

Session 12-21 a Regular Meeting of the Homer City Council was called to order on July 23, 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 ATTORNEY KLINKNER
CITY PLANNER ABOUD
COMMUNITY & ECONOMIC DEVELOPMENT
COORDINATOR KOESTER
FINANCE DIRECTOR MAURAS
LIBRARY DIRECTOR DIXON
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER
SYSTEMS MANAGER POOLOS

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

Council met for a Special Meeting from 4:00 p.m. to 4:45 p.m. and conducted an Executive Session to discuss Hogan vs. City of Homer. Council met as a Committee of the Whole from 5:00 p.m. to 5:52 p.m. to discuss Natural Gas Distribution Special Assessment District and 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: **PUBLIC HEARINGS** - **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. Written public comment; **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. Grant Agreement, Corrections from City Attorney Klinkner; **RESOLUTIONS** - **Resolution 12-069**, A Resolution of the City Council of Homer, Alaska, Initiating a Special Assessment District to Provide a Natural Gas Distribution System in the City, and Authorizing the City Manager to Prepare a Proposed Improvement Plan. City Manager. Written public comment; **Resolution 12-070**, A Resolution of the City Council of Homer, Alaska, Approving a Main Extension Contribution in Aid of Construction Agreement Between the City of Homer and Enstar Natural Gas Company for Construction of a Natural Gas Main Extension from Anchor Point through Homer to the Eastern Boundary of Kachemak City

and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Main Extension Contribution in Aid of Construction Agreement.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Karin Marks, city resident and business owner, supports Resolution 12-069. Natural gas will provide affordable heat and make Homer a year round town.

Donna Rae Faulkner, city resident, supports Ordinance 12-36.

Cheryl Rykaczewski, city resident, supports Ordinance 12-36. She asked that everyone be included in the improvement district for the gas line, making affordable energy for all.

Pat Melone, city resident and business owner, encourages a city-wide improvement district for affordable natural gas.

Monte Davis, city resident and Executive Director of Homer Chamber of Commerce, supports a city-wide improvement district for natural gas. It would be a lot more expensive and take longer if the City doesn't initiate it. The average Homer household conversion would start to see savings within three years. As to the argument in building the gas line for Enstar, the road system was built to haul propane and fuel oil.

Rachel Lord, city resident, supports Resolution 12-069, Ordinance 12-36, and harbor improvement projects.

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 Meeting minutes of June 14 and June 25, 2012 and Regular Meeting minutes of June 25, 2012. City Clerk. Recommend adoption.

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

- A. **Monte Davis**, Executive Director, Homer Chamber of Commerce, Proposed Economic Development Project

Monte Davis, Executive Director of the Homer Chamber of Commerce, unveiled the Chamber's big weekend event planned for June 14 – 16, 2013. It will be an air show called Hoo-Rah Homer to thank the military. He outlined the events planned that include a Wounded Warriors Day for veterans to go fishing, kayaking, and touring the bay at no cost. There will be a military style obstacle course and a statute unveiling at the intersection of Deep Water Dock Road and the Spit Road as a tribute to the Coast Guard. There are tours planned aboard a navy ship, army vehicles, and rotor wing airplanes. An air show, community barbeque, and concert on the Homer High School football field are planned. There will be a John Chapple memorial 5k run. Senators, representatives, and government officials will be in attendance. He asked Council for a resolution in support of the basic concept. Council's support will help the Chamber collect funds and enable them to hire an event coordinator.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

- A. **Mayor's Recognition** – Phil Needham, Efforts and Work at Karen Hornaday Park Ball Fields.

Mayor Hornaday read and presented the recognition to Phil Needham.

- B. **Mayor's Recognition** – City of Homer Sewer Treatment Facility Winner of the Great Alaska Energy Challenge for the Category "Biggest Change – Electricity"

Mayor Hornaday read and presented the recognition to Public Works Director Carey Meyer.

