

Session 10-20 a Regular Meeting of the Homer City Council was called to order on June 28, 2010 at 6:00 p.m. by Mayor James C. Hornaday 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: HOGAN (telephonic), HOWARD, LEWIS,
WYTHE, ZAK

ABSENT: ROBERTS (excused)

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
FINANCE DIRECTOR HARVILLE
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Councilmember Roberts requested excusal.

Councilmember Hogan has requested telephonic participation.

Mayor Hornaday ruled Councilmember Roberts as an excused absence and Councilmember Hogan was allowed to participate by phone. There was no objection from the Council.

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

Council met as a Committee of the Whole from 5:00 p.m. to 5:55 p.m. to hear John Bost, Mikunda, Cottrell & Co. - Audit Report and Regular Meeting Agenda items.

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 agenda was approved by unanimous consent with the following changes:

CALL TO ORDER - Email from Councilmember Roberts, Re: Absence; **CITY MANAGER'S REPORT** - **Memorandum 10-94**, From Public Works Director, Re: Projects at Public Works; **Memorandum 10-95**, From Public Works Director, Re: Old Water Treatment Plant-Demolition/Rehabilitation; **NEW BUSINESS** - **Memorandum 10-92**, From City Manager, Re: City Hall Renovation and Expansion/Proposed Action Plan, Written public comment; **RESOLUTIONS** - **Resolution 10-54**, A Resolution of the City Council of Homer, Alaska, Extending the Period for Constructing Improvements in the Kachemak Drive Phase II Water and Sewer Assessment District to July 25, 2015. City Manager, Written public comment and Backup information from Public Works; **Substitute Resolution 10-55(S)**, A Resolution of the City Council of Homer, Alaska, Amending the Public Arts Committee Administrative Guidelines to Incorporate the Municipal Art Collection Gift Proposal Application for Art Donations. City Clerk.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Jan Needham, city resident, has lived on Kachemak Drive since 1976. In 2005 she requested to be excluded from the Kachemak Drive Phase II Water/Sewer LID as her property does not front the street. The expense of the assessment and installation of 200+ ft. of line to her home equal nearly \$50,000. She does not need the services, nor does her income allow it.

Josh Garvey, city resident and Lands End Resort CFO, believes Ordinance 10-29(A) is great for the business owners.

Rika Mouw, city resident, opposes Resolution 10-54 stating the petition process was flawed with insufficient signatures. The assessment methodology is questionable where assessed values of properties create a disproportional vote. Project costs from 2005 do not include additional measures for the work to be done in the winter when the ground is frozen. A smaller LID on the east end could be formed with less cost and far less negative environmental consequence.

Marty Leichtung, city resident and property owner on Kachemak Drive, echoed Mrs. Mouw's comments on insufficient signatures on the first petition. Council should let the existing LID lapse and circulate a new petition since the existing residents oppose the improvements.

Charles Burgess, city resident and Kachemak Drive property owner, shares the perspectives of Mrs. Mouw and Mr. Leichtung. He has offered money to pursue legal action as to the voting and planning of the LID.

Elaine Burgess, city resident and Kachemak Drive property owner, commented many property owners have put their places up for sale. The people that signed the petition five years ago are not the same people that live there today. Council should be aware of the erosion and drainage factors on Kachemak Drive.

RECONSIDERATION

- A. **Ordinance 10-29(A)**, An Ordinance of the City Council of Homer, Alaska, Enacting Homer City Code Chapter 1.77, Utility Advisory Commission, to Establish the Utility Advisory Commission and Prescribe its Duties. Hogan. Introduction May 24, 2010, Public Hearing and Second Reading June 14, 2010, Reconsideration issued June 16, 2010 by Councilmember Lewis.

Mayor Hornaday called for a motion for reconsideration of Ordinance 10-29(A).

LEWIS/ZAK – SO MOVED.

Councilmember Lewis stated at the request of the hotel owners he was asked to bring back the ordinance. Their concern is their water bills, some rising as high as 75%. He would like to see the hotel owners receive equitable rates.

