

Session 12-07 a Regular Meeting of the Homer City Council was called to order on February 27, 2012 at 6:00 p.m. by Mayor James C. Hornaday at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: HOGAN, HOWARD, LEWIS, ROBERTS,
WYTHE (telephonic), ZAK

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
FINANCE DIRECTOR MAURAS
COMMUNITY AND ECONOMIC
DEVELOPMENT COORDINATOR KOESTER
PUBLIC WORKS DIRECTOR MEYER

Councilmember Wythe has requested telephonic participation or excusal.

Mayor Hornaday called for a motion to allow Councilmember Wythe to participate by telephone.

ZAK/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Council met for a Special Meeting from 4:00 p.m. to 4:38 p.m., adjourning to Executive Session to discuss Kazan Property Purchase. From 5:02 p.m. to 5:42 p.m. Council met as a Committee of the Whole to hear from Anderson Group, the City's lobbyists and discuss Regular Meeting Agenda items.

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

AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

The agenda was approved by consensus of the Council with the following changes:

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS - Memorandum 12-028 from Parks and Recreation Advisory Board, re: Karen Hornaday Park to Complete the Recommendations Outlined in Ordinance 11-22; Memorandum 12-029 from Parks and Recreation Advisory Board, re: Karen Hornaday Park Day Use Improvements; Memorandum 12-030 from Parks and Recreation Advisory Board, re: Karen

REPORT/COMMISSION

Hornaday Park Improvements to Ball Fields, Dugout and Related Amenities; and Memorandum 12-031 from Parks and Recreation Advisory Board, re: Karen Hornaday Park Northern Parking Lot Improvements; **PUBLIC HEARINGS - Ordinance 12-09**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2012 Operating Budget by Appropriating \$27,275.01 (in Equal Amounts from the Public Works, Water and Sewer Reserve Accounts) for the Purchase of a Used Skid-Mounted Steamer Equipment Unit, Written correspondence.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There were no comments of the public.

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 February 13, 2012. City Clerk. Recommend adoption.
- B. **Memorandum 12-026**, from Mayor, Re: Reappointment of Glen Carroll to the Port and Harbor Advisory Commission.

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

HOWARD/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. **John Hendrix/Lisa Parker**, Apache Corporation

John Hendrix, General Manager of Apache Alaska Corporation, reported the company was founded in 1954 by three World War II veterans. They are a \$40 billion company employing 4,500 people. Mr. Hendrix has been with Apache since 2006 and has seen production go from 400,000 barrels per day to 350,000 barrels per day. Apache wants to be the most responsible developer and a partner of choice meaning they engage with citizens before developing. Apache's goals are safety and in the best interests of the communities.

Accomplishments/Plans in Alaska:

- 2010 - acquired leases to include Alaska Mental Health Trust
- 2011 – purchased 90+ tracts in the Alaska Department of Natural Resource oil and gas lease sale, bringing their ownership to over 800,000 acres, the largest lease holder in Cook Inlet
- 3-year seismic exploration program, employing over 250 people
- Currently employ over 150 people in the Tyonek area
- November, 2011 - acquired first seismic data; Apache has the largest seismic shoot in Cook Inlet
- Apache wants to develop responsibly with maps of the subsurface of the Cook Inlet
- Seismic information reveals folds in earth that hide the hydrocarbons.
- Apache wants to plan, develop, and succeed in Alaska
- Apache hopes to drill two wells this year in Cook Inlet basin, one on each the east and west sides

Mr. Hendrix answered questions from Council:

- The impact on fisheries within Cook Inlet would be mitigated with Apache's development plan.
- Apache has talked to the Kenai Peninsula Borough School District about educating students how seismic and geology works.
- Apache would target 80% Alaska hire with some outside hires.
- Seven boats have used the Deep Water Dock facilities.
- Apache uses nodal wireless technology that can be dropped anywhere to find signals where folds of the earth lay.
- The nodals provide a soundwave that give a signal where the folds of the earth lay.
- Directional drilling can be used 8 miles out.
- Apache's seismic technology is environmental friendly; the units can be moved freely.

Mayor Hornaday commented we have a number of special interest groups that do not speak for the City of Homer. He hopes Apache uses our facilities and set up offices and hire locally. We have a lot of talented people that need jobs and Apache is welcome here.

