

Session 12-19 a Regular Meeting of the Homer City Council was called to order on June 25, 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: BURGESS, HOWARD, LEWIS, ROBERTS,
WYTHE, ZAK

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY PLANNER ABOUD
COMMUNITY & ECONOMIC DEVELOPMENT
COORDINATOR KOESTER
LIBRARY DIRECTOR DIXON
PORT AND HARBOR DIRECTOR HAWKINS

Council met for a Special Meeting from 4:00 p.m. to 4:39 p.m. and conducted an Executive Session to discuss City Attorney Contract/Update on Tony Neal vs. City of Homer re: Deed Restriction Ben Walters Park - Beluga Lake Ice Skating. Council adopted Resolution 12-053(S) to extend the City Attorney Contract with Birch, Horton, Bittner, Inc. From 5:00 p.m. to 5:41 p.m. Council met as a Committee of the Whole to discuss Regular Meeting Agenda items.

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: **CONSENT AGENDA** – Memorandum 12-100 from Kenai Peninsula Borough Deputy City Clerk, Re: New Liquor License for Pho & Thai Restaurant; **VISITORS- John Hays**, Climate Change; **CITY MANAGER'S REPORT** – Memorandum 12-110 from Community & Economic Development Coordinator, re: Update on Municipal Harbor Grant; Resolution 12-043 Capital Improvements in the Harbor; **RESOLUTIONS - Resolution 12-059(S)**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to **Jay-Brant General Contractors**, of **Homer, Alaska**, in the Amount of **\$2,228,412** for the Deep Water Dock Fender Replacement Project and Authorizing the City Manager to Execute the Appropriate Documents; Memorandum 12-109 from Public Works Director as backup; **Resolution 12-060(S)**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to **Jay-Brant General Contractors**, of **Homer, Alaska**, in the Amount of **\$525,912** for the Beluga Slough Trail Reconstruction Project and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director; Memorandum 12-108 from Public Works Director as backup.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Ray Kranich, city resident and past Councilmember and Planning Commissioner, was on the council at the time City Manager Wrede was hired. Mr. Kranich commented it was a pleasure to

serve with him through the Comprehensive Plan update and receive his input. During the interview process they used multi-part questions and Walt answered the first part, the second, and the third. He listens very well and understands things very well and can modify his position to fit with new information.

Dave Brann, city resident, Co-Chair of the Water Trail Association, and Parks and Recreation Advisory Commissioner, asked for support of Resolution 12-057. It is a strong voice for water safety and a strong economic factor for the future.

Robert Archibald, city resident and Parks and Recreation Advisory Commissioner, advocated for Resolution 12-057. Kachemak Bay does not have a real good track record for safety and the water trail will provide education about Kachemak Bay. There will be kiosks with information and educational items.

Jack Cushing, city resident and former mayor, commended City Manager Wrede on the excellent service he has provided to the citizens Homer. It is a hard job serving the community, Council, and employees and he does a fabulous job.

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 June 11, 2012. City Clerk. Recommend adoption.
- B. **Memorandum 12-100**, from Deputy City Clerk, Re: New Liquor License for Pho & Thai Restaurant.
- C. **Memorandum 12-101**, from Mayor, Re: Appointment of Donald Stead and Reappointment of Roberta Highland to the Planning Commission.

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

WYTHE/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

A. **John Hay**, Climate Change

John Hay, 2007 Nobel Peace Prize winner from New Zealand, spoke on climate change. The islands of the Pacific are on the forefront of climate change. He is involved in a joint research program where communities in the Arctic are working with small island communities because of common factors they face. The rate of warming of the planet is shown to be fastest in the high latitudes of the northern hemisphere. Homer is on the front line as the community is based on natural resources. Natural resources are vulnerable to changes in environmental conditions. The recent decline of salmon runs is linked to what is happening in the ocean. The warming of the planet is impacting directly on subsistence and commercial fisheries. There is collective evidence happening all over, with the oceans vulnerable to the changes. The low runs in the south are now recovering. Ocean productivity declines and then recovers.

