

Session 13-05 a Regular Meeting of the Homer City Council was called to order on February 11, 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, HOWARD (telephonic),
LEWIS, ROBERTS, ZAK

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER
CITY PLANNER ABOUD
COMMUNITY & ECONOMIC DEVELOPMENT
COORDINATOR KOESTER
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Councilmember Howard has requested telephonic participation.

Mayor Wythe called for a motion to allow Councilmember Howard to participate by telephone.

BURGESS/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Council met for a Special Meeting from 4:01 p.m. to 4:59 p.m. to hear Executive Session matters: City Manager Wrede Annual Performance Evaluation/Employment Contract; Special Corps of Engineers Permit Modification Application for the Ocean Drive Loop Seawall; and a Legal Briefing and Report on Insurance Company Investigation into the January 12-13 Sewer System Back-Ups into Three Homes. Council met as a Committee of the Whole from 5:04 p.m. to 5:37 p.m. to discuss Kachemak Bay Water Trail – Trail Head, Communities of Distinction, Consent Agenda, 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 13-02**, An Ordinance of the City Council of Homer, Alaska, Creating the City of Homer Natural Gas Distribution Special Assessment District, Approving the Improvement Plan for the District, and Authorizing the City Manager to Proceed with the Improvement. City Manager. Written public comments; **CITY MANAGER'S REPORT** - Lobbyist Report, February 8, 2013.

Consent agenda item E, Ordinance 13-05, was removed from the consent agenda and placed under Ordinances.

See discussion under Consent Agenda.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Larry Slone, city resident, commented on Ordinance 13-05 and expects the City to cover 100% of the expenses.

Kevin Hogan commented on Ordinance 13-05 and the need for Council to follow the constitution.

Tricia Lillibridge asked Council to consider the Wooden Boat Society proposal for one place for all water groups.

Tricia Caron supports Dave Seaman's proposal for the Wooden Boat Society.

Clint Lillibridge supports the proposal for the Wooden Boat Society.

Kevin Walker, Homer resident, supports the Wooden Boat Society and the trail head locations.

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 January 28, 2013. City Clerk. Recommend adoption.
- B. **Memorandum 13-023**, from Deputy City Clerk, Re: Liquor License Renewals for Land's End, Kachemak Bowl, Rum Locker, The Grog Shop, Two Sister's Bakery, and Fresh Catch Café.
- C. **Memorandum 13-024**, from Mayor, Re: Appointment of Adele Groning to the Public Arts Committee and Naomi Klouda to the Library Advisory Board.

- D. **Ordinance 13-04**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a 2012 Emergency Management Performance Grant from the State Division of Homeland Security and Emergency Management in the Amount of \$5,000 for an Update to the Emergency Operations Plan and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Fire Chief. Recommended dates: Introduction February 11, 2013, Public Hearing and Second Reading February 25, 2013.
- E. **Ordinance 13-05**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2013 Operating Budget by Appropriating \$10,500 from the General Fund for Emergency Relief to Pay Immediate Dislocation Expenses Incurred by the Tenants of Three Structures Affected by Sewer System Surcharges Caused by Extreme Weather on January 12 Through 14, 2013. City Manager. Recommended dates: Introduction February 11, 2013, Public Hearing and Second Reading February 25, 2013.

Item E. Ordinance 13-05 removed from the Consent Agenda and heard under Ordinances.

- F. **Resolution 13-014**, A Resolution of the City Council of Homer, Alaska, Approving the Purchase of a New 2013 Ford F-550 Plow/Sand Truck in the Amount of \$37,481 from Kendall Ford of Wasilla, Alaska, and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Recommend adoption.

Memorandum 13-026 from Public Works Superintendent as backup.

- G. **Resolution 13-015**, A Resolution of the City Council of Homer, Alaska, Approving the Purchase of a New 2013 8 Cubic Yard Sander/Calcium Spreader in the Amount of \$23,541.04 from Truckwell of Alaska of Anchorage, Alaska, and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Recommend adoption.

Memorandum 13-027 from Public Works Superintendent as backup.

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

BURGESS/LEWIS – SO MOVED.

Councilmember Zak requested pulling Ordinance 13-05 to have discussion.