B. Representative Seaton, Legislative Session update

Representative Seaton appeared by telephone and reported there are good vibrations on the gas line. The tariff will be helpful. He is hopeful the City and Enstar are working on the Army Corps of Engineers regional permit to allow the main gas line, distribution lines, and connections without a separate permit.

District 35 has over \$300M in requests. If the Deep Water Dock is a general obligation bond it will not be competitive with the gas line. Although the fish tax bill would be advantageous, he has no high hopes. Representative Seaton is a sponsor for the Alaska Coastal Management program but is not too confident it will pass the Legislature. He may look at a voter initiative. If the City decides enforceable policies may be needed they can incorporate those in Homer City

Code under Title 29 authority. He also endorses that all oil companies pay a 9.4% corporate income tax.

B. Kachemak Bay Research Reserve, Kachemak Bay Science Conference

Megan Murphy, Coastal Training Program Coordinator for the Kachemak Bay Research Reserve, invited Homer and Kachemak Bay communities to participate in Healthy Bay = Vibrant Communities. The science conference will be held March 8 – 10 to highlight the interconnectedness between the communities well being and coastal ecosystems wellbeing. There will be over 30 presentations on resource and management. It is an opportunity for the community to learn and better understand our home. Due to generous support of local businesses and partners the registration is free. Register at: www.kbayscience.org

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

A. Borough Report

B. Commissions/Board Reports:

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

Commissioner Tricia Lillibridge provided a PowerPoint presentation showing the state of Karen Hornaday Park. The Parks and Recreation Advisory Commission is very busy working on all parks and any recreational land. They have had discussions on additional areas just outside the boundaries of the City and presentations from various people. Recommendations tonight include the additional allocation of funds from the Karen Hornaday Park Grant Committee. There is support for a vibrant 24-hour park in the summer with additional day shelters, added BBQ pits, and new turf. HoPP (Homer Playground Project) has been the energy fuel cell to get everyone off the ground.

The commission is recommending a campground host program they hope will start in June. There is also the Adopt-A-Park program to ensure someone is overseeing each local park. Signage prohibiting alcohol and cigarettes within 50 ft. of the parks and a code of conduct are being explored.

Community activities include repairing the day use area of the campground near Pier One Theatre. It is currently in disrepair and falling down; the object is to repair it for safety. The commission also requests restrooms at Mariner Park. On May 5 there is an event scheduled called “Meet the Trucks” with fire trucks, ambulances, and Public Works trucks at Mariner Park

show kids how things work. It will also provide an opportunity to sign up for summer activities. There are currently two commissioner openings.

City Manager Wrede reported draft documents of the campground host program were forwarded to the City Attorney and the attorney's comments were received. He will bring something forward at the next meeting.

5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

- A. **Ordinance 12-06**, An Ordinance of the City Council of Homer, Alaska, Amending the Karen Hornaday Park Project Budget Established via Ordinance 11-22 by Appropriating an Additional \$50,000 for Playground Equipment and Materials and Providing that Future Budget Amendments be Made by Resolution. City Manager/Parks and Recreation Advisory Commission. Introduction February 13, 2012, Public Hearing and Second Reading February 27, 2012.

Memorandum 12-019 from Parks and Recreation Advisory Commission as backup.

Mayor Hornaday opened the public hearing.

Erin Micciche advocated for the Karen Hornaday Park playground project. In Soldotna the town takes pride in their playground and it provides an amazing sense of community, bringing families closer together.

Miranda Weiss, city resident, thanked the Parks and Recreation Advisory Commission for their recommendations for the Karen Hornaday Park playground, Council, and the Micciche family. At the last council meeting she issued a challenge to raise \$22,000 before this meeting and instead raised \$31,000. Over an eight day period from May 20 – 27 the playground will be built by hundreds of volunteers. On March 7 from 5:30 p.m. to 7:00 p.m. there will be an informational presentation at Paul Banks Elementary.

Soldotna Mayor Peter Micciche told Council few city dollars were spent for the nearly \$1 million dollar Soldotna playground. Their playground project defines the community and defines quality of life. He urged Council to support the allocation and announced ConocoPhillips is donating \$10,000.

Mayor Hornaday closed the public hearing.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-06 by reading of title only for second and final reading.

