

Session 17-10 a Regular Meeting of the Homer City Council was called to order on April 24, 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 ATTORNEY WELLS
CITY PLANNER ABBOUD
FINANCE DIRECTOR WALTON
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS

Council met for a Worksession from 4:00 p.m. to 4:45 p.m. to discuss Water and Sewer Rates. From 5:00 p.m. to 5:57 p.m. Council met as a Committee of the Whole to discuss Resolution 17-040 and Consent and Regular 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: **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS** - Thank You from Bunnell Street Arts Center; **CONSENT AGENDA - Resolution 17-040**, A Resolution of the City Council of Homer, Alaska, Declaring the 2017 Property Tax Assessments to be Unfair in Relationship to Other Borough Communities and Request Said Assessments be Invalidated Until the New Tax Model is Fairly Implemented Borough Wide. Stroozas/Erickson/Smith. Written public comments. **PUBLIC HEARING(S) - Ordinance 17-07(S-2)**, An Ordinance of the City Council Of Homer, Alaska, Amending Homer City Code 21.93.060, 21.93.070, 21.93.080, 21.93.100, 21.93.110, 21.93.500, 21.93.540, 21.93.550, 21.93.560, 21.93.570, 21.93.700, 21.93.710 to Offer Appellants the Choice Between an Appeal Before the Board of Adjustment or a Hearing Officer in Appeals of Planning Commission Decisions. Erickson. Written public comments. **PENDING BUSINESS - Ordinance 17-04**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.30.020 to Add "Auto Equipment Sales, Rentals, Service, Repair and Storage" to the List of Permitted Uses in the Marine Industrial District. Lewis. 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. Promotion of Police Officer Larry Baxter to Investigations Sergeant

Mayor Zak administered the oath to Sergeant Larry Baxter.

B. Mayor's Proclamation, Week of the Young Child, April 24-28, 2017

Councilmember Smith read and presented the proclamation to Red Asselin Martin.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Vivian Finley, city resident, commented on Memorandum 17-065. She is sorry that Resolution 17-019 did not pass. She supports the Council for advocating for the resolution and will vote against the recall.

Scott Adams, city resident, supports Resolution 17-040 and would like the City to be at the head of a class action suit against the Borough property assessments. Some properties were rated high while others went down. He doesn't see how it is fair.

Ron Keffer, city resident, commented on Memorandum 17-065. The ballot language for the special election reads like an indictment. The statement is an accusation, unclear, imprecise, and false. We can't know today whether these councilmembers caused irreparable damage.

Kate Finn, Anchor Point resident, commented on Memorandum 17-065. In China there is no opportunity for any type of discussion and she never felt free to speak there. We are not homogenous; that is what makes us unique. She will vote against the recall, as the Council is doing their work.

Ann Keffer, city resident, commented on Memorandum 17-065. When she read the language of the recall proposition she thought they were guilty, but it is a false accusation. People signed the recall petition because they thought they did something illegal. The law is unclear on recall,

making it a costly and dangerous situation for local governments. This town is too small for anything but love and the recall is anything but love.

Poppy Benson, city resident, commented on Memorandum 17-065. She has researched recall and assumed it was used when people we caught taking bribes, etc. Many recalls in small cities are politically based. Rifts can take years to end and will discourage citizens from taking elected seats. In our city this recall is what people talked about, but nothing happened.

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.

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 April 10, 2017. City Clerk. Recommend adoption.

- B. **Resolution 17-040**, A Resolution of the City Council of Homer, Alaska, Declaring the 2017 Property Tax Assessments to be Unfair in Relationship to Other Borough Communities and Request Said Assessments be Invalidated Until the New Tax Model is Fairly Implemented Borough Wide. Stroozas/Erickson/Smith. Recommend adoption.

Moved to Resolutions, Item A. Aderhold.

- C. **Resolution 17-041**, A Resolution of the City Council of Homer, Alaska, Approving the Terms and Conditions for the Sale of T 7S R 13W Sec 1 Seward Meridian HM 0890034 Homer Spit Sub Amended Lot 47, KPB Parcel No. 18103408 and Authorizing the City Manager to Enter into Negotiations. City Manager. Recommend adoption.

- D. **Resolution 17-042**, A Resolution of the City Council of Homer, Alaska, Supporting HB 177, An Act Relating to the Response to, and Control of, Aquatic Invasive Species; Establishing the Aquatic Invasive Species Response Fund; and Relating to the Provision of Information About Aquatic Invasive Species. Aderhold. Recommend adoption.