ROBERTS/LEWIS - MOVED TO SUSPEND THE RULES AND GO BACK TO AGENDA APPROVAL.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ZAK/BURGESS – MOVED TO REMOVE ORDINANCE 13-05 FROM THE CONSENT AGENDA AND PUT IT UNDER ORDINANCES.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

ZAK/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VOTE: (consent agenda approval) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

A. Dave Seaman, Wooden Boat Society

Dave Seaman, President of the Wooden Boat Society, reported their mission is to provide maritime related educational, historical, and cultural experiences to locals and tourists, society members and members of the general public, and to provide a nexus of maritime interest for themselves and other similar groups on the Homer Spit. He highlighted other northwest wooden boat festivals including Port Townsend, Seattle, British Columbia, and Port of Toledo. The Wooden Boat Society has similar events of the northwest communities. All activities are economic generators for the community. He urged Council to provide a piece of property for the Wooden Boat Society on the Spit, the closer to the water the better.

Dave Brann, Water Trail Association and Wooden Boat Society, reported the Wooden Boat Society, Yacht Club, and Water Trail Association are three of a kind and are a hand worth betting on. Add the Pier One Theatre and Fishing Hole and you have a full house. The cruise ship dock and Kachemak Bay oysters are a straight flush. He hopes Council bets on a winning hand.

B. Green Dot, Violence Prevention Through Bystander Intervention

Jessica Lawmaster, Haven House Executive Director, reported on the Green Dot national research based domestic violence prevention program. Homer has been identified as one of five

pilot communities for the state. Green Dot will benefit the entire community from young to old as bystanders to unsafe conditions. The program focuses on the three D's: Direct - directly intervene; Delegate - delegate to someone who is comfortable; Distract - creative ways to distract.

A broad range of organizations and individuals within the community are supportive, including law enforcement. Not one organization owns the program; it is a collaboration of the community. Haven House is a liaison coordinating the training to take place over the next year. Green Dot will train a variety of community members to be trainers. The State is paying for the large majority of travel costs, but the community is required to come up with \$7,000 over the next 2 ½ years. It is a small investment in a program that will be sustainable in the community. Additionally the program can include surrounding communities. The concept is Green Dot is the safe place. On a map every negative incidence will show up as a red dot. Soon green dots will overwhelm red dots.

Zoe Story, representing Kachemak Bay Family Planning Clinic and PHAT (Promoting Health Among Teens), asked for support and funding of Green Dot. The program teaches responsibility and respect skills. It will help us understand the seriousness of domestic violence situations that affect all ages.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

A. Mayor's Proclamation - Brother Asaiah Bates Day – February 14, 2013

Mayor Wythe announced the proclamation.

B. Borough Report

Bill Smith, Kenai Peninsula Borough Assemblyman, reported the Assembly delegation will go to Juneau tomorrow with their CIP list. Homer and Soldotna high school turfs are on the tier one priorities. Wide security cameras for the schools are also on the list. The Assembly modified the interest rate on a loan available to the City for the gas line; the interest rate will be negotiated. The Assembly has passed a resolution to ask the Legislature to look at expansion of the Medicaid program where people can be eligible if they are at the 100% of federal poverty level. Currently the guideline is 138% of the poverty level. The expansion of Medicaid will provide low income workers medical care. The State of Alaska has a contractor looking at the cost of Medicaid to the State. Expansion of the program will benefit both businesses and citizens. A number of other states have made the same decision.

C. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission

4. Parks and Recreation Advisory Commission
5. Port and Harbor Advisory Commission

Mike Stockburger, Port and Harbor Advisory Commissioner, reported the commission discussed the new harbor office at their last meeting. They viewed the alternative study that looks at different options. It is the consensus the building should be new since the price tag on all three options is essentially the same. The location could be different if the building was new. A site at the other side of the street north of the Coast Guard building (Lot 20) would allow for more parking and a view of the harbor. When the East Harbor expansion takes place it would allow a view of both harbors. The price tag could be lowered by leaving the new bathroom/showers out of the facility. Work could be done on the old bathroom facility. City Planner Rick Abboud talked to the commission about rezoning a number of Spit lots changing them from Marine Commercial to Marine Industrial or Open Space Recreation. The commission agreed with all of his suggestions. Additionally, the commission discussed storm water, the abandoned boat policy, and supports the Wooden Boat Society's proposal.

