

Session 12-09 a Regular Meeting of the Homer City Council was called to order on March 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: HOWARD, LEWIS, ROBERTS, WYTHER, ZAK

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

Council met for a Joint Worksession with Advisory Bodies from 4:02 p.m. to 4:50 p.m. to discuss the 2012 Land Allocation Plan. From 5:04 p.m. to 5:49 p.m. Council met as a Committee of the Whole to hear a report from Anderson Group, Lobbyists, discuss Memorandum 12-049 and Regular Meeting Agenda items.

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

AGENDA APPROVAL

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

The agenda was approved by consensus of the Council with the following changes: **VISITORS** - **Representative Seaton**, Legislative Update, 10 minutes; **ORDINANCES** - **Ordinance 12-16**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2012 Operating Budget by Appropriating and Transferring \$86,000 from the General Fund Balance to the Utility Fund, Water Operating Account, and Appropriating and Transferring \$86,000 from the General Fund Balance to the Utility Fund, Sewer Operating Account, to Compensate for the Reduction of Water and Sewer Customer Charges by Resolution 12-025. Mayor. Written public comment; **CITY MANAGER'S REPORT** - Kachemak City written comments on natural gas pipeline; Memorandum from Employee Committee, re: Worksession on Employee Health Benefits; Letter from employee, re: Artwork within City Hall; and Memorandum from Personnel Director, re: Kenai Peninsula Borough Health Care Meetings; **PENDING BUSINESS** - **Ordinance 12-01(S)(A)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.60.040, Definitions; Homer City Code 21.60.060, Signs Allowed on Private Property With and Without Permits; Homer City Code 21.60.070, Permits Required; Homer City Code 21.60.080 Design, Construction, and Maintenance; Homer City Code 21.60.090, Signs in the Public Right-Of-Way; **Homer City Code 21.60.095, Electoral Signs**; Homer City Code 21.60.100, Signs Exempt from Regulation Under this Chapter; Homer City Code 21.60.110

Signs Prohibited Under this Chapter; Homer City Code 21.60.130, Temporary Signs-Private Property; Homer City Code 21.60.150, Time of Compliance-Nonconforming Signs and Signs Without Permits; and Homer City Code 21.60.170, Enforcement and Remedies; and Repealing ~~Homer City Code 21.60.095, Electoral Signs~~; Homer City Code 21.60.120, General Permit Procedures; Homer City Code 21.60.140, Temporary Signs-Public Rights-Of-Way; and Homer City Code 21.60.160, Violations; Regarding the Regulation of Signs. Planning/City Attorney. HAPC minutes of March 7, 2012 as backup and Attorney Klinkner comments on Ordinance 12-01(S)(A).

By unanimous consent Council suspended the rules and heard Representative Seaton's report via Skype.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Larry Sloan, city resident, commented on the water and sewer rate schedules and the holes in it. He agrees with the creation of a task force and asked Council to roll the rates back to Resolution 11-094(S).

Keren Kelley, city resident and Executive Director of Homer Senior Citizens, commented they are different from a multi-family facility as they are a non profit Health and Social Services agency funded by grants. It is prohibitive to increase the seniors rent or the Senior Center would have to absorb the costs. She requested an exemption and for Council to consider all users across the board sharing the expense.

Bill Overway, Kachemak City Councilmember, read a letter from Mayor Phil Morris on the natural gas distribution line.

Jim Clymer, Board of Directors for the Senior Center, commented it would be proper to treat the Senior Center as a hospital.

Dave Weber, Kachemak City Councilmember, advocated for natural gas citing the following savings: 62% savings from fuel oil, 80% savings from propane, and 78% savings from electric. The savings to the Borough and all taxpayers in one year is \$693,000, or \$1,032,000 including the State. Railroads were built through state funding. The purpose of government is to do for people what they can't do for themselves.

Dave Mastolier, city resident, commented on water and sewer rates, a 40% increase for him. If an increase was needed it should be spread equally among all users. He suggested reducing expenditures and adjusting the charge per gallon, urging conservation.