LEWIS/WYTHE - SO MOVED.

Councilmember Zak moved to amend to increase the amount to \$75,000 and then withdrew his motion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 12-07**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2012 Operating Budget by Appropriating and Transferring \$81,000 from the General Fund Reserve (Fund Balance) to the City Hall Complex Budget for the Purpose of Acquiring New Furniture at City Hall. City Manager. Introduction February 13, 2012, Public Hearing and Second Reading February 27, 2012.

Memorandum 12-023 from City Manager as backup.

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

Mayor Hornaday called for a motion for the adoption of Ordinance 12-07 by reading of title only for second and final reading.

HOWARD/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. ROBERTS, WYTHE, ZAK, HOWARD, LEWIS

VOTE: NO. LEWIS

Motion carried.

- C. **Ordinance 12-08**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant from the Kenai Peninsula Borough for FY 2009 and FY 2010 in the Amount of \$35,512.50, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction February 13, 2012, Public Hearing and Second Reading February 27, 2012.

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

Mayor Hornaday called for a motion for the adoption of Ordinance 12-08 by reading of title only for second and final reading.

HOWARD/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 12-09**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2012 Operating Budget by Appropriating \$27,275.01 (in Equal Amounts from the Public Works, Water and Sewer Reserve Accounts) for the Purchase of a Used Skid-Mounted Steamer Equipment Unit. City Manager/Public Works Director. Introduction February 13, 2012, Public Hearing and Second Reading February 27, 2012.

Memorandum 12-024 from Public Works Director as backup.

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

Mayor Hornaday called for a motion for the adoption of Ordinance 12-09 by reading of title only for second and final reading.

HOWARD/ROBERTS - SO MOVED.

Councilmember Hogan expressed concern that the ordinance was not introduced as an emergency ordinance. The money has already been spent prior to Council's vote. There's no doubt the equipment is needed, it's the amount of money for a used piece of equipment. The used equipment costs 85% of what a new piece would cost, when he found the same steamer unit on *Craigslis*t at 20% of the cost. He expressed concern of buying equipment without the proper RFP process.

Councilmember Roberts understands the concerns of Councilmember Hogan and had asked at the last meeting whether an emergency ordinance was needed. The City Attorney advised it was okay to proceed with the regular ordinance.

VOTE: YES. LEWIS, ROBERTS, WYTHER, ZAK, HOWARD

VOTE: NO. HOGAN

Motion carried.

- E. **Ordinance 12-10**, An Ordinance of the City Council of Homer, Alaska, Enacting Homer City Code Chapter 21.27, East End Mixed Use District, Amending Homer City Code 21.10.010, Zoning Districts, and Amending the Homer Zoning Map to Rezone Portions of the Rural Residential, General Commercial One and General Commercial Two Zoning Districts to East End Mixed Use. Planning. Introduction February 13, 2012, Public Hearing and Second Reading February 27, 2012.

Memorandum 12-028 from City Attorney as backup.

Memorandum 12-021 from City Planner as backup.

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

Mayor Hornaday called for a motion for the adoption of Ordinance 12-10 by reading of title only for second and final reading.

HOWARD/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

CITY MANAGER’S REPORT

A. City Manager’s Report

1. Natural Gas: We met with Enstar representatives this week to go over design and cost estimates for the distribution system. I asked Enstar to provide cost estimates for three LID options for Council consideration. Those options are 1) the “core area” 2) the entire City limits and 3) the core area plus a loop that goes up West Hill, across Skyline, and down East Hill. At the last meeting, Council members had several questions for Enstar. Answers to those questions are attached. This agenda contains a resolution expressing support for the \$1.00 per mcf increase idea. We anticipate that ordinances amending the code to provide for gas main LIDs and for regulation of gas main utilities in the ROW will be ready for introduction at the first meeting in March. A resolution expressing the necessity to create an LID and starting the process to seek landowner approval can be expected in April.
2. Customer Charge / Multi-family Dwellings: The new customer charge for residential units in multi-family dwellings which was approved by the Council last year is about to go into effect. Some of you have been contacted by apartment building owners who have expressed disapproval. It might be a good time to remind ourselves why the Council enacted this change. Customer charges for residential units within multi-family dwellings are very common. The staff have been recommending this for a number of years and Council approved it in June as part of setting the overall fee schedule for the next two years. Recall that the Council changed the commodity fee from commercial to residential and added the customer fee for each unit. Customer charges cover the fixed costs associated with maintaining the infrastructure. In December, the Council dropped the requirement that each unit have a separate meter and went with an administrative charge instead in part, to save money for contractors and dwelling owners. The Council made the change to customer charges for the following reasons:
 - Fairness: it was seen as unfair that single family homes paid a customer charge but apartments did not. Everyone benefits from the distribution system,

fire hydrants etc. being maintained properly. This spreads the cost more equitably.