D. Mayor Wythe's Comments for the Industry Outlook Forum

Mayor Wythe recused herself from the Public Hearings due to her conflict on gas line issues and passed the gavel to Mayor Pro Tempore Roberts.

PUBLIC HEARING(S)

- A. **Ordinance 13-01(A)(S)**, An Ordinance of the Homer City Council Amending HCC 17.04.190 to Provide for Deferral of Special Assessments for Low Income Residents. Burgess. Introduction and Public Hearing January 14, 2013, Substitute Introduction January 28, 2013, Public Hearing and Second Reading February 11, 2013.

Memorandum 13-016 from Planning Technician as backup.

Mayor Pro Tempore Roberts opened the public hearing. In the absence of public testimony Mayor Pro Tempore Roberts closed the public hearing.

Mayor Pro Tempore Roberts called for a motion for the adoption of Ordinance 13-01(A)(S) by reading of title only for second and final reading.

BURGESS/DOLMA - SO MOVED.

Councilmember Lewis asked City Attorney Klinkner if the annual family income were amended to 138% of poverty guidelines would another public hearing be required. City Attorney Klinkner advised the amendment would expand the guideline for deferrals therefore would not require another public hearing.

LEWIS/HOWARD - MOVED TO AMEND LINE 24 TO MAKE THE GUIDELINE AT 138% TO PUT IT IN LINE WITH MEDICAID.

Councilmember Burgess would support 125% to 130% poverty guidelines income for deferrals. People on a fixed income collecting social security or heating assistance may be people well off who still meet the poverty guidelines if they have a lot of children. He wants to make sure we are not setting the bar too high and asking the rest of the taxpayers to subsidize it.

Councilmember Lewis noted the Medicaid requirements are a low enough income. Providing the extra leeway will provide a little bit of a safety net.

Councilmember Zak commented we don't know the difference between the amount of people that would qualify for deferment at the 138% amount. It could be a significant number to impact other citizens. We don't know what the deferment would be and where it will be absorbed.

BURGESS/LEWIS - MOVED TO AMEND THE AMENDMENT TO 125% FROM 138%.

There was no discussion.

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

Motion carried.

Councilmember Howard expressed her concerns as to where we will find these monies from the general fund.

Mayor Pro Tempore Roberts clarified the monies will be repaid to the City, it is just the interest costs that will accrue during deferment of the assessments.

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

Motion carried.

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

Motion carried.

- B. **Ordinance 13-02**, An Ordinance of the City Council of Homer, Alaska, Creating the City of Homer Natural Gas Distribution Special Assessment District, Approving the Improvement Plan for the District, and Authorizing the City Manager to Proceed with the Improvement. City Manager. Introduction January 28, 2013, Public Hearing and Second Reading February 11, 2013.

Memorandum 13-017 from Planning Technician as backup.

Memorandum 13-021 from City Attorney as backup.

Memorandum 13-022 from Clerical Assistant as backup.

Mayor Pro Tempore Roberts opened the public hearing.

Gloria Corey, city resident, commented that although gas will be a benefit to the City, it is cost prohibitive for her.

Ken Castner, city resident, opposes charging condominiums individually and will sort the legal issues out in court. It is discriminatory and he is not happy with city government.

Councilmember Lewis commented Ken owned an office building and changed them into condominiums. Mr. Castner answered it is his property and can sell it if he wants to. Condos are separate tax units; separate properties.

Councilmember Burgess acknowledged the financial benefits of creating condominiums. He asked how Council makes a rule that does not impose the costs to single family residences. Mr. Castner answered Council made a rule to assess each lot equally, with the exception of his.

Larry Slone, city resident, expressed his objection due to the significant number of people that feel it is the wrong way to go about the process of bringing natural gas to Homer.

Jessica Tenhoff, city resident, opposes the gas line as it has been rushed through and is not a fair vote.

David Duke, city resident and President of Baywatch Condominium Association, referenced the letter from the association asking the attorney to reconsider his decision on condominium assessments.

