

Session 13-13, a Regular Meeting of the Homer City Council was called to order on June 10, 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: DOLMA, HOWARD, LEWIS, ROBERTS, ZAK  
  
ABSENT: BURGESS (excused)  
  
STAFF: CITY MANAGER WREDE  
DEPUTY CITY CLERK JACOBSEN  
COMMUNITY AND ECONOMIC  
DEVELOPMENT COORDINATOR KOESTER  
FINANCE DIRECTOR LI  
PORT DIRECTOR/HARBORMASTER HAWKINS  
PROJECT MANAGER NELSEN  
POLICE CHIEF ROBL

Council met for a Worksession from 4:00 p.m. to 4:52 p.m. to discuss Water and Sewer Rates. From 5:00 p.m. to 5:46 p.m. Council met a Committee of the Whole to discuss 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:

**CITY MANAGER'S REPORT**-Memorandum 13-088 from Fire Chief re: Training for Senior and Elected Officials, Memorandum 13-089 Port Director/Harbormaster Re: Lot TR1-A Zoning "The Pier One Lot"; **CITY ATTORNEY'S REPORT**- City Attorney Written Report; **RESOLUTIONS**- Resolution 13-060(S) Awarding the Contract for Prisoner Meals at the Homer Jail to the Firm of Homer Senior Citizens, Inc. of Homer, Alaska, in the amount of \$8.50 Breakfast, \$8.50 Lunch, and \$8.50 Dinner Per Day/Per Inmate with a Delivery fee of \$5.00 Per Trip and Authorizing the City Manager to Execute the Appropriate Documents and Memorandum 13-087 as Back Up; Resolution 13-061(S) Awarding the Contract for Crittenden Drive/Waddell Street (Webber Subdivision) Road Reconstruction and Paving Improvements to the Firm of Arno Construction, Inc. of Homer, Alaska, in the Amount of \$598,219.00 and Authorizing the City Manager to Execute the Appropriate Documents with Memorandum 13-085 as Back Up; and Resolution 13-062(S) Awarding the Contract for the Homer Spit Boardwalk Revitalization Project to the Firm of Puffin Electric, Inc. of Homer, Alaska, in the Amount of \$171,850.00 and Authorizing the City Manager to Execute the Appropriate Documents with Memorandum 13-086 as Back Up.

Mayor Wythe called for a motion to approve the agenda.

HOWARD/LEWIS SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

### **PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

Carri Thurman, city resident and co-owner of Two Sister's Bakery, commented that Two Sister's is in support of the Old Town Project. Two Sister's is doing their best to resolve their parking issues and really tie in that end of Old Town as best they can. Having raised 3 kids in the neighborhood, she commented that having to be so careful on the roads and watching how traffic works through there, it would be such a huge relief for everyone to see some results, and this is the best step forward she has seen so far.

Barb Petersen, city resident, asked Council if they will be having further discussion about the Pier One lot at this meeting. Mayor Wythe said there may be more discussion tonight and there will be more at a later date. Mrs. Petersen commented that at the last meeting she left with the impression Council was looking at making the lot part recreation and part marine industrial, and now it sounds like they are looking at a bigger or more comprehensive picture. Mayor Wythe commented that she anticipates a replacement resolution will be coming forward.

Kevin Kreitz, city resident, commented he supports of the Old Town Project completely.

Michael Walsh, non-resident who works in Old Town, commented he supports the Old Town Project. He has been in Old Town for about seven years during the day and many evenings and has seen a vast amount of traffic increase over the years, especially during summer months that bring a lot of pedestrians as well. There is no walkability down there so you have to walk on the very small shoulder or in the road. He hopes they can get to the big dream of this project, the need of it is there and it should happen hopefully before there are accidents down there. He commented about the speed of the cars driving down there with no speed bumps or speed limits, it is an important issue for the safety of pedestrians and Old Town.

### **RECONSIDERATION**

None.