One major consequence is the sea level rise. It is not rising uniformly in Alaska. In Seldovia the sea level is falling due to the emergence of the land, or an isosthetic rebound. Over the last decades land has been emerging 1/3 inch per year, faster than the sea level is rising globally. Coastal erosion problems are accelerated in Homer due to natural causes, excavation of coastal material, and extraction to build the runway. The simple and obvious development decision is the need for construction material, but the material is an important part of coastal defenses. Removing that material can have detrimental effects to withstand the erosive power of the ocean. Intensity of storms and high latitude storms will increase. The whole atmospheric engine is speeding up to get rid of the surplus heat that is pumped into the oceans and atmosphere. Acceleration is more intense storm activity and high latitude storms that we are vulnerable to.

There are many dimensions of climate change. Climate change is a problem for the present rather than the future. Instead of having to build hard coastal defenses Mr. Hay asked us to think about developing more coastal vegetation, although it takes time to get the benefits from it. There are ecologically and environmentally friendly options. Homer's Climate Action Plan shows forethought to planning. Mr. Hay asked that we manage the current issues of climate change and think of the opportunities it will bring to Homer.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

A. **Mayor's Recognition** – City Manager Walt Wrede

Mayor Hornaday read and presented the recognition to City Manager Wrede. Mr. Wrede was recognized as the longest serving city manager in the City's history, over 9 years.

Mayor Hornaday called for a recess at 6:32 p.m. to have cake and reconvened the meeting at 6:40 p.m.

B. **Mayor's Proclamation** – July as Parks and Recreation Month

Mayor Hornaday read and presented the proclamation to Parks and Recreation Advisory Commissioners Dave Brann and Robert Archibald. Angie Otteson, and Mike Illg, Community Recreation Coordinator were also present.

C. Letter from City Clerk: Re: Nicholas Schmitt as EDC representative on the Lease Committee.

D. Borough Report

Kenai Peninsula Borough Assemblyman Bill Smith reported bids opened for the Homer track project and the track will be built within budget. The Assembly approved accepting money from the State for the project. Also approved were the Diamond Creek Park fuel reduction project that will provide the public firewood this summer.

E. Commissions/Board Reports:

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

Dave Brann, Parks and Recreation Advisory Commissioner, thanked the Mayor for the proclamation. The commission is an enthusiastic bunch that is working hard with lots on the table. They are pleased with the progress on the Mariner Park driveway change and the Spit trail. There will be work on the Beluga Slough Trail too. The commission is pleased with the Parks and Recreation staff. Angie goes above and beyond her duties. He encouraged everybody to think about the Adopt-a-Park program, with July being a good time to think of a park or trail to adopt. The commission is working on a recommendation for the HERC building; there is potential to make it a real community asset. The commission is pleased with the improvements at Karen Hornaday Park and they have more recommendations to make. As the budget process starts, the commission will recommend an increase in the Parks and Recreation maintenance budget. New restrooms will be maintained by Parks and Recreation staff. They would like to see maintenance start earlier in the spring and go later in the fall. The picnic shelter by Pier One Theatre is leaning and has become a liability issue. If we increase maintenance staff there will be more time to address those kinds of issues. The commission supports Ordinance 12-24(A) as it is written. During commission discussions of the ordinance alcohol became the biggest issue. Some members of the commission are interested in signs at all parks.

5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

- A. **Ordinance 12-21**, An Ordinance of the City Council of Homer, Alaska, Amending the 2012 Operating Budget by Appropriating Up to \$12,000 from the Sewer Reserve Fund for the Replacement of the Bald Mountain Air Sewer Service. City Manager/Public Works Director. Introduction June 11, 2012, Public Hearing and Second Reading June 25, 2012.
Memorandum 12-089 from Public Works Inspector as backup.

Councilmember Burgess recused himself due to a financial conflict of interest in his business dealings with Bald Mountain Air and vacated his seat.

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 12-21 by reading of title only for second and final reading.

WYTHE/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Burgess returned to his seat.

