

ACTION AGENDA
Monday, June 15, 2015
Special Meeting 4:00 p.m.
Committee of the Whole 5:00 p.m.
Regular Meeting 6:00 p.m.

SPECIAL MEETING AGENDA

Session 15-21 a Special Meeting of the Homer City Council was called to order on June 15, 2015 at 4:00 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, LEWIS, REYNOLDS, ROBERTS

ABSENT: ZAK, VAN DYKE

STAFF: CITY MANAGER KOESTER
DEPUTY CITY CLERK JACOBSEN

Councilmembers Van Dyke and Zak have requested excusal.

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 amended to add public comment prior to the business item and the amended agenda was approved by consensus of the Council.

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

There was one who commented.

3. **Memorandum 15-080**, from City Clerk, Re: Request for Executive Session Pursuant to AS 44.62.310(A-C)(1) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Matters Pertaining to Personnel (City Finances/Budget Shortfalls for 2015/2016).

Motion for executive session failed with discussion.

City Manager Koester reviewed current actions take related to budget shortfalls for 2015 and challenges for 2016.

Council requested information on the following items:

- Number and cost of temporary employees
- Value of current food tax in the winter
- Overall overtime costs
- Comparison of raising property tax versus sales tax
- Property tax exemption cost and senior exemption cost
- Total cost of community recreation, and also discretionary items
- Savings related to reducing plowing snow only for impassible status, alternating snow plowing and sanding days, closing the library an additional day per week, and putting the animal shelter on a warm status
- Collection of ambulance charges and cost for a third party contract with an incentive on collections
- Charging for internet use at the library
- Airport costs
- Cost of overtime versus the cost of an employee
- Savings from the minimal snow removal needed this past winter
- Ways to increase revenues at animal shelter
- Revenue of Homer Foundation investments, total available for distribution, and who Council has approved additional funding for
- Savings of eliminating code enforcement
- Increasing fines for code violations

There was also discussion of holding community meetings to education residents about core services and having them rank their priorities.

4. COMMENTS OF THE AUDIENCE

There were two who commented.

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

Mayor Wythe adjourned the meeting at 4:57 p.m.

COMMITTEE OF THE WHOLE AGENDA

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

Councilmembers Van Dyke and Zak have requested excusal.

2. AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

The agenda was approved by consensus of the council.

3. MICHELLE DREW, BDO, AUDITOR'S REPORT

4. Resolution 15-048, A Resolution of the City Council of Homer, Alaska, Noting the Sufficiency of the Petition for the Lillian Walli Fairview Avenue Road Reconstruction and Paving and Sewer Improvements Special Assessment District and Setting the Public Hearing Date for September 14, 2015. City Clerk/Public Works Director.

Memorandum 15-086 from Public Works Director as backup.

5. CONSENT AGENDA

6. REGULAR MEETING AGENDA

7. COMMENTS OF THE AUDIENCE

There was one who commented

8. ADJOURNMENT NO LATER THAN 5:50 P.M.

Mayor Wythe adjourned the meeting at 5:54 p.m.

SPECIAL MEETING AGENDA

Session 15-22 a Special Meeting of the Homer City Council was called to order on June 15, 2015 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, LEWIS, REYNOLDS, ROBERTS

ABSENT: ZAK, VAN DYKE

STAFF: CITY MANAGER KOESTER
DEPUTY CITY CLERK JACOBSEN

Councilmembers Van Dyke and Zak have requested excusal.

MAYOR: DECLARE COUNCILMEMBERS VAN DYKE AND ZAK'S ABSENCE AS EXCUSED (timely notice was given).

Council may voice objections.

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: **CONSENT AGENDA Resolution 15-047(S)**, A Resolution of the City Council Of Homer, Alaska Changing the Dates for Payment of Assessments For the Homer Natural Gas Distribution Special Assessment District; **VISITORS** -Alaska Command and Us Pacific Fleet to the Council and Public About Exercise Northern Edge 10 Minute Presentation Added; Friends of the Library , Library Western Lot Improvements moved to Commission Reports; **CITY ATTORNEY REPORT** - Written Report Dated June 11, 2015

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

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

There were two 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 Special and Regular meeting minutes of May 26, 2015. City Clerk. Recommend adoption.
- B. **Memorandum 15-081**, from Mayor, Re: Appointment of Anna Rodriguez Sansom to the Economic Development Advisory Commission and Reappointments of Don Stead and Roberta Highland to the Advisory Planning Commission.
- C. **Memorandum 15-082**, from City Clerk, Re: Liquor License Transfer for Beluga Lake Lodge and Best Western Bidarka Inn/Otter Room.
- D. **Ordinance 15-19**, An Ordinance of the Homer City Council, Amending Homer City Code Chapter 9.16 to Revise HCC 9.16.040, HCC 9.16.100, and Add HCC 9.16.110 Repealing the Seasonal Sales Tax Exemption as Applied to Certain Categories of Nonprepared Foods, Including But Not Limited to Cakes, Cookies, Ice Cream, Candy, Chips, and Frozen Pizzas. Lewis. Recommended dates: Introduction June 15, 2015, Public Hearing and Second Reading June 29, 2015.
- E. **Ordinance 15-20**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating an Alaska Department of Environmental Conservation Municipal

