

Session 12-08 a Regular Meeting of the Homer City Council was called to order on March 12, 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, WYTHER, ZAK

ABSENT: ROBERTS (excused)

STAFF:
CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER
CITY PLANNER ABOUD
COMMUNITY AND ECONOMIC
DEVELOPMENT COORDINATOR KOESTER
FINANCE DIRECTOR MAURAS
LIBRARY DIRECTOR DIXON
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Councilmember Roberts has requested excusal.

Mayor Hornaday declared Councilmember Roberts' absence as excused and there was no objection from the Council.

Council met as a Committee of the Whole from 5:00 p.m. to 5:46 p.m. to 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:

PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA - Written comments on natural gas pipeline; **RESOLUTIONS** - **Resolution 12-018**, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Fee Schedule to Provide that a Multifamily

Residential Account Customer is Charged Only a Single Monthly Sewer and Water Customer Charge. Hogan; Multi-Family Unit Water Rates for Other Communities on the Peninsula and Current and Proposed Charges for Water for Multi-Family Properties in Homer; **Resolution 12-021**, A Resolution of the City Council of Homer, Alaska Approving the Establishment of a Campground Host Program in City Parks and Authorizing the City Manager to Execute the Appropriate Documents and Initiate the Program. City Manager/Parks and Recreation Advisory Commission; Revised Campground Host – Volunteer Program Provisions (Atty. Klinkner)

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Shelly Erickson, city resident, spoke in opposition of funding the infrastructure for Enstar. It is risky and putting the citizens of Homer at risk.

Deb Cox, city resident, spoke in support of Resolution 12-019 for overall improvements at Karen Hornaday Park.

Donna Rae Faulkner, city resident, conferred with Shelly Erickson on the gas line. She expressed opposition to Ordinance 12-14.

Phil Needham, Homer resident, spoke in favor of Resolution 12-019, specifically the ball fields for the Little League. Much drainage work has been done at the Karen Hornaday Park. Money is needed for fences, new gates, and dugouts. The high school kids may be willing to help.

Wylie Donich, city resident, spoke in favor of Resolution 12-019, specifically for the needed ball field improvements. The fields are in disrepair and unsafe.

Nahoa Jette, Homer resident, spoke in favor of Resolution 12-019. Little League is a large organization for Homer affecting 200 kids. When outside teams visit it is embarrassing due to the state of disrepair of the ball fields at Karen Hornaday Park.

Chris Donich, Homer resident, advocated for Resolution 12-019. Many teams come from out of town for the baseball tournaments. Although there are businesses that contribute to Little League most of the money goes to uniforms and equipment.

Jerry Morrison, Homer resident, supports Resolution 12-109.

Walt Suomela, Homer resident, supports Resolution 12-018. He read and presented a petition with 14 signatures on water rates.

Keren Kelley, city resident and Executive Director of Homer Senior Citizens, spoke in support of Resolution 12-018. The increased water rates for the center and the senior citizens create a hardship.

Jane Beck, Homer resident, supports Resolution 12-018 and asked Council to consider the fairness of water rates. She owns two 6-plexes on adjoining lots and purchased individual water meters for one 6-plex. She asked that individual meters be read and was told the City was unable to provide the services.

Miranda Weiss, city resident and co-coordinator of HOPP, supports Resolution 12-019 in the Little League getting funds for ball field improvements and the other funds for Karen Hornaday Park.

Larry Tripp owns two 4-plexes and his bill went up to \$320. He could buy bulk water for \$70. If there is an increase in service charges it needs to be against everyone, commercial and residential.

Dave Mastolier, city resident, supports Resolution 12-018. He owns two 4-plexes and the City was quick to notify him the rates were going up \$4,300 per year. No one notified him prior to voice his opinion. The rate increase is outrageous.

Larry Slone commented Resolution 11-094(S) adopted in December modified rates for apartments from a \$45 single rate to \$45 for each unit. The increase was to pay for ongoing maintenance of the water/sewer enterprise fund. Funds were set aside previously \$200,000 - \$500,000 per year; we are running out of money to put into maintenance. Although he will see an increase in his rates for his tri-plex, he is willing to pay his fair share.

Mike Hayes supports Resolution 12-019 for the ball fields. The goal is to increase the Little League numbers and after school programs. There is a lot of interest in baseball.