Councilmember Zak appreciates the reconsideration. Water/sewer rates are reviewed every other year. A commission could review the rates and provide input to the Council. It would give people the opportunity to speak to the commission.

Councilmember Wythe stated water/sewer rates were moved off the budget cycle to solely focus on the rates at mid year on alternate years. If a commission contains people that are well versed in water/sewer rates and can take into consideration all consumers it is valid. A commission that consists of disgruntled water/sewer users would not have the integrity desired. She would like to see one commissioner well versed in rate setting.

Councilmember Hogan stated it is not just rate setting, but all aspects of the utility. The utility commission should also review LIDs.

Councilmember Lewis expressed opposition with the current ordinance, as it is written for gas.

VOTE: YES. ZAK, HOWARD, HOGAN

VOTE: NO. WYTHE, LEWIS

Motion failed.

CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Regular Meeting minutes of June 14, 2010. City Clerk. Recommend adoption.

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

WYTHE/ZAK – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. John Bost, Mikunda, Cottrell & Co. Re: 2009 Comprehensive Annual Financial Report with Audit and Financial Statements

John Bost, partner of Mikunda, Cottrell & Co., reported the audit went well with the financial staff well prepared. Today there is more focus for internal controls, allowing more than one person to review transactions. The audit opinion was clean, meaning the financial statements are correct and in accordance with Generally Accepted Accounting Principles.

- General Fund increased fund balance by \$295,000 over 2008 (including sales tax decrease of \$780,000 as a result of the exemption on food and poor economy)
- Ending fund balance for the General Fund \$4,226,000 (4 ½ months of expenditures)
- Permanent Fund \$1,150,000 (settlement from *Exxon Valdez*)
- Port Fund loss caused by depreciation; the Port is debt free
- Water/Sewer \$11M for new Water Treatment Plant; lot of debt \$9.5M
- Water/Sewer may not generate enough revenues to recover operating expenses and make principle payments on debt

Mayor Hornaday pointed out six years ago there was a little over \$1M in the General Fund balance; today there is over \$4M. We should have at least six months operating expenses.

B. Betty Segal, Friends of Alaska National Wildlife Refuges

Betty Siegal, volunteer coordinator and Elisa Russ, outreach coordinator, provided an overview of the Friends of Alaska National Wildlife Refuges volunteer program. In five years the group has grown to over 300 members. The group educates the public and assists refuges in accomplishing their missions. Monthly meetings are held on the third Tuesdays at 4:00 p.m. Volunteer benefits include the increased understanding of Alaska's refuges, native cultures and bush living, increased skills in adaptation, and building knowledge of natural history. Skills needed as a volunteer include flexibility and adaptability, enthusiasm and good humor, ability to work long hours, and ability to share with others.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. **Mayor's Proclamation** July as Parks and Recreation Month

Mayor Hornaday read the proclamation.

B. **Mayor's Proclamation** Friendship Center, 20-Year Anniversary, July 20, 2010

Gay Pendleton and her husband, Pat Doyle, Mary Jo Gates, Linda Gunn, Gert Seekins, and Nadine Pence were present to represent the Friendship Center. Mayor Hornaday read the proclamation.

C. **Mayor's Recognition** Kevin & Donna Maltz, Fresh Sourdough Express, Alaska Small Business of the Year

Donna Maltz, owner of Fresh Sourdough Express, was presented a mayoral recognition as Alaska Small Business of the Year. Mayor Hornaday read the recognition. Mrs. Maltz commented her business is a representation of all small businesses trying to do the right thing.

Businesses have more impact on ecology, are the largest polluters, provide conscious consumerism, and require the support of their customers. She arrived in Homer in 1982 and started the organic bakery. The business offers food for people and the planet, nurturing the mind, body and soul.

D. Borough Report

E. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission
4. Parks and Recreation Advisory Commission
5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

A. **Ordinance 10-30**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2010 Operating Budget by Appropriating \$205,000 from the General Fund Reserve Account for the Purpose of Acquiring Three Parcels Immediately Adjacent to the Hickerson Memorial Cemetery to Provide for Future Expansion. City Manager. Introduction June 14, 2010, Public Hearing and Second Reading June 28, 2010.

