

Session 14-08 a Regular Meeting of the Homer City Council was called to order on March 24, 2014 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, HOWARD, LEWIS, ROBERTS, VAN DYKE, ZAK (telephonic)
	STAFF:	CITY MANAGER WREDE CITY CLERK JOHNSON FINANCE DIRECTOR LI IT MANAGER POOLOS PORT AND HARBOR DIRECTOR HAWKINS PROJECT MANAGER NELSEN PUBLIC WORKS DIRECTOR MEYER

Councilmember Zak has requested telephonic participation.

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

BURGESS/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Council met in a Worksession from 4:00 p.m. to 4:47 p.m. to discuss a Report from Public Works Re: 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 (Resolution 14-010). From 5:00 p.m. to 5:09 p.m. Council met as a Committee of the Whole to review the Consent and Regular Meeting Agendas.

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 agenda changes were made:

CONSENT AGENDA - **Memorandum 14-063**, from Lease Committee: Re: Recommendation for a Lease on Lot 13B for Snug Harbor Seafoods. (Backup to Resolution 14-043); **Memorandum 14-064**, from Lease Committee: RE: Recommendation for a Lease Assignment

on Lot 32 for Happy Face Restaurant. (Backup to Resolution 14-044).
ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS -
Lobbyist Report, March 20, 2014.

Mayor Wythe called for a motion for the approval of 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

Michele Miller, city resident and Public Arts Committee Member, commented she is available for questions on Resolution 14-023.

Bumppo Bremicker, city resident, commented on Resolution 14-023. He thinks the statue is a good idea, although Brother Asaiah would say to figure it out on your own.

Jim Lavrakas, Executive Director of the Homer Chamber of Commerce, expressed approval of Ordinance 14-16. The appropriation for the publication is a reasonable amount of money over four years. He urged Council to check with other cities on the idea.

Larry Slone, city resident, commented on Resolution 14-023. No one has done as much as Brother Asaiah has to develop a sense of community spirit. That spirit is what brings people here, along with the beauty of Kachemak Bay and the people here.

Steve Zimmerman, city resident, Port and Harbor Advisory Commissioner, and Lease Committee Member, commented on Resolution 14-043. The Lease Committee met last Friday and made recommendations for the Snug Harbor lease to include: fair market value for the lease, amendments to seafood buying, and deadlines for required improvements. He urged Council to review the lease before approving it. He questioned the point of not having a Lease Committee when leases do not go before the Port and Harbor Advisory Commission.

Kevin Hogan, city resident, commented on Resolution 14-043 and the Lease Committee. He suggested giving the committee full information and let them do their job without any side deals and under the table leases. It is wrong to eliminate the Lease Committee and let Administration handle it; public assets need public oversight. Additionally, Ordinance 14-14 is very disturbing as it does not protect the citizens' interests of someone in violation of the ethics statute. No statute of limitations is needed for someone that may have used city resources or funds fraudulently.

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 March 10, 2014. City Clerk. Recommend adoption.
- B. **Memorandum 14-044**, from Mayor, Re: Reappointment of Matt Strobel and Phil Gordon to the Library Advisory Board and Ian Pitzman to the Vessel Haul-Out Task Force.
- C. **Memorandum 14-045**, from Deputy City Clerk Re: Liquor License Renewals for Starvin Marvin's, Save-U-More Liquor, Homer Brewing Company, Inc., and Restaurant Designation for AJ's Oldtown Steakhouse.
- D. **Ordinance 14-14**, An Ordinance of the Homer City Council, Enacting HCC 2.80.100, Limitation Period, Establishing a Five-Year Time Limitation for Filing a Complaint of a Violation of the City Ethics Code. City Clerk. Recommended dates: Introduction March 24, 2014, Public Hearing and Second Reading April 14, 2014.

Memorandum 14-046 from City Clerk as backup.

Moved to Ordinances.

- E. **Ordinance 14-15**, An Ordinance of the Homer City Council, Repealing HCC 4.45.010, Election Recount, and Enacting HCC Chapter 4.45, Election Recount; Regarding the Procedure for Recounts in City Elections. City Clerk. Recommended dates: Introduction March 24, 2014, Public Hearing and Second Reading April 14, 2014.