- B. **Ordinance 12-22**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 4.01.030, Definitions; Homer City Code 4.30.030, Application for Ballot; Homer City Code 4.30.050, Materials for Absentee Voting; Homer City Code 4.30.060, Issuance of Ballot by Mail or In Person; Homer City Code 4.30.070, Casting Absentee Ballot; Homer City Code 4.35.010, Review of Election Documents by Canvass Board; to Provide for Absentee Voting in City Elections by Electronic Transmission. City Clerk. Introduction June 11, 2012, Public Hearing and Second Reading June 25, 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 12-22 by reading of title only for second and final reading.

LEWIS/WYTHE – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Ordinance 12-23**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating an Alaska Department of Transportation (ADOT) Reimbursement of up to \$6,720.00 for Commercial Vehicle Enforcement Inspections and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Introduction June 11, 2012, Public Hearing and Second Reading June 25, 2012.

Memorandum 12-092 from Police Chief 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 12-23 by reading of title only for second and final reading.

WYTHE/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 12-24(A)**, An Ordinance of the City Council of Homer, Alaska, Adopting Homer City Code 1.16.040, Disposition of Scheduled Offenses—Fine Schedule; and Homer City Code Chapter 19.20, Parks and Recreational Facilities; to Provide Regulations for the Use of City Parks and Penalties for Their Violation. City Manager. Introduction June 11, 2012, Referred to Parks and Recreation Advisory Commission, Public Hearing and Second Reading June 25, 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 12-24(A) by reading of title only for second and final reading.

LEWIS/WYTHE – SO MOVED.

WYTHE/LEWIS – MOVED TO AMEND LINES 65-67, PG. 110, REGARDING THE REMOVAL OF BEACH SAND; PROPOSE TO REPLACE THAT SECTION WITH A STATEMENT “NO PERSON MAY REMOVE ANY SOIL, ROCKS, STONES, TREES, SHRUBS, PLANTS, OR MATERIALS OR MAKE ANY EXCAVATION OF PRODUCTS

PLACED IN A PARK FOR THE PURPOSE OF LANDSCAPING OR PROPERTY IMPROVEMENT.”

Councilmember Wythe referenced the Beach Policy which regulates activity on the beaches. It would be redundant to include the language within the ordinance. People use sand from the beaches to sand their driveways. Councilmember Roberts concurred with the sand removal aspect, but would like to see a provision from removing plants from public parks.

Councilmember Lewis asked for a friendly amendment to add wild flowers and other indigenous plants.

City Clerk Johnson advised it was an expanded definition to add the flowers and would require a separate motion.

Councilmember Howard suggested adding “vegetation” to HCC 10.20.020 a.

VOTE: (amendment) NO. ROBERTS, WYTHE, ZAK, HOWARD, BURGESS, LEWIS

Motion failed.

WYTHE/ HOWARD – MOVED TO AMEND LINE 64 FOLLOWING NOTICE TO PLACE A COMMA, “VEGETATION” OR PLACARD IN A PARK AND STRIKE LINES 65 THROUGH 67.

There was no discussion.

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

Motion carried.

BURGESS/ROBERTS – MOVED TO AMEND LINE 40 FINE FOR PARK CLOSURE FROM \$300 TO \$75.

Councilmember Roberts suggested \$150 fine since \$75 may not be enough to quantify.

ROBERTS/WYTHE – MOVED TO AMEND TO \$150.

The cost of sending a police officer to the park was questioned. City Manager Wrede answered it would depend on how much time they spend there.

Councilmember Zak is not in favor of \$150, but will support a \$75 fine. He doesn't support park closures. The weather and seasons dictate when parks close. Where else can kids go when the parks are closed at 11 p.m. and it is still sunny? They go down to Pioneer Avenue.

Councilmember Wythe expressed opposition since it would cost more to enforce than the fine would amount to.

VOTE: YES. LEWIS, ROBERTS, BURGESS

VOTE: NO. WYTHE, ZAK, HOWARD

Mayor Hornaday broke the tie vote with a YES.

Motion carried.

BURGESS/ZAK - MOVED TO STRIKE LINES 77 AND 78.

Councilmember Burgess defended there are ordinances already in place where police officers can use their weapons and citizens cannot use their weapons except for defense of life and property.