Matching Grant in The Amount of \$1,922,577 and Authorizing a 30% Matching Requirement From the Homer Accelerated Water And Sewer Fund (HAWSP) in the Amount of \$576,773.10 for the Purpose of Completing the Water Distribution/Storage Improvement Project and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommended dates: Introduction June 15, 2015, Public Hearing and Second Reading June 29, 2015.

Moved to Ordinances

- F. **Ordinance 15-21**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Operating Budget by Appropriating \$277,335.45 to Pay for Homer Natural Gas Special Assessment District Assessments of 85 City Lots From Various City Reserve Funds. City Manager. Recommended dates: Introduction June 15, 2015, Public Hearing and Second Reading June 29, 2015.
- G. **Ordinance 15-22**, An Ordinance of the City Council of Homer, Alaska, Declaring That Lillian Walli Estates Subdivision Lots 57-60, 65-67, and 70 No Longer Need to Be Retained For a Public Purpose as No Public Need Exists For Retaining the Property and Releasing HM0880016 T06S R14W S24 Lillian Walli Estate Sub Lot 60, 65, 66, 67, 70, 57, 58, 59 For Sale Subject to Land Disposal Proceedings Under the Homer City Code. City Manager. Recommended dates: Introduction June 15, 2015, Public Hearing and Second Reading June 29, 2015.
- H. **Resolution 15-042**, A Resolution of the City Council of Homer, Alaska, Supporting Salmon Habitat Buffers on Lakes and Streams in the Kenai Peninsula Borough. Lewis. Recommend adoption.
- I. **Resolution 15-043**, A Resolution of the City Council of Homer, Alaska, Urging the U.S. Navy to Change Training Exercises in the Gulf of Alaska. Zak/Roberts. Recommend adoption.

Moved to Resolutions

- J. **Resolution 15-044**, A Resolution of the Homer City Council Disbanding the Port and Harbor Building Task Force. Mayor. Recommend adoption.

Memorandum 15-083 from Port and Harbor Building Task Force as backup.

- K. **Resolution 15-045**, A Resolution of the City Council of Homer, Alaska, Directing the Administration to Issue a Request for Proposals for Ambulance and Emergency Medical Billing Services. City Manager. Recommend adoption.

Memorandum 15-085 from Finance Director as backup.

- L. **Resolution 15-047**, A Resolution of the City Council of Homer, Alaska, Changing Dates for Payment of Assessments for the Homer Natural Gas Special Assessment District. City Manager. Recommend adoption.

Resolution 15-047(S), A Resolution of the City Council of Homer, Alaska, Changing Dates for Payment of Assessments for the Homer Natural Gas Special Assessment District. City Manager. Recommend adoption.

Memorandum 15-084 from City Manager as backup.

Moved to Resolutions

- M. **Resolution 15-048**, A Resolution of the City Council of Homer, Alaska, Noting the Sufficiency of the Petition for the Lillian Walli Fairview Avenue Road Reconstruction and Paving and Sewer Improvements Special Assessment District and Setting the Public Hearing Date for September 14, 2015. City Clerk/Public Works Director. Recommend adoption.

Memorandum 15-086 from Public Works Director as backup.

Moved to Resolutions

- N. **Memorandum 15-087**, from Finance Director, Re: 2016 Proposed Budget Development Schedule.

The consent agenda was adopted as amended by consensus of the Council.

6. VISITORS

- A. Michelle Drew, BDO, Auditor's Report, 10 minutes.

Michelle Drew, partner with BDO, reviewed the 2014 auditor report.

- B. Robert Letson, South Peninsula Hospital, 10 minutes

Bob Letson, CEO of South Peninsula Hospital, updated the Council on new staffing, expanded systems and services provided by the hospital, community benefits, financial update, and immediate priorities.

C. Navy Training

Captain Ray Hesser and Dr. Cynthia LeDoux provided an overview of the Northern Edge 2015 exercise. They also explained and answered Council questions regarding use of sonar, fish hearing, fish mitigation and monitoring, and effects on fish physiology.

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Borough Report

B. Commissions/Board Reports:

1. Library Advisory Board

Friends of the Homer Library, Library Western Lot Improvements, 10 minutes

Sue Mauger reviewed the Friends of the Library reviewed a conceptual plan for improvements to the western library lot. She advised they will be having a work party on June 28th to do some upkeep in the area that was recently cleared by the city.

