

Session 16-13 a Regular Meeting of the Homer City Council was called to order on June 13, 2016 at 6:01 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
FIRE CHIEF PAINTER
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS

Council met for a Worksession from 4:00 p.m. to 4:53 p.m. to discuss Resolution 16-054 and failed Resolution 16-055 on harbor moorage rate structure. From 5:01 p.m. to 5:29 p.m. Council met as a Committee of the Whole to discuss Consent and Regular Meeting Agenda Items.

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

AGENDA APPROVAL

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

The following changes were made: **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS** - Commissions/Board Reports: Homer Advisory Planning Commission by Vice Chair Tom Stroozas; **PUBLIC HEARINGS** - **Resolution 16-054**, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Fee Schedule to Implement a New Graduated Harbor Moorage Rate Structure. Port and Harbor Director/Port and Harbor Advisory Commission. Written public comments. **Ordinance 16-30(S)**, An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue General Obligation Bonds in the Principal Amount of Not to Exceed \$11,425,000 to Finance the Acquisition and Construction of a Police Station; Amending HCC 9.16.010 to Provide for an Increase in the Rate of the City Sales Tax From 4.5% to 5.5% 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 of the Year When the City Has Received Sufficient Funds From the Increase to Pay All of That Debt Service; and Submitting the Question of the Issuance of

the Bonds and the Sales Tax Rate Increase to the Qualified Voters of the City at the October 4, 2016 Regular City Election. Smith. **CITY ATTORNEY REPORT** - City Attorney Report – May 2016; **PENDING BUSINESS - Resolution 16-063(S-2)**, A Resolution of the Homer City Council Maintaining the Water ~~And Sewer~~ Fees at the 2016 Rate and **Amending the Sewer Fees for Sewer Only Customers and Kachemak City Customers and** Updating the Homer Fee Schedule Accordingly. Mayor.

Mayor Wythe 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

There were no comments from the public.

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 May 23, 2016. City Clerk. Recommend adoption.
- B. **Memorandum 16-095**, from Mayor Wythe, Re: Reappointment of Tom Stroozas to the Planning Commission.
- C. **Ordinance 16-31**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant From the Kenai Peninsula Borough for Calendar Year 2015 in the Amount of \$27,055.00, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager.

Recommended dates: Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

- D. **Ordinance 16-32**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating \$64,149 From the Fire Donations Fund to Purchase an Advanced Patient Care Simulator. City Manager/Fire Chief. Recommended dates: Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Memorandum 16-096 from Fire Chief as backup.

- E. **Ordinance 16-33**, An Ordinance of the City Council of Homer, Alaska, Amending HCC 21.41.040, Basis for Establishing Flood Hazard Areas, Adopting the Flood Insurance Study for the Kenai Peninsula Borough and Incorporated Areas, Alaska Dated October 20, 2016 With Accompanying Flood Insurance Rate Maps (Firms). Planning. Recommended dates: Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Memorandum 16-102 from City Planner as backup.

- F. **Ordinance 16-34**, An Ordinance of the City Council of Homer, Alaska, Amending the Homer City Zoning Map to Rezone Portions of the Urban Residential (UR) and Residential Office (RO) Zoning Districts to Central Business (CB) Zoning District. Planning. Recommended dates: Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Memorandum 16-103 from City Planner as backup.

- G. **Ordinance 16-35**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Authorizing the Expenditure of \$65,000 for the Purchase of Two Used Police Vehicles From the Police Fleet Reserves and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommended dates: Introduction June 13, 2016, Public Hearing and Second Reading June 27, 2016.

Memorandum 16-104 from Police Lieutenant as backup.

- H. **Resolution 16-064**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for a Tier 1 Rasmuson Foundation Grant in the Amount of \$25,000 for the Boat House Pavilion. Zak. Recommend adoption.

Moved to Resolutions, Item A. Lewis.

- I. **Resolution 16-065**, A Resolution of the City Council of Homer, Alaska, Approving the Kenai Peninsula Borough School District Agreement for Joint Use of Equipment and Facilities for the Period July 1, 2016 Through June 30, 2019, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.
- J. **Resolution 16-066**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Renewal of the Special Services Contract for FY 2017 With the Alaska Department of Public Safety in the Amount of \$36,000.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommend adoption.

Memorandum 16-100 from Police Lieutenant as backup.

- K. **Resolution 16-067**, A Resolution of the City Council of Homer Alaska, Amending the Kachemak Drive Phase III Water and Sewer Special Assessment District Roll by Exempting Government Lots 3 and 15, Checkmate Shores Subdivision Lot 1, Mailea Bay Subdivision Lots 1 and 4, Kenai Peninsula Borough Parcel Nos. 17915002, 17936014, 17915056, 17915059, and 17915060 Owned by Kachemak Moose Habitat, Inc. Zak. Recommend adoption.
- L. **Resolution 16-068**, A Resolution of the City Council of Homer, Alaska, Expressing Supporting for Kenai Peninsula Borough Ordinance 2016-16, Submitting to the Voters a Ballot Proposition That Increases the Sales Tax Cap From \$500 to \$1,000 and Exempts Residential Rents From Sales Tax. Mayor/Council. Recommend adoption.

Moved to Resolutions, Item C. Zak.

- M. **Resolution 16-069**, A Resolution of the Homer City Council Approving the Terms and Conditions for the Sale of Govt. Lot 3 Lying E. of Kachemak Drive, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB Parcel No. 179-150-03; S. ½ of Govt. Lot 30 Lying W. of Kachemak Drive, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB Parcel No. 179-080-50; Govt. Lots 10, 21, 24, 25 and 36, Section 14, Township 6 South, Range 13 West, Seward Meridian, KPB Parcel Nos. 179-080-09, 179-080-15, 179-080-25, 179-080-26 and 179-100-01 to the Highest, Responsible Bid for Those Lots and Authorizing the City Manager to Execute the

Appropriate Documents to Finalize the Sales. City Manager. Recommend adoption.

- N. **Resolution 16-070**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for, Accept, and Execute an Alaska Clean Water Fund (ACWF) Loan for the Lillian Walli Subdivision/Eric Lane Sewer Extension Project in the Amount of \$262,000. City Manager/Public Works Director. Recommend adoption.

