

Session 17-07 a Regular Meeting of the Homer City Council was called to order on March 28, 2017 at 6:00 p.m. by Mayor Bryan Zak 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, ERICKSON, LEWIS, REYNOLDS, SMITH, STROOZAS

STAFF: CITY MANAGER KOESTER
CITY CLERK JOHNSON
CITY PLANNER ABBOUD
FIRE CHIEF PAINTER
LIBRARY DIRECTOR DIXON
PERSONNEL DIRECTOR BROWNING
PORT AND HARBOR DIRECTOR HAWKINS

Council met for a Special Meeting from 4:00 p.m. to 4:49 p.m., conducting an Executive Session for review of Request for Proposals for Operation of Fish Pump Services on the Fish Dock. From 5:00 p.m. to 5:19 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 2.08.040.)

The following changes were made: **PUBLIC HEARINGS - Ordinance 17-05(A)**, An Ordinance of the City Council of Homer, Alaska, Amending the 2017 Operating Budget by Appropriating \$671,053 From the Homer Accelerated Roads/Trails Program (HART) for the Greatland Street Improvements (Option A) Project, and Authorizing the City Manager to Execute All Appropriate Documents. Erickson. Written public comments. **Ordinance 17-07(S)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 4.10.040, 8.08.120, 14.05.425, 21.93.060, 21.93.070, 21.93.100, 21.93.110, 21.93.500, 21.93.540, 21.93.550, 21.93.560, 21.93.570, 21.93.700, and 21.93.710 to Replace the Board of Adjustment With a Hearing Officer to Decide Administrative Appeals Under the Homer City Code, Including But Not Limited to, the Use of a Hearing Officer to Order Impoundment of Dangerous Animals, Decide Disputes Regarding Itinerant Merchant Licenses, and Decide Disputes Regarding Qualifications of a Candidate for Office. Aderhold. Written public comments.

Mayor Zak 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.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

A. National Public Health Week Proclamation

Mayor Zak read and presented the proclamation to Lorne Carroll, Homer Public Health Nurse.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Jon Faulkner, Land's End Resort owner, thanked City Manager Koester for bringing Resolution 17-028 forward.

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 March 13, 2017. City Clerk. Recommend adoption.
- B. **Memorandum 17-051** from Mayor Zak, Re: Appointment of Hannah Vance to the Library Advisory Board; Debra Lowney, Vicki Lowe, Josh Garvey, Coletta Walker, and Daniel Weatherly to the Police Station Building Task Force.
- C. **Memorandum 17-047** from City Manager, Re: Fire Hall Improvements.
- D. **Ordinance 17-16**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 5.24.020 to Identify Lighted Free-Floating Luminaries as Fireworks and Prohibit the Sale and Use of these Luminaries within the Corporate City Limits of Homer.

City Manager/Fire Chief. Recommended dates: Introduction March 28, 2017, Public Hearing and Second Reading April 10, 2017.

E. **Ordinance 17-17**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.04.030 to Remove the Prohibition on the City Manager and City Employees From Securing or Contributing Money Towards the Nomination or Election of a Candidate for a Municipal Office, and Amending Homer City Code 4.10.050 to Prohibit Candidates for Municipal Office From Accepting or Soliciting Campaign Contributions From City Employees or the City Manager. Smith. Recommended dates: Introduction March 28, 2017, Public Hearing and Second Reading April 10, 2017.

F. **Ordinance 17-18**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds in the Amount of \$5,000 From the General Fund Balance and Authorizing the Use of Limited Staff Time and City Equipment for Public Information on the Ballot Proposition Including Without Limitation Information That May Influence the Outcome of the Election on the Proposition. City Manager. Recommended dates: Introduction March 28, 2017, Public Hearing and Second Reading April 10, 2017.

Memorandum 17-052 from Special Projects and Communication Coordinator as backup.

G. **Resolution 17-025**, A Resolution of the City Council of Homer, Alaska, Acknowledging the March 2017 Surplus Equipment Bid Results. City Clerk. Recommend adoption.

H. **Resolution 17-026**, A Resolution of the City Council of Homer, Alaska, Authorizing Participation in the EBSCO Solar Grant Program for the Homer Public Library. City Manager/Library Director. Recommend adoption.

