

Session 15-25 a Regular Meeting of the Homer City Council was called to order on July 27, 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, VAN DYKE, ZAK

STAFF: CITY MANAGER KOESTER  
CITY CLERK JOHNSON  
CITY ATTORNEY KLINKNER  
ASSISTANT CITY MANAGER LAWRENCE  
CITY PLANNER ABOUD  
LIBRARY DIRECTOR DIXON  
PERSONNEL DIRECTOR BROWNING  
PORT AND HARBOR DIRECTOR HAWKINS  
PUBLIC WORKS DIRECTOR MEYER

The Council met for a Worksession from 4:03 p.m. to 4:46 p.m. to view a PowerPoint and discuss Strategic Doing – R&M Consultants, Inc. – Deep Water Dock. From 5:00 p.m. to 5:53 p.m. the Council met as a Committee of the Whole to discuss Ordinance 15-19(A) and Consent and Regular Meeting Agenda items.

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

#### **AGENDA APPROVAL**

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

The following changes were made: **CONSENT AGENDA - Ordinance 15-28**, An Ordinance of the Homer City Council Repealing and Reenacting Homer City Code Chapter 18.12, Municipal Property Sales, Regarding the Methods and Procedure for Disposing of Interests in Real Property Owned by the City. City Manager. Written public comments. **Resolution 15-064**, A Resolution of the City Council of Homer, Alaska, Supporting the Inclusion of City-Owned Property in Beluga Slough Into the Eastern Hemisphere Shorebird Reserve With the Exception of the Public Works Complex. Lewis. Written public comments. **Resolution 15-065**, A Resolution of the City Council of Homer, Alaska, Supporting Responsible Dog Ownership by Installing Dog Waste Bag Dispensers at Public Buildings, Trails and Parks, and Encouraging Other Agencies and Businesses to Do the Same, and by Purchasing Individual Dog Waste Bag Dispensers to Provide to the Public and Encourage Local Businesses to Stock Baggie Supplies

and Dispensers. Roberts. Written public comments.

**ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS** - Port and Harbor Advisory Commission Monthly Activities Report, by Commissioner Howard.  
**PUBLIC HEARINGS - Ordinance 15-23**, An Ordinance of the Homer City Council Amending Homer City Code 21.40.070, Requirements, Regarding Standards for Impervious Coverage in the Bridge Creek Watershed Protection District. Planning. Written public comments.

Mayor Wythe called for a motion for the approval of the agenda as amended.

ROBERTS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

#### **PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

Mike McCarthy, city resident, spoke on Resolution 15-066. Kachemak Drive Phase III residents met with Carey last week and the consensus is they want both water and sewer at the same time. It will be less disruption of the ground and hopefully the lines can be done with directional drilling at a cost equal to or less than trenching. He asked for an addition to the resolution to coordinate the two projects at the same time.

George Matz, Homer resident, approves of Resolutions 15-064 and 15-065. Resolution 15-064 will benefit international awareness and have impacts on visitation and funding for conservation programs. He sent the resolution to national shorebird biologists with the possibility of bringing people to the Shorebird Festival for training.

Kathy Hill, Homer resident, commented on Homer's nice appearance this summer. She asked that the existing public safety building plans be used for PR work for a new building. She opposes Ordinance 15-18 and doesn't want the HPD and HVFD dismantled.

Cheryl Tolman, Homer resident, thanked the Council for taking her request to defer assessments on split lots on Kachemak Drive via Resolution 15-063.

David Raskin, President of Friends of National Wildlife Refuge, is pleased to see the Council is adopting Resolution 15-064 as it is important for shorebirds who have seen an 80% to 90% decline of populations.

Beauregard Burgess, city resident, spoke for himself and his father on Resolution 15-066. Shellfish residents are being charged a larger amount than the City has to pay. It is not a special assessment district, but rather an improvement designed to benefit the overall cost structure of the rest of the system, to service a one million gallon water tank in his neighborhood. There is no rationale for the sewer requirement before hooking up to water since people have already installed septic systems.

