

Session 16-08 a Regular Meeting of the Homer City Council was called to order on April 11, 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 KLINKNER
CITY PLANNER ABOUD
FIRE CHIEF PAINTER
PROJECT MANAGER ADERHOLD
PUBLIC WORKS SUPERINTENDENT GARDNER
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS

Mayor Wythe asked for a moment of silence for Mary Epperson who passed away today.

Council conducted a Worksession from 4:00 p.m. to 4:55 p.m. with community leaders to discuss Drug Use in Homer - Heroin Epidemic. From 5:02 p.m. to 5:48 p.m. Council met as a Committee of the Whole to discuss the 2016 Land Allocation Plan, Resolution 16-041, Memorandums 16-059, 16-061, and 16-063 along with 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: **ORDINANCES - Ordinance 16-18**, An Ordinance of the City Council of Homer, Alaska, Enacting Homer City Code Chapter 3.20, Recreational Facility Matching Grants; and Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of \$900,000 From the Permanent Fund to the Recreational Facility Matching Grant Fund. Lewis. Written public comments. **CITY ATTORNEY REPORT** - City Attorney's Report - March 2016.

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

LEWIS/ADERHOLD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Barb Brodowski, city resident, commented on Ordinance 16-18 in light of the 2016 budget shortfall. The \$900,000 could have covered three-quarters of that budget deficit. She called attention to the City's needs including police and public works' vehicles replacement, funding depreciation, COLA for city employees, roof repair for City Hall, and Police personnel to address the heroin epidemic.

RECONSIDERATION

- A. **Ordinance 16-10**, An Ordinance of the City Council of Homer, Alaska, Amending the 2016 Operating Budget to Allow for the Completion of the 2016 Streets Repaving Project Utilizing Homer Accelerated Roads and Trails (HART) Funds in an Amount Not to Exceed \$638,000. City Manager/Public Works Director. Introduction March 14, 2016, Public Hearing and Second Reading March 29, 2016. Reconsideration issued by Councilmember Zak on March 29, 2016.

Memorandums 16-043 and 16-062 from Public Works Superintendent as backup.

Mayor Wythe called for a motion for the reconsideration of Ordinance 16-10.

ZAK/SMITH - SO MOVED.

Councilmembers Zak, Smith, and Van Dyke voiced concern over the use of funds to rebuild the roads at this time and asked for temporary repair costs.

Dan Gardner, Public Works Superintendent, advised Council they can postpone repaving all the designated roads. Bunnell and Beluga access to the beach has thin asphalt that needs to be replaced as it is cracking all over. Roads in need of repaving can be fixed with a crack sealing material. Repaired roads require sweeping more often, taking several passes to clean them. At this time none of the streets in the proposed project are impassable, but from a bidding standpoint it is more cost effective to pave more at a time.

VOTE: YES. SMITH, ZAK, VAN DYKE

VOTE: NO. LEWIS, ADERHOLD, REYNOLDS

Mayor Wythe broke the tie with a YES vote.

Motion carried.

See Pending Business.

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 March 29, 2016. City Clerk. Recommend adoption.
- B. **Memorandum 16-058**, from Mayor Wythe, Re: Appointments of Anders Gustafson to the Economic Development Advisory Commission and Mark Zeiset to the Port and Harbor Advisory Commission.
- C. **Resolution 16-037**, A Resolution of the City Council of Homer, Alaska, Amending the Parks and Recreation Advisory Commission Bylaws, Regular Meetings, Chair or Vice Chair to Conduct Agenda Review. City Clerk/Parks and Recreation Advisory Commission. Recommend adoption.

Memorandum 16-060 from Parks and Recreation Advisory Commission as backup.

- D. **Resolution 16-038**, A Resolution of the City Council of Homer, Alaska, Supporting the Soccer Association of Homer's South Peninsula Athletic and Recreation Center (SPARC) Facility. Reynolds. Recommend adoption.
- E. **Resolution 16-039**, A Resolution of the City Council of Homer, Alaska, Expressing Support for the Remote Transactions Parity Act. Reynolds. Recommend adoption.

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

REYNOLDS/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

A. Rachel Lord, Cook Inletkeeper Upcoming Projects

Rachel Lord reported the Cook Inletkeeper started in 1995 to protect Cook Inlet and now has offices in Soldotna, Anchorage, and Talkeetna. They work for clean water, healthy salmon, engaged Alaskans, clean energy, strong communities, and recently food security and the local food movement. About 95% of Alaska's food is shipped from Outside, creating a large carbon footprint. In Alaska direct farmer sales have risen 32% and the USDA has spent over \$4M in high tunnel grants, much being spent in this area. At last count Kenai Peninsula farms produced nearly \$2M in crops and livestock per year and 34% of Alaska farms producing food for direct sales are on the peninsula. A successful grant funded a pilot food hub, essentially an online farmers' market. The food hub can aggregate foods, crafts, and fish to an online platform for consumers to purchase items. There will be Homer and Kenai/Soldotna options to sell and procure locally made goods and foods. The weekly cycle starts on Friday. As a customer you can log into the system and shop and change cart items up until Monday at 10:00 p.m. Producers and vendors will then be notified of everything purchased from them. Vendors drop off goods and customers pick them up on Wednesday at the Kachemak City Community Center. For more information: www.kenaifoodhub.com and Facebook. The first shopping period starts April 29th. Their hope is that the pilot is successful and after the two-year grant period it becomes independent.