I. **Resolution 17-028**, A Resolution of the City Council of Homer, Alaska, Granting a Limited Private Pedestrian Access Easement Along the North Wall of Land's End Hotel and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 17-054 from City Manager as backup.

Moved to Resolutions, Item C. Aderhold.

- J. **Resolution 17-029**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Negotiate and Prepare a Purchase Offer for Kenai Peninsula Borough Parcel Number 17305408, Lot 8 Block 1 of Kelly Ranch Estates Subdivision, in an Amount Not to Exceed Fair Market Value for the Purpose of Protecting Bridge Creek Watershed. City Manager. Recommend adoption.
- K. **Resolution 17-030**, A Resolution of the City Council of Homer, Alaska, Amending the Personnel Regulations to Require the City to Pay Family Member Benefits for 36 Months in the Event of an Occupational Death. Lewis. Recommend adoption.

Moved to Resolutions, Item D. Smith.

Item I, Resolution 17-028 was moved to Resolutions, Item C. Aderhold.

Item K, Resolution 17-030 was moved to Resolutions, Item D. Smith.

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

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. Recreation Manager Mike Illg, Community Recreation

Mike Illg, Recreation Manager, provided an overview of Community Recreation. The program started in 1975 and was formerly known as Community Schools. The existing school structure has been utilized to have education and recreation programs. In 2006 the City assumed Community Schools. There is one recreation manager, three recreation assistants, and 23 individual contracted instructors. Today there are 1,172 youth participants and 2,469 adult participants. In 2016 there were 4,269 donated volunteer hours, a value of \$717,000. Programs can be found on the City's website under the Parks and Recreation link.

Participation and revenue has been consistent. There have been many special events and programs. The partnership between the City and the Kenai Peninsula Borough School District

is paramount. For \$6,000 a year Community Recreation has access to facilities at the high school, middle school and the HERC to include the gym, green room, commons, office equipment, and copy machines. The HERC is a valued commodity for the Community Recreation program. Additionally, Community Recreation collaborates with other community programs. They are open seven days a week, working around school district activities. In 2014 the cost to run Community Recreation was \$85,000, less than ¼ of 1% of the \$12M general fund. In 2016 the operating costs were \$89,000. The number one sport is pickleball.

**ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS
(10 minute limit per report)**

- A. Borough Report

- B. Commissions/Board Reports:
 - 1. Library Advisory Board

 - 2. Homer Advisory Planning Commission

Planning Commissioner Roberta Highland reported Steve Baird attended their meeting to present on bluff erosion. She told Council they should have the presentation. The commission has been reviewing auto sales in the marine industrial district. They have amended the ordinance to add temporary auto sales and add a definition, and allow auto sales up to 30 days per calendar year, per lot. The commission passed three plats; those have been forwarded to the Kenai Peninsula Borough Planning Commission. The commission reviewed the 2017 Land Allocation Plan and unanimously voted against going forward on Greatland Street extension thinking of the City's finances. If Council proceeds on Greatland Street, the commission recommends Option C as recommended in the Transportation Plan.

- 3. Economic Development Advisory Commission

Economic Development Advisory Commissioner Rachel Lord reported they received feedback from the business community on the sign ordinance and internet and connectivity. Travis and Rick in the Planning Department provided a great presentation on the sign ordinance. More specific feedback from business owners is needed to better understand their concerns. IT Manager Nick Poolos made a great presentation on everything internet. We have some limitations based on physics, but are as connected as we can be. More information is needed from the business community. Next month the commission will look at the business retention and expansion survey for this year. It will help the commission to better understand what is working and what is not working for businesses and how they can be retained and successful. The commission is reviewing low cost to no cost at the planning to action process for business development. In April the commission will provide a refined proposal seeking support. Additionally, the commission reviewed the 2017 Land Allocation Plan. Although they have no

suggestions, it was an opportunity to be reminded of what city lands are maintained for. The business retention and expansion survey will be available online.

4. Parks Art Recreation and Culture Advisory Commission

Parks Art Recreation and Culture Advisory Commissioner Deb Lowney reported they went over the Land Allocation Plan. Everyone agrees it is valuable information to receive. The commission's biggest concern is land that is for sale, since their priority is to preserve and increase green space.

5. Port and Harbor Advisory Commission

6. Cannabis Advisory Commission

Councilmember Lewis reported the commission will meet next month.