Scott Adams, city resident, commented on the Public Safety Building Review Committee meeting of July 1. The building is not a well thought out plan. At the meeting they refused to change the location, design, and to discuss the cost. The money could be used for a better means than for a building that won't be built with the lack of State and local money. He asked that gas assessments be changed to July instead of September.

Ted Schmidt, city resident, expressed reservations about the public safety building. The public has been vastly ignored. He is not for the city giving away its control of any portion of the beach for any other purpose. He wants to know where the Council stands on access to the beach by private property owners. He is frustrated we are not protecting public access to beaches and letting private interest groups take control. He supports the Shorebird. Council puts money into the Chamber of Commerce to advertise and it is a conflict of interest. They are promoting one use and discounting others.

Rika Mouw, city resident, spoke on Resolution 15-066. The majority of Kachemak Drive property owners are on board for water and sewer improvements. She supports Resolutions 15-064 and 15-065 and what the Parks and Recreation Advisory Commission has done for the last seven months.

Adele Person, Homer resident, echoed Rika Mouw's comments that the Parks and Recreation Advisory Commission has done a fabulous job taking testimony over seven months from a wide array of interest groups. It will be hard to articulate a solution to the problems.

Maryann Aplin, speaking for Alaska Maritime National Wildlife Refuge, supports Resolution 15-064 and thanked the Council for their work. She appreciates the Council's support to the Chamber of Commerce to market the Shorebird Festival which brings dollars to the community.

## **RECONSIDERATION**

- A. **Ordinance 15-19(A)**, 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, and Chips. Lewis. Introduction June 15, 2015, Public Hearing and Second Reading June 29, 2015. Reconsidered by Councilmember Roberts June 29, 2015.

Mayor Wythe called for a motion to reconsider Ordinance 15-19(A).

LEWIS/BURGESS – SO MOVED.

Councilmember Burgess was not present when Ordinance 15-19(A) was heard, therefore, he would like to bring it back for sake of discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Ordinance 15-19(A) was heard under Ordinances.

### **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 June 29, 2015. City Clerk. Recommend adoption.
- B. **Memorandum 15-109**, from Mayor, Re: Appointment of Lindianne Sarno to the Cannabis Advisory Commission.
- C. **Ordinance 15-26**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2016 in the Amount of \$6,650 for Books and Library Materials, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Library Director. Recommended dates: Introduction July 27, 2015, Public Hearing and Second Reading August 10, 2015.

Memorandum 15-114 from Library Director as backup.

- D. **Ordinance 15-28**, An Ordinance of the Homer City Council Repealing and Reenacting Homer City Code Chapter 18.12, Municipal Property Sales, Regarding the Methods and Procedure for Disposing of Interests in Real Property Owned by the City. City Manager. Recommended dates: Introduction July 27, 2015, Public Hearing and Second Reading August 10, 2015.

Memorandum 15-123 from City Manager as backup.

- E. **Resolution 15-057**, A Resolution of the Homer City Council Awarding the Contract for

the Waste Water Treatment Plant Clarifier Flight Refurbishment Project to the Firm of Metalizing, Inc. of Kenai, Alaska, in the Amount of \$22,863 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

Memorandum 15-111 from Public Works Director as backup.

- F. **Resolution 15-058**, A Resolution of the Homer City Council Awarding the Contract for the Old Town Speed Hump Installation Project to the Firm of Gregoire Construction of Homer, Alaska, in the Amount of \$13,440 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

Memorandum 15-112 from Public Works Director as backup.

- G. **Resolution 15-059**, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for an Insurance Benefit Broker and Consulting Services to the Firm of Wells Fargo Insurance Services USA, Inc. of Seattle, Washington, in the Amount of \$25,000 Annually for a Three-Year Term and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 15-113 from Personnel Director as backup.

Moved to Resolutions.

- H. **Resolution 15-060**, A Resolution of the Homer City Council Awarding a Sole Source Contract for the Public Works Storage Shed Foundation Installation to the Firm of Techno Metal Post Alaska of Homer, Alaska, in the Amount of \$25,063 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

- I. **Resolution 15-062**, A Resolution of the City Council of Homer, Alaska, Urging the Alaska Congressional Delegation to Engage in Negotiations With the U.S. Navy to Change Training Exercises in the Gulf of Alaska. Lewis. Recommend adoption.