Memorandum 14-047 from City Clerk as backup.

- F. **Ordinance 14-16**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$31,000 From the General Fund-Fund Balance for Marketing and Showcasing Homer as a Great Place to Live, Work, and Play in the Next Edition of the *Alaska: North to the Future Volume V* Book. Mayor/Council. Recommended dates: Introduction March 24, 2014, Public Hearing and Second Reading April 14, 2014.

- G. **Resolution 14-039**, A Resolution of the City Council of Homer, Alaska, Amending the Homer Advisory Planning Commission Bylaws "Quorum; Voting" to Permit Four Instead of Five Members to Approve a Conditional Use Permit or a Variance. City Manager/Planning. Recommend adoption.

Memorandum 14-051 from City Clerk as backup.

- H. **Resolution 14-040**, A Resolution of the Homer City Council Disbanding the Transportation Advisory Committee and Assigning Road and Trail Standards to the Homer Advisory Planning Commission. City Manager. Recommend adoption.

Memorandum 14-057 from Deputy City Clerk as backup.

- I. **Resolution 14-041**, A Resolution of the Homer City Council Approving the City of Homer 2014 Land Allocation Plan. City Manager/City Council. Recommend adoption.

Memorandums 14-037 and 14-050 from Deputy City Planner as backup.

- J. **Resolution 14-042**, A Resolution of the Homer City Council Awarding the Contract for the Purchase of a Ford Explorer Police Vehicle to the Firm of Kendall Ford Wasilla of Wasilla, Alaska, in the Amount of \$25,845.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommend adoption.

Memorandum 14-059 from Police Chief as backup.

- K. **Resolution 14-043**, A Resolution of the City Council of Homer, Alaska, Approving a Twenty-Year Lease, With Two Five-Year Options, for Snug Harbor Seafoods on Lot 13B, Port Industrial Subdivision Number 2, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 14-060 from City Manager as backup.

Memorandum 14-063 from Lease Committee as backup.

Moved to Resolutions.

- L. **Resolution 14-044**, A Resolution of the City Council of Homer, Alaska, Approving the Assignment of the Happy Face Land Lease, Lot 32, Homer Spit Amended, to Yong Kim dba Lee and Kim LLC, Extending the Term of the Lease to Twenty Years, With Two Five-Year Options, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 14-061 from City Manager as backup.

Memorandum 14-064 from Lease Committee as backup.

- M. **Resolution 14-045,** A Resolution of the Homer City Council Awarding the Contract for the Homer Fire Station #2 Skyline Drive to the Firm of Steiner's North Star Construction, Inc. of Homer, Alaska, in the Amount of \$510,800.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Recommend adoption.

Memorandums 14-039 and 14-062 from Project Manager as backup.

Ordinance 14-14 was moved to Ordinances A. (Burgess)

Resolution 14-043 was moved to Resolutions A. (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

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. Borough Report
- B. Commissions/Board Reports:
 - 1. Library Advisory Board
 - 2. Homer Advisory Planning Commission
 - 3. Economic Development Advisory Commission

Lindianne Sarno, Economic Development Advisory Commissioner, began a report on her three years on the commission. Mayor Wythe asked if her report was the commission's report rather than her own. Ms. Sarno repeatedly stated it was her final report after serving three years on

the commission. Mayor Wythe instructed Ms. Sarno to provide her own comments in writing or speak at the end of the meeting when comments from the audience are allowed.

4. Parks and Recreation Advisory Commission

Matt Steffy, Chair of the Parks and Recreation Advisory Commission, welcomed Peter Roedl, the newest member. They now have a full commission with the exception of a student representative. A high school person is interested in applying for the vacant seat. Community Recreation Coordinator Mike Illg will be speaking at the Citizens Academy this week with a presentation on community recreation. The spring and summer recreation program is out and is available at various locations throughout town or online. Today was the first PARC (Parks, Arts, Recreation and Culture) committee meeting to review the RFP (Request for Proposals). They will have two meetings before finalizing it. They hope to have the RFP out by the end of the week with a contract award by the end of May. They are anticipating completion of the survey by the end of April 2015. Spring cleaning events include cleanup on the Poopdeck Trail April 12 and Karen Hornaday Park cleanup on May 3. The commission has a Worksession on April 3 to discuss the Karen Hornaday Park Master Plan and Phase II of the Land and Water Conservation Fund. The next regular meeting will be April 17.