- C. Borough Report

- D. Commissions/Board Reports:

1. Library Advisory Board

Eileen Faulkner, Chair of the Library Advisory Board, reported the board endorses the mid year budget request for library funds to purchase a new software system. The current system is outdated and costs over \$12,000 annually in upgrades. Last year the system crashed and was down for 10 days. The new software is open source and will provide support, adding increased capabilities without cost. A much needed computer check out and research station can be located in the children's area. Patrons can view what books they have checked out in the past. Participants in the outreach program will be delivered books they have not yet seen. Patrons can be sent hold notifications via email and the software will be compatible with smart phones. The

new system will provide for electronic direct orders with vendors. Within three years the Library will realize the savings of the software purchase, and within five years costs will be \$25,000 less than the current system. She asked Council to support the Library's request (Ordinance 12-32).

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

Deb Lowney, Parks and Recreation Advisory Commissioner, thanked council for recognizing volunteers such as Phil Needham, Deb Cox, and Miranda Weiss. On Saturday the commission had Parks Day at Jack Gist Park combined with a work day. There was a fairly good turnout of volunteers to work in the park. She encouraged Council to focus on the list of items that need attention. Those include removal of debris and old chicken wire fence, supporting the development of the HERC building, and improvements to Karen Hornaday Park, Jack Gist Park, and the Fishing Hole. At Jack Gist Park we can work to make everything work for all user groups and be good neighbors.

5. Port and Harbor Advisory Commission

PUBLIC HEARING(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. Introduction June 25, 2012, Public Hearing and Second Reading July 23, 2012.
Memorandum 12-102 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 12-26 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.

- 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. Introduction June 25, 2012, Public Hearing and Second Reading July 23, 2012.

Memorandum 12-104 from Public Works Director as backup.

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

Mayor Hornaday called for a motion for the adoption of Ordinance 12-27 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.

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. Introduction June 25, 2012, Public Hearing and Second Reading July 23, 2012.

Memorandum 12-105 from Public Works Director as backup.

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

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

WYTHE/LEWIS – SO MOVED

There was no discussion.

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. Introduction June 25, 2012, Public Hearing and Second Reading July 23, 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 12-29 by reading of title only for second and final reading.

LEWIS/WYTHER - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

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. Introduction June 25, 2012, Public Hearing and Second Reading July 23, 2012.

At the previous meeting, Mayor Hornaday ruled Councilmember Wythe had a conflict of interest on all matters pertaining to the gas pipeline to Homer due to her employment with Homer Electric Association.

Councilmember Wythe recused herself due to a financial conflict of interest and vacated her 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 12-30 by reading of title only for second and final reading.

LEWIS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Wythe returned to her seat.

ORDINANCE(S)

- A. **Ordinance 12-31**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2012 Revolving Energy Fund, the Water and Sewer Depreciation Fund, and the Port and Harbor Depreciation Fund for Energy Upgrades and Improvements to Facilities and

Authorizing the City Manager to Transfer Funds. City Manager/Finance Director. Recommended dates: Introduction July 23, 2012, Public Hearing and Second Reading August 13, 2012.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-31 for introduction and first reading by reading of title only.

WYTHE/ROBERTS - SO MOVED.

WYTHE/ROBERTS – MOVED TO AMEND LINES 31, 32, AND 33 TO HAVE THOSE READ THAT THE LOAN AMOUNT WILL BE PAID OFF IN FULL.

Although the low amounts were to be amortized over the pay back period, for the low amounts it is not worth amortizing out.

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

Motion carried.

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

Motion carried.

- B. **Ordinance 12-32**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2012 General Fund Balance by Allocating \$544,280 for Depreciation Reserves for the Years 2010 and 2011 to City Hall, Parks And Recreation, Planning, Airport Terminal, Library, Fire, Police, Public Works, Leased Properties, Fire, Police, And Public Works Fleet Depreciation Reserve Accounts and Authorizing the City Manager to Transfer Funds. City Manager/Finance Director. Recommended dates: Introduction July 23, 2012, Public Hearing and Second Reading August 13, 2012.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-32 for introduction and first reading by reading of title only.

WYTHE/ROBERTS - SO MOVED.