RECONSIDERATION

CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Regular Meeting minutes of March 12, 2012. City Clerk. Recommend adoption.
- B. **Memorandum 12-047**, from Mayor, Re: Appointment of Nicholas Schmitt to the Economic Development Advisory Commission.

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

WYTHE/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. **Representative Seaton**, Legislative Update

Representative Seaton reported things are looking good on the pipeline, although it is still a long process. There is concern from certain legislators about the commitment of the City to build out the distribution system. The concern is if the State built the pipeline and the City didn't build distribution lines, the City may come back for funding for a distribution system and it would be double dipping. A commitment from the City for the distribution lines would be helpful. Representative Seaton met with the RCA commissioner who is working with Enstar to get a letter to the Governor to insure the \$1 mcf will be incorporated to pay the \$2M advance from Enstar on the project.

If the City avails itself to a municipal bond bank loan to build out the gas line, it would be outside the capital budget. It would be much lower interest loans available, with \$13M possible. The State would deposit funds with the municipal bond bank for loans to the City and Kachemak City.

Mayor Hornaday asked if the City's port and harbor projects would be in the capital budget. Representative Seaton answered he and Senator Stevens are working together to make sure the \$26M port project is in the capital budget. There are also transportation projects to bond. The capital budget should be out by Monday.

Mayor Hornaday asked about the proposed oil tax cut that would reduce revenue sharing for communities, \$140,000 from last year for us. Representative Seaton answered there is a proposal

for increasing revenue sharing depending on oil prices. If there were a large tax reduction the State would be in deficit for seven years and the Legislature is reluctant to take money out of savings to fund. It is not known if they will agree on any tax change, but there is already three years of revenue sharing at \$60M per year in the fund.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

Mayor Hornaday offered kudos to the hockey players who were very well organized. The visitors enjoyed staying in the local facilities.

A. Borough Report

Kenai Peninsula Borough Assemblyman Bill Smith reported the Assembly approved \$4.7M to build a radiology oncology center within Central Peninsula Hospital in Soldotna. Construction is expected to start this year with the facility opening in March 2013.

New property assessments were issued and Assemblyman Smith urged anyone disputing the amount to contact the assessing department. Appeal may be filed before March 30. If you appear for the appeal hearing your deposit will be returned even if you don't win the case. More people have said assessments went down rather than up. It is not easy to deal with the assessment schedule that rotates around the borough every four years to include physical inspections. In 2008 there were formula adjustments, under assessments that happened in past years. If the real estate community and State law agree sales would be given to the assessor we would have a more fair process.

There is an ordinance before the Borough on the Homer High School track to move forward with engineering to get the track completed this year before school starts in the fall.

B. Commissions/Board Reports:

1. Library Advisory Board

Eileen Faulkner, Library Advisory Board Chair, introduced members Tamara Fletcher and Monica Cogger who are co-chairs of the Library Landscape Committee. The two provided a PowerPoint presentation on the library grounds and gardens. The committee agreed to fund a professional landscaper for another year. Maintenance of the grounds needs to be funded by the City to include mowing, alder eradication, and invasive species eradication. On May 5th and 8th there is a war on weeds at the Library. No experience is required.

2. Homer Advisory Planning Commission

3. Economic Development Advisory Commission

4. Parks and Recreation Advisory Commission

5. Port and Harbor Advisory Commission
- C. Prince William Sound Regional Citizens' Advisory Council Report by John Velsko

PUBLIC HEARING(S)

- A. **Ordinance 12-11(A)**, 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. Introduction March 12, 2012, Public Hearing and Second Reading March 27, 2012.

Memorandum 12-033 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 12-11(A) by reading of title only for second and final reading.

WYTHE/HOWARD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

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. Introduction March 12, 2012, Public Hearing and Second Reading March 27, 2012.

Memorandum 12-034 from Public Works Superintendent 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 12-12 by reading of title only for second and final reading.

HOWARD/WYTHE - SO MOVED.

There was no discussion.

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. Introduction March 12, 2012, Public Hearing and Second Reading March 27, 2012.

Mayor Hornaday opened the public hearing.

Councilmember Wythe reminded Council of her conflict of interest and was excused from discussion.

