

Session 17-26 a Regular Meeting of the Homer City Council was called to order on November 27, 2017 at 6:00 p.m. by Mayor Pro Tempore Aderhold at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: ADERHOLD, ERICKSON, LORD, SMITH, STROOZAS, VENUTI

STAFF: CITY MANAGER KOESTER
CITY CLERK JACOBSEN
HARBORMASTER HAWKINS
FINANCE DIRECTOR WALTON
PERSONNEL DIRECTOR BROWNING

Council met for a Worksession at 4:00 p.m. to discuss the Police Station Conceptual Design and Committee of the Whole 5:00 p.m. to discuss consent agenda and regular meeting agenda items in Homer City Hall Cowles Council Chambers.

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

Mayor Pro Tem Aderhold asked for a motion to allow Mayor Zak to participate telephonically.

STROOZAS/LORD SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

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: **MAYORAL PROCLAMATIONS AND RECOGNITIONS** Mayoral Recognition of Robert Letson, CEO, South Peninsula Hospital **PUBLIC HEARINGS** Ordinance 17-42, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2018 for the General Fund, The Water Fund, the Sewer Fund, the Port/Harbor Fund, Capital Projects, and Internal Service Funds. Written Public Comments. **CITY MANAGER'S REPORT** Councilmember Stroozas AML Report.

Mayor Pro Tem Aderhold asked for a motion to approve the agenda as amended.

LORD/VENUTI SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

- A. Mayoral Proclamation Chamber of Commerce Light up Homer for the Holidays
December 1, 2017

Councilmember Stroozas read and presented the proclamation to Jan Knutson of the Homer Chamber of Commerce. Ms. Knutson recapped the events for December 1st.

- B. Mayoral Recognition of the Rotary Health Fair

Councilmember Lord read and presented the recognition to Beth Trowbridge. Mrs. Trowbridge commented that it's the unique partnership between Homer-Kachemak Bay Rotary and South Peninsula Hospital that allow them to do such a great job. There were over 69 exhibitors, over 1000 people attended, and over 900 blood draws. It's an amazing service to the community.

- C. Mayoral Recognition of Robert Letson, CEO, South Peninsula Hospital

Councilmember Venuti read and presented the recognition to Robert Letson. Mr. Letson recognized the managers and staff at the Hospital, and the Board of Directors for their support. He acknowledged the Mayor and Council and the City's good partnership with the hospital. He also appreciates the citizen's support when bond issues were before them for needed expansions and renovations.

- D. Mayoral Recognition of Todd Cook, Operator of the Year

Mayor Pro Tem Aderhold recognized Todd Cook, Water/Wastewater Treatment Superintendent who was awarded Wastewater Operator of the Year by Alaska Rural Water Association for communities with a population 1,000. Mr. Cook said this is an easy award to win when you work with good people. He has the support of his boss, the people who work for him and our crew is the best in the state.

- E. Mayoral Recognition City of Homer Award from DEC for Water Source Protection

Mayor Pro Tem Aderhold recognized the City of Homer for their award for Source Water System of the Year for a population over 1,000. Deputy City Planner Engebretsen recognized the Planning Commissioners who have put so much work into legislation over time and the

residents who choose to invest and make their homes in the watershed in a safe and clean manner for everyone.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Janie Leask, city resident, commented in support of a joint worksession between the City Council and the Parks Art Recreation and Culture Advisory Commission to consider the HERC, as well as a facilitated public forum on the future of the HERC. She advocated for a community recreation center at the site.

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.)

City Clerk Jacobsen read the Consent Agenda and recommendations into the record.