Councilmember Wythe expressed appreciation to see the transfer to depreciation reserves. It is another step closer in bringing the City up to 40% of the depreciable fixed assets.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Ordinance 12-33**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2012 Operating Budget, Including Appropriations to the General Fund and the Port and Harbor Fund and Funding New Projects from Various Reserve Accounts, and

Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Finance Director. Recommended dates: Introduction July 23, 2012, Public Hearing and Second Reading August 13, 2012.

Memorandum 12-113 from Systems Manager as backup.
Memorandum 12-114 from Port and Harbor Director as backup.
Memorandum 12-115 from Library Director as backup.
Memorandum 12-116 from Public Works Superintendent as backup.
Memorandum 12-024 from Public Works Director as backup.
Memorandum 12-110 from Community and Economic Development Coordinator as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-33 for introduction and first reading by reading of title only.

WYTHE/LEWIS – SO MOVED.

Councilmember Burgess expressed opposition to spending over \$14,000 for tablet computers for council members. There are other solutions to meet the needs to eliminate paperwork and provide Council with email accounts.

Councilmember Wythe asked City Manager Wrede to explain the background for the tablet computer request. She questioned the \$338.60 amount to be expended with each new council member.

City Manager Wrede answered the \$338.60 would be the City's cost to set up personal devices. As to the background for the tablet request: City Attorney Wells earlier advised Council about the law and our requirements to take good care of public records and make them easily accessible without invading privacy with personal devices. Systems Manager Poolos advised what it would cost him to support using personal devices. Memorandum 12-113 lists savings in staff time and paper if we went to tablet computers.

Councilmember Roberts is convinced anyone on the council now or later would like to have a city-owned device. She can't afford to have her computer taken for a period of time. It is time to have something that works for the Council.

Councilmember Lewis echoed Councilmember Roberts' comments. His computer is a dinosaur and he doubts the System Manager could do anything with it. His computer is needed at home.

WYTHE/BURGESS - MOVED TO HAVE THIS PARTICULAR ITEM REMOVED FROM THE INITIAL VOTE AND VOTED ON SEPARATELY WHETHER OR NOT WE WILL ALLOCATE THOSE FUNDS.

There was no discussion.

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

Motion carried.

Councilmember Zak noted the Clerk's statistics through May indicate there are 3,503 pages of council packets. That amount times seven is 24,000 pages for Mayor and Council. He is in favor of saving all that paper and ink.

Councilmember Burgess is not opposed to digital record keeping and for council to have a dedicated device in the case of public records needs. He is not convinced \$14,000 and training on one device is the best solution. There may be a more effective means for the taxpayer.

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

Motion carried.

Councilmember Wythe requested to return to the vote of Ordinance 12-33 for clarity purposes.

LEWIS/BURGESS - MOVED TO AMEND TO AWARD THE HOMER HOCKEY ASSOCIATION \$10,567 FOR THE PURCHASE OF ZAMBONI BATTERIES.

Councilmember Lewis requested funds from the budget reserve. The Hockey Association does not have the money for the Zamboni batteries and they have to be purchased now in time for the season. There have been many upgrades and repairs needed to the rink that have been put off for lack of funds. This year they will add an extra \$10 for a sheet of ice which will be \$260 coming out of parents' pockets. We give a lot to different organizations. The hockey rink brings money into town and keeps it in town.

Councilmember Wythe expressed the need for substantial adjustments to the title and ordinance. She believes including the amendment in a budget expense is not an appropriate place.

VOTE: (amendment) YES. ZAK, BURGESS, LEWIS

VOTE: NO. ROBERTS, WYTHE, HOWARD

Mayor Hornaday broke the tie with a YES vote.

Motion carried.

City Clerk Johnson advised additional language was needed within the ordinance to include the Homer Hockey Association.

Mayor Hornaday called for a recess at 6:57 p.m. and reconvened the meeting at 7:04 p.m.

LEWIS/ROBERTS - MOVED TO AMEND IN THE TITLE AFTER THE "PROJECTS FROM VARIOUS RESERVE ACCOUNTS," TO ADD: APPROPRIATING \$10,567 FOR THE HOMER HOCKEY ASSOCIATION ZAMBONI BATTERIES.

There was no discussion.