Memorandum 10-78 from City Manager as backup.

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

Mayor Hornaday called for a motion for the adoption of Ordinance 10-30 by reading of title only for second and final reading.

WYTHER/LEWIS - SO MOVED.

Councilmember Hogan expressed opposition to the City being in the cemetery business.

VOTE: YES. LEWIS, WYTHER, ZAK, HOWARD

VOTE: NO. HOGAN

Motion carried.

B. **Ordinance 10-32**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2010 Operating Budget by Appropriating \$10,000.00 from the Sister City Reserve

Account for the Purpose of Celebrating the Twenty-Five Year Anniversary of the Sister City Relationship Between the City of Homer and the City of Teshio, Japan. City Manager. Introduction June 14, 2010, Public Hearing and Second Reading June 28, 2010.

Memorandum 10-87 from Administrative Assistant/City Manager as backup.

Mayor Hornaday opened the public hearing.

Jan Needham, city resident, questioned how much money was set aside for Sister City since it is the citizen's tax money. The funds could be used to counter balance water/sewer costs.

Mayor Hornaday closed the public hearing.

Mayor Hornaday called for a motion for the adoption of Ordinance 10-32 by reading of title only for second and final reading.

LEWIS/WYTHER – SO MOVED.

Councilmember Howard expressed opposition to discretionary funding when she sees vacancies in police and fire personnel.

VOTE: YES. LEWIS, WYTHER, ZAK

VOTE: NO. HOGAN, HOWARD

Motion failed.

Councilmember Wythe called for reconsideration to be heard at the next meeting.¹

- C. **Ordinance 10-33**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2010 Operating Budget by Appropriating \$4,500 from the Port and Harbor Reserve Account for the Purpose of Conducting an Evaluation and Inspection of the Ice Plant on the Fish Dock. City Manager/Port and Harbor Director. Introduction June 14, 2010, Public Hearing and Second Reading June 28, 2010.

Memorandum 10-84 from Port and Harbor Director as backup.

Councilmember Hogan had declared an earlier conflict, but stated the conflict no longer exists. Mayor Hornaday ruled Councilmember Hogan may participate. There was no objection from the Council.

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

¹ Councilmember Wythe was not eligible to reconsider Ordinance 10-32 since she did not vote on the prevailing side. Ordinance 10-32 failed.

Mayor Hornaday called for a motion for the adoption of Ordinance 10-33 by reading of title only for second and final reading.

LEWIS/HOGAN – SO MOVED.

Councilmember Hogan commented the staff operating the ice plant is doing a fantastic job. He has reservations about the sole source contract that is contrary to procurement policy.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 10-34**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2010 Operating Budget by Appropriating \$14,000 from the Library Project Fund for Energy Efficiency Measures at the Library. City Manager. Introduction June 14, 2010, Public Hearing and Second Reading June 28, 2010.

Memorandum 10-86 and 10-91 from Public Works Director as backup.

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

Mayor Hornaday called for a motion for the adoption of Ordinance 10-34 by reading of title only for second and final reading.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- A. **If reconsidered: Ordinance 10-29(A)**, An Ordinance of the City Council of Homer, Alaska, Enacting Homer City Code Chapter 1.77, Utility Advisory Commission, to Establish the Utility Advisory Commission and Prescribe its Duties. Hogan. Introduction May 24, 2010, Public Hearing and Second Reading June 14, 2010, Reconsideration issued June 16, 2010 by Councilmember Lewis.

Ordinance 10-29(A) failed reconsideration.

CITY MANAGER'S REPORT

- A. City Manager's Report

1. Memorandum 10-94 from Public Works Director, Re: Projects at Public Works.
2. Memorandum 10-95 from Public Works Director, Re: Old Water Treatment Plant – Demolition/Rehabilitation.