- A. Homer City Council unapproved Regular Meeting Minutes of October 30, 2017 City Clerk. Recommend adoption.
- B. **Memorandum 17-139** from Mayor Re: Appointment of Sara Woltjen to the Cannabis Advisory Commission. Recommend approval.
- C. **Memorandum 17-140** from City Clerk Re: New Liquor License for Wild Honey Bistro and Liquor License Transfer for Oaken Keg. Recommend approval.
- A. **Resolution 17-093**, A Resolution of the City Council of Homer, Alaska, Approving a New One-Year Contract with Premera Blue Cross, Sun Life Health, and Prudential. City Manager/Personnel Director. Recommend adoption.
- B. **Resolution 17-094**, A Resolution of the City Council of Homer, Alaska, Establishing the 2018 Regular Meeting Schedule for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks Art Recreation and Culture Advisory Commission, Advisory Planning Commission, Port and Harbor Advisory Commission, and Cannabis Advisory Commission. City Clerk. Recommend adoption.
- D. **Resolution 17-096**, A Resolution of the Homer City Council Accepting the 2016 Comprehensive Annual Financial Report with Audit and Financial Statements and

Acknowledging the Management Letter Submitted by the City's Independent Auditor, BDO, USA, LLP and Authorizing the City Manager to Execute the Financial Report. City Manager/Finance Director. Recommend adoption.

Memorandum 17-142 from Finance Director as backup

Mayor Pro Tem Aderhold asked for a motion to approve the recommendations of the consent agenda as read.

ERICKSON/LORD SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

A. Pratt Museum Update – Laurie Stuart, Executive Director (10 minutes)

Laurie Stewart, Pratt Museum Executive Director, provided an annual update on the Pratt Museum. She commented about ongoing community events related to their 50th anniversary in Spring 2018. She reported the museum has put their new building campaign on hold until conditions are more conducive for such a large project. In the short term they will renovate the existing building to better meet the museum needs over the next ten years.

B. Homer Soil & Water Conservation District, Invasive Weeds - Matt Steffy, Natural Resources Specialist (10 minutes)

Matt Steffy, Natural Resources Specialist, commented to the Council regarding the Invasive Plant Cost Share Program, an opportunity for private land owners across the Kenai Peninsula Borough, including the City of Homer, to participate in and help identify and mitigate invasive weeds in our area.

C. Homer Chamber of Commerce Budget – Debbie Speakman, Executive Director (10 minutes)

Debbie Speakman, Homer Chamber of Commerce Executive Director, updated Council on their outreach, volunteer efforts, and their movement toward social media and web based marketing. The commercial for the Marine Trades and Homer Harbor was played and Kate

Mitchell of the Marine Trades Association addressed the Association's efforts in promoting and supporting marine trades in Homer.

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

Mayor Pro Tem Aderhold recognized a request for the Employee Committee to comment prior to the budget discussion.

LORD/STROOZAS MOVED TO ALLOW THE EMPLOYEE COMMITTEE TO PRESENT UNDER ANNOUNCEMENTS, PRESENTATIONS, AND COMMISSION REPORTS.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

1. Library Advisory Board

Mark Massion, Library Advisory Board Member, reported the Board discussed how the Library, working in conjunction with the Council, could develop guidelines allowing donors to specify where their cash or legacy gifts will be implemented. They also discussed ways to build relationships with other Kenai Peninsula Library Boards in an attempt to share information, challenges and successes, and also to survey and find their willingness to pursue Borough support of the library services. They would like to add a September meeting to their meeting schedule. Lastly he commented in support of funding for library circulation materials.

2. Homer Advisory Planning Commission

Dale Banks, Planning Commissioner, updated the Council on the Commission's work including approving a CUP for a 72 room hotel on the Sterling Highway, a Kachemak Bay Critical Habitat sign at the base of the Spit, and a revised Barnett South Slope Quiet Creek Plat. He reported that he and Commissioner Bernard attended the Planning Commissioner Training in Anchorage recently and found it beneficial training and networking with other Commissioners from around the State.

3. Economic Development Advisory Commission

4. Parks Art Recreation and Culture Advisory Commission

a. Memorandum Re: Lot 3 Land Acquisition North of Jack Gist Park

Matt Steffy, Park Art Recreation and Culture Advisory Commission Chair, commented on the memo provided regarding the purchase of a lot adjacent to Jack Gist Park. The Commission recommends waiting to purchase the property until the price is no more than 10% above the Borough assessment. He reported the Commission continues their work in a proposed rubric for assessing sidewalk priority developments.