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

Motion carried.

LEWIS/WYTHER - MOVED TO AMEND LINE 16 TO READ: WHEREAS THE HOMER HOCKEY ASSOCIATION HAS EXPERIENCED SIMILAR EXPENSES; AND WHEREAS THE HOMER HOCKEY ASSOCIATION IS A MAJOR CONTRIBUTOR TO THE CITY ECONOMY.

There was no discussion.

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

Motion carried.

LEWIS/WYTHER - MOVED TO AMEND LINE 44 SECTION 3 AND EVERYTHING AFTER THAT WILL INCREASE IN NUMBERS; IT WILL READ WHEREAS HOMER CITY COUNCIL HEREBY AMENDS THE GENERAL RESERVE FUND FOR THE FOLLOWING ADDITIONS: HOMER HOCKEY ASSOCIATION ZAMBONI BATTERIES/ACCT. NO. TO BE ANNOUNCED/\$10,567.

There was no discussion.

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

Motion carried.

WYTHER/LEWIS - MOVED FOR THE APPROVAL OF ORDINANCE 12-33 AS AMENDED.

City Manager Wrede asked to incorporate packet page 171 (a listing of 2012 Mid year Budget Amendments) by reference. He suggested adding the following language to Section 1: The Homer City Council hereby appropriates to the general fund from the fund reserve a line item description of appropriations is attached and incorporated herein.

Mayor Hornaday called for a motion to amend section 1 to add: The Homer City Council hereby appropriates to the general fund from the fund reserve a line item description of appropriations is attached and incorporated herein.

WYTHER/ROBERTS – SO MOVED.

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.

WYTHER/LEWIS - MOVED FOR THE APPROVAL OF THE TABLETS AS RECOMMENDED BY THE SYSTEMS MANAGER.

VOTE: YES. LEWIS, ROBERTS, WYTHER, ZAK, HOWARD
VOTE: NO. BURGESS

Motion carried.

D. **Ordinance 12-34**, An Ordinance of the City Council of Homer, Alaska, Amending the 2012 Operating Budget by Appropriating \$1,500.00 from the General Fund for an Open House Celebration for the Renovated City Hall. Roberts/Wyther. Recommended dates: Introduction July 23, 2012, Public Hearing and Second Reading August 13, 2012.

ROBERTS/WYTHER - MOVED FOR THE ADOPTION OF ORDINANCE 12-34.

Mayor Hornaday does not think it is an appropriate expenditure.

Councilmember Wyther asked if there were contingency funds remaining after construction. Public Works Director Meyer answered there were not.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

E. **Ordinance 12-35**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2013 in the Amount of \$6,500.00, with a Local Match of \$7,000.00 for Books and Library Materials, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Library Director. Recommended dates: Introduction July 23, 2012, Public Hearing and Second Reading August 13, 2012.

Memorandum 12-117 from Library Director as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-35 for introduction and first reading by reading of title only.

LEWIS/WYTHER - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Ordinance 12-36**, An Ordinance of the Homer City Council, Enacting Homer City Code Chapter 5.42 Prohibiting Sellers from Providing Customers with Disposable Plastic Shopping Bags. Lewis/Burgess. Recommended dates: Introduction July 23, 2012, Public Hearing and Second Reading August 13, 2012.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-36 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.

- G. **Ordinance 12-37**, An Ordinance of the City Council of Homer, Alaska, Amending the 2012 Operating Budget by Appropriating Up to \$15,000 from the Port and Harbor Reserve Fund for an Engineering Evaluation of the Existing Port and Harbor Building. City Manager/Port and Harbor Director. Recommended dates: Introduction July 23, 2012, Public Hearing and Second Reading August 13, 2012.

Memorandum 12-121 from Port & Harbor Director as backup

Mayor Hornaday called for a motion for the adoption of Ordinance 12-37 for introduction and first reading by reading of title only.

LEWIS/HOWARD - SO MOVED.

Councilmember Wythe asked if the monies appropriated earlier to the Port and Harbor Improvement Committee for expenses relating to the engineering evaluation had been exhausted.