VOTE: YES. BURGESS, WYTHE, ZAK, HOWARD

VOTE: NO. LEWIS, ROBERTS

Motion carried.

Councilmember Burgess expressed opposition to the City dictating park hours. In his research there was no municipal entity that he found where there was a correlation between vandalism of a public park and restricting hours at a public park. His concern is there are a limited number of things teenagers and young adults can do with their time. Citizens should have equal access to municipal facilities.

Councilmember Wythe explained the reason she asked for the City Manager to bring the ordinance forward was to address the Jack Gist Park. There is a genuine concern for the people whose property adjoins the park. They do not want people playing Frisbee in the back of their yard at midnight.

The City Manager has the authority to set restrictions on any public park. It was suggested the focus be made on Jack Gist Park.

Councilmember Roberts' understanding is the ordinance came forward so the Police Department would have a means to enforce problems at the park. The hours of operation will be when most people want to use it.

Councilmember Wythe noted there are currently no rules on the books regarding parks. The City Manager has the authority to the extent the Council directs.

BURGESS/ZAK – MOVED TO AMEND TO STRIKE LINES 95-99.

There was no discussion.

VOTE: YES. BURGESS, ZAK

VOTE: NO. HOWARD, LEWIS, ROBERTS, WYTHE

Motion failed.

VOTE: (main motion as amended)

VOTE: YES. HOWARD, LEWIS, ROBERTS, WYTHE

VOTE: NO. ZAK, BURGESS

Motion carried.

- E. **Ordinance 12-25**, An Ordinance of the Homer City Council Amending the Official Road Maintenance Map of the City of Homer by Adding a Portion of Ohlson Lane and West Bunnell Avenue as Urban Road; and a Portion of Mission Road as Rural Road. City Manager/Public Works Director. Introduction June 11, 2012, Public Hearing and Second Reading June 25, 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 12-25 by reading of title only for second and final reading.

WYTHE/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- A. **Ordinance 12-26**, An Ordinance of the City Council of Homer, Alaska, Amending Table 3 Permitted Sign Characteristics by Zoning District, Following Homer City Code 21.60.060, Signs on Private Property, to Permit Changeable Copy Signs for Institutional Uses Permitted in the RR, UR And RO Zoning Districts. Planning. Recommended dates: Introduction June 25, 2012, Public Hearing and Second Reading July 23, 2012.

Memorandum 12-102 from City Planner as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-26 for introduction and first reading by reading of title only.

WYTHE/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 12-27**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Community Coastal Impact Assistance Program (CIAP) Grant from the State of Alaska in the Amount of \$448,116 for the Beluga Slough Trail Reconstruction Project, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommended dates: Introduction June 25, 2012, Public Hearing and Second Reading July 23, 2012.

Memorandum 12-104 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-27 for introduction and first reading by reading of title only.

LEWIS/WYTHE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Ordinance 12-28**, An Ordinance of the City Council of Homer, Alaska, Amending the 2012 Operating Budget by Appropriating Up to \$30,000 from the Parks and Recreation Depreciation Reserve Fund for the Relocation of the Mariner Park Driveway Access. Recommended dates: Introduction June 25, 2012, Public Hearing and Second Reading July 23, 2012.

Memorandum 12-105 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-28 for introduction and first reading by reading of title only.

LEWIS/HOWARD – SO MOVED.

Work on the driveway relocation will begin this summer. It will address pedestrian concerns on the Spit. Permitting is nearly done and the project has been approved by DOT.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 12-29**, An Ordinance of the Homer City Council Amending Homer City Code Chapter 15.10.010 to Exclude Oscar Munson Subdivision Lot 34 from the Ocean Drive Loop Special Service District. Lewis/Wythe. Recommended dates: Introduction June 25, 2012, Public Hearing and Second Reading July 23, 2012.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-29 for introduction and first reading by reading of title only.

LEWIS/WYTHE - SO MOVED.

Councilmember Burgess believes the overall intention of the ordinance makes good sense. The owners have honored the agreement. His concern is in the transfer of the Corps of Engineers (COE) permit. He asked if permitting was accounted for and if consideration was made for future owners.

