

Session 13-01 a Regular Meeting of the Homer City Council was called to order on January 14, 2013 at 6:00 p.m. by Mayor Mary E. Wythe 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, DOLMA, LEWIS, ROBERTS, ZAK

ABSENT: HOWARD (excused)

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER
COMMUNITY & ECONOMIC DEVELOPMENT
COORDINATOR KOESTER
FINANCE DIRECTOR MAURAS
IT MANAGER POOLOS
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Councilmember Howard has requested excusal.

Mayor Wythe declared Councilmember Howard's absence as excused. There was no objection from the Council.

Council met for a Worksession from 4:01 p.m. to 4:45 p.m. to discuss the Lobbyist Task List. Council met as a Committee of the Whole from 5:00 p.m. to 5:45 p.m. to discuss Main Street Intersection 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 following changes were made to the agenda:

PUBLIC HEARINGS - Natural Gas Line Special Assessment District, Written public comments; **PENDING BUSINESS** - 2013 Budget Amendment as proposed by Councilmember Zak.

ROBERTS/LEWIS – MOVED TO REVERSE THE ORDER OF THE AGENDA TO HEAR RECONSIDERATION BEFORE PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Wythe called for a motion for the approval of the agenda as amended.

LEWIS/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

RECONSIDERATION

- A. **Ordinance 12-53(S)**, An Ordinance of the Homer City Council, Amending HCC 9.16.010(A) and HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100 Reinstating on a Year-Round Basis the City of Homer Sales Tax Imposed on Sales of Non Prepared Foods. Zak.

Mayor Wythe called for a motion for the reconsideration of Ordinance 12-53(S).

ZAK/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. ROBERTS, DOLMA, ZAK, BURGESS

VOTE: NO. LEWIS

Motion carried.

See Pending Business.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Steven Hooker, Homer resident, opposes sales tax on food. It is regressive and hurts children, the poor, single parents, and the most vulnerable people.

Barb Brodowski, city resident, commented on the 2013 budget and increased salaries and benefits for city employees. She opposes the food tax.

Dean Ravin, Homer resident, mirrored Mr. Hooker's comments and added taxation on food is immoral.

Michael Kennedy, city resident, opposes sales tax on food. There are some other ways to cut expenses.

Larry Slone, city resident, commented Council is authorized regardless of the vote of the public to re-impose the sales tax.

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 December 10, 2012. City Clerk. Recommend adoption.
- B. **Memorandum 13-002**, from Deputy City Clerk, Re: Application for Liquor License Renewals for Alice's Champagne Palace, American Legion Post 16, and Mermaid Café.

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

DOLMA/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. **Sue Alexander**, President of Leadership Council, Big Brothers Big Sisters of Alaska

Sue Alexander reported on the Big Brothers Big Sisters program in Homer. There are 44 matches with several others in the works. The program is doing positive things for the community and for kids. There are two major fundraisers including Bowl for Kid's Sake on March 2nd and a Dream Big luncheon in the fall. She encouraged people to participate in either the community or school based programs.

Big Brothers Cory Stewart and Brandon Grochow and Little Zander reported on the positive aspects of the program.

**ANNOUNCEMENTS/PRESENTATIONS/BOROUGH
REPORTS**

REPORT/COMMISSION

A. **Mayor's Proclamation - January 2013 as National Mentoring Month**

Mayor Wythe read and presented the proclamation to Sue Alexander.

B. **Borough Report**

C. **Commissions/Board Reports:**

1. **Library Advisory Board**
2. **Homer Advisory Planning Commission**

Larry Slone, Planning Commissioner, reported the commission has not met since December 5th. Their next meeting is January 16th. They will resume their biweekly meeting schedule, the next meeting handling very routine items.