Ray Kranich, city resident, opposes the gas line and giving ownership to a foreign, for profit, corporation. The \$1,290 connect fee will not apply to everyone in the project, only those that sign up and pay in 2013.

Amy Springer, city resident, objects to separate assessments on condominiums.

Thomas McDonough, city resident, supports gas in Homer and the many benefits it will provide. For him it is not a smart investment but he will pay anyway.

Richard Gustafson, city resident, advocates putting \$12M in tidal research that will be sustainable to the community. He objects to subsidizing Enstar.

Colleen Wagner, city resident, opposes the two assessments she will have. She cannot afford to pay and build a corporation's pipeline. She asked what the penalties will be if she doesn't pay the assessments.

Kevin Walker, Kachemak City resident, is supportive of alternative energy. Once built, they will supply free fuels.

James Donally questioned the process of the special assessment district. He believes the irregularity will be challenged and the City will lose; he cautioned the City about pressing the irregularity.

Mayor Pro Tempore Roberts closed the public hearing.

Mayor Pro Tempore Roberts called for a motion for the adoption of Ordinance 13-02 by reading of title only for second and final reading.

LEWIS/BURGESS – SO MOVED.

ZAK – MOVED TO AMEND THAT CONDO ASSOCIATIONS BE ASSESSED ONE GAS ASSESSMENT PER LOT.

Motion died for lack of second.

Councilmember Lewis commented Council needed to look at what is best for the City as a whole. Gas will be good for the City. He asked the City Attorney's opinion on how other cities may assess condominiums differently than we are doing.

City Attorney Klinkner advised Council has elected to assess on the basis of an equal assessment per parcel of property. Alaska law is very clear that a condominium unit is a separate parcel of real property. That settles the question of assessing condominiums separately. It is consistent with the overall scheme of assessing one parcel of property an equal assessment.

Councilmember Burgess commented a condominium is a real piece of real property. If we start moving away from assessments per property Council has been advised it is a more difficult legal defense if we require other parcel owners to subsidize condominiums. Council is trying to take the simplest, most equitable approach and nothing will be perfect for the entire town. Less than 15% of the lots within the district objected; historically for assessment districts it is a low objection rate.

Councilmember Burgess has been crunching numbers on alternative energy solutions. To meet our heating and electricity needs we would have to focus on base load power options. Those would be tidal or geo-thermal sources. Tidal is 5 to 10 years out to meet the base needs of the current 7.1 megawatts required. Geo-thermal resources are on the other side of the inlet. The

estimate to meet the base load, which includes generating electricity to meet our heating needs, is \$70M. The development on the well side of infrastructure is 6 to 8 years. He has repeatedly invited people who believe in alternative energy to contact him.

Councilmember Burgess addressed the build out of infrastructure. If you built a house and were 1,000 feet from the utility line HEA wouldn't build out the line for free on the promise you would hook up. HEA will require you to put the line in the ground; you can finance through HEA over many years. You are paying to put infrastructure in that HEA owns. Very rarely do you have any utility company put infrastructure in the ground. The consumer pays one way or the other. The City is not trying to go in the natural gas business; we are trying to extend financing that Enstar is not willing to. For the vast majority of people it will be a financial benefit. Currently our energy costs are comparable to Fairbanks, considering the heating differential. As to pressure from outside sources, he wishes Enstar had come forward and offered him tons of money to bring this resolution forward. On the contrary, Enstar has been difficult to have come to bat. Natural gas is a huge boon to the community. We want to do what is best for the majority of the people.

Councilmember Howard stated her concerns. Will the gas be flowing when the installation is complete? Is the contract with Enstar secure enough to protect all of us? How do we pay for the exempted properties? Can we handle the debt load?

Councilmember Dolma commented the final assessment rolls have not been made and there is still time for changes. He agreed with comments of Councilmember Burgess. He has talked with dozens of people and not a single person that will have a one year payback has come here to complain. He understands folks that don't have a great payback. For the City as a whole, in nearly every scenario he can think of it is the most fair.

Councilmember Zak brought the amendment forward for the condo owners for fairness. If we recognize something that does not feel right we should make a change. There is not a lot of clarity between hotels and condos besides the definition of ownership. It is not fair and reasonable for condos. He would like to see the City at a community level come up to say it is wrong instead of the condo owners going to court. It is not over until the assessment rolls are passed; there may be some corrections.