5. Port and Harbor Advisory Commission
6. Cannabis Advisory Commission
7. Employee Committee
 - a. Memorandum from Employee Committee Re: Health Insurance Renewal and COLA

Deputy Harbormaster Matt Clark and Deputy City Planner Julie Engebretsen reviewed their memo and highlighted the Committee recommendation that the Council consider passing Resolution 17-093 approving the renewal of the Premera, Sun Life, and Prudential Insurance Policies; and adopt the Mayor's proposed budget amendment recommending a 1% COLA increase for City Employees.

PUBLIC HEARING(S)

- A. **Ordinance 17-42**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2018 for the General Fund, The Water Fund, the Sewer Fund, the Port/Harbor Fund, Capital Projects, and Internal Service Funds. City Manager. Introduction October 30, 2017, Public Hearings November 27, 2017 and December 11, 2017, Second Reading December 11, 2017.

Larry Slone, city resident, commented in support of the proposed budget amendments for the 1% Cost of Living Allowance for employees, reducing the employee health insurance reserve fund by \$1 million and transferring it to other funds, and also maintaining the library funds.

Karin Marks, city resident, commented in support of funding for the Pratt Museum and the importance of actual art and artifacts for people to see and observe.

Jane Little, city resident, commented in support of funding for the library and Pratt Museum and their importance to the community.

Joanne Lofgren, Vice President of the Live Action Role Playing Group (LARP), commented in support of the library, noting the benefits and learning opportunities it allows for the group.

Mike Illg, city resident and city employee, commented in support of the 1% Cost of Living Allowance for employees and recognized the efforts the city employees make to provide quality service to the public.

Lila Ryterski, commented in support of funding for the library and shared her positive experience with the library staff when she was writing and publishing a book.

David Schauble, city resident, commented regarding the purchase of a drone and encouraged public discussion of pros and cons before purchasing the drone. He also commented in support of an annual Cost of Living Allowance for city employees as wages that don't keep pace with inflation are in fact annual pay cuts.

There were no further public comments and Mayor Pro Tem Aderhold opened the floor to consideration of the budget amendments included in the laydown packet.

LORD/VENUTI MOVED TO INCLUDE PROPOSED BUDGET AMENDMENT FOR THE FINANCE DEPARTMENT REQUESTED BY THE CITY MANAGER.

There was brief comment recognizing the need for full staffing and qualified personnel.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

SMITH/ERICKSON MOVED TO MOVE \$1 MILLION FROM ACCOUNT 600 AND TRANSFER \$669,212 TO ACCOUNT #156-0376; \$171,429 TO ACCOUNT #456-0380; \$88,424 TO ACCOUNT #256-0378, AND \$70,936 TO ACCOUNT #256-0379.

Councilmember Erickson asked if the allocation to the port and harbor reserves could be toward the purchase of lot 42.

Councilmember Smith there is funding available as outlined in Ordinance 17-41.

Councilmember Lord supports this but thinks it's important to have conversation to further understand what our comfort levels are with these various reserve accounts in future budgets.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ERICKSON/LORD MOVED TO AMEND \$33,415.70 FROM THE WATER RESERVES TO PAY STEWARDSHIP COSTS FOR PRESERVING OVER 300 ACRES OF BRIDGE CREEK WATERSHED.

Mayor Pro Tem Aderhold disclosed she is on the Board of Directors for the Kachemak Heritage Land Trust.

After brief discussion no motion was offered regarding a conflict of interest or that Mayor Pro Tem Aderhold be excused from participating.

Councilmember Stroozas asked how the dollar amount was established. Mayor Pro Tem Aderhold explained there is a formula to establish the stewardship costs for the Land Trust to be able to monitor the property in perpetuity.

Councilmember Erickson added that a citizen is donating the land and wants to preserve our watershed. This is the City's part in ensuring that would happen, and she thinks it's a very reasonable cost for over 300 acres.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

LORD/VENUTI MOVED TO INCLUDE THE \$90,000 SALARY INCREASE FOR THE 1% COLA FOR EMPLOYEES.