- J. **Resolution 15-064**, A Resolution of the City Council of Homer, Alaska, Supporting the Inclusion of City-Owned Property in Beluga Slough Into the Eastern Hemisphere Shorebird Reserve With the Exception of the Public Works Complex. Lewis. Recommend adoption.

Memorandum 15-115 from Deputy City Planner as backup.

- K. **Resolution 15-065**, A Resolution of the City Council of Homer, Alaska, Supporting Responsible Dog Ownership by Installing Dog Waste Bag Dispensers at Public Buildings, Trails and Parks, and Encouraging Other Agencies and Businesses to Do the Same, and by Purchasing Individual Dog Waste Bag Dispensers to Provide to the Public and Encourage Local Businesses to Stock Baggie Supplies and Dispensers. Roberts. Recommend adoption.

Memorandum 15-116 from Deputy City Planner as backup.

- L. **Resolution 15-066**, A Resolution of the Homer City Council Establishing Conditions Under Which Benefitted Property Owners Will Be Allowed to Connect to the Proposed Kachemak Drive and Shellfish Avenue/South Slope Drive Water Mains Being Installed as Part of Homer Water Storage/Distribution Improvements (Phase I). City Manager/Public Works Director. Recommend adoption.

Memorandum 15-117 from Public Works Director as backup.

Moved to Resolutions.

- M. **Resolution 15-067**, A Resolution of the Homer City Council Accepting an ADEC Municipal Matching Grant (MMG #40909) for the Water Storage and Distribution Improvement Project (Phase I), Accepting the Responsibility to Operate and Maintain the Improvement, Agreeing to the Terms and Conditions of the Grant, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

Moved to Resolutions.

- N. **Memorandum 15-118**, from Finance Director and Public Works Director, Re: Water and Sewer Rate Recommendations for 2015.

Moved to New Business.

Items G, L, and M, Resolutions 15-059, 15-066, 15-067 were moved to Resolutions, Items C, D, and E. Burgess. Item N, Memorandum 15-118 was moved to New Business, Item B. Burgess.

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

BURGESS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **VISITORS**

A. Blue Crest Energy, Inc.

Larry Burgess, Health, Safety, and Environmental Manager for Blue Crest Energy, Inc., provided a PowerPoint of the oil drilling project six miles north of Anchor Point. They have 100% lease ownership in the Cosmopolitan Unit and over \$112M invested in the unit to date. There is an emphasis on personnel safety and environmental integrity and sensitivity. Oil is being drilled from the shore, 2 to 5 miles offshore. The 38-acre pad is complete and has a 14 ft. tall berm and 100 ft. wide portion at the bottom to minimize noise and light for the neighbors.

A new rig is being built and will be barged from Houston, Texas. There is potential for a gas well next year offshore. The first oil is anticipated in the first quarter of 2016 with an estimated 17,000 barrels of oil per day. Oil will be trucked to the Tesoro refinery. A traffic impact study shows at peak production they could have one truck per hour on the road. It is not enough to trigger changes to the highway with DOT.

Blue Crest will offer employment opportunities: 200 construction, 160 drilling, and 35 people in operations. They will start drilling in March 2016. The company has done community outreach throughout the area and has sufficient capitalization.

Mayor Wythe called for a recess at 6:58 p.m. and reconvened the meeting at 7:05 p.m.

## **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS**

A. **Mayor's Proclamation**, Hospice of Homer Day - August 8, 2015 and Hospice of Homer Week - August 2 - 8, 2015

Mayor Wythe read and presented the proclamation to Hospice of Homer Board Members Michael Hawfield, Beth Graber, and Pam Breckenridge.