Linda Reid owns several businesses in town and urged Council to put gas lines in utility right of ways to bring down the costs of utilities. She urged Council to do everything possible to allow people to continue doing business in Homer.

Terry Thompson, city resident, expressed support for the ordinance stating Council should be doing anything they can to help bring the gas line and distribution lines to all residents of Homer.

Bill Smith, Kenai Peninsula Assemblyman, appreciates Council moving forward and hopes they will approve the special service districts to extend the gas lines. Thirty years ago the State rebuilt Pioneer Avenue and spent a lot of money to get HEA's power lines off the right-of-way. We didn't lose the telephone company's lines which are an unattractive element to Pioneer Avenue.

Mayor Hornaday closed the public hearing.

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

LEWIS/HOWARD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Wythe returned to her seat and rejoined the meeting.

9. ORDINANCE(S)

- A. **Ordinance 12-15**, An Ordinance of the City Council of Homer, Alaska, Repealing and Reenacting HCC Chapter 17.04 Regarding Special Assessment Districts. Lewis/City Manager. Recommended dates: Introduction March 27, 2012, Public Hearing and Second Reading April 9, 2012.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-15 for introduction and first reading by reading of title only.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 12-16**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2012 Operating Budget by Appropriating and Transferring \$86,000 from the General Fund Balance to the Utility Fund, Water Operating Account, and Appropriating and Transferring \$86,000 from the General Fund Balance to the Utility Fund, Sewer Operating Account, to Compensate for the Reduction of Water and Sewer Customer Charges by Resolution 12-025. Mayor. Recommended dates: Introduction March 27, 2012, Public Hearing and Second Reading April 9, 2012.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-16 for introduction and first reading by reading of title only.

ZAK/LEWIS - SO MOVED.

Mayor Hornaday passed the gavel to Mayor Pro Tempore Wythe.

Mayor Hornaday commented the ordinance along with forming a task force could be improved. He has received more comment on this issue than anything in the last eight years. People cannot afford the rates. There are a number of low income people in Homer. Other communities subsidize water and sewer and he is ready to have the general fund subsidize it here. Homer is the ninth 9th highest in living costs in a study recently conducted of eleven communities. There are a number of people that tell him they cannot afford to live in Homer.

Mayor Pro Tempore Wythe returned the gavel to Mayor Hornaday.

Mayor Pro Tempore Wythe appreciates the concerns expressed for water/sewer rates. The costs are driven by a low amount of people using an expensive system. Citizens of the community are subsidizing construction of water/sewer lines through a portion of sales tax. People not benefited by water/sewer will be paying through the general fund. The City as a whole should not be subsidizing a utility that only serves select members of the community.

Councilmember Zak commented a number of people are having a hard time with the high costs of living. He supports the ordinance as we have to do something to improve the rates. We are restricting the number of users on the system and are driving users to find new alternative sources of water to restrict their water consumption. It will only drive prices even higher. We are forced into a stop-gap now and must set up the task force for the future.

VOTE: YES. ZAK

VOTE: NO. ROBERTS, WYTHER, HOWARD, LEWIS

Motion failed.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Customer Charge / Multi-family Dwellings: This meeting agenda contains an ordinance and two resolutions that would change the customer service charge for water and sewer customers. The Council has recently received feedback that the new customer service charge for units within multi-family dwellings places an undue burden on property owners, the elderly, and people on fixed and low incomes. Some of these comments may have merit and it is impossible to anticipate all unintended consequences when you change fees or charges.

I would urge the Council not to overreact and jump into new fee changes that are not fully researched and adequately vetted by the public. This would have a high probability of resulting in new unintended consequences, more turmoil, and a whole new set of agitated customers. Council spent months working on this last summer. You looked at many different ways to fairly allocate the costs of maintaining and operating the system. You reviewed reams of information and you have heard testimony from state and university experts about the fee structure. The changes in the fee structure just went into effect with the February billing. Unfortunately, there was a billing error in which multi-family dwellings were charged at commercial rates instead of residential rates. This grossly distorted the impacts of the changes and almost certainly had an effect on the reaction the Council received.

