

Session 12-23 a Regular Meeting of the Homer City Council was called to order on August 13, 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

Councilmembers Roberts and Zak have requested excusal.

Mayor Hornaday ruled Councilmembers Roberts and Zak as excused absences. There was no objection from the Council.

Council conducted a Special Meeting from 4:00 p.m. to 4:38 p.m. and met as a Committee of the Whole from 5:00 p.m. to 5:38 p.m. to discuss Budget Priorities for 2013 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:

PUBLIC HEARINGS - 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. Written public comment. **ORDINANCES - Ordinance 12-38(S)**, An Ordinance of the City Council of Homer, Alaska, Amending the 2012 Operating

Budget by Appropriating Up to \$7,000 from the ~~Port And Harbor~~ **Airport Depreciation Reserves** Fund for Paving Repairs at the Airport Terminal. City Manager/Public Works Director. **Ordinance 12-39**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Denali Commission Grant in the Amount of \$440,000 for Engineering Design Services for Priority Capital Improvements within the Homer Boat Harbor (Ramp 3 Float Replacement and System 5 Upgrades) with a Required Twenty Percent (20%) Local Match of \$110,000 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Port and Harbor Director. Memorandum 12-130 from Public Works Director as backup. **Ordinance 12-40(S)**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Special Act Appropriations Project (SAAP) Grant in the Amount of \$881,818 and Authorizing a 45% Matching Requirement from the Homer Accelerated Water and Sewer Fund (HAWSP) in the Amount of \$396,818 for the Purpose of Completing Water Distribution/Storage Improvement Projects and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. **CITY MANAGER'S REPORT** - Memorandum 12-128 from Community and Economic Development Coordinator, Re: Report on Proposed Formation of Kenai Peninsula Development Coalition. **RESOLUTIONS** - **Resolution 12-072(S)**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to **Alaska Road Builders** of **Soldotna, Alaska**, in the Amount of **\$559,513.00** for the 2012 Streets Paving Project and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Memorandum 12-129 from Public Works Superintendent as backup. **Resolution 12-073(S)**, A Resolution Of The City Council Of Homer, Alaska, Supporting The Homer Chamber Of Commerce *Hoo-Rah Homer* Event Planned For June 13—16, 2013.

Mayor Hornaday passed the gavel to Mayor Pro Tempore Wythe to offer public comment.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

James Hornaday, city resident, voiced opposition to Resolution 12-074. He favors roundabouts. The City had an offer from the State to build two roundabouts at their cost. We don't know how to build stoplights, would contract it out, and would need to supervise the project. The State says they can do the roundabout in three years. Roundabouts are better environmentally with less emissions. He hopes Council will defeat the resolution and choose roundabouts for our unique community.

RECONSIDERATION

CONSENT AGENDA

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

- A. Homer City Council unapproved Special and Regular Meeting minutes of July 23, 2012. City Clerk. Recommend adoption.

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

LEWIS/WYTHE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

Mayor Hornaday invited the community to the Open House at City Hall on Monday, August 20th from 4:00 p.m. to 7:00 p.m. There will be artists, entertainment, and refreshments.

- A. Borough Report
- B. Commissions/Board Reports:
 - 1. Library Advisory Board
 - 2. Homer Advisory Planning Commission
 - 3. Economic Development Advisory Commission
 - 4. Parks and Recreation Advisory Commission

Deb Lowney, Parks and Recreation Advisory Commissioner, reported on the successful Park Day at Jack Gist Park. There were major improvements on the ballfields. The commission forwarded their budget recommendations to Walt and Homer Roads and Trails recommendation projects to the Transportation Advisory Committee (TAC). The Kachemak Drive Pathway is going to the TAC next week. The commission is heavily involved with Karen Hornaday Park improvements. They hope to find support for two trails; one trail is the continuation of Fairview and the other is a new trail at Woodard Creek. The commission supports improvements at Jack Gist Park to include drainage and signage. The Parks and Recreation Department needs more staff for summer maintenance for new facilities and updated facilities.

5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

A. BUDGET PRIORITIES FOR 2013

Mayor Hornaday opened the public hearing.