PUBLIC HEARING(S)

- A. **Ordinance 17-05(A)**, An Ordinance of the City Council of Homer, Alaska, Amending the 2017 Operating Budget by Appropriating \$671,053 From the Homer Accelerated Roads/Trails Program (HART) for the Greatland Street Improvements (Option A) Project, and Authorizing the City Manager to Execute All Appropriate Documents. Erickson. Introduced January 23, 2017, Referred to Planning Commission, Public Hearing and Second Reading March 28, 2017.

Memorandum 17-019 from Public Works Director as backup.
Memorandum 17-041 from City Planner as backup.

Mayor Zak opened the public hearing.

Roberta Highland, city resident, expressed opposition as Option A does not adhere to the Transportation Plan. Financial times are lean and getting worse. It leaves funds available if they are needed. She would like to consult a traffic engineer if we go ahead.

Mark Hemstreet, Save-U-More Store Manager, represents the owner Valentin Caspaar who favors Option A since it is a lower expense. Mr. Caspaar paid \$500,000 for the existing Greatland Street and is unwilling to contribute in assessments for the straight through street to Pioneer. Option C makes sense, but it would cross two of his lots that would then be unusable as cut up. Save-U-More provides employment for 50 people year round and paid \$640,000 in sales tax last year. Additionally, there is a lot of traffic on the street with nearly 1,200 customers per day.

AJ Weber, Homer resident, advocates for opening Greatland Street. As a cab driver he constantly sees people parking on the road. By opening the road it will help to deter the parking and separate traffic problems. We need to be cautious of spending money.

Brian Nehmus, Save-U-More Assistant Store Manager, commented the store is closed only two days per year. A lot of people walk to the store via the trail, through slippery ice. In the summer they should only make a right turn on both Pioneer Avenue and the Sterling Highway with all the traffic. It will be a natural form of traffic abatement. Save-U-More employs 49 people, 10 more in the summer, and contributes a lot to the community.

Deb Lowney, city resident, is concerned about how Greatland will intersect with Pioneer and how it will align with crosswalks. Parks and Recreation requested \$5,000 from HART to approve the walking trail. She asked Council to think about the walkers, along with automobiles.

Mayor Zak closed the public hearing.

Mayor Zak called for a motion for the adoption of Ordinance 17-05(A) by reading of title only for second and final reading.

SMITH/STROOZAS – SO MOVED.

Councilmembers Smith and Stroozas opt for Option A as it is a sensible and practical application in using the roads. Although not consistent with the Transportation Plan, Option A will leave the most property on the tax rolls and avoid creating a bottleneck at the Pioneer Avenue intersection.

ADERHOLD/STROOZAS - MOVED TO AMEND THE ORDINANCE ON LINE 51 TO REPLACE \$970,870 WITH \$671,053.

There was no discussion.

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

Motion carried.

Councilmember Erickson asked if there was any response from property owners in Option A. City Manager Koester answered there was none.

Councilmember Lewis commented the Council has been accused in the past of not listening to commissions' recommendations. He likes Option A, but would like to postpone to a later date and look at it more before going ahead.

LEWIS/REYNOLDS – MOVED TO POSTPONE TO MONDAY, JUNE 26TH.

Councilmember Reynolds would like to have an engineer analyze the junction with Option A for its impact. It is the plan that loses less trees and green space.

Planning Commissioner Roberta Highland told Council that Public Works Director Carey Meyer said Option A is not the best option for moving traffic along Pioneer Avenue and the Sterling Highway. Sooner or later the conflicting turning movements are going to make Greatland less usable than it is now. Option C would allow them to follow through the Transportation Plan at some point in the future. It would not take the tax lots off the assessment roll and would support pedestrian access from Greatland to Pioneer. If there are concerns about cost and following the Transportation Plan, perhaps now is not the time. Do we really need this at a time of poor finances? The Transportation Plan wanted an east/west corridor; it is thinking 30 years ahead.

Councilmember Erickson would like to know what other property owners are feeling and what it would look like with the pedestrian walkway there. Making only right hand turns from Greatland would be the best bet. She would like the Police Department to report on the number of accidents at the intersection on the Bypass.

Councilmember Stroozas commented the longer we put it off, the greater the cost.