City Manager Wrede will verify that information prior to the second reading on August 13.

Councilmember Wythe remembers other options besides improving the existing Port and Harbor building. She asked that this ordinance will incorporate looking at other alternatives presented to the committee in the past.

Discussion on amending the ordinance to include language to look at other alternatives for the Port and Harbor building was made. Resolution 12-065 expands the committee's search for other resources.

City Manager Wrede said it was the intent of the Port and Harbor Director, Public Works Director, and himself that the money would be used not only to evaluate the existing building,

but to line out all three options and compare fixing the building with renovating another building, or building new.

Councilmember Wythe asked for a substitute ordinance for the next meeting that will provide authority for expenditure of the funds, defining the work we anticipate doing.

Councilmember Roberts noted Lines 22 and 23 refer to a new or renovated Port and Harbor building, but does not give the option of not using the site.

Councilmember Wythe expressed the need for the language so it is exactly in line of what we are requesting. It is a sensitive issue and we want the language to be clear.

City Manager Wrede commented there were members of the Port and Harbor Improvement Committee and the Port and Harbor Advisory Commission that thought we would not be doing our due diligence if we didn't look at the existing building. It is part of our mandate.

Councilmember Howard sees Ordinance 12-37 as providing funding for the essential piece of missing information which is what is wrong with the current building. Resolution 12-065 talks about funding sources for whatever alternative we may decide on.

City Manager Wrede commented Resolution 12-065 expands the mandate of the committee; Ordinance 12-37 appropriates money to do so.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Mid Year Budget Amendments: This agenda contains three mid-year budget amendment ordinances. Three ordinances were used because the proposed transfers involve depreciation accounts for multiple budget years, 2012 operating expenses, and new capital projects. It seemed cleaner to do it that way rather than try to accomplish all of that in one ordinance. These ordinances attempt to do two things: 1) appropriate excess revenues from FY 2011 and 2) appropriate funds to cover unanticipated operating expenses. The City took in revenues that exceeded budget projections for 2011. Over 400,000 of that was sales taxes due to the rising costs of things like fuel. Revenue Sharing turned out to be more than was budgeted and the City also saw an increase in the jail contract. PERS relief had to be shown as revenue which skews the numbers somewhat. The administration is proposing to appropriate most of the excess revenues into depreciation accounts to compensate for the fact that no funds were transferred into these accounts in either 2010 or 2011. Funds are also appropriated to repay the Revolving Energy Fund. The ordinances also propose appropriating money and amending the current FY 2012 Operating Budget to address unanticipated increases in

fuel, electricity, and overtime costs. Most of the major cost increases have explanations in the margin however, we will be happy to explain any line item at the meeting.

2. Land Negotiations: The Council recently adopted Resolution 12-54 (A) which authorized the City Manager to negotiate a purchase agreement for Lot 75 Bunnells Subdivision. Contact has been made with the property owner and a commercial appraisal has been ordered.
3. Intersection of Lake and Pioneer: You may recall that Lake Street is scheduled to receive a make-over which includes fixing drainage problems, new pavement, and a new bike lane. We were recently informed by DOT/PF that they may have access to additional funds to upgrade traffic control at the intersection of Lake and Pioneer. This intersection was identified as one that would need improvements in this timeframe. DOT/PF prefers roundabouts and thinks one would work well at this location. However, they wanted to check with the community first. They wanted a quick answer because if the City had a preference, they would need to include it in the environmental and permitting documents, which they are working on now. We did not want to be held responsible for delaying the project further. We told them that the administration had no objection to roundabouts or specifically, one at that location, but that we would bring this to the Council's attention. We told them that if they went with a roundabout, that they would need to address the most common questions related to truck traffic and pedestrian safety. DOT/PF plans to hold a public meeting on this topic as well.
4. Intersection Main and Sterling: We had a teleconference with DOT/PF about this intersection last week. The traffic engineer wanted us to know that he was submitting a proposal/recommendation for "safety" funding for this intersection and for the intersection of Main and Pioneer. We used the opportunity to re-emphasize that the Council wants traffic control at Main and Sterling ASAP. We have since been debating the pros and cons of allowing DOT/PF to apply for the intersection money and then using the \$2 Million the City has to fix up Main Street itself. But this might take longer than the community wants. We all agreed that the fastest way to get something done at Main and Sterling is for the City to assume responsibility for the project and manage construction. This is a topic we could use some guidance on from Council.
5. High School Track: The Borough received a Legislative Grant for 1.1 Million for the Homer High School track. The construction bids are now in and it appears that the Borough has enough money for the base contract and Alternative 1 which is the long/triple jump. Approximately \$51,000 is needed to complete the other alternatives which include the shot put area, blue track, and exterior curbing. An active search is on for the rest of the money. I have been reminded that the City of Kenai is providing some matching funding for the track there. I have been asked by Borough and School Board representatives if the City of Homer would consider helping out. Please let me know if Council is interested. A good argument could be made that these improvements benefit the entire community.
6. Banners: Perhaps you have noticed that banners are appearing at businesses all over town. This seems to be getting quite popular in communities all around the state. Under the City code, these banners can be considered advertising and/or signs. It could be argued that banners in some cases cause sign code violations. The planning department has been debating how to react and whether an enforcement effort is necessary. Since the summer is already half over and since reasonable people can differ over these banners,