5. Port and Harbor Advisory Commission

Steve Zimmerman, Port and Harbor Advisory Commissioner, reported their next meeting is Wednesday, March 26. He suspects the commission would like to review the Snug Harbor lease.

C. Lobbyist Report, March 20, 2014

PUBLIC HEARING(S)

- A. **Ordinance 14-12**, An Ordinance of the City Council of Homer, Alaska, Amending the 2014 Operating Budget by Appropriating \$15,000 From the Fire Depreciation Reserve and \$83,000 From the General Fund – Fund Balance for the Homer Fire Station #2 Skyline Drive Project. City Manager/Public Works Director. Introduction March 10, 2014, Public Hearing and Second Reading March 24, 2014.

Ordinance 14-12(S), An Ordinance Of The City Council Of Homer, Alaska, Amending The 2014 Operating Budget By Appropriating ~~\$15,000 From The Fire Depreciation Reserve And \$83,000~~ **\$98,000** From The General Fund – Fund Balance For The Homer Fire Station #2 Skyline Drive Project. City Manager/Public Works Director.

Memorandum 14-039 from Public Works Director as backup.

Mayor Wythe opened the public hearing.

Doug Stark, city resident, commented that citizens were promised fire protection when the annexation took place. He urged Council to pass the ordinance. He plans to sign up as a permanent volunteer fire fighter.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion to substitute ordinance 14-12(S) for Ordinance 14-12.

BURGESS/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Wythe called for a motion for the adoption of Ordinance 14-12(S) by reading of title only for second and final reading.

LEWIS/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 14-13**, An Ordinance of the City Council of Homer, Alaska, Authorizing the City Administration to Accept Donations for the Parks, Arts, Recreation and Culture Needs Assessment, Directing That a Separate Account Be Established to Manage and Track Donations, and Approving the Expenditure of Those Funds for the Purpose of Conducting a Parks, Arts, Recreation and Culture Needs Assessment. City Manager/Finance Director. Introduction March 10, 2014, Public Hearing and Second Reading March 24, 2014.

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

Mayor Wythe called for a motion for the adoption of Ordinance 12-13 by reading of title only for second and final reading.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- A. **Ordinance 14-14**, An Ordinance of the Homer City Council, Enacting HCC 2.80.100, Limitation Period, Establishing a Five-Year Time Limitation for Filing a Complaint of a Violation of the City Ethics Code. City Clerk. Recommended dates: Introduction March 24, 2014, Public Hearing and Second Reading April 14, 2014.

Memorandum 14-046 from City Clerk as backup.

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

LEWIS/ROBERTS - SO MOVED.

Councilmember Burgess reflected on the discussion at the Committee of the Whole. He appreciates Mr. Hogan's comments, yet understands the rationale for a time limit. It is the public's right to make some sort of amends if new information comes to light. There needs to be an avenue for recourse. He asked staff to contact the attorney to request language to address new information that may come to light after the statute of limitations expires.

Councilmember Roberts clarified the ethics code only affects elected city officials and the city manager. She appreciates hearing Mr. Hogan's concerns. Most of the elected officials have no access to taking money. The consequences in the ethics code for a violation are not really as effective once a person has left office. If someone was criminally negligent she would hope the City would go after them in criminal court.

Councilmembers Lewis and Van Dyke indicated there is a need for a time limit since most crimes need a time limit. You could rob a bank and be done with that if you elude for seven years. The only crime that doesn't have a statute of limitations is murder.

BURGESS/LEWIS - MOVED TO SEND BACK TO THE CLERK PENDING ATTORNEY REVIEW TO EXPLORE AVENUES OF WHERE NEW EVIDENCE MAY COME TO LIGHT BEYOND THE STATUTE OF LIMITATIONS.