The clean boating discount program is underway with a free class online to qualify for a discount card at multiple businesses. Cook Inletkeeper has convened a derelict vessel task force and are working on a rewrite of state statutes for derelict vessels to present to the legislature at the next session. Electronics recycling will be at SBS on April 23rd from 10:00 a.m. to 3:00 p.m. with all electronic devices for free. Ms. Lord asked people to remember Jeff Wraley who was an electronics recycling volunteer since 2006. On May 25th from 6:00 p.m. to 9:00 p.m. there will be a panel discussion on the 40th anniversary of the George Ferris, a jackup rig getting its legs stuck in Kachemak Bay.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Mayor's Proclamation, National Library Week, April 10 - 16, 2016

Mayor Wythe read and presented the proclamation to Andy Haas.

B. Borough Report

Kenai Peninsula Borough Assembly Member Kelly Cooper reported an ordinance was brought before the Assembly on April 5th for a ballot question to prohibit marijuana in the borough. At that meeting over 100 people testified. The ordinance will be continued to the Assembly's next meeting in Seward and people may testify at the legislative building in Homer. The marijuana task force spent a year with regulations to manage marijuana and everyone thought we were moving in that direction. The timing of the ordinance is concerning as people in the businesses have spent thousands of dollars.

On May 3rd there is a public hearing to change the seasonal tax exemption on nonprepared foods to October 1st through March 31st. There will also be an ordinance to abolish the South Peninsula Hospital Service Area Board. The healthcare task force presented their findings that based on our geographic location and climate both hospital facilities are viable and necessary. There was no recommendation for merging or selling either hospital. The hospitals could partner and coordinate better on some items. The healthcare task force has asked both boards to meet and find areas they can partner on and to bring that to the task force.

Ms. Cooper attended the stakeholders meeting today for the Soccer Association to place their building on borough land. She encouraged the Council to support their efforts as winter activities are needed for all ages. The Borough has not looked at any funding for the project other than providing the land.

C. Commissions/Board Reports:

1. Library Advisory Board

Marcia Kuszmaul, Library Advisory Board Member, reported this is National Library Week and all libraries across the nation are celebrating Libraries Transform. We have a great library and it is a pleasure to work with Ann and her staff. In the first three months of 2016 checkouts are 19% ahead of last year, computer sessions are up 7% from 2015, and meeting room usage has increased by 67% with 27 groups using the meeting room each month. In last year's summer reading program 845 kids participated. The library is an immense resource in the community for education, employment, entrepreneurship, empowerment, and for community engagement. In economic downturns people turn to libraries.

2. Homer Advisory Planning Commission
 - a. Minutes of March 16, 2016
3. Economic Development Advisory Commission

Councilmember Smith reported they meet tomorrow and have Mr. Gustafson newly appointed. There are openings on the commission.

4. Parks and Recreation Advisory Commission

Parks and Recreation Advisory Commissioner Deb Lowney reported the commission is hosting a trails symposium May 3rd 5:00 to 8:00 p.m. at Islands and Ocean Visitor Center. More information will follow in a flyer.

5. Port and Harbor Advisory Commission

Port and Harbor Advisory Commissioner Glen Carroll reported the commission passed a motion for harbor rate upgrades. They had spent two years and \$35,000 in studies reviewing rates and chose an option from the Northern Economics study. It is 5 cents per foot per year additional across the board and capped at 86 ft. In addition to the August 3% increase it will build the necessary reserves. The commission will explore what can be done in the harbor to generate jobs, income, and haul-out infrastructure to compete with Seward, Wrangell, and Ketchikan. We are woefully behind. At a time of economic downturn we will be wishing we had done it long ago. Homer is losing millions of dollars in vessel repairs that are going elsewhere.

6. Cannabis Advisory Commission

Councilmember Reynolds reported the next meeting is April 28th.

Mayor Wythe called for a recess at 6:51 p.m. and reconvened the meeting at 6:56 p.m.

PUBLIC HEARING(S)

A. KACHEMAK DRIVE PHASE III WATER AND SEWER SPECIAL ASSESSMENT DISTRICT

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

- B. Ordinance 16-09(A)**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of ~~\$39,300~~ **\$54,300** From Port and Harbor Reserves for the Construction of the Sport Fishing Trailer Parking Lot Drainage Improvement and Authorizing the City Manager to Execute All Appropriate Documents Necessary to Complete the Work. City Manager/Port and Harbor Director. Introduction March 14, 2016, Public Hearing and Second Reading March 29, 2016.