### **CONSENT AGENDA**

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

- A. Homer City Council unapproved Regular Meeting Minutes of May 28, 2013. City Clerk. Recommend adoption.
- B. **Memorandum 13-078**, from Mayor, Re: Appointment of Katie Koester to the Kenai Peninsula Economic Development District.

- C. **Memorandum 13-079**, from Mayor, Re: Recommendation for the Reappointment of Rick Foster to the Kenai Peninsula Borough Planning Commission.
- D. **Memorandum 13-080**, from Mayor, Re: Reappointment of Franco Venuti to the Homer Advisory Planning Commission.
- E. **Resolution 13-057**, A Resolution of the Homer City Council Declaring that the City of Homer is Officially a Purple Heart City. Mayor. Recommend adoption.
- F. **Resolution 13-058**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Renewal of the Special Services Contract for FY 2014 with the Alaska Department of Public Safety in the Amount of \$36,000.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommend adoption.

Memorandum 13-081 from Police Chief as backup.

- G. **Resolution 13-059**, A Resolution of the Homer City Council Establishing a Port and Harbor Building Task Force and Specifying a Scope of Work. Mayor. Recommend adoption.

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

HOWARD/LEWIS SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

## VISITORS

- A. Brianna Allen, Old Town's Development Vision, 10 minutes.

Brianna Allen provided an overview of the Old Town's Development Vision that has been considered by a group of residents and business owners in Old Town. The group has already received an Art Place grant for \$150,000 and hopes to leverage community and City funding for the improvements to increase the walkability, safety, and attractiveness of the area. Old Town Neighborhood Proposals for City Consideration include:

- 15 MPH speed limit,
- Two removable speed bumps located at E. Bunnell and Beluga Place, E. Bunnell and Beluga Place

- Pavement widening and texturizing, E. Bunnell and Beluga Place traffic lane shift to north and east, respectively and narrow, designating the new road space on the south and west streets as pedestrian and biking lanes,
- Addition of three cross walks and signs located at W. Bunnell Ave, Main St and Beluga Place,
- Appropriate pedestrian and biking signage at Main St, E. Bunnell, and Beluga Place,
- Appropriate speed limit signage located at Main St, Ohlson Lane, E. Bunnell, and Beluga Place,
- Bishop's Beach parking lot paved and lined tightly, Charles Way developed as a walking and bike path, and closed to automobile traffic by bottle necking trail with boulders,
- Appropriate signage for use of Charles Way, "No Thru Traffic" at end of Main St looking West, and two trail head markers of Charles Way,
- Dirt work next to Bunnell Street Arts Center to build a model garden along the board.

**ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS**

**REPORT/COMMISSION**

- 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
  - 5. Port and Harbor Advisory Commission

There were no Commission reports presented.

**PUBLIC HEARING(S)**

- A. **Ordinance 13-19**, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$396,000 from the General Reserve, \$54,000 from the Harbor Reserve, \$48,000 from the Sewer Reserve, and \$28,000 from the Water Reserve Funds. City Manager/Public Works Director. Introduction May 28, 2013, Public Hearing and Second Reading June 10, 2013.

Memorandum 13-077 from Public Works Director as backup.

**Ordinance 13-19(S)**, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$540,000 from Various City Reserve Funds. City Manager/Public Works Director.

Memorandum 13-083 from Public Works Director as backup.

Kevin Hogan, city resident, commented that he thinks they are putting the cart ahead of horse. He thinks that the city should put these out for RFP prior to appropriating funds, then appropriate funds based on the competitive bid results. If you appropriate the money you won't have any problem finding someone to spend it. Just the idea it is going to cost \$200,000 to retrofit the fire hall is way out of line and they need to start questioning the information they are being given. Let the market compete for better bang for the buck.

There were no further public comments and the hearing was closed.

Mayor Wythe called for the substitution of Ordinance 13-19(S).

HOWARD/LEWIS SO MOVED.

There was no discussion on the motion to substitute.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ROBERTS/ZAK MOVED TO AMEND 13-19(S) TO ELIMINATE LINE 46, LINE 49, LINE 50, AND LINE 52.