3. **Economic Development Advisory Commission**
4. **Parks and Recreation Advisory Commission**
5. **Port and Harbor Advisory Commission**

D. **Memorandum 13-003 from Community and Economic Development Coordinator, Re: Green Dot update.**

Community and Economic Development Coordinator Katie Koester has attended Green Dot meetings on Mayor Wythe's behalf. The program is a violence prevention model based on the theory bystanders can act as agents of change by intervening or providing distraction to a violent situation. By becoming an agent of change we can turn red dots into green dots. Homer has been selected for the pilot project with the first training session on January 17 and 18. Community members will be trained to prevent violent acts in the community.

PUBLIC HEARING(S)

A. **Natural Gas Line Special Assessment District**

Mayor Wythe opened the public hearing.

Meg Mitchell, Homer resident, expressed opposition to the gas line due to conversion costs.

Don Lane, Homer resident, advocated for natural gas. People at the end of the line should not have increased costs.

David Duke, Homer resident and Baywatch Condominium Association, commented on the unfair method of assessing condominiums. He represents Amy Springer and Margarida Kondak.

Jim Lavrakas, Homer resident, opposes individual assessments for condominium owners.

Nell Gustafson, city resident, expressed opposition to the gas line due to expenses and gas shortages.

Ted Schmidt, Homer resident, expressed concern the service line costs will increase unless they are paid in 2013.

Michael Kennedy, city resident, opposes the gas line because it forces citizens to pay for private infrastructure.

Mary Ann Griffith, Homer resident, feels condominiums should be assessed jointly instead of individually.

Margarida Kondak, Homer resident, objects to the assessments on condominiums in comparison to apartment buildings.

Dean Raymond, Homer resident, objects to the gas line due to high gas prices and a monopoly by Enstar.

Judy Mullikin, Homer resident, objects to the gas line as conversion costs are too high.

Mayor Wythe passed the gavel to Mayor Pro Tempore Roberts and testified before Council.

Mary Wythe, city resident, objects to the gas line for lack of the City's plan for repayment of the bond, the City underwriting a private enterprise, and funding Enstar. The gas line came to Council from the Legislature as a political interest.

Mayor Pro Tempore Roberts passed the gavel back to Mayor Wythe.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a recess at 7:03 p.m. and reconvened the meeting at 7:09 p.m.

- B. **Ordinance 12-58**, An Ordinance of the City Council of Homer, Alaska, Approving the Disbursement of the Net Earnings of 5% of the Permanent Fund, an Amount of \$3,554.79, to Local Non-Profit Organizations for the Benefit of the Community. City Clerk/Permanent Fund Committee. Introduction December 10, 2012, Public Hearing and Second Reading January 14, 2013.

Mayor Wythe opened the public hearing. In the absence of public testimony Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 12-58 by reading of title only for second and final reading.

LEWIS/ROBERTS - SO MOVED.

Mayor Wythe called for a motion to support the Green Dot Program with the funds. They will need \$7,000 for the program.

ZAK/ROBERTS – SO MOVED.

Councilmembers Roberts, Burgess, and Lewis expressed opposition about allocating the funds to an organization other than The Homer Foundation.

Mayor Wythe commented it is not the intent of the plan that the funds go to The Homer Foundation. Council has options for the fund distribution on an annual basis. She requested that the funds go to the Green Dot organization. The Green Dot has chosen Homer for their program and it will send a message to them that we support it. They may ask for \$7,000 later. The funds will be used to bring trainers to Homer. Green Dot benefits anyone that participates in it and the community as a whole.

Councilmember Roberts commented the amendment is a rapid readjustment. The intention of the 5% distribution is to benefit all non profits. She believes other non profits need to weigh in.

Councilmember Zak noted it is an opportunity to get funds to the Green Dot program and he supports it.

VOTE: (amendment) YES. LEWIS, ZAK
VOTE: NO. ROBERTS, DOLMA, BURGESS

Motion failed.

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

Motion carried.

- C. **Ordinance 12-59**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Reimbursable Grant in the Amount of \$8,000 from the State of Alaska Department of Environmental Conservation for Hazardous Materials Training and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Deputy Harbormaster. Introduction December 10, 2012, Public Hearing and Second Reading January 14, 2013.