Councilmember Smith commented that we fully appreciate what the employees do and the recognitions they receive are well deserving, but doesn't he doesn't agree with the concept of a COLA. It was developed for fixed benefits for social security to keep pace with inflation. The employees are paid on a scale and they get raises. Many got a 2% to 8% increase this year and he thinks that's more than adequate to keep pace with inflation. The increase in health care costs to employees isn't significant enough for him to believe that it justifies a COLA. He sees inadequacies of a COLA in that the people at the lower end of the wage scale get the least benefit, when they probably need it most. Those at the top end get more and they are probably the ones receiving a far better living wage. He'd be willing to entertain and increase for those at the top of the scale who no longer receive step increases and have been stagnant for a number of years. In his mind, the COLA was never meant to compensate people in the workforce that have the ability to get step increases, raises, or to work overtime. He's worked for a company over 20 years where a COLA is in his contract and he's gotten it once. He doesn't know if we should entertain anything on a scheduled basis because ultimately we can only afford what we can afford. He noted the ballot measure the voters passed for HART and the \$660,000 that will be gained and moved to the road maintenance. The budget increase is about \$250,000 this year and adding this \$90,000 eats up about half of that \$660,000. He wants employees to be compensated, but we have to manage the growth and the way we spend it. He noted Anchorage's \$20 million budget deficit and we can look at what's going on around the state because of building unsustainable budgets. We need to make decisions that look down the road and at the reality of what's going on. If we don't do that we fail our citizenry.

Councilmember Lord appreciates the concerns, and while the budget has gone up this year, it's gone up a fairly small amount and the City Manager has provided a balanced budget. She also appreciates the inequity of the 1% across the wage scale, but countered that we need to have a wage scale that is growing to some degree. She has worked in the private sector and received cost of living increases whenever possible. The Employee Committee has done a lot of work to save money in the ever increasing insurance costs and that's valuable. Our budget is what it is in part because of personnel cuts, which puts more work on city employees having to fill those roles. That can be seen at the state level as well. When you try to balance the budget on the back of the employees it's a losing proposition that isn't going to work in the long run. She doesn't want to look at the long term budget and do it at the expense of the morale and compensation of the city employees because that's how our roads get plowed, water gets to our taps, and how our harbor functions; it's by the people who are making it work.

Councilmember Erickson commented the budget will be impacted next year by the loss of the HART funds and it's important to consider next year because we'll have to look to not funding reserves to balance the budget. It's important to be careful what we set as a precedent going forward. She struggled with COLA last year but it was a one-time thing and wouldn't have to consider it this year, also they were trying to get some other things in place like funding for the police station. There are some big expenditures we are looking at and there are issues at the state level with pay roll tax, gas, and other things. Everyone is trying to get our dollars. We need to be careful as guardians of the city that we aren't putting our citizens at risk to have to pay more taxes to be able to get the things we need. She appreciates everything the employees are doing, she doesn't know this will give them what they need and she would appreciate if the employees would be willing to work with Council as they try to get you the tools they need to do their jobs; one of those things being a good police station to take care of the issues in our town. We also need a new vac truck and that's a lot of money. We have to look at the give and take.

Councilmember Smith noted Councilmember Lord's comments that we are over tasked so maybe the \$90,000 should be used to hire another jail officer or the other maintenance worker we need at public works. We just need to be prudent right now and manage growth.

Councilmember Stroozas acknowledged the concerns expressed and suggested a compromise.

STROOZAS/LORD MOVED TO CHANGE 1% TO ONE HALF OF A PERCENT

Councilmember Lord commented in looking at the COLA in the salary and benefits survey the feedback is the idea of more consistent lower COLA's help keep us at pace rather than falling behind. It makes sense to her. She appreciates the concerns expressed and she'd rather see the employees get a small increase rather than no increase, they haven't been getting them consistently. We need to keep employee morale at a good level and keep people wanting to

come and work here. We can rely on our awesome view, harbor, and amenities, but we can only do that so much.