Councilmember Roberts commented that this eliminates the fire department, police department, and all the harbor items, since the harbor is phase two. She thinks it would be better to go back and look at the fire and police departments to see if there are less costly ways for the buildings to change over to gas. She noted that that the numbers will need to be adjusted throughout the ordinance.

VOTE (Primary Amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ROBERTS/ZAK MOVED TO AMEND SECTION ONE TO ADD PUBLIC WORKS DEPARTMENT AFTER CITY HALL ON LINE 27.

There was no discussion.

VOTE (Primary Amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief discussion confirming that the appropriate lines will be adjusted with the elimination of lines 46, 49, 50, and 52.

VOTE (Main Motion as Amended): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- B. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk.

Memorandum 13-073 from Water and Sewer Rate Task Force as backup.

Justin Arnold, city resident, questioned what will be the new multifamily cost per unit. Mayor Wythe explained the proposed flat fee is \$18 and an additional \$5 per unit to address more than one user, and then the volume of usage. Mr. Arnold commented that the city doesn't have a rule in place to charge separately for units. He is paying a very high per unit fee for his tri-plex and that cost is passed on to renters who are at the lowest economic spectrum for the city. We are forcing those kinds of people to leave because they can't afford rent when it's up in the \$1200 range for a 3 bedroom apartment. He doesn't see a reason to charge extenuating costs when there are none. There is only one water meter, he pays it, so why is there a cost added to each renter when he pays the water for them. Mayor Wythe responded the addition of the per unit fee is to address the impact to the water system by a multi-unit residence. There is still an impact to the larger volume of usage for a multi residential facility. The proposal in the resolution is a substantial reduction to what is being paid now. Mr. Arnold recognizes the decrease in cost and appreciates it, he still doesn't understand in that if we are paying for the water by basis of what it costs, how is there more of a cost. The usage fee is the idea that we have to maintain each shut off valve and meter.

Jon Faulkner, operator of Land's End Resort, commented that Land's End has spent a lot of time in the last 8 months understanding this ordinance, understanding the moving parts, attending the meetings, providing constructive input, and being part of the solution. They have written three letters to Council laying out findings of fact. If anyone is supporting this ordinance, then they are rejecting Land's Ends facts, or are not in agreement with them. He hopes that occasions some questions because their findings are laid out and fairly extensive. He thinks there has been a lot of rhetoric with the cost causer/cost payer model and not enough attention focused on the facts. We all want fairness, but that is an elusive term and that is why he encourages Council to create recorded finding of fact because they are overturning an ordinance. He doesn't believe there is a public mandate for change. He hasn't seen or heard it after attending every single task force meeting since November. He doesn't believe the proposed model is consistently applied and it's arbitrary in many respected as laid out in their arguments to consider. It's not justified in it's cost shifting effect. He is in favor of continuing public hearing if this needs further vetting because clearly the former speaker is pointing out something that is a conclusion in the task force findings, that a multi-family building does incur more cost to the system. He thinks it's a false finding and we need to know if there is greater burden on the system. He is asking Council to maintain the current rate structure that was deemed to be fair 3 years ago, and he doesn't believe the findings are there to overturn it. In response to question from Councilmember Zak, Mr. Faulkner said the original model proposed in November would cost Land's End \$35,000 per year, subsequent amendments associated with water lift station water allocations has resulted in a lower fee to Land's End, but the impact to the business will be \$8,000 per year as it stands now.

Josh Garvey, Land's End CFO, commented that he is the one tasked with preparing most of the numbers and referenced Mr. Faulkner's comments about the \$35,000 increase based on the

model proposed in November and added that their rate is already four times more than what similar communities pay out. Their total bill would increase \$35,000 over and above the costs over a \$70,000 bill already, so the impact would be over \$100,000, making it so they will have to reevaluate the operations, if they are even able to sustain them year round and give their employees the long term year round employment they count on.

