

Session 14-01 a Regular Meeting of the Homer City Council was called to order on January 13, 2014 at 6:03 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 (telephonic), HOWARD, LEWIS,
ROBERTS, VAN DYKE, ZAK

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY ATTORNEY WELLS
COMMUNITY & ECONOMIC DEVELOPMENT
COORDINATOR KOESTER
FINANCE DIRECTOR LI
IT MANAGER POLOS
LIBRARY DIRECTOR DIXON
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Council met for a Worksession from 4:01 p.m. to 4:50 p.m. to discuss Employee Healthcare. From 5:00 p.m. to 5:59 p.m. Council met as a Committee of the Whole to hear a presentation from Michael Fisher, Northern Economics, Port and Harbor Rate Study and the Economic Impacts Study: Drill Rig Endeavour. Council discussed Memorandum 14-007, the Consent Agenda and Regular Meeting Agenda items.

Councilmember Burgess has requested telephonic participation.

ZAK/LEWIS - MOTION TO ALLOW COUNCILMEMBER BURGESS TO PARTICIPATE BY PHONE.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Department Heads may be called upon from time to time to participate via teleconference.

AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

The following changes were made:

CONSENT AGENDA - **Memorandum 14-001**, from Deputy City Clerk Re: Liquor License Renewals for Down East Saloon, Kharacters, Alibi, Harbor Grill, Grog Shop East End, Cosmic Kitchen, Pho & Thai Restaurant, and a New Liquor License for Little Mermaid. Non objection letters from Kenai Peninsula Borough Clerk as backup. **Ordinance 14-04**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$35,000 From the Port and Harbor Depreciation Reserves to Replace the Fish Grinder in the Fish Waste Grinding Facility. City Manager/Port and Harbor Director. Written public comments. **Resolution 14-006**, A Resolution of the City Council of Homer, Alaska, Approving a Memorandum of Understanding Between the City of Homer and Kachemak City Regarding the Canyon Trails Subdivision and Road Maintenance on Stellers Jay Drive and Golden Plover Avenue. City Manager. Map of area as backup. **Resolution 14-019**, A Resolution of the City Council of Homer, Alaska, Opposing Alaska Board of Fisheries Proposals 138, 139, 140, 142, and 143 That Close or Restrict Waters of Cook Inlet Near Homer to Commercial Drift Fishing. Lewis. Written public comments. **CITY MANAGER'S REPORT** - City Manager's Report of January 13, 2014.

Mayor Wythe called for a motion to approve the agenda as amended.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Rachel Lord, city resident, expressed support for Resolution 14-015 and is happy to assist the city.

Katherine George, city resident, asked that Resolutions 14-011 and 14-012 be removed from the consent agenda for further discussion.

Kelly Cooper, Homer resident, told Council many small businesses have not been paid by Buccaneer.

Ian Pitzman, city resident, expressed support for Resolution 14-019 since half of the drift fishing activity takes place in Area 1.

Mike McCarthy, city resident, asked Council to postpone Resolution 14-012 until the final report on the erosion study the Borough commissioned is complete.

Matt Clarke, Homer resident and city employee, asked Council to support Resolution 14-019 to prevent the reallocation of economic activity to areas further north.

Jim Lavrakas, Executive Director, Homer Chamber of Commerce, expressed the Chamber's opposition to Ordinances 14-02 and 14-03. The City should work harder to make the business climate in Homer more inviting. He expressed support for Ordinance 14-01 and Resolution 14-019.

Todd Hoppe, Homer resident and representative of North Pacific Fisheries Association, expressed support for Resolution 14-019.

Matt Alward, Homer resident, expressed support for Resolutions 14-019 and 14-015 and is happy to help the City.

Frank Mullen, Homer resident, supports Resolution 14-019 that affects about 300 fishermen in the local area.

Barb Brodowski, city resident, expressed opposition on Ordinances 14-02 and 14-03. She provided an analysis of taxable nonprepared food items from twelve states.

Revelle Russell, Homer resident, asked Council to adopt Resolution 14-019 to prevent the loss of revenue to Homer.

Dan Anderson, Homer resident, supports Resolution 14-019 to keep the economic benefits in Homer.

Rick Oldham, Homer resident, supports Resolution 14-019 and thanked Council for standing up for fishermen.

Ben Gibson, city resident, opposes Resolution 14-011 since the special assessment district mechanism is already in place.

Rika Mouw, city resident, expressed opposition to Resolution 14-012 and would rather see a special assessment district.

Vicky Hodnick, city resident, asked Council to postpone Resolution 14-012 until the erosion study is completed.

Ken Castner, city resident, opposes Resolution 14-020. A contractor is not selected until you have a site, architect, preliminary design, and funding.

Charles Davis, city resident, commented on Resolutions 14-011 and 14-012. The City should be investing in the main water and sewer lines and filling in the city. He expressed opposition to Ordinances 14-02 and 14-03.

Scott Simmons, city resident, expressed opposition to Ordinance 14-02 and support for Ordinance 14-03 to push dollars towards recreation.

Kate Crowley, city resident, commented on Ordinances 14-02 and 14-03 and would like to see more discussion and more detail.

Tara Cain, Anchor Point Natural Foods, expressed opposition to Ordinances 14-02 and 14-03 since a lot of people are having financial difficulties.

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 December 9, 2013. City Clerk. Recommend adoption.
- B. **Memorandum 14-001**, from Deputy City Clerk Re: Liquor License Renewals for Down East Saloon, Kharacters, Alibi, Harbor Grill, Grog Shop East End, Cosmic Kitchen, Pho & Thai Restaurant, and a New Liquor License for Little Mermaid.
- C. **Ordinance 14-01**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 1.78.010, Commission—Creation and Membership, to Make the Director of the Homer Chamber of Commerce an Ex Officio, Non-Voting Member of the Economic Development Advisory Commission. City Clerk/Economic Development Advisory Commission. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.
- D. **Ordinance 14-02**, An Ordinance of the Homer City Council, Amending HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100, to Repeal the Exemption From City Sales Tax of Sales of Nonprepared Foods from September 1st Through May 31st. Lewis. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

Memorandum 14-004 from City Attorney as backup.