Gary Thomas, city resident, spoke on Resolution 12-018 for the Quiet Creek Homeowners Association. Ordinance 11-26 was adopted pertaining to the number of water meters per lot, instead of meters in every unit. Then Resolution 11-094(S) was passed that only required one meter for multi-units but would charge for all units. Water rates have increased in the five buildings in Quiet Creek, yet there was less usage. He urged Council to vote yes on Resolution 12-018 and roll the rates back to the previous standards. Council should look for a different way to satisfy the financial needs.

Lloyd Denine owns a tri-plex and had a \$135 increase. He will have to pass the expense on to his renters, an extra \$50 per month. It is not fair to be charged for something we do not have.

Gail Dixon owns a 4-plex and rents to lower income working people who can't afford to buy a house. She provides all utilities. Oil for last year was \$6,300, electricity \$3,100, and the water bill will be \$4,800. It is a lot of money to pass on to her tenants as most of them work for less than \$10 per hour and only 32 hrs. per week.

Leonard Wells, city resident, urged Council to pass Resolution 12-018 tonight or take a look if Resolution 11-094(S) had been properly done. With the fiscal notes on the prior resolution he questioned the public hearing associated with it. Something needs to be done on the water rates and the City could use general funds if it chose to.

Willie Flyum, city resident, asked Council to vote yes on Resolution 12-018. His rates went up \$250 because of the \$45 fee on each unit. He would have appreciated if the City had sent a letter of the rate increase so he didn't have to take the water bill to each tenant to explain the \$45 per month increase.

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 Special and Regular Meeting minutes of February 27, 2012. City Clerk. Recommend adoption.
- B. **Memorandum 12-032**, from Mayor, Re: Appointment of David Groesbelk to the Library Advisory Board.

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

WYTHE/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

A. Mayor's Proclamation – 30th Anniversary Alaskan Coastal Studies

Mayor Hornaday read the proclamation and presented it to Beth Trowbridge and Dave Aplin of the Alaskan Coastal Studies.

Mayor Hornaday called for a recess at 6:53 p.m. and reconvened the meeting at 6:58 p.m.

Mayor Hornaday offered kudos to the parents, kids, and teachers at West Homer Elementary, rated a top elementary school in the nation. The recent Kachemak Bay Science Conference offered great discussions and arguments.

B. Borough Report

C. Commissions/Board Reports:

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

PUBLIC HEARING(S)

ORDINANCE(S)

- #### **A. Ordinance 12-11, An Ordinance of the City Council of the City of Homer, Alaska, Amending the Homer City Zoning Map to Rezone Portions of the Rural Residential (RR) and General Commercial Two (GC2) Zoning Districts to Conservation (CONS). Planning. Recommended dates: Introduction March 12, 2012, Public Hearing and Second Reading March 27, 2012.**

Memorandum 12-033 from City Planner as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-11 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

WYTHE/LEWIS - MOVED TO AMEND BY INSERTING AFTER THE 2ND WHEREAS: "WHEREAS, THE HOMER COMPREHENSIVE PLAN CLASSIFIES THE BLUFF POINT CONSERVATION AREA DESCRIBED AS KENAI PENINSULA BOROUGH PARCEL NO. 173-160-06 FOR CONSERVATION USE, AND THE STATE OF ALASKA HAS ACQUIRED THIS PARCEL FOR CONSERVATION OR INCLUSION IN KACHEMAK BAY STATE PARK; AND."

There was no discussion.

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

Motion carried.

Councilmember Hogan expressed opposition to the ordinance, although he appreciates the information brought forward from Planning of the impacts to the birds and the FAA safety zone.

VOTE: (main motion as amended) YES. WYTHE, ZAK, HOWARD, LEWIS

VOTE: NO. HOGAN

Motion carried.

- B. **Ordinance 12-12**, An Ordinance of the City Council of Homer, Alaska, Amending the 2012 Operating Budget to Purchase Water Meter Reading Software/Hardware from the Water and Sewer Reserve Accounts in an Amount Not to Exceed \$15,425. City Manager/Public Works Director. Recommended dates: Introduction March 12, 2012, Public Hearing and Second Reading March 27, 2012.

Memorandum 12-034 from Public Works Superintendent as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-12 for introduction and first reading by reading of title only.

WYTHE/LEWIS - SO MOVED.