- E. **Resolution 17-043**, A Resolution of the Homer City Council Opposing SB 14, HB 132, Prohibiting Municipalities From Regulating Transportation Network Companies and Network Company Drivers. Mayor/City Council. Recommend adoption.

- F. **Resolution 17-044**, A Resolution of the City Council of Homer, Alaska, Re-adopting the Established Investment Policy for the Permanent Fund. City Manager. Recommend adoption.

Memorandum 16-066 from Finance Director as backup.

Moved to Resolutions, Item B. Smith.

Item B, Resolution 17-040 was moved to Resolutions, Item A. Aderhold.

Item F, Resolution 17-044 was moved to Resolutions, Item B. 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. Lisa Asselin Martin, Week of the Young Child

Red Asselin Martin, Coordinator for Early Childhood Coalition and Outreach Specialist for Sprout Family Services, reported on building the community from the ground up as role

models. There are local individuals and agencies that connect families with young learners, activities, and resources. There are a number of events planned for the Week of the Young Child. They include public health, reading hour at the Homer Book Store, and a planting party.

Building a community from the ground up is encouraging children to be compassionate, kind, and developing empathy. It is putting into place building blocks for children to love one another. Kids experience anxiety and their actions are impacted as to how they feel. Children empathize with people like them.

Ms. Martin displayed a video questioning different kids on what kindness means to them. She hopes we can all remember to be kind in the months to come.

B. Safe and Healthy Kids Fair Coalition

Brittany August, Case Manager at South Peninsula Behavior Health Center, and Mike Illg, Recreation Manager for City of Homer, provided an overview of the upcoming weekend events. The Week of the Young Child begins on Saturday, April 29th from 10:00 a.m. to 2:00 p.m., in the commons area of the high school. There will be 37 different agencies and organizations with interactive booths for all children, from birth to 15 years old. All agencies are local and have donated prizes. Some of the activities include a teddy bear clinic, face painting, the bookmobile summer reading program, and various demonstrations, including Project Drive that allows teens to experience driving impaired with the use of goggles. There is an opportunity to win a bicycle in each age category.

Beyond other agencies in the community, city agencies are collaborating too. Public Works sweeps the lower parking lot at the high school, Friends of the Library has a bookmobile, the Fire Department provides a helmet check and helmet sales, and the Police will be there with Project Drive. Community Recreation has a bike rodeo in the high school parking lot. Without the City's support, this important event doesn't happen. The kick off for the summer is to be safe and healthy. Events begin at 10:00 a.m. and end at 2:00 p.m. The bike rodeo is from 10:00 a.m. to noon. Bicycles will be tuned up for free by Cycle Logical. There will also be a Homer High School invitational track meet, and hot dogs and fish tacos.

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

- A. Memorandum 17-065 from City Clerk, Re: Ballot Language for the Special Election of June 13, 2017.
- B. Borough Report
- C. Commissions/Board Reports:
 - 1. Library Advisory Board
 - 2. Homer Advisory Planning Commission
 - 3. Economic Development Advisory Commission
 - 4. Parks Art Recreation and Culture Advisory Commission

Louise Ashmun, PARCAC, reported the commission met last week to discuss the Sister City art collection and the support of a mayoral proclamation for Kids to Parks Day. They reviewed the mockups of Mariner Park and Bishop's Beach signs to make rules clearer. They discussed the prospect of gates and rock barriers at Mariner Park. The commission reviewed the 2004 Non-Motorized Transportation and Trails Plan. Although most of the policies in the plan have been implemented, most of the recommended sidewalks have not been completed. The safety needs are the sidewalks, specifically for Main Street and Svedlund Street. PARCAC will put sidewalks on the CIP list each year. A high school student has applied for the student seat on the PARCAC. Ms. Ashmun appreciates Councilmember Reynolds attending their last meeting.

- 5. Port and Harbor Advisory Commission

Port and Harbor Advisory Commissioner Bob Hartley reported the harbor is beginning to ramp up for the coming summer months. This includes the salmon derby, new hires for the harbor, the charter fleet, and charging fees at the load and launch. The commission is evaluating the port and harbor tariff. It is one of the most important documents for harbor operations. It covers rates, charges, and all other rules and regulations. The new tariff will replace the old outdated document that is very confusing and contradictive. He invited the Council and public to their meeting on Wednesday.

- 6. Cannabis Advisory Commission

Councilmember Lewis reported the commission will meet on Thursday.