B. Borough Report

Assembly Member Kelly Cooper reported tomorrow the Assembly will consider an ordinance to change the boundaries for the hospital service area for Seldovia, Nanwalek, and Port Graham. A public hearing was held there and the public feedback was not positive, so she will not support the ordinance. Another ordinance is to amend the north boundary for South Peninsula Hospital bringing the boundary 1.5 miles north of the Ninilchik River Bridge by Barber Drive. That would equate to \$122,000 in lost revenue if the boundary changes. She will oppose that ordinance as well. There was public hearing last week for Ninilchik residents and central area members who would be gaining that service area. No one showed up for the meeting. The Borough Health Care Task Force will be looking at ways to reduce healthcare costs, what the service areas look like, and whether there will be borough-wide hospital powers. Bill Smith is on the task force with her. If anyone would like to testify to Ordinance 2015-20 on the north boundary change, the annex office will be open tomorrow at 6:00 p.m. The Borough's Marijuana Task Force has been meeting regularly and providing input to the State. There is another group reviewing the entire tax code. Assembly Member Cooper met with Katie last week about declining revenues and how we could work together. We are looking at all the excluded groups throughout the code, senior exemptions, sales tax cap from \$500 to \$1,000, and sin tax on alcohol and cigarettes. She thanked the Council for the Town Hall meeting last week and looks forward to hearing the results.

C. Commissions/Board Reports:

1. Library Advisory Board

Terry Smith, Library Advisory Board Member, reported at the last meeting Pat Brown was elected as chair and Amy Alderfer as vice chair. The LAB is proposing a 5:30 p.m. meeting start time. The Library's summer reading program wrapped up with an ice cream social. The teen programs end this week. It has been a good summer with nearly 12,000 people in the Library last month. There were two parties to clean up the western lot and the local neighborhood is using the area appropriately now. Ms. Smith worked at the library last year as the summer hire to handle the crowds. The library is a popular place as it thrives in the summer and winter.

2. Homer Advisory Planning Commission

a. Minutes of June 17, 2015

3. Economic Development Advisory Commission



- a. Memorandum 15-097 from Deputy City Clerk, Re: Recommendation Regarding Affordable Housing
- b. Memorandum 15-099 from Deputy City Clerk, Re: Recommendation Regarding Special Assessment Districts Levy of Assessment After Subdivision

Pat Brown, Economic Development Advisory Commission Chair, reported Mike Barth has resigned and taken over the position with the hockey association. The EDC is greatly concerned about the economic development of our city. The EDC was tasked by the Council to look at affordable housing. They chose to focus on building our community of those people that would move to our area and invest in it. The most popular group is young couples that would start and raise families and continue to stay in the city and utilize all the benefits. They looked at many ways to provide an incentive. They reviewed large cities and smaller ones. About 3% of the budget for a building complex is infrastructure for water, sewer, gas, and electric. An incentive would be for someone to build on undeveloped property. In the long run it would provide additional resources, a strong structure, and stable tax base for the city.

For those opposed to oil development the EDC asks them to donate their PFD to Hospice of Homer. One of our greatest resources we have is the Chamber of Commerce. We need to have our table at the international economic development conference in Anchorage. We are barely getting by with less than \$80,000 a year and it has been cut in half to about \$40,000.

Asked why the EDC was targeting new development only, Commissioner Brown answered it is undeveloped land and limiting it to families allows affordable housing. Several cities have tried one, three, and seven years' tax deferment. The program will take time to get the word out. Asked how it will affect real estate and the realtor's thoughts on the plan, Commissioner Brown answered building a new house makes it unique and attractive. The focus is not to compete with the existing housing market, but to develop idle land and provide a stable tax base down the road. High end buildings would be allowed 3% for infrastructure. The focus is not on who is building the building, it is on the building itself.

#### 4. Parks and Recreation Advisory Commission

Robert Archibald, Parks and Recreation Advisory Commissioner, reported the commission has been dealing with the beaches. They have spent a lot of time and received a vast difference of opinions in the community to include property rights, critical habitat, and regulations on the books. The Commission's recommendations are before the Council. It is not an easy problem along with the budget constraints. The Commission recommended membership to the State Parks and Recreation Association who will be meeting here this fall. Councilmember Lewis will bring an ordinance forward at the next meeting on the beach policy. One recommendation is to close access on Bishop's Beach to vehicles. An overwhelming majority urged the commission not to limit beach access.