Memorandum 16-106 from Public Works Director as backup.

- O. **Resolution 16-071**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for, Accept, and Execute an Alaska Clean Water Fund (ACWF) Loan for the Kachemak Drive (Phase III) Sewer Main Project in the Amount of \$801,100. City Manager/Public Works Director. Recommend adoption.

Memorandum 16-106 from Public Works Director as backup.

- P. **Resolution 16-072**, A Resolution of the Homer City Council Authorizing Cornerstone Construction, Inc. to Continue as General Manager-Contractor for Project Improvements at the Fire Station. City Manager. Recommend adoption.

Moved to Resolutions, Item B. Lewis.

- Q. **Resolution 16-073**, A Resolution of the City Council of Homer, Alaska, Entering Into a Three-Year Contract With Alaska Municipal League Joint Insurance Association in the Amount of \$396,487 for Year One With an Annual Increase Not to Exceed 10% Unless Coverage is Expanded to Include Marina Insurance and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 16-105 from City Manager as backup.

- R. **Memorandum 16-098**, from City Clerk, Re: Amendment to City Council Meeting Minutes of May 9, 2016 to Reflect Public Testimony on Ordinance 15-37(A).

- S. **Memorandum 16-099**, from Finance Director, Re: 2017 Proposed Budget Development Schedule.

Item H, Resolution 16-064 was moved to Resolutions, Item A. Lewis.

Item P, Resolution 16-072 was moved to Resolutions, Item B. Lewis.

Item L, Resolution 16-068 was moved to Resolutions, Item C. Zak.

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

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Borough Report

Kenai Peninsula Borough Assembly Member Kelly Cooper reported the Assembly passed their 2017 budget. There is a proposal to close the landfill one day a week year round. They heard from multiple people that trash does not reduce even if we close and what it could turn into for the unmanned landfills. The City provided a letter on how it affects the Spit. People said it would be okay with closing one day a week in the winter, but not in the summer. The proposal is amended to have the landfill open 7 days a week May through September with shortened hours in the off season.

The Assembly zeroed out funding to CARTS since the Independent Living Center has vouchers to serve the whole Southern Peninsula and people in Seward. The Assembly felt the dollars were spent well in serving the whole peninsula instead of just the Central Peninsula. Independent Living Center did not receive grant funding so the Assembly is looking for a solution for their voucher program. The Assembly funded the school district at almost \$48M, with another \$1M from building maintenance that can be allocated later. Mill rate borough-wide remains the same with the exception of Central Peninsula Emergency Services at less than .05% mill rate increase and Nikiski with a slight decrease.

Assemblyman Johnson has introduced an ordinance to move the South Peninsula Hospital District further south. The proposal is to move the boundary further south to the Ninilchik bridge. A public hearing is scheduled for July 26th. She has concerns for the finances of the South Peninsula Hospital. If passed, it will go to the voters for a vote. There is also a public

hearing on the ordinance increasing the sales tax cap from \$500 to \$1,000. It includes an inflation guard that it will be evaluated every five years by the Assembly. Residential rentals would be exempted. There will be lots of public meetings on the senior tax exemption. If you already have the exemption you will be grandfathered. It is a step program between 2018 and 2023, going \$50,000 at a step down. By the time 2024 is here the total exemption will be the \$150,000 senior exemption plus the \$50,000 exemption for everyone. Folks with a financial need and disabled people will be exempt.

There are also bond issues coming up to the voters in the fall. There will be bonding for enlarging Homer Medical Center and replacing the building's roof. The building is full with no space to bring in additional providers. The other part of the bonding is for repairs to the air conditioning and humidity and heat in the operating rooms. It is an old system and updates are critical and necessary.

Councilmember Aderhold commended the Borough for funding education and Councilmember Reynolds asked that the taxi coupon matter be resolved since many people rely on it.

B. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
 - a. Minutes of June 1, 2016

Vice Chair Planning Commissioner Tom Stroozas reported the commission reviewed expansion plans for Hickerson Memorial Cemetery at their May 18th meeting. The commission prefers a phased approach for expanding to include various types of memorial options like cremains plots, a Columbarium, more compact grave layout and a memorial plaque area. They are seeking concurrence of the Council before spending more time on the matter.

June 1st commission business included a public hearing on the ordinance to accept the latest revision of FEMA flood maps. They also recommended approval of a preliminary plat east of the Senior Center to combine two lots. It was a requirement of a previously approved CUP that allows for replacement of multiple cabins on the site. The commission also approved revisions to the Parks and Recreation section of the Comprehensive Plan. Commissioner Erickson will not be applying for re-appointment due to family obligations. The commission is seeking a commissioner to fill the vacant seat.

3. Economic Development Advisory Commission

Economic Development Advisory Commission Chair Karin Marks reported they need one or two members to fill all commission seats. At the last meeting the commission worked with the Planning Department on Chapter 8 of the Comprehensive Plan. They passed a plan for marketing Homer that encourages existing businesses and supports the task force working on the Pioneer Avenue revitalization. Business owners on Pioneer Avenue can draw attention to their businesses and raise awareness of peonies as a cash crop. Murals around town will be a long-term project with more to come.

Chair Marks modeled the peony project T-shirts that are available for purchase at Bunnell Gallery. Proceeds from the T-shirt sales will help promote the Pioneer Avenue revitalization project.

4. Parks Art Recreation and Culture Advisory Commission

Parks Art Recreation and Culture Advisory Commission Chair Matt Steffy reported the merger of the commission with the Public Arts Committee will see greater unity. Their first meeting is Thursday, June 15th at 5:30 p.m. Although they have lost no members, the commission has vacancies since it was expanded to nine members. The commission is in the budget review process along with making HART recommendations. He thanked everyone for supporting the trails symposium in May. There are good projects coming. After Thursday's meeting the commission won't meet until August.

5. Port and Harbor Advisory Commission

Port and Harbor Advisory Commissioner Glen Carroll reported the last meeting was taken up on how to connect with Council over the moorage rate issues. There was a lot of disappointment at the thought of the commission's work on the moorage rates going down the drain.