Memorandums 16-042 and 16-065 from Port and Harbor 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 16-09(A) by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

Port and Harbor Director Hawkins advised Council the final grading of the parking lot has been omitted from the project. It will be done later. The drainage is the most important part and the equipment staged at the end of Spit can save us money if we do that portion of the project now.

VAN DYKE/REYNOLDS - MOVED TO AMEND TO REMOVE \$54,300 AND REINSERT \$39,300 AS WAS IN THE ORIGINAL RESOLUTION.

There was no additional discussion.

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

Motion carried.

VAN DYKE/ZAK - MOVED TO AMEND LINE 21 TO ADD: WHEREAS AT A LATER DATE STAFF WILL PRESENT TO COUNCIL A NEW HARBOR RESERVES APPROPRIATION REQUEST FOR THE PURPOSE OF PURCHASING FILL AND FINAL GRADING FOR THE BOAT PARKING LOT DRAINAGE.

There was brief discussion on the project and accounting.

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

Motion carried.

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

Motion carried.

- C. **Ordinance 16-13**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 7.16.020 Operating, Stopping or Parking of Motor Vehicles in Beach Areas Prohibited; Exceptions, to Extend From October 1 to March 31 the Period During Which a Person May Operate, Stop and Park a Motor Vehicle Between the South End of Mariner Park Beach and the East End of the Seawall Solely for the Purpose of Gathering Sand and Coal. Lewis. Introduction March 29, 2016, Public Hearing and Second Reading April 11, 2016.

Memorandum 16-053 from City Clerk as backup.

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

Mayor Wythe called for a motion for the adoption of Ordinance 16-13 by reading of title only for second and final reading.

LEWIS/REYNOLDS - SO MOVED.

The ordinance clarifies the dates in which a person may operate a motor vehicle in beach areas.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 16-14**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.12.020, Permitted Uses and Structures; Regarding the Permission of Detached Dwelling Units in the Rural Residential Zoning District. Planning. Introduction March 29, 2016, Public Hearing and Second Reading April 11, 2016.

Memorandum 16-055 from City Planner 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 16-14 by reading of title only for second and final reading.

LEWIS/ZAK – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Ordinance 16-15**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of \$9,000 From Port and Harbor Reserves for Homer Spit Parking Signage and Long-Term Boat Trailer Parking Enforcement Improvements. City Manager/Port and Harbor Director. Introduction March 29, 2016, Public Hearing and Second Reading April 11, 2016.

Memorandum 16-056 from Port and Harbor 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 16-15 by reading of title only for second and final reading.

REYNOLDS/VAN DYKE – SO MOVED.

Port and Harbor Director Hawkins advised Council the funds are for buying signage that harbor staff will install.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Ordinance 16-16**, An Ordinance of the City Council of Homer, Alaska, Authorizing the Transfer of \$80,000 From the Public Safety Building Project to the Fire Station Improvement Project to Fund Design. Mayor. Introduction March 29, 2016, Public Hearing and Second Reading April 11, 2016.

Mayor Wythe opened the public hearing.

Ken Castner, Public Safety Building Review Committee Chair, commented the ordinance as written is too restrictive for a consolidated approach. A design build approach will permit the Fire Department, architect, contractor, and engineer to do the project as a team. An RFP for a design firm could burn up a few months. We need to find an efficient way to do the job.

Mayor Wythe closed the public hearing.

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

ZAK/REYNOLDS – SO MOVED.

ADERHOLD/REYNOLDS - MOVED TO AMEND LINE 25 TO DELETE DESIGN AND ADD SOLICITATION OF SERVICES FOR DESIGN AND BUILD AND THEN GO BACK TO THE OTHER WORDING OF THE FIRE STATION PERMITS AND UPGRADES.

City Manager Koester told Council the word solicitation may require an RFP. She would like staff to have the more flexibility to use the City's contract engineer. It would be the least expensive way to do this.

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

Motion failed.

City Attorney Klinkner advised Council amendments including assess, design, and build could be made in Lines 9, 25, and 30.

Mayor Wythe called for a recess at 7:25 p.m. and reconvened the meeting at 7:33 p.m.

ADERHOLD/LEWIS - MOVED TO AMEND LINE 9 TO CHANGE THE WORD "DESIGN" TO "ASSESSMENT, DESIGN, AND CONSTRUCTION." ON LINE 25 DELETE "TO DESIGN" AND REPLACE THAT WITH "FOR ASSESSMENT, DESIGN, AND CONSTRUCTION." ON LINE 30 DELETE THE WORD "DESIGN" AND INSERT "ASSESSMENT, DESIGN, AND CONSTRUCTION."

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.

