

ACTION AGENDA
Monday, April 14, 2014
Worksession
Committee of the Whole
Special Meeting
Regular Meeting

WORKSESSION AGENDA

1. CALL TO ORDER, 4:00 P.M.

Mayor Wythe called the meeting to order at 4:00 p.m.

2. AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

The agenda was approved by consensus of the Council.

3. 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)

4. LILLIAN WALLI SUBDIVISION – POTENTIAL FOR WATER AND SEWER SPECIAL ASSESSMENT DISTRICT

5. COMMENTS OF THE AUDIENCE

There were two who commented.

6. ADJOURNMENT NO LATER THAN 4:50 P.M.

Mayor Wythe adjourned the meeting at 4:39 p.m.

COMMITTEE OF THE WHOLE AGENDA

1. CALL TO ORDER, 5:00 P.M.

Mayor Wythe called the meeting to order at 5:00 p.m.

2. AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

The agenda was approved by consensus of the Council.

3. **Ordinance 14-09(A)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.12.020, "Permitted Uses and Structures", to Expand the Permitted Uses in the Rural Residential District to Include the Addition of a Detached Dwelling Unit as an Accessory to a Single Family Dwelling on a Lot Serviced by City Water and Sewer Services and On a Lot That Is Over One Acre Not Serviced by City Water and Sewer Services. City Manager/Planning. (Referred to the Planning Commission on February 24, 2014.)

Memorandum 14-068 from City Planner as backup.

4. **CONSENT AGENDA**
5. **REGULAR MEETING AGENDA**
6. **COMMENTS OF THE AUDIENCE**

There were no comments of the audience.

7. **ADJOURNMENT NO LATER THAN 5:30 P.M.**

Mayor Wythe adjourned the meeting at 5:13 p.m.

SPECIAL MEETING AGENDA

Session 14-10 a Special Meeting of the Homer City Council was called to order on April 14, 2014 at 5:30 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

STAFF: ACTING CITY MANAGER/CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER

2. **AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

The agenda was approved by consensus of the Council.

3. **PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

There were no comments of the audience.

4. NEW BUSINESS

- A. **Memorandum 14-070**, from City Clerk, Re: Request for Executive Session Pursuant to AS §44.62.310(c)(3), Matters, Which by Law, Municipal Charter, or Ordinances are Required to be Confidential. (Ethics Complaint No. 2014-01.)

APPROVED without discussion.

- B. **Memorandum 14-071**, from City Clerk, Re: Request for Executive Session Pursuant to AS §44.62.310(c)(3), Matters, Which by Law, Municipal Charter, or Ordinances are Required to be Confidential. (Ethics Complaint No. 2014-02.)

APPROVED without discussion.

Council adjourned to Executive Session with City Attorney Klinkner at 5:32 p.m. and reconvened the Special Meeting at 6:02 p.m.

Mayor Pro Tempore Roberts stated Council met with the attorney and he provided advice and we will continue our meeting after this meeting.

5. ADJOURNMENT NO LATER THAN 5:55 P.M.

Mayor Wythe adjourned the meeting at 6:02 p.m.

REGULAR MEETING AGENDA

Session 14-11 a Regular Meeting of the Homer City Council was called to order on April 14, 2014 at 6:02p.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

STAFF: ACTING CITY MANAGER/CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER
FINANCE DIRECTOR LI
PORT AND HARBOR DIRECTOR HAWKINS
PROJECT MANAGER NELSEN

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

2. 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:

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

Lobbyist Report, April 10, 2014; Thank You from Kachemak Heritage Land Trust for Fund Allocation to The Homer Foundation; **PUBLIC HEARINGS** - **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. & **Ordinance 14-14(S)**, An Ordinance of the Homer City Council, Enacting HCC 2.80.100, Limitation Period, Establishing a Limitation Period for Filing a Complaint of a Violation of the City Ethics Code of Five-Years or One Year After Discovery of the Violation. City Clerk. Written public comments.

The agenda as amended was approved by consensus of the Council.

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There was one who commented.

4. RECONSIDERATION

5. CONSENT AGENDA

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

- A. Homer City Council unapproved Regular meeting minutes of March 24, 2014. City Clerk. Recommend adoption.
- B. **Memorandum 14-065**, from Mayor, Re: Appointment of Shelly Erickson to the Planning Commission.
- C. **Resolution 14-046**, A Resolution of the City Council of Homer, Alaska, Amending Chapter 2, Section 2.2(A) of the City of Homer Property Management Policy and Procedures (Lease Policy) Regarding Committee Membership. Mayor and City Council. Recommend adoption.