We would recommend that the Council take no action at this time and give us all some time to see how the new fee structure works once adjustments are in place. For example, the Finance Department has sent out new bills and provided a credit so that multifamily dwellings are not overcharged at commercial rates. This has dramatically changed some bills. The Finance Department has been diligently working with customers who have complaints. For example, it turns out that one new apartment owner who testified about her high bills had a broken water pipe and the water had been running constantly for a long time. That explained her high bill much more than the individual service charges. Regina has determined, and I agree, that it would be proper to treat the Senior Citizen housing similar to the hospital because residents are receiving an array of medical and other services while there. As a result, we have eliminated the customer service charge for most if not all of the housing units. Finally, we have determined that we should be treating units in multi-family dwellings the same way we treat residential homes and commercial users when those units are vacant. We charge a customer service charge but at 50% of the normal rate. Regina has developed a process for allowing apartment owners to apply for a credit if they can prove that units were vacant. The burden of proof lies with the apartment owner and it minimizes administrative cost. This will also result in significant savings for multi-family dwellings.

2. Ordinance Amending Title 17: Local Improvement Districts: At the last meeting, there was an ordinance on the agenda that would have amended Title 17 to make it more efficient and easy to understand. It would also have made it possible to establish Special Assessment Districts or LIDs to finance the construction of gas utility distribution systems. This ordinance did not have enough votes to get introduced. This has caused great concern among interested parties who support and are actively working on bringing natural gas to the Homer area. The failure of this ordinance to be introduced has ramifications beyond what you might expect. I am bringing this ordinance back for your consideration with a new number, a new title, and some amendments based upon Council comments received at the meeting. I am doing so because this ordinance is a key component of the effort to bring natural gas to Homer. Council has repeatedly identified this as a top priority and I believe understood that this ordinance was an important part of the strategy for success discussed at the workshop we had. It just seemed like this needed more discussion. If this ordinance does not pass, Council would essentially be saying that it has no intent to even discuss a gas distribution system LID. If that is the Council's intent, then we should be clear about it and avoid sending mixed or ambivalent messages to our partners and to the Legislature and Governor.

I want to apologize if we tried to do too much with the ordinance the first time around. As you know, we have been talking about revising this section of the code for some time and we may have tried to accomplish too much at once. Some of the proposed amendments clearly muddled the water and caused concern. A strikeout version was not provided and this concerned several of you because the amendments were not easy to identify. This new ordinance contains strikeouts and it also addresses the issues that caused the most concern, namely the supermajority issue and public notice.

Several issues came up that should be addressed. First of all, it should be noted that all this ordinance does is amend the code to allow gas utility LIDS if the Council chooses to create one. This is a necessary prerequisite. It puts Council in position to create an LID but it does not create one nor does it obligate you to do so. Even if the Council never establishes a gas LID, approving this ordinance would be a benefit because the City would be left with an improved section of code that would govern all future water and sewer LIDs.

Second, the question about whether the City should be subsidizing Enstar is a recurring one. The fact is that Enstar almost never pays for main line or distribution system expansions out of its own pocket. The customers do. It is the same with almost all utilities, including HEA. Homer residents are going to pay for getting gas mains in the streets one way or another. The question is whether they pay for the full cost up front direct to Enstar or whether the City helps them get the benefit of gas quicker by providing financing at attractive terms. In short, the City would not be subsidizing Enstar, it would be subsidizing its own residents and businesses in an effort to lower the overall cost of living and stimulate economic growth. In fact, subsidizing is probably not even the correct term since the property owners would be paying all of the money back.

Third, some have questioned whether the City should provide financing for the construction of infrastructure that it does not own. This is common practice with all utilities including the City water and sewer system. Customers pay for the utility expansion and the utilities own the

improvements. One way to look at this is who would you want to own the improvements? The City? Does the City want to be responsible for maintenance, operations, and the liability associated with gas lines? Does the City want to have anything to do with being in the gas utility business? You have made it pretty clear so far that you do not.