Councilmember Venuti commented she is hearing what the employees are saying and thinks the compromise shows Council are listening and also being prudent with the budget.

Mayor Zak commented he believes 1% is reasonable because we haven't been giving consistent increases over the years. He doesn't agree that we have to do what the state is doing. When he looks at the budget, the money is there and while he understands not everything is financially driven for the employees, he thinks it's reasonable and fair to give the 1%. It breaks down to less than .2% over the last six years and over that time the budget has grown. He thinks the Employee Committee has done well and we should appreciate they aren't asking for more.

Councilmember Stroozas reiterated this is a time of compromise and when we can do that everyone comes away with something they want. The Council has to be as fiscally responsible with our community funds as possible, and be mindful of the employees who provide the services.

VOTE (amendment): YES: ADERHOLD, LORD, VENUTI, STROOZAS, SMITH, ERICKSON

Motion carried.

There was no further discussion on the main motion as amended.

VOTE (main motion as amended): YES: VENUTI, ADERHOLD, LORD, STROOZAS, ERICKSON
NO: SMITH

Motion carried.

ERICKSON/VENUTI MOVED TO AMEND \$750 FROM PARK RESERVES TO POST THREE SIGNS AT POINTS OF ENTRY INTO KACHEMAK BAY TO WARN RECREATIONAL USERS OF THE HAZARDS OF COLD WATER AND LIMITS OF EMERGENCY RESPONSE CAPABILITIES.

There was brief discussion as to sign location, design, and the need.

VENUTI/ERICKSON MOVED TO AMEND THAT THIS WILL GO THROUGH THE PARKS ART RECREATION AND CULTURE COMMISSION FOR DESIGN.

Councilmember Venuti commented regarding the importance of effective wording for the signage.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

There was no further discussion.

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

Motion carried.

LORD/VENUTI MOVED TO INCREASE THE LIBRARY BOOK BUDGET BY \$10,000 DECREASING THE TRANSFER TO THE LIBRARY RESERVES BY THE SAME AMOUNT.

There were comments in support of the budget amendment.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

B. **Resolution 17-086**, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Fee Schedule Under Camping Fees. City Clerk. (To follow Budget Ordinance 17-42; Public Hearings November 27 and December 11, 2017)

Resolution 17-086(S) A Resolution of the City Council of Homer, Alaska, Approving the 2018 Fee Schedule at Current Rates. City Clerk. (To follow Budget Ordinance 17-42; Public Hearings November 27 and December 11, 2017)

Mayor Pro Tem Aderhold opened the public hearing. There were no public comments.

Mayor Pro Tem Aderhold asked for a motion to substitute Resolution 17-086(S) for Resolution 17-086.

LORD/VENUTI MOVED TO SUBSTITUTE RESOLUTION 17-086(S)

Councilmember Erickson commented that we don't charge for water and sewer on the spit and part of the issue with need a new vacuum truck is because things get dumped down there. There are costs involved with the services we're providing. She doesn't have a problem raising the camping fees, costs are going up all around. They aren't higher than any of the other campgrounds that are for hire. She supports the increase to help cover cost at least on the waste dump station.

Councilmember Stroozas commented they charge \$25 a day at the Elks and they only have electric hookups and the city could charge the same.

City Manager Koester noted the city campgrounds don't have electric hookups.

Councilmember Lord noted earlier comments that this is the third year in a row we've increased rates but there hasn't been any change in service associated with the rise in rates.

There was brief discussion of the services available on the spit, the dump stations, water, dumpsters, and bathrooms. The cost to maintain the facilities goes up.

City Manager Koester commented there has been a decline in occupancy and the camp grounds have not been full for all the major holidays when we are always full. We've seen an increase in revenue because of the rate increases. The employees who collect the fees are the ones dealing with the customers who are angry about the continual increases over the last few years, and they were unable to participate at the PARCAC meeting.

Councilmember Lord said it's important to know they aren't filling those slots, especially on the major holidays.

