

Session 13-12, a Regular Meeting of the Homer City Council was called to order on May 28, 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, LEWIS,
ROBERTS, ZAK

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
ACCOUNTING SUPERVISOR MOORE
COMMUNITY AND ECONOMIC
DEVELOPMENT COORDINATOR KOESTER
FINANCE DIRECTOR LI
FIRE CHIEF PAINTER
IT MANAGER POOLOS
LIBRARY DIRECTOR DIXON

Council met for a Worksession from 4:01 p.m. to 4:52 p.m. to discuss Water and Sewer Rates. From 5:00 p.m. to 5:59 p.m. Council met as a Committee of the Whole to hear about the Diamond Creek Recreational Area Plan. Other agenda items included Resolution 13-056, 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 amended to include the following changes:

CONSENT AGENDA - **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. Memorandum 13-077 from Public Works Director as backup.
PUBLIC HEARINGS - **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. Written public comments.
RESOLUTIONS - **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. Written public comments.

Mayor Wythe called for a motion to approve the agenda.

LEWIS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

John Szajkowski, Ocean Drive Loop resident, commented on Resolution 13-049. He distributed a table showing what was gained from the 2012 tax year. The table indicates the Borough collected \$24,659 in comparison to the \$19,000 City Manager Wrede sent out. An inequity amongst property owners has taxes that range from \$40 a foot to 55¢ a foot for the same protection and repair maintenance from the City.

Dave Seaman, city resident and Wooden Boat Society, commented on Resolution 13-056. He told Council they have a 5013C application in and a grant writer has identified grants. They have a business plan underway, membership support, and are working on a program for boat building for kids. The Alaska Maritime Institute wants to teach marine safety training.

Tricia Carin, city resident, spoke on Resolution 13-056. She owns the largest wooden boat in the harbor. She supports granting a piece of land for a building to the Wooden Boat Society. They can educate citizens and tourists on historic maritime traditions and keep the maritime history alive.

Clinton Lillibridge, city resident, commented on Resolution 13-056. He is a wooden boat enthusiast and moved here because of things like the Wooden Boat Society, trails, and the Yacht Club. It is an important economic engine year round and the property of all of the people.

Lindianne Sarno, city resident, Wooden Boat Society, and member of the Economic Development Advisory Commission, commented on Resolution 13-056. She supports the 10,000 sq. ft. space for the Wooden Boat Society. It will get people interested in changing their vocations and will give young people experiences on the water.

Dave Brann, city resident, commented on Resolution 13-056. The Wooden Boat Society purchased six wooden boat kits to give to the Big Brothers Big Sisters program. They provided three kits to folks in Seldovia to extend their reach. It leads to interest in the marine trades.

Robert Archibald, city resident, commented on Resolution 13-056. There is a huge lack of seafaring people in the marine trade. You have to start out young or go to maritime school. It is well worth the effort the Wooden Boat Society is making.

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 Regular meeting minutes of May 13, 2013. City Clerk. Recommend adoption.
- B. **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. Recommended dates: Introduction May 28, 2013, Public Hearing and Second Reading June 10, 2013.

Memorandum 13-077 from Public Works Director as backup.

- C. **Resolution 13-049**, A Resolution of the City Council of Homer, Alaska, Establishing a 2013 Mil Rate of 9.962541 Mills for the Ocean Drive Loop Special Service District. City Manager. Recommend adoption.

Memorandum 13-072 from City Manager as backup.

- D. **Resolution 13-050**, A Resolution of the Homer City Council Establishing the Property Tax Mil Levy Rate at 4.5 for 2013. City Manager. Recommend adoption.
- E. **Resolution 13-051**, A Resolution of the Homer City Council Approving and Adopting the Updated City of Homer Emergency Operations Plan. City Manager/Fire Chief. Recommend adoption.
- F. **Resolution 13-052**, A Resolution of the Homer City Council Dedicating a Ball Field at Jack Gist Park in Memory of Paula Setterquist. City Clerk/Parks and Recreation Advisory Commission. Recommend adoption.

Memorandum 13-075 from Parks and Recreation Advisory Commission as backup.

- G. **Resolution 13-053**, A Resolution of the Homer City Council Approving a Plaque at Karen Hornaday Park Recognizing Mae Harrington for her Donation of the Land for the Park. City Clerk/Parks and Recreation Advisory Commission. Recommend adoption.