Kevin Hogan questioned the BOD fee and if it only applies to processing facilities discharging to the sanitary sewer, because basically the only discharge his business has is domestic waste water. Mayor Wythe commented that the type of business would have to be taken into consideration. Mr. Hogan appreciates the work of the task force; however the Councils direction to try and address the revenue side of the picture and not the expenditure side, doesn't get us where we need to be. He thinks they need to look at expenditures and not just assume there can't be savings instituted. On the water side with a class 3 system, there are mandates by DEC to have 40 hours of certified operator and 96 are budgeted for, exceeding the mandate by a considerable amount. If the idea is cost causers is the cost payer, then why continually reject the idea of metering water in the harbor floats. He argued that is a small group of users using an incredible amount of water, probably the largest in the city, but the cost falls on all the harbor users. He thinks this still needs a lot of work. In the case of his processing facility they are looking at \$11.10 per thousand gallons for water and his competitors in Kodiak are paying 90 cents per thousand gallons.

Mike Dye, city resident, acknowledged there were some business people on the task force that were against it. A water hauler and realtor brought to his attention that this is getting ramrodded through. He asked the Council to make the tough decisions leaders have to make because despite the time, effort, effort, and resources put into this, it is going to be a mistake. He understands after all the work it is hard to turn back, but the task force didn't have the resources or avail themselves to the personnel that have training in rate modeling. That is a major red flag that you have to ask yourself why that wasn't done and why not use trained people outside the city or even those who had specific training. This cost causer methodology could maybe have some relevance in the future, but it doesn't unless there are resources to fully develop it. There are a multitude of costs that aren't being analyzed because they don't have the time. He doesn't understand why we are rushing through the process when there are costs to the system not being looked at. He hasn't heard anything about why the current model isn't working other than the multi-family units had a problem with the increase a few years ago. At the task force meetings there wasn't much support for it either way, and even now as we heard tonight, there still is not real support for it.

## **ORDINANCE(S)**

### **CITY MANAGER'S REPORT**

#### **A. City Manager's Report**

1. Port and Harbor Bond Sale. The port and harbor bonds were sold on Wall Street this week. The amortization schedule is attached for your information. We will sign all of the related paperwork when Holly is here on the 10<sup>th</sup>. The formal bond sale closing takes place in Seattle a little later this month.

2. Health Insurance Broker: We are now confirmed for a workshop with the City health insurance broker, Jeff Paxton for 5:15 PM on Thursday, June 27. Please mark your schedules.
3. Borough Health Insurance Initiative: At the last meeting, Council members asked questions about the status of the Borough health insurance discussions. I told Council that I would follow-up with a report at this meeting. Attached is a memorandum from the HR Director on this topic.
4. Dietzman v. City of Homer: This is the airport shooting case. After the jury verdict was in, the attorneys for the Plaintiffs filed a number of motions for a new trial. Oral arguments on these motions took place on Monday, June 3. After hearing oral argument from both sides, the judge ruled against all of the plaintiff motions. There will be no new trial. Appeal to a higher court is still possible. The judge has not yet ruled on attorney's fees.
5. Pier One Lot: At the last meeting, there was general discussion about subdividing this lot to separate marine industrial uses from recreational uses. There was also discussion about the idea that the Port and Harbor Enterprise Fund should be reimbursed if any of the land it purchased with its funds was to be used for recreational purposes. There was some question about exactly what purchased because lot lines have changed. Council requested more information. The Planning Department did a little more research on this topic. What they found after reviewing the files was that the Enterprise Fund purchased 16 acres for \$1.5 Million. The area purchased went beyond the current Tract 1-A and it included some, if not all of the current fishing hole location. The enterprise fund made an initial down payment of \$500,000 and financed the rest at 10% interest. There was discussion in the minutes about refinancing in order to save money for the Enterprise Fund. There is more research that could be done here but I believe the basic question has been answered. It is clear that the Enterprise Fund purchased the land that the Council is discussing subdividing and setting aside for recreational uses. Also, I am aware of a Resolution that the Council passed in 1983 or thereabouts which designates the fishing hole and Pier One building area for recreational uses. This resolution played a part in another land use discussion that occurred several years ago. I will try and locate that resolution before meeting time.
6. Water and Sewer Rates: The staff has been reviewing the recommendations of the task force to make sure we understand the philosophy, all of the assumptions, the origin of the numbers used, etc. We are testing the proposed model to see how it works with our current software and whether the proposed rates do in fact generate the necessary revenue. John is presently working on inserting new updated numbers which would form the basis for a substitute resolution. In addition, we also looking at revising the fee schedule chart presentation so that it is easily understandable and preparing a comparison of the old rates versus the new so that customers can see how the proposed model would affect them. We plan on having drafts of this material available for the workshop. I would recommend putting final reading of the resolution off until June 24. I would also recommend that Council consider not implementing the new rates until January. The reasons for this can be discussed at the workshop.
  1. May & June Employee Anniversaries
  2. Bond Sale Amortization Schedule
  3. Memorandum 13-082 from Personnel Director, Re: Kenai Peninsula Borough Healthcare Meetings
  4. Memorandum 13-084 from Community and Economic Development Coordinator, Re: Tidal Energy Incubator Project Update