PUBLIC HEARING(S)

- A. **Ordinance 17-07(S-2)**, An Ordinance of the City Council Of Homer, Alaska, Amending Homer City Code 21.93.060, 21.93.070, 21.93.080, 21.93.100, 21.93.110, 21.93.500, 21.93.540, 21.93.550, 21.93.560, 21.93.570, 21.93.700, 21.93.710 to Offer Appellants the Choice Between an Appeal Before the Board of Adjustment or a Hearing Officer in Appeals of Planning Commission Decisions. Erickson. Introduced January 23, 2017, Referred to Planning Commission, Public Hearing and Second Reading March 28, 2017. Reconsidered by Erickson, March 29, 2017. Substitute S-2 Introduced April 10, 2017, Public Hearing and Second Reading April 24, 2017

Memorandum 17-064 from Councilmember Aderhold as backup.

Mayor Zak opened the public hearing.

Terry Yager, city resident, expressed concern about the hearing officer. As a small city, more than one voice makes sense. A hearing officer with a nice education may not be familiar with local customs. He is also concerned about cost effectiveness and the city manager being the single person that appoints the hearing officer. He asked that Council set aside the ordinance and have a Worksession with more public input.

Joe Singleton, city resident, supports the changes made to the ordinance that will keep the hearing officer from handling dog complaints and itinerant merchant complaints.

Ralph Crane, city resident, supports Ordinance 17-07(S-2). Having worked with Board of Adjustments, he believes this is the right way to handle appeals. This gives the appellant the choice of an appeal to the board or a hearing officer.

Mayor Zak closed the public hearing.

Mayor Zak called for a motion for the adoption of Ordinance 17-07(S-2) by reading of title only for second and final reading.

LEWIS/REYNOLDS – SO MOVED.

Councilmember Aderhold prepared Memorandum 17-064 to address concerns from community members. She asked the city attorney to weigh in on how the ordinance is written, whether there may be challenges, and if it is a good idea.

City Attorney Wells advised the origin of the hearing officer process is based on a decision by the State of Alaska Office of Administrative Hearings to provide cities with hearing officers that cost less than most lawyers. This is because those individuals do not have the emotional connection with the parties and won't garner as many accusations or alleged appearances of impropriety. The City currently has three Alaska Supreme Court appeals by Mr. Griswold, all of which have a component of accusations of bias and impropriety, all of which the City prevailed on at the Superior Court level. It is significant to have three cases and the cost of litigating is significant. Ordinance 17-07 began as an attempt to try to create and improve the appearance of impropriety and impartiality and to assist in alleviating some costs associated with the appeals.

Ordinance 17-07(S-2) provides choice between the Board of Adjustment and a hearing officer. In some instances it could be a good option, but to be a good option it would have to be much more precise, either tied to a monetary amount or tied to non-opposition. Otherwise you have someone who takes advantage of the Board versus someone who takes advantage of a hearing officer. Two cases with similar facts may come out with very different outcomes and that is risky. Often for legislative bodies sitting as a Board it is very hard to say no to somebody despite what the law says you need to do. You may have very clear legal obligations or criteria that you've adopted when not thinking of an individual, but when applying it to a person it is very hard to stick to the criteria. This opens the City up to a choice that doesn't have direction, so the City will be vulnerable to challenge on the choice itself.

Councilmember Smith believes the choice of the board or a hearing officer should be the appellant's choice. If the appellant sees a clear conflict of interest as our three Supreme Court cases would show, it would make sense that Mr. Griswold would chose a hearing officer. That choice before him alleviates the Board of Adjustment from having to face another appeal, but he may appeal it regardless. Putting the choice in the hands of the appellant is the right thing to do. If it creates challenges we can iron that out. The fact that Council is elected and given the power to act as a Board of Adjustment qualifies us to do that. We hear and see so few cases so he does not see it as a huge financial burden to the City.

Councilmember Erickson wanted to make sure if there is a problem with the Board of Adjustment with conflict, the appeal would automatically default to the hearing officer.

City Attorney Wells said it would be hard to have a situation where all of the Council was conflicted out.

Councilmember Erickson commented if you have three councilmembers who are conflicted the default would go to the hearing officer.

City Attorney Wells said it would be a great idea to say if more than two Board of Adjustment members have a conflict it goes to a hearing officer.

Councilmember Lewis noted a board member would have to decide when they had a conflict since right now the Board of Adjustment meets and then you would declare a conflict of interest. If there are not enough board members remaining another hearing date with the hearing officer would need to be scheduled. There is a time limit from when the appeal is filed to the Board deciding the appeal.