Finally, some have questioned whether the City should be in the business of promoting one business over another. This happens all the time because governments have an interest in doing things that benefit society as a whole. There are many, many examples of this and I won't go into that here. There is no doubt that if natural gas comes to Homer, some businesses will be negatively impacted. That is unfortunate and regrettable. However, many businesses and their customers will benefit. I believe that the City Manager has a responsibility to the Council to make recommendations that would benefit the community at large. This is perhaps one of the biggest economic and community development opportunities to hit Homer in decades. Perhaps it would be helpful to look at this question from another angle. Would it be proper for the City to deny the benefits of gas to its residents and business so that it could protect the interests of a few? Just food for thought and discussion.

3. Future Council Workshops: At the last meeting, the Council discussed several topics that would be suitable for future workshops. There were three topics discussed in particular that were prioritized in terms of timing in the following order: 1) Community Recreation Program 2) Community Economic Development Strategy (CEDS) and 3) E-Mail training. The Council asked me to come back with a suggested plan for addressing these issues. Council seems to like two hour workshops that are held from 4 to 6 PM on the Mondays between Regular Council meetings. If so, in April, the open dates would be April 2, 16, and 30. I don't think that any of us are all that interested in meeting every Monday for the next six weeks. If I am wrong, let me know! I would suggest starting with the Community Recreation Program on April 16 and then scheduling the CEDS on either April 30 or May 7. The e-mail training could require longer than two hours, especially if you want to add additional training topics. We should probably talk about that one a little more before scheduling something.
4. Juneau Trip: As you know, I was in Juneau March 14-16. While there, I had the opportunity to meet with two of the Governor's staff and a number of key legislators, including Representative Seaton and Senator Stevens. The City Lobbyist was very helpful when it came to scheduling meetings, discussing key points, and formulating strategy. We worked on a number of bills and topics that might have impacts upon municipalities including revenue sharing and PERS. We also of course, focused on the City's capital projects. Most of the time was spent talking about the gas line, the gas distribution system, the proposed Port G.O. Bond (Deep Water Dock), and the Proposed Transportation Bond (City Intersection Improvements and Main St). We also talked about the City's number 3 and 4 priorities, (the firestation on Skyline and the Nick Dudiak Fishing Lagoon) since they are high priorities but lower cost requests which might be suitable for discretionary funding. Finally, there was discussion about a proposed amendment to the Capital Budget to provide low cost loans to Homer and a number of other communities through the Alaska Municipal Bond Bank. This low interest money could be used to finance the gas distribution system and could save a great deal of money. This issue is important and should be discussed further during the meeting.

5. 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.

City Manager Wrede reported Accounting Supervisor Laurie Moore and he got a tour of the Senior Center housing units today. The center has 24 assisted living units with those residents needing medical attention around the clock. There are another 45 independent housing units. Under the current rate structure Administration has the latitude to make the determination. The hospital is exempt due to the services provided.

Tomorrow there is a tsunami warning alert. It is only a test with the regular alarm sounding. Staff will be doing a table top exercise tomorrow morning, setting the Emergency Operation Plan into motion. Staff will convene at the Fire Hall and discuss what we would do in the event of a real emergency. It will be a statewide exercise. The City will be in touch with the Borough and FEMA and also make calls to Seldovia and KESA.

Councilmember Lewis asked what rates senior citizens were being charged before the rate changes. City Manager Wrede answered the Friendship Center residents were charged a residential rate. Senior Center board members expressed concern if they were charged a commercial rate it could have an impact on their license. The increase could have added up to \$20,000. The Senior Center cannot pass costs on to its residents and it could mean layoffs.

Two worksessions were scheduled. On April 16th Council will receive email training from the City Attorney. On April 30th Council will discuss the Community Economic Development Strategy (CEDS) and the Community Recreation Program. Both worksessions were scheduled from 5:00 to 7:00 p.m.

B. Bid Report

C. Games Report

1. Friends of the Homer Public Library

CITY ATTORNEY REPORT

COMMITTEE REPORT

A. Public Arts Committee

B. Transportation Advisory Committee

C. Permanent Fund Committee

Permanent Fund Committee Chair Barbara Howard reported the committee is asking Council to approve the investment policy.