Memorandum 13-076 from Parks and Recreation Advisory Commission as backup.

- H. **Resolution 13-054**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Enter Into Lease Negotiations with Alaskan Coastal Freight, LLC for a Five Year Lease on a 100 Foot by 220 Foot Piece of Land on the South End of Lot 13, Homer Spit Subdivision No. 2. City Manager. Recommend adoption.
Memorandum 13-074 from Lease Committee as backup.

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

HOWARD/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

A. Diamond Creek Recreational Area Plan, Homer Soil and Water District

Todd Schroeder, Homer Soil and Water District, provided an overview of the Diamond Creek Recreational Area Plan. The area is 273 acres northwest of Homer that is dedicated as park land.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

A. **Mayor's Proclamation** - Mary Epperson Day – June 6

Mayor Wythe read the proclamation.

B. Borough Report

C. Commissions/Board Reports:

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

Dave Brann, Parks and Recreation Advisory Commissioner, provided a report on the commission's projects:

- A campground host is still being sought for the Karen Hornaday Park.
- DOT issued a permit for three bicycle warning signs on Kachemak Drive.
- The commission voiced support for the ball field dedication at Jack Gist Park and plaque at Karen Hornaday Park.
- The Commission approved a request to move the water trail to the corner by the Fishing Hole.

- There is ongoing discussion about the pavilion at Karen Hornaday Park and how it will work.
- Responsibilities at Karen Hornaday Park need to be defined, including safety issues.
- Parks Day will be in August at Ben Walters Park. The Rotary Club will be recognized for their work there and Adopt-a-Park will be promoted. The park now has a path to the dock, the ramp is much better, drainage is improved, the posts are straightened, and flower barrels were donated.
- The commission made recommendations after their park walk-through: Bayview Park - future plans for accessible play equipment and paved path; Jeffery Park – needs a sign identifying it as a park.

5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

- A. **Ordinance 13-17(S)**, An Ordinance of the City of Homer, Alaska, Making Technical Corrections to the Homer City Code Before its Republication by Code Publishing, Inc. City Clerk. Introduction May 13, 2013, Public Hearing and Second Reading May 28, 2013.

Memorandum 13-061 from City Attorney as backup.

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 13-17(S) by reading of title only for second and final reading.

HOWARD/LEWIS – SO MOVED.

Councilmember Howard thanked the City Attorney and City Clerk for the detailed scrutiny of the code that this process requires. It is important so when we adopt one ordinance it is not in conflict with our code or state or federal regulations.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 13-18**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant from the Kenai Peninsula Borough for FY 2012 in the Amount of \$21,710.00, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction May 13, 2013, Public Hearing and Second Reading May 28, 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 13-18 by reading of title only for second and final reading.

LEWIS/DOLMA – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. Public Hearings May 28 and June 10, 2013.
Memorandum 13-073 from Water and Sewer Rate Task Force as backup.

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

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

1. Pier One Lot: At the last meeting there was a workshop to discuss a revised and updated concept plan for the large tract the Pier One Theatre is located on. One of the lingering issues was whether to make a small, 10,000 square foot section of that parcel available for lease. There was general agreement that this agenda should contain a resolution that would get the issue on the table for further discussion and possible action. I drafted a resolution for Council consideration however, when reviewing my notes, I found that I was not clear about Council intent on two specific issues. The first issue was whether Council intended for this offering to be exclusively for non-profits. I wrote the resolution as though that was Council's intent, however, Rick and Jo recalled it differently. It was their interpretation that Council wanted to leave it open for business and for profit proposals also. Second, there was some uncertainty about the 30% discount for non-profits that was discussed. I took it to mean that non-profits would have to pay rent that was within 30% of market value. Rick and Councilmember Lewis took it to mean that non-profits got a 30% discount or a credit when comparing proposals. So, these are issues that the Council will want to address when the resolution is on the table.
2. Health Insurance Broker: The City health insurance broker will be in Homer the week of June 24 to meet with some of his other Homer clients, including the South Peninsula Hospital. We would like him to meet with the Council sometime soon to discuss a variety of issues including implementation of the national health care law, plan costs and utilization, cost projections moving forward, and ideas for containing costs. He could come to the Council meeting on June 24 however, we thought there might be too much to

talk about in a one hour work session. But we could make it work. He would also be available on one of the other days during the week, especially Tuesday or Wednesday. This might be attractive because we could focus on one issue and not be limited to an hour. We would like to know Council's thoughts on that.