B. Bid Report

City Manager Wrede reviewed his staff report.



Mayor Wythe recognized the City employees with anniversaries in May and June with 8, acknowledging 16 employees celebrating 120 years of service to the City of Homer. We appreciate their time and effort.

Councilmember Lewis questioned the time limit for appeal in the Deitzman case. City Attorney Wells believes it is a 30 day period, but would confirm that and get back to council.

### **CITY ATTORNEY REPORT**

City Attorney Wells reported that an initial decision has been received in the Auction Block Company vs. City of Homer case before the Federal Maritime Commission. In that decision the Commission Judge found that the City had not violated the act, wasn't subject to the act, and dismissed the case against the City. While that is exciting news, City Attorney Wells advised that Auction Block has appealed that decision and they are preparing for the appeal. The City is, unfortunately, going to be spending a lot of resources and efforts to present its case again before the Federal Maritime Commission as a whole.

### **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. **Ordinance 13-06**, An Ordinance of the Homer City Council, Amending HCC 3.12.020 Permanent Fund Contributions, and HCC 3.12.060 Expenditures of Income, to Provide that Five Percent of Income from the Homer Permanent Fund Income Sub-Fund is Available to be Appropriated for Grants to The Homer Foundation for the Benefit of the Community. City Clerk/Permanent Fund Committee. Introduction March 11, 2013, Referred to Committee, Public Hearing and Second Reading April 22, 2013, Postponed to June 10, 2013.

Mayor Wythe stated the motion for adoption of Ordinance 13-06 is on the floor from April 22, 2013.

Councilmember Howard advised that the Permanent Fund Committee is continuing to work on this and will be coming back with a new ordinance for consideration at the last meeting in July.

VOTE: NO: LEWIS, ROBERTS, DOLMA, ZAK, HOWARD

Motion failed.

B. **Resolution 13-056**, A Resolution of the City Council of Homer, Alaska, Amending the Land Allocation Plan to Make Approximately 10,000 Square Feet in the NW Corner of Lot 2, Tract 1-A, Fishing Hole Subdivision Available for Lease to Qualified Non-Profit Organizations, Establishing the Parameters for Such an Offering, and Authorizing the City Manager to Proceed With a Request for Proposals. City Council. (Postponed from May 28, 2013.)

**Resolution 13-056(S)**, A Resolution of the City Council of Homer, Alaska, Amending the Land Allocation Plan to Make Approximately 10,000 Square Feet in the NW Corner of Lot 2, Tract 1-A, Fishing Hole Subdivision Available for Lease to ~~Qualified Non-Profit Organizations~~, Establishing the Parameters for Such an Offering, and Authorizing the City Manager to Proceed With a Request for Proposals. City Council.