6. Cannabis Advisory Commission

Councilmember Lewis reported the commission met in May. At the next meeting they will look at the excise and sales tax ordinances that will be presented to Council in August.

Mayor Wythe called for a recess at 6:38 p.m. and reconvened the meeting at 6:46 p.m.

PUBLIC HEARING(S)

- A. **Resolution 16-054**, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Fee Schedule to Implement a New Graduated Harbor Moorage Rate Structure. Port and Harbor Director/Port and Harbor Advisory Commission. Public Hearing June 13, 2016. Recommend Postpone to July 25, 2016 for Second Public Hearing.

Memorandums 16-084 and 16-101 from Port and Harbor Director as backup.

Ian Pitzman, city resident, has several boats in the harbor. He is disappointed Council did not take the recommendations of the Port and Harbor Advisory Commission. The commission make-up is balanced. He is supportive of paying for the feet you utilize to tie up. The graduated rate structure is a compromise. He opposes creating different classes for boats moored in the harbor.

Dave Mastolier, Homer resident, supports graduated harbor rates. For his 100 ft. boat he might get electric or water. Thirty large boats share two spigots on System 5. Boats are two and three deep, making people climb over other boats to get to theirs. When cruise ships come in he is asked to move from System 5.

Jessie Nelson, Homer resident, favors a flat rate across the board like we have had for the last fifty years. In some of the new proposals the rates would have gone up to over \$10,000 a year for a big boat. Hot berthing is an idea where boats are removed at the end of the fishing season and another vessel is placed in the spot and charged at the same length. July 25th is an inappropriate time to have a hearing on harbor rates since most commercial boats will not be here. The Boat House might be built with donations, but who pays for the maintenance?

Chris Moss, city resident, supports the Port and Harbor Advisory Commission's conclusions. The value of having a boat slip is worth a lot to a boat owner.

Mako Haggerty, Homer resident, commented the harbor is the finest in the state and along the west coast. It is well managed and he is happy to pay the rates required to keep his boats in the harbor. If we go on a lineal foot basis it feels like we are subsidizing bigger boats. He urged Council to take a closer look and make the rates fair and equitable.

Bob Howard, city resident, commented we have to be careful with the rates to make it fair for all harbor users. He provided a graduated rate structure that can be easily implemented by staff. It is the same equation as Resolution 16-054 matching Northern Economics rate structure. The dollars per foot per year is $\$25.75 + .4639 \times \text{the boat length in feet}$. It fits precisely within reason to the graduated rate structure the consultant has prepared. It is fair to all and will be easily administered.

Sharon Minsch, city resident, commented for the last 50 years users have not paid for the harbor. There is \$100M dollars of inventory at the harbor and \$2M in reserves. We need to take better care of the port and harbor. The Port and Harbor Advisory Commission keeps talking about head tax, sales tax, and property tax, but that is not how an enterprise fund runs. There should be more conversation between the Council and the Commission. The rates need to be sustainable, fair, and equitable to everyone.

Holly Van Pelt, Homer resident, commented it takes a lot of money to run a harbor. It's a matter of how we divide it up to pay for it. She is not supportive of the recommendation from the Port and Harbor Advisory Commission. She would like to see something more closely related to the consultant's recommendation. They were paid good money to do the work and are professionals at what they do. We are one community and want to get along and not unfairly burden one user group over the other.

Renee Alward, Homer resident, has a marine trades business in Homer. She supports the Port and Harbor Advisory Commission's recommendation. She asked that if postponed it not be July 25th when the majority of commercial fishermen are out on the waters.

Greg Sutter, Homer resident, supports Northern Economics proposal dated October 27, 2015. It is a complicated issue with many factors involved. We need to take that into consideration along with the commission's recommendations to achieve a good balance. Take a look at the chart that highlights a lot of what is being captured by the consultant and the commission. The burden should not be on the large or small vessels.

Jim Martin, Homer resident, has a skiff in the harbor. He understands more money is needed for the harbor. The consultant's report is a reasonable compromise in between the flat rate and square footage rate. The commission didn't discuss the report much after paying a lot of money for it. The Council needs to take a look at it.

Keith Kalke, city resident, thanked harbor staff for doing a wonderful job with the harbor. He supports an equal and fair rate for all sizes of boats. The rate structure needs to be revised from the Port and Harbor Advisory Commission's recommendations and go along with the other proposals. Everyone should pay a fair share.

Steve Zimmerman, city resident and Port and Harbor Advisory Commissioner, referenced the January 12, 2016 recommendation of the commission to follow Northern Economics recommendation. The October 27th draft said a 20 ft. boat should pay \$33.66 a foot and an 80 ft. boat should pay \$60.58. He doesn't believe doubling the cost for a bigger boat is fair and equitable. Costs of harbor users include water, garbage collection at \$55,000 a year, and there is no return. The October 27th Northern Economics report shows rates for small boats going down; we should not reduce rates for part of the harbor and increase them for others. It pains him that this is turning into an us vs. them.

Glen Seaman, city resident, has a boat in the harbor. He feels that small boat owners are subsidizing large ones. Fair and equitable is a reasonable standard that needs to be considered. Larger boats take a lot more space and use more space in the turnaround. He supports a graduated rate like Northern Economics has proposed. He thanked the Port and Harbor Advisory Commission for the work they did and praised harbor personnel. He suggested pursuing a middle ground that doesn't penalize small boats.

Glen Carroll, Homer resident and Port and Harbor Advisory Commissioner, commented it is not true that the commission didn't take Northern Economics study recommendations. They spent a couple years on moorage rates. The usage of the harbor based on the square footage of a boat is clearly drawn out by the slips that are made there. There is no substance behind the "fair and equitable" that people are throwing out there.

Bonnie Mastolier, city resident, commented the large boats don't get a slip. They get a spot that might get up to the dock, but more than likely they won't be. The large boats aren't getting the same services so she doesn't understand where the small boat owners are getting a bad rap. Going to a square footage would not make sense; it would over burden the large vessels. She urged Council to accept what the commission has come up with or go back to the straight fee per linear foot which has worked for many years.