There was no additional discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Parks and Recreation Needs Assessment: The Parks and Recreation Commission will hold a special meeting on Thursday, March 20 to discuss the Needs Assessment. The Commission has been briefed on this project before but this meeting is significant because it will be the first public meeting and hearing focused mainly on the needs assessment. The focus will be on the mission statement and the goals for the research project. This is the first big chance for the public to weigh in. On March 24, the PARC Committee will meet to finalize the draft RFP in anticipation of it going out at the end of the month.
2. Citizens Academy: We are now moving into session 5 on Thursday the 20th. The focus of this session will be the Police and Fire Departments. Presentations will start at City Hall and then tours will be given for the two facilities. Last week's session at Public Works seemed to be well received. The participants seemed particularly interested in the Sewer Treatment Plant, and we spent a lot of time there.
3. Kachemak Bay Research Reserve Funding Threatened: Work continues in the attempt to get state funding restored, at least for the next year so that a new State partner can be identified. An effort to restore the money to the Senate Operating Budget appeared to be successful at the time this was written. Senator Micciche, Senator Stevens and Representative Seaton are working hard to get the funding restored. The City is providing staff and lobbying support where appropriate. Some of the information provided is attached.
4. Intergovernmental Agreement with Kachemak City. Attached is a letter from Kachemak City regarding sewer rates for your information. At the time this report was written, I had not yet responded. My intent is to send a letter confirming that we have accepted partial payment, a statement of the balance owed, and the amount of interest that will be applied to the unpaid balance.
5. Bay Welding / Overhead Power Lines / Kachemak Drive and East End Road Area. Attached is a letter from Bay Welding Services which is signed and endorsed by 13 businesses which are located and do business in the general area of the Northern Enterprises Boat Yard. Overhead power lines in the area are restricting business operations and potential growth, expansion, and diversification. The businesses cannot afford to pay the entire cost of putting the lines underground themselves. HEA has policies and tariffs it needs to follow and it cannot simply absorb this cost and pass it on to ratepayers. Bay Welding is looking for some sort of compromise solution and because this could have significant economic development implications, is asking the City for assistance. Please let me know how and if you would like the City to proceed.
6. HERC Building: At the last meeting we discussed the land allocation plan. During that discussion, one of the things that came up was whether we could put out an RFP to

lease the HERC Building. I could not remember, and my notes were not clear, whether this was just a general discussion, or whether the Council as a body wanted us to do that. I think the discussion was during the workshop and I do remember some talk about bringing a resolution authorizing an RFP to this meeting or attaching words to that effect to the land allocation plan approval resolution which is before you. If Council wishes to do this, I hope we can have some discussion first. It seems like we are moving on too many tracks all at once when it comes to the HERC building. I would suggest that we wait at least until the Public Safety Building site selection process is complete before we RFP again. A long term lease where the lessee makes significant improvements to the building is inconsistent with using the site for a public safety building. Short term leases for uses that pass Fire Marshall muster could work if that is what the Council had in mind.

7. Employee Health Insurance: You will recall that we discussed bringing the employee health insurance issue back to you at around mid-year. The idea was to address the issue before we started budget preparation in the fall. Right now, we are targeting the first meeting in August or a special meeting / workshop on an off-Monday (preferable). This would be a workshop forum. Jeff Paxton, our broker would be present for a presentation. The idea would be to present the data we have for the first 8 months of the new plan to look at impacts on costs and employee utilization. We would also present you with the bids we have received from private sector insurance companies. The goal would be for Council to be able to make an informed decision going forward re: staying self-insured vs. the private sector. Starting the process this early will help with budget preparation, will give us time to make all of the necessary transfers, and give employees adequate notice.
8. PERS: As you know, the Governor has proposed transferring \$3 billion into the PERS account to reduce the unfunded liability, reduce future payments, and improve the state's credit rating. The Council has passed a resolution in support of this. The Legislature is currently discussing this proposal. One proposal that is being discussed is raising the municipal contribution from 22% to 24% in exchange for transferring the \$ 3 Billion. This idea is being opposed by AML and the Muni's. If this proposal were to be implemented, it would cost the City an additional \$114,000 per year. Not good.
9. Kachemak Drive: Enstar is having difficulty obtaining the easements it needs to construct the proposed gasline along Kachemak Drive. Some property owners say they will only grant easements if the line is bored in front of their property (expensive). Some are just flat refusing to grant an easement. At last report, they had about 75% of the easements they needed but the remainder parcels are difficult. If this issue is not resolved in a timely manner, it could mean that some or all of Kachemak Drive might not receive gas as part of this assessment district. Kachemak Drive is part of Phase II and it will be one of the most expensive sections in the City. Putting this line in now as part of the assessment district is a real bargain and it will be tough to explain to the property owners who want it that they might not get it because a handful of their neighbors are not inclined to be cooperative. The project is due to wrap up in late August. Pushing the Kachemak Drive work off to year 3 is not a viable option for a variety of reasons including cost, contractual obligations, and loan agreements with the Borough.