City Manager Wrede called attention to the memos from staff. Sheri followed up on suggestions to get AML or ISER to do a parity study. She also looked to see if we could partner with another community, and was not successful. He asked Council if they prefer that Sheri do the parity study internally or RFP it for a consultant. Memorandum 10-94 from Carey lists the current projects at Public Works. Due to the refurbishment of City Hall on a fast track, some things on the list may have to be pushed back. Memorandum 10-95 from Carey speaks about the old Water Treatment Plant. The best course of action is being evaluated whether it be refurbishing the 30-year old building, or to knock down the building and cover the slab with a canvas type building. The canvas building would allow Fire Engine #4 storage from rain and snow. If we refurbish and rebuild, the \$100,000 deductible would kick in. The recommendation at this point is to knock down the part that is damaged.

Asked by Councilmember Wythe if there were reserve funds to access, instead of general fund, City Manager Wrede answered there is money in the water fund and funds allocated to the Fire Hall could be utilized.

Councilmember Lewis asked who would be responsible for heating a Henson Weather Port. City Manager Wrede answered the Fire Chief says the canvas buildings are available with R14 to R15 insulation and would only need to be heated to 50 degrees. That would allow a quick start of the fire truck in the winter.

Councilmember Zak asked City Manager Wrede to check on Jan Needham's status in the LID. He asked for the statistics on the number of LIDs within the last five or ten years.

Councilmember Howard noted the improved parking on the Spit with new signage. There is greater visibility by not allowing the RVs to park diagonally. Port and Harbor Director Hawkins reported the signs were put up Friday and the police are issuing warnings. There is good support from business owners and truck drivers.

Councilmember Hogan asked about the rolling stock inventory. City Manager Wrede answered Public Works knows about the request and said it wouldn't take that long to do. Councilmember Hogan asked that it be compiled prior to budget time so everyone has it before we begin working on the budget.

Mayor Hornaday commented he passed out letters to Council from the Department of Commerce. He noted the grants one is most interesting as it is on the Homer natural gas pipeline. There is an attorney general opinion coming and our attorney opinion has been issued. He does not want to see another seawall situation coming here; he wants to know how directly the City will be involved. There are a certain majority of citizens that want natural gas. We need a number of questions answered before proceeding.

B. Bid Report

C. Games Report

COMMITTEE REPORT

A. Public Arts Committee

B. Transportation Advisory Committee

C. Permanent Fund Committee

D. Lease Committee

PENDING BUSINESS

NEW BUSINESS

A. **Memorandum 10-88**, From City Clerk Re: Travel Authorization for Councilmember Zak's Attendance at Alaska Municipal League Summer Legislative Meeting in Kodiak, Alaska, August 18 - 20, 2010.

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandum 10-88.

ZAK/HOWARD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. **Memorandum 10-92**, From City Manager, Re: City Hall Renovation and Expansion/Proposed Action Plan.

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandum 10-92.

WYTHE/HOWARD – SO MOVED.

Councilmember Wythe expressed hope in diminishing the amount of architectural time when the current expansion plans of City Hall are reviewed. She has no problem going with the local firm that bid originally, nor does she see a problem with non bidding. City Manager Wrede commented Council will not have to make the decision of bidding vs. non bidding just yet. Once

the committee is formed and Council has a chance to look at the plans they can decide the best course of action.

Councilmember Wythe said the timeline looks good; she would like to see employees in a better working environment without file cabinets lining the hallways.

Councilmember Hogan expressed concern about the scope of the project. We are trying to come up with a plan to spend some money; he would like more community input on the scope of the project.

VOTE: YES. HOWARD, LEWIS, WYTHE, ZAK

VOTE: NO. HOGAN

Motion carried.

C. **Memorandum 10-93**, From City Manager, Re: Gas Transmission Line / Proposed Action Plan.

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandum 10-93.

ZAK/LEWIS - SO MOVED.