#### 5. Port and Harbor Advisory Commission

1. Port and Harbor Advisory Commission Monthly Activities Report by Commissioner Howard.

6. Cannabis Advisory Commission

Councilmember Burgess reported the commission agreed to their bylaws, and have been monitoring State regulations. They met with the city attorney at their last meeting to go over regulations and have roughed out a timeline. There is a Worksession with the Council on August 10<sup>th</sup>. It is a good group with diverse ideas and their meetings are efficient.

### **PUBLIC HEARING(S)**

- A. **Ordinance 15-08(S)**, An Ordinance of the Homer City Council Amending Subsection (C) of Homer City Code 21.50.020, Site Development Standards – Level One, and Subsection (A) of Homer City Code 21.50.030, Site Development Standards – Level Two, to Require Revegetation of Exposed, Cleared, Filled and Disturbed Soils by August 31<sup>st</sup> or Within 9 Months, Whichever Comes First. City Manager/Planning. Introduction April 13, 2015, Referred to Planning Commission April 13, 2015, Public Hearing and Second Reading July 27, 2015.

Memorandums 15-048 and 15-098 from City Planner as backup.

Mayor Wythe opened the public hearing.

Donna Aderhold, city resident, thanked Council for taking this on. She is concerned with the big evasive plant problem in the city.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 15-08(S) by reading of title only for second and final reading.

LEWIS/BURGESS - SO MOVED.

BURGESS/VAN DYKE – MOVED TO AMEND LINES 32 THROUGH 33 THE WORDS STARTING WITH “OR RESEEDED BY THE NEXT AUGUST 31<sup>ST</sup>, WHICHEVER COMES FIRST”; I MOVE TO STRIKE THOSE WORDS FROM THE ORDINANCE.

Councilmember Burgess commented nine months from start of building is a reasonable time frame to wrap up the project and hydroseed or reseed with native vegetation. The ordinance is designed to minimize erosion and invasive species. As the ordinance is written if someone digs a hole in mid-August a week later they need to revegetate regardless of the status of their project.

Councilmember Roberts expressed opposition to the amendment as people could opt for native revegetation where they don't do anything. The ordinance says if native revegetation does not return then the next year you need to work on seeding. It is flexible enough that people will not have to reseed on August 31<sup>st</sup>.

Councilmember Burgess commented the interpretation is subjective and if brought into effect it would be a city enforcement officer who would decide.

Councilmember Reynolds commented the "or" is important because if the native vegetation hasn't taken over within nine months then you need to reseed. If you start on August 30<sup>th</sup> you have until nine months later.

City Attorney Klinkner suggested the clause on line 33 "whichever comes first" could be eliminated so the reseeded by the next August 31<sup>st</sup> is an alternative after the nine months has elapsed rather than the one that has to happen before the nine months elapses.

VOTE: (amendment) YES. BURGESS, VAN DYKE  
VOTE: NO. LEWIS, ROBERTS, REYNOLDS, ZAK

Motion failed.

LEWIS/BURGESS – MOVED TO AMEND TO ELIMINATE ON LINE 33 THE WORDS "WHICHEVER COMES FIRST."

There was no discussion.

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

Motion carried.

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

Motion carried.

B. **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. Introduction June 29, 2015, Public Hearing and Second Reading July 27, 2015.

Councilmember Burgess previously declared a conflict of interest and was recused from participation.

Mayor Wythe opened the public hearing.

Scott Adams, city resident, commented most developments for water and sewer are LIDs. If the Shellfish, South Slope, and Kachemak Drive projects are not, they should not be included in this program.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 15-20 by reading of title only for second and final reading.

ZAK/LEWIS - SO MOVED.

The intention of Public Works was to complete the water system to remove dead ends and make it more connected. The improvement will benefit the whole water system, not just those that will be upgraded.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Burgess returned to his seat.

C. **Ordinance 15-23**, An Ordinance of the Homer City Council Amending Homer City Code 21.40.070, Requirements, Regarding Standards for Impervious Coverage in the Bridge Creek Watershed Protection District. Planning. Introduction June 29, 2015, Public Hearing and Second Reading July 27, 2015.