VOTE: (postponement) YES. LEWIS, SMITH, ADERHOLD, REYNOLDS, ERICKSON

VOTE: NO. STROOZAS

Motion carried.

- B. **Ordinance 17-07(S)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 4.10.040, 8.08.120, 14.05.425, 21.93.060, 21.93.070, 21.93.100, 21.93.110, 21.93.500, 21.93.540, 21.93.550, 21.93.560, 21.93.570, 21.93.700, and 21.93.710 to Replace the Board of Adjustment With a Hearing Officer to Decide Administrative Appeals Under the Homer City Code, Including But Not Limited to, the Use of a Hearing Officer to Order Impoundment of Dangerous Animals, Decide Disputes Regarding Itinerant Merchant Licenses, and Decide Disputes Regarding Qualifications of a Candidate for Office. Aderhold. Introduced January 23, 2017, Referred to Planning Commission, Public Hearing and Second Reading March 28, 2017.

Memorandum 17-042 from City Planner as backup.

Mayor Zak opened the public hearing.

Roberta Highland, city resident, supports the ordinance. It is a housecleaning measure where we don't have to deal with scheduling seven people and there are no attorneys. Hearing officers are trained in administrative law. It simplifies life for the Council who already puts in an inordinate amount of time. It hires a professional with a non-biased process and saves money.

Joe Singleton, city resident, would like to see the Board of Adjustment remain in place. If the Planning Commission needs help, give the BOA authority to hire a hearing officer. He would like administrative appeals to remain and that there be no hearing officers for pets, merchants, and qualifications of a candidate. Those people are on staff already.

Rachel Lord, city resident, supports the ordinance. There are plenty of protections against conflicts of interest. It is not an unusual or unique proposal.

Frank Bauer, city resident, expressed concerns with the ordinance. Currently an administrative process is heard by a number of people. This change would put all that power into an individual. If the Council can speak to it he believes a lot administrative appeals might have more to do with general fairness. He is concerned about the dangerous animal. There needs to be more language to what constitutes a dangerous animal.

Dave Bitterman, city resident, is strongly opposed to the amendment. It is too much power to an unelected person and the citizens are left short. It is not the idea behind a representative republic. When a single person is given power there is a possibility for personal bias. Hearing officers make mistakes too.

Corbin Arno, city resident, is strongly opposed to the ordinance as stated above.

Catherine Carsow, city resident, is supportive of the ordinance as it allows appeals to happen efficiently and is a reliable process.

Ron Keffer, city resident, supports the ordinance. He has had past experience with a hearing officer. When the hearing officer is prepared in the subject matter and process they know more than a whole committee. They never had any problems and only found efficiency, fairness, and time savings for scheduling.

Roxanne Lawver, city resident, opposes the ordinance. It is too much power for one person. There is decision making in regard to qualifications for candidates and it should be a decision made by local people who know the people and area.

Mayor Zak closed the public hearing.

Mayor Zak called for a motion for the adoption of Ordinance 17-07(S) by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

Councilmember Smith said while a hearing officer is widely accepted in many other municipalities, he questions if one is necessary due to our size and number of hearings. The volume of cases does not justify a hearing officer and he questions if we would save money. Our own attorney would be present. Voters have elected us to handle the issues; they trust us to do the best we can. If we have to hold a BOA we will do our homework and our best. When we take apart that process it is a dismantling.

Councilmember Lewis has sat on a number of BOA hearings. A lot of times our attorney has been disqualified and we have had to hire an outside attorney. A lot of our decisions end up in court. We would hire an administrative law judge out of Anchorage, and it would not be the same person each time. To be classified as a dangerous dog, it has had to attack someone. He doesn't want to be the one to decide whether to put a person's dog down. A lot of these appeals are from our neighbors and friends. A neutral person would be trained in the laws.

Councilmember Reynolds agreed that the hearing officer would usually be someone from outside the community and they would be neutral.

Councilmember Aderhold brought the concept forward last fall with the intention of streamlining the processes. A hearing officer makes things more fair; they are someone that is trained in the law. She has been through one quasi-judicial board meeting with an administrative law judge to help the Council through it. A lot of communities are going this direction to have a hearing officer. The city attorney went through our city code and identified areas where we could improve efficiency.

Council discussed the frequent number of BOA hearings in the past years, most of those ending up in superior court on appeal.