- G. **Ordinance 16-17(S)**, An Ordinance of the Homer City Council Determining That a Public Purpose Does Not Exist for City Properties Described as Lot 1, Harry Feyer Subdivision, and the Following Located in Section 14, Township 6, Range 13, Seward Meridian: Govt. Lot 3 Lying East of Kachemak Drive, S. ½ of Govt. Lot 30 Lying West of Kachemak Drive, and Govt. Lots 10, 21, 24, 25 and 36; and Authorizing Their Sale. City Manager. Introduction March 29, 2016, Public Hearing and Second Reading April 11, 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 16-17(S) 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. **Resolution 16-032**, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Fee Schedule to Include Long Term Boat Trailer Parking. City Manager/Port and Harbor Director.

Memorandum 16-056 from Port and Harbor Director as backup.

Motion on the floor from March 29: MOTION FOR THE ADOPTION OF RESOLUTION 16-032 BY READING OF TITLE ONLY.

ADERHOLD/REYNOLDS - MOVED TO AMEND LINES 137 AND 138 TO REMOVE “STORAGE” AND REPLACE WITH “PARKING.”

The amendment makes the language consistent with Resolution 16-033(S).

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

Motion carried.

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

Motion carried.

I. **Resolution 16-033(S)**, A Resolution of the City Council of Homer, Alaska Amending the Port of Homer Terminal Tariff No. 600 to Include Long Term Boat Trailer Parking Fees. City Manager/Port and Harbor Director.

Memorandum 16-056 from Port and Harbor Director as backup.

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

Motion on the floor from March 29: MOTION FOR THE ADOPTION OF RESOLUTION 16-033(S) BY READING OF TITLE ONLY.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- A. **Ordinance 16-18**, An Ordinance of the City Council of Homer, Alaska, Enacting Homer City Code Chapter 3.20, Recreational Facility Matching Grants; and Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of \$900,000 From the Permanent Fund to the Recreational Facility Matching Grant Fund. Lewis. Recommended dates: Introduction April 11, 2016, Public Hearing and Second Reading April 25, 2016.

Mayor Wythe called for a motion for the adoption of Ordinance 16-18 for introduction and first reading by reading of title only.

LEWIS/ZAK - SO MOVED.

Councilmember Lewis announced he brought the ordinance forward to help the Soccer Association with their building. The financial support will allow them a bigger building with flooring and take away the need to keep the HERC open. The hockey rink has successfully generated money for the city; we could use recreation as an anchor business to bring people here in the wintertime. The soccer building will go up and by helping we will be saving money as we won't be running a recreational center. Recreation is a good investment for the city and will help the kids.

Councilmember Van Dyke agreed the building will do a lot of good, but there is a fire station that needs new equipment and an updated building. There is a shortfall in the city. There are benefits of bringing recreation to the city, although he would prefer an amount less than a third of the proposed \$900,000. A greater portion of the Permanent Fund could then go to core things.

Councilmember Reynolds doesn't think this is the right time to consider the expenditure. The SPARC project is underway, Council has supported SPARC with a resolution, and the City is not being asked for money. We can put this on the back burner for now. There is uncertainty now and we need to look for other sources of revenue.

Councilmember Smith appreciates Councilmember Lewis' intent because the benefit of recreating is great. The City should not administer grants and the amount is too much. We would be better off using the Permanent Fund as an investment with returns. More participation from entities increases the ability for SPARC to get grants. He supports a one-time appropriation to SPARC. Jack Gist Park was undermanaged and lost opportunities that could have come here; it took five added years to get the second field operational.

Mayor Wythe invited Daniel Zatz and Anders Gustafson with SPARC to the conversation.

Daniel Zatz and Anders Gustafson met with the Borough and finalized the site for the soccer building. The Borough is supportive of donating the land valued at \$250,000 to the project. They plan to have the building up by the end of September. They may not have a rubberized floor, bright LED lighting, or heat, but the kids will be playing soccer. SPARC plans to raise the rest of the money to finish the building out. They do not need \$900,000 for the project. If the City helps out, every dollar will be doubled. With more funding a bigger 100' x 120' building could be purchased and provide room for pickleball courts and soccer at the same time. An additional \$230,000 would be needed to finish the large size building by the end of September.

ZAK – MOVED TO AMEND TO CHANGE \$900,000 TO \$250,000 THROUGHOUT THE ORDINANCE.

Motion died for lack of a second.

Councilmember Lewis pointed out any recreational organization can get grants to acquire a building when the City of Homer is involved. The Permanent Fund is sitting in an account; this is a way to put away money for larger recreation projects in town.

Mayor Wythe commented it is shortsighted to spend the Permanent Fund as a one-time expenditure. The fund has almost doubled since we have not used it. Let it grow as a long-term benefit to the community. She is supportive of the SPARC project because recreation is important and the community needs to get behind it.

Councilmember Zak expressed disagreement to that theory and prefers visionary long-term thinking which is a private partnership. He favors a smaller amount that will be matched to boost revenue and stimulate the economy.