Moved to Ordinances.

- E. **Ordinance 14-03**, An Ordinance of the Homer City Council, Amending HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100, to Repeal the Exemption From City Sales Tax of Sales of Nonprepared Foods From September 1st Through May 31st; Amending HCC 9.16.010 to Dedicate a Sales Tax of One-Quarter Percent (.25%) to Fund a Parks and Recreation Department; and Submitting the Question of Repealing Such Sales Tax Exemption and Such Sales Tax Dedication to the Qualified Voters of the City at the October 7, 2014 Regular City Election. Burgess. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

Memorandum 14-004 from City Attorney as backup.

Moved to Ordinances.

- F. **Ordinance 14-04**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$35,000 From the Port and Harbor Depreciation Reserves to Replace the Fish Grinder in the Fish Waste Grinding Facility. City Manager/Port and Harbor Director. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

Memorandum 14-005 from Port and Harbor Director as backup.

Moved to Ordinances.

- G. **Resolution 14-001**, A Resolution of the Homer City Council Confirming the City Manager's Appointment of Jo Johnson as Acting City Manager for Calendar Year 2014. City Manager. Recommend adoption.
- H. **Resolution 14-002**, A Resolution of the Homer City Council Confirming the Appointments of Zhiyong Li as Treasurer and Laurie Moore as Deputy Treasurer for Calendar Year 2014. City Manager. Recommend adoption.
- I. **Resolution 14-003**, A Resolution of the Homer City Council Designating Signatories of City Accounts and Superseding Any Previous Resolution So Designating. City Manager. Recommend adoption.
- J. **Resolution 14-004**, A Resolution of the City Council of Homer, Alaska, Adopting an Alternative Allocation Method for the FY 14 Shared Fisheries Business Tax Program and Certifying That This Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in the Cook Inlet Fisheries Management Area. City Manager. Recommend adoption.
- K. **Resolution 14-005**, A Resolution of The City Council of Homer, Alaska, Requesting That the Alaska Legislature Amend Alaska Statute 16.20.590 Establishing the Kachemak Bay Critical Habitat Area by Changing the Critical Habitat Area Boundary

to Exclude the City of Homer Port and Harbor and Municipal Lands Immediately Adjacent to Port Facilities Necessary for Port Operations, and Make the Statute Consistent With the Stated Intent of the Critical Habitat Area Management Plan. Mayor/Council. Recommend adoption.

- L. **Resolution 14-006**, A Resolution of the City Council of Homer, Alaska, Approving a Memorandum of Understanding Between the City of Homer and Kachemak City Regarding the Canyon Trails Subdivision and Road Maintenance on Stellers Jay Drive and Golden Plover Avenue. City Manager. Recommend adoption.
- M. **Resolution 14-007**, A Resolution of the City Council of Homer, Alaska, Approving an Intergovernmental Agreement for Emergency Services and a Vehicle Lease Agreement Between the City of Homer and Kachemak City. City Manager. Recommend adoption.
- N. **Resolution 14-008**, A Resolution of the City Council of Homer, Alaska, Approving a New Intergovernmental Wastewater Agreement Between the City of Homer and Kachemak City. City Manager. Recommend adoption.

Moved to Resolutions.

- O. **Resolution 14-009**, A Resolution of the City Council of Homer, Alaska, Approving a Cost Sharing Agreement Between the City of Homer and Kachemak City Regarding Construction of a Natural Gas Main/Distribution Line in Spencer Drive. City Manager. Recommend adoption.
- P. **Resolution 14-010**, A Resolution of the City Council of Homer, Alaska, Directing the City Manager to Produce on the Estimated Costs, Financing Options, Policy Considerations, and Feasibility of Constructing a "Loop" Water and Sewer Connection That Extends Up West Hill Road, Across Skyline Drive, and Down East Hill Road; to Be Presented and Discussed at a Future Worksession Scheduled by the City Council. Burgess. Recommend adoption.

Moved to Resolutions.

- Q. **Resolution 14-011**, A Resolution of the City Council of Homer, Alaska, Expressing the Future Intention to Create Deferred Assessments on Property Benefitting From the Future Construction of the Shellfish Avenue/South Slope Drive Water Main Extension. City Manager/Public Works Director. Recommend adoption.

Memorandum 14-008 from Public Works Director as backup.

Moved to Resolutions.

- R. **Resolution 14-012**, A Resolution of the City Council of Homer, Alaska, Expressing the Future Intention to Create Deferred Assessments on Property Benefitting From the Future Construction of the Kachemak Drive (Phase III) Water Main Extension Project. City Manager/Public Works Director. Recommend adoption.

Memorandum 14-009 from Public Works Director as backup.

Moved to Resolutions.

- S. **Resolution 14-013**, A Resolution of the City Council of Homer, Alaska, Expressing Support for the City of Soldotna's Proposed Renovation and Expansion of the Soldotna Regional Sports Complex. Mayor/Lewis. Recommend adoption.
- T. **Resolution 14-014**, A Resolution of the City Council of Homer, Alaska, Expressing Strong Support for Governor Parnell's Proposal to Appropriate \$3 Billion from the Constitutional Budget Reserve into the Alaska Retirement Trust Funds in 2015. Mayor/City Council. Recommend adoption.
- U. **Resolution 14-015**, A Resolution of the Homer City Council Appointing a Task Force to Review and Make Recommendations on a Large Vessel Haul-Out and Repair Facility at the Port. City Manager/Port and Harbor Advisory Commission. Recommend adoption.
- V. **Resolution 14-016**, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for the Refurbishment Services of Three Pedestal Cranes on Homer Fish Dock to the Firm of Oil & Gas Supply Company of Kenai, Alaska, in an Amount Not to Exceed \$82,625 Per Crane and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Port and Harbor Director. Recommend adoption.

Memorandum 14-006 from Port and Harbor Director as backup.

Moved to Resolutions.