10. Washington DC Trip: The City of Homer prevailed in the Auction Block v. City of Homer case as was previously reported. Auction Block has decided to appeal that decision. A hearing for oral argument has been scheduled before the Federal Maritime Commission on April 3, in Washington DC. City Attorney Holly Wells has requested that I be present for the hearing. While there, I will also take the opportunity to visit with the Congressional Delegation to discuss capital projects and federal issues of concern to the Homer City Council. I will take some personal leave while on the East Coast, in part to attend a memorial service, and will be back in the office on April 16. I will miss the April 14 Council meeting.

City Manager Wrede reported on Item #5 Bay Welding/Overhead Power Lines/Kachemak Drive and East End Road Area within his report. Bay Welding is asking if the City would help them with costs of taking down the overhead power lines. It was suggested that a compromise be explored with Homer Electric Association.

Enstar is having difficulty getting easements on Kachemak Drive for the gas line. Some folks want their property bored and others are flat opposed to the line going in. They are missing 13 easements at this time. Many of those are folks Enstar has not been able to get ahold of. City Manager Wrede encouraged Council to contact the absent property owners if they know someone. The gas line could potentially wind up with the same situation as water and sewer; gas on each end without any service in the middle of the road. There are no utility easements on Kachemak Drive and it is difficult to purchase them if the price is too high or people don't want to sell. We hope to get the word out to those who are away. The gas line is being constructed on the bay side of Kachemak Drive.

CITY ATTORNEY REPORT

COMMITTEE REPORT

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

Public Works Director Meyer and Project Manager Nelsen reported on the 65% build-out plans for the new port and harbor building. We have moved through the 65% design review; at the task force's last meeting they approved moving to 95% design. The Project Manager has made and continues to proactively manage the project to keep it within budget. If we stay on

schedule and on budget we can expect to break ground in the summer with a grand-opening in the spring.

PENDING BUSINESS

- A. **Resolution 14-023**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Donation of a Life-Size Bronze Bust of Brother Asaiah Bates by an Anonymous Donor and Created by Homer Artist Leo Vait for Permanent Placement in WKFL Park. City Clerk/Public Arts Committee. (Referred to Public Arts Committee on January 27, 2014 for a public hearing.)

Memorandums 14-016 and 14-048 from Public Arts Committee as backup.

Memorandum 14-018 from Parks and Recreation Advisory Commission as backup.

Memorandum 14-058 from Library Advisory Board as backup.

Motion on the floor from January 27: MOTION FOR THE ADOPTION OF RESOLUTION 14-023 BY READING OF TITLE ONLY.

The donor has withdrawn the offer to donate the bronze statue of Brother Asaiah.

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

Motion failed.

NEW BUSINESS

- A. **Memorandum 14-056** from City Clerk, Re: Reducing Commission, Board, and Committee Meetings.

Memorandum 14-049 from Library Advisory Board as backup.

Memorandum 14-052 from Public Arts Committee as backup.

Memorandum 14-053 from Economic Development Advisory Commission as backup.

Memorandum 14-054 from Port and Harbor Advisory Commission as backup.

Memorandum 14-055 from Parks and Recreation Advisory Commission as backup.

Mayor Wythe called for a motion to discuss Memorandum 14-056.