their impact, and whether they should or should not be enforced under the sign code, we have decided not to spent time and resources on enforcement efforts right now (unless there was a safety issue, an extreme case, or the banners proliferated rapidly). We concluded it made sense to evaluate these banners and their impact this summer and make enforcement policy or code changes over the winter if it seems appropriate. It did not seem like a good use of time and resources to jump right into another sign code controversy! When it comes to zoning code enforcement, there are much higher priorities.

7. Harbor Projects: This agenda contains a resolution expressing the Council's support for a grant application to help finance improvements in the harbor. These projects and this grant application is recommended by the Port and Harbor Commission and the Port and Harbor Improvement Committee. A resolution of support from the governing body is required as part of the grant application submittal. The matching funds will be raised through a revenue bond sale and Council has already approved fee increases so that the bonds can be repaid. Katie has a draft grant application completed and she is presently circulating it internally for comments. Let us know if Council members want to review it.
8. Library Grants: The Homer Public Library recently applied for a Tier I grant from the Rasmuson Foundation for collection enhancement in the amount of \$18,852. Also, the Friends of the Homer Public Library received a grant from the National Endowment for the Arts (NEA) for a program entitled "The Things They Carried" which is the title of an acclaimed book. The author will be visiting Homer and Ann Dixon can give you more details at the meeting.
9. Capital Projects: Engineering and design is underway on portions of the Cruise Ship Grant project and the Council has awarded a contract for construction of new fenders at the Deep Water Dock. The approved street repaving project will take place this summer. The MOU is about complete with DOT/PF and we expect to start the design phase of the Spit Trail extension this summer. Contracts have been awarded for the Beluga Slough Trail improvements. Permits are now lined up for moving the entrance to Mariner Park and construction might occur this summer or fall. The Kachemak Drive Water and Sewer Project is essentially complete. A surveyor is working on the Nick Dudiak Fishing Lagoon to determine how much material needs to be removed. We expect to bid that work out this fall and the lagoon should be ready for new fish from ADF&G next summer. I am sure there are other projects I forgot to mention in my haste to complete this report. Please don't hesitate to ask questions about these or any other capital projects.
10. Land Use Planning: Council will recall that some time ago, it decided not to lease any land (new leases) or make any long term land use decisions on the 11 acre parcel that contains the Pier One Theatre and the campground; the parcel wedged between the fishing hole and the harbor. The reason for doing so was that there are numerous competing visions about the best use of the property and while it appears to be mostly vacant now, it is likely to be very valuable in the future. The City paid well over a million dollars to acquire the property and my understanding is that port and harbor enterprise funds were used. Council said it would not do anything there until a long term land use plan was prepared and it tasked the staff with preparing the plan. The planning department is beginning work on a plan and is currently gathering as much information as it can about the property. One of the things that has spurred us to get moving on this is a

new proposal to establish a trailhead for the proposed new water trail there. I can talk a little more about that and I suspect that Dave Brann will be addressing you soon on this.