- W. **Resolution 14-017**, A Resolution of the Homer City Council Directing the City Administration to Prepare a Preliminary Report for Council Consideration on the Costs, Feasibility, Potential Payback, and Other Community or Economic Benefits of Converting the City's Vehicle Fleet to Natural Gas. Burgess. Recommend adoption.
- X. **Resolution 14-018**, A Resolution of the Homer City Council Affirming the City Manager's Decision to Offer Additional Reward Money for Information Leading to the Arrest and Indictment of the Person or Persons Responsible for the Murder of Mark Matthews. City Manager. Recommend adoption.
- Y. **Resolution 14-019**, A Resolution of the City Council of Homer, Alaska, Opposing Alaska Board of Fisheries Proposals 138, 139, 140, 142, and 143 That Close or Restrict

Waters of Cook Inlet Near Homer to Commercial Drift Fishing. Lewis. Recommend adoption.

Moved to Resolutions.

- Z. **Resolution 14-020**, A Resolution of the Homer City Council Creating a Public Safety Building Review Committee and Establishing the Scope of Work and Parameters Under Which the Committee Will Conduct Its Work. City Manager/Public Works Director. Recommend adoption.

Moved to Resolutions.

Ordinances 14-02 and 14-03 were moved to Ordinances A and B respectively. (Zak)

Ordinance 14-04 was moved to Ordinance C. (Burgess)

Resolutions 14-010, 14-011, 14-012, 14-016, and 14-020 were moved to Resolutions A, B, C, D, and E respectively. (Zak)

Resolution 14-019 was moved to Resolutions F. (Lewis)

Resolution 14-008 was moved to Resolution G. (Burgess)

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

LEWIS/HOWARD – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. **Jenny Martin**, Big Brothers Big Sisters

Jenny Martin, Big Brothers Big Sisters, provided an overview of the program that has changed the lives of both Bigs and Littles. There are 40 to 50 matches per year; most matches last two to three years, but many go beyond that. They have served over 300 children.

Big Joanna and Little Philoma and Big Katie and Little Emily related their positive experiences from the program.

Funding for the program is provided through local fundraising, a United Way grant, and statewide efforts. Upcoming fundraising events for Big Brothers Big Sisters are Saturday, January 18th at the Homer High School from 5:00 to 7:00 p.m. for food, an auction, raffle, and

games. Homer Council on the Arts will provide a Stepping Out show after. On Thursday, January 30th there is movie night at the Homer Theatre showing Despicable ME 2.

B. Paul Seaton & Kris Holderied, Tidal Incubator Project

Representative Paul Seaton and Kris Holderied, NOAA, provided an update on the tidal energy incubator project. Partners include: City of Homer, Kenai Peninsula Borough, State of Alaska, University of Alaska, Offices of Representative Paul Seaton and Senator Peter Micciche, Alaska Industrial Development and Export Authority, Alaska Department of Fish and Game, Homer Electric Association, NOAA Kasitsna Bay Laboratory, National Renewable Energy Laboratory, Kachemak Bay Research Reserve, Ocean Renewable Power Company, and Renewable Energy Alaska Project.

Kachemak Bay is a great place with strong tidal currents; they are stronger than most places in the U.S. Most of the current is tidal so it is very predictable. There is also existing infrastructure to include the Deep Water Dock, road system, and access to the grid.

They are trying to attract people to come here and develop something. The expertise is already here with the science agencies, marine trades, and the University. Data has already been measured and collected on the currents, biology, and the habitat. The test bed includes turbine designs, camera systems, fish interaction, icing/siltation, and anchoring systems.

The project will create economic development and educational opportunities and bring hi-tech industry to Homer. It aligns with the CEDS (Community and Economic Development Strategy) of supporting growth of hi-tech industries. It presents more challenges for the marine trades and the education sector.

C. Michael Fisher, Northern Economics, Port and Harbor Rate Study and the Economic Impacts Study: Drill Rig Endeavour

Michael Fisher, Northern Economics, reported several months ago an RFP (Request for Proposals) was issued to look at harbor rates and the economic impact in the 200+ day stay of the Drill Rig Endeavour at the Homer harbor.

The Port and Harbor Rate Study was done to determine where the rates stand. It encompassed the cost of operating, maintaining, and replacing the facilities. They looked at rate changes to make sure the facilities are financially sustainable. There are large costs associated with replacing docks and harbor infrastructure and uncertainty of outside funding. The long term plan is to take advantage of the outside benefits, but not rely on them. They focused on the present facilities and costs of operating them. They used the life cycle cost analysis that cataloged all the facilities; they looked at the ages, remaining lives, and replacement costs and scheduled them out over time. They built in operating costs and brought the costs to the present. They then took an annualized number that represents revenue necessary each year.

R&M Consultants looked at remaining lives and replacement costs in coordination with the port and harbor office. They then grouped facilities into non-revenue and revenue generating facilities such as the harbor, Pioneer Dock, Fish Dock, Deep Water Dock, load and launch ramp, and fish grinder. They allocated overhead costs to all groups. To be financially sustainable, an overall rate increase of 58% is desired. Individual facilities compute to increases for the following: Harbor 32%, Pioneer Dock 136%, Fish Dock 126%, Deep Water Dock 41%, load and launch ramp generates twice the revenues it needs, fish grinder 162% rate increase needed to cover stand-alone costs. Some level of rate increase is warranted. Northern Economics recommend that the rate study go to a working commission to review and decide what they are comfortable with for a long range plan.

The Drill Rig Endeavour was docked at the harbor from the end of August 2012 to the end of March 2013. Property taxes were collected for the City and the Borough along with port fees. The study concluded: \$3.3M in direct spending and \$450,000 property taxes to the City and Borough combined. Spending was for employment and labor (\$3.3M) with a ripple effect of indirect and induced spending at \$1.5M for a total spending impact of \$4.8M. This included 50 jobs.

