

Session 14-11 a Regular Meeting of the Homer City Council was called to order on April 14, 2014 at 6:02 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
DEPUTY CITY PLANNER ENGBRETSSEN
FINANCE DIRECTOR LI
PORT AND HARBOR DIRECTOR HAWKINS
PROJECT MANAGER NELSEN

Council met for a Worksession from 4:00 p.m. to 4:39 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) and Lillian Walli Subdivision – Potential for Water and Sewer Special Assessment District. From 5:00 to 5:15 p.m. the Council met as a Committee of the Whole to discuss Ordinance 14-09(A), Memorandum 14-068, Consent Agenda, and Regular Meeting Agenda items. Council conducted a Special Meeting in Executive Session from 5:30 p.m. to 6:02 p.m. to hear Memorandums 14-070 and 14-071, Ethics Complaints Nos. 14-01 and 14-02.

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:

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 was approved by unanimous consent of the Council.¹

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Kevin Hogan, city resident, spoke in opposition of Resolution 14-046. He finds Memorandum 14-066 insulting and would like to preserve the Lease Committee as it currently stands.

RECONSIDERATION

CONSENT AGENDA

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

- A. Homer City Council unapproved Regular meeting minutes of 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)

¹ No formal motion to adopt the agenda was made. See Robert's Rules of Order 11th Edition Chapter II, §4 The Handling of a Motion, Adoption of a Motion or Action Without a Motion, by Unanimous Consent.

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

HOWARD/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

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

Lolita Brache, Co-Chair of Best Beginnings Homer, pointed out it is a statewide effort advocating for early education so children start school with confidence. Their program includes local and statewide early learning agencies to tailor their goals to the community. She thanked Council, MAPP, individual childcare providers, and citizens for supporting their group. One group on the importance of language learning is chaired by Library Director Ann Dixon. A video depicting the importance of talking with your children to grow their vocabulary was shown. Communication is a strong predictor of children's development.

She thanked the community for supporting the full time librarian. Best Beginnings offers many resources and role models and provides opportunity to meet other parents and develop a community of support.

Red Asselin, Coordinator of Best Beginnings Homer, reported on the workgroups that provide early learning:

- Language and literacy work groups.
- Play spaces work group – with community recreation, Coastal Studies, and other agencies they worked to publish a map that includes family friendly trails. They have made improvements to Bayview Park.
- Parent engagement and education work group – provides parenting classes; they are full with wait lists.
- Business and economic impact work group - provides quality local childcare programs and promotes family friendly business practices. They have offered mini grants to childcare providers to better their programs. They continue partnership with the Homer Chamber of Commerce in providing an updated list of childcare providers.
- Child provider Facebook group page – monthly emails go to providers pertaining to events.

The latest project is a campaign for promoting family friendly businesses. There is a checklist for local businesses. Best Beginnings Homer will create baskets that include information on local resources and games and activities to utilize in waiting areas.

The community support workgroup has been providing testimonials and letter writing campaigns to legislators to ensure the Best Beginnings and Head Start programs are not cut. This past fall they facilitated open discussions with Senator Micciche and Representative Seaton to focus on the needs of families. Upcoming events are listed on Best Beginning Homer Facebook or access them on the internet at www.pop411.org. Additionally, events will be listed in the local newspapers this week.

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.

Councilmember Barbara Howard provided an overview of the first Homer Citizens Academy. Fourteen citizens participated in the six-week course that included visits to Public Works, the Library, Port and Harbor, Police and Fire, and the Sewer and Water Treatment Plants. Each participant was provided with a binder that was filled with presentation material from each department. Each Thursday evening from February to the end of March from 5:30 p.m. to 8:00 p.m. the participants were on time and eagerly awaited to hear more about their community. They asked thought provoking questions, expressed concerns, and offered suggestions. The graduates are better informed and hopefully eager to become volunteers with the City. A requirement was that the citizens attend at least five of the six sessions to graduate.

Mayor Wythe presented certificates to graduates: Ted Schmidt, Chad Jones, Kevin Walker, Keri-Ann Baker, Julie Nelsen, Lindsay Wolter, and Ken Landfield.

Other graduates not present included: Mary Griswold, Larry Slone, Lori Evans, Julie Davis, and John Li.

Other academy participants were Barbara and Bob Howard who completed less than the required five sessions.

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.

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.

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 14-09(A) by reading of title only for second and final reading.

LEWIS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. LEWIS, BURGESS, ROBERTS, HOWARD, ZAK

VOTE: NO. VAN DYKE

Motion carried.

- 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.

Mayor Wythe opened the public hearing.