Memorandum 14-066 from City Manager as backup.

Moved to Resolutions.

- D. **Resolution 14-047**, A Resolution of the Homer City Council Awarding the Contract for Two Public Works Vehicles to the Firm of Kendall Ford of Wasilla, Alaska, in the

Amount of \$51,466.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

Memorandum 14-067 from Project Manager as backup.

- E. **Memorandum 14-069**, from City Clerk, re: Correction of Account Number on Ordinance 13-39.

Resolution 14-046 was moved to Resolutions A. (Burgess)

The consent agenda as amended was APPROVED without discussion.

6. VISITORS

- A. Lolita Brache and Lisa "Red" Asselin, Best Beginnings Homer, 10 minutes.

Lolita Brache and Red Asselin provided an overview of Best Beginnings Homer.

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. Mayor's Proclamation - Week of the Young Child April 20 – 27, 2014

Mayor Wythe read and presented the proclamation to Lolita Brache and Red Asselin.

- B. Mayor's Proclamation – National Library Week April 13-19, 2014

Mayor Wythe read and presented the proclamation to Youth Services Librarian Claudia Haines.

- C. Mayor's Recognition - Homer Glacier Kings Pee Wee Hockey Team State Champions

Mayor Wythe read and presented the recognition to the Glacier Kings Pee Wee Hockey Team.

- D. Mayor's Recognition – Homer Glacier Kings Squirt C Hockey Team State Champions

Mayor Wythe read and presented the recognition to the Glacier Kings Squirt C Hockey Team.

- E. Citizens Academy Certification Ceremony

Mayor Wythe and Councilmember Howard recognized the participants in the Citizens Academy.

Mayor Wythe called for a recess at 6:38 p.m. to serve cake and reconvened the meeting at 6:51 p.m.

- F. Mayor's Report – Spring Representation

- G. Lobbyist Report – April 10, 2014
- H. Thank You from Kachemak Heritage Land Trust for Fund Allocation to The Homer Foundation
- I. Borough Report
- J. Commissions/Board Reports:
 - 1. Library Advisory Board

Library Advisory Board Member Nan Porter reported the LAB has two new members. They are trying to put their faces into memories so that the Council knows they are a vital board that is working hard. They are working on prioritizing the needs of the library, both immediate and long term. They listen to Library Director Ann Dixon's needs and how they can help her. The Board encourages her as she is heading into summer with the library reading program and the influx of tourists.

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

Parks and Recreation Advisory Commissioner Roger MacCampbell reported last Saturday eight volunteers got together and cleared the end of the Poopdeck Trail. They spent 3 hours; or 25-26 volunteer hours clearing brush. There were issues with campers and people hiding out in the area. At their last meeting they discussed the ball fields and working with the Little League Association. They discussed moving the snack shack and the building next to it. The area will then be cleared for landscaping and drainage. There are safety issue concerns in the parking lot and a request for speed bumps and signs was made.

- 5. Port and Harbor Advisory Commission

Port and Harbor Commissioner Bob Hartley thanked the Council for their support, stating it has been a productive year for the harbor. He reported the plans for the harbor office are reaching 95% and they are still within budget. There is quite a change in the haul-out area on the Spit with large vessels being worked on by the maritime trades. The Commission is embarking on a new rate study for parking vessels. They are developing a new formula that will be more fair for boat owners. Float System 5 improvements are well underway and hopefully will be completed this fall. The dumpsters fill up in the winter with a lot of the refuse from the City instead of the vessels. It is added expense for the harbor.

8. PUBLIC HEARING(S)

- A. **Ordinance 14-09(A)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.12.020, "Permitted Uses and Structures", to Expand the Permitted Uses in the Rural Residential District to Include the Addition of a Detached Dwelling Unit as an Accessory to a Single Family Dwelling on a Lot Serviced by City Water and Sewer Services and On a Lot That Is Over One Acre Not Serviced by City Water and Sewer Services. City Manager/Planning. (Referred to the Planning Commission on February 24, 2014.)

Memorandum 14-068 from City Planner as backup.

There were no public comments.

ADOPTED without discussion.

- B. **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. Introduction March 24, 2014, Public Hearings April 14 & 28, 2014 and Second Reading April 28, 2014.

Memorandum 14-046 from City Clerk as backup.

Ordinance 14-14(S), An Ordinance of the Homer City Council, Enacting HCC 2.80.100, Limitation Period, Establishing a Limitation Period for Filing a Complaint of a Violation of the City Ethics Code of Five-Years or One Year After Discovery of the Violation. City Clerk.