Ordinance 12-59(S), An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Reimbursable Grant in the Amount of \$8,000 from the State of Alaska Department of Environmental Conservation for Hazardous Materials Training and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Deputy Harbormaster.

Memorandum 12-181 from Deputy Harbormaster as backup.

Mayor Wythe opened the public hearing.

Kevin Hogan, former city resident, has problems on the implementation side. Voting for the ordinance violates HCC 3.05.15(d) incurring an obligation prior to a vote. Council is participating in a crime. If Council votes for it they are in violation of AS 11.56.790 a misdemeanor. The City Attorney should cite the City Manager with a \$300 fine.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion to substitute Ordinance 12-59(S) for Ordinance 12-59.

ROBERTS/ZAK – SO MOVED.

Councilmember Burgess asked to hear from the City Attorney and City Manager pertaining to Mr. Hogan's comments.

City Attorney Klinkner advised it is difficult to condense Mr. Hogan's comments. The Council has the prerogative of ratifying acts previous taken of people that work for the City. That is what Ordinance 12-59(S) does. The ordinance says grant money was received and accepted before the ordinance was passed due to time issues and availability of training. There is nothing unlawful about ratifying an action previously taken.

City Manager Wrede commented he made it clear to Council because of timing the training had to be completed prior to second reading of the ordinance.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Wythe called for a motion for the adoption of Ordinance 12-59(S) by reading of title only for second and final reading.

LEWIS/ROBERTS - SO MOVED.

Councilmember Lewis commented at the December 10th meeting it was brought up that the training would take place before the second reading of the ordinance. No deception was made. He had asked that training be made available for non city employees if there was space available. That was not allowed in the grant. If seats are available for future grants it would be nice to open them up for the general public.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

D. **Ordinance 12-60**, An Ordinance of the City Council of Homer, Alaska, Repealing and Reenacting HCC Chapter 17.04 Regarding Special Assessment Districts. City Manager. Introduction December 10, 2012, Public Hearing and Second Reading January 14, 2013.

Ordinance 12-60(S), An Ordinance of the City Council of Homer, Alaska, Repealing and Reenacting HCC Chapter 17.04.**190** Regarding **Deferment of** Special Assessment Districts **Payments**. City Manager.

Mayor Wythe opened the public hearing.

Larry Slone, city resident, commented the ordinance is directed to the natural gas line and deferments for seniors. It is unfair the public is assumed to burden themselves with financial obligations.

Christine Scozinski, city resident, asked to see deferments made to low income people in general as lots of families are struggling.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion to substitute Ordinance 12-60(S) for Ordinance 12-60.

LEWIS/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ROBERTS/LEWIS - MOVED TO ADOPT ORDINANCE 12-60(S).

Councilmember Burgess noted he is sponsoring Ordinance 13-01 to allow deferrals for low income people instead of specifically seniors.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- A. **Ordinance 13-01**, An Ordinance of the Homer City Council Amending HCC 17.04.190 to Provide for Deferral of Special Assessments for Low Income Residents. Burgess. Recommended dates: Introduction January 14, 2013, Public Hearing and Second Reading January 28, 2013.

Mayor Wythe called for a motion for the adoption of Ordinance 13-01 for introduction and first reading by reading of title only.

BURGESS/LEWIS - SO MOVED.

BURGESS/ROBERTS - MOVED TO AMEND LINE 21 THAT THE FIGURE BE 100% AS OPPOSED TO 200%.

Councilmember Burgess noted at 200% the figures for our geographic region would put the high earnings mark at \$40,000 or \$50,000, too high a bar to prove economic hardship or need.

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

VOTE: NO. DOLMA

Motion carried.

Councilmember Burgess indicated his logic for the amendment is that we should encourage assistance of the City on the basis of need instead of age.

Councilmember Dolma doesn't believe age is a good qualification for discounts. No matter what figure is set someone will see it as unfair. Just because someone has low income does not mean they are not wealthy.

Councilmember Lewis asked for a number on the amount of people that may apply for deferrals on the gas line.