City Manager Wrede answered he was hoping the COE would make their decision on the permit first so everything would fall in line. Don and Donna Rae presumably would have their own permit as would other property owners. Council doesn't have to wait for the COE permit although there may be good arguments for doing that. There may be impacts for property owners farther down the line. Don and Donna Rae are doing what the Council wants everyone to do. Going into this we were hoping the property owners would look at the Seawall as an all for one/one for all type of thing. It is like a piece of property owned in common, if damaged in one area you will see damage further down the line. Property owners could be upset with each other and suing each other. There are implications, but the McNamara's are doing what Council wants to see happen there.

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

Motion carried.

E. **Ordinance 12-30**, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating a Legislative Grant in the Amount of \$8,150,000 for Construction of the Natural Gas Pipeline from Anchor Point to Homer and Kachemak City. City Manager. Recommended dates: Introduction June 25, 2012, Public Hearing and Second Reading July 23, 2012.

Mayor Hornaday addressed conflicts of interest defined as an interest one holds personally, an interest of an immediate family member, or an interest of an organization with which one holds a position of management, or is an officer, director, trustee, employee, or the like.

A substantial financial interest is a financial interest that would result in a pecuniary gain or loss exceeding \$1000 in a single transaction or more than \$5000 in the aggregate in 12 consecutive months.

Mayor Hornaday ruled in the case of Councilmember Wythe that under HCC 1.18.020(e)(1)(iii), the financial interest of Councilmember Wythe's employer, Homer Electric Association, is attributed to Councilmember Wythe. He also finds that Homer Electric Association has a substantial financial interest in this matter, as the introduction of natural gas service in Homer will result in a pecuniary loss to Homer Electric Association of more than \$5000 in the aggregate in 12 consecutive months, as some HEA customers will substitute natural gas for electric power from HEA as their source of energy for space and water heating.

Mayor Hornaday advised his ruling may be overruled by a majority vote of the City Council pursuant to HCC 1.18.045(b). He asked if any member of the Council appealed his ruling.

Councilmember Burgess appealed the Mayor's ruling. In the absence of a second, the matter died due to lack of a second.

Mayor Hornaday commented although he would like to have a full council, Homer has a case that went to the Supreme Court on a conflict of interest. It was on a planning decision that was set aside.

Councilmember Wythe was excused from participation and vacated her seat.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-30 for introduction and first reading by reading of title only.

LEWIS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Wythe returned to her seat.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Memorandum 12-110 from Community and Economic Development Coordinator, re: Update on Municipal harbor Grant.

Natural Gas Update

1. The Legislative Grant: This agenda contains an ordinance accepting and appropriating the legislative grant in the amount of \$8.16 Million for construction of the large transfer pipeline from Anchor Point to Homer and Kachemak City. I am bringing this to you a little early in order to make sure we can move as quickly as possible. The funds are not available until after July 1 and we do not yet have the grant agreement. We expect to have the grant agreement in hand before second reading on July 23. Katie has been working with the State Department of Commerce and we already have preclearance and approval on the items both the State and the Council were concerned about last time. You may recall that those issues included ownership of the improvements, liability, Davis-Bacon wages ETC. We are currently working with Enstar on a Main Extension Contribution In Aid of Construction Agreement and also on making sure everyone is on

the same page with respect to the documentation that will be needed for reimbursements. We expect to have a contract completed for review and approval on July 23 also.

2. Distribution System LID: At the Council's most recent workshop on the gas distribution system, I came away with the impression that there was general agreement that the City should initiate a Special Assessment District that encompassed the entire City. I wanted to take a moment to touch base with you again on that. I also wanted to confirm that unless I hear something different from Council, it is my intention now to prepare a resolution initiating the district with all of the supporting documentation attached at either the July 23 or August 13 meeting. Please let me know if Council has any misgivings about this because putting this package together will involve a huge amount of work and staff time. If Council wants us to go in a different direction, it would be good to know that now.
3. Communication Plan: Council has spoken often about engaging the public in a conversation about the distribution system and the pros and cons of the City providing low interest loans to property owners to finance construction of the mains. If Council wants me to move ahead with drafting a resolution initiating the Assessment District, we could use the time between now and then providing information to the public and soliciting comment. In addition to the usual methods of getting info out there and soliciting comment, I am thinking about an informal, non-binding, advisory poll that could be done on-line and through paper surveys provided at strategic locations. This might provide Council with an indication of the level of support that might exist for the City helping property owners get access to gas through attractive financing. I am interested in hearing what you think about that idea.