There was one who testified.

Substituted Ordinance 14-14(S).

POSTPONED to April 28, 2014 for Public Hearing and Second Reading.

- C. **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. Introduction March 24, 2014, Public Hearing and Second Reading April 14, 2014.

Memorandum 14-047 from City Clerk as backup.

There was one who testified.

ADOPTED with discussion.

- D. **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. Introduction March 24, 2014, Public Hearing and Second Reading April 14, 2014.

There was one who testified.

ADOPTED with discussion.

9. ORDINANCE(S)

10. CITY MANAGER'S REPORT

- A. City Manager's Report
- B. Bid Report

11. CITY ATTORNEY REPORT

- A. City Attorney Report – March 2014

City Attorney Klinkner reported Attorney Holly Wells went to Washington, DC and argued the Auction Block case before the Federal Maritime Commission on April 3rd. The Commission has 90 days to render a decision and could request more time if needed.

12. COMMITTEE REPORT

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

13. PENDING BUSINESS

14. NEW BUSINESS

15. RESOLUTIONS

- A. **Resolution 14-046**, A Resolution of the City Council of Homer, Alaska, Amending Chapter 2, Section 2.2(A) of the City of Homer Property Management Policy and Procedures (Lease Policy) Regarding Committee Membership. Mayor and City Council. Recommend adoption.

Memorandum 14-066 from City Manager as backup.

POSTPONED to April 28, 2014.

16. COMMENTS OF THE AUDIENCE

There were nine who commented.

17. COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comments.

18. COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comments.

19. COMMENTS OF THE CITY MANAGER

Acting City Manager Johnson had no comments.

20. COMMENTS OF THE MAYOR

Mayor Wythe thanked Jo for doing a good job in Walt's absence. To the city employees, when she made the commitment to them about their benefits it was not disingenuous. She has been recused by Council from further conversation on employee benefits and a councilmember must now bring it forward for discussion. Hats off to the Chamber for breaking the ice on charging a small fee for the Shorebird Festival. Senator Micciche will applaud you, as both trips to Juneau they got an earful, first about not collecting sales tax and about providing so many free services. He even had that discussion at his Town Hall meeting here. Sometimes you need to collect a fee to maintain those things that are important to your community. As to the comment made earlier about serving on the council being a thankless job, for the last ten years there is nothing about serving on the council that is thankless. You make decisions and have to walk out on the street every day and hope that people don't throw things at you. Very seldom does she get negative phone calls, emails, or ugly remarks. She is probably the least contacted member of the council as she tells you truly where she is operating from. She was elected to represent you and does it the best she can. We live in a community where 100% of the time at

least 30% to 50% of the people are not in agreement of a decision made at this table. She does not take it personally, but she does take it to heart. The service provided here is a benefit to the community and a privilege to the people that sit at this table. As to the book, \$31,000 is not a small amount, but it was not a casual thought. We do a great job with marketing ourselves as a tourist oriented financial foundation. Tourism is awesome when the economy is good, but we are reaping the benefits of a poor economy now. If we want to grow we need to branch out and reach a different market. This gives us an eight-page spread as a coffee table book selling the City of Homer to organizations we do not traditionally have access in reaching. From her perspective it is not a bad investment.

21. COMMENTS OF THE CITY COUNCIL

Councilmember Howard asked that employee healthcare issues be put back on the agendas for the 4 p.m. meetings until we get this resolved. She thanked the Acting City Manager for taking on the additional duties; Jo is to be commended for a great job. The Mission of Mercy was conducted in Anchorage over the weekend. Sixteen healthcare providers from Homer participated and served over 2,000 people with dental healthcare. Dr. Vickey Hodnik was among the group. Councilmember Howard sent Brian Williams of NBC News an email of the perfect story to be aired on his newscast of *Making a Difference*. They showed up and filmed it and she hopes it will be aired on Monday or Tuesday. She thanked Council for seeing her dream come true of the Citizens Academy. She is asking staff to prepare a report that reflects the opinions and survey results of the academy and she will be asking to do it again in October. We still have half of the budget remaining so there will be no more money requested. She will also be thanking the staff for the great job they did. There may be three people who take out applications to serve on committees or commissions.