VOTE (substitute): YES: ADERHOLD, VENUTI
NO: LORD, ERICKSON, STROOZAS, SMITH

Motion to substitute failed so Resolution 17-086 stands and will come back on December 11th.

C. **Ordinance 17-39**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Grant from the Alaska Highway Safety Office in the Amount of \$39,488 for the Homer Police Department Project Drive and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Introduction October 30, 2017, Public Hearings November 27, 2017 and December 11, 2017, Second Reading December 11, 2017.

Memorandum 17-132 from Police Chief as backup

Mayor Pro Tem Aderhold opened the public hearing. There were no public comments.

Mayor Pro Tem Aderhold asked for a motion for the adoption of Ordinance 17-39 by reading of title only for second and final reading.

ERICKSON/VENUTI SO MOVED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- D. **Ordinance 17-40**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 3 Chapter 3.01 Budget by Adding a New Section That Establishes a Minimum Annual Transfer in the Operating Budget of Homer Accelerated Road and Trails Funds for Road and Trail Capital Improvements. Smith/Aderhold. Introduction October 30, 2017, Public Hearing and Second Reading November 27, 2017.

Memorandum 17-133 from City Manager as backup

Mayor Pro Tem Aderhold opened the public hearing.

Deb Lowney, city resident, expressed her concern that the ordinance and resolution establish a minimum amount to be transferred in and used, but not a maximum amount. The maintenance list is extensive and could consume the HART funds. She would like the language to use percentages of the fund that can be spent.

There were no further public comments.

Mayor Pro Tem Aderhold asked for a motion for the adoption of Ordinance 17-40 by reading of title only for second and final reading.

LORD/VENUTI SO MOVED

LORD/ERICKSON MOVED TO AMEND LINE 47 FOLLOWING CODE TO INCLUDE SHALL BECOME EFFECTIVE ON JANUARY 1, 2019.

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Smith commented the intent is the amount of money taken out of HART for maintenance is on an annual basis. He felt using a percentage would be more complicated than using a number that has been established over time. This amount won't deplete the fund over time and will give the flexibility to do a capital project when we need to.

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

Motion carried.

- E. **Resolution 17-092**, A Resolution of the City Council of Homer, Alaska, Amending the Homer Accelerated Roads and Trails Program (HART) Policy Manual to the HART Capital

Improvements Policy Manual and Establishing Minimum Set Asides for Capital Improvements. Smith/Aderhold

Memorandum 17-133 from City Manager as backup

Mayor Pro Tem Aderhold opened the public hearing. There were no public comments.

Mayor Pro Tem Aderhold asked for a motion for the adoption of Resolution 17-092 by reading of title only.

ERICKSON/LORD SO MOVED

LORD/ERICKSON MOVED TO AMEND LINE 57 BE IT FURTHER RESOLVED THESE CHANGES SHALL BECOME EFFECTIVE JANUARY 1, 2019.

There was no discussion.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief comment regarding a typographical error that would be corrected using reviser authority.

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

Motion carried.

F. **Ordinance 17-41**, An Ordinance of the City Council of Homer, Alaska, Authorizing the City Manager to Purchase Kenai Peninsula Borough Parcel 18103418, 'Lot 42' from the Alaska Mental Health Trust Authority in the Amount of \$550,600, Acquire Quitclaim Deeds on Parcels on which both the City and the Trust Claim Ownership interests and Authorizing an Expenditure of \$250,600 from the Port and Harbor Enterprise Fund and a \$300,000 Loan from the General Fund for that Purpose. City Manager. Introduction October 30, 2017, Public Hearing and Second Reading November 27, 2017.

Ordinance 17-41(S) An Ordinance of the City Council of Homer, Alaska, Authorizing the City Manager to Purchase Kenai Peninsula Borough Parcel 18103418, 'Lot 42' from the Alaska Mental Health Trust Authority in the Amount of \$550,600, Acquire Quitclaim Deeds on Parcels on which both the City and the Trust Claim Ownership interests and Authorizing an Expenditure of ~~\$250,600~~ **\$550,600** from the Port and Harbor Enterprise Fund and a ~~\$300,000~~ Loan from the General Fund for that Purpose. Erickson.