- Increase Customer Base: One of the goals of the Council has been to increase the customer base to balance the budget and keep the Water and Sewer Fund in the black. This added approximately 400 customers and significant additional revenue.
 - Stable Fees: The Council did not wish to raise the basic fees for water and sewer for the next two years. The Council was able to keep fees at the current level with no increases by reducing its contribution to depreciation reserves to a minimal amount and spreading costs more equitably among the residential customer base.
3. Health Insurance Broker: During the budget discussions at the end of last year, the Council approved an employee contribution toward the cost of providing health insurance. During this discussion, the Mayor and several Council members expressed an interest in having a workshop with the city insurance broker, Jeff Paxton. That workshop has been scheduled for 4 Pm on March 19th. I would be interested in hearing what topics the Council may wish to discuss and learn more about. Some topics may have to be in executive session depending upon how deep you want to get into the details of things like spending on certain types of coverage (HIPPA and privacy regulations). For now, I have indicated to Jeff that we would like him to discuss broad topics that could be discussed in open setting such as trends in health care costs, city spending on insurance, projected costs in the future, ways to control costs and the role of the broker, and the impacts on Homer that the new Health Care law will have, including the tax implications.
 4. Term Contracts: Carey has issued a request for proposals for engineering services for term contracts. The two are for engineers to provide civil (roads, trails, drainage, etc) and water and sewer engineering services. Another RFP is on the way for marine engineering. Term contracts have worked very well for us in the past. They allow us to move quickly and be more efficient because we do not have to issue an RFP every time a new project comes up. This will help us move ahead quickly on some of the capital projects we have and in some cases, provide the project management assistance we need.
 5. Airport Doors: In the 2011 Operating Budget, the Council approved \$25,000 to replace the glass sliding doors at the airport terminal. The building maintenance staff has been researching different types of sliding glass doors and companies that would provide and install them. The staff has been spending many hours repairing and nursing these doors along and recently they have become inoperable on occasions. Sometimes the doors are stuck in the open position; something we clearly do not want in the winter. (See attached memo from PW Superintendent.) It was necessary to take action immediately. The Council has already approved the money but we did not have time to bring you a resolution approving the contract. Lakeshore Glass of Homer was the lowest responsible bidder at \$21,850. Work is proceeding.
 6. HB 312: This is a bill that we are watching closely which could have big impacts for Homer residents if natural gas arrives in the community. Katie testified in favor at a hearing last week and Linda Anderson is working on it as well. Council has not formally expressed an opinion on this one so we want to bring it to your attention and make sure you knew that we are working on it. HB 312 would provide low interest loans to businesses and residents who wish to make the conversion to natural gas.

7. Building Art: This agenda contains a memorandum with recommendations from the Public Arts Committee regarding how public art should be displayed in the expanded and renovated City Hall. There are other locations within the building that are calling out for art and the Arts Committee has expressed a willingness to help secure it. That raises a number of issues about the donation of art and the display of art by local residents in public buildings that probably should be discussed. It would be good to have policies in place before we leap into this. We have already addressed this issue to some degree at the library.
8. Community Recreation Program: New schedules for sports activities at the High School and Middle school have been established that put a severe squeeze on Community Recreation Programs. Some of the most popular programs (most participants and most revenue) will be seriously impacted and may even have to be cancelled. The future of the program is uncertain and the current contract with the School District expires at the end of June. This has renewed interest in moving some if not all of the Community Rec. Programs to the HERC Building. It would be good if Council could have a discussion about this sometime soon.