BURGESS/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

The Council reviewed the proposed amendments to the commission and committee meeting schedules and determined they were all reasonable. A resolution to amend the make-up of the Lease Committee will be on the April 14th agenda. The Library Advisory Board and Parks and Recreation Advisory Commission require bylaws amendments to change their meeting schedule. They will be discussed before the Board and Commission before returning to Council for approval.

RESOLUTIONS

- A. **Resolution 14-043**, A Resolution of the City Council of Homer, Alaska, Approving a Twenty-Year Lease, With Two Five-Year Options, for Snug Harbor Seafoods on Lot 13B, Port Industrial Subdivision Number 2, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 14-060 from City Manager as backup.

Memorandum 14-063 from Lease Committee as backup.

Mayor Wythe called for a motion to adopt the recommendations of Resolution 14-043.

LEWIS/BURGESS - SO MOVED.

City Manager Wrede noted Steve Zimmerman is correct at some of the things he pointed out. Those provisions are in Memorandum 14-063 from the Lease Committee. The lease rate will be changed to the appraised value and language about sport fish will be changed. An ADF&G person showed up at the committee meeting to question buying and selling sport fish. Snug Harbor will do something similar to what Coal Point does with fish processing. Benchmarks will be added so that building construction will start by the fall of this year and be completed within two years. Snug Harbor is not proposing to do any commercial fish processing at this time so an outfall line agreement will not be required.

HOWARD/BURGESS - MOVED TO SEND THIS BACK TO THE CITY MANAGER TO DO WHAT HE SAID HE WILL DO AND BRING IT BACK TO US IN MAY TO ALLOW THE COMPLETED DOCUMENT TO BE ON THE AGENDA FOR THE PORT AND HARBOR ADVISORY COMMISSION TO REVIEW IN APRIL.

City Manager Wrede noted although it is not ideal to postpone the lease, it is fine.

Council discussed the Port and Harbor Advisory Commission meeting dates to review the lease.

City Manager Wrede advised it is important to get something done since Snug Harbor has been on a month to month basis for three years. We usually brief the Port and Harbor Advisory Commission on leases, although they have never reviewed lease documents. This would be a first for the commission. It adds more bureaucratic hoops and that is why the Lease Committee was doing that. Council was assured that all concerns expressed will be addressed in the lease. The lessee is already aware of the amendments.

HOWARD/BURGESS – MOVED TO WITHDRAW THE AMENDMENT.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Wythe called for a recess at 7:08 p.m. and reconvened the meeting at 7:11 p.m.

ROBERTS/LEWIS – MOVED TO ADD TO THIS RESOLUTION ON LINE 56: "BE IT FURTHER RESOLVED THAT THE RECOMMENDATIONS OF THE LEASE COMMITTEE REGARDING, APPRAISALS, BENCHMARKS, AND SPORT FISH WILL BE ADDRESSED IN THE FINAL VERSION OF THE LEASE."

There was no further discussion.

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

Motion carried.

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

Motion carried.

COMMENTS OF THE AUDIENCE

Larry Slone, city resident, commented on Resolution 14-043 and the importance of an independent review. If we are doing away with the Lease Committee it is important to have another set of eyes looking at it.

Scott Simmons, Homer resident, made a request for Public Works to sweep the streets before the first tourist arrives. He commented on an ambulance bill he recently received for a ride for

his daughter in 2013. His insurance company did not pay it. The City billed for advanced life support emergency instead of a basic life support ride. The City has since corrected it, but he expressed concern that this may happen often.

Jim Lavrakas, Executive Director of the Homer Chamber of Commerce, thanked the Mayor and City Manager for coming to the luncheon last week at the Alibi and speaking on the state of the city and plans for this year. He commented on the successful Winter King Tournament, the best tournament in last the last 21 years. There were 906 anglers, 270 boats, with 202 fish caught. More than \$130,000 in cash was awarded to winners of side bets and the top ten fish. Next week the webcam will be operating on the Chamber's website. Spit Spots placed the webcam free of charge on the Harbor Grill overlooking Ramp 3. He urged folks to go to kachemakshorebird.org to sign up for the Shorebird Festival. The Chamber will be at the sportsman show in Anchorage this week.