3. Capital Budget: By the time you read this, you will probably be aware that the Governor signed the Capital Budget on the 21st. He did not veto any Homer projects. So, this means that we can start this year on the harbor projects and the Skyline Fire station. The sale of **Homer's harbor bonds** also occurred this week. Closing on the bond sale is next month in Seattle.
4. Northern Economics Contract: This week I signed a contract with Northern Economics so that they can begin work on the port and harbor rate study and the analysis of the economic impacts of having the endeavor Drill Rig moored at the Deep Water Dock. We will keep you up to date on how that project is going.
5. New Bathrooms: This week I also signed a construction contract with Steiner's Construction to build the new restrooms that were included in the \$6 Million Cruise ship head tax grant. You will recall that two of those restrooms are located on Pioneer Ave., something that tourists and business owners have been asking for years. This, along with the new RV parking lot designations will hopefully be a real assist to the downtown businesses.
6. DWD Fenders: The new Deep Water Dock fenders are now installed. This was a big project and a substantial improvement to the dock. Jay Brandt was the contractor. This project accounted for about \$ 2 Million of the \$6 Million cruise ship grant. It is fortunate that the new fenders were in place in time for the first cruise ship landing this year. These fenders will provide much better protection for both the dock and the vessels mooring there and will really improve conditions in bad weather.
7. Spit Trail and Harbor Trail: Portions of these projects are all out to bid separately. For example, PW has bid paving, boardwalk replacement, restrooms construction, and shoreline protection separately for obvious reasons. Some of this work will happen this summer. Boardwalk replacement will likely occur after Memorial day to minimize disruption during the busy summer season. Carey can provide more detail on these projects if Council wishes.
8. Strategic Planning: Several meetings ago I provided a memorandum about strategic planning which included some suggested action items. Step one was mostly a staff endeavor and included a list and status of all projects underway and pending, a draft mission statement, and a report on all City plans, including goals achieved, goals outstanding, and recommendations on priorities. The departments are getting ready to do this. The Mayor's vision was that strategic planning should happen concurrently with CIP development. At the last meeting when Council discussed the new, accelerated CIP schedule, this was mentioned and I think the general sentiment was that we should do this next year and that timing was an issue this year (not enough of it). This could use a little more discussion.
9. HERC Building: Since the Boys and Girls Club is ceasing operations temporarily at the end of the school year, this building will be basically vacant and placed on warm status until we get additional information and come up with a course of action. The building is being used on occasion by the new City employees responsible for permitting, locating, and inspecting the placement of the gas lines. In the meantime, I often receive inquiries

about renting the building. The most recent was from DOT/PF and Quality Asphalt Paving, the contractor that got the Sterling Highway repaving contract. They wanted about 1,500 square feet of office space and lots of parking. This one was attractive because it was short term (4 months), they were willing to pay market rates, and it would help a fellow government agency manage a big project that benefits Homer. But I have consistently told everyone no due to Fire Marshall issues, budget limitations, and the fact that the Council has not authorized any new leases there. Please let me know if you disagree with this decision.

10. New Finance Director Arrives: The first day of work for the new Finance Director, Zhiyong (John) Li will be May 28, the day of the Council meeting. He will be here just in time to get immersed in the water and sewer rate discussion. Lucky John. I warned him about this in the interest of full disclosure! Hope you will help me welcome John to Homer.
11. The Economy: We are starting to see some indirect and anecdotal information that would suggest that there might be an uptick in the economy. Hotels, B&Bs, charter operators, and tour guides have indicated that reservations are generally up. Also, in addition to all of the construction we have been talking about, there might be an improvement in the housing market. Rick reports that he approved zoning permits for four new homes in one day alone last week. Hopefully, these indicators signal a trend.
12. Alaska Business Monthly Article: This magazine is about to publish an article on Homer and natural gas. There is great interest in this around the state and within the business community. The reporter interviewed me and she also spoke with various folks at Enstar and local businesses.

City Manager Wrede introduced John Li, the new Finance Director.

The health insurance broker will be in town the week of June 24th. A Worksession was scheduled for Thursday, June 27th at 5:15 p.m. to meet with him.

The Governor's picnic is planned for July 25.

Council agreed to schedule several worksessions in July to form a strategic plan. The plan will be worked out prior to the CIP.