Jim McCreary has a boat in the harbor. The Port and Harbor Advisory Commission has done a fine job and he appreciates their work. If the fee is for dock length, why don't all slips consist of 40 miles of dock with one foot spaces? It is because space is what they sell. It doesn't make

any sense to pay for the length of the area. He supports the Northern Economics plan for the rate structure since space is really the issue.

Bob Hartley, city resident and Port and Harbor Advisory Commissioner, commented the harbor is the heart of Homer. That is where Homer makes its living. When doing heart surgery you need to be extremely careful and that is what took the commission two years working through all the details and commission studies to arrive at a compromise. We have a graduated rate. We should see how it goes and work with it from there. In Homer we tend to choose up sides for a fight; we are trying to avoid this. If Council is not happy with this he suggests forming a task force to take in several user groups, councilmembers and commission members.

Jean Carroll, Homer resident, has been attending Port and Harbor Advisory Commission meetings for the past two and a half years with her husband. The commission has looked at the Northern Economics studies and has worked hard at this. Based on Northern Economics square footage rate their 58 ft. boat, after the ten year period, would be paying \$10,000 moorage. She is thankful that Bryan and the commission saw the improbability of keeping any commercial fishing boats in the harbor at that rate. System 5 boats have had to put up with a lot: no power, water, and climbing over each other. It was a long time before water came. They put a lot in the community and a lot of them make their living out there.

LEWIS/REYNOLDS - MOVED TO POSTPONE THE PUBLIC HEARING TO THE SECOND MEETING IN SEPTEMBER (26) WHEN EVERYONE IS BACK FROM FISHING.

Council thanked the Port and Harbor Advisory Commissioners for their work on harbor moorage rates.

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

Motion carried.

- B. **Ordinance 16-24**, An Ordinance of the City Council of Homer, Alaska, Amending Title 5 to Add a New Chapter 5.44 to Prohibit the Extraction of Tetrahydrocannabinol ("THC") or Any Cannabinoid by Use of Materials or Methods Deemed Dangerous to Public Health and Safety, Unless Otherwise Permitted By Law. City Manager/Fire Chief. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-081 from Cannabis Advisory Commission as backup.
Memorandum 16-082 from Fire Chief 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 16-24 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.

- C. **Ordinance 16-25**, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code 5.20.020, Open Burning - Permit Requirement, by Requiring a Permit to Burn Combustible Materials in an Approved Burn Barrel, and Amending Homer City Code 5.20.030, Trash Burning - Approved Container, by Requiring a Permit to Burn Trash in a Screen Covered Container or Other Trash Burner Approved by the Fire Chief. City Manager/Fire Chief. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-083 from Fire Chief 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 16-25 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 16-26**, An Ordinance of the City Council of Homer, Alaska, Amending HCC 1.18.043, Public Disclosure, to Require Elected City Officials to Disclose Each Business in Which an Immediate Family Member is a Partner, Proprietor or Employee. Smith. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

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

SMITH/REYNOLDS - MOVED TO ADOPT ORDINANCE 16-26.

City Clerk Koester clarified the City Clerk will be providing the forms.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Ordinance 16-27**, An Ordinance of the City Council of Homer, Alaska Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of \$38,000 From Port and Harbor Reserves for the Deep Water Dock Uplands Improvements. City Manager/Port and Harbor Director. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-087 from Public Works 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 16-27 by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

Councilmember Aderhold declared a possible conflict of interest since her husband is a part-time employee with the City and is managing the project. City Attorney Wells asked if Mr. Aderhold's employment with the City will be impacted if the ordinance fails. Councilmember Aderhold answered it would not affect his employment. City Manager Koester confirmed Mr.

Aderhold will still be retained for managing the project regardless of the passage of this ordinance.

City Attorney Wells advised there is no conflict. This is a unique situation because of his part-time status. Every time there is a potential conflict instead of deferring to consistent rulings you have the burden of bringing it up for each project. The answer might be different with another project.

Port and Harbor Director Hawkins clarified the purpose of this ordinance is to have extra money to finish items, not to pay additional wages.

City Attorney Wells advised if there were an ordinance to seek funding for Public Works projects with Mr. Aderhold needing to work overtime for the ordinance to pass she would recommend abstention. Without a real link to a substantial financial interest it can be debilitating for a small community if we are not careful in how we interpret the provisions.

Mayor Wythe ruled there was no conflict and there was no objection from the Council.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Ordinance 16-28**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of \$1,000,000 From the Permanent Fund for the Purposes of Funding Improvements to the Fire Hall and Exempting This Expenditure From Homer City Code Chapter 3.12, Which Requires Expenditures for Operation and Maintenance Costs to be Taken From Income From the Income Sub-Fund Unless 60% of City Voters Approve the Expenditure. Smith. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Mayor Wythe opened the public hearing.

Ken Castner, city resident, supports funding of the rehabilitation of the fire hall. Council has the authority to appropriate funds without being restricted by prior council's restrictions. The 60% vote to spend Permanent Funds should not come into play.

Ray Kranich, city resident, approves of the repair and upgrades to the fire hall, but is adamantly opposed to taking money out of the Permanent Fund. The money was put there

for a purpose. It was Mayor Wythe who spearheaded establishing the fund. Council put the restrictions in there and it needs to go to a vote if we are taking money out. Fire station repairs can be funded by bond.

Mayor Wythe closed the public hearing.

SMITH/REYNOLDS - MOVED TO ADOPT ORDINANCE 16-28.

City Attorney Wells advised spending the Permanent Fund requires voter approval. Ordinance 16-28 exempts the voter approval requirements in city code and exempts this project. This ordinance is compliant with the law.

The Permanent Fund has a balance of \$2,040,168. The initial deposit was \$1.5M seven years ago. The fund has about doubled considering funds were extracted for The Homer Foundation and Green Dot.

Councilmembers Smith, Van Dyke, and Reynolds support the \$1M expenditure from the Permanent Fund for the following reasons: due to the current economic environment, to see the bond pass in October for the public safety building, and the high bank costs to maintain the fund.

Councilmember Zak does not support spending money from the Permanent Fund. We could have put money in reserves to pay for fire station improvements. He would like to put it before the voters, perhaps by a separate question than the public safety building bond.