Ken Landfield, city resident, commented on Resolution 14-023. It was important there was a community conversation on the subject prior to the statue being created. He was surprised at the comments that surfaced at the Public Arts Committee. Mr. Landfield commented on the excellent classes offered at the Citizens Academy and thanked Council for making it possible. A new source of revenue for the City could be extending the \$500 cap on sales tax.

Councilmember Burgess responded he looked into an increased sales tax cap. The City of Seward tried to increase theirs. Since the Kenai Peninsula Borough collects sales tax for all the municipalities they told the City of Seward they would charge them \$48,000 to \$50,000 to increase the limit since it would cost the Borough money to modify their software. If more cities were involved the Borough's fee may be lower.

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 will look into the discrepancy of the ambulance billing. He is pretty sure it is a mistake. He assured the public we are not systematically overcharging insurance companies. At the last Port and Harbor Advisory Commission meeting the commission expressed concerns about leases. He plans to attend the next commission meeting to address the issues, many of them have to do with enforcement of violations of the zoning code.

COMMENTS OF THE MAYOR

Mayor Wythe commented on the acceptance of the bust of Brother Asaiah, noting it was the second time in three years a request for a memorial placement was made. She requested some type of regulation to accept or not accept memorials. At the next meeting a Worksession has been scheduled to provide an update on the water and sewer loop and the potential for Lillian Walli subdivision property to open for small development in water and sewer. Public Works may be getting the sweeping equipment ready to address the dust issue. She thanked the Homer Chamber of Commerce for inviting her and City Manager Wrede to their meeting to provide the "State of the City" address. She outlined all the fun things the City is doing while Walt talked about the finances. The Alibi provided a great meal. She learned they are trying to develop a family community place there.

COMMENTS OF THE CITY COUNCIL

Councilmember Van Dyke expressed disappointment in the Mayor's decision not to allow the ex-commissioner to speak. It is Council's duty and responsibility to hear from all the people of the community. He was more disappointed Ms. Sarno left the meeting and did not address Council at the proper time. He thanked everyone that stayed and gave input.

Councilmember Zak had no comment.

Councilmember Roberts thanked Lindianne Sarno for three years of service on the EDC. Our Mayor's job is to run the meeting and she must make difficult decisions sometimes. The Mayor did nothing purposeful as she encouraged Ms. Sarno to stay to the end of the meeting to speak to Council. That is the appropriate time to give a personal comment. She is sorry that Ms. Sarno did not remain as she suspects we would be interested to hear what she had to say.

Councilmember Burgess echoed the sentiments of Gus and Francie. He thanked Lindianne for her three years of service on the EDC. There is a functional and motivated Council now who is trying to get things done. Tonight Skyline Fire Station was approved, something we have been working on since annexation. Natural gas is going in the streets. Public Works has lots of projects to support quality of life in town. The resolutions and ordinances that we pulled this evening as a result of public comments show that we are listening to the people. When you come to this Council you will be heard. The Mayor made the right call in asking that the comments be made at the appropriate time. He likes the idea of maintaining the Lease Committee. It has a minimal amount of oversight and the sets of public eyes bring things to the table that are valuable. On the health insurance and ambulance issue you try to tackle it different ways; so long as 30% of healthcare dollars go to support health care insurance billing you are going to have issues. The more middlemen there are, the more cuts. He appreciated the dialogue on the Brother Asaiah statue. Lots of people rejoiced to him that they got to come out and talk about the February issue. He looks forward to the next February issue.

Councilmember Lewis echoed the comments of Beau, Francie, and Gus. The past couple of weeks two of Homer's tier two hockey teams, the Squirts and PeeWees won State. The ice rink

is in financial trouble. We can win State because we have real ice and it keeps the money here. We need to come up with a way to keep the rink open and it is not going to be easy.

Councilmember Howard thanked the port and harbor for the work they did for the derby. She did not hear the Chamber make one announcement that the City waived the harbor fees of \$2,500 to \$3,000 and provided police, harbor, and fire assistance. She would have appreciated a thank you from the organizers.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 7:34 p.m. The next Regular Meeting is Monday, April 14, 2014 at 6:00 p.m., Committee of the Whole 5:00 p.m., and a Worksession at 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: _____