Justin Arnold, Homer resident, spoke in opposition of the ordinance and the substitute. He suggested an amendment so that the five-year limitation applies to isolated causes and will not apply if there are multiple alleged violations. This compromise will protect the people of the city against gross misconduct and also protect public officers from isolated cases of bad judgment.

Mayor Wythe closed the public hearing.

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

BURGESS/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Wythe called for a motion to postpone Ordinance 14-14(S) to April 28, 2014 for Public Hearing and Second Reading.

ROBERTS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Burgess clarified the substitute ordinance adds an additional year to the five-year statute of limitations in the event new evidence were to come to light.

Councilmember Lewis added the only crime that does not have a statute of limitations is murder. Every other crime has a statute of limitations; we are trying to come in line with the rest of the state.

- 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.

Mayor Wythe opened the public hearing.

Justin Arnold, Homer resident, asked for the recount last time. It was proven the election machines are not 100% accurate and he prefers a hand count. It is putting 100% trust in a computer that is fallible.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 14-15 by reading of title only for second and final reading.

HOWARD/ROBERTS – SO MOVED.

Councilmember Burgess clarified the intent is to specify and clarify the code. We are not delegating all responsibility of vote counting to digital election machines. The ordinance requires a deposit by the person calling for a recount. If the recount does not change the outcome of the election that money pays a small portion of staff time of what it requires to conduct a recount. If there is no incentive in place anyone can call for a recount.

Councilmember Lewis added that a \$250 fee is not required for a recount if the candidates' votes are within 20 votes of each other.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- 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.

Mayor Wythe opened the public hearing.

Jim Lavrakas, Homer Chamber of Commerce, questioned paying a publisher for a story and suggested Council look into it. He is willing to research the publication in the event Council wants to postpone it for a week.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 14-16 by reading of title only for second and final reading.

LEWIS/ROBERTS - SO MOVED.

Councilmember Roberts appreciates Mr. Lavrakas' testimony and would be interested to have him pursue the publication and postpone to the next meeting.

Councilmembers Zak and Van Dyke expressed opposition to the expenditure as we have a hard time finding money in the budget to fund the Chamber of Commerce. They are more in favor of keeping the money local.

Mayor Wythe reminded Council they had previously instructed City Manager Wrede to accept the offer. They are late in the game to oppose this as the offer has been accepted. It is a paid advertisement with a full eight-page spread. Senator Murkowski is a forward for the book and the book is a coffee table item in legislators' offices. It is a different level of advertisement than anything we are getting locally. The marine trades will help with the publication; it is a strong economic option with outreach that the City does not have access to. Council talked about providing funding to the marine trades, but they have reservations about being funded by the City as they don't want city politics getting involved in their process.

Councilmember Howard commented that Council previously said yes to the idea and now we have a competitor coming and trying to talk us out of it.

Councilmember Burgess noted if the Council felt differently about this initially we have put ourselves into a difficult situation by authorizing staff to proceed. He has confidence in the Mayor and staff in bringing this forward. It is a four-year publication that we can amortize over four years. We should stay with the plan.

Councilmember Zak is experiencing buyer's remorse, maybe because of the way it was initially presented to Council.

VOTE: YES. ROBERTS, HOWARD, LEWIS

VOTE: NO. ZAK, BURGESS, VAN DYKE

Mayor Wythe broke the tie with a YES vote.

Motion carried.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

1. Acting City Manager's Report

Trip to Juneau: I traveled to Juneau with Mayor Wythe to meet with Senators Micciche and Stevens, Representative Seaton, Coast Guard Captain Jack Vogt and staff, DOT Commissioner Kemp and staff, and City Lobbyists Linda Anderson and Yuri Morgan. All meetings were favorable and encouraging for the future of Homer. The first draft of the Senate's capital budget was released and includes funding for Fire Department Equipment Upgrades, Harbor Sheet Pile Loading Dock, Waddell Way Road Improvement, and Ferry Terminal Improvements. Other capital project funding within the draft budget is for Homer Hockey Association and Homer Senior Citizens natural gas conversion and Pratt Museum new building construction.

B. Bid Report

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.

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.

Mayor Wythe called for a motion for the adoption of Resolution 14-046 by reading of title only.

LEWIS/ROBERTS - SO MOVED.

Councilmember Burgess has had interactions with several committee members and the public. The concerns expressed are about only the city staff looking over assets and city property. Members of the public have insight on leased lots that would not have come to light if the public were not included. He believes we should leave the Lease Committee alone.

Councilmember Howard has received more comments about the Lease Committee than anything else. She realizes there is a disconnect in the process since much of the lease information is confidential. Folks from the community that serve on the Lease Committee are isolated from discussion. She hopes the City Attorney can figure out a way to involve citizens without compromising the confidentiality of the applicants. She cannot support eliminating the committee; we should figure out what is wrong and fix it.

