years it is the second time she hasn't been at a council meeting. They had a lovely reception for her daughter and son-in-law.

COMMENTS OF THE CITY COUNCIL

Councilmember Lewis had no comments.

Councilmember Smith commented funding has been lost for CARTS and the voucher program in the community. The Independent Living Center has received added funding. CARTS is limiting when people can use the vouchers. He encouraged Council to weigh in on that with the director of the Independent Living Center. People should be able to use the vouchers when they want. It is important to community members.

Councilmember Aderhold thanked the people who came out for public testimony and those that sent comments. It is very helpful to her in deciding how to represent residents. She

thanked the commissions and committees who do the heavy lifting. She appreciates people reporting from the commissions. Farmers Market is wonderful with fantastic vendors and a lot of people support it. It is great to see the parking lot full on Saturday mornings. People are now being rewarded for riding bicycles with bike bucks. There is no on-street parking on Ocean Drive and it becomes very unsafe. She asked that people park in the parking lot or in a business nearby that allows parking.

Councilmember Van Dyke commented he is a huge proponent of less government with core responsibilities. One of those is the safekeeping of the people. Emily mentioned the loudness of the sonar at 235 decibals. Mammals or fish are being hit with the sounds 100x louder than a gunshot. The Navy says 20% of the area used will be polluted. Imagine what EPA would do to him. The Navy should do it at another time and further away from shore.

Councilmember Zak appreciates the guests and public testimony here tonight. He attended Salmonfest and met some guests who provided education for citizens to understand our environment. The event is close to Homer, it is well organized, and completely different than what he expected. The Port and Harbor Advisory Commission agrees with the East Boat Harbor expansion. He knows people are having a hard time parking boats. The harbor is a key asset and is operating efficiently on its own. We need to support them. He thanked Roberta for coming to tell us it is time for towers.

Councilmember Reynolds thanked everyone for a great meeting. Participants and commissioners are the experts and we are the generalists. She asked for anyone who is not happy with government to vote. We have the opportunity to change one-third of the council each year. Call her at 299-3410 to see how much work it entails. She appreciates people putting their names in. The syringe exchange program has been extended through November on alternate Tuesdays. There was no added funding; it is a volunteer effort.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:41 p.m. The next Regular Meeting is Monday, August 22, 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: _____