Memorandum 15-100 from City Planner as backup.

Mayor Wythe opened the public hearing.

Bill Smith, Homer resident, served on the Planning Commission when Bridge Creek Watershed Protection District (BCWPD) was developed. The commission put a lot of thought in how to apply scientific standards about impervious coverage and the impact on water quality. He submitted a letter to the Council stating he is in favor of a number of parts, but it is troubling to count structures as 90% impervious; that is an amount used by engineers to calculate the run-off in culverts and ditches. The ordinance misses the point in the BCWPD; we are estimating impact of water quality, not storm water run-off.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 15-23 by reading of title only for second and final reading.

ROBERTS/REYNOLDS - SO MOVED.

BURGESS/LEWIS – MOVED TO AMEND TO REMOVE LINES 41, 42, 43, AND 44.

There will be no replacement; the ordinance will stick with the current standards.

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

Motion carried.

ROBERTS/LEWIS - MOVED TO AMEND TO REINSTATE LINES 46 TO 49.

Lines 46 to 49 will become item C.

City Planner Abboud advised the Council the purpose is for lots eligible for 6.2% coverage. Currently you have to go to the Planning Commission to have your whole driveway excluded or not. There are no standards to determine who deserves 100% other than going to the Planning Commission for their vote. The ordinance gives him a defined measure he can do in his office. If someone wants to have driveway over their whole lot who is he to say no, he would tell the person you just have to have a good mitigation plan. It doesn't matter what the impervious is.

Councilmember Burgess didn't want to reinstate the stricken items as they were specific to walkways and structures. There is no reason to allow structure to be considered partially impervious. A driveway can be considered up to 50% impervious at the discretion of the Planning Commission.

Mayor Wythe asked Councilmember Burgess if he was an owner of property in the BCWPD. Councilmember Burgess answered he owns property through a company and it has been previously ruled he had no conflict.

City Planner Abboud told the Council it will be easier to define the percentages of impervious coverage for structures and driveways. Seventy percent (70%) is the usual impervious coverage for a driveway.

The letter from Bill Smith was read regarding impervious coverage on walkways and driveways.

City Planner Abboud told the Council if someone asked for 100% for a driveway he is unsure what standard to ask the applicant to prove to the Planning Commission if it is not in code.

VOTE: (amendment) YES. ROBERTS, ZAK, BURGESS, VAN DYKE

VOTE: NO. REYNOLDS, LEWIS

Motion carried.

LEWIS/ZAK - MOVED TO AMEND TO ADD LINES 41 - 44 WITH 100% IMPERVIOUS IN STRUCTURES.

Councilmember Burgess commented the Council voted to reduce runoff issues, but in the watershed which is the most critical erosion and we are trying to meet a standard of water quality, not just storm water attention. We agree structures are 100% impervious, but an arbitrary percentage figure is being selected for driveways and walkways. Currently the burden of proof is on the developer and mitigation plan, which is subjective. It should be reviewed by the Planning Commission.

City Planner Abboud advised 70% impervious is used in the standard gravel pathway which is in the engineering standard book.

Councilmember Roberts pointed out reinstating lines 41 - 44 will make it more difficult since we are putting a 70% impervious limit on driveways and pathways. In the old language that standard was not applied for calculating impervious coverage on lots smaller than 2.5 acres driveways and pathways may be partially or fully excluded. Adding the 70% impervious coverage will limit development on the lots.

Councilmember Lewis recommended his motion be voted down and we postpone the ordinance for further discussion. We should not be making amendments without the experts here to discuss this.

VOTE: (amendment) YES.

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

Motion failed.

LEWIS/ROBERTS - MOVED TO POSTPONE TO A WORKSESSION SO WE ARE NOT AMENDING IT ON THE FLY.

Planner Abboud can review the ordinance with the Planning Commission to see if they wish to make a change based on the Council's discussions.

Councilmember Burgess expressed opposition to the postponement. If we pass the ordinance as written it can be amended later. We don't waste the Planning Commission's work.

City Clerk Johnson advised a date certain of September 14 instead of leaving the postponement open ended.