Mayor Wythe called for a recess at 7:32 p.m. and reconvened the meeting at 7:42 p.m.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Borough Report

Bill Smith, Kenai Peninsula Borough Assemblyman, reported the Assembly passed an ordinance to add the \$50,000 residential exemption to the \$300,000 senior exemption on property taxes. In 2007 the City of Homer enacted a \$20,000 residential exemption that was also added to senior property tax exemptions. The City of Homer was the most generous tax exemption city in the Borough. With the food tax issues and property tax exemption this creates stringent budget issues for the City. Borough administration is looking at trying to hold the line on the mil rate. Service areas will have significant stress; some service areas will have increases in the mil rate to make up for the increased residential property tax exemption. If the City of Homer decided to raise the exemption to \$50,000 instead of \$20,000, the effect would be an increase from \$77,000 up to \$113,000 in lost revenue. There may be an increase to the hospital service area that may affect Homer city residents.

Per the report on the Drill Rig Endeavour we do not collect personal property tax. City Manager Wrede will check into that and report to Council at the next meeting.

B. Commissions/Board Reports:

1. Library Advisory Board

Phil Gordon, Library Advisory Commissioner, reported the children's librarian and the library staff are all working hard. Patron and material use is up and tomorrow they hook up with natural gas. These are nice indicators they are doing a good job.

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

Dave Brann, Parks and Recreation Advisory Commissioner, reported the commission will meet this Thursday. City Manager Wrede has agreed to come to the meeting to talk about the recreation needs assessment. This weekend is the Best Cup ski tournament and women's hockey which will bring a lot of people to town. The uniform signage program is moving forward and the commission will be talking about it. He is looking forward to 2014 as the commission is anxious to work on things.

5. Port and Harbor Advisory Commission

Glen Carroll, Port and Harbor Advisory Commissioner, reported the commission discussed the large vessel haul-out at their last meeting. The commission is interested, as is everyone in the community. We are not locked into a large travel lift with a large dock; there are much more economical ways. The haul-out facility will be a tremendous economic engine for year round jobs and a tax base on the Spit.

PUBLIC HEARING(S)

ORDINANCE(S)

- A. **Ordinance 14-02**, An Ordinance of the Homer City Council, Amending HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100, to Repeal the Exemption From City Sales Tax of Sales of Nonprepared Foods from September 1st Through May 31st. Lewis. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

Memorandum 14-004 from City Attorney as backup.

Mayor Wythe called for a motion for the introduction of Ordinance 14-02 by reading of title only.

LEWIS/HOWARD – SO MOVED.

Councilmember Lewis commented with the addition of EMTs, the full time librarian, and funding for the recreation needs assessment, there is not enough money to pay for everything. People compare us to Soldotna and Kenai, yet they have four soccer fields and a sports center, and can host region soccer and summertime tournaments. The hockey rink here has spent \$10M out of pocket to keep it open. We need money for a lot of things since we have a lot of expenses and can't get money any other way. Many people outside the city call Homer home, and there has to be a way for them to support the programs within city limits.

Mayor Wythe added if we did not add a single service and only collected taxes to meet obligations of depreciation and reserves for future maintenance of the existing infrastructure, it would be funds well spent. We don't have to add something to justify the fact that we are not funding upwards of \$1M a year in depreciation. This means that we are not preparing for future replacement and restoration of infrastructure.

Councilmember Burgess echoed the Mayor's comments. Not including the last minute earmarks added to the budget, we are running at a deficit for depreciation. Voters say they don't want taxes raised. They have given us a clear signal to live within our means. The people should vote on the tax increase and we will try to respect the will of the people.

Councilmember Zak noted the savings to the 2014 budget with the conversion of a lot of city facilities to natural gas. It was all absorbed in the budget. We are stronger overall for the services we provide but we still request sales tax. People told us to put the money where it best belongs in the community without raising taxes. He prefers both sales tax ordinances go away.

Councilmember Howard will vote yes to get the ordinance to a public hearing.

Councilmember Lewis noted Soldotna, Kenai, and Seward have all maintained sales tax on nonprepared foods and it is not hurting their business. We need to draw more young families in with services for them. If you don't have kids you don't have teachers as they lay them off and then the quality of education drops. Then there will not be a lot of people coming. People that can least afford sales tax on food pay no taxes on food when using Quest cards. Adding sales tax will make people outside Homer contribute more. They use the city facilities and many don't mind paying sales tax to support the facilities they use.

Councilmember Van Dyke supports finding a way to get people outside the city to pay for some of the services. He doesn't support another arbitrary tax on the people. If we bring in the food tax for the winter it will help a little. He wouldn't support it unless there was a decrease in property tax to the city residents. There should be something to show the City is trying to balance the budget and not force all the money on just the people that live here.

Mayor Wythe reflected when she came on the council there was vote before the voters to increase the sales tax. It was voted down, but the library was voted up. We had a \$7M library

with no funds to pay for it. That January we asked for an increase in sales tax due to increases in the city. Council reduced the mil rate in exchange for the sales tax increase. Now we are not collecting seasonal sales tax on nonprepared foods. As the voters were voting to get rid of sales tax on food, the Borough was changing the regulation and every other community on the peninsula except Homer took advantage of the Borough's regulation. Council will not cut a service that a few people come in and complain about. Instead we cut attorney fees, but if we need attorney fees we will have to bring that money out of our limited reserve account. We make decisions about money based on trying to meet the need without looking at the reason we have the sales tax. We have an infrastructure based on the premise that we will collect that sales tax. That money we are not collecting from taxes is reducing the amount of money we have in reserves for water and sewer, roads and trails, and depreciation funding. She favors taking it to the voters.

VOTE: YES. LEWIS, HOWARD

VOTE: NO. BURGESS, ROBERTS, ZAK, VAN DYKE

Motion failed.

- B. **Ordinance 14-03**, An Ordinance of the Homer City Council, Amending HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100, to Repeal the Exemption From City Sales Tax of Sales of Nonprepared Foods From September 1st Through May 31st; Amending HCC 9.16.010 to Dedicate a Sales Tax of One-Quarter Percent (.25%) to Fund a Parks and Recreation Department; and Submitting the Question of Repealing Such Sales Tax Exemption and Such Sales Tax Dedication to the Qualified Voters of the City at the October 7, 2014 Regular City Election. Burgess. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

Memorandum 14-004 from City Attorney as backup.