Mayor Pro Tempore Roberts asked the City Attorney the ramifications if a property owner decided not to make an assessment payment.

City Attorney Klinkner advised special assessments are secured by liens on the property assessed that are prior to other liens on the property, with the exception of property tax liens. If the property owner fails to pay their assessment, the property will be put on the foreclosure list just as for delinquent tax properties and foreclosed in the same manner.

Councilmember Burgess commented on the gas supply. We have been hearing the demand may exceed the supply in the next 2 to 4 years. We are currently burning fuel oil that doesn't come from in-state. Fuel oil gets refined and comes up here on tanker vessels. From an economic standpoint what is more cost effective, fuel oil or natural gas? Are we betting in the future what

will be more expensive? There are lots of demands on diesel fuel, lots of different ways in seeing the cost of fuel going up. It is difficult to see natural gas exceed the cost of fuel oil. There is a difference in supply of local natural gas and natural gas overall.

Telephone connection was lost with Councilmember Howard. Mayor Pro Tempore Roberts called for a recess at 7:52 p.m. and reconvened the meeting at 7:57 p.m. Telephone connection was reestablished with Councilmember Howard.

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

Motion carried.

- C. **Ordinance 13-03**, An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue a Natural Gas Distribution Special Assessment Bond in the Principal Amount of Not to Exceed \$12,700,000 to Finance the Design and Construction of Natural Gas Distribution Improvements in the City, Fixing Certain Details of Such Bond and Authorizing Its Sale; and Repealing HCC Chapter 17.08. City Manager. Introduction January 28, 2013, Public Hearing and Second Reading February 11, 2013.

Mayor Pro Tempore Roberts opened the public hearing. In the absence of public testimony Mayor Pro Tempore Roberts closed the public hearing.

City Manager Wrede advised Council discussed the ordinance at the Committee of the Whole. Postponement was requested as we are not yet ready. A committee is reviewing RFPs for the financing at this time.

ZAK/DOLMA – MOVED TO POSTPONE TO THE NEXT REGULARLY SCHEDULED COUNCIL MEETING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

ORDINANCE(S)

- A. **Ordinance 13-05**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2013 Operating Budget by Appropriating \$10,500 from the General Fund for Emergency Relief to Pay Immediate Dislocation Expenses Incurred by the Tenants of Three Structures Affected by Sewer System Surcharges Caused by Extreme Weather on January 12 Through 14, 2013. City Manager. Recommended dates: Introduction February 11, 2013, Public Hearing and Second Reading February 25, 2013.

Mayor Wythe called for a motion for the adoption of Ordinance 13-05 for introduction and first reading by reading of title only.

LEWIS/ROBERTS – SO MOVED.

Councilmember Burgess requested City Attorney Klinkner address the concerns Mr. Hogan raised about retroactive approval of an action.

City Attorney Klinkner advised Mr. Hogan referred to this as “Ex post facto” legislation. That is not an accurate characterization of what Council is being asked to do. That term relates to criminal conduct. Retroactive legislation outside of the Ex post facto is permissible and allowed and only otherwise considered a problem if it affects vested rights and takes away from somebody something they already had. The retroactive ratification of what the City Manager did in issuing these grants is appropriate as part and parcel of the appropriation to fund them.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER’S REPORT

A. City Manager’s Report

I regret that I did not have the time to prepare a written report for this meeting. I have been selected as a juror for a trial and have been in court since January 30th. The City Manager’s Report will be verbal at this meeting.

1. Memorandum 13-025 from Port and Harbor Director re: New Harbormaster’s Office Study & Recommendations.
2. Lobbyist Report of February 8, 2013

City Manager Wrede reported he is actively talking to Legislators about re-appropriating the \$2M for the intersection to the port and harbor building and the fire station. Fish and Game has funds to redo the load and launch ramp and they are handling all the preconstruction activities. We will be involved when they select a contractor. They are looking at changing the ramp from five to six lanes. The City will be liable for 25% of the cost of construction.

The Homer Foundation quarterly reports are included.