City Manager Wrede reported on the FEMA flood hazard maps that produced a fair amount of concern with Council and the community. City Planner Abboud has been working with FEMA and the assumptions behind the data and just learned that FEMA has changed the maps. The good news is the end of the Spit is now in the 100 year flood zone, alleviating special regulations or higher insurance costs. The map amendments have dramatically improved the situation for the City.

The Borough and State declared a disaster for the November windstorm damage and subsequently President Obama declared the Kenai Peninsula Borough a disaster. In the storm, two fenders of the Deep Water Dock were severely damaged. They will be fixed as quickly as possible. We have applied for reimbursement from FEMA. Pier One Theatre had roof damage from the windstorm and is applying for reimbursement too.

City Manager Wrede indicated water bills that include charges for multi-family dwellings will go out soon. He asked that Council let him know if they wish to amend the rates or classifications. Councilmember Hogan had concerns of how Resolution 11-094(S) was adopted, without public notice of the substitute resolution. Councilmember Hogan is not comfortable with the resolution as there was no mention to the public we were going to institute the rate classification change. An opinion from City Attorney Klinkner on the subject indicated sufficient public notice was given.

Councilmember Lewis recollected we were going to have meters for every single apartment complex. The owners would have to pay for the meters and would have the same charges. We took out the requirement and cost of putting in the meters; you no longer have to have an individual meter for each apartment. The charge for each apartment was already there. People are saving money by not having to redo plumbing for individual meters.

Councilmember Hogan noted the Council passed an ordinance and rescinded it. Resolution 11-094 was advertised and the title said there would be no changes to the fee schedule. Substitute

Resolution 11-094(S) added a separate classification of service. He plans to bring forth a new resolution at the next meeting to change that.

Councilmember Roberts stated we changed apartment people from commercial to residential last summer. Multi-family dwellings would have a meter. In December we said it was onerous and we would eliminate meters from family dwellings. We eliminated the one charge.

Mayor Hornaday reflected he had vetoed a water/sewer rate increase and last time was insistent we not raise the rates. He noted:

- For those with existing leases, if you subtract the savings from commercial to residential the individual fee was a \$15 increase.
- Apartment owners who are not involved in a preexisting lease had to pay the full \$45 increase.
- There are a number of people on subsidized low rental programs. If the \$45 increase goes into effect those people can no longer afford their apartments. He is concerned they may be forced out.

Councilmember Lewis commented we tried to get everyone on the same playing field. A number of people own homes and make monthly payments. Apartments are getting away with one rate for many users, yet the single family pays.

Finance Director Mauras reported in July she did an analysis on costs for all multiplex units showing the monthly differences. A 10 plex will pay \$2,000 less as they will pay residential rates. There are reduced rates for water usage; some are paying more, but most are paying less.

Councilmember Hogan questioned the RFP for replacement of the airport doors. He contacted a vendor who said the proposal asked specifically for Tormax doors. If you put it out for RFP and only specify one brand, what happens to other brands? Councilmember Hogan commented the procurement process is broken. We need to spend money in the interests of the citizens.

Councilmember Roberts commented on the new art in the new building. She thanked the Public Arts Committee for all their work.

Councilmember Lewis asked about the Community Recreation Program and if we moved as many programs as possible to the HERC building how it would affect negotiations with the other schools. City Manager Wrede answered it would help since there is concern of elimination for some programs or scaling back due to classroom space. The Boys and Girls Club has the gym for wrestling. The biggest loss is the high school gym and mat room. Asked by Councilmember Lewis if Council has the funds to keep the entire building heated, City Manager Wrede answered revenues could be made as there are inquiries to rent the HERC building. There is no fee schedule or rental agreement for the building.

Councilmember Wythe noted if we start using the HERC building for another institution we would have to upgrade accessibility and code regulations. City Manager Wrede agreed some upgrades would be needed. We have been holding off from using the sizeable depreciation

account for that building. Councilmember Wythe asked if it was a multi-million account as a couple hundred thousand dollars would not be enough to bring the building up to code.

Councilmember Roberts asked if the money currently paid to the school district to have Community Recreation in their building would be equal to maintain the other building. City Manager Wrede answered the money we are paying the school district was a legislative grant and is running out. Next year \$6,000 will come out of the general fund to pay the school district.