ZAK/VAN DYKE - MOVED TO AMEND THE \$900,000 TO \$225,000.

The intent is to distribute a portion of the funds to SPARC.

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

VOTE: NO. SMITH

Motion carried.

Councilmember Smith expressed concern for administering the grant portion. He is not prepared to set aside a large portion of money at this time.

Councilmember Reynolds added it is not the role of the City to be a granting agency. A fund could be set up with The Homer Foundation to disburse grant money.

City Manager Koester reported the City does not have a grant program. Administration of such a program would be a substantial amount of work and we do not have the infrastructure. Finance is on board, but it presents an extra amount of work. An appropriation would be cleaner.

VOTE: YES. ZAK, VAN DYKE, REYNOLDS, LEWIS

VOTE: NO. SMITH, ADERHOLD

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

The Legislature...

At the last Council meeting I reported on SB 209 and SB 210 and their potential impact to the City of Homer. What a moving target – these bills have changed multiple times since then and are likely to change more before Monday’s council meeting.

SB 209: Cost Shifting PERS to Municipalities

SB 209, which increased municipalities PERS contribution rate from 22% to 26.5% has stalled for now due to an analysis from the State’s actuaries reporting that the total contribution rate is expected to decrease and general criticism that instead of making hard decisions the State was just trying to transfer the responsibility to municipalities. Linda is keeping a watchful eye on legislation that could become a carrier for that issue, but we think at this point increasing PERS rates for municipalities is dead – for now, not forever. Before SB 209 stalled, Borough Mayor Navarre called a meeting with all Peninsula City Managers that I attended on Monday. The consensus was to send a joint letter on the issue to the Legislature signed by our Mayors. Though ultimately this was not necessary, it does provide a good model for future issues when the Peninsula needs to speak as one voice and lays the groundwork for greater communication in the future.

SB 210: Changing Revenue Sharing

SB 210 was introduced as legislation that changed the name of revenue sharing, restructured it to favor smaller communities, and eliminated the mandatory senior property tax exemption. Councilmembers were prepared to testify in favor of this legislation; we all share in the pain but the State is giving local municipalities tools. Since then, the Finance Committee has pulled the senior property tax exemption language from the bill making it merely a restructuring of revenue sharing. Under the bill City of Homer revenue sharing is scheduled to be \$190,000 for the next two years and \$130,000 for 2018 before disappearing in 2019.

The Legislature adjourns in a little over 2 weeks. According to Linda, there is little chance they will come to agreement on the major issues facing them by then and a 10-day extension is anticipated.

Hazard Mitigation Grant Program (HMGP)

The Planning Office is working with the State of Alaska on a mitigation project to purchase property to be dedicated for open space. A brief description of the program and the project follows.

When an Alaskan disaster is declared, and FEMA Federal funds are received by the State, the funds are used to help reduce the risk of future disasters. In Alaska, these federal funds are distributed through the State’s Hazard Mitigation Grant Program (HMGP) with a 25% State match. In the event that the funds are not used in the area in which the disaster occurred, funds can be applied to mitigation projects in other parts of Alaska.

FEMA supports communities interested in acquiring high risk properties to avoid future development and subsequent losses when tragedy occurs in coastal Velocity Zones. When a project is submitted, the project is in the “queue” in the event funds are available. The program is an annual re-occurring opportunity, so these parcels may be in the “queue” for several years.

The Planning Office has applied to the HMGP for the opportunity to acquire private properties that abut the Sterling Highway, Homer Spit Road, and Kachemak Bay. Properties of interest are those that are experiencing or at high-risk of erosive events and have minimal improvements. They present a challenge to provide utility connections and continued erosion may threaten the stability of the Sterling Highway. Property owners will be contacted and made aware of the program. Participation is not required and is only on a voluntary basis.

Furie and the Randolph Yost

Deputy Harbormaster Clarke and I had a meeting with the VP of Operations and Drilling Engineer for Furie who operates the Randolph Yost parked at the Deep Water Dock. It was good to have a chance to learn more about the rig and Furie’s plans. One thing I did learn about was the tremendous amount of work it takes to keep a rig in working order. Crews are almost constantly working on maintenance of all the moving parts. This is good because when the rig is parked at our dock they are calling on our local businesses; just yesterday the port and harbor connected the crew with a local supplier of pipefitting. Furie will leave the dock for their drilling site in the inlet no later than May 15 when we need the face clear for summer activities and the arrival of the first cruise ship May 18. The Deep Water Dock is one of two options Furie is considering for over-wintering the Randolph Yost. In the meantime, Port and Harbor staff is working on details for accommodating the rig without disrupting regular traffic, should we have the opportunity.

ADA Trainings/ Committee

The ADA Committee had its first meeting on March 31 and is off to a great start. In the meantime, the City staff has been trained (April 6-7) in how to accommodate, identify and understand ADA issues as frontline employees, maintenance and public works staff, and supervisors. Thanks to all the staff and departments who gave up to 4 hours of employees’ time for this important training.