City Attorney Klinkner reported on Ordinance 12-03. The usage of bonds is appropriate. Council will authorize the borrowing of money. Borrowing will be evidenced by a promissory note or a bond. A bond is more typically used in a municipal environment. The bond will look a lot more like a promissory note. It covers the principle amount being borrowed and states terms for repayment. Since we did not know the lender, the language is generic to be used whatever the lending situation turns out to be.

City Manager Wrede will write a memorandum to Council outlining the steps for leasing a parcel. Council will need to pass a resolution making the land available for lease. Currently the parcel identified by the Wooden Boat Society is not available for lease under the Land Allocation Plan. Instructions will then need to go to the Lease Committee; specifically if Council wants to RFP the parcel. Lease policies recommend each parcel go through the RFP process although Council can make an exception in this case if they think it is a good use of the property. We want to make sure everyone gets a fair chance of the parcel and other non profits are aware there is land available.

Councilmember Lewis mentioned House Bill 19, permanent registrations for vehicles over eight years old. It will probably take in 75% of the vehicles within city limits.

Senator Begich visited Homer yesterday and talked a lot about ports and harbors. He believes we do not spend enough time talking about ports and harbors statewide or nationally. With the number of ships that will be coming through in the next decades we need to focus on ports and harbors. The Deep Water Dock expansion and proposed East Boat Harbor were discussed. Senator Begich was very complimentary to us in our efforts, ideas, and maintenance and repairs. He discussed possible funding sources.

Mayor Wythe congratulated the city employees on their anniversary dates; there are seven employees contributing 71 years of service to the City of Homer.

Governor Parnell's letter outlining his 2014 capital budget includes \$4.2M for harbor improvement projects.

An economic analysis of the drilling rig could be done. It would include moorage, sales tax, property tax, payroll, hotels, and restaurants.

B. Bid Report

CITY ATTORNEY REPORT

City Attorney Klinkner will have a written report for January at Council's next meeting.

Councilmember Burgess said condominium owners have made it clear their interpretation of the special assessments law differs from Attorney Klinkner's. Condo owners have said there is chance of a suit against the City. He asked Attorney Klinkner how he would feel if we asked for a written opinion from an outside legal firm on how special assessments are levied on condominiums.

City Attorney Klinkner would welcome the opinion, and assumes it would be consistent with his. If not, we would need to know that. He suspects the cost should be under \$1,000. Although it may not forestall litigation, it may satisfy some people the matter has been resolved correctly.

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

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 13-016**, A Resolution of the City Council of Homer, Alaska, Authorizing the Allocation of \$3,554.79 for the Purposes of Implementing Green Dot in Homer. Mayor.

Mayor Wythe called for a motion for the adoption of Resolution 13-016 by reading of title only.

LEWIS/ROBERTS – SO MOVED.

Councilmember Howard expressed concern the Permanent Fund Committee has not weighed in on the allocation. She asked if the resolution could be delayed to March.

Mayor Wythe commented the PFC presented an ordinance for the allocation, but Council determines where the allocations go.

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

Motion carried.

- B. **Resolution 13-017**, A Resolution of the City Council of Homer, Alaska, Approving a Contribution in Aid of Construction Agreement (CIAC) Between the City of Homer and Enstar Natural Gas Company for Construction of Improvements Within the Homer Natural Gas Distribution System Special Assessment District, in an Amount Not to Exceed \$12.7 Million. City Manager.

Mayor Wythe declared her ongoing conflict on the gas line and passed the gavel to Pro Tempore Mayor Roberts.

Mayor Pro Tempore Roberts called for a motion for the adoption of Resolution 13-017 by reading of title only.

LEWIS/BURGESS - SO MOVED.

LEWIS/ZAK - MOVED TO POSTPONE RESOLUTION 13-017 TO FEBRUARY 25.

City Manager Wrede reported we do not have a contract with Enstar that is agreed upon, although it is very close. The contract will be ready in the next couple days and Council will be able to review it.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

- C. **Resolution 13-018**, A Resolution of the Homer City Council Amending the 2013-2018 Capital Improvement Plan to Delete the Homer Tidal Energy Incubator Project and Amend the Homer Education and Recreation Center Upgrades. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 13-018 by reading of title only.