City Attorney Wells said it creates two points of appeal; the point of appeal of the conflict of the board members and then an appeal of the hearing officer's decision at the end. It is subject to appeals of two decision makers' involvement. That's very difficult and a lot of legal vulnerability for the City.

Councilmember Lewis noted it was then the Board of Adjustment who decides on the conflict. In the past Mayor Hornaday always had a conflict due to some of the remarks he made about Mr. Griswold. The decision of having the Board of Adjustment or a hearing officer would need to be made prior to the appeal hearing.

Councilmember Aderhold commented it is a really important process. Community members and the Council do not fully understand it. She suggested postponing for a Worksession with the City Attorney to include public participation sending it back to the Planning Commission, or voting it down and starting over.

City Attorney Wells said a lot of communities have moved to the hearing officer. It may be more beneficial to wait to have a Worksession until there is more data on likelihood of appeal and risk of unilateral decision making.

Councilmember Reynolds said we had a straightforward ordinance to change to a hearing officer and now it has switched to be confusing and convoluted. We have not played through all the scenarios and this doesn't solve anything. We might want to start from scratch with an idea of where we want to go. She likes the initial reasoning for just switching to a hearing officer. The whole purpose was to remove the possibility of there being perceived or actual conflict. She suggested tabling it or voting it down and start again.

Councilmember Stroozas said there have been people on both sides. They are either in favor of the hearing officer or the Board of Adjustment. The substitute ordinance is a reasonable compromise so that it is up to the appellant to decide which way to go.

Councilmember Aderhold asked what the rights are for someone else in the community with standing. That is the person who may be the one to appeal a decision to the court.

City Attorney Wells answered if you give the appellant the right to choose, the other parties will have to follow suit. The appellant makes the venue decision and the other parties are placed

into that jurisdiction if they feel the party appealing chose the board because of the perception of receiving favoritism.

ADERHOLD/REYNOLDS – MOVED TO POSTPONE TO THE SECOND MEETING IN JUNE OR JULY AND HAVE A WORKSESSION WITH THE ATTORNEY.

There was no discussion.

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

Motion carried.

- B. **Resolution 17-038**, A Resolution of the City Council of Homer, Alaska, Amending the Homer Accelerated Roads and Trails Program Policy Manual Adding Sections for Project Eligibility and Funding for Sidewalks, Eliminating the Provision for Debt Service Ratio, and Editing for Readability and Consistency. City Clerk/Planning Commission.

Memorandum 17-028 from Deputy City Planner as backup.

Mayor Zak opened the public hearing.

Deb Lowney, city resident, questioned why we are considering new road construction in this climate and not looking at modifying HART funds to complete projects in the CIP and HART plans. In 1984 the Homer Area Roads Plan saw there was no standard policy for sidewalks and bicycles. Major streets do not have sidewalks, creating dangerous and hazardous conditions. Main Street was first articulated in 2004 in the Homer Non Motorized Trails and Transportation Plan (HNMTTP) and listed as a high priority. Sidewalk recommendations are always a top priority on the CIP list. She supports using the street portion of HART funds for sidewalks. There is a proposal before the Council that has been approved by PARCAC to allow groups or community members to apply for HART trail funds to complete some of the projects on the trails list and/or are on the map system. It will provide more options to get some of the projects completed.

Mayor Zak closed the public hearing.

Motion on the floor from April 10th: MOTION FOR THE ADOPTION OF RESOLUTION 17-038 BY READING OF TITLE ONLY.

Councilmember Erickson said Main Street is a state road and we can't touch the street to create a sidewalk or trail.

Councilmember Aderhold clarified it is state-owned from Pioneer south and city-owned from Pioneer north. Ms. Lowney brings up good points.

City Planner Abboud advised page 3 of the manual allows citizens to work with administration to use HART funds to construct public trails.

City Manager Koester referenced page 367 of the council packet that outlines the work PARCAC did to establish guidelines and a review process for citizens to use HART funds to construct public trails.

Asked about using street funds for sidewalks, City Manager Koester said section E, page 358 says to use HART fund. Projects must be mapped as either sidewalks, paved shoulders, or separated pathways or directly serve the special populations discussed in sections 3.1 and 3.2 of the HNMTP. Effort will be made to find grants or non-city funding sources to match city construction funds whenever possible. Sidewalks have always been eligible for HART funds as evidenced by the Soundview sidewalk project under construction now. The real crux is when do we cost share through a special assessment district process and when do we outright spend HART funds. HART funds could be spent quickly with the list of requested sidewalks in the community.