VOTE: YES. ADERHOLD, REYNOLDS, LEWIS, ERICKSON

VOTE: NO. STROOZAS, SMITH

Motion carried.

Mayor Zak called for a recess at 7:38 p.m. and reconvened the meeting at 7:43 p.m.

- C. **Ordinance 17-13**, An Ordinance of the City Council of Homer, Alaska, Amending the 2017 Operating Budget by Authorizing the Expenditure of \$19,850 From the Fishing Hole Maintenance Reserve Fund for Improvements to the Nick Dudiak Lagoon Fish Cleaning Station. City Manager/Port and Harbor Director. Introduction March 13, 2017, Public Hearing and Second Reading March 28, 2017.

Memorandum 17-038 from Port and Harbor Director as backup.

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

Mayor Zak called for a motion for the adoption of Ordinance 17-13 by reading of title only for second and final reading.

STROOZAS/LEWIS - SO MOVED.

Councilmembers Lewis and Stroozas agreed this improvement is a long time coming. Nick Varney has been fighting for it. It will make the area more sanitary and is dearly needed.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 17-14**, An Ordinance of the City Council of Homer, Alaska, Amending the 2017 Operating Budget by Appropriating Funds in the Amount of \$150,000 From Port and Harbor Reserves for the Replacement of the Existing Port and Harbor Management Software. City Manager/Port and Harbor Director. Introduction March 13, 2017, Public Hearing and Second Reading March 28, 2017.

Memorandum 17-043 from Port and Harbor Director as backup.

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

Mayor Zak called for a motion for the adoption of Ordinance 17-14 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.

- E. **Ordinance 17-15**, An Ordinance of the City Council of Homer, Alaska, Updating and Clarifying the Implementation of a Penalty and Interest Structure for Special Assessments in the Homer Natural Gas Distribution Special Assessment District That

Became Delinquent on or After July 1, 2016, and Provided Terms for Reinstatement on or After July 1, 2016 of Assessments That Became Delinquent Before That Date, and the Policies and Procedures for Waiving Penalties on Delinquent Special Assessment Payments if They Meet Certain Requirements, and Creating an Appeal Process for Waiver Denials to the Board of Adjustment. Aderhold. Introduction March 13, 2017, Public Hearing and Second Reading March 28, 2017.

Mayor Zak opened the public hearing.

Frank Bauer, city resident, would like Council to be lenient with penalties. Two years ago he wrote letters to the city clerk pointing out a violation of HCC 17.04.040 and received no response. Since the gas line benefits the entire community it should be paid from the general fund; nobody's property should be taken or threatened.

Mayor Zak closed the public hearing.

Mayor Zak called for a motion for the adoption of Ordinance 17-15 by reading of title only for second and final reading.

ADERHOLD/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. REYNOLDS, ADERHOLD, ERICKSON, STROOZAS, SMITH, LEWIS

Motion carried.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

Revenue Sharing/ Community Assistance

The City received notice from the Department of Commerce, Community and Economic Development of the FY 2018 community assistance amount, \$145,735.18. This amount is subject to change depending on the actions of the Legislature this session. The State is on a June- July fiscal year, so we will not receive those funds until the end of 2017. As you recall, the City Council removed community assistance (then termed Revenue Sharing) from the City's operating budget via Ordinance 15-18(S-2). Unless directed otherwise by Council, the Community Assistance funds will go into General Fund Fund Balance when received.

City Clerk Retiring

City Clerk Jo Johnson's last day with the City is May 31. After 13 years of dedicated service to the City of Homer she is retiring to enjoy exploring this great state and nation with family. Jo has set a high standard for professional conduct and integrity in the Office of the City Clerk. As a liaison between the public and Council, the City Clerk plays a key role in providing the public with information and access to government. Fortunately Clerk Johnson has encouraged professional development in her office and leaves the City in good hands with Deputy City Clerk Jacobsen. You will see Melissa at more Council meetings during the transition. In the meantime, the City will advertise for a position in the Clerk's office later this spring.

Telephonic Participation

Information Technology has been working with equipment and councilmembers to make sure telephonic participation in council meetings is clear and noise interference is mitigated throughout the meeting. Staff realizes how important it is to the process and the listening public that remote participation is as clear as possible. One thing that helps is to call in to using a headset rather than putting your phone on speaker. This cancels out a lot of the background noise and helps the recording equipment equalize. Thanks for your help calling in early and testing the equipment when you travel.