D. Lease Committee

E. Port and Harbor Improvement Committee

Port and Harbor Improvement Committee Chair Barbara Howard reported the committee will be presenting the full bond program to Council on April 9th at the Committee of the Whole.

F. Employee Committee Report

PENDING BUSINESS

A. **Ordinance 12-01(S)(A)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.60.040, Definitions; Homer City Code 21.60.060, Signs Allowed on Private Property With and Without Permits; Homer City Code 21.60.070, Permits Required; Homer City Code 21.60.080 Design, Construction, and Maintenance; Homer City Code 21.60.090, Signs in the Public Right-Of-Way; **Homer City Code 21.60.095, Electoral Signs**; Homer City Code 21.60.100, Signs Exempt from Regulation Under this Chapter; Homer City Code 21.60.110 Signs Prohibited Under this Chapter; Homer City Code 21.60.130, Temporary Signs-Private Property; Homer City Code 21.60.150, Time of Compliance-Nonconforming Signs and Signs Without Permits; and Homer City Code 21.60.170, Enforcement and Remedies; and Repealing ~~Homer City Code 21.60.095, Electoral Signs~~; Homer City Code 21.60.120, General Permit Procedures; Homer City Code 21.60.140, Temporary Signs-Public Rights-Of-Way; and Homer City Code 21.60.160, Violations; Regarding the Regulation of Signs. Planning/City Attorney. Recommended dates: Public Hearing and Second Reading April 9, 2012.

Memorandum 12-007 and 12-051 from City Planner as backup.

Memorandum 12-008 from City Attorney as backup.

Memorandum 12-048 from Economic Development Advisory Commission as backup.

Motion on the floor from January 23, 2012: MOTION FOR THE ADOPTION OF ORDINANCE 12-01(S)(A) BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

ROBERTS/WYTHE - MOVED TO ADOPT SUBSTITUTE ORDINANCE 12-01(S)(A) AS AMENDED BY THE PLANNING COMMISSION.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ROBERTS/ZAK – MOVED TO AMEND LINE 360 IN THE ORDINANCE TO READ “COMMERCIAL. A TEMPORARY SIGN THAT BEARS A COMMERCIAL MESSAGE SHALL BE LIMITED...”

There was no discussion.

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

Motion carried.

ROBERTS/ZAK - MOVED TO CHANGE LINE 417: “THE DEADLINE FOR REMOVING A NONCONFORMING BANNER OR TEMPORARY SIGN SHOULD BE EXTENDED TO MAY 1, 2012.”

There was no discussion.

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

Motion carried.

ROBERTS/ZAK - MOVED TO CHANGE LINE 454 TO MAKE THE EFFECTIVE DATE MAY 1, 2012.

There was no discussion.

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

Motion carried.

WYTHE/ROBERTS – MOVED TO POSTPONE TO APRIL 9 FOR A PUBLIC HEARING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

A. **Memorandum 12-049**, from City Clerk, Re: Resignation of Councilmember Kevin Hogan.

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandum 12-049.

HOWARD/WYTHE - SO MOVED.

HOWARD/WYTHE - MOVED TO RECOMMEND THAT THE FILING PERIOD BE CLOSED ON APRIL 3RD AND THE INTERVIEWS AND APPOINTMENT WOULD BE ON APRIL 9TH, WITH INTERVIEWS AT THE COMMITTEE OF THE WHOLE.

WYTHE/HOWARD - MOVED FOR A FRIENDLY AMENDMENT THAT INTERVIEWS BE HELD TO FIVE MINUTES.

There was no discussion.

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

Motion carried.

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

Motion carried.

VOTE: (main motion as amended) YES. ROBERTS, WYTHE, HOWARD
VOTE: NO. LEWIS, ZAK

Motion failed.

Councilmember Wythe asked the outcome of failure to accept Councilmember Hogan's resignation. City Clerk Johnson answered her thought is the council seat would remain open until the next election in October, but would need to verify that.

LEWIS/ROBERTS - MOVED TO RECONSIDER.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandum 12-049 as amended.