City Manager Wrede reported Katie Koester provided a report at the Committee of the Whole on the harbor grant.

He intends to bring a mid year budget amendment forward at the next meeting. It will ask for new software for the library, deal with the revolving energy fund, and a few other things.

City Manager Wrede is meeting with Enstar on Wednesday to talk about the contract. Council will receive and appropriate the grant money, and then we will enter into a contract to do the work. We are detailing the documentation so Enstar is paid and the City is reimbursed in a timely manner. At the last Worksession he had the impression Council wanted to proceed with an LID (Local Improvement District/Special Assessment District). There will be a lot of work to get the 4,000 lots lined out prior to the July 23rd meeting.

Council has said they want to engage the community in whether the City should get involved in providing financing so people can hook up to gas quickly. Website updates and articles will be used. An online poll is another method of getting feedback from the public. Councilmember Howard mentioned a vote would be a good idea. There is an option to do a vote by ballot. If Council passes a resolution to initiate an LID in July or August, that sets off a whole process. It will take about four months. There will be town hall meetings, public hearings, and all property owners will be notified. There could be a ballot question whether the City should get involved in financing. We could incorporate the ballot vote and still be ready for construction in the spring. Council has expressed concern about doing an LID and forcing everyone into it.

Councilmember Lewis supports an advisory vote as something online could be skewed one way or other.

Councilmember Roberts commented an online poll is not a bad idea. It gives a sense quickly, but is not very accurate.

Councilmember Howard is not in favor of advisory ballot measures as we run a high risk of disenfranchising the voter. If we can vote in the general election online we should be able to ask this question online. We should be able to apply the same process the electronic absentee ballot will follow.

Councilmember Burgess commented Nick Poolos, IT Manager, is capable of narrowing it down as to who is providing input online. An advisory vote may be problematic. It would be good to have everyone informed and on the same page and the LID process allows feedback by voting.

City Manager Wrede explained with an LID you are only engaging the property owners within the improvement district. With an advisory vote, everyone votes. It is a big difference.

Councilmember Wythe referenced Bryan Hawkins report on the Daniel D incident. She commended the harbor staff for a great job that deserves recognition. Port and Harbor Director Hawkins reported \$5,200 will be billed out. The vessel is currently in the harbor incurring moorage. There will be additional costs for when the vessel was put on the beach on the east side.

B. Bid Report

CITY ATTORNEY REPORT

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
- G. Water and Sewer Rate Task Force

PENDING BUSINESS

- A. **Resolution 12-050**, A Resolution of the City of Homer Authorizing the Initiation of a Special Service District in the Lillian Walli Estate Subdivision Identified as HM 0880017 T06S R14W S24 Lillian Walli Estate Subdivision Lots 39 - 42, and 51 -77, for the Purposes of Preparing the Lots Owned by the City of Homer for Sale and Further Residential Development. Wythe. (Postponed from May 29, 2012.)

Memorandum 12-106 from City Manager as backup.

Motion on the floor from May 29: MOTION FOR THE ADOPTION OF RESOLUTION 12-050 BY READING OF TITLE ONLY.

WYTHE/ROBERTS – MOVED TO FURTHER POSTPONE TO ALLOW STAFF TIME TO COMPLETE THEIR RESEARCH AND ADDITIONAL REQUEST THAT IT COMES BACK AS AN AMENDED RESOLUTION RECOMMENDING A TRADITIONAL LID PROCESS.