Mayor Wythe noted we have in excess of \$5M in the general fund, fund balance. The money is intended for the same reason and we won't have to change the regulations for the Permanent Fund. We worked hard to establish the Permanent Fund as a potential for something to grow.

ZAK/ADERHOLD - MOVED TO AMEND ORDINANCE 16-28 CHANGING WHEREVER IT SAYS PERMANENT FUND TO THE GENERAL FUND.

City Manager Koester advised Council we carry \$5.8M of unassigned general fund fund balance. This is the recommended amount to cover six months of operating costs. There is an accumulative \$1.28M in reserves that includes funds for parks and recreation, a new roof, vehicle fleets, etc. The reserve account is woefully less than Council's goal. Previous councils

have worked hard to build the general fund fund balance. The general fund fund balance is not part of the operating budget process.

Mayor Wythe called for a recess at 8:21 p.m. and reconvened the meeting at 8:29 p.m.

City Attorney Wells read the changes to Ordinance 16-28: After the word “hall” deleting all of the words in the title through Line 15. Deleting the whereas clause that starts on Line 40 and deleting each whereas clause after that one through to the whereas clause that starts at Line 53. That whereas clause will now read: Whereas, it is in the City of Homer’s best interest to permit the expenditure of \$1M from the general fund. The words “exempt this expenditure from the requirements of HCC 3.12 and specifically HCC 3.12.60 – 80” will be removed and the words “all money in either subfund in the permanent” will be removed and the words “the general” will be added before the word “fund” and all of the words after the word “fund” will be removed. The word “permanent” will be removed and replaced with the word “general” in Line 61 of Section 1, and Line 66, Section 2 will be removed, Section 3 will be changed to Section 2.

Asked if there would be another public hearing required due to the change, City Attorney Wells answered Council will be adopting a less restrictive ordinance that does not have the requirements under the code imposed on the Permanent Fund, and the amount is unchanged as is the financial impact on the City. These changes are not substantial to require another public hearing.

Councilmember Smith asked what effect it will have on the City to take \$1M out of the general fund balance.

City Manager Koester answered it would not affect our cash flow. She would like as much cushion as possible; the recommended cushion is six months’ operating budget. That does not include our water and sewer and enterprise fund. It is a council decision as to how much cushion they want and how they want to spend the funds. Council has not codified a specific amount, but the six months’ amount was passed by resolution. No rollover to the general fund fund balance is expected for 2015.

The general fund fund balance is conservatively invested with AML at less than 5% interest. The interest rate on the Permanent Fund has fluctuated a lot over the last five years from .67% to 18.79%. It has been following the S&P 500 which has varied from 2011 to 2015 from 2% to 32.39%.

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

VOTE: NO. SMITH

Motion carried.

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

VOTE: NO. SMITH

Motion carried.

- G. **Ordinance 16-29**, An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 16-10, the Completion of the 2016 Streets Repaving Project, Utilizing Homer Accelerated Roads and Trails (HART) Funds From \$638,000 to \$562,506. Smith. Introduction May 23, 2016, Public Hearing and Second Reading June 13, 2016.

Memorandum 16-090 from Public Works 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 16-29 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.

- H. **Ordinance 16-30**, An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue General Obligation Bonds in the Principal Amount of Not to Exceed \$12,000,000 to Finance the Acquisition and Construction of a Police Station and Improvements to the Fire Hall; Amending HCC 9.16.010 to Provide for an Increase in the Rate of the City Sales Tax From 4.5% to 5.5% From April 1 Through September 30, With the Increase Dedicated to Fund Public Safety Operations and Infrastructure, Including Construction of a Police Station and Renovation of a Fire Hall and Submitting the Question of the Issuance of Such Bonds and Such Sales Tax Rate

Increase to the Qualified Voters of the City at the October 4, 2016 Regular City Election. Mayor/Council. Introduction May 23, 2016, Public Hearings June 13 and 27, 2016, and Second Reading June 27, 2016.

Memorandum 16-091 from City Attorney as backup.

Memorandum 16-092 from City Manager as backup.

Ordinance 16-30(S) & (S-2), An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue General Obligation Bonds in the Principal Amount of Not to Exceed \$11,425,000 to Finance the Acquisition and Construction of a Police Station; Amending HCC 9.16.010 to Provide for an Increase in the Rate of the City Sales Tax From 4.5% to 5.5% 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 of the Year When the City Has Received Sufficient Funds From the Increase to Pay All of That Debt Service; and Submitting the Question of the Issuance of the Bonds and the Sales Tax Rate Increase to the Qualified Voters of the City at the October 4, 2016 Regular City Election. Smith.

Mayor Wythe opened the public hearing.

Ken Castner, city resident, commented the Public Safety Building Review Committee was given a task to work on an amenable solution. They considered all options and this is their recommendation. They started out with a \$30M facility that was too ambitious; they are now on plan D. Costs have been reduced by adding the HERC building to the project, which equates to less dollars per square foot. The committee has worked hard to come up with a number people will support.

Tom Zitzmann, city resident, supports Ordinance 16-30(S). It is not good public policy to fund operations with long term debt. Operating costs for the new facility will be significantly more. He appreciates the work Mr. Castner has done and respects and believes that a public safety building needs to be constructed. He questioned the proposed location as it is one of the most highly desirable pieces of real estate in Homer. The City is losing a great opportunity in having that as a viable commercial piece of property that will generate a lot of money in the next thirty years.

Ray Kranich, city resident, echoed Mr. Zitzmann's sentiments. Don't borrow money to fund operations; operations should be paid for out of current revenue. He supports Ordinance 16-30(S).

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 16-30 by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

SMITH/REYNOLDS - MOVED TO SUBSTITUTE ORDINANCE 16-30(S-2) FOR ORDINANCE 16-30.

Council discussed the reduction to \$11,425,000. The reduced amount does not include bonding for operations.

VOTE: YES. REYNOLDS, ADERHOLD, ZAK, SMITH

VOTE: NO. VAN DYKE, LEWIS

Motion carried.