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

Motion carried.

REYNOLDS/LEWIS - MOVED AFTER A BRIEF RECESS TO SUSPEND THE RULES AND MOVE RESOLUTION 17-040 TO DIRECTLY AFTER A BRIEF BREAK.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Zak called for a recess at 7:48 p.m. and reconvened the meeting at 7:52 p.m.

G. **Resolution 17-040**, A Resolution of the City Council of Homer, Alaska, Declaring the 2017 Property Tax Assessments to be Unfair in Relationship to Other Borough Communities and Request Said Assessments be Invalidated Until the New Tax Model is Fairly Implemented Borough Wide. Stroozas/Erickson/Smith. Recommend adoption.

Mayor Zak called for a motion for the adoption of Resolution 17-040 by reading of title only.

REYNOLDS/STROOZAS – SO MOVED.

Councilmember Aderhold said Council had an earlier discussion at the Committee of the Whole on the 2017 property tax assessments with Mayor Navarre. Assembly President Kelly Cooper provided information as well as members of the community. She appreciates where people are coming from on their concerns with the borough assessments, but doesn't feel the resolution is the way to get resolution. There is a process in place that is being followed and this resolution will not have any bearing on how the process is followed.

SMITH/LEWIS – MOVED TO AMEND LINE 31 TO READ: NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF HOMER, ALASKA, DECLARES THE NEW 2017 PROPERTY TAX ASSESSMENT MODEL TO BE UNSUBSTANTIATED AND REQUEST THAT THE BOROUGH PRODUCE PROOF THAT THIS NEW MODEL DOES GENERATE FULL MARKET VALUE ASSESSMENTS AND IS CAPABLE OF BEING IMPLEMENTED FAIRLY AND CONSISTENTLY THROUGHOUT THE BOROUGH.

Councilmember Smith commented there is no proof generated that the model is correct. He knows the Borough's hands are tied as to the tools they have, but when they can't explain the model and prove what they are producing is fair market value, it is difficult for him to have faith in the process. Some of it seems very arbitrary. When it negatively impacts and is all over the map they need to have some kind of explanation and have a way to produce it to us to make sense.

Councilmember Erickson agreed because the people she has talked to have properties side by side with two different taxes. She is greatly concerned about the borough assessments, the private appraisers, and what our economy is doing. Borough assessments are at their highest and they used to be below appraised value.

Councilmember Reynolds said the resolution is making a statement, but the Borough has a mechanism in place to appeal. We heard comments from the public at the Committee of the Whole. She regrets not asking those people if they put forward appeals. The Borough is moving through the appeal process and allowing everyone to appeal their own lot.

Councilmember Stroozas commented the model has not been substantiated. He can offer evidence of view properties that are side by side with one being larger than the other, the smaller property is assessed at a much higher value. There is subjectivity of the assessments and they are fair or equitable.

Councilmember Smith said this is not about process; it is about the model. If the model is broken it doesn't matter that you have the process in place to appeal. We want to be shown that the model is right and that it is applied fairly and is a true representation of what market value really is.

Councilmember Stroozas said there are issues that can't be substantiated and it is up to the Borough to prove to us that it is correct, not for the citizens to prove to the Borough that they are wrong.

Kenai Peninsula Borough Mayor Navarre said Resolution 17-040 would be a little insulting. It is neither consistent nor accurate. The first whereas says "not indicative of "prevailing market conditions" as per AS 29.45.110." The Borough is required per AS 29.45.110 to assess at full and true value. They use models that are calibrated and verified by market data. We have very little market data. The International Association of Assessing Officers is used. The third whereas says "Borough Mayor has cited a 50% increase in land value due to parcel access to natural gas." It is not accurate. The City of Homer sales data indicated natural gas had already been captured in the models. There is a 50% increase in the base value of the land. When we talk about a model, there are a number of different models that are used. We are dealing with perceptions and opinions, not reality. Between now and next year we may be making additional adjustments to values in Homer and throughout the Kenai Peninsula. This is not just the focus on Homer; this is the year Homer was canvassed and so more different types of things were captured. One of those things may be a new structure that was added and people didn't tell the Borough. There are a lot of reasons why values go up and down. Some values went up and some values went down. He cannot tell definitively that the valuations are wrong. He can't prove that they are right and we can't prove that they are wrong. There is a process that we go through to try to establish that. As we go through this process we will see some additional data that will be used so that we continue to get the numbers right. There is subjectivity and a human element to it. People from Kenai or Soldotna doing the assessing are trained based on the assessing protocols that are used. He is fairly confident we didn't get it 100% right, but assessments are a reflection of full and true value.