Councilmember Hogan asked if the meter reading software/hardware had gone out for RFP (Request for Proposals) for other items that would meet the same service.

City Manager Wrede answered we did not go out for RFP. The meters and meter readers were bought as a unit. For it to go out to bid we would have to replace all home meters, a major expense.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

C. **Ordinance 12-13**, An Ordinance of the City Council of the City of Homer, Alaska, Enacting Homer City Code Chapter 11.24, Utility Use of Rights-of-Way. City Manager/Public Works Director. Recommended dates: Introduction March 12, 2012, Public Hearing and Second Reading March 27, 2012.

Mayor Hornaday ruled Councilmember Wythe had a conflict of interest. Councilmember Wythe excused herself from participation.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-13 for introduction and first reading by reading of title only.

LEWIS/HOWARD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Wythe returned to join the meeting.

D. **Ordinance 12-14**, An Ordinance of the City Council of Homer, Alaska, Repealing and Reenacting HCC Chapter 17.04 Regarding Special Assessment Districts. City Manager. Recommended dates: Introduction March 12, 2012, Public Hearing and Second Reading March 27, 2012.

Memorandum 12-035 from City Attorney as backup.

Mayor Hornaday ruled Councilmember Wythe had no conflict of interest.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-14 for introduction and first reading by reading of title only.

LEWIS/ZAK - SO MOVED.

Councilmember Hogan expressed opposition to the ordinance.

Councilmember Howard commented she appreciates the cleanup for the Special Service District, but there are three whereas clauses that support natural gas. The citizens should be allowed to weigh in.

Councilmember Wythe commented anytime we are going to create a forced assessment she supports a unanimous vote. If not using the LID (Local Improvement District) as a primary process for approval she favors more than four council members in acceptance.

City Manager Wrede suggested the ordinance could be amended.

VOTE: YES. LEWIS, ZAK

VOTE: NO. WYTHE, HOWARD, HOGAN

Motion failed.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Natural Gas: We are following through with the action plan discussed by the Council at the workshop last month. The Council has now passed a resolution in support of the \$1.00 per MCF tariff. At this meeting, two ordinances are up for introduction. One governs utilities, including gas mains, constructed within the ROWs. The other amends the Local Improvement District chapter of the code to allow for gas utility LIDs. We are discussing alternative methods for financing the distribution system build-out including one that we will do some work on in Juneau this week. I am preparing a progress report of the work Homer is doing in preparation for gas to distribute to the Governor and the Legislature. The next big step is for Council to initiate the LID process. I anticipate bringing you the first resolution starting the process in April. Enstar is in the process of providing me with cost estimates for doing distribution work in the entire town. They are also looking into whether the tariff could be amended to allow lots that front on the main transmission line to be part of an assessment district. The answer has big implications for

how much each lot would pay. I covered a lot here quickly. Please don't hesitate to ask questions.

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 since there appears to be some confusion and misinformation out there. Customer charges for residential units within multi-family dwellings are very common. The staff has been recommending this for a number of years and Council approved it this summer 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 a number of reasons including:

- 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.

NOTE: Since the last meeting, Council member Hogan has sponsored a resolution that would rescind the resolution which formally establishes the customer service charge for units in multi-family dwellings. The resolution retains the commodity charge at residential rates as opposed to restoring them to commercial rates as they were before. This will result in an estimated \$175,000 budget deficit. Also, you have been provided with a legal opinion which states that the resolution Mr. Hogan wants to rescind was adopted legally. The opinion takes no position as to whether public notice could have been improved as a matter of policy.

3. Lake Street / Refined Scope of Work: You may recall that a rebuild of Lake Street is included in the STIP. Rick Abboud has been working with DOT/PF and encouraging them to construct separated sidewalks and/or a bike trail on either side of the road. He and Carey have also suggested that a bike lane on the West side of the road would also be beneficial as an alternative. Last week we had a teleconference with DOT/Pf about Lake Street. DOT/PF stated that because of drainage, drainage infrastructure maintenance, ROW issues, and other concerns, they felt that a separated sidewalk or bike path on the

West side would be problematic. They suggested a bike lane instead and asked if that was acceptable to the City. Under that scenario, Lake Street would have a sidewalk on one side and a bike lane on the other. Not ideal, but a big improvement over what we have now. We told them that would likely be acceptable but before a plan like that gets finalized, I wanted to see if Council has any objections or comments.