Memorandum 13-032 from City Manager as backup.  
Memorandum 13-069 from City Planner as backup.

Mayor Wythe stated the motion for adoption of Resolution 13-056 is on the floor from April 22, 2013 and asked if there was a motion for the substitution of Resolution 13-056(S).

ZAK/ROBERTS SO MOVED.

There was no discussion on the motion to substitute.

VOTE: YES: ROBERTS, DOLMA, ZAK, HOWARD  
NO: LEWIS

Motion carried.

ZAK/ROBERTS MOVED TO REMOVE WORDING APPROXIMATELY 10,000 SQUARE FEET IN THE NW CORNER, AND ADD AFTER TRACT 1A, OR PORTIONS.

There was discussion that the whereas clauses in the resolution have to do with specifics of leasing the 10,000 square foot tract, it should either be postponed or voted down.

VOTE: NO: HOWARD, LEWIS, ROBERTS, DOLMA, ZAK

Motion failed.

There was no further discussion.

VOTE: YES: LEWIS  
NO: ZAK, HOWARD, ROBERTS, DOLMA

Motion failed.

Mayor Wythe commented that this will go back to staff for a replacement resolution at a later time.

## NEW BUSINESS

## RESOLUTIONS

- A. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk.

Memorandum 13-073 from Water and Sewer Rate Task Force as backup.

Mayor Wythe called for a motion for the adoption of Resolution 13-048 by reading of title only.

ROBERT/HOWARD SO MOVED.

HOWARD/ROBERTS MOVED TO POSTPONE TO JUNE 24.

There was no discussion.

VOTE: YES: DOLMA, HOWARD, LEWIS, ROBERTS  
NO: ZAK

Motion carried.

- B. **Resolution 13-060**, A Resolution of the Homer City Council Awarding the Contract for Prisoner Meals at the Homer Jail to the Firm of \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_, in the Amount of \$\_\_\_\_\_ Breakfast, \$\_\_\_\_\_ Lunch, and \$\_\_\_\_\_ Dinner Per Day/Per Inmate with a Delivery Fee of \$\_\_\_\_\_ Per Trip and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

**Resolution 13-060(S)**, A Resolution of the Homer City Council Awarding the Contract for Prisoner Meals at the Homer Jail to the Firm of Homer Senior Citizens, Inc. of Homer, Alaska, in the amount of \$8.50 Breakfast, \$8.50 Lunch, and \$8.50 Dinner Per Day/Per Inmate with a Delivery fee of \$5.00 Per Trip and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Mayor Wythe called for a motion for the adoption of Resolution 13-060 by reading of title only.

LEWIS/ROBERTS SO MOVED.

Mayor Wythe called for a motion for the substitution of Resolution 13-060(S).

ROBERTS/LEWIS SO MOVED.

There was no discussion on the motion to substitute.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief discussion clarifying that the \$5 delivery fee is applied per trip and not per meal. Police Chief Robl confirmed and added that it is a backup in case the jail officer is unable to pick the meals up, and they haven't had to pay the fee in years.

VOTE: (main motion) NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

C. **Resolution 13-061**, A Resolution of the Homer City Council Awarding the Contract for Crittenden Drive/Waddell Street Road Improvements to the Firm of \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_ in the Amount of \$\_\_\_\_\_ and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

**Resolution 13-061(S)**, A Resolution of the Homer City Council Awarding the Contract for Crittenden Drive/Waddell Street (Webber Subdivision) Road Reconstruction and Paving Improvements to the Firm of Arno Construction, Inc. of Homer, Alaska, in the Amount of \$598,219.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Mayor Wythe called for a motion for the adoption of Resolution 13-061 by reading of title only.

ZAK/ROBERTS SO MOVED.

Mayor Wythe called for a motion for the substitution of Resolution 13-061(S).

HOWARD/LEWIS SO MOVED

There was no discussion on the substitution.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no discussion.