LEWIS/ROBERTS – SO MOVED.

Council has given the Skyline Fire Station first priority. Kachemak Emergency Services Area is also asking for funding for a fire station. Representative Seaton has questions about the project in regard to overlapping and redundancy.

Council asked if there was a need to amend the projects on the CIP list. Community and Economic Development Coordinator Katie Koester advised it is not necessary to add a new project to the list since the Legislators give less attention to projects low on the list. On the other hand, if Council feels there is a pressing project that needs the attention of the Legislation they could add it.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Resolution 13-019**, A Resolution of the City Council of Homer, Alaska, Expressing Support for HB 35, an Act Creating a Low-Interest Loan Program for Homeowners Who Improve or Replace Their Home Heating Systems; and Providing for an Effective Date. Lewis/Zak/Burgess.

Mayor Wythe called for a motion for the adoption of Resolution 13-019 by reading of title only.

LEWIS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

E. **Resolution 13-020**, A Resolution of the City Council of Homer, Alaska, Designating a Corner of the Lot Between Freight Dock Road and the Nick Dudiak Fishing Lagoon on the Homer Spit as a Trail Head for the Kachemak Bay Water Trail. Mayor.

Mayor Wythe called for a motion for the adoption of Resolution 13-020 by reading of title only.

BURGESS/LEWIS – SO MOVED.

Councilmember Burgess commented on the necessity of the water trail head. The lot is owned by the Port and Harbor. If we wish to use it for recreational activities the Port and Harbor must be compensated for it.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Ken Castner, city resident, commented on the Permanent Fund proceeds, the Mayor's speech, using local resources, and the inadequate storm system. He asked if natural gas assessments were subject to sales taxes.

Dave Brann, city resident, thanked Council for approval of Resolution 12-020 and the Mayor for a good balanced speech on the economics of Homer.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner congratulated Walt on his ten years of service.

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 Wythe congratulated Walt on his ten years and thanked him for signing on for another two years. It was a busy weekend with the Winter Carnival and Senator Begich in town. We had the privilege of a tour of the jack-up rig on the Spit. It was fun to see how they live and how things work. She reminded people if you have contact with our legislators it would be very beneficial for the State of Alaska as a whole to create a funding source for the development and improvement of ports and harbors throughout the state. Every port would benefit if we were able to bring new shipping into other areas outside the Anchorage bowl.

COMMENTS OF THE CITY COUNCIL

Councilmember Lewis congratulated Walt for a decade that has probably felt like a century on some days. He congratulated the co-op Homer Hockey team on a good winning season. Unfortunately they fell a little bit short at regions, but they put in a good show.

Councilmember Burgess commented he appreciated Walt's service and is happy to have him here. He spoke to those who do not like natural gas because it is not environmentally friendly. If they want to get real about bringing an alternative energy to Homer, call him or email him. Council's unanimous decision on the gas assessment district will help smooth things in moving forward.

Councilmember Dolma thanked everyone that came out either for or against something. He loves seeing the faces and appreciates everyone coming down.

Councilmember Zak commented there are a lot of great things happening here and he is optimistic for the future. We listen to people in the community and sometimes it is tough. Council, the Mayor, and the City Manager care deeply about the community. He wished the Mayor good luck in Juneau next week representing the CIP list. He is glad we are connected to the federal level too. Our future is the port and harbor and we are positioned in a good place.

Councilmember Roberts welcomed Dan Nelson, new Project Manager at Public Works. She referenced the AML legislative report in the packet. She likes the way they addressed the bills for Homer and suggested the lobbyist look at that model. The commentary was very helpful. She agrees with a second legal opinion on the condo assessments. At the Committee of the Whole we were presented with an idea of a \$19,000 movie to be made about Homer. We have some great video people here in Homer, one of them winning a big award in Fairbanks. They could make a five-minute video of Homer way better and cheaper than anyone.

Councilmember Howard congratulated Walt on his ten years of service. She thanked everyone for their patience with her. She has been gone longer than she planned and hopes to be back in Homer by March 15. She will require two more telephonic meetings.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:42 p.m. The next Regular Meeting is Monday, February 25, 2013 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: _____