City Manager Wrede will explore the possibilities of an estimate of the number of people that may request assessment deferrals on the gas line.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Memorandum 13-004 from City Planner, Re: Natural Gas SAD Assessment Roll.

1. HSAD Financing: At the last meeting I reported on a trip to the Borough to discuss possible financing for the proposed natural gas distribution system HSAD. On Tuesday night, January 8, Mayor Navarre introduced an ordinance that would amend the Borough Code and allow the Borough to loan money to Homer for this purpose. I attended the Finance Committee meeting and the regular Assembly meeting at which this ordinance was discussed. There were some comments and concerns expressed (very limited and fully addressed) which I will discuss at the meeting if you are interested. The ordinance was introduced at the regular meeting after a brief explanation by the Committee Chair. Public Hearing and Second Reading is scheduled for February 5. A loan agreement will need to be approved by both the Assembly and the Council and we are working on a draft now. I anticipate bringing an ordinance on the loan to Council at its meeting on the 28th for introduction. If Council approves the HSAD on the 28th, second reading and public hearing would occur on February 11. In the meantime, Regina is researching possibilities from commercial lenders.
2. Emergency Operations Plan Update: Chief Bob Painter is leading an effort to update the City's Emergency Operations Plan. He is forming a working group that includes department representatives initially and will later include other affected and interested parties such as the hospital, HEA, the School District, Churches, etc. Bob would like the Mayor to appoint somebody from Council to serve on the committee.
3. Endeavor Drill Rig Update: The company managing the rig has changed from Apache to Spartan. Bryan Hawkins met with representatives of the new management firm last week to establish contacts and lines of communication. The company still has work to do before it can obtain the Coast Guard certifications needed to leave the dock. It is likely to be there for a while longer. Since the rig was at the dock on January 1, the City will receive a significant amount of oil and gas property tax revenues in 2013. The amount will depend upon how the State assesses the rig's value but the revenue could be several hundred thousand dollars. Work has begun on an assessment regarding disturbance to the seafloor associated with the "Soft Pin". A before and after departure assessment will be conducted to determine impacts. We can discuss that in more detail if Council wishes. We have informed Buccaneer that the rig needs to be off the face of the dock by March so that we can proceed with scheduled fender replacement work.
4. 2013 Operating Budget: The Finance Department has amended the 2013 budget document to reflect all of the changes and amendments adopted by the Council in December. The 2013 Operating Budget is now available on-line if the public wishes to access it. We decided to hold off on printing the budget though until it is clear what will happen with the possible reconsideration of Ordinance 12-53 (S). We did not think it wise to use a lot of paper and printing time until it was known if that ordinance will ultimately pass. If it passed, it would change the budget significantly and a reprint would be necessary.

City Manager Wrede reported there will be a Worksession next week to include the planning process for the lot by Pier One Theatre, the consent agenda, and HERC building. The iPad training has been postponed.

Port and Harbor Director Hawkins told Council the jackup rig has no departure date in sight right now. Buccaneer is in the process of permitting, reorganizing, and the new company is standing up new operations. For the City to receive property tax on the jackup rig the State has to make a determination that it is taxable property. The State then puts a value on it to determine the revenue the City will receive. The jackup rig must leave the dock by March 1st because the fender replacement project will begin then. The jackup rig is permitted to move to Port Graham. At some time they will get to a site to put the legs down in hard pin to complete repairs on the drill. It is hoped Buccaneer will get their certifications before March and be at the Cosmopolitan site.

City Manager Wrede attended the Kenai Peninsula Borough Assembly meeting for the introduction of the ordinance to loan money to the City for the gas line project. Language on the term of the contract and other details will be included in the loan agreement. Interest payments will be made in the first couple of years and a principal payment in 2015 when the assessment money comes in. Finance Director Mauras has been working with commercial lenders on loan terms. We have been surprised of the possibilities; it is not a done deal that we go with the Borough financing as there may be a better deal out there. We may request bids to make the process more formal. All lenders seem willing to delay principal payments and draw money as needed. There will be something more definitive at the next meeting. Also at the January 28th meeting will be an ordinance approving the Special Assessment District and a contract with Enstar. There will be a report from the Clerk's office on the number and percentages of objections to the gas line at the next meeting.