Although he did not hear from anyone, Councilmember Lewis feels that leases should be open to the public. It is public land and should have a noticed meeting with a committee that can have their say. If someone thinks they are getting a sweetheart deal it takes that perception away.

Councilmember Roberts is not sure she is in agreement with the Council since the City Manager has said that Port and Harbor and Economic Development Advisory Commissions provide input on the leases. Because of the confidentiality there is not much the Lease Committee can do. There are legal concerns for having a committee evaluating perspective leases. She is not unhappy to eliminate the Lease Committee.

Councilmember Howard recollected on the Snug Harbor lease we asked to send it back to the Port and Harbor Advisory Commission and were told that is not a normal process.

Councilmember Burgess noted citizens are the ones who identify things that may otherwise fall through the cracks.

Attorney Klinkner commented the concern City Manager Wrede and he have are that people who make themselves available to serve on the Lease Committee are lease holders or have other business interests in the area. There is the potential that they are reviewing leases as a potential competitor. He suggested postponing the resolution until Mr. Wrede is available to address it.

BURGESS/ROBERTS - MOVED TO POSTPONE TO APRIL 28.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Dan Miotke, city resident and employee, thanked Councilmember Howard for having the Citizens Academy. It was a great outreach as a city employee to talk to community and sell ourselves. It is good to recognize the community teams and library events. He commented on the increased costs for employees' healthcare and how it affects his family.

Jim Lavrakas, Homer Chamber of Commerce, announced the Shorebird Festival from May 8 – 11. There will be a good selection of speakers and events. The online ticketing solution has started and may be accessed at www.kachemakshorebird.org.

Justin Arnold, Homer resident, would like to keep citizens involved in the lease process since it is our land. We spent how much money working on a trail project that we found out we did not own the land? We are spending \$31,000 on a book; now the Chamber of Commerce has to charge for events. He voiced opposition to Ordinances 14-14(S) and 14-15.

Kevin Walker, Kachemak City, attended the Citizens Academy. He expressed opposition to eliminating the Transportation Advisory Committee and is just now hearing about the Lease Committee issue.

Christine Szocinski, wife of city employee, spoke on the City's health insurance program as compared to Soldotna and Kenai. She cited the numbers pertaining to wages and insurance premiums as outlined in Stan Eller's letter of April 14th to the Council. She referenced a comparison of 21 Alaska communities that ranked Homer employees with families' health insurance premiums as first (most costly) and the City's health insurance premiums as dead last (less contribution).

Ted Schmidt, city resident, complimented the Citizens Academy and city employees he has worked with. The employees are impressive as they have put up with a lot of different councils, mayors, and political changes and strategies. Employees are committed and have a good work ethic; he has heard no derogatory statements about the political situation.

Stan Eller, Homer resident, referenced his letter with wage and benefit comparisons of 21 communities within the state. The hockey players tonight show that Homer is family oriented and always has been. While families account for 10% of the City's healthcare costs, their rates have quadrupled qualifying them for public assistance. It is the most anti-family healthcare plan he has seen; as a governing body the Council has an obligation to the 104 city workers.

Councilmember Burgess asked Mr. Eller if he has compared total compensation packages (salaries and healthcare benefits) of the different communities.

Mr. Eller replied he took his son-in-laws Water Technician II job and compared it to Kenai and Soldotna. It didn't compare well at all. The salary is \$13,000 less than Kenai; with insurance it is \$21,000 less than Kenai. Homer's average family income is only \$3,000 less than Kenai. We don't pay Homer fishermen 20% to 30% less because they live in Homer. Workers on the slope, the school district, HEA, and the hospital do not get paid less.

Kathryn Cushman, wife of city employee, moved to Homer from Kenai because of the healthcare benefits. The cost of living here is a lot higher and with two kids it is a big financial hit for them. She asked that Council revisit the healthcare benefits.

Jo Earls, city resident and city employee, has seen a lot of changes since 1999. The past few years it is about employees' wages, benefits, and health insurance. She appreciates the 2% COLA increase, the first since 2009. The changes in health insurance increased her contribution almost 39% requiring her to make cuts. If the Council and Administration want to make Homer a place to live, work, and play they have to show people that. She questioned the City Manager's memo on health insurance that brought it into the political arena and the City Manager's go ahead on expending \$31,000 before passing the ordinance.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comments.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comments.

COMMENTS OF THE CITY MANAGER

Acting City Manager Johnson had no comments.

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.

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.

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.

JO JOHNSON, MMC, CITY CLERK

Approved: _____