11. Natural Gas: This agenda contains a lot of information and action items regarding natural gas. At the Committee of the Whole, Tom Klinkner will be there to discuss some of the more prominent topics regarding special assessment districts and financing for them. A memo from him is included in the packet. On the regular meeting agenda, there is second reading of the ordinance accepting the grant and appropriating the money, a resolution initiating a special assessment district which includes the entire town, and a resolution approving a construction contract with Enstar to build the main extension from Anchor Point to here.

City Manager Wrede answered questions from Council on the intersections of Lake Street and Pioneer Avenue and Main Street and the Sterling Highway. Council expressed an interest to get the intersection of Main Street and the Sterling Highway fixed as soon as possible with the \$2M set aside for the project. Council rejected the prospect of delaying the project another three years while the State of Alaska Department of Transportation applies for intersection safety funds. The intersection is dangerous with more than enough accidents, both vehicular and pedestrian.

Although the DOT plan calls for a roundabout, the City passed a resolution to get the work done with the current \$2M. The Main Street/Sterling Highway intersection could be constructed in the fall. The City would contract for the work to be done and define the construction dates. A term contract with Kenney Engineering would allow them to undertake the project. A resolution will be brought forward at the next meeting.

City Manager Wrede will bring an ordinance forward on August 13th to appropriate \$51,000 for the Homer High School Track project. This would include a shot put area, blue track, and exterior curbing.

- B. Bid Report
- C. Games Report
 1. Alaska Marine Conservation Council
- D. Records Destruction Report

CITY ATTORNEY REPORT

City Attorney Klinkner had submitted a written report defining his work on the Auction Block litigation and the natural gas special assessment district. Council had no questions of the attorney.

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

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 12-063**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Donation of Two Paintings, *Kittywake II* and *Life's A Beach*, by Homer Artist Gaye Wolfe. City Clerk/Public Arts Committee.

Memorandum 12-118 from Public Arts Committee as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-063 by reading of title only.

ZAK/LEWIS - SO MOVED.

Mayor Hornaday commented the Kittywake is a historic vessel and transported Fish and Game. The City is certainly appreciative of Gaye Wolfe's donation.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 12-064**, A Resolution of the City Council of Homer, Alaska, Expressing Support for a Municipal Harbor Facility Grant Application to the State of Alaska, Department of Transportation and Public Facilities (DOT&PF) in the Amount of \$4,206,000 for Ramp 3 Gangway and Approach, Harbor Floats Replacement and Upgrades to Electrical and Potable Water at System 5 and Authorizing the City Manager to Submit the Appropriate Documents. City Manager.

Mayor Hornaday called for a motion for the adoption of Resolution 12-064 by reading of title only.

BURGESS/WYTHE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 12-065**, A Resolution of the City Council of Homer, Alaska, Expanding the Scope of Work for the Port and Harbor Improvement Committee to Develop a Plan to Resource Funds from Various Sources for the Purpose of Upgrading the Port and Harbor Building. City Clerk/Port and Harbor Advisory Commission.

Memorandum 12-121 from Port and Harbor Director as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-065 by reading of title only.

LEWIS/HOWARD - SO MOVED.

Councilmember Wythe would like to see language include whether it be a new or renovated Port and Harbor building, specifically looking at alternative availability on the Spit. Other properties on the Spit may be available for purchase.

Councilmember Howard commented the committee enthusiastically takes on the task.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Resolution 12-066**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to Arno Construction of Homer, Alaska, in the Amount of \$5,880.00 for the Homer Airport Pressurized Sewer Service Line Replacement Project (Bald Mountain Air Sewer Service) and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Memorandums 12-089 and 12-120 from Public Works Inspector as backup.

At a previous meeting, Mayor Hornaday had ruled Councilmember Burgess had a conflict of interest due to his business relationship with Bald Mountain Air.

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

Mayor Hornaday called for a motion for the adoption of Resolution 12-066 by reading of title only.

LEWIS/HOWARD – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Burgess returned to his seat.