Mayor Wythe recognized the employees with January anniversaries.

B. Bid Report

C. Games Report

1. Benevolent & Protective Order of Elks Lodge #2127

CITY ATTORNEY REPORT

A. City Attorney Report for December, 2012

City Attorney Klinkner noted Council adopted Ordinance 12-60(S) regarding treatment of deferrals for natural gas and other improvements not owned by the City. Ordinance 13-01 takes a different approach. He will present a substitute Ordinance 13-01(S) to clarify how it supersedes Ordinance 12-60(S) as adopted tonight.

COMMITTEE REPORT

- A. Public Arts Committee
- B. Transportation Advisory Committee
- C. Permanent Fund Committee
- D. Lease Committee
- E. Port and Harbor Improvement Committee
- F. Employee Committee Report

PENDING BUSINESS

- A. **(If Reconsidered) Ordinance 12-53(S)**, An Ordinance of the Homer City Council, Amending HCC 9.16.010(A) and HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100 Reinstating on a Year-Round Basis the City of Homer Sales Tax Imposed on Sales of Non Prepared Foods. Zak.

Mayor Wythe called for a motion for the adoption of Ordinance 12-53(S) by reading of title only for second and final reading.

ZAK/ROBERTS - SO MOVED.

Council requested clarification if the budget amendments proposed by Councilmember Zak were contingent on passage of Ordinance 12-53(S).

Mayor Wythe called for a recess at 7:56 p.m. and reconvened the meeting at 8:02 p.m.

City Attorney Klinkner advised he reviewed the minutes of the November 26, 2012 meeting which reflect Council adopted the budget amendments that appear in the supplemental packet subject to approval of Ordinance 12-53(S). If Council approves Ordinance 12-53(S) those amendments are effective and no additional action is required.

Councilmember Lewis expressed his opposition to the ordinance since certain items are exempt. He has no opposition with exempting non prepared foods. When non prepared foods were exempted from sales tax in 2008 it was 60% of the people that voted, or 28% of the registered voters. It was just the majority of those that voted.

Councilmember Burgess asked what the net gain or net loss to the capital reserve fund without the passage of the ordinance was.

City Manager Wrede answered the impacts are on the general fund balance. The big problem is that we did not transfer any money into depreciation reserves. There is money in fleet reserves, but not depreciation.

Finance Director Mauras answered the 2013 budget has a \$43,000 deficit in the general fund. Port and Harbor has a \$1.5M deficit; that is considering depreciation expense of \$1.5M also. There is a \$18,000 net asset for the water/sewer fund.

Councilmember Zak defended reinstating the sales tax. He referenced the Mayor's remarks at the last meeting about paying for city services. The ordinance is not designed to take money away from needy people for food. It is designed for the community as a whole. Homer is the only city in the borough not implementing the year round sales tax.

Councilmember Burgess commented the question is balancing the budget. He would much rather not tax food and we cannot increase sales tax. There are mandates people have voted for and there is no money to fund them.

Councilmember Dolma brought the ordinance back for reconsideration. He will be voting against it as he was considering Ordinance 12-54 that was voted down. He thought it would be fair to the Council to put this ordinance back on the floor.

Councilmember Roberts expressed approval of the ordinance as it will provide a 2% COLA for city employees. City employees have not received a COLA in several years; 2% is a small thing to increase their salaries.

Mayor Wythe expressed opposition to reinstating this tax when the voters have voted against it. She is opposed to Council taking actions on people that voted to elect us. There are many things we cannot afford to do and we have to learn to say no. We don't have the money to keep the HERC building open. If we can't afford to offer the services, she doesn't have a problem saying no. We can go back to the voters and they can tell us which services they wish to quit providing for the community. It eliminates the Council having the heartstrings to pull programs. She is very interested in the long term success of the community at the rate they are willing to fund it. She does not want to force people to have a sales tax but rather tell people we are willing to provide the services they are willing to pay for.