B. Bid Report

CITY ATTORNEY REPORT

COMMITTEE REPORT

A. Public Arts Committee

Public Arts Committee Chair Angie Newby thanked Council for supporting their budget request and their input on the City Hall art. The committee is working to get the Welcome to Homer sign at the airport replaced with visible language. Gaye Wolfe has been the PAC liaison, working diplomatically with groups to provide art placement recommendations contained in Memorandum 12-027. Public art that has been stuffed in corners will be placed in visible spaces. Two more of the 1% for arts pieces are scheduled for installation.

A subcommittee is working on the Gateway project, specifically the Baycrest Hill portion. It is the same group of people that made the airport diorama photo display possible. Public Arts Committee Member Marianne Aplin collaborated with the Alaska State Parks, Kachemak Bay Research Reserve, and Fish and Wildlife to obtain the \$35,000 airport diorama at no cost to the City. The Baycrest Hill project will be driven by the community, but led by Alaska State Parks, Kachemak Bay Research Reserve, Fish and Wildlife, Homer Chamber of Commerce, Pratt Museum, and Alaska Department of Transportation. Baycrest Hill is the primary way to draw people into Homer.

B. Transportation Advisory Committee

C. Permanent Fund Committee

D. Lease Committee

E. Port and Harbor Improvement Committee

F. Employee Committee Report

PENDING BUSINESS

NEW BUSINESS

- A. **Memorandum 12-027**, From Public Arts Committee, Re: Recommendation on Placement of Existing City Owned Artwork Within City Hall Public Areas.

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandum 12-027 for placement of existing artwork within city hall public areas.

HOWARD/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

RESOLUTIONS

- A. **Resolution 12-017**, A Resolution of the City Council of Homer, Alaska, Expressing Support for a One Dollar Per Mcf Tariff Increase on the Price of Natural Gas in the Area Served by the Proposed South Peninsula Natural Gas Pipeline as a Local Contribution to the Cost of Constructing the Line. City Manager.

Councilmember Wythe declared a conflict of interest. She did not attend the last meeting when the gas line was discussed, but asked that Council determine her conflict.

Mayor Hornaday ruled Councilmember Wythe does have a conflict of interest. The City Attorney advised she did have a conflict.

HOGAN/LEWIS – MOVED TO OVERRULE THE MAYOR'S RULING.

Councilmember Hogan stated Councilmember Wythe has no more of a conflict than Council who receive credits from Homer Electric Association.

Councilmember Howard will not support the overruling, but instead will follow the advice of the attorney.

VOTE: (overrule) YES. HOGAN, LEWIS

VOTE: NO. ROBERTS, ZAK, HOWARD

Motion failed.

Councilmember Wythe excused herself from discussion on the resolution.

Mayor Hornaday called for a motion for the adoption of Resolution 12-017 by reading of title only.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Wythe rejoined the meeting.

COMMENTS OF THE AUDIENCE

Larry Slone, city resident, told Council he was blindsided on the water/sewer rates. His multiplex unit will be affected with a \$90 per month increase from the current \$100 monthly charge he pays. His rental rates are already fixed. Mr. Slone referred to Councilmember Zak's amendment to increase the HoPP contribution by \$25,000 and encouraged Council to use restraint when spending public funds.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Hornaday had no comment.

COMMENTS OF THE CITY COUNCIL

Councilmember Wythe thanked Soldotna Mayor Micciche for coming to Homer and the additional funding from ConocoPhillips for the playground project. She appreciates his efforts on our behalf.

Councilmember Roberts commented on remarks made by Larry Slone. If the playground equipment appropriation ordinance was amended to change the contribution from \$50,000 to \$75,000 it would require more public testimony. It is a substantive amendment so the public would be noticed to allow them the opportunity to testify.

Councilmember Zak commented he is glad he asked for the increased playground equipment contribution and hopes it will go back to the Parks and Recreation Advisory Commission and

they will recommend an increase. There is value in the HoPP, both economically and bringing the community together. He appreciates meeting with the lobbyists and the update and asked for another meeting before the legislative session ends.

Councilmember Hogan expressed appreciation to Mayor Micciche for coming to Homer to offer support for the HoPP. He wonders what issue we can send to Mayor Micciche.

Councilmembers Howard and Lewis had no comment.

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 7:37 p.m. The next Regular Meeting is Monday, March 12, 2012 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

JO JOHNSON, CMC, CITY CLERK

Approved: _____