4. E-Mail Training: Last year the Council had a discussion with City Attorney Holly Wells about the Council's use of e-mail to conduct official, council related business. There was discussion about what is subject to disclosure as a public record and what is not. There was discussion about the possible problems with doing official business on your personnel computer, especially if that computer is not tied into the City server. I have spoken to Holly about this recently and she is ready to talk to Council about this when you are ready. There was talk about a possible training session, technological solutions, and possible code or operating manual amendments. So, Council has a lot on its plate right now but this seems like something we should address sooner rather than later. Let me know what you think and Jo and I will set something up.
5. Community Economic Development Strategy (CEDS): The Council has adopted a Community and Economic Development Strategy. We would like to begin implementing some of the objectives in the plan and are looking for a good place to start. One of Katie's responsibilities is to work with the EDC on recommendations to the Council about how to prioritize and implement the objectives in the plan. A strategic plan for implementing the CEDS is on the EDC work plan. Before the Commission dives into this, it would be useful to get some feedback from the Council about what its priorities are with respect to economic development. That might help the Commission to focus its time and energy in a direction that that Council would find most helpful. If Council is interested in this approach, let me know and we'll discuss it further.
6. Juneau Trip: At the request / recommendation of the City Lobbyist, I will be travelling to Juneau Wednesday March 14th to Friday, March 16th. Linda thinks it would be a good idea to have a presence while the Senate is still working on the Capital Budget. There are two meetings scheduled in the Governor's office and meetings with key legislators. The focus will be updates on progress with the gasline and the gas distribution system, financing for the distribution system, harbor project priorities, the Deep Water Dock, and other top CIP priorities, especially the Nick Dudiak Fishing Lagoon and the Skyline Fire Station.
7. KPB Ordinance 2012-06: Mayor Hornaday inquired about the impacts this ordinance might have on Homer residents and businesses. Attached is an analysis and some background information prepared by City Planner Rick Abboud. Please let us know if you wish to discuss this further or in more detail.
8. 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.
9. Denali Commission Grant: The City has been waiting for months to get the "official" word that the Denali Commission grant for engineering and design of several priority

(revenue bond) harbor projects has been awarded. We received that word over the past week. We expect to receive a grant agreement soon and will be bringing you an ordinance accepting the grant and appropriating the money.

10. 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.
11. Building Art: The Public Arts Committee is implementing the memorandum that was adopted at the last meeting. The Committee has inventoried all of the public art in the City collection and is putting it on display in the various public areas at City Hall. The work is not yet complete but I think the public will be pleased when it sees it. Sometime this spring we plan to have an open house and that will be an opportunity for Homer residents to see the new expansion and renovation of the building. It will also be a good time to see the public art on display. It might be worth doing something in conjunction with First Friday.
12. 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; particularly in the spring. 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.
13. Capital Projects: We are making a concerted effort to move some of the City's capital projects forward. If everything goes according to plan, we should be designing and permitting the extension of the Spit Trail this spring and summer in anticipation of construction next spring at the latest. Some work has already begun on the cruise ship improvements (the \$6 Million Legislative Grant). Progress is being made on the Beluga Slough Trail and on Karen Hornaday Park Improvements. The Deep Water Dock expansion feasibility studies should commence this summer.

City Manager Wrede reported that Council has always considered fairness of the water/sewer enterprise funds. Expenses have to meet the revenues. The commercial users are upset or residential users are upset. It always will be a fairness issue on how to allocate expenses. When Council began water/sewer rate discussions they considered the fairness of residential users paying a customer charge when apartments did not. There are 55 miles of line, pressure reducing stations, lift stations, an expensive water treatment plant, and award winning water. There are only 1,500 customers. A customer charge for units within multi-family dwellings has been discussed before. Everyone else on the Kenai Peninsula does the same thing, although they may do it a little bit differently. Some communities charge a customer charge even though there is not a meter, but they charge less for single families. Apartment owners argued loudly that they should not be charged commercial rates. Council found a compromise by lowering multi-family

commercial rates down to residential but installed a customer charge on apartments and multi-family dwellings so all residences would pay the same customer and commodity charge.

The Denali Commission Grant of \$440,000 is specifically for Ramp 3, the float replacement, and system 5 upgrades.