VOTE: YES. ROBERTS, ZAK

VOTE: NO. BURGESS, LEWIS, DOLMA

Motion failed.

NEW BUSINESS

- A. **Memorandum 13-005**, from City Clerk, Re: Travel Authorization for Mayor Wythe for Juneau Trips on February 26 and April 2, 2013 to Advocate for Capital Projects and Legislation Affecting the City.

Mayor Wythe called for a motion for the approval of Memorandum 13-005 to authorize travel for Mayor Wythe to Juneau.

LEWIS/ROBERTS - SO MOVED.

Brief discussion ensued on the costs. The Mayor's presence in Juneau will be a worthwhile expenditure.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

RESOLUTIONS

- A. **Resolution 13-001**, A Resolution of the City Council of Homer, Alaska, Confirming the City Manager's Appointment of Jo Johnson as Acting City Manager for the Calendar Year 2013. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 13-001 by reading of title only.

LEWIS/BURGESS - SO MOVED.

Councilmember Lewis commented on the process of duties in the City Manager's absence.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 13-002**, A Resolution of the Homer City Council Confirming the Appointments of Regina Mauras as Treasurer and Laurie Moore as Deputy Treasurer for Calendar Year 2013. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 13-002 by reading of title only.

LEWIS/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 13-003**, A Resolution of the City Council of Homer, Alaska, Designating Signatories of City Accounts and Superseding Any Previous Resolution So Designating. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 13-003 by reading of title only.

LEWIS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 13-004**, A Resolution of the City Council of Homer, Alaska, Amending the 2013 Regular Meeting Schedule for the Public Arts Committee. City Clerk.

Mayor Wythe called for a motion for the adoption of Resolution 13-004 by reading of title only.

LEWIS/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Resolution 13-005**, A Resolution of the City Council of Homer, Alaska, Expressing Support for the Pratt Museum's Legislative Grant Request in the Amount of \$2.8 Million for Its New Facility. Roberts.

ROBERTS/LEWIS – MOVED FOR THE ADOPTION OF RESOLUTION 13-005.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Resolution 13-006**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Apply for a Land and Water Conservation Fund (LWCF) Grant for Karen Hornaday Park Improvements in an Amount up to \$75,000 and Expressing Its Commitment to Provide a Local Cash Match of \$75,000. City Manager.

Memorandum 13-006 from Community and Economic Development Coordinator as backup.

ROBERTS/BURGESS - MOVED FOR THE ADOPTION OF RESOLUTION 13-006.

Work on improving the parking areas was done in the fall. It was suggested HoPP (Homer Playground Project) may have an ability to lend resources towards the \$75,000 match. The deadline for the grant application is February 1.

LEWIS - MOVED TO POSTPONE THIS UNTIL WE ARE SURE WHERE THE CITY'S \$75,000 MATCHING PORTION IS COMING FROM.

Councilmember Lewis will oppose the grant application since we do not know where the money is coming from.

Motion died for lack of a second.

Mayor Wythe expressed concern that we are continually making obligations and doling out money for each project with no long term plan. She is opposed to applying for the grant. Council should plan to go through each project plan and develop a comprehensive concept of what the City is working toward. We should determine the priorities we are working on. Although it is great to get free money, we no longer have money to give to that free money.

Councilmember Roberts recalls that we have a long term plan for Karen Hornaday Park that was passed two to three years ago. There is a Phase I, II, and III we are working on. The document reads we are authorizing them to apply for the grant but we don't know if we are getting it.

Councilmember Zak commented we have momentum going with the park since the playground project. It is just a grant application and we can decide later if we want to match it. If we start saying the process will be to allocate funds first before applying for grants we will run into trouble.

VOTE: YES. ZAK, BURGESS, ROBERTS, DOLMA

VOTE: NO. LEWIS

Motion carried.

COMMENTS OF THE AUDIENCE

Dean Ravin, Homer resident, thanked Council for shooting down the extra sales tax on food.