Councilmember Stroozas commented that "prevailing market conditions" are pretty hard to dodge. It is only worth what a willing buyer and seller agree to on the value of the property or structure.

Mayor Navarre agreed it is prevailing market conditions. We use the market data which is limited. If we had 100% of the market data for every sale our models would probably start out closer and then be adjusted. We are asked to do a job and the very tools used to do the job better are withheld from us. It is not a fair way to have the boroughs do the assessments and then be criticized for it. He hasn't seen a commending resolution from the City in the last year or years before. If the City is going to reflect angst when there is an anomaly it is not fair to the professional assessors.

Councilmember Lewis asked if the assessors could come down and explain the model. Mayor Navarre answered yes.

Mayor Navarre said if you wish to take an action to help the citizens of Homer, send a resolution to the state assessor and tell them we messed up, based on anecdotal information and some real information and opinions. Mayor Navarre or the Borough do not have tools to make adjustments based on Resolution 17-040. That process is already in place with the appeal process. Adjustments and calibrations are made based on market data from sales everywhere. Some of the data from the appeals will be used. We don't use three and four year old data. For commercial we have to because we have so little sales reports for commercial.

Councilmember Smith said this is not meant to be an attack on the assessment office or our assessors or their qualifications. We are just voicing concern of our constituents and to get the Borough's attention to do more due diligence in showing us the model is accurate. People that are arguing are saying the assessments are based on perceptions, opinions, and not reality. If the market is dictating the fair market value and they see conflict in what the Borough is producing, it creates a conflict of perception of opinion and what we say is reality. It is about coming to a common ground and understanding that the model works. They don't see the model as producing the reality that they are living. It is a great idea that Councilmember Lewis offered to bring the assessors down here so they can show us that. This is more that the Borough is going to have the burden of proof and they will show people it is a model that represents the reality that we are living in.

Mayor Navarre said the appeal process is in place that we are part ways through. You don't know what the model is until the appeal process is finished. For those that haven't appealed, there is no recourse at this point unless the state assessor says we have made a major error. The proof of whether the model works also has some subjectivity. Folks who thought we were wrong should have appealed. If assessors divert attention from reviewing properties to come here, that will delay things too. If the assessor sends out a corrected notice there is also a 30-day appeal period. There have been 140 appeals already resolved. Of the 750 appeals we are down to 600 now. Some of those will be worked out over time. Certification will be done on June 1, but some of the Board of Equalization hearings will be done after June with adjustments made after that.

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

VOTE: NO. REYNOLDS, LEWIS

Motion carried.

VOTE: (main motion as amended) YES. ERICKSON, STROOZAS, SMITH

VOTE: NO. REYNOLDS, ADERHOLD, LEWIS

Mayor Zak broke the tie vote with a NO vote.

Motion failed.

ORDINANCE(S)

CITY MANAGER’S REPORT

A. City Manager’s Report

Sales Tax Data

I am pleased to report sales tax returns in 2016 were up 4% or \$249,848 from 2016 budget. As you recall, the 2017 budgeted for a 5.5% sales tax increase from 2016 budget. If 2017 continues on the trend of up 1.5% from 2016, we will hit that mark.

	GF Sales Tax Revenue (excludes HAWSP)	% increase from 2016 budget
2016 Budget	\$6,144,316	
2016 Actual (unaudited)	\$6,394,164	4%
2017 Budget	\$6,481,188	5.5%

Comparing 1st Quarters

1 st Quarter 2016	\$1,081,421	% increase
1 st Quarter 2017	\$1,098,377	1.5%

Firewood for Sale in City Campgrounds

The PARCAC and City Parks Division would like firewood to be available in our campgrounds. Having bundled firewood for sale at Mariner Beach, the Fishing Hole, and the Hornaday Park campgrounds would reduce the impact of campers scavenging the beach and wooded areas for firewood. The City Manager’s office struggled with how to solicit participation for this opportunity and researched how other communities managed firewood sales. However, we did not want to get too far ahead of ourselves and create a process for an interest that does not exist. Thus far, we have not had anyone come forward interested in providing this service. If you know of anyone who would be interested in selling firewood, please have them contact the City Manager’s Office to get the ball rolling.