There are enough property owners within the subdivision that the improvement district will not need to be forced by Council.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

If not completed at Special Meeting:

- B. **Resolution 12-053**, A Resolution of the City Council of Homer, Alaska, Extending the Contract for General Counsel Legal Services with the Firm of Birch, Horton, Bittner, Inc. for the Period of August 1, 2012 through July 31, 2013 in the Amount of \$11,000.00 per Month and Authorizing the Mayor to Execute the Contract. City Clerk.

Resolution 12-053(S), A Resolution of the City Council of Homer, Alaska, Extending the City Attorney Contract with Birch, Horton, Bittner, Inc. for the Period of August 1, 2012 through July 31, 2016 in the Amount of \$11,000.00 per Month through July 31, 2014 and \$11,550.00 per Month Thereafter, and Authorizing the Mayor to Execute the Contract. City Clerk.

Resolution 12-053(S) was adopted at the Special Meeting.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 12-057**, A Resolution of the City Council of Homer, Alaska, Expressing Support for the Creation and Establishment of the Kachemak Bay Water Trail, a 125 Mile Water Trail that Inspires Exploration, Understanding and Stewardship of the Natural Treasure that is Kachemak Bay. Lewis/Parks and Recreation Advisory Commission.

Mayor Hornaday called for a motion for the adoption of Resolution 12-057 by reading of title only.

LEWIS/WYTHE – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 12-058**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Renewal of the Special Services Contract for FY 2013 with the Alaska Department of Public Safety in the Amount of \$36,000.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief.

Memorandum 12-103 from Police Chief as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-058 by reading of title only.

WYTHE/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 12-059**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to _____, of _____, _____, in the Amount of \$_____ for the Deep Water Dock Fender Replacement Project and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Resolution 12-059(S), A Resolution of the City Council of Homer, Alaska, Awarding a Contract to **Jay-Brant General Contractors**, of **Homer, Alaska**, in the Amount of **\$2,228,412** for the Deep Water Dock Fender Replacement Project and Authorizing the City Manager to Execute the Appropriate Documents.

Memorandum 12-109 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-059 by reading of title only.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/LEWIS - MOVED TO SUBSTITUTE RESOLUTION 12-059 FOR RESOLUTION 12-059(S).

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.

D. **Resolution 12-060**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to _____, of _____, _____, in the Amount of \$_____ for the Beluga Slough Trail Reconstruction Project and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Page 277

Resolution 12-060(S), A Resolution of the City Council of Homer, Alaska, Awarding a Contract to **Jay-Brant General Contractors**, of **Homer, Alaska**, in the Amount of **\$525,912** for the Beluga Slough Trail Reconstruction Project and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Memorandum 12-108 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-060 by reading of title only.

WYTHE/LEWIS - SO MOVED.

WYTHE/ROBERTS – MOVED TO SUBSTITUTE RESOLUTION 12-060 FOR RESOLUTION 12-060(S).

Councilmember Burgess asked if the bid amount was in line with what was reasonable.

City Manager Wrede answered there were three bidders and the numbers were close to what was expected.

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

Motion carried.

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

Motion carried.

- E. **Resolution 12-061**, A Resolution of the City Council of Homer, Alaska, Approving the Kenai Peninsula Borough School District Agreement for Joint Use of Equipment and Facilities for the Period July 1, 2012 through June 30, 2014, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager.

Mayor Hornaday called for a motion for the adoption of Resolution 12-061 by reading of title only.

WYTHE/LEWIS – SO MOVED.

Councilmember Roberts is glad to see the in-kind trade for clearing the ball fields. She asked if we were refunded if services exceed \$6,000.

City Manager Wrede answered the question came up and would be negotiable. Mr. Jones returned the agreement right before the packet deadline. We will give them an estimate for three fields, but it will be way over \$6,000. His understanding was we were talking about the upper field at the high school. The three fields would include the upper and lower fields at the high school and lower field at the Middle School. We are not committing to it, if the school district needs it they can ask.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Resolution 12-062**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for and Accept Special Act Appropriations Project (SAAP) Funds in the Form of a Grant (45% Matching Requirement) in the Amount of \$485,000 for the Purpose of Completing Water Distribution/Storage Improvement Projects. City Manager/Public Works Director.