Michael Kennedy, city resident, thanked Council for voting down taxes on food and the Mayor for her comments on the gas line. Council should take a hard look at spending money we don't have.

Larry Slone, city resident, commented the special assessment district process is fundamentally unfair. He is glad to see Council is tightening the coordination and communication procedures with the lobbyist.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner wished everyone a Happy New Year.

COMMENTS OF THE CITY CLERK

City Clerk Johnson wished everyone a Happy New Year and thanked Council for their vote of confidence.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Wythe congratulated Jo. It is a nice expansion to include staff in the Acting City Manager rotation. She thanked Council for their work and told them she respects their decisions. She is looking forward to going to Juneau a couple times to do some good work for the City.

COMMENTS OF THE CITY COUNCIL

Councilmember Roberts is glad to see the City Attorney report included in the packet. It shows the citizens how effective he is. She offered to help with the Emergency Operation Plan. She sent her best wishes to Councilmember Howard and hopes she is getting better.

Councilmember Zak wished everyone a Happy New Year. He is optimistic and enthusiastic about the community. There are some tough issues. He appreciates the diplomacy in coming together; there is sharing from the residents and Council is listening. We have the common good of the whole in mind. He has worked on budgets for four years with the City Council. The budget he proposed funded reserves and the police dispatcher. Employees are affected with no COLA. A community working together and developing an economy base requires tough decisions. He is glad to know we are getting a gas line. He will continue to work for the people doing the best for the greatest good. As to the 60% of the voters that voted against a sales tax, it was a shot in time. There are many variables to be considered and he is flexible enough to look at many variables to make decisions.

Councilmember Dolma is looking forward to the Mayor going to Juneau. He was not excited about renewing the contract for the lobbyist, but likes the prospect of the Mayor going to Juneau. It will be money well spent. He thanked everyone that came tonight. It is very important. He tells people to show up to be part of the equation. He told the audience to feel free to stop and talk to us and also respect that we have a schedule.

Councilmember Burgess reiterated comments made so far. He admires Councilmembers Roberts and Zak who took a bold stand addressing a tough issue. He didn't feel taxing food was the only revenue source. Expect resolutions or ordinances from him shortly to increase revenues. We need to fund the depreciation accounts or expect for services to be cut. He wished Councilmember Howard well. If she stays away too long he may well do foolish things without her guidance. It is perplexing how many people are objecting for reasons that are not true. Make sure you are objecting with legitimate, useful information. It is a trade off between natural gas and fuel oil. It is very reasonable gas will remain lower priced than fuel oil over the next two decades or longer. The world is awash with natural gas. Issues of the availability of natural gas locally are moot points when the refined natural gas supply comes from the Lower 48. Natural gas vs. alternative energy: he owns a construction company that builds wind turbine foundations. If we could put wind turbines and solar panels on each lot it would be awesome, but is cost prohibitive. It should be on the long term agenda, but is not a good mid term agenda. Converting

natural gas to electricity results in huge economic and energy loss; the numbers don't pan out. Building out an LID: when you leave neighborhoods to individual LIDs look at water and sewer. It is a low per capita usage with high costs to maintain it. You will never get this service to your lot as cheaply as you will this service. The fixed rate with Enstar is guaranteed for two years at least. You will not pay an assessment to get gas into your house until it is there. If you decide to opt out of the LID make a decision based on fact. He recognized and appreciated all the people that testified tonight.

Councilmember Lewis commented when issues come up and they are put before the voters it would be really nice to get the majority of voters to vote; not just one third of the voters making decisions for everyone else. We do not get a good view of what the people in the City of Homer want. He congratulated the high school sport teams for their three hard fought hockey games at the Kevin Bell Arena. The basketball games at the high school went fairly well. The kids work hard and deserve everyone's support.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:48 p.m. The next Regular Meeting is Monday, January 28, 2013 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Special Meeting 4:00 p.m. A Worksession is scheduled for Monday, January 21, 2013 at 5:15 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: _____