Ordinance 17-41(S) An Ordinance of the City Council of Homer, Alaska, Authorizing the City Manager to Purchase Kenai Peninsula Borough Parcel 18103418, 'Lot 42' from the Alaska Mental Health Trust Authority in the Amount of \$550,600, Acquire Quitclaim Deeds on Parcels on which both the City and the Trust Claim Ownership interests and Authorizing an Expenditure of \$250,600 from the Port and Harbor Enterprise Fund and a \$300,000 Loan from the General Fund for that Purpose. Mayor.

Memorandum 17-134 from City Manager as backup
Memorandum 17-141 from City Manager as backup

Mayor Pro Tem Aderhold opened the public hearing. There were no public comments.

Mayor Pro Tem Aderhold asked for a motion for the adoption of Ordinance 17-41 by reading of title only for second and final reading.

ERICKSON/VENUTI SO MOVED

Mayor Pro Tem Aderhold asked for a motion to substitute Ordinance 17-41(S) presented by Councilmember Erickson.

No motion was brought forward to substitute.

Mayor Pro Tem Aderhold asked for a motion to substitute Ordinance 17-41(S) presented by Mayor Zak.

STROOZAS/VENUTI SO MOVED

There was brief discussion that the amendments in this substitute may plant some seeds with the Mental Health Trust Authority and doesn't impact the outcome of the purchase of lot 42.

VOTE (substitute): YES: VENUTI, LORD, STROOZAS
NO: ERICKSON, ADERHOLD, SMITH

Mayor Zak voted yes to break the tie.

Motion carried.

Councilmember Lord noted that it would be beneficial to be able to confirm there aren't addition properties with similar circumstances so this won't happen in the future.

City Manager Koester referenced an email with the Trust who, in legalese, said to their knowledge they don't own additional properties in conflict. She will work with the City Attorney to consider that when dealing with the purchase agreement.

VOTE (main motion): YES: STROOZAS, ERICKSON, SMITH, LORD, VENUTI, ADERHOLD

Motion carried.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

City Manager Koester commented regarding application for a Code Blue Grant for a battery powered chest compressor. It's something the ambulance can carry and improve patient care, and the grant requires a \$3,200 match.

There was brief discussion of drone operations and question was raised about contracting with someone who's in compliance with FAA in cases of emergency for search and rescue instead of purchasing a drone. City Manager Koester will follow up.

There was also discussion of the Cannabis Advisory Commission membership relating to Councilmember seats. Mayor Pro Tem Aderhold suggested an ordinance amendment could be proposed if councilmembers think it should be changed.

Lastly, Council discussed public use of the sand pile at Public Works and agreed that public use should no longer be allowed due to liability issues.

B. Bid Report

CITY ATTORNEY REPORT

COMMITTEE REPORT

A. Employee Committee Report

- a. Memorandum from Employee Committee Re: Health Insurance Renewal and COLA

Heard under Commission Reports item 7.

B. Americans with Disabilities Act Compliance Committee

Mayor Pro Tem Aderhold commented the Committee has completed their surveys and will be working on input the data into a format that can be incorporated into the Transition Plan.

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 17-095**, A Resolution of the Homer City Council Approving an Amendment to the Icicle Seafood's, Inc. Lease for Lot 41 to Include Lot 42 Homer Spit Subdivision Amended, Which Expires December 31, 2036 with a Base Rent of \$69,648 Subject to Appraisal and Authorizing the City Manager to Execute the Appropriate Documents. City Manager.

Memorandum 17-141 from City Manager as backup

Mayor Pro Tem Aderhold asked for a motion for the adoption of Resolution 17-085 by reading of title only.