City Manager Koester reported on news from the Legislature. SB 209 the PERS contribution rate which would have an adverse effect on the City has died. SB 210 revenue sharing removed the senior property tax exemption. She was prepared to give testimony on SB 210 this weekend, but after delays ended up submitting written testimony. It will be included in the next manager’s report. Legislation is only restructuring revenue sharing and changing the name to community assistance. They are leaving the senior property tax exemption alone.

She referenced the memorandum from Fire Chief Painter that the requirement for burn barrels has changed at the state level. From the period of April 1 through August 31 you will need a permit.

B. Bid Report

CITY ATTORNEY REPORT

A. City Attorney's Report – March 2016

City Attorney Klinkner commented on Mr. Castner's remarks on an opinion he had given regarding the spending of HART money and the fact HART money could be spent for any purpose. City Attorney Klinkner did issue such an opinion at one time and after looking at it again it was an open question to the voters without any strings attached for spending funds. A sales tax vote is required by state law, but is an open question without any strings attached for spending the funds. It is an issue that the courts have not yet resolved.

COMMITTEE REPORT

A. Public Arts Committee

B. Employee Committee Report

C. Public Safety Building Review Committee

Public Safety Building Review Committee Chair Ken Castner reported the committee received the HERC report. The structural engineer and licensed architect gave clear sailing to use part of the HERC for nonessential services. The committee asked the construction manager to prepare a budget so we can move in and utilize space for purposes to include a pistol range. A sprinkler system, structural diaphragm in the ceiling, removal of windows, spaces for long term storage and small maintenance bay tallied out at \$150 per square foot. The cost of the pistol range is \$300,000. That only addresses those modifications made to the part of the HERC building used by the Police Department. It does not change building access or improve the gym. With utilization of the HERC building and just building the police station at this time there is space on the rest of the lot. A new master plan is needed to configure this. The committee approved some expenditure to prepare a new master plan. On April 21st there is a Worksession to examine the master plan, keeping in mind at some point the fire station will need to be replaced and have a space. The committee realizes in order to go to bond this fall there is a lot of work to do, so has scheduled weekly meetings in May and June to move things along.

¹ Date was rescheduled to April 27th

Councilmember Smith questioned if the shooting range was more of a nicety than a necessity. It may be one of the most difficult things to justify to the voters when you look at other communities that have indoor shooting ranges. It may be important to plan to use the space for something else including evidence processing, a weight room, and a gymnasium for training and other necessities.

Chair Castner reported they have not started to address the other 16,000 sq. ft. in the new building. Once the committee gets through the master plan they will look at space needs. The goal is to give the police everything they have asked for, as it is unlikely they will ever get anything else. They want to see if the building can be done within the budget provided. Issues will have to be discussed when the plans are worked out.

PENDING BUSINESS

- A. ***If reconsidered: Ordinance 16-10***, An Ordinance of the City Council of Homer, Alaska, Amending the 2016 Operating Budget to Allow for the Completion of the 2016 Streets Repaving Project Utilizing Homer Accelerated Roads and Trails (HART) Funds in an Amount Not to Exceed \$638,000. City Manager/Public Works Director. Introduction March 14, 2016, Public Hearing and Second Reading March 29, 2016. Reconsideration issued by Councilmember Zak on March 29, 2016.

Memorandums 16-043 and 16-062 from Public Works Superintendent as backup.

Motion on the floor from March 29th: MOTION FOR THE ADOPTION OF ORDINANCE 16-10 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Public Works Superintendent Dan Gardner discovered a mistake on the spreadsheet outlining costs for the project. Costs for Beluga Place and Clover Lane were omitted. If the entire project was approved the contingency would probably cover costs for those streets. If we take the top two streets off the list the savings would not be as great as initially thought. He estimated \$55,000 to \$60,000 in costs were missing from the original estimate.

Asked if the costs would increase by paving fewer streets over several years, Mr. Gardner answered there is greater savings in repaving more streets at one time. Increased costs for spreading the streets over a number of years include design, mobilization, and demobilization. The top priority streets for repaving on the schedule are Bunnell Street and Beluga Place. The street humps on Bunnell will stay in place.

If the repaving project is deferred costs would include increased man hours, equipment time, cost of materials, and the need to sweep more often. The current operating budget does not provide for materials for patching, so more funding would be needed.

SMITH/ZAK - MOVED TO POSTPONE TO THE NEXT MEETING TO GET ALL THE RIGHT NUMBERS IN THE RIGHT PLACES.

Council asked to see the different scenarios, such as repaving all five streets now, patching only this year, and a tiered approach to repaving.

Public Works Superintendent Gardner told Council the repaving is done about every three years. If streets are pulled off this year's list it would probably be another three years before they are added again.