Councilmember Lewis seconded Councilmember Howard on bringing up the healthcare. Besides Senator Micciche wondering about us with our sales tax, when he came up in 1976 we had an income tax and a school tax that everyone paid. Right now we have thousands of people that are making millions of dollars in the state and walking away with all that money and not paying anything to the State of Alaska. He would behoove our legislators to figure out a way to make sure that we get some of that money back instead of having it all go down to the Lower 48.

Councilmember Burgess reminded everyone there will be a full moon tonight at 10 p.m. with a lunar eclipse. As to the statute of limitations ordinance (Ordinance 14-14(s)), usually he would be very opposed to this sort of thing. The real other side is if you are talking about the city council what is the benefit to the taxpayers, someone being able to litigate against the city? If you look in our budget, certainly Frank Griswold is a great example. Often times he brings excellent things to the point of the city, finds things in the code or holds us accountable. But at the same time the privilege of Mr. Griswold's oversight is a pretty hefty sum; sometimes several hundred thousand dollars to the taxpayer. The same sort of logic applies when you consider these scenarios. You are always kind of making that compromise on what is in the best financial interest of the citizen whose financial interest and livelihood we have to look out for and what is in the best interest in making sure that the law is followed which is why there are statutes of limitations on just about everything except for the most severe criminal proceedings. We did extend that and he hopes the public takes a look at it. He asked people to come forward to present testimony. On employee healthcare most people don't understand

where the City is at in employee healthcare and how we got to be in the challenges we are in. You have heard that we compare very poorly or dead last with total compensation. It largely comes from a system when we were self-insured and never paid an insurance company for the last 10+ years. If there was an employee healthcare cost, the City just paid for it. We had an extremely Rolls Royce healthcare plan that benefitted large families with no additional costs themselves. The City paid those costs. It worked out very well for us until about three or four years ago at which point we started to do a lot worse. Now we have to drastically scale back our plan to live within our means that the taxpayers set for us. If we go to the private market and solicit bids they look at our loss run history. We have set a precedent and it makes us difficult to insure through an insurance company. This is not something unique to the City of Homer. Personal healthcare costs go up 8% to 10% each year. The issue is not that we want to pay the employees more; it is what is the taxpayer willing to bear? Where do they want to cut and increase their tax to cover the costs? To compare employees with the median benefit package it costs between \$600,000 and \$1M dollars. Where do we get the money? He works for the citizens of Homer who elected him. The city manager works for the City Council. The city staff works for the city manager. Ultimately we are accountable to the taxpayer, the voter. The choice is not between his bourbon cabinet and city employee benefits. The choice is between taking the sand off the roads, having a community recreation department, plowing the roads, having whole areas of government and paying employees a median wage. We have to pay for it. The City has been weaned down over \$3M in the last four to five years. It is not a realistic discussion to say we will pay employees more; the money has to come from somewhere. He thanked everyone for a great meeting.

Councilmember Van Dyke commented on the good points from one half of the table. He congratulated the Homer Hockey Association's two teams. He has grandsons on each team. The state titles bring a whole new benefit to the town with not one, but two state champions. This is the kind of program that is fantastic for the City. If there is anything we can do to get behind them that will be a great thing.

Councilmember Zak commended employees have stood up tonight and brought this to our attention. We clearly have something that we need to do on the worksessions. We will get Andrea to help us and figure out a solution we can work with. At the worksession tonight, employees provided an excellent presentation on the build-out of water and sewer and the costs. We realize the costs and say maybe it is not such a good idea; we have to live with the system and live with getting water delivered. We do have the clear numbers and the diagrams will be in council chambers. When looking at collectively \$80M for a build-out we may have to live with what we have. We can appreciate more what we do have. Realizing tonight it is the culture and the people that stand up at these council meetings. We represent you. He congratulated Barbara Howard on the first Citizens Academy. Collectively we will make a difference; we will make sure we value everyone and manage a budget. At the next meeting we'll be talking about healthcare. Every year we look at the budget and underestimate what we will receive. We had a huge number a couple meetings ago and maybe we have to look at putting some of that back at healthcare. There are discrepancies whether you have a family or not. We have work to do as a council. We have the spirit and heart in this community.

Councilmember Roberts commented everyone covered everything. She is glad to see the hockey teams out and congratulated Barbara on the Citizens Academy. She was impressed at how well it went. She is glad to have healthcare back since we need a plan. She understands

the employees are not as well paid as they should be and the healthcare is not as good as they would like it to be. The solutions are difficult and we need to think carefully about that.

Mayor Wythe thanked Jo again for being our city manager for the last couple weeks and traveling to Juneau with her.

22. ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:24 p.m. The next Regular Meeting is Monday, April 28, 2014 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.