Ice and Bait Machines

The City has entered into a short-term agreement with Alaska Ice, LLC to install an ice and bait machine at the harbor. Several locations were considered, however the top of Ramp 4 was chosen because it is the greatest distance from other “brick and mortar” businesses that sell bagged ice and bait. The City will license these two machines, in one location, for 6-months. If the machines prove to be sufficiently profitable, we will consider a Request for Proposal for a long-term arrangement.

Total IFQ Landings & Pounds by Port report from NOAA.gov

Attached is a yearend report from NOAA on landings by port. Looking at the report and comparing Homer to the other bigger harbors in terms of landings and pounds, Kodiak beat us out by about 100,000 pounds but it took about an additional 120 landings to do it. What could that mean? The bigger loads came to Homer because it made sense to the vessels in terms of run time and fuel. Where we are falling short is in the black cod landings. This is likely due to the lack of processing and run time verses profit for the vessels. The Port and Harbor is hopeful that with transfer of ownership of Fish Factory to an international company this spring we could see an upswing in black cod landings in Homer.

Airport public comment

The Department of Transportation and Public Facilities is soliciting public comment on improvements to the airport facilities. See attached map and public notice.

Navy Ship to Visit Homer

The City of Homer will be welcoming the USS Hopper, a navy destroyer, to the Port April 28-1. The Chamber is arranging to have transportation and tour opportunities available for crew who will be spending some time on shore leave getting to know our beautiful City while they are here. Navy volunteers will also be helping in the community during their short stay. Please welcome these men and women to our community and take an opportunity to thank them for their service.

City Manager Koester said the ice machine on the Spit will be a 6-month short-term agreement with Alaska Ice, LLC. We will then issue a RFP to provide the opportunity for people to submit a proposal. The ice machine will be located at the top of Ramp 4 and will be the responsibility of the vendor.

The USS Hopper, a Navy destroyer, will visit Homer April 29 - May 2 and tie up to the Deep Water Dock. Asked about tours of the vessel, City Manager Koester said they are checking with Navy personnel.

B. Bid Report

C. Records Destruction Report

CITY ATTORNEY REPORT

City Attorney Wells reported there are three pending Alaska Supreme Court cases filed by Frank Griswold. They all regard conditional use and land use permits from other applicants that Mr. Griswold has taken issue with. We prevailed on all cases on the first round. Two cases are awaiting decision and one is at the early stages of arguing.

This afternoon the ACLU filed a civil complaint on behalf of Councilmembers Aderhold, Lewis, and Reynolds challenging the certification of the recall petition. The City anticipated that the certification might be vulnerable to challenge given the lack of clarity in the state statutes governing recall. We are moving as quickly as possible to get court guidance and direction and take steps to argue the City's position to support and defend the basis for certification, and to do so before the recall election in an expedited manner. This will be fast moving, more so than any other litigation. It will be trying to beat the June election date. An Executive Session will need to be held with the non-conflicted council members. The main topic of discussion will be attorney fees, the City's largest vulnerability. The ACLU is seeking full costs and attorneys' fees. We need to discuss how to move forward. She has advised Council not to speak as a council on the recall election. It will take research on her part to determine how Council gives direction on the litigation regarding the recall election. The Executive Session will likely be scheduled for May 8th.

COMMITTEE REPORT

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

Councilmember Aderhold reported there was no quorum so no meeting was held. Last Friday some committee members met and spent a couple hours starting the building assessment. They measured entryways with the assistance of Public Works.

- C. Police Station Building Task Force

Police Station Building Task Force Member Coletta Walker reported there are photos and drawings coming in for a steel building from a northwest distributor and she is also looking at the possibility of a modular wooden frame police station. Photos with the station layout will be sent. The first drawing is for a 10,000 sq. ft. building, but she hopes to get to an 8,000 sq. ft. building staying under \$6M. She has also visited with a gentleman that will build to suit and do a lease purchase. If we can do the project for under \$6M it will be good. Apprising the public at the council meetings will keep them on board with the project. She would like to do a remodel, but questioned what to do with the police force during a remodel. The HERC building was suggested, but may be a big expense to relocate the police while remodeling. It may be better to start with new construction. The goal is to be expedient, stay under budget, and use creative ways of coming up with the money without state and federal funding.

PENDING BUSINESS

A. **Ordinance 17-04**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.30.020 to Add “Auto Equipment Sales, Rentals, Service, Repair and Storage” to the List of Permitted Uses in the Marine Industrial District. Lewis. Introduced January 23, 2017, Referred to Planning Commission. Recommend Public Hearing May 8, 2017.