Commercial Passenger Vessel Tax funds

The City receives funds annually based on the number of cruise ship visitors that visit Homer both directly from the State and as a pass through from the Kenai Peninsula Borough. The amount from each in 2016 is \$27,630. In order to pass the funds through to municipalities, the Borough requests a letter every year indicating what the funds will be used for. Per state statute and federal law, the expenditure has to have a direct link to the vessel and the passenger. Funding amounts have ranged from less than \$3,000 to \$30,000 and have been used to help fund Load and Launch Ramp improvements, Ramp 3 replacement, signage and benches. The Port and Harbor Director has recommended combining the Borough pass through funds with the state funds and letting them accumulate (the City has 3 years of state funding that has built up) to eventually replace Ramp 2 restroom (see attached project description). However, cost estimates for an in-kind replacement (building stick frame, on the existing concrete slab and with the same stall configuration) for the largest and heaviest use public restroom on the Spit range from \$300,000 to \$500,000 which would take many years to accumulate. One possibility may be to fund the project from Harbor Reserves and reimburse the Enterprise over time with CPV funds. This option, however, still vetted through the Port and Harbor Commission, Borough and State. If Council has an interest in replacing the Ramp 2 restroom with CPV funds, I will do more research on the possibility of borrowing from the enterprise and come back to Council with authorizing legislation.

Graphite One

The Kenai Peninsula Economic Development District (KPEDD), in coordination with the Alaska Industrial Development and Export Authority (AIDEA), is looking into the economics of establishing the refining portion of a graphite flake mine proposed for Nome in the State of Alaska. The mining company, Graphite One, is currently forecasting construction and mine

start-up for 2020-2021 and has considered locating the project's refinery in the state of Washington. They are open, however, to work with state agencies to evaluate potential sites for a refinery in Alaska, keeping this value added industry in state.

Upon request, my office provided Tim Dillion of KPEDD with information about Homer's Port and Harbor as he sought to identify potential sites on the Kenai Peninsula. Of the locations presented to AIDEA and Graphite One, Homer's Port and Harbor is one of four short-listed candidates selected for further evaluation.

Graphite flakes, once shipped to the refinery would be purified and superheated in furnaces and then shipped to markets. Flake graphite is a primary component in lithium ion batteries used in electric cars and a growing number of smaller electronic devices.

The graphite refinery would bring 150 jobs with it; however, there are hurdles to overcome to make Homer an ideal candidate, including feasibility of barge unloading and access to a refinery site, utilization of Pioneer Dock for loading ships taking product to market and competitive electrical utility costs. What may end up being more feasible is a refinery site on the Peninsula with Homer's Port and Harbor filling a supportive role. Because shipping would most likely have to be a seasonal operation due to it being in Nome, Homer would be an obvious choice for wintering over some of the fleet of vessels that would be needed to support the Northern end of the operation. These vessels will need to be maintained and have periodic haul-out inspections which of course fit in very well with our harbor expansion and barge mooring/haul-out and repair facility and the large towboats would be able to moor in the large vessel harbor.

Homer's proposed Large Boat Harbor would help make Homer a more feasible location, in that it could accommodate large commercial vessels outside the busy and crowded small boat harbor, provide adequate moorage capability, and a barge ramp for industrial uses. The proposed Barge Mooring/Haul-Out Repair Facility would also support this type of industry in that it provides the infrastructure necessary for the barge fleet to complete repairs and their required annual inspections while wintering over.

Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Matt Clarke,	Port	16	Years
Mitch Hrachiar,	Public Works	16	Years
Elton Anderson,	Port	11	Years
Renee Krause,	Clerks	10	Years
Angie Kalugin,	Finance	2	Years
Nate Hull,	Police	4	Years
Jenny Carroll	Admin	1	Year
Austin McAvoy	Police	1	Year

City Manager Koester reported she was approached by the Kenai Peninsula Economic Development District to provide information about the port and harbor to work with Graphite One. It is an early conversation on alternatives for shipping their product from Alaska. Although the Homer harbor mooring and space needs may be less than Graphite One requires, it is important to get the information out there.

The public restroom at Ramp 2 can be replaced with cruise ship passenger vessel funds. City Manager Koester will research the process, ask Council to add the restroom as a CIP project, and look at grant opportunities. She will report back in April.