2. Homer Advisory Planning Commission

a. Minutes of June 3, 2015

3. Economic Development Advisory Commission

4. Parks and Recreation Advisory Commission

Dave Brann, Parks and Recreation Advisory Commissioner, updated the Council about the Commission's long term project on the beach policy upgrade, emphasizing there were a lots of meetings and it was an educational process for all involved. He noted the trails symposium, the water trail birthday, and the Celtic club events happening this weekend.

5. Port and Harbor Advisory Commission

C. Thank You From Kachemak Heritage Land Trust for Grant Award Through The Homer Foundation

8. PUBLIC HEARING(S)

- A. **Ordinance 15-14**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Grant from the Kenai Peninsula Borough for FY 2014 in the Amount of \$13,925.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction May 26, 2015, Public Hearing and Second Reading June 15, 2015.

There was no public testimony.

ADOPTED without discussion.

- B. **Ordinance 15-15**, An Ordinance of the City Council of Homer, Alaska, Purchasing Tax Foreclosure Property, Kenai Peninsula Borough (KPB) Tax Parcel Number 173-052-19 and Designating its Use for Public Purpose and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction May 26, 2015, Public Hearing and Second Reading June 15, 2015.

There was no public testimony.

ADOPTED with discussion.

- C. **Ordinance 15-16**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 3.05.012, Complete Financial Plan, to Exclude State Revenue Sharing From Income in the City Budget. Mayor. Introduction May 26, 2015, Public Hearing and Second Reading June 15, 2015.

There was no public testimony.

ADOPTED with discussion.

- D. **Ordinance 15-17**, An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to Permit the City to Prepay Principal of the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02(S)(2), and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager. Introduction May 26, 2015, Public Hearing and Second Reading June 15, 2015.

Ordinance 15-17(S), An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to Permit the City to Prepay Principal of the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02(S)(2), and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager.

There was no public testimony.

ADOPTED Substitute Ordinance 15-17(S) without discussion.

9. ORDINANCE(S)

- A. **Ordinance 15-20**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating an Alaska Department of Environmental Conservation Municipal Matching Grant in The Amount of \$1,922,577 and Authorizing a 30% Matching Requirement From the Homer Accelerated Water And Sewer Fund (HAWSP) in the Amount of \$576,773.10 for the Purpose of Completing the Water Distribution/Storage Improvement Project and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommended dates: Introduction June 15, 2015, Public Hearing and Second Reading June 29, 2015

Postponed to June 29, 2015 meeting for introduction.

10. CITY MANAGER'S REPORT

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

City Manager Koester Katie noted that she included information in her report about Bridge Creek Watershed Protection District lots that are for sale and ways to purchase them and requested direction from the Council if they want her to precede the process.

City Manager Koester introduced Patrick Lawrence, the Assistant City Manager and welcomed him to the Homer team and noted Chief Painter earned the distinction of being a certified emergency manager from the International Association of Emergency Managers.

She noted a letter of non-objection to Bunnell Street Gallery to do street painting a visual reminder of Woodard Creek on Pioneer Avenue through their Artist in Residence program, along with four other city roads showing where Woodard Creek would be flowing. Lake Street has been included in the latest STIP amendment and is on schedule for some design funding, and lastly there is a burn ban in effect.

11. CITY ATTORNEY REPORT

12. COMMITTEE REPORT

- A. Public Arts Committee

- B. Permanent Fund Committee
- C. Employee Committee Report
- D. Port and Harbor Building Task Force
- E. Public Safety Building Review Committee
- F. Vessel Haul-Out Task Force

13. PENDING BUSINESS

14. NEW BUSINESS

15. RESOLUTIONS

- A. **Resolution 15-046**, A Resolution of the Homer City Council Accepting the 2014 Comprehensive Annual Financial Report with Audit and Financial Statements and Acknowledging the Management Letter Submitted by the City's Independent Auditor, BDO, USA, LLP and Authorizing the City Manager to Execute the Financial Report. City Manager/Finance Director.

ADOPTED without discussion.

- B. **Resolution 15-047**, A Resolution of the City Council of Homer, Alaska, Changing Dates for Payment of Assessments for the Homer Natural Gas Special Assessment District. City Manager. Recommend adoption.

Resolution 15-047(S), A Resolution of the City Council of Homer, Alaska, Changing Dates for Payment of Assessments for the Homer Natural Gas Special Assessment District. City Manager. Recommend adoption.

AMENDED: Line 35 - 15% changed to 10.5%

ADOPTED as amended.