Ginny Espenshade, city resident, thanked the City and Parks and Recreation for their work on the Jack Gist ballfields. There is a wide diversity of community members that spend time at the park. Signage and drainage will make the park worth visiting. A softball tournament will be a natural fit with the Hoo-Rah Homer event.

Jessica Martin, city resident, runs the softball adult league. Volunteers are trying to finish drainage at the third field which is naturally terraced land and are willing to help with the costs. They would like to hold tournaments like Soldotna. A sign is needed for the park.

Amy Jones, city resident, commented on Jack Gist Park. The park provides a positive, productive, and active lifestyle for the hundreds of community members that use it. The primary needs are proper signage and drainage at the third and upper field. She asked for funding for cobble to create a spectator area between the ditch.

Mayor Hornaday closed the public hearing.

B. Ordinance 12-31(A), 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. Introduction July 23, 2012, Public Hearing and Second Reading August 13, 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 12-31(A) 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 12-32**, 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. Introduction July 23, 2012, Public Hearing and Second Reading August 13, 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 12-32 by reading of title only for second and final reading.

WYTHER/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 12-33(A)**, 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, **Appropriating \$10,567 for the Homer Hockey Association Zamboni Batteries**, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Finance Director. 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 opened the public hearing.

Steve Delehanty, city resident and President of the Homer Hockey Association, commented the organization has 160 youth and 115 adult members. It is a great asset to the community. The rink is expensive to maintain and needs a Zamboni that runs on batteries; they are past the replacement date and are failing. They have requested grants for other needs and ask for Council's support for the batteries.

Mayor Hornaday closed the public hearing.

WYTHE/HOWARD – MOVED TO POSTPONE ORDINANCE 12-33(A) TO OUR NEXT MEETING WHEN WE HAVE A FULL COUNCIL.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

E. **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/Wythe. Introduction July 23, 2012, Public Hearing and Second Reading August 13, 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 12-34 by reading of title only for second and final reading.

WYTHE/LEWIS - SO MOVED.

The Open House is scheduled for Monday, August 20th from 4:00 p.m. to 7:00 p.m. The public is encouraged to come and see the new facilities and Council and staff.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **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. Introduction July 23, 2012, Public Hearing and Second Reading August 13, 2012.

Memorandum 12-117 from Library 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 12-35 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.

- G. **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. Introduction July 23, 2012, Public Hearing and Second Reading August 13, 2012.

Mayor Hornaday opened the public hearing.

Jane Regan, city resident, supports banning plastic bags. Alaska cities of Unalaska, Bethel, and Hooper Bay have banned them along with numerous places in the Lower 48 and worldwide. Plastic bags are a threat to marine wildlife, contribute to greenhouse gases, and clog landfills.

Deb Lowney, Homer resident, supports banning plastic bags. It is totally doable and environmentally right.

Bob Malone, city resident, opposes the ordinance as it will increase operating costs for businesses to use paper bags, reusable bags have sanitation issues, and less than 1% of landfill material is plastic bags. Grocery stores have recycle bins as does the landfill for free. We need to spend time educating people on recycling at the landfill.

Al Waddell, longtime Homer resident, favors use of plastic bags since their uses are extensive. The average baby uses 8,000 diapers that all end up in the landfill. If the ordinance passes the City will have another employee called the bag police. It could be a violation of the Federal Trade Commission if the ban restricts trade.

Ginny Espenshade, city resident, commented not seeing the alders decorated in plastic would be appropriate.

Rick Morrell, Homer resident, uses the bags and recycles them every day. He would spend more time worrying about beer containers on the side of the road.

Meghan Murphy, city resident, supports the ordinance.

Carly Ott, city resident, supports the ordinance for a place to start. As a marine community it is our responsibility. It is time to start walking away from petroleum products.

Councilmember Burgess excused himself from his seat to offer public testimony.

Beau Burgess, city resident, supports the ordinance as plastic is toxic to the environment and marine wildlife. The current ordinance is a good balance and a good stance as a marine community. The ban should not restrict business; business does not need a negative impact if everyone is playing by the rules.

Councilmember Burgess returned to his seat.

Mayor Hornaday closed the public hearing.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-36 by reading of title only for second and final reading.