Mayor Wythe called for a motion for the introduction of Ordinance 14-03 by reading of title only.

BURGESS/ROBERTS – SO MOVED.

Councilmember Burgess referred it as asking the voters if they wanted ice cream or to go see a movie. The voters said they want both ice cream and to go see a movie. We haven't followed through to say it is one or the other, that we must live within our means. The discretionary spending added in the budget at the last minute is small in comparison to the million dollar shortfall of depreciation funding. He wants to put the question before the voters to decide.

Councilmember Roberts clarified there is no sales tax increase. The .25% of the reinstated sales tax would go to the parks and recreation department. She asked if there was reasoning to combining the two questions into one ballot proposition.

Councilmember Burgess' intention is to not to separate the questions. It is a more clear-cut decision. If voters decide not to reinstate the sales tax they may decide to devote .25% to parks and recreation and then we would have more budgetary issues.

City Manager Wrede has received comments that we should consider two separate ballot propositions. Attorney Klinkner said the questions could be separated with the second proposition dedicating a certain portion that would be contingent on the first proposition passing. If the ballot proposition is separated he recommended coming back with a new ordinance at the next meeting as it would be a substantive change.

Discussion on whether the recreation needs assessment should be finished before the election ensued. City Manager Wrede noted the .25% amount came from the sponsor; the goal is to generate enough money to operate a parks and recreation department and maybe have enough left for some bond payments. The .25% could generate \$400,000. An ordinance approving the ballot proposition would need to be approved by the end of June.

Council recommended the recreation needs assessment be a top priority and be delivered to Council by the end of May.

Councilmember Van Dyke agrees if the questions are separated it will be harder to pass both propositions. The attorney says we can dedicate the money, but it does nothing to stop next year's council from taking it away.

Attorney Wells advised it is confusing how increases in taxes are handled versus exemptions from taxes. Where dedications differ from this one is that water and sewer were increases in taxes. Water and sewer dedications are locked in by the voters' right to dictate those dedications. Exemptions have been found to fall outside of that. Council has the ability to repeal the exemption independent of the voters. Even if you take a vote it is more of an advisory vote. If the voters approved a .25% tax was collected for a parks and recreation department it would not be legally binding.

VOTE: YES. ROBERTS, HOWARD, LEWIS, BURGESS

VOTE: NO. ZAK, VAN DYKE

Motion carried.

- C. **Ordinance 14-04**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$35,000 From the Port and Harbor Depreciation Reserves to Replace the Fish Grinder in the Fish Waste Grinding Facility. City Manager/Port and Harbor Director. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

Memorandum 14-005 from Port and Harbor Director as backup.

Mayor Wythe called for a motion for the introduction of Ordinance 14-04 by reading of title only.

LEWIS/BURGESS – SO MOVED.

Councilmember Burgess asked that a Request for Proposals be issued in the next year for someone to run the fish grinder. We are spending more money than we should be and need to save money and encourage private industry.

Councilmember Roberts referenced the letter in the supplemental packet. She asked why no RFP was issued and we are just selecting a bid.

Port and Harbor Director Hawkins reported we didn't go to RFP as the fish grinder is a highly specialized piece of equipment not available locally. The Port contacted four different companies that offer product grinders and priced them out. A direct replacement is needed for the current grinder which is 14 years old. He can spend more time looking at the features of the Auto grinder and report to Council at the next meeting.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Natural Gas Conversions: City Hall is now heated with natural gas. The conversion was completed and the gas started flowing on January 8th. We are now paying less for energy and we have lowered greenhouse gas emissions by 30%. PW expect the library, animal shelter, sewer treatment plant, and the airport terminal to be converted and burning gas within the next 10 days.
2. 2014 Budget: The Finance Department is working hard to incorporate all of the budget amendments and produce the new and approved budget for 2014. We expect that hard copies will be available and the new budget posted online within the next few days. Fortunately, the budget still balanced after all of the amendments were made! The Finance Department is also preparing for the 2013 Audit which is coming up quickly.
3. Recodified City Code: You will recall that the 2013 Budget included money to recodify the code and improve its online presence. The project is now complete and it took almost a year. Thanks to Jo and to Tom Klinkner for all of their work on this project. The Code was reorganized and consolidated, inconsistencies and redundancies were addressed to the extent possible, and the code is now on a website actively managed by an outside company. The paper code is now half the size because it is double sided. All ordinances will be codified within 3 to 5 days of passage and placed online. There are new and much improved search functions that will make it easier for the public to

- access the Code and find what they want. This is a real upgrade and I hope Jo gets an opportunity to talk about it a little.
4. Wastewater Agreement with Kachemak City: This agenda contains a resolution approving a new wastewater agreement between the City of Homer and Kachemak City. This agreement has not been updated since it was originally signed in 1988. The new version is mostly an update and removes much of the language that is no longer relevant; especially all of language having to do with construction of the new sewer treatment plant and the sewer lines in Kachemak City. One thing of particular note is that the draft agreement says the baseline average for gallons put into the system is 2,500 instead of 3,500. You will recall that this was a big issue for Kachemak City when the new water and sewer rate fee schedule was approved. Since the fee schedule was approved, we have spent more time talking to Kachemak City about this and we are pretty certain that the average monthly number of gallons placed into the collection system is significantly less than 3,500. There are many reasons for this including the fact that everyone either hauls water or has it delivered. People who do that tend to be much more conservation minded. Also, the demographics there are changing. Kids are grown up and moving out, the population is aging, and many residences have only two occupants. The new rate model was based primarily upon consumption. Keeping that in mind, it seems inconsistent with the intent of the model to charge people for more than they are actually using. Installing meters is problematic for a variety of reasons and measuring how much water people use is complicated because it is delivered, hauled, collected by roof cistern systems, and obtained via wells. 2,500 gallons seems like a reasonable number. The available evidence seems to suggest that the average is probably less than that. Another reason for dropping the number to 2,500 is that Kachemak City residents do not have the ability to shut off their meters and pay less during the months that they are away and are not putting anything into the system. They pay the full amount whether they are home or not. We recommend changing the amount to 2,500. If Council agrees, we will have to amend the fee schedule. The estimated fiscal impact is about \$27,000.
 5. Emergency Services Agreement with Kachemak City: This agenda contains a resolution approving a new emergency services agreement with Kachemak City. The new agreement is not much different from the old one but it renews and updates this long standing relationship. The basics are the same. Homer provides Fire and EMS services to Kachemak. Kachemak contributes a fire truck that Homer can use, a place to house and station the truck, and payment equal to 1 Mil based upon total property values in Kachemak. This relationship has worked well over the years, benefits both parties, and we recommend renewal.
 6. Virtualization: The IT staff is working to install the newly budgeted virtualization equipment. They are presently evaluating vendors and models and the merits of leasing rather than purchasing. The equipment will be purchased to be compatible with what already exists which under the procurement policies, is a justification for going sole source. This will be a large upgrade to the City's IT infrastructure and we appreciate the Council's support.