- C. **Resolution 15-043**, A Resolution of the City Council of Homer, Alaska, Urging the U.S. Navy to Change Training Exercises in the Gulf of Alaska. Zak/Roberts. Recommend adoption.

POSTPONED to June 29, 2015.

- D. **Resolution 15-048**, A Resolution of the City Council of Homer, Alaska, Noting the Sufficiency of the Petition for the Lillian Walli Fairview Avenue Road Reconstruction and Paving and Sewer Improvements Special Assessment District and Setting the Public Hearing Date for September 14, 2015. City Clerk/Public Works Director. Recommend adoption.
Memorandum 15-086 from Public Works Director as backup.

POSTPONED to June 29, 2015.

16. COMMENTS OF THE AUDIENCE

There were 11 who commented.

17. COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was absent.

18. COMMENTS OF THE CITY CLERK

Deputy City Clerk Jacobsen had no comment.

19. COMMENTS OF THE CITY MANAGER

City Manager Koester had no comment.

20. COMMENTS OF THE MAYOR

Mayor Wythe said she feels like some of the issues that have come up in the audit in the last few years are found because of fresh eyes looking at our financials. We have a new director for our finance department so there are things that will come forward because new people will see it from a different perspective. She appreciates everyone who came to speak to them, she understands the environmental sensitivity and feelings people have, but for the benefit of our military, she wanted to clearly state that we respect and honor that they are willing to put their lives on the line so we can complain about the way they do their testing.

21. COMMENTS OF THE CITY COUNCIL

Councilmember Lewis commented that he personally doesn't think it is the city's job to interfere with joint training exercises. He would like to see the training postponed, but he doesn't think they can do it on such short notice. Also doing it later in the year, the water in the gulf is a lot rougher in the fall and winter months and he would not want to put anyone's lives more in danger. He is concerned about the marine mammals, not just with what the Navy does, but also what some people do out on the water. There were about 15 sea lions

washed ashore near Craig about a week ago that appear to have been killed by man. Fishermen will use seal bombs to scare seals and sea lions away from their nets, how does that effect hearing? None of us are perfect when we are out on the water, and who knows what the draggers are doing to the bottom.

Councilmember Burgess commented regarding the audit. It's important that the City of Homer maintain accurate reconcilable books and that we follow up to correct those deficiencies. He wants to ensure the public that everything does reconcile out. He explained the two deficiencies, one had to do with how we track grant money, specifically we didn't put accrual based income in the same year in which the expense occurred, that's because we hadn't received it from a cash flow basis by the end of that fiscal year which created an issue. The second was end of year entries that should have been done for reconciliation issues for several accounts weren't actually performed. It wasn't an issue of fraud or money disappearing, the money was tracked, it just wasn't adjusted the way it should have been. It's definitely something we need to follow up on. He commented about fire safety and asked that people be responsible, one of the worst things you could ever do is allow a fun weekend, drinking, or carelessness with yourself, kids, family, or vehicles to lead to something that threatens peoples life and property. Forest fires are freaky, it's a big deal. Drink water out there, be safe, put your campfires out or just don't make any fires at all. He also offered up the correct process for a two way stop. If you are at an intersection where two roads cross and there is a stop sign on two of those roads, like Main Street and the Sterling Highway, the people who are stopping, the rules are right turn has premise, straight next, then turning left. It doesn't matter who arrives at the intersection first. He noted two accidents, one which was fatal that were the result of people not knowing this rule. Lastly he thanked the public for thoughtful comments this evening. It's helpful for him when comments are measured, factual, calm, and compassionate. If you come up and use an emotional appeal or misinformation to try to discredit someone even if you think they are a bad person or don't agree with the Navy, he thinks science and good reasonable discourse certainly helps him make a more informed decision. He appreciated most people having that tone tonight.

Councilmember Reynolds thanked Beau for the stop sign information; it goes along with the whole share the roads message. She congratulated Patrick and welcomed him to the City. She added the other part of why they delayed the resolution about the Navy training is that the time to comment had passed before most of the audience arrived and we want to hear those comments, as well as being short two councilmembers.

Councilmember Roberts thanked Tom Zitzman for his comments about the audit. In her time on the council, very few citizens have paid attention to this and it was nice to hear input from someone who read through the information. She echoed Beau in reassuring they aren't ignoring what is happening. She commented that postponing the Lillian Walli improvement was probably the best thing to see how to move forward given the situation we have at hand. She thanked Councilmember Lewis for bringing the salmon habitat buffer ordinance forward, even though it might have something to do with other entities. She likes Beau's yearly stop sign reminders. He's given a couple traffic information reminders over his time on the Council, its good he does those reminders. She thanked everyone coming out about the Navy exercises tonight, and lastly she welcomed Patrick.

22. ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:27 p.m. The next Special Meeting is Monday, June 29, 2015 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.