REYNOLDS/ADERHOLD - MOVED TO AMEND ORDINANCE 16-30(S-2) TO RESTORE THE PRINCIPAL AMOUNT TO NOT EXCEED \$12M.

There was no discussion.

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

VOTE: NO. VAN DYKE, ZAK, SMITH

Mayor Wythe broke the tie with a YES vote.

Motion carried.

City Manager Koester noted Memorandum 16-092 provides schedules and tax returns. Any extra revenue received will go to paying down the bond. The 1% sales tax increase generates more revenue than we would likely need.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

1. Memorandum 16-097 from Planning Commission, Re: Hickerson Memorial Cemetery Recommendations.

Western Hemisphere Shorebird Reserve Network Destination Earns Homer Recognition

In July of 2015 Council passed Resolution 15-064 nominating some lands in the Beluga Slough Area to become part of the Western Hemisphere Shorebird Reserve Network. Deputy Planner Julie Engebretsen and George Matz were instrumental in working with the Parks and Recreation Advisory Commission, USFWS and AK DFG in coordinating the nomination. Attached is a copy of the Anchorage Daily News article, the State's press release, and the certificate from WHSRN. Not only was the area of the network expanded, the Kachemak Bay site has now also been designated a site of international importance. Congrats for putting Homer on the map!

Homer Ranks as One of Top Small Towns for Wine Lovers

And speaking of maps...not only are we known for great birding, but we are known for our wine thanks to Bear Creek Winery. Top Value Reviews recently published an article online listing Homer as one of the top small towns in the U.S. for wine lovers. Just adds to the list of things to visit Homer for, though technically the winery is in Kachemak City.

Homer Library in National Spotlight (Again!)

Claudia Haines, Homer Youth Services Librarian, is quoted in a new book for librarians, "Inspired Collaboration: Ideas for Discovering and Applying your Potential" by Dorothy Stoltz and published by the American Library Association. Also a picture from our Children's library featuring Megan Murphy and daughter Olivine reading with Sevie, a trained companion dog.

Repairs to Load and Launch Ramp

During the extreme low tides that occurred in April it was reported to Harbor staff that there was a "drop off" at the end of lane 5 of the launch ramp. Staff was able to get a closer look at the bottom during those same tides and took photos of other issues of concern all along the bottom edge of the ramp in the transition between concrete and the rock runout.

Port and Harbor Director Hawkins contacted the Engineers and Fish and Game (partners on the project) for an onsite meeting. Since then, a full underwater video survey was conducted and the contractor has been back to re-work these areas where the deficiencies were found. This work was conducted during the extreme tides at the latter part of May and again in June and will continue until the project is completed as designed and signed off by the engineers and accepted by Fish and Game and the City. All lanes are open for use and the "holes" have been addressed.

From a contract standpoint, money has been held back from payment and there is a security bond in place that will not be released until our launch ramp project is completed as designed.

Award of ATAP Grant Could Delay Soundview Sidewalk Project

City of Homer has prepared a draft Alaska Transportation Alternatives Program (ATAP) grant application to fund Soundview sidewalk improvements. In consultation with AK DOT&PF, we have learned that some complexities of the Federal funding process could delay actual construction of the project (if funded) until next spring. The August 2016 date for the grant agreement originally published by AK DOT&PF could very well be pushed back due to DOT's right-of-way certification process and their requirement to approve project cost estimates. Even though the City will not be able to build the project this year if the grant is successfully awarded, it is still worth pursuing. The grant will cover approximately 70% of project cost which allows us to expand the scope of the project to bring the sidewalk all the way to the school in addition to saving some funds for other HART eligible projects. We should know by the end of July if we are going to receive the grant.

GSFA and EDA Grant

The City of Homer has been approached multiple times over the last 2 years by non-profit Global Sustainable Fisheries of Alaska (GSFA- also known as Ocean Rich Communities of Alaska) about leasing lots 9A and 10A near the Fish Dock to construct a training facility for modular flash freezing technology. GSFA plans to construct modular units for flash freezing fresh seafood using Cells Alive System, – or CAS – technology that preserves the freshness much longer than traditional methods. The units would be built on the Homer Spit and shipped to villages along the Alaska coastline for value added processing in rural Alaska. Employees would be trained on how to use the modular units at a facility on the Homer Spit. This project has great potential to provide jobs in Homer, for our rural neighbors, and change the way fresh seafood is preserved in Alaska. However, it also faces financial hurdles for startup funds which has stalled the project thus far and prevented them from submitting a complete lease application. GSFA has approached the U.S. Economic Development Association for a \$1.6 million grant to launch the project. As owners of the land, the City of Homer had to sign as a co-applicant on the EDA application. The application is contingent on a joint agreement that will come before Council at the next meeting detailing the City of Homer's responsibility which will be limited to owner of the land. It is important that the City not give special treatment to any leaseholder, regardless of the prospects of their project. The EDA will require GSFA to go through the proper channels before being awarding any grant, including review by the Port and Harbor Advisory Commission and approval by Council. If for any reason the Council does not award a lease to GSFA, the City would notify EDA and their grant application would be put on hold.

Reminder of Pioneer Avenue Upgrades

As a reminder, sod leveling continues in the right-of-way along Pioneer Avenue. Crews are trying to finish up this week so grass has time to take hold (you may have noticed hydro seeding of the completed sections). Over time the grass has grown above the curb resulting in a steep drop off between the grass and the pavement. This is a tripping hazard, unsightly, and gets in the way of snow removal equipment. Public Works is leveling those areas out and

reseeding them, bringing in extra topsoil when needed. Where they are sloping, they will slope the grade so there is no steep drop off. Public works crews will also be removing, or moving back, obstructions in the first 18-24 inches of the right-of-way that hamper plowing and maintenance of Pioneer. This includes some dead stumps of mountain ash trees that have not fared well over the years and have nothing but a few scraggly shoots coming out of them. All live trees will remain.

City Manager Koester highlighted Memorandum 16-097 and expressed her appreciation to the Planning Commission for taking this on. She is looking to Council for guidance as to where compromises can be made. The recommendations include a modern plan for updating cemetery policies. The more substantive recommendation is to look at reducing Phase I even further. Creating a more walkable area and fencing will impact the project budget. With no further funding it may mean less plots and the need to revisit an expansion in the near future. Carey has been working on the project with Nelson Engineering.