Ordinance 17-04(S), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.30.040 to add a Definition of “Temporary Auto Sales” and 21.30.050 to add “Temporary Auto Sales” to the List of Permitted Uses in the Marine Industrial District. Lewis.

Memorandum 17-063 from City Planner as backup.

Motion on the floor from January 23rd: MOTION FOR THE INTRODUCTION OF ORDINANCE 17-04 BY READING OF TITLE ONLY.

Mayor Zak called for a motion to substitute Ordinance 17-04(S) for Ordinance 17-04, but no motion was made.

Councilmember Lewis brought this forward for the Homer Hockey Association. If adopted, it would be considered spot zoning and we would be looking at another lawsuit.

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

Motion failed.

B. **Memorandum 17-055(A)**, From Mayor Zak, Appointment of Ralph Crane and Garrette Garoutte to the Cannabis Advisory Commission.

Mayor Zak called for a motion for the approval of Memorandum 17-055(A) to appoint Ralph Crane and Garrette Garoutte to the Cannabis Advisory Commission.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 17-044**, A Resolution of the City Council of Homer, Alaska, Re-adopting the Established Investment Policy for the Permanent Fund. City Manager. Recommend adoption.

Memorandum 16-066 from Finance Director as backup.

Mayor Zak called for a motion for the adoption of Resolution 17-044 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

Councilmember Smith commented \$30,000 is needed just to inflation proof the Permanent Fund. We could use it for a new police station. It would dramatically reduce what we need to bond for. He would like to start a discussion about the future of the fund. At the current earning rates it will be eons before we can withdraw funds.

Councilmember Reynolds learned from the Library Advisory Board members that it would save 10% to 11% on the library budget if we paid off the library. The Permanent Fund would be enough to do a similar thing for the police station. She, too, would like to have a discussion about the fund.

ERICKSON/LEWIS – MOVED TO POSTPONE TO THE NEXT MEETING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Deb Lowney, city resident, commented on the upper portion of Main Street that is very residential and heavily used by pedestrians. It has been on the CIP for years as a priority. She would like more flexibility from HART funds so that they can be used for sidewalks.

Hal Spence, city resident, said it has been 15 – 16 years since he was a reporter for the Homer News. He is familiar with council business. He thanked the Council for going through the minutia of important issues, which can be frustrating.

Kim Seymour, city resident, commented on the borough property tax. After taxing of the gas line it makes him ask if he really wants to live here. Alaska needs manufacturing; it is what made America great. Raising taxes is not a great way to promote growth.

Scott Adams, city resident, appreciates Mayor Navarre's visit. He questioned why the Borough changed their property assessment model. He supports auto sales at the hockey rink and using the Permanent Fund towards the police station or knocking down some payments.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells had no comments.

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 appreciates Mayor Navarre coming to speak to us and thanked Councilmember Stroozas for bringing Resolution 17-040 forward. Mayor Navarre did a good job explaining the process. He is happy to hear the Board of Equalization will come to Homer for people. He is looking forward to all the good things community members are doing to welcome the USS Hopper. The ship is named after Grace Hopper who led the Navy into the age of computers.

COMMENTS OF THE CITY COUNCIL

Councilmember Lewis said, "It's late, goodnight."

Councilmember Smith expressed gratitude for Mayor Navarre coming here. He loves him and hopes to see him playing softball this summer.

Councilmember Aderhold said it was a great clean-up and there is still more to do. She encouraged people to carry plastic bags and continue to pick up trash.

Councilmember Erickson said it was a long day. Life is good! It will be a fun weekend with the Navy ship here. She encouraged people to support them.

Councilmember Reynolds thanked Mayor Navarre for coming down. She thanked all the volunteers. Last weekend was a whirlwind of events, including Circus Auditions, Earth Day and science based events. Upcoming events include the Safe and Healthy Kids Fair and the Shorebird Festival. We thrive because of all the efforts and volunteers. She is happy with the street sweeping. She thanked the 911 dispatcher and police officers for their professionalism and follow-up when she needed them.

Councilmember Stroozas noted we have been in meetings for seven hours. He expressed gratitude to Mayor Navarre for coming down and listening and sharing. The Homer Elks will be working with the USS Hopper crew at a project at the lodge and will be treating the sailors to a good time when they are done.

ADJOURNMENT

There being no further business to come before the Council, Mayor Zak adjourned the meeting at 8:58 p.m. The next Regular Meeting is Monday, May 8, 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: _____