Councilmember Howard asked that workshops be scheduled for Council to receive email training, discuss the Community Economic Development Strategy (CEDS), and discuss the Community Recreation Program. City Manager Wrede suggested a 2-hour worksession for CEDS and the Community Recreation Program, an hour for each on an off council meeting date. The CEDS could be a joint meeting with the Economic Development Advisory Commission to show the commission Council's priorities. Councilmember Wythe asked if Council could meet prior to meeting with EDC to establish their direction on CEDS. April 9th was suggested for the worksession. Another date for email training is to be considered at Council's meeting of March 27th.

Councilmember Hogan commented on #8 Term Contracts and asked if the Procurement Policy required Council to approve issuance of an RFP.

City Manager Wrede answered he had told Council the RFP would be issued for engineering services term contracts and Council approved. A resolution to approve the firm selected will come before Council for approval.

Councilmember Hogan commented he does not agree with term contracts and would rather RFP for contractual services.

City Manager Wrede answered we are RFPing for contractual charges. This cuts red tape, adds efficiency, and cuts costs. Some are projects we never plan on, such as the damage to the Deep Water Dock. If we have to RFP for every project it could add months to the process with a selection committee and a resolution before Council. Selection of a term contract for engineering services provides flexibility and the ability to do things efficiently and quickly.

Councilmember Wythe commented there are many projects and money in grant funds to be used in an expedient manner. It behooves us to put a term contractor in to reduce two months wait and allow the Public Works Director to manage Public Works. It reduces the costs and moves projects along.

Councilmember Howard asked if the Community Recreation Program was an urgent concern.

City Manager Wrede answered Council will be faced with the question of the Community Recreation Program this spring. The Boys and Girls Club will move out of the HERC building in May and the building mothballs. The contact with the school district will be up July 1. There are big decisions to make.

Councilmember Howard suggested Council discuss the Community Recreation Program first.

Mayor Hornaday asked about keeping the building open and the costs associated with it.

City Manager Wrede answered we can give good numbers on what it costs to keep the building and the Community Recreation Program open and the variables as to how much revenue we can raise. If we start to change the use of the HERC building we may need to comply with more building codes, including sprinklers and asbestos management. The City has a couple hundred thousand in depreciation accounts. The Borough Mayor expressed an interest in talking to the Borough Assembly. We didn't realize the extent when we took possession of the HERC building for \$1.

Councilmember Wythe asked that we look at the use of the facility partially for the public and partially for rental. Covenants for use of the property are needed information when looking at a determination.

City Manager Wrede commented the City Attorney's opinion from review of the covenants is that the building may be used for a public purpose. The Borough Mayor talked about the Borough Assembly removing the restriction that the City of Homer can't sell the property. If we can't use the building since it is a liability, we could ask to change the restriction to sell the building and the proceeds could be used for public purpose.

Mayor Hornaday expressed interest in all aspects to keep the Community Recreation Program running.

City Manager commented there is a lot of support for recreation and something for the kids to do.

B. Bid Report

CITY ATTORNEY REPORT

Attorney Klinkner provided a written report to Council. There were no questions asked of him.

COMMITTEE REPORT

- A. Public Arts Committee
- 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

RESOLUTIONS

- A. **Resolution 12-018**, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Fee Schedule to Provide that a Multifamily Residential Account Customer is Charged Only a Single Monthly Sewer and Water Customer Charge. Hogan.

Mayor Hornaday called for a motion for the adoption of Resolution 12-018 by reading of title only.

HOGAN/ZAK – SO MOVED.

Councilmember Lewis does not support the resolution. He has talked with a lot of homeowners who feel they are subsidizing apartments. They were shocked to find out they were paying a monthly fee when multi-use users were not. Multifamily are like individual residents; they are not commercial. There are some individuals that are just barely making it, including renters, and he doesn't feel the rate adjustment is fair.

Councilmember Zak supports the resolution. Council defeated other ordinances to allow residents of Kachemak City to hook into water. It would provide more users on the system, reducing costs for all.

Councilmember Hogan commented it is just a bandaid. There are a lot of inequities in the water and sewer enterprise fund. The rate structure is based on discrimination; we charge less for one group, more for another, and it is not working. He expressed the most disappointment in Council turning down the establishment of an advisory commission for the water/sewer enterprise fund.