City Manager Wrede explained Representative Seaton was here last week talking about how the State wanted us to refine the scope of work and tell them what the timeline would be. It sounds risky to folks. He asked the City Attorney what our liabilities would be, including being sucked into being a utility, buying gas, and liability for any accidents during construction. The City Attorney is confident it could be a pass through sub-grant. The Legislature intended for Homer to be connected to the existing grid. Enstar would have a contract to build the regulation station and a portion of the line. They would own it and assume all liability for operating it. Enstar would have to answer to the RCA. The City would have limited liability. Mayor Hornaday asked that sole source issues be reviewed. City Manager Wrede reported attorneys for the Legislature have looked at sole source, and from the State's point of view it is not an issue. We should be concerned about our own procurement policies. The State intended for the money to go to Enstar so we could be hooked up to the existing grid. There is only one company we can pass the money through, unless the City wants to get in the gas business themselves, purchase gas, be a utility, or put out an RFP for someone else who might want to bid on the \$525,000 amount of work. While it is attractive to think about competition, some of the legal and regulatory hurdles are really substantial. City Council is looking for less city involvement. Mr. Wrede will look for the legal opinion from the legislative attorneys; he can get a written opinion from Mr. Klinkner.

Councilmember Wythe asked that we wait to take action until we get the legislative information. Right now there is different information; before we make the commitment we should get the information. A Certificate of Conveyance by Enstar gives them sole source for opportunities in Homer, until it is removed. She has reservations about acting as a pass-through for private industry. She would like something in writing that the funding is intended to go to Enstar.

Councilmember Zak asked if Councilmember Wythe would have a conflict of interest due to her employment with HEA and the fact that his utility bill would go down if he got gas.

Councilmember Wythe does not recognize a conflict of interest, as her bill would also go down if she got gas.

Mayor Hornaday ruled Councilmember Wythe has no conflict of interest in view of the number of people involved. Councilmember Zak requested an attorney's opinion for clarification.

Councilmember Lewis asked if there was a timeline when we have to accept the money, or whether it could wait until the next meeting. City Manager Wrede answered it can wait until the next meeting. There may be time constraints for the construction season if a decision is not made by August. It would need to be passed before information can be given to the State. He won't fill out a document until the grant agreement is received from the State.

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

Councilmember Zak commented it is \$525,000 that Representative Seaton spoke to. He prefers to move forward. It is a gas reduction line so that in the future gas can be brought to Homer.

City Manager Wrede said the information can be sent to the department to allow them to start processing a grant agreement. Council still has the authority to accept the grant based on the information received.

VOTE: (postponement) YES. HOWARD, HOGAN, LEWIS, WYTHE
VOTE: NO. ZAK

Motion carried.

RESOLUTIONS

- A. **Resolution 10-53**, A Resolution of the City Council of Homer, Alaska, Extending the City Attorney Contract with Birch, Horton, Bittner, Inc. for the Period of August 1, 2010 through July 31, 2011 in the amount of \$11,000 per Month for Fifty Hours, and Hourly Rates for Work Above and Beyond Fifty Hours per Month for Specialized Services at the Rate of \$205.00 for Shareholders and Members: \$180.00 for Associates; and \$100.00 for Paralegals and Authorizing the Mayor to Execute the Contract. City Clerk.

Memorandum 10-89 from City Clerk as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 10-53 by reading of title only.

LEWIS/WYTHE - SO MOVED.

Brief discussion ensued on the definition of shareholders within the firm. More specific information can be obtained through Attorney Tom Klinkner. Council expressed satisfaction with the attorney services.

Councilmember Hogan voiced the need to move toward in-house representation, but will vote to renew the contract because the option to terminate the contract early is within the contract. He believes the money should be kept in town instead of shipping it off to Anchorage.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 10-54**, A Resolution of the City Council of Homer, Alaska, Extending the Period for Constructing Improvements in the Kachemak Drive Phase II Water and Sewer Assessment District to July 25, 2015. City Manager.

Mayor Hornaday called for a motion for the adoption of Resolution 10-54 by reading of title only.

LEWIS/HOWARD - SO MOVED.

Councilmember Howard commented it is not an easy subject matter. The resolution makes sure the City stays in compliance with the code by extending the date.