7. Recreation Service Area: Right before the Christmas break I participated in a teleconference with Mike Illg, Kate Crowley from ReCreate Rec, the Borough Attorney, and a staff member from Mayor Navarre's office. A lot of good information was exchanged. I would be happy to talk about this a little at the meeting if there is interest. Council could also invite Kate to give an update and progress report at a future meeting.
8. Camp Fee Station: The camp fee building has continued to take a pounding from some of the storms we have experienced this year. One of the storms over the holidays damaged the electrical box and exposed the sewer line. In order to prevent further damage, PW is hiring a contractor to lift the building and move it back to a safe place in the parking lot. Utilities will be capped or shut off and the pilings will be removed. The building will stay in that location until a final destination is determined. You will recall that there has been discussion about moving that building over to the "Pier One Lot". The parks staff suggests that Mariner Park would also be a good location.
9. Vehicle in Lake: Right before Christmas a vehicle broke through the ice and was partially submerged on Beluga Lake. Chief Robl worked to get the owner to take responsibility and have it hauled out. His efforts were unsuccessful. DOT/PF was contacted for assistance but they were reluctant or unable to provide assistance. DEC was in touch but was not in a position to provide assistance beyond advice. To make a long story short, we decided to hire a contractor to extract the vehicle from the lake. We will send the owner the bill and take other necessary steps to reimburse the City. The estimated cost was \$2,000.
10. Scheduling: One item that appeared in the last report but did not get discussed due to the big agenda was scheduling. The Council has said that it wants to do a citizen academy and some strategic planning, all this winter. Time will slip away fast if we don't start mapping this out. Attached is a memo from Katie regarding the Citizen's Academy which talks about preparation time and all of the steps that might be involved.

City Manager Wrede reported City Hall is now heated with natural gas. Everyone should celebrate as we are saving money and reducing greenhouse gases. Within ten days the Library, Animal Shelter, Airport, and Water Treatment Plant will be operating on natural gas.

City Clerk Johnson provided an update on the code codification. The recodified city code is now accessible on the Clerk's website, hosted by Code Publishing.

Boys and Girls Club is in the process of moving out of the HERC building. They have been there for many years. Some of the stuff went to the dump, some to Soldotna, and they donated some equipment to the sports association. There is a pool table and piano there still. Next Wednesday a cleaning company will come in behind them.

The recreation needs assessment will be discussed with the Parks and Recreation Advisory Commission at their meeting on Thursday. A steering committee that represents user groups could look at the RFP and research to get useful information. Council could appoint a

committee or task force that wouldn't require clerks or staff. Alternately, they could use a standing commission such as Parks and Recreation to make sure all interested parties are there to participate. He asked for feedback from Council and the consensus was for the City Manager to take the lead and allow the Parks and Recreation Advisory Commission and Recreate Rec to form a steering committee.

City Manager Wrede reported he participated in meeting with Attorney Colette Thompson and Mayor Navarre's assistant for setting up a borough recreational area.

Kate Crowley, Recreate Rec, confirmed the meeting with the Borough. An October vote is needed to decide if there will be a borough-wide recreation area. They are still exploring the options and are not sure if a vote will happen in October. The Borough is very supportive of the idea.

City Manager Wrede asked for direction from Council on the Citizens Academy. Councilmember Howard commented the idea of the Citizens Academy is that it would increase and develop the knowledge of how the City operates. Citizens will learn complexities and it will help them imagine the potential of the town and encourage them to assume leadership roles in the community. Department heads would develop a program that would be a one day a week, six-week session for two hours. There is a fair amount of interest. Some cities feel it is advantageous to folks that live outside the city. If there were more than 20 interested people, city residents would have priority. The curriculum is for departments to look at why and how we do things. They would reassess themselves and showcase their work of what they do for the city. It is best to keep the information elementary, but thorough.

Councilmember Lewis asked who owns Beluga Lake. City Manager Wrede answered DNR owns some land, DOT owns the lake in the summer as a float plane base and the City of Homer manages it in the winter.

City Manager Wrede reported a disabled car was pulled out of the lake. The Police Chief worked hard to get the driver to take responsibility. DOT would not remove the car as they thought the ice was too thin. We received a reasonable bid proposal for an extraction plan at \$2,000. We will pursue the owner to pay the cost. It was in the public's interest to pull the car out since it contained at least a half of a tank of gas and lubricants.

City Manager Wrede has been trading emails with Frank Griswold on Beluga Lake. In the 1970's DOT was urging the City to assume responsibility of the lake. We do zone the lake for certain activities, but the City has not actively managed what goes on in the lake. Frank Griswold thinks we should measure the ice and give warnings when it is weak. Council has chosen not to due to the liability.

Mayor Wythe recognized 11 employees celebrating a total of 69 years of service to the City.

1. January Employee Anniversaries

2. Memorandum 14-002 from Community and Economic Development Coordinator, Re: Citizens Academy.

B. Bid Report

C. Games Report

1. Homer Hockey Association, Inc.

D. Records Inventory Report

CITY ATTORNEY REPORT

A. December 2013 Report

City Attorney Holly Wells reiterated the new code format is a real pleasure and has had a notable impact in research on the code. The law firm would enjoy participating in the Citizens Academy.