Citizens are smart enough to come up with a solution for the revenue problem and smart enough to offer advice on the expense side. We need to address both sides. He hopes Council will address the rate structure before June. We need to get on it now and involve the citizenry.

Councilmember Wythe expressed opposition to the resolution. In response to Councilmember Hogan she added the community has a lot of intelligent people and to imply the Council by acting on behalf of the citizenry is ensuing they are ignorant is kind of absurd. Council is not a dictatorship; they were voted by citizens of the community and are doing the best job they can. It is an expensive water/sewer system with a small portion of people contributing to it. She doesn't believe that those citizens who do not utilize the water/sewer system should contribute through subsidizing the water/sewer enterprise fund with the general fund. Until we get some infilling with additional properties using water and sewer, the rates will not be any better. The cost is not due to bad management, it is an expensive system to maintain and we still have to maintain the infrastructure. There are a lot of accusations implying a bad faith job of running the system. If we had been able to provide some remedy for a reduction in rate she may have been able to offer support for the resolution. But by taking half back and not the other half by saying we are going back to multi-family residential rates, with no reduction in water rate costs is not a viable option. It is bad business to go in the hole by \$200,000 to pay for the fund. She prefers to address it soon with the next potential meeting being April 9th.

Councilmember Lewis asked if a person has a residence and leaves for months and wants the water shut off, is there a charge for the shutoff and the water/sewer rate.

Finance Director Mauras answered the customer pays one half of the monthly customer charge while absent.

Mayor Hornaday expressed great concern for the low income people; \$45 a month is a lot for some people.

Finance Director Mauras reminded everyone that the rates that went out for multi-users was incorrect and a new corrected billing is going out tomorrow. Multi-users water usage was charged at commercial rates rather than residential rates. If a person has a problem with the number of units they are being charged for they should contact the Finance Department.

Mayor Hornaday commented he cannot support a deficit budget.

VOTE: YES. HOGAN, ZAK

VOTE: NO. LEWIS, WYTHE, HOWARD

Motion failed.

B. **Resolution 12-019**, A Resolution of the City Council of Homer, Alaska, Amending the Overall Karen Hornaday Park Project Budget, Including a New Allocation of Funds for Ball Field Improvements, Northern Parking Lot Improvements, and Day Use Area Improvements. City Manager/Parks and Recreation Advisory Commission.

Memorandums 12-036, 12-037, 12-038 and 12-039 from Parks and Recreation Advisory Commission as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-019 by reading of title only.

WYTHE/LEWIS – SO MOVED.

Councilmember Howard asked if we are giving the money directly to the Little League.

City Manager Wrede answered no, the grant allocates how the money will be spent and the Little League will not get the money directly. When the Little League is ready to buy supplies the City of Homer will purchase them.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

C. **Resolution 12-020**, A Resolution of the City Council of Homer, Alaska, Amending the Homer Public Library Policies for Computer Use and Internet Safety. City Clerk/Library Director.

Memorandum 12-040 from Library Advisory Board as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-020 by reading of title only.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

D. **Resolution 12-021**, A Resolution of the City Council of Homer, Alaska Approving the Establishment of a Campground Host Program in City Parks and Authorizing the City Manager to Execute the Appropriate Documents and Initiate the Program. City Manager/Parks and Recreation Advisory Commission.

Mayor Hornaday called for a motion for the adoption of Resolution 12-021 by reading of title only.

WYTHE/HOWARD - SO MOVED.

The Clerk will correct the resolution per reviser authority: strike first “a” in line 14, first whereas sentence.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Larry Slone commented Resolution 11-094(S) offered flexibility as to how to implement it. An apartment may be vacant for a month or two. He would appreciate Council addressing that.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comment.

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 Hogan commented we frequently have a lot of people here expecting to get justice from the City Council. They don't get justice; they get the results of the political process. If they are looking for justice they need to go elsewhere. The courts are a fair way to address justice. Councilmember Hogan disclosed that in the near future he will be in litigation with the City and resigned effective this meeting. A written letter of resignation was submitted to Mayor Hornaday.

Councilmembers Howard, Lewis, Wythe, and Zak had no comment.

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 7:42 p.m. The next Regular Meeting is Tuesday, March 27, 2012 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. A Worksession is scheduled for Monday, March 19, 2012 from 4:00 p.m. to 6:00 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: _____