B. Bid Report

CITY ATTORNEY REPORT

- A. City Attorney's Report February/March
 - a. Recall Petition Flow Chart
 - b. Letter to City Manager Koester re: Waiver of Potential Conflict

COMMITTEE REPORT

- A. Employee Committee Report
- B. Americans with Disabilities Act Compliance Committee

Councilmember Aderhold reported the committee will meet soon and then she will provide a report.

PENDING BUSINESS

- A. **Resolution 17-022**, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for the Operation of Fish Pump Services on the Homer Port and Harbor Fish Dock to the Firm of Icicle Seafoods, Inc. of Homer, Alaska, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Port and Harbor Director. Postponed from March 13, 2017.

Memorandum 17-045 from Port and Harbor Director as backup.

Mayor Zak called for a motion for the adoption of Resolution 17-022 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

Councilmember Erickson asked for a resolution to issue a RFP for a fish pump on the south end.

City Manager Koester will bring a resolution forward at the next meeting.

VOTE: YES. ERICKSON, LEWIS, REYNOLDS, STROOZAS, ADERHOLD

VOTE: NO. SMITH

Motion carried.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 17-024**, A Resolution of the Homer City Council Authorizing a Request for Proposals to Issue for Harbor Software. City Manager/Port and Harbor Director.

Memorandum 17-053 from Port Director/Harbormaster as backup.

Mayor Zak called for a motion for the adoption of Resolution 17-024 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 17-027**, A Resolution of the City Council of Homer, Alaska, Requiring a Mid-Year Billing Notice to Property Owners in the Homer Natural Gas Special Assessment District. Erickson.

Mayor Zak called for a motion for the adoption of Resolution 17-027 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

City Manager Koester reported the cost to send out the mid-year notice is \$1,000 for postage and supplies and about 20 hours of staff time. Asked to provide feedback if the extra notice is working, City Manager Koester will report to Council after January.

Councilmember Reynolds noted properties change hands and people are surprised to get a bill. She hopes this will smooth the process for realtors and new property owners. Although she is concerned about the cost of the mid-year notice, \$1,000 will be beneficial in the end.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 17-028**, A Resolution of the City Council of Homer, Alaska, Granting a Limited Private Pedestrian Access Easement Along the North Wall of Land's End Hotel and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 17-054 from City Manager as backup.

Mayor Zak called for a motion for the adoption of Resolution 17-028 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

Councilmember Aderhold asked Mr. Jon Faulker how the property came so close to the line.

Mr. Faulkner explained it was a zero lot line and was constructed as a conditional use. He had marine commercial and marine recreational before it was subdivided into one district. Any construction done has been through the conditional use process. He was granted the conditional use because a typical setback was not needed, since nobody would be building on the adjacent lot.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Resolution 17-030**, A Resolution of the City Council of Homer, Alaska, Amending the Personnel Regulations to Require the City to Pay Family Member Benefits for 36 Months in the Event of an Occupational Death. Lewis. Recommend adoption.

Mayor Zak called for a motion for the adoption of Resolution 17-030 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

Councilmember Lewis said the State has been working on the state responder bill for the last two to three years. Hopefully it will be a zero line item for the budget. If individuals are killed in the course of their work it has a devastating effect on the family. It takes time to recover and the insurance will help tide them over. It only pertains to those employees on the City's health insurance.

SMITH/ERICKSON - MOVED TO AMEND LINES 16¹ AND 24 TO SAY UP TO 12 MONTHS.

The annual liability for the City is a minimum of \$9,457 and a maximum of \$17,495 for one occupational death benefit based on 2017 estimates. The amount will increase as the rates increase.

VOTE: YES. SMITH

VOTE: NO. STROOZAS, ERICKSON, REYNOLDS, LEWIS, ADERHOLD

Motion failed.

ERICKSON/STROOZAS - MOVED TO AMEND TO 24 MONTHS.

There was no discussion.

VOTE: (amendment) YES. SMITH, REYNOLDS, LEWIS, STROOZAS, ADERHOLD, ERICKSON

Motion carried.

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

Motion carried.

COMMENTS OF THE AUDIENCE

Mike Illg, city resident, commented there is a GoFundMe account for Hoxie Parks who is battling an illness. There are several fundraising events planned. You may donate air miles, to Alaska USA account number 4575725, or at a donation jar at the Homer High School office.