VOTE: (main motion) NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

D. **Resolution 13-062**, A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Boardwalk Revitalization Project to the Firm of \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_ in the Amount of \$\_\_\_\_\_ and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

**Resolution 13-062(S)**, A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Boardwalk Revitalization Project to the Firm of Puffin Electric, Inc. of Homer, Alaska, in the Amount of \$171,850.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Mayor Wythe called for a motion for the adoption of Resolution 13-062 by reading of title only.

ROBERTS/LEWIS SO MOVED.

Mayor Wythe called for a motion for the substitution of Resolution 13-062(S).

LEWIS/ROBERTS SO MOVED.

There was no discussion on the motion to substitute.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no discussion on the main motion.

VOTE: (main motion) NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

E. **Resolution 13-063**, A Resolution of the City Council of Homer, Alaska Directing the City Manager to Begin the Process of Subdividing Lot 2, Tract 1-A, Fishing Hole Subdivision. City Manager.

Memorandum 13-069 from City Planner as backup.

Mayor Wythe called for a motion for the adoption of Resolution 13-063 by reading of title only.

No motion was made by the Council.

### COMMENTS OF THE AUDIENCE

Barb Petersen, city resident, expressed her interest in what is happening with the subdividing of Lot 2, Tract 1A. She asked for clarification that there will be further discussion at a worksession. Mayor Wythe confirmed that further information will come forward in a proposal to put the property out for lease for anyone interested in bidding in all or in part for the lease of the property, the bids can be reviewed by the Lease Committee to determine the best opportunity is for the property.

Frank Bauer, city resident, asked if the Council had received his correspondence with the City Clerk, as he had requested on Wednesday. It was determined that Council had not received the information. Mr. Bauer explained that at the beginning of last month he sent a letter to the City

Clerk regarding the gas pipe line and ordinance 17.04.040 (b) and it appears the ordinance is being violated from his reading of it. He cited the code and argues that after speaking with the City Clerk she believes it required 50% of the voters to dispute it and gave him some literature and ordinances that support it. After reviewing the information he wrote his letter to the Clerk which he said “your stated interpretation that 50% of the owners of real property are required cannot be found, the term 50% only refers to the cost of the improvement, therefore demand is for the City of Homer to comply with its own ordinance 17.04.040 and to cease and not proceed with the improvement until it revises the improvement plan to reduce the assessed cost of the improvement that is born.” He has done calculations and with the number of people who disputed, and we are talking about up to \$460,000, up to \$850 per property. His edited response from her is “the City Attorney has advised us from the start that the Homer Natural Gas Special Assessment District all provisions were followed in compliance with HCC 17.04 Special Assessment Districts. If there is something specific you believe was in violation of law please provide it in writing.” He did not read his response to her but he has tried to call her, he never got a response to his second letter and he would like the Council to review the correspondence. From his layman perspective the language is clear, there is no 50% requirement, the City was obligated to not go forward with the improvement of the natural gas pipeline until it revised, and he would like some answers why it was not done.

Mayor Wythe noted that the Clerk is presently out of the office, but she anticipates they will receive his information soon.

Mike Dye, city resident, said he hopes he will hear comments at the end of the meeting from council as to why they postponed. He was disappointed that there was a postponement but no real discussion to understand what is happening. Maybe we need to be at the four o'clock or five o'clock meeting to hear discussion. This is a serious item. They are investing a lot of time and the goal post keeps moving. With the new information today, it looks like will there will be increase more than what Mr. Faulkner reported. Every time they have gone to task force meetings it has been something different. He reiterated he was disappointed that there wasn't any discussion, but maybe that happens later.

Justin Arnold, city resident, commented that he is glad to see something is changing with water sewer rates. It is substantially less than what they are paying now. His water and sewer rates that are in line with three normal 2 bedroom homes, run higher than the heat on average, throughout the year. Those costs are passed on to the tenants. This is a step in the right direction. Paying \$45 per unit per month is \$150 a month in fees, and his understanding is if he could have 3 separate water meters for the units, he could understand the fee. He understands it isn't allowed because there is only one shut off valve at the curb in the event of non-payment. He sees a need for a definitive difference between apartments and people who are running a business for overnight guests for nightly use.