VOTE: (postponement) YES. LEWIS, ZAK

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

Motion failed.

REYNOLDS/ZAK - MOVED TO REFER TO THE PLANNING COMMISSION TO RE-PRESENT THE ORDINANCE WITH MORE DEFINITION AROUND THE IMPERVIOUS STANDARDS AND ASK THEM TO BRING IT BACK TO US AT THE SEPTEMBER 14<sup>TH</sup> MEETING.

VOTE: (refer) YES. ZAK, VAN DYKE, REYNOLDS

VOTE: NO. BURGESS, LEWIS, ROBERTS

Mayor Wythe broke the tie vote with a YES vote.

Motion carried.

- D. **Ordinance 15-24**, An Ordinance of the Homer City Council Enacting HCC 2.52.080, Correctional Officer Qualifications, Regarding the Qualification and Certification of City Correctional Officers. City Manager. Introduction June 29, 2015, Public Hearing and Second Reading July 27, 2015.

Memorandum 15-090 from Police Chief 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 15-24 by reading of title only for second and final reading.

BURGESS/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Ordinance 15-25**, An Ordinance of the City Council of Homer, Alaska, Re-Appropriating the 2003 Allocation From the Alaska Department of Community and Economic Development as Fisheries Revitalization Aid for the Purpose of Refurbishing a Fish Dock Crane. City Manager/Port and Harbor Director. Introduction June 29, 2015, Public Hearing and Second Reading July 27, 2015.

Memorandum 15-089 from Port and Harbor Director 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 15-25 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.

- F. **Resolution 15-061**, A Resolution of the City Council of Homer, Alaska, Selecting Option A as the Preferred Alternative for Waddell Way Road Improvements. City Manager.

Memorandum 15-106 from Planning Commission as backup.

Mayor Wythe opened the public hearing.

Donna Aderhold, city resident, is opposed to the extension of Waddell Way as a road instead of a trail due to the impacts to the Glacierview Subdivision. She appreciates the inclusion of bike lanes on both sides of the road and a sidewalk. She asked the Council to evaluate the potential for the road to increase traffic on Grubstake Avenue by people thinking that the road goes through. Signage may be needed to reduce the problem. At the Heath Street intersection there should be some transition so drivers and bicyclists know what bicyclists are going to do since there are no amenities on Heath Street. It would be beneficial for the Council to hear from the public in an open house setting, less formal than before the Council or the Planning Commission.



Ted Schmidt, Homer resident, asked if the soil condition has been improved. He recalled about 15 years ago there was a lawsuit over HEA and the terrain was mitigated.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Resolution 15-061 by reading of title only.

ROBERTS/REYNOLDS - SO MOVED.

Councilmember Lewis asked if we will eventually punch through Grubstake to Main. We had talked about the transportation corridor going all the way through. Health Street is already a zoo from Poopdeck south. Another thru street will create a bigger mess.

The Council reviewed the maps. This is for phase 1 and each phase will require a vote.

Councilmember Reynolds noted increasing the amount of roads increases the demand for roads and increases traffic. It shifts or creates more congestion since people think they have another way through.

Option A is a lower cost and puts traffic onto Grubstake instead of on Bonanza.

VOTE: YES. LEWIS, BURGESS, ROBERTS, REYNOLDS, ZAK, VAN DYKE

Motion carried.

### **ORDINANCE(S)**

- A. **Ordinance 15-19(A)**, 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, and Chips. Lewis. Introduction June 15, 2015, Public Hearing and Second Reading June 29, 2015. Reconsidered by Councilmember Roberts June 29, 2015.

Reconsidered under Reconsideration.

Mayor Wythe called for a motion for the adoption of Ordinance 15-19(A) by reading of title only for second and final reading.

LEWIS/ROBERTS - SO MOVED.

The ordinance will redefine certain items not considered nonprepared food and define them

as prepared food.

City Attorney Klinkner confirmed that is the effect of the ordinance. The title can be altered to define the items as prepared food; the question is whether they are taxable or not.

BURGESS/ROBERTS - MOVED TO AMEND THE TITLE AFTER THE PERIOD ON LINE 11 TO SAY "AND DEFINING THESE ITEMS AS PREPARED FOODS."