Attorney Wells reported on the condo association judgment. The decision is involved and a substantial order. The attorney needs to go through the decision and sort out factual ambiguities to understand where the judge is coming from. They will decide the best approach in moving forward.

COMMITTEE REPORT

A. Public Arts Committee

B. Transportation Advisory Committee

C. Permanent Fund Committee

D. Lease Committee

E. Port and Harbor Improvement Committee

F. Employee Committee Report

G. Port and Harbor Building Task Force

1. Memorandum 14-003 from Project Manager, Re: Project Budget: New Harbormaster's Building.

Councilmember Howard reported more money is needed for the new harbormaster's building - about \$300,000. The amount would be reduced by about \$160,000 by taking out the 400 sq. ft. shop for light maintenance. Before moving ahead with 65% design they ask Council for the possibility of a 5-year loan or an outright gift from the fund balance. The building does include overslope; this is the only way the harbormaster can see up and down the harbor. The second story will be framed, but not occupied until later. It has been a difficult project to work on as they didn't have enough money to begin with although pretended they did. They are asking for either a 5-year loan as the animal shelter and other facilities have done, or to scratch the project completely.

There was \$1.5M from the Legislature and a \$500,000 match from Port and Harbor reserves that will support a loan. At the next meeting two ordinances are needed; one to appropriate matching funds and one for a loan. The floor plans will be provided at the next meeting.

PENDING BUSINESS

NEW BUSINESS

- A. **Memorandum 14-007**, from City Clerk, Re: Recommendations for Reducing Meetings of Committees and Commissions.

Mayor Wythe called for a motion to adopt the recommendations of Memorandum 14-007.

LEWIS/ROBERTS - SO MOVED.

During the Committee of the Whole Council discussed reducing meetings of commissions and committees. The goal is to reduce staff time at meetings and still allow the commissions and committees to get their work completed.

ROBERTS/LEWIS - MOVED TO ELIMINATE THE LEASE COMMITTEE, TRANSPORTATION ADVISORY COMMITTEE, AND PORT AND HARBOR IMPROVEMENT COMMITTEE.

Amendments to the Lease Committee will require a code amendment. The committee has not met recently.

City Manager Wrede reported before the current make-up of the Lease Committee it was smaller and just administrative. In review of the committee with the attorney that is more appropriate as the administration has a fiduciary responsibility to manage city assets. Public members on the Lease Committee sometimes raise issues of political favoritism and ex-parte communication. The bureaucracy slows up the process. Evaluating proposals could go back to an in-house method that would streamline the process. The committee could be comprised of the Finance Director, Planner, and one or two other directors. They would evaluate leases and report directly to Council. Port and Harbor and Economic Development Advisory Commissions could give Council advice on lease policies.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

An ordinance to amend the Lease Committee will be forthcoming.

It is recommended no new committees, subcommittees, or task forces be formed without council approval and no special meetings be scheduled without council approval.

LEWIS/ROBERTS - MOVED TO ACCEPT THE RECOMMENDATIONS.

Council would need to approve the formation of committees. Commissions could no longer create their own committees. Several commissions have subcommittees that require staff time. The Planning Commission is exempt due to their timelines.

VOTE: YES. HOWARD, LEWIS, VAN DYKE, ROBERTS¹

VOTE: NO. ZAK

Motion carried.

Mayor Wythe called for a motion that staff contact the remaining committees and commissions and request that they review their meeting schedule to see if they can modify their meeting schedule to quarterly or to the months when the staff associated with them are not highly engaged.

ZAK/ROBERTS - SO MOVED.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VOTE: (main motion as amended) YES. VAN DYKE, LEWIS, HOWARD, ROBERTS²

VOTE: NO. ZAK

Motion carried.

RESOLUTIONS

- A. **Resolution 14-010**, A Resolution of the City Council of Homer, Alaska, Directing the City Manager to Produce on the Estimated Costs, Financing Options, Policy Considerations, and Feasibility of Constructing a "Loop" Water and Sewer Connection

¹ Councilmember Burgess did not respond to roll call vote.

² Councilmember Burgess did not respond to roll call vote.

That Extends Up West Hill Road, Across Skyline Drive, and Down East Hill Road; to Be Presented and Discussed at a Future Worksession Scheduled by the City Council. Burgess.

ROBERTS/BURGESS - MOVED TO ADOPT RESOLUTION 14-010.

This proposal will get the discussion on the table of how to generate more customers for water and sewer.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 14-011**, A Resolution of the City Council of Homer, Alaska, Expressing the Future Intention to Create Deferred Assessments on Property Benefitting From the Future Construction of the Shellfish Avenue/South Slope Drive Water Main Extension. City Manager/Public Works Director.

Memorandum 14-008 from Public Works Director as backup.

Councilmember Burgess declared a potential conflict of interest as he owns property within the assessment area.

Mayor Wythe ruled Councilmember Burgess did have a conflict of interest. There was no objection from the Council.

Councilmember Burgess was excused from participation.

Mayor Wythe called for a motion to adopt Resolution 14-011 by reading of title only.

ZAK – SO MOVED.

Failed for lack of a second.

- C. **Resolution 14-012**, A Resolution of the City Council of Homer, Alaska, Expressing the Future Intention to Create Deferred Assessments on Property Benefitting From the Future Construction of the Kachemak Drive (Phase III) Water Main Extension Project. City Manager/Public Works Director.

Memorandum 14-009 from Public Works Director as backup.

Mayor Wythe called for a motion to adopt Resolution 14-012 by reading of title only.

BURGESS – SO MOVED.

Failed for lack of a second.

- D. **Resolution 14-016**, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for the Refurbishment Services of Three Pedestal Cranes on Homer Fish Dock to the Firm of Oil & Gas Supply Company of Kenai, Alaska, in an Amount Not to Exceed \$82,625 Per Crane and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Port and Harbor Director.