Councilmember Smith commented the HART fund is in stasis; it is not growing and there will not be any more funds next year. We need to determine if these streets need to be repaved in the near term. He believes Bunnell and Beluga Place need to be done this year and just maintenance on Clover.

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

Motion carried.

B. **Resolution 16-029**, A Resolution of the City Council of Homer, Alaska, Amending the Beach Policy for Operating, Stopping or Parking of Motor Vehicles in Beach Areas Prohibited to Add an Exception to the Southern End of the Vacated Easement Formally Known as Shirlene Circle and the Area West of Bishop's Beach Park Access Between the South End of Mariner Park Beach to the East End of the Seawall From October 31 Through March 1 Solely for the Purpose of Gathering Sand and Coal. Reynolds.

Resolution 16-029(S), A Resolution of the City Council of Homer, Alaska, Amending the Beach Policy for Operating, Stopping or Parking of Motor Vehicles in Beach Areas Prohibited to Add an Exception to the Southern End of the Vacated Easement Formally Known as Shirlene Circle and the Area West of Bishop's Beach Park Access Between the South End of Mariner Park Beach to the East End of the Seawall From October ~~31~~ **1** Through March ~~1~~ **31** Solely for the Purpose of Gathering Sand and Coal. Reynolds.

Motion on the floor from March 14th: MOTION FOR THE ADOPTION OF RESOLUTION 16-029 BY READING OF TITLE ONLY.

Mayor Wythe called for a motion to substitute Resolution 16-029(S) for 16-029.

REYNOLDS/ADERHOLD – SO MOVED.

The substitute resolution is to correct the dates that motor vehicles are permitted in beach areas.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

- A. **Memorandum 16-059**, from City Clerk, Re: Authorization for Councilmember Zak to Travel to Girdwood, Alaska, to Attend the Institute of the North Alaska Dialogue on Devolution: Strengthening State, Local and Tribal Governments on May 20 and 21, 2016.

Mayor Wythe called for a motion for the approval of the recommendations of Memorandum 16-059.

Failed due to lack of a motion.

RESOLUTIONS

- A. **Resolution 16-040**, A Resolution of the City Council of Homer, Alaska, Approving a Memorandum of Agreement Between the City of Homer and Homer Electric Association Regarding the Dedication of a Right of Way by Homer Electric Association to the City of Homer So Long as the City Takes Responsibility for Any Environmental Contamination Resulting From the City's Excavation on That Right of Way. City Manager.

Memorandum 16-064 from City Manager as backup.

Mayor Wythe recused herself as an employee of Homer Electric and passed the gavel to Mayor Pro Tempore Lewis.

Mayor Pro Tempore Lewis called for a motion for the adoption of Resolution 16-040 by reading of title only.

REYNOLDS/VAN DYKE – SO MOVED.

Councilmember Aderhold disclosed a potential conflict of interest as her husband works for the City and works on this project.

City Attorney Klinkner's understanding is that this project does not have an effect on the terms and conditions of Councilmember Aderhold's husband's employment.

Councilmember Aderhold answered that was correct.

City Attorney Klinkner advised there is no financial interest for Councilmember Aderhold and she may participate.

Councilmember Van Dyke asked how much liability this might create and City Manager Koester answered that was her concern so we paused the project and hired a firm to assess the potential contamination liability. The most exposure of the project would be \$115,000 in remediation costs to make sure the project is done in the most environmentally responsible way. When we put in water and sewer through that area we will bore instead of trench, disturbing less soil. In the worst case scenario the little bit of soil we disturb may have to be taken offsite. We will plan to cap the ends with clay so any soil disturbed by the boring wouldn't leach into the plume of the contamination. The plume is shrinking over time. She feels confident after the analysis, with DEC in the loop, and having someone there to monitor construction. The attorney reviewed the MOA and provided edits to control our exposure. We have contingency to take care of the contamination and have assessed the full potential of the contamination.

Councilmember Smith asked if HEA has given assurance to know it's already not contaminated. City Manager Koester answered we know the site is contaminated over the easement. We are telling HEA if we make the plume grow with construction activities we will take responsibility for it. A work plan prepared by an environmental firm minimizes exposure.

Councilmember Smith asked if HEA has complied with DEC regulations to decontaminate that area. City Manager Koester answered HEA has monitoring wells and have been watching the plume and have been aerating to help shrink the plume. If HEA were to build a building they would have to deal with the soils.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 16-041**, A Resolution of the City Council of Homer, Alaska, Amending the Homer Accelerated Roads and Trails Program (HART) Policy Manual to Change the Allocation of Costs for Street Reconstruction and New Street Construction, and the Basis for Assessing Such Costs; Amending the HART and Homer Accelerated Water and Sewer Program (HAWSP) Policy Manuals to State That Expenditures Under Each Program is Subject to the Availability of Funds; and Referring Other Revisions of the HART Policy Manual to the Homer Advisory Planning Commission for Its Review and Recommendations. City Manager. Recommend Public Hearing April 25, 2016.