LEWIS/WYTHE – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

RESOLUTIONS

- A. **Resolution 12-022**, A Resolution of the City Council of Homer, Alaska, Re-Adopting the Established Investment Policies of the Permanent Fund. City Clerk/Permanent Fund Committee.

Mayor Hornaday called for a motion for the adoption of Resolution 12-022 by reading of title only.

HOWARD/LEWIS - SO MOVED.

The Permanent Fund earnings have differed vastly each day due to market fluctuation.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 12-023**, A Resolution of the City Council of Homer, Alaska, Amending the Fee Schedule for Port and Harbor Long Term Parking Fees. City Clerk/Port and Harbor Advisory Commission. Recommended dates: Public Hearing April 9, 2012.

Memorandum 12-050 from Port and Harbor Director as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-023 by reading of title only.

HOWARD/LEWIS – SO MOVED.

WYTHER/ROBERTS - MOVED TO POSTPONE TO APRIL 9TH FOR A PUBLIC HEARING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 12-024**, A Resolution of the City Council of Homer, Alaska, Amending the Port of Homer Terminal Tariff No. 600 to Provide for Long Term Parking Fees. City Clerk/Port and Harbor Advisory Commission. Recommended dates: Public Hearing April 9, 2012.

Memorandum 12-050 from Port and Harbor Director as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-024 by reading of title only.

HOWARD/WYTHER – SO MOVED.

WYTHER/ROBERTS - MOVED TO POSTPONE TO APRIL 9TH FOR A PUBLIC HEARING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Resolution 12-025**, 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. Mayor. Recommended dates: Public Hearing April 9, 2012.

Mayor Hornaday called for a motion for the adoption of Resolution 12-025 by reading of title only.

ZAK - SO MOVED.

Motion died for lack of a second.

- E. **Resolution 12-026**, 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 and Increasing the Water and Sewer Customer Charge for All Customers to Cover the Resulting Budget Deficit. Lewis. Recommended dates: Public Hearing April 9, 2012.

Mayor Hornaday called for a motion for the adoption of Resolution 12-026 by reading of title only.

LEWIS - SO MOVED.

Motion died for lack of second.

- F. **Resolution 12-027**, A Resolution of the City Council of Homer, Alaska, Forming a Water and Sewer Rate Task Force. Mayor.

Mayor Hornaday called for a motion for the adoption of Resolution 12-027 by reading of title only.

ZAK/LEWIS - SO MOVED.

HOWARD/WYTHER – MOVED TO AMEND LINE 19, THE 4TH WHEREAS, TO READ: THE TASK FORCE SHALL BE COMPRISED OF FIVE MEMBERS OF THE COMMUNITY WHO ARE RESIDENTS OF THE CITY AND TWO CITY COUNCILMEMBERS.

There was no discussion.

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

Motion carried.

HOWARD/LEWIS - MOVED TO AMEND TO STRIKE LINES 25 AND 26 AS THEY NEED TO BE IN THE NOW, THEREFORE.

There was no discussion.

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

Motion carried.

HOWARD/ZAK - MOVED TO AMEND TO INSERT IN LINE 32: NOW THEREFORE BE IT RESOLVED THAT THE TASK FORCE SHALL BE COMPRISED OF FIVE COMMUNITY MEMBER RESIDENTS OF THE CITY AND TWO COUNCILMEMBERS.

There was no discussion.

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

Motion carried.

HOWARD/ZAK - MOVED TO AMEND TO ADD NOW THEREFORE BE IT RESOLVED THE TASK FORCE WILL BE SUPPORTED BY APPROPRIATE STAFF DETERMINED BY THE CITY MANAGER.

There was no discussion.

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

Motion carried.

HOWARD/ZAK - MOVED TO AMEND TO ADD: NOW THEREFORE BE IT RESOLVED THE TASK FORCE WILL PRESENT TO THE CITY COUNCIL THEIR FINDINGS AND RECOMMENDATIONS NO LATER THAN JUNE 25, 2012.

Councilmember Wythe noted the resolution needed to state how the task force would be selected and appointed.

Councilmember Howard related the normal protocol is that applications are filed, the Mayor makes the appointments and the Council confirms appointments.

Mayor Hornaday called for a recess at 7:22 p.m. and reconvened the meeting at 7:26 p.m.