Memorandum 14-006 from Port and Harbor Director as backup.

Mayor Wythe called for a motion for the adoption of Resolution 14-016 by reading of title only.

LEWIS/ROBERTS – SO MOVED.

Councilmember Zak questioned the bid process.

City Manager Wrede explained when the project was advertised we received one bid and it was rejected since the bid was not responsive. The Port then requested bids from contractors that performed this type of service.

Port and Harbor Director Hawkins elaborated they contacted seven companies from Anchorage, Kenai, and Seattle and received two proposals for review. Oil & Gas Supply Company was selected and the singular bid amount per crane will be reviewed upon tear down of the first crane. There are funds in the port reserves to cover the costs.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Resolution 14-020**, A Resolution of the Homer City Council Creating a Public Safety Building Review Committee and Establishing the Scope of Work and Parameters Under Which the Committee Will Conduct Its Work. City Manager/Public Works Director.

Mayor Wythe called for a motion for the adoption of Resolution 14-020 by reading of title only.

ROBERTS/LEWIS – SO MOVED.

There was brief discussion on meeting the levels to select a contractor.

VOTE: YES. BURGESS, HOWARD, LEWIS, ROBERTS

VOTE: NO. ZAK, VAN DYKE

Motion carried.

- F. **Resolution 14-019**, A Resolution of the City Council of Homer, Alaska, Opposing Alaska Board of Fisheries Proposals 138, 139, 140, 142, and 143 That Close or Restrict Waters of Cook Inlet Near Homer to Commercial Drift Fishing. Lewis.

Mayor Wythe called for a motion for the adoption of Resolution 14-019 by reading of title only.

LEWIS/ZAK - SO MOVED

Councilmember Lewis referenced the letter from Frank Mullen in the supplemental packet.

LEWIS/VAN DYKE – MOVED TO AMEND TO ADD THREE WHEREAS CLAUSES AFTER LINE 39: WHEREAS, PROBLEMS WITH SUSITNA SALMON PRODUCTION HAVE BEEN IDENTIFIED AND ARE THE RESULT OF FRESHWATER HABITAT ISSUES; AND WHEREAS, INTENSIVE MANAGEMENT OF SALTWATER FISHERIES WILL NEVER SOLVE THE PROBLEMS FOUND IN THE FRESHWATER HABITATS OF SPAWNING AND REARING SALMON; AND WHEREAS, THE BOARD OF FISHERIES SHOULD ELIMINATE RESTRICTIONS ON CENTRAL DISTRICT DRIFT GILLNETTING DURING THE JULY 9 THROUGH JULY 31 TIME PERIOD BECAUSE IT IS NOW KNOWN THAT THESE RESTRICTIONS ARE NOT AN EFFECTIVE METHOD OF IMPROVING SUSITNA SOCKEYE PRODUCTION.

Councilmember Lewis suggested a representative from the City attend the January 31 and February 1st meetings in Anchorage to testify to these facts.

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

Motion carried.

ZAK/BURGESS – MOVED TO AMEND LINE 7 TO INSERT “STRONGLY” IN FRONT OF “IMPOSING.”

There was no discussion.

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

Motion carried.

ZAK/ROBERTS – MOVED TO AMEND LINE 54 TO MAKE THE SIMILAR INSERTION.

There was no discussion.

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

Motion carried.

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

Motion carried.

- G. **Resolution 14-008**, A Resolution of the City Council of Homer, Alaska, Approving a New Intergovernmental Wastewater Agreement Between the City of Homer and Kachemak City. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 14-008 by reading of title only.

ZAK/LEWIS – SO MOVED.

ROBERTS/LEWIS - MOVED TO POSTPONE RESOLUTION 14-008 TO THE NEXT MEETING.

There was no discussion.

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

Motion carried.

COMMENTS OF THE AUDIENCE

Ken Castner, city resident, commented on his lawsuit for condominium assessments for the natural gas line, special assessment districts, and tearing down the HERC and building a new public safety building.

Charles Davis, city resident, suggested issuing cards to all people and they would get tax discounts according to where they lived. He commented on the need for the City to build water and sewer lines throughout the city.

Todd Hoppe, Homer resident, questioned the outcome of Resolution 14-015.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells was no longer at the meeting.

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 appreciates the work Council has done tonight. There were a lot of things on the agenda; that is the fine for taking a month off. She understands the confusion and concern about consideration for a new fire hall. She is always at a loss when people interpret actions of the Council to be doing things without regard to the process. The process may not happen exactly as people think it will, but the process will take place. This is keeping a 5-year project as such, instead of having it turn into a 20-year project.

COMMENTS OF THE CITY COUNCIL

Councilmember Howard thanked the Mayor for her guidance through a tough meeting. She congratulated Michael Armstrong and McKibben Jackinsky on their reporting awards and to Homer News for 50 years of service. She encouraged citizens to watch for the advertisements about the Citizens Academy.

Councilmember Lewis let everyone know to stop by the rink tomorrow night to watch the high school hockey team play. The puck drops at 7.

Councilmember Burgess asked for information on the murder of Mark Matthews. Please come forward if you know anything. We all want to have a safe town. It is a moral issue. He echoed the Mayor's comments about the public safety building. It was misleading the public for Mr. Castner to say we were rushing ahead. We have no plans to demolish the HERC building. It is part of the planning and providing a forum for public input. He thanked everyone for allowing him to participate telephonically.

Councilmember Van Dyke hopes Councilmember Burgess comes back sunburned.

Councilmember Zak commented citizens will have a chance to weigh in on Ordinance 14-03 at the next meeting. He hopes the Boys and Girls Club finds a new home; it is sad that they are moving out of HERC. He wished everyone a Happy New Year. We need to be careful about the economic impact on restrictions on the drift net fishery. He thanked the citizens that came out tonight. It is good for the community to get together.

Councilmember Roberts is glad to see the people from the fishing community share their concerns about the proposed fishing regulations.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 10:00 p.m. The next Regular Meeting is Monday, January 27, 2014 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, MMC, CITY CLERK

Approved: _____