¹ No amendment is required on Line 16.

Roberta Highland, city resident, reminded us to be kind and gentle to each other. The controversial recall has people barring their souls. She disagrees with the recall and believes we are very lucky to have one of the most balanced city councils.

Ginny Espenshade, city resident, commented on the many discussions in council chambers that included a tone of neighbors and civility. This is not about sides; it is about our community. She announced the upcoming fundraiser for SPARC at the brewery.

Rachel Lord, city resident, thanked all of the Council. It is a balanced and diverse council. She appreciates their work. The Kenai Peninsula food hub.org is opening.

Tess Dally thanked Council for their commitment. They have to make difficult decisions. They have made decisions for people on a margin, disenfranchised, without access to services and buildings and programs.

Tenise Lantham, Homer resident, commented the community has been ripped apart behind the scenes. Council members attempted to force an unlawful agenda, rebelling of the new administration, and forcing division in the community. The sanctuary resolution was drafted on January 23rd.

Ron Keffer, city resident, commented on his teenage daughter who had a temper and got really angry with people. He told her a person who would come to her aid in time of trouble may have been one you were angry against. The Council has a difficult job; they are just doing their job.

Poppy Benson, city resident, commented the pyramid drawings in the post office was a controversy. She supports all of the Council and would hate to think any faction of the city would go after any group of councilmembers. There is an election process in place to change councilmembers. It is unfortunate the community is being put through this. We need all three councilmembers.

Deb Lowney, city resident, supports all of the Council. She announced the SPARC fundraiser chowder feed. There have been volunteers all winter who have put in thousands of hours to put up the building. It speaks about the community and who we are.

Sunrise Sjoeborg, Homer resident, provide a quote from George Bernard Shaw.

Mayor Zak thanked everyone for their comments regarding the recall petition process. He told the listening audience City Council members are free to discuss the recall petition when they

are on their own time and not acting in their official capacity as councilmembers. The City Attorney has advised all councilmembers to refrain from discussing the recall petition during council meetings, work sessions, and other official public events. This means that none of the councilmembers can respond to or address any of the public comments or concerns raised tonight regarding the recall petition.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells was not 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 Zak commented that good things are happening with SPARC and the community. The Homer Chamber of Commerce Winter King Salmon Tournament was a huge infusion to the community. The community has come together to help people and all of us are appreciative of that.

COMMENTS OF THE CITY COUNCIL

Councilmember Stroozas said it was good to be back in Homer after a visit with the grandkids. The Homer Chamber of Commerce fishing tournament attendance was down 25% due to the date change, but there were still 1,000 people fishing. It was successful and people can't wait to come back. He thanked everyone that came out.

Councilmember Reynolds announced the Sea to Ski fundraiser for the Nordic Ski Club on Sunday. She gave a shout out to Hoxie Parks; she will be helping with soccer camp. Danny Buckwalter has been diagnosed with leukemia; he also has a GoFundMe! account.

Councilmember Lewis commented besides the Winter King Tournament, the Homer Hockey Association hosted the state hockey tournament for Squirts (age 10). Homer didn't do great; the tournament was won by Juneau. There were twelve teams from all over the state in attendance. This brought the parents and siblings to Homer, so the hotels were packed. He is sure fishermen had a hard time finding places to stay. The Homer Hockey association doesn't set the date of the tournament. It is set by the state hockey association. It is unfortunate that we couldn't have two big weekends, instead of one huge one.

Councilmember Smith thanked all those for bearing their hearts. Participation is an honor and he appreciates the opportunity to serve on the council.

Councilmember Aderhold seconded what Councilmember Smith said. She thanked Homer for coming out and showing us heart tonight.

Councilmember Erickson said Dr. Wiest is retiring. It is hard when you see births and deaths and stuff in between. She thanked him for being a part of the community. It is going to start to snow and rain. She reminisced about a visit to Bellevue, Washington, where nobody talked to her or looked her in the eye. She felt very isolated. She encouraged everyone to start smiling and laughing.

ADJOURNMENT

There being no further business to come before the Council, Mayor Zak adjourned the meeting at 8:47 p.m. The next Regular Meeting is Monday, April 10, 2017 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 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: _____