ROBERTS/WYTHER - MOVED TO AMEND THE DATE TO JUNE 25, 2013.

Councilmember Roberts explained every two years Council evaluates the water and sewer rates. The rates were just evaluated last summer and will be reviewed next June. The water rates are very complicated. The Finance Director Regina Mauras has been sent to training to learn how to set rates. It will take time for the committee to look at everything. They could be ready to come back next June with their recommendations.

VOTE: (secondary amendment) YES. LEWIS, ROBERTS, WYTHER, HOWARD

VOTE: NO. ZAK

Motion carried.

Councilmember Wythe called for a point of order on the vote required for the primary amendment by Councilmember Howard.

VOTE: (primary amendment) YES. HOWARD, LEWIS, ROBERTS, WYTHER

VOTE: NO. ZAK

Motion carried.

HOWARD/WYTHER - MOVED TO STRIKE LINES 22, 23, 25 AND 26.

There was no discussion.

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

Motion carried.

WYTHER/HOWARD – MOVED TO AMEND TO ADD THE APPOINTMENT OF THE TASK FORCE WILL BE BY APPOINTMENT OF THE MAYOR WITH APPROVAL OF THE CITY COUNCIL AND TO HAVE AN OPEN ADVERTISEMENT TIME WITH CLOSING ON APRIL 3RD WITH THE APPOINTMENT TO TAKE PLACE AT THE APRIL 9TH MEETING.

There was no discussion.

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

Motion carried.

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

Motion carried.

G. **Resolution 12-028**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to Pacific Pile and Marine, LP, of Seattle, Washington, in the Amount of

\$70,500 for the Deep Water Dock Fender Repair Project and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Memorandum 12-052 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-028 by reading of title only.

LEWIS/WYTHE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Larry Slone expressed disappointment with Resolution 12-027, setting the task force back a year. Consumer's rates have doubled although they are consuming low amounts of water. The City is setting itself wide open for a lawsuit.

Bonnie Mastolier doesn't like where things have gone with water/sewer rates. Rates were passed last summer and the resolution that changed the per unit charge was passed in December without public testimony. The resolution changed during the December meeting. She hopes Council will consider doing something before a whole year passes as it puts a burden on multi-family rental unit owners and the tenants.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson encouraged people to apply for the council seat and the Water and Sewer Rate Task Force. Applications are due by April 3rd.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Hornaday offered prayers to Regina for her recovery.

COMMENTS OF THE CITY COUNCIL

Councilmember Lewis commented it was a busy weekend with the hockey tournament and people enjoyed the nice weather. The kids at the high school did a wonderful job with the play. He offered a thank you to Mark.

Councilmember Roberts thanked Kevin Hogan for serving on the Homer City Council. He was a good member and she appreciated his insights and thoughtfulness. As to water rates and the testimony at the end of the meeting that rates were raised by \$28 per month, she reminded people if you have a single residence the average person is paying \$80 a month. When people say we are raising the rates from \$28; \$28 is probably the best deal you'll ever get on water and sewer in Homer. She is glad we are moving forward on the gas line. With the ordinances passed the Legislators can be sure we are moving in that direction.

Councilmember Howard commented these types of council meetings are gut wrenching. For the last three days nonstop she has been going over water and sewer rates and how to look at them in a different view. She agreed to a one year extension for the task force report as we want them to be successful. These are complex issues and it takes time to understand and analyze rates for a good model. She knows the number of hours Council has spent being trained in what all this means. The intent is to be successful and come forward with a good product.

Councilmember Zak is glad the task force is formed and they can always come back sooner than one year. He expressed concern about the Senior Citizen Center and their rates and to hear that they are not the only senior center here. If we end up having to reduce the rate for the seniors, other lower income people will have to pay a higher rate. When rates are lowered others will have to go up. He is disappointed the report from the task force has been delayed for a year, but expressed hope of the task force's findings.

Councilmember Wythe had no comment.

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 7:41 p.m. The next Regular Meeting is Monday, April 9, 2012 at 6:00 p.m., Worksession at 4:00 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: _____