#### **COMMENTS OF THE CITY ATTORNEY**

City Attorney Wells had no comments.

#### **COMMENTS OF THE CITY CLERK**

Deputy City Clerk Jacobsen had no comments.

## **COMMENTS OF THE CITY MANAGER**

City Manager Wrede explained for the listening audience the reason resolutions with blanks are on the council's agenda. The timing of bid openings in relation to the deadline for the council packet is such that an initial resolution with blanks is a place holder on the agenda and then a substitute resolution with the bid award information is provided after the bids are open. In reference to public comment, City Manager Wrede said that there has been discussion among staff about looking for ways apartment buildings can have separate water meters that would be convenient for the owner.

## **COMMENTS OF THE MAYOR**

Mayor Wythe had no additional comments and thanked everyone for their time tonight.

## **COMMENTS OF THE CITY COUNCIL**

Councilmember Howard thanked Katie for doing a good job on the "excuse us while we improve our community" information flyer. She thinks it will go a long way in helping folks understand what is happening, and also for our own citizens to know where their tax dollars are going. She supports the emergency training, it is terribly important to know what this big plan is that the Mayor Pro Tem has been working on. She thanked Mr. Foster and Mr. Venuti for serving once again as Planning Commissioners; it is a tremendously important and tedious job. She is excited about the paving projects around town, including Fish Dock and Ice Dock Road. Mrs. Howard commented her opinion on why they postponed the water and sewer rate resolution is because they had too many amendments, new information coming in, and for the sake of all of us and the general public it was too confusing. They will be bringing back a cleaned up resolution and if the Council has inconvenience anyone's schedule she apologizes, but it is a better public policy. She thanked the City Manager for explaining the bid award process. Thank you and good evening.

Councilmember Lewis noted that there was discussion of the water and sewer rates at the worksession and committee of the whole. He voted in favor of postponing the water and sewer rates because he isn't sure if he is in favor of the new rates, especially with the spit getting hit with both BOD fee and the lift station fee, and what this might end up costing the city. He thinks it is a discussion they really haven't had, regarding what they will cut for their extra cost for fire hydrant maintenance.

Councilmember Dolma commented that in the proposal they had, there was information from several different years and it needs to get cleaned up so it will be clearer to everyone. He thanked everyone who shows up and speaks. It is important that they come and speak their mind. They might not get immediate feedback, but Council does read the letters and emails, and take what people say under advisement.

Councilmember Zak commented that he would like to have voted on the water and sewer tonight. He isn't sure they have a system based on facts and there are more pieces to it, and it seems more complicated than what they have now. The cost to large business owners concerns him a little bit from an economic stand point. Having to shut down in the winter because water rates go up concerns him. Maybe there were people who weren't taken into consideration. He

could vote against it right now, and continue current rates. They have talked about amendments but doesn't think it can be done two weeks from now either. He thinks there are ways to work around tenant fees, but will take more time. He thinks they should work on it more and do it right. Mr. Zak thanked the Bunnell Street/Old Town group for coming out; it was good to see another example of community improvement. There will be future discussion on the fishing hole lot, it's unfortunate they haven't come up with a quick decision. It's in the best interest over time to do what is right.

Councilmember Roberts also thanked the Old Town group for coming, it was really good to see a community organizing and trying to help themselves. She looks forward to working with them in improving the pedestrian problems down there. She also supports the emergency training for the Council. She has done some of the training and participated on the task force in the spring, and she thinks it's really important for the community to be prepared. Others in the community should pay attention to the ideas too. She clarified Councilman Lewis' comment with her understanding that not all spit users are having BOD charges, only certain businesses. In two weeks she anticipates another hearing for water and sewer where people can comment on the modified resolution.

#### **ADJOURNMENT**

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 7:49 p.m. The next Regular Meeting is Monday, June 24, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Thursday, June 27, 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.