ERICKSON/VENUTI SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

COMMENTS OF THE AUDIENCE

Larry Slone, city resident, said he's sorry to see the public access to the sand go away but he understands the decision with liability and abuse. He concurs with the statements made about the quality of city employees and shared his positive dealings with planning staff, clerk's office staff, and public works. There are always two sides to an issue and if we don't present both sides, we aren't doing a good job for the public. He appreciates the discussion tonight.

Deb Lowney, city resident, welcomed Rachel and Caroline to the Council. She thanked Councilmember Stroozas and City Manager Koester for their time at Lunch with a Councilmember at the Library today. PARCAC would like to have a worksession with Council in reference looking the hurdles we face with the HERC and its future for this community and follow up with a community forum. She appreciated the discussion on cold water safety and thinks it's good for the discussion on signage to take place at PARCAC.

Todd Cook, non-resident and city employee, commented it was encouraging to have some compromise in the discussion of employee benefits tonight. He doesn't always agree with what

the Employee Committee comes up with, but as they look at things to bring to council they are already considering the compromises. They try to balance it on their end so as not to be unreasonable. He explained the situation when he was hired and touched on changes that have taken place in his tenure. He encouraged Council to look at ways to increase revenue rather than continually making cuts.

Julie Engebretsen, non-resident and city employee, thanked Council for their consideration and compromise on the COLA. She understands these are never easy decisions. The message she will take back to the Employee Committee is while COLA's are part of the metric of the city staying competitive, are there other areas to look at in the future.

Matt Clarke, Employee Committee Chair, commented we conducted the Salary and Benefit Survey to see where we are at compared to other municipalities and government entities in our region. The common thing they all do is implement COLA's and we're 5% behind the other 12 entities in the average they created over the last 6 years. The Consumer Price Index in Anchorage is the only benchmark we have for a measure of inflation in the Southcentral region. Our moorage rates use the Anchorage CPI on an annual basis for adjustment and increase.

Nick Poolos, non-resident and city employee, echoed Todd Cook's comments. He had job offers in Anchorage, Homer, and Sitka. The pay in Homer was slightly lower but the benefits package is what brought him here, but it has drastically changed since then. He encouraged council to be concerned about turnover and recruitment.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells was not present.

COMMENTS OF THE CITY CLERK

City Clerk Jacobsen had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Koester had no comment.

COMMENTS OF THE MAYOR

Mayor Zak told Mayor Pro Tem Aderhold she did an excellent job running the meeting tonight. He hopes the Councilmembers who voted to compromise on the employee COLA will take it back to 1% because the employees and the committee did a lot of due diligence to come to council with a fair amount for the COLA. That and the public comment would justify bringing it back up. He hopes everyone had a good Thanksgiving.

COMMENTS OF THE CITY COUNCIL

Councilmember Venuti had no comment.

Councilmember Smith commented he attended the last Great Alaska Shootout, there was some good basketball and has gone on for many years. They had their 16th annual Turkey Bowl with no injuries reported. It's a great time to be thankful. He's thankful to be part of the community and City Council.

Councilmember Lord commented she attended the Newly Elected Officials Training at AML and it was really educational and interesting. She thinks it's valuable to send representatives from the City. Ms. Lord said she appreciates everyone's comments tonight. She will be at the library in December for Lunch with a Councilmember and invited people to attend.

Councilmember Erickson commented she recently visited Arizona for a conference where there were freeways and all the building had the same color schemes. She expressed her appreciation for the individuality we have here in Homer. She also reminded people to use caution these dark mornings around the school busses and bus stops. Some of the stops are not in the safest spots, so keep an eye out for the kids.

Councilmember Stroozas commented he attended and enjoyed the AML sessions in Anchorage. He noted Alaska is on the verge of a great opportunity in the agreement with China in regard to the Alaska gas line development project and that it will bring jobs to the peninsula. Good things are happening.

Mayor Pro Tem Aderhold thanked everyone for helping her through the meeting tonight.

ADJOURN

There being no further business to come before the Council Mayor Pro Tem Aderhold adjourned the meeting at 9:53 p.m. The next Regular Meeting is Monday, December 11, 2017 at 6:00 p.m., and Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, MMC, CITY CLERK

Date: _____