Councilmember Lewis asked if people can be buried vertically instead of horizontally to save space. More plots could be sold at a cheaper price.

Council requested reducing Phase I and considering alternatives for Hickerson Memorial Cemetery.

The Peonies on Pioneer group is looking at doing a pilot project on the sidewalk of Pioneer to demarcate where a driveway begins. They want to paint a stencil of a peony at the entrance to a Pioneer business. It would provide safety for pedestrians if the driveways are delineated. It would require a letter of non-objection from the City to do the project and the cost would be covered by the artist program. It could evolve into more peony stencils on the sidewalks. Public Works has reviewed the project and has consented.

Council discussed the safety of pedestrians and drivers who both need to be aware of each other. They endorsed the letter from the City in support of the project, without endorsing the concept that art on the sidewalk will be safer for pedestrians.

Council recognized the letter from Library Director Dixon requesting a reduction in the USDA loan. We are paying over 4% interest rate; the USDA current rate is just over 3%.

Council recognized Claudia Haines, Youth Services Librarian, who was mentioned in the book "Inspired Collaboration: Ideas for Discovering and Applying Your Potential."

CITY ATTORNEY REPORT

A. City Attorney Report – May 2016

COMMITTEE REPORT

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

Public Safety Building Review Committee Chair Ken Castner provided an overview of the project. The City hired a contractor and architect as a team. The contractor acts as a construction manager in the first phase of the project, perfecting the most efficient design. He warns away from bad project policies that may add costs or create problems as the building ages. Cornerstone is the construction manager and Stantec is the architect. There is about \$200,000 left in the budget for drawings before we go to bond. Elevation drawings are needed to see how it will fit into the landscape and against the HERC building. A better cost of the building will be known when electrical and mechanical engineering are included. At the next meeting the committee will discuss what sort of commitment to make to the project. Cornerstone will be obligated to deliver a guaranteed maximum price. The object is to start out high and keep refining and reducing until we have the exact building and cost that we want. We hope to get to that amount by October.

The last site layout was shown. There is space on the east side of the site for the future fire station. It is laid out so that the bays are oriented for in/out access for some of the apparatus. The area behind the building is the site of the future skateboard park that will be moved and improved. The committee has been meeting weekly and is trying to meet with every volunteer serving on a board and commission. They talk to them about the vital necessity of coming together as a community in getting the project done. He hopes the fire station will be well underway this summer so people can see progress. The committee hopes to present a project where everyone agrees they have done the best they can to bring down the costs, build in efficiencies, and provide for long term planning at an affordable cost.

In response to Mr. Zitzmann's comment on the site location being valuable property, Mr. Castner said the committee looked at every piece of potential property for the site and each one had additional costs associated, except the current site that we owned. The high school and churches are tax exempt property on high value lots. The building site for the new public safety facility is constrained by tsunami zones, access, and having enough property to build something to last for 50 years.

The Public Safety Building Review Committee meets with City Council on July 25th. They should have solid numbers, pictures, and solid support by then.

C. Americans with Disabilities Act Compliance Committee

Councilmember Aderhold reported the committee passed the grievance procedure at their last meeting. There is a potential grant with mental health trust that will help with the self-assessment and transition plan. The committee will be bringing in a northwest ADA group under a sole source contract. This will include training of city staff. Lastly, the committee discussed accessibility issues at outdoor spaces, trails, paths and parks.

PENDING BUSINESS

- A. **Resolution 16-063**, A Resolution of the Homer City Council Maintaining the Water and Sewer Fees at the 2016 Rate and Updating the Homer Fee Schedule Accordingly. City Manager/Finance Director. Postponed from May 23, 2016.

Memorandums 16-093 and 16-107 from City Manager as backup.

Resolution 16-063(S) & (S-2), A Resolution of the Homer City Council Maintaining the Water ~~And Sewer~~ Fees at the 2016 Rate and **Amending the Sewer Fees for Sewer Only Customers and Kachemak City Customers and** Updating the Homer Fee Schedule Accordingly. Mayor.

Motion on the floor from May 23: MOTION TO ADOPT RESOLUTION 16-063 BY READING OF TITLE ONLY.

Mayor Wythe called for a motion to substitute Resolution 16-063(S-2) for Resolution 16-063.

ZAK/REYNOLDS – SO MOVED.

City Manager Koester reported Resolution 16-063(S-2) would reduce revenue by \$18,500. There is excess revenue for water and sewer that goes into the reserves. Reserves are set aside for frequent repairs. The reduction translates to about a 1% sewer rate increase, although it will just mean less money in reserves.

Mayor Wythe brought the substitute forward since the 3,500 gallon rate was established when Kachemak City joined into the City's sewer system. The gallon rate was based on a family of four in Anchorage. The average consumer use in the City is 2,976 gallons per month. It is appropriate sewer customers are given consideration of current day usage.

LEWIS/REYNOLDS - MOVED TO POSTPONE TO OUR NEXT MEETING.

There was no discussion.

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

Motion carried.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 16-064**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for a Tier 1 Rasmuson Foundation Grant in the Amount of \$25,000 for the Boat House Pavilion. Zak.

Mayor Wythe called for a motion for the adoption of Resolution 16-064 by reading of title only.

REYNOLDS/ZAK - SO MOVED.

LEWIS/REYNOLDS - MOVED TO REFER TO PARKS AND RECREATION COMMISSION AND LET THEM DISCUSS IT; IF WE APPLY FOR IT PARKS AND RECREATION COULD NOT APPLY FOR ANY TIER 1 GRANTS.

Councilmember Reynolds reported the grant is being fully prepared by the City. Rasmuson suggested we do it this way since The Homer Foundation already has a grant in that category. The water pavilion grant will not be affected since it has been submitted and is on a different cycle.

Councilmember Lewis commented we need to refer this to Parks and Recreation for their approval since this precludes Parks and Recreation applying for a grant until the boat house grant is closed. It may be an extended period of time before grant funds are expended and the grant closes.