- E. **Resolution 12-067**, A Resolution of the City Council of Homer, Alaska, Noting the Insufficiency of the Petition for Ocean Drive Loop Road Reconstruction and Paving Improvements. City Clerk.

Mayor Hornaday called for a motion for the adoption of Resolution 12-067 by reading of title only.

WYTHER/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Resolution 12-068**, A Resolution of the City Council of Homer, Alaska, Noting the Insufficiency of the Petition for Kachemak Drive Phase III Water and Sewer Improvement Special Assessment District. City Clerk.

Mayor Hornaday called for a motion for the adoption of Resolution 12-068 by reading of title only.

WYTHER/ROBERTS - SO MOVED.

Councilmember Lewis commented on the failure of the HSAD, and asked how much more the water/sewer improvements would cost at a later date.

City Manager Wrede noted there is a gap in the middle of Kachemak Drive and dead ends on either end. It means more flushing and not as great of water quality as we may otherwise have. A couple years ago the Public Works Director brought forward a proposal to build the water line with stipulations that nobody could tap into it until there was sewer.

Public Works Director Meyer believes it would be a huge benefit for improved water quality in the neighborhood and on the Spit to have more loop lines. It is disappointing the HSAD failed. Council authorized him to apply for and accept grant monies to complete the design of this. Once

the design is complete he will be motivated to come back to Council and see if there are other ways to complete the construction.

Councilmember Lewis inquired about costs to complete the water line when contractors are working in the area versus coming back at a later date.

Public Works Director Meyer answered we are beyond the point of including Kachemak Drive Phase III in Phase II. We are waiting for DEC approval for property owners to tie on to Phase II improvements that Herndon Construction completed. There are fixed costs associated with mobilizing equipment and manpower to the site. The project will be more expensive to do at a later date.

Councilmember Howard noted as learned in the water and sewer rate study, all taxpayers pick up the costs for the flushing. It is unfortunate the district failed.

Mayor Hornaday noted there are environmental issues too.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

G. **Resolution 12-069**, A Resolution of the City Council of Homer, Alaska, Initiating a Special Assessment District to Provide a Natural Gas Distribution System in the City, and Authorizing the City Manager to Prepare a Proposed Improvement Plan. City Manager.

Memorandum 12-119 from City Attorney as backup.

At a previous meeting Mayor Hornaday ruled Councilmember Wythe had a conflict of interest in matters related to the gas line to Homer.

Councilmember Wythe recused herself due to a financial conflict of interest and vacated her seat (for both Resolutions 12-069 and 12-070).

Mayor Hornaday called for a motion for the adoption of Resolution 12-069 by reading of title only.

LEWIS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

H. **Resolution 12-070**, A Resolution of the City Council of Homer, Alaska, Approving a Main Extension Contribution in Aid of Construction Agreement Between the City of

Homer and Enstar Natural Gas Company for Construction of a Natural Gas Main Extension from Anchor Point through Homer to the Eastern Boundary of Kachemak City and Authorizing the City Manager to Execute the Appropriate Documents. City Manager.

Mayor Hornaday called for a motion for the adoption of Resolution 12-070 by reading of title only.

BURGESS/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Wythe returned to her seat.

COMMENTS OF THE AUDIENCE

There were no comments of the audience.

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 Wythe is glad to see we are moving forward with the Port and Harbor project. In the long run it will be very valuable for the City to maintain that asset.

Councilmember Zak congratulated Councilmember Lewis for passing the ordinance to get Zamboni batteries. He did a good job explaining the economic impact on the City of Homer. He thanked Chamber of Commerce Executive Director Monte Davis for presenting Hoo-rah Homer. The idea has a lot of momentum.

Councilmember Roberts expressed concern about the mid-year budget amendment. She does not think the mid-year budget amendment is the place to add on a non profit; it is more of the regular budget process and impulsive. Most of the public did not have a chance to weigh in and she would be very wary of doing that in the future.

Councilmember Burgess is very pleased to see Council moving forward with natural gas efforts. It shows a lot of leadership and initiative on the part of the Council.

Councilmembers Lewis and Howard 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, August 13, 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: _____