The amendment will clarify that the items are prepared food and should be taxed.

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

Motion carried.

Mayor Wythe called for a recess at 8:32 p.m. and reconvened the meeting at 8:35 p.m.

ROBERTS/LEWIS - MOVED TO AMEND ORDINANCE 15-19(A) IN FOUR PLACES: ON LINE 26 REMOVE "NONPREPARED FOODS" AND REPLACE IT WITH "THESE ITEMS;" ON LINE 32 REMOVE THE WORD NONPREPARED; LINE 38 REMOVE THE WORD NONPREPARED; LINE 70 TO READ: SALES OF THE FOLLOWING "PREPARED FOOD" PRODUCTS SHALL BE"...

Attorney Klinkner reviewed the amendments and found them appropriate.

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

Motion carried.

Attorney Klinkner was asked if we would be causing an issue with the Borough's Ordinance 2008-28 with the amendment on line 38 to remove "nonprepared." Attorney Klinkner answered the amendment would be fine.

VOTE: YES. ROBERTS, REYNOLDS, LEWIS, BURGESS, VAN DYKE

VOTE: NO. ZAK

Motion carried.

B. **Ordinance 15-27**, An Ordinance of the City Council of Homer, Alaska, Providing a Procedure for the Council to Consider Whether to Exclude Certain Properties From the Homer Natural Gas Distribution Special Assessment District. Burgess. Recommended dates: Introduction July 27, 2015, Public Hearing and Second Reading August 10, 2015.

Mayor Wythe declared her continued conflict of interest in natural gas line related issues and passed the gavel to Mayor Pro Tempore Roberts.

Mayor Pro Tempore Roberts called for a motion for the adoption of Ordinance 15-27 for introduction and first reading by reading of title only.

BURGESS/REYNOLDS - SO MOVED.

Councilmember Burgess brought the ordinance forward with the help of the city attorney and city manager to address exemptions that slipped through the cracks. It provides an 18-month window for parcels that are not served by natural gas who did not meet the initial criteria. They will have an opportunity to come before Council for their day in court.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Pro Tempore Roberts returned the gavel to Mayor Wythe.

### **CITY MANAGER'S REPORT**

#### A. City Manager's Report

1. Memorandum 15-125 from Public Works Superintendent, Re: Dump Truck Replacement
2. Memorandum 15-122 from Public Works Director, Re: Update – Cost Savings for City Buildings Switch to Natural Gas

#### **Demand for Recovery of Preference Payments (Buccaneer)**

City Attorney Klinkner sent a response to the letter soliciting re-payment of services Buccaneer incurred at the Homer Port and Harbor on June 30. In the letter, Attorney Klinkner demonstrates that the payments were for debt incurred by Buccaneer in the ordinary course of business and thus exempt. I am hopeful that many of Homer's small businesses that are affected can make the same claim. See attached letter Re: Buccaneer Resources

#### **Interest in Re-opening West Eagle Site for Oil and Gas Exploration**

The Department of Environmental Conversation sent the City notice that they have begun review of an Oil Discharge Prevention and Contingency Plan for Aurora Gas, LLC at the West Eagle site. A copy of their draft review plan will be submitted to the Clerks at City Hall on July 31 and available for public review and comment for 30 days. Yes, this is the same site Buccaneer abandoned in early 2014 twenty miles out East End Road off of Basargin. See attached letter from DEC Re: Aurora Gas, LLC Oil Discharge Prevention and Contingency Plan for Cook Inlet Area Operations.

## **Town Hall**

We had great participation on Monday July 20 at the Town Hall, despite the beautiful weather. About 100 people attended and gave input on the level of importance and the level of service for City services. There were also some interesting responses regarding revenue generation. Staff will prepare a presentation on the Town Hall and online survey during the Committee of the Whole August 10. In the meantime, people can still share their opinion and priorities online by taking the brief 'closing the gap' survey. Survey will be open through August 4<sup>th</sup>.

## **Bryan Hawkins appointment to the Cook Inlet Harbor Safety Committee