The agenda has been published for Parks and Recreation Advisory Commission's upcoming meeting on June 16th so the grant application cannot be added to the agenda. The commission does not meet again until August.

VOTE: (postponement) YES. LEWIS

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

Motion fails.

Councilmember Smith commented the Boat House Pavilion people were supposed to write the grant. The City provided the land and the port and harbor is going to provide maintenance. When he was asked to support the resolution for the group to get the grant it was not about us writing the grant.

Mayor Wythe agreed that was her understanding, but the Boat House Pavilion group has written the grant. They are just asking us to make the grant application and put it forward.

Councilmember Lewis supports the boat house, but it should have gone to Parks and Recreation before going to the Council. After the soccer building we told people we would be referring things to Parks and Recreation.

Asked if there will be City staff time writing the grant, City Manager Koester answered there has been negotiation on the grant writing. She has asked the committee to provide a draft, filled out as much as possible. Miranda Weiss is a published author and great grant writer so we will get a good product from her. It will then take Special Projects and Communications Coordinator Jenny Carroll a couple days of work on the grant. She has not heard of any pending grants the Parks and Recreation Advisory Commission may have for this funding agency.

VOTE: YES. SMITH, REYNOLDS, ZAK, ADERHOLD, VAN DYKE

VOTE: NO. LEWIS

Motion carried.

B. **Resolution 16-072**, A Resolution of the Homer City Council Authorizing Cornerstone Construction, Inc. to Continue as General Manager-Contractor for Project Improvements at the Fire Station. City Manager. Recommend adoption.

Mayor Wythe called for a motion for the adoption of Resolution 16-072 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

LEWIS/VAN DYKE - MOVED TO AMEND LINE 24 to CROSS OUT "AN OPEN" AND ADD "A COMPETITIVE."

There was no discussion.

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

Motion carried.

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

Motion carried.

- C. **Resolution 16-068**, A Resolution of the City Council of Homer, Alaska, Expressing Supporting for Kenai Peninsula Borough Ordinance 2016-16, Submitting to the Voters a Ballot Proposition That Increases the Sales Tax Cap From \$500 to \$1,000 and Exempts Residential Rents From Sales Tax. Mayor/Council. Recommend adoption.

Mayor Wythe called for a motion for the adoption of Resolution 16-068 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

Council discussed the proposed increase and its effects on the community.

VOTE: YES. LEWIS, SMITH, ADERHOLD, REYNOLDS, VAN DYKE

VOTE: NO. ZAK

Motion carried.

COMMENTS OF THE AUDIENCE

Bob Painter, city resident and Fire Chief, thanked the Council for their investment in the fire station. The thanks are on behalf of past members who built the station brick by brick, current members who contribute thousands of dollars a year, and future members who will benefit by the improvements to the fire station.

Ken Castner, city resident, clarified the question of the City having two grants at once with Rasmuson. The Homer Foundation does not have the capacity to manage the grant, but the City of Homer does. He spoke of the tough investment climate and expressed uncertainty of future stock indexes. He wishes there were opportunities for the City to invest their money in the long term. The City might look at the Alaska Community Foundation and think about putting their money there at a return rate of 4.25%.

Bill Overlay, Mayor of Kachemak City, thanked Council for considering Resolution 16-063(S-2) that makes the sewer rates more fair for Kachemak City.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells was no longer present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comments.

COMMENTS OF THE CITY MANAGER

City Manager Koester had no comments.

COMMENTS OF THE MAYOR

Mayor Wythe said it was a great meeting and Council did a great job.

COMMENTS OF THE CITY COUNCIL

Councilmember Smith thanked the people that showed up and participated. Their input is essential to helping us do our job. The community never has to be divided because we can talk it through and come to a place that benefits everybody, even though we may not always agree. He gave kudos to the high school track team that performed very well at state. A couple individuals did really good by setting records and winning championships. The girls placed second. The softball girls' team traveled to Fairbanks to participate in the state tournament. Although they didn't perform quite as well, they had a wonderful time and great weather.

Councilmembers Lewis and Van Dyke had no comments.

Councilmember Reynolds commented the needle exchange is going to fly. There is just one pending okay on protocols. It has been a team effort with Dr. Spencer taking the lead and lots of other people assisting. The needle exchange will be moving forward on June 21st from 5:00 to 7:00 p.m. at the Pioneer Avenue hospital training center. It has been an amazing amount of work in just a couple months. The seed money from the Awesome Foundation was helpful. There is an opportunity for a big green dot in the community. There is a phenomenon that intimidates more vulnerable road users. One individual has started rolling coal and it produces a big cloud of black smoke. A driver can read the license plate and call it into the police more readily than a pedestrian. That kind of hateful behavior does not belong in this community. She paid respect to the people that lost their lives in Orlando. She hopes we can curb that behavior by putting big green dots everywhere.

Councilmember Aderhold echoed Heath's comments. She appreciates the public comments and thoughtful viewpoints to consider. She recognized the passing of Carmen Field, an amazing scientist who taught many Homer students and people outside Homer about the natural environment. Carmen Field worked for Kachemak Bay Natural Estuarine Research Reserve. Mrs. Aderhold is on the community council of KBNERR that does so many great educational things. This year with the warm waters there are harmful algal blooms. KBNERR is working on rapid testing of shellfish and getting the results out. It is not for the oyster or mussel growers, but for the clams and mussels people collect on their own. They are looking out for human safety. A delegation from Russia was here over the weekend hosted by the Rotary Club. It is fantastic we were able to host the Russians. She thanked the Rotary for hosting them and everything they did. This weekend was the Kachemak Bay writer's conference. It is the 15th year and it brings in writers from all over the country. One writer, Dan Beachy-Quick said, "There are a lot of writer's conferences and none of them are useful. This one is useful." We have a gem in our community.

Councilmember Zak told people to be careful in the sunny weather. There are a lot of tourists and people should watch for pedestrians and pedestrians should pay attention to the drivers. It takes each other working together, much like the City Council for a win, win.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 10:15 p.m. The next Regular Meeting is Monday, June 27, 2016 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Monday, June 20, 2016 at 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: _____