Memorandum 16-063 from City Manager as backup.

Mayor Pro Tempore Lewis called for a motion for the adoption of Resolution 16-041 by reading of title only.

REYNOLDS/ADERHOLD – SO MOVED.

SMITH/ZAK - MOVED TO POSTPONE TO THE NEXT MEETING.

Council would like input from Public Works Director Meyer when he returns that the percentages are correct. It will allow amendment of the resolution to make the votes the same in the two steps of the special assessment district process.

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

Motion carried.

COMMENTS OF THE AUDIENCE

Ginny Espenshade, city resident, thanked Council for the Worksession. She supports Ordinance 16-18 as it leverages funding and will provide benefits to the service area board without red tape and costs. She agreed that Jack Gist Park was squandered.

Ken Castner, city resident, is a trustee of The Homer Foundation who has four projects with City of Homer capital appropriations: playground, library, Arctic Winter Games, and the

boathouse. The Homer Foundation wrote MOU's that made successful projects. We are going to have to do things as partnerships as we need to do funds strategically.

Deb Lowney, city resident, thanked Council for Resolution 16-029(S). She likes the concept of Ordinance 16-18 and would like discussion on how it might work. It may be the way of the future. At the trails symposium there will be discussion of how to improve trails around town less expensively. She supports the SPARC project and requested they go to Parks and Recreation Advisory Commission as part of the process. Lastly she questioned if fire and police have to be on the same site.

Anders Gustafson, Homer resident, thanked Council for support on Resolution 16-038 and Ordinance 16-18. He thanked the Mayor and Council for his appointment to the Economic Development Advisory Commission; he is looking forward to it.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner said it is always a pleasure to visit.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comments.

COMMENTS OF THE CITY MANAGER

City Manager Koester said it was a thoughtful and productive meeting. She appreciates the Council didn't hesitate to postpone when we needed more thought and to take a break when we needed a little more time. It is good lawmaking.

COMMENTS OF THE MAYOR

Mayor Wythe thanked Mr. Gustafson and Mr. Zeiset for stepping up on the commissions. They are the next generation and she is excited to see what comes out of the commissions with new insight. She thanked the community for support in addressing opioids; together we will work towards a long term solution. Mayor Wythe asked the clerk to review Council's schedule to see if we can include a Worksession on the opioid topic every third meeting. We need to do something quickly. Council has differences of opinion and there will be places where we never align. She would like Council to be thoughtful of how we think of the Permanent Fund money. The market will grow and it will be a long term investment for the community.

COMMENTS OF THE CITY COUNCIL

Councilmembers Reynolds commented on the Worksession on opioid use. Homer is not alone; it is a national problem. We can tackle it here. She is relieved to see how readily people joined the conversation to talk and figure out ways of prevention and in helping those with an addiction. She commented on the improvements at Jack Gist Park after recently playing disc golf with her family there. It is a great example of community getting involved. If people have questions about health insurance or Medicaid there will be a small presentation at the library at 5:30 p.m. tomorrow.

Councilmember Zak thanked the mayor for arranging for a Worksession on heroin and opioids. He has watched a lot of documentaries on it. Experts in the community are moving away from looking at it as a criminal offense, but instead as a community health need. The participants and Council have a working relationship. He finds it sad that young children are getting introduced to heroin. If we don't address it with prevention it becomes very difficult and costly to treat addicts. He is pleased to see the USDA put high tunnels here in Homer. The Cook Inletkeeper has created the Food Hub where you can order online and pick it up at the Kachemak City Center. They are bringing together businesses that have the high tunnels to buy their food. It takes a full community to do things and make solid progress.

Councilmember Van Dyke commented the Worksession was great. Homer has a drug problem and anything the community can do to reduce and relive it, we should get behind it. Cook Inletkeeper's Food Hub is a good idea. He thanked the soccer people and public safety building committee members. They have done a lot of hard work.

Councilmember Aderhold commented the Worksession was great. She is glad the city is taking part in the conversation. She reminded everyone we have a new ADA Compliance Committee. They had their first meeting and ADA training last week. She is looking forward to learning a lot more. As to strategic planning, we have a lot of plans, with the exception of partnering with private individuals. It is worthy of us thinking about how we best partner with the private sector.

Councilmember Smith thanked the Mayor for the moment of silence for Mary Epperson. She helped shape a lot of young lives. There is a need for recreation and a value of infrastructure for a place where both young and old people can recreate. It is great to recreate as you stay healthy and feel better about yourself. He is fully supportive of doing something. For strategic doing we have to ask, what will we do? He is most interested in accomplishing something. Investing in our future is important for us to be part of. He is glad to see the interest in the heroin problem. It is going to take the community to make something happen. The more involved the more we will get done.

Councilmember Lewis said goodnight.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 9:09 p.m. The next Regular Meeting is Monday, April 25, 2016 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Monday, April 18, 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: _____