Memorandum 12-107 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-062 by reading of title only.

WYTHE/LEWIS - SO MOVED.

During the Committee of the Whole Councilmember Wythe had asked how the SAAP impacts the current holding with the water fund since the water and sewer fund is struggling. City Manager Wrede was not able to get the information. Rather than delaying the resolution it was decided City Manager Wrede would come back at the July 23rd meeting with the financial information.

City Manager Wrede explained the installation of a storage facility and water line would make distribution easier. People could hook up to the pipe. It will help with the circular flow from West Hill and East Hill, water quality, storage, and maintenance costs will decrease. If development happens in the Shellfish Avenue area this would help service that portion of town.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Beth Wythe, city resident, asked for reconsideration of her recusal. She regards the Mayor's position and the people that were here for the Worksession on the natural gas line. Her concern is there were many people here representing interests beyond the City of Homer. People were here that have more to gain both politically and financially than she personally has to gain or lose as an employee of Homer Electric Association. To bring that forward to Council was her primary interest in not being recused from discussion on the gas line. There are a lot of people concerned about the gas line for the surrounding areas of Homer, Kachemak City, and purposes beyond what the City of Homer residents will receive. It is inappropriate for Council to force members into an LID they are not willing to vote on. Our responsibility is to represent the citizens of this community, not the greater surrounding area. It was very political at the June 4th Worksession and we should not get caught up in the political drive of the greater surround area and lose focus on what is the benefit to the City of Homer for the gas line.

Donna Rae Faulkner, city resident, thanked Council, stating a huge weight was lifted off their shoulders. They will still continue to have Seawall issues, but this will affect their lives in so many positive ways. She thanked Council for listening and coming to this conclusion.

Don McNamara, city resident, thanked Council for their decision. He spent hours today reading over back pages of Council's actions on the Seawall and it was just the way Council had in mind that the citizens would take over the wall and maintain it.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present

COMMENTS OF THE CITY CLERK

City Clerk Johnson congratulated Walt for making city history and wished the Council a pleasant four-week break.

COMMENTS OF THE CITY MANAGER

City Manager Wrede said thanks for the cake.

COMMENTS OF THE MAYOR

Mayor Hornaday told everyone to have a good summer.

COMMENTS OF THE CITY COUNCIL

Councilmember Wythe congratulated Walt. It has been 8 years of support and education for her sitting next to him at the table. She congratulated Roberta Highland for her reappointment and Don Stead for his appointment to the Planning Commission. She is hopeful that in the McNamara matter that Council's decision will restore the community's faith of the Council's ability to make micro and macro decisions. What is happening in the public and at the table is not the whole picture. Council can't always share all activities with the public, especially when there is legal action. Council has to rely on the community to know they are acting in their best interests at all times.

Councilmember Roberts echoed congratulations to Walt and issued a thank you and goodbye to Sharon Minsch.

Councilmember Howard said in her years as a city clerk she had many city managers, six in one year. She told Walt when he reaches 10 years she will nominate him for the City Manager Hall of Fame at the University of Kansas. She thanked Sharon Minsch who was appointed to the Planning Commission July 2006, selected as Chair of the Planning Commission July 2008, and served them until July 2012. Under Sharon's leadership the commission has traversed through tough waters to bring the various zones and related codes up to date and simplified for easier customer service. She asked Sharon to keep involved with the community.

Councilmember Burgess echoed congratulations to Walt. Sharon Minsch is the reason he is in the council seat now. It was going to the Planning Commission meetings that got him involved in the community. He thanked Sharon. He objected to the Mayor's ruling on Councilmember Wythe as she has a good attention to detail and pursuing matters with a fine tooth comb. As we move forward with the natural gas pipeline in negotiating the contracts the devil will be in the details. Although she won't be participating in the process he hopes we will still have her keen eye looking at the issues. That was his reasoning; not to disagree with the Mayor. Councilmembers Lewis and Zak had no comment.

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 7:49 p.m. The next Regular Meeting is Monday, July 23, 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: _____