Councilmember Wythe commented even though she understands the time, energy, reasoning, and effort that has gone into the project, after hearing the audit speak of the financial situation we are in with water/sewer, she has reservations about taking on more obligations. There are quite a few people in opposition.

VOTE: NO. WYTHE, ZAK, HOWARD, HOGAN, LEWIS

Motion failed.

- C. **Resolution 10-55**, A Resolution of the City Council of Homer, Alaska, Amending the Public Arts Committee Administrative Guidelines to Incorporate the Municipal Art Collection Gift Proposal Application for Art Donations. City Clerk.

Memorandum 10-90 from Public Arts Committee as backup.

Resolution 10-55(S), A Resolution of the City Council of Homer, Alaska, Amending the Public Arts Committee Administrative Guidelines to Incorporate the Municipal Art Collection Gift Proposal Application for Art Donations. City Clerk.

Mayor Hornaday called for a motion to substitute Resolution 10-55(S) for Resolution 10-55.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Hornaday called for a motion for the adoption of Resolution 10-55(S) by reading of title only.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Resolution 10-56**, A Resolution of the City Council of Homer, Alaska, Accepting the 2009 Comprehensive Annual Financial Report with Audit and Financial Statements and Acknowledging the Management Letter Submitted by the City's Independent Auditor, Mikunda, Cottrell, & Co. and Authorizing the City Manager to Execute the Financial Report. City Manager/Finance.

Mayor Hornaday called for a motion for the adoption of Resolution 10-56 by reading of title only.

WYTHE/ZAK - SO MOVED.

Councilmember Wythe thanked staff for taking the lead in reducing expenditures in 2009 which resulted in a general fund increase.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Marty Leichtung, city resident, thanked Council for their consideration on Resolution 10-54. Council has an opportunity to recoup any money that has been spent so far by distributing costs to the residents of the area.

Jan Needham, city resident, thanked Council for failing Resolution 10-54. It has been five years and is an economic help to her.

Jean Mack, city resident, commented she is sorry Council is not extending water/sewer for Kachemak Drive; Council is making a mistake by voting it down.

Rika Mouw, city resident, thanked Council for the decision on Resolution 10-54. For people on the eastern end of Kachemak Drive it is an easier process to narrow the scope down.

Bill Smith, Homer resident, is optimistic on the reconsideration. Things will come around again. The Kenai Peninsula Borough maintains a sister city relationship. In working with Enstar, the State grants monopolies and gas is one of those. We have a State regulatory system looking out for us. He hopes we can move forward.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Hornaday commented he attended the change of command for the Roanoke. It is a positive experience and an important part of the community.

COMMENTS OF THE CITY COUNCIL

Councilmember Wythe congratulated the Sourdough Express on their award and praised the supporters of the Friendship Center. She asked for a resolution to form a City Hall renovation task force to keep moving forward on the time established.

Councilmember Hogan commented it was the most beautiful council meeting with humpback whales playing right next to his boat.

Councilmember Zak thanked the Kachemak Drive folks for attending. There are still some questions about eligibility of properties in the LID along the road. We need to start thinking about Plan B, a small portion of East End Road for water and sewer to those that want it. He has concerns of the Kachemak Drive LID and whether there were qualified members. As a Councilmember, every other year he is trying to get a better understanding of water/sewer services. Mr. Zak believes it would be a good idea to form a utility commission. He agrees with Assemblyman Smith's comments about Enstar in getting natural gas to Homer.

Councilmember Howard offered congratulations to Regina and Walt for sound financial reporting and passing muster of the audit.

ADJOURNMENT

There being no further business to come before the Council the meeting was adjourned at 7:55 p.m. by Mayor James C. Hornaday. The next Regular Meeting is scheduled for Monday, July 26, 2010 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, July 26, 2010 at 5:00 p.m. A Worksession is scheduled for Monday, July 26, 2010 at 4:00 p.m. All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

JO JOHNSON, CMC, CITY CLERK

Approved: _____