B. Bid Report

CITY ATTORNEY REPORT

COMMITTEE REPORT

A. Public Arts Committee

B. Transportation Advisory Committee

Francie Roberts, Chair of the Transportation Advisory Committee, reported they met recently and heard a presentation from Anna Bosun of DOT. The presentation was about how the highway safety improvement plan works in the state. It was very informative and the committee wondered if Council would be interested in hearing the information. There are several intersections they have focused on, including Main Street/Bypass intersection and East End Road. The committee had their annual review of the HART manual and had no suggested changes. They heard a report from the Kachemak Drive Path Association group on the trail.

- C. Permanent Fund Committee
- D. Lease Committee
- E. Port and Harbor Improvement Committee
- F. Employee Committee Report

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 13-055**, A Resolution of the Homer City Council Supporting the Diamond Creek Recreation Area Plan and Adopting the Plan as it Applies to City Owned Lands Acquired Through the Forest Legacy Program. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 13-055 by reading of title only.

LEWIS/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- 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.

Mayor Wythe called for a motion for the adoption of Resolution 13-056 by reading of title only.

LEWIS/BURGESS - SO MOVED.

Councilmember Burgess requested that the lot be made available to a non profit through an RFP at a 30% discount over a for-profit or any other institution, but it had to be a maritime based nonprofit that had a real need to be at a maritime or water based location.

Per the Wooden Boat Society there is no real rush with their plans.

BURGESS/ROBERTS - MOVED TO POSTPONE TO THE NEXT REGULAR MEETING PENDING THOSE CHANGES AND DIRECT STAFF TO BRING A SUBSTITUTE RESOLUTION AND A CONCURRENT RESOLUTION TO CONSIDER BEGINNING THE PROCESS OF REPLATTING THE LOT AS PER COUNCIL'S DISCUSSION AT THE COMMITTEE OF THE WHOLE.

City Manager Wrede advised how the lot is used would be a policy call for the Council. They would need to look at zoning at what would be the best uses for those properties. A resolution to direct the City Manager to start the re-plat would be a good start to the process. We would hire a surveyor and the re-plat would go through the Planning Commission and to the Borough Planning Commission through the normal process.

Public comments earlier indicated the best use of the whole area could be recreational.

Councilmember Zak asked what the Port and Harbor paid for the lot. The purchase price information will be presented at the next meeting.

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

Motion carried.

COMMENTS OF THE AUDIENCE

Dave Brann, city resident, recognized West Homer Elementary School who recently built a trail behind the school. A huge amount of the work was done by volunteers in a short time.

Ken Castner, city resident, thanked Council for the proclamation for Mary Epperson. He commented on the gas line assessments that future subdivisions would be subject to additional assessments by the City for a utility the City does not own.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

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 thanked Council for managing the last meeting in her absence. Her trip was a happy and sad event.

COMMENTS OF THE CITY COUNCIL

Councilmember Howard welcomed the Mayor back and thanked Francie for her involvement in the Emergency Operations Plan. She likes the new location of the pavilion at Mariner Park. It may be the newest of wedding chapels for Homer. The water quality annual report is well done and very informative. She hopes folks read and appreciate the water and sewer system.

Councilmembers Lewis, Burgess, and Dolma had no comment.

Councilmember Zak appreciates Jon Faulkner sharing about the water and sewer rates. The allocation from the general fund is an interesting thought on how much to fund to the enterprise fund. It might answer questions for the system capabilities and inefficiencies. He appreciates the Wooden Boat Society and the members that came and shared ideas for the multiple uses for the Spit. The strategic plan will figure out why people like it here. It is not just about the economic dollar; there is value returned to the community by non profits. They are facing their own economic challenges with grant funding going away. The Senior Center asked that the City show support to them which is helpful when obtaining grants for funding. It is a sore subject to talk about non departments and non profits, but a little funding goes a long way.

Councilmember Roberts is glad to have the mayor back. She is glad Council passed the EOP. There were many people in the community that served on the committee to make the updates. It is an important plan to have and they went through it with a fine tooth comb. She supports the resolutions recognizing Paula Setterquist and Mae Harrington. They both gave a lot to the community. She is valiantly trying to use the iPad in lieu of paper. She asked that the files be named consistently and that the Clerk publish that.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 6:59 p.m. the next Regular Meeting is Monday, June 10, 2013 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 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: _____

HOMER CITY COUNCIL
REGULAR MEETING MINUTES
MAY 28, 2013