LEWIS/BURGESS - MOVED TO POSTPONE UNTIL WE HAVE A FULL COUNCIL.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

H. **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. Introduction July 23, 2012, Public Hearing and Second Reading August 13, 2012.

Ordinance 37(S), An Ordinance of the City Council of Homer, Alaska, Amending the **FY** 2012 Operating Budget by Appropriating up to \$15,000 from the Port and Harbor Reserve Fund for an Engineering Evaluation of **Four Identified Alternatives to Upgrade and/or Replace** the Existing Port and Harbor **Office** Building. City Manager/Port and Harbor Director.

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

Memorandum 12-123 from City Manager as backup.

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

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

WYTHE/LEWIS - SO MOVED.

WYTHE/LEWIS - MOVED TO SUBSTITUTE ORDINANCE 12-37(S) FOR ORDINANCE 12-37.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/LEWIS - MOVED TO AMEND ORDINANCE 12-37(S) IN THE TITLE REPLACING THE \$15,000 WITH \$2,500 AND MAKE THE SAME AMENDMENT IN THE LANGUAGE ADDRESSING THE BUDGET.

Funds in the amount of \$12,500 were allocated earlier this year; \$2,500 will bring the total back to \$15,000.

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

Motion carried.

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

Motion carried.

ORDINANCE(S)

- A. **Ordinance 12-38**, An Ordinance of the City Council of Homer, Alaska, Amending the 2012 Operating Budget by Appropriating up to \$7,000 from the Port and Harbor Reserve Fund for Paving Repairs at the Airport Terminal. City Manager/Public Works Director. Recommended dates: Introduction August 13, 2012 Public Hearing and Second Reading August 27, 2012.

Memorandum 12-126 from Public Works Director as backup.

Ordinance 12-38(S), An Ordinance of the City Council of Homer, Alaska, Amending the 2012 Operating Budget by Appropriating Up to \$7,000 from the ~~Port And Harbor~~ **Airport Depreciation** Reserves Fund for Paving Repairs at the Airport Terminal. City Manager/Public Works Director.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-38 for introduction and first reading by reading of title only.

WYTHER/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Hornaday called for a motion to substitute Ordinance 12-38(S) for Ordinance 12-38.

WYTHER/LEWIS - SO MOVED.

The correction was made for the funds to be used from the Airport Depreciation Reserves.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 12-39**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Denali Commission Grant in the Amount of \$440,000 for Engineering

Design Services for Priority Capital Improvements within the Homer Boat Harbor (Ramp 3 Float Replacement and System 5 Upgrades) with a Required Twenty Percent (20%) Local Match of \$110,000 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Port and Harbor Director. Recommended dates: Introduction August 13, 2012 Public Hearing and Second Reading August 27, 2012.

Memorandum 12-110 from Community and Economic Development Coordinator as backup.

Memorandum 12-130 from Public Works Director as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-39 for introduction and first reading by reading of title only.

HOWARD/WYTHER - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

C. **Ordinance 12-40**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Special Act Appropriations Project (SAAP) Grant in the Amount of \$881,818 and Authorizing a 45% Matching Requirement from the Homer Accelerated Water and Sewer Fund (HAWSP) in the Amount of \$396,818 for the Purpose of Completing Water Distribution/Storage Improvement Projects and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommended dates: Introduction August 13, 2012 Public Hearing and Second Reading August 27, 2012.

Ordinance 12-40(S), An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Special Act Appropriations Project (SAAP) Grant in the Amount of \$881,818 and Authorizing a 45% Matching Requirement from the Homer Accelerated Water and Sewer Fund (HAWSP) in the Amount of \$396,818 for the Purpose of Completing Water Distribution/Storage Improvement Projects and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-40 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.

Mayor Hornaday called for a motion to substitute Ordinance 12-40(S) for Ordinance 12-40.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Ordinance 12-41**, An Ordinance of the City Council of Homer, Alaska, Appropriating \$60,000 from the General Fund Reserve and Transferring These Funds to the Kenai Peninsula Borough to Support Renovation of the Homer High School Track Complex Including All Additive Alternatives. City Manager. Recommended dates: Introduction August 13, 2012, Public Hearing and Second Reading August 27, 2012.

Mayor Hornaday called for a motion for the adoption of Ordinance 12-41 for introduction and first reading by reading of title only.

LEWIS/WYTHE - SO MOVED.

Councilmember Wythe encouraged people to come testify or email their thoughts on use of \$60,000 in public funds for the Homer High School Track upgrades.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

- A. City Manager's Report

1. Memorandum 12-128 from Community and Economic Development Coordinator,
Re: Report on Proposed Formation of Kenai Peninsula Development Coalition.

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: Based upon the conversation Council had at the last meeting during the Manager's Report, we have gotten back to ADOT/PF and informed them that the City of Homer has no objection to planning for a round-about at the intersection of Lake St. and Pioneer. Intersection improvements would become part of the larger Lake St. Rehabilitation project. You will recall that DOT/PF wanted to know the City's opinion before it started the planning, environmental assessment, and permitting process. ADOT/PF will hold community meetings to solicit public comments after the preliminary design is complete.
4. Intersection Main and Sterling: Based upon the conversation Council had at the last meeting regarding this intersection, it was agreed that I should bring back a resolution which says that the City is willing to assume responsibility for construction of intersection improvements. The main reason for the resolution was to get the issue on the table for additional discussion and action. A resolution to that effect is included in the packet. Also included is additional information requested by Council which will assist it in deciding how to proceed with respect to the resolution.
5. High School Track: At the last meeting, there seemed to be a consensus that I should bring back an ordinance that appropriates money to complete the HS track renovation project, including all of the additive alternatives. Again, the primary reason for bringing this ordinance forward was to get the issue on the table for additional discussion and possible action.
6. Harbor Projects: Things are moving ahead with the proposed harbor improvements (the bond projects). Katie has completed and submitted the grant application for Municipal

Harbor Grant Funds. Carey has the engineers lined up and ready to begin the engineering and design phase so that the projects are “shovel ready.” This agenda contains an ordinance accepting and appropriating a grant of over \$400,000 from the Denali Commission. You will recall that this grant was specifically for engineering and design of the Ramp 3, harbor float replacement, and System 5 upgrades. The local match is included in the mid-year budget amendment. The Spit Trail MOU is ready to be signed and design work could begin this fall. Work is moving ahead on the Cruise Ship head tax grant project.

7. Natural Gas: I have formed an internal natural gas planning group to focus on the proposed gas distribution special assessment district. This is a very complex project and it will require cooperation and coordination between a number of City departments. Our goal is to meet on a regular basis and make sure we are coordinating well and maximizing efficiency and productivity. We have had two meetings so far. We are focused now on the development plan. Work products that you will hear about soon will include a development plan, budget, and project schedule. We had a meeting last week with officials from Enstar including the Director of Operations, the Project Engineer, and the Project Manager. The project Manager is moving to Homer for the duration and is looking for housing. The primary focus of the meeting was on design, communication, and permitting for gas lines in City streets. Enstar has begun work and let contracts for environmental studies, ROW location, permitting, and design. Please let me know if you have questions about any of this.
8. 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. Carey will provide a full and more detailed report on capital projects at a future meeting.
9. FY 2013 Operating Budget: Yes, it is that time again. Regina has completed her initial work on the draft budget and the Department Heads are currently reviewing it and proposing amendments. This Committee of the Whole contains an agenda item entitled “Council Budget Priorities.” This always causes confusion because there is nothing yet for the Council to really comment on. This was placed on the budget approval schedule several years ago because a few Council members were not happy that the Council did not get to provide any input until the Manager's Draft Budget was completed and submitted to Council. So, this is an opportunity for Council to weigh in early and let me know what your budget priorities are so that I have that information and can take it into consideration. There is also a public hearing scheduled. Again, this is an opportunity for the public to get their comments in early about priorities before the draft budget is prepared.

City Manager Wrede reported a natural gas planning group has been compiled to come up with a budget and a strategic plan for moving ahead with the gas line project. Council has asked repeatedly for a public information campaign. We want people within the LID (Local Improvement District) to be as informed as possible. What is the total cost? What are the conversion costs? We have been struggling what to do with that, looking at the numbers provided to us. Katie has been talking to plumbers and heating specialists. We are comfortable with what the \$1 per Mcf costs and the published rates. After that there are a huge number of variables in converting each house. He is nervous about going too far and giving a price range. Katie has been working with consultants for the website to provide a list of variable questions on line. Answers to the questions will spit out a number or range of conversion costs. It will provide a reasonable expectation. It is not hard to imagine people may come back on the City when their conversion costs are increased. He asked Council how far they want us to go to help the public figure out the total costs. People could be referred to a heating professional with questions related to converting their home.

Councilmember Lewis asked if he is living on one side of the street and the gas line goes in on the other side of the street, where does his footage start. City Manager Wrede fanswered he will need to check on that, but if you have frontage on the road that contains the main you will get an assessment.

Councilmember Burgess commented he is one of the people bugging Katie to make the information accessible to the public. The risk of leading someone to be misinformed is worth the benefit of having a central point where people can go to be more educated on their own. There are three major components: the LID, the assessment, and the conversion of your house. He is in favor of a website tool or calculator that makes it clear it is an approximation. Those resources are handy for the public.

Councilmember Howard is a little afraid of the calculator. Although it is an opportunity for local business people in the heating and plumbing to put out projections, she is concerned we will be held to the numbers. We have no way of knowing what type of heating people have to convert to natural gas. There is too much individualism. The property owner needs to take the initiative to get the facts from professional folks. The government needs to stay out of that portion of it.

City Manager Wrede said there is a lot of talk around town with the Council doing an LID for the whole town. Every property will not get gas. The LID will put pipe in rights-of-way and people that will have immediate access to gas are the properties with frontage on those roads. Those set back or not fronting a road will have to make arrangements with Enstar. The whole town will have much easier access to natural gas, but only properties that front the roads and mains will be in Special Assessment District (LID). The planning group is working through criteria to take to Enstar that helps make decisions where the pipe will go. The original request to

Enstar was to give us an estimate to put pipe in every street in town. When you look at the map there are a lot of places where putting pipe does not make sense. Some places we will recommend they don't put pipe, such as subdivisions with no built road, houses or utilities. Those areas could be connected later on. He will bring the draft criteria to Council for consideration.

Mayor Hornaday would like to see pressure put on Enstar and their contractor that they set up offices in Homer. The City is going to get hit if they don't have offices here.

City Manager Wrede answered Enstar is committed to being here. They will have a project manager and office here. The project manager will move to Homer with his family for three years. We will still have a flood of people here. When the trees come down Enstar will say they put the pipe where the City said to.

Councilmember Lewis asked if the dredging of the Fishing Hole (Nick Dudiak Fishing Lagoon) will happen this fall. Port and Harbor Director Hawkins answered the survey will happen this fall after Labor Day and then we can start planning. The survey will provide the quantity and we can come up with the cost. Dredge spoils could be removed from the Spit by the bidder. Once we have the quantities we can advertise a RFP.

B. Bid Report

CITY ATTORNEY REPORT

City Attorney Klinkner had provided Council a written report of his activities in July. There were no questions from Council.

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

A. **Memorandum 12-124**, from Public Arts Committee, re: Selection Committee Recommendations for the Request for Proposals Incorporating Art into Four Public Restroom Facilities and the Homer Spit Trail Under the 1% for the Arts Program.

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandum 12-124 to appoint the Art Selection Committees.

BURGESS – SO MOVED.

Motion died for lack of a second.

RESOLUTIONS

A. **Resolution 12-071**, A Resolution of the City Council of Homer, Alaska, Noting the Insufficiency of the Petition for Webber Subdivision Road Reconstruction and Paving Improvement Special Assessment District. City Clerk.

Memorandum 12-125 from City Clerk as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-071 by reading of title only.

LEWIS/WYTHE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. **Resolution 12-072**, A Resolution of the City Council of Homer, Alaska, Awarding a Contract to _____, of _____, _____, in the Amount of \$_____ for the 2012 Streets Paving Project and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Resolution 12-072(S), A Resolution of the City Council of Homer, Alaska, Awarding a Contract to Alaska Road Builders of Soldotna, Alaska, in the Amount of \$559,513.00 for the 2012 Streets Paving Project and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Memorandum 12-129 from Public Works Superintendent as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-072 by reading of title only.

WYTHE/LEWIS - SO MOVED.

Mayor Hornaday called for a motion to substitute Resolution 12-072(S) for Resolution 12-072.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

C. **Resolution 12-073**, A Resolution of the City Council of Homer, Alaska, Supporting the Homer Chamber of Commerce *Hoo-Rah Homer* Event Planned for June 13 – 16, 2013. Mayor/City Council.

Resolution 12-073(S), A Resolution Of The City Council Of Homer, Alaska, Supporting The Homer Chamber Of Commerce *Hoo-Rah Homer* Event Planned For June ~~13~~—16, 2013.

Mayor Hornaday called for a motion for the adoption of Resolution 12-073 by reading of title only.

WYTHE/LEWIS - SO MOVED.

Mayor Hornaday called for a motion to substitute Resolution 12-073(S) for Resolution 12-073.

WYTHE/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

- D. **Resolution 12-074**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Negotiate a Transfer of Responsibility Agreement with the Alaska Department of Transportation and Public Facilities which Designates the City as the Entity Responsible for Engineering, Design, and Construction of Traffic Control Improvements at the Intersection of Main Street and the Sterling Highway. City Manager.

Memorandum 12-127 from City Manager as backup.

Mayor Hornaday called for a motion for the adoption of Resolution 12-074 by reading of title only.

WYTHE/HOWARD – SO MOVED.

Councilmember Wythe noted the most expeditious and cost effective way is to install a light at the intersection. There have been many incidents at the intersection and she doesn't want to wait until a catastrophic event happens to make the intersection safer for citizens and visitors. The traffic light will not have to remain permanently. The City can contract a qualified contractor to install the traffic light with the \$2M. It will solve an ongoing problem.

City Manager Wrede clarified the legislative grant for \$2M was for improvements to Main Street or Sterling Highway/Main Street intersection improvements. Council has been consistent about using the money for the intersection as it is the most immediate health and safety issue.

Mayor Hornaday commented it will leave the \$2M for upgrades to Main Street.

Councilmember Wythe noted the \$2M will not bring Main Street up to par. The intersection and street are state roads. The intersection is the most urgent issue for the safety of pedestrians.

City Manager Wrede referenced Memorandum 12-127. He was asked by Councilmember Burgess for a real number on what we would be leaving on the table. For a full intersection

improvement it could cost up to \$2.8M, for either a full traffic signal with turn lanes or a roundabout. It could take 2-3 years. Something may be able to be done in the interim for next summer.

BURGESS/WYTHE - MOVED TO POSTPONE TO THE NEXT REGULAR MEETING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Ginny Espenshade, city resident, commented on the high school track. She has volunteered with Community Recreation for two decades. The school district has been less sharing of their facilities and she is concerned it is becoming a one-way street. For usage of the track, she hopes something of good faith is extracted from the school district.

Al Waddell, city resident, tries to recycle items but eventually they will end up at the landfill. He has caught two shoplifters with their own bag and more with heavy coats. The Pioneer Avenue and Bypass intersection is a difficult one too. If the gas line goes under the road you are looking at tremendous expense for the public.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comment.

COMMENTS OF THE CITY CLERK

City Clerk Johnson announced the candidacy filing period ends Wednesday, August 15th at 5:00 p.m. for the Mayor and two Councilmember seats. Absentee voting for the primary election is available now through August 28th at the Clerk's office.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Hornaday welcomed Beau's father, a professor at PCU. The Mayor recommends he goes to the research reserve.

COMMENTS OF THE CITY COUNCIL

Councilmember Lewis commented he brought up plastic bags although it is not that big of a deal to have plastic bags around. We do not have a landfill, we just have a transfer station. It is a baby step, a small one, and he would like to see a lot of plastic disappear. This is a little bit of a start we need to take. It all stems back to The Graduate when they mentioned investing in plastic.

Councilmember Burgess commented on the plastic bag ordinance. It is a good baby step and a good compromise. If we can do it evenhandedly we can easily be business friendly. It is difficult to get this out there in this time with the nature of political debate. We are government; we as a community make decisions collectively. He urged the community to participate by speaking to Council.

Councilmembers Wythe and Howard had no comment.

ADJOURNMENT

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 7:23 p.m. The next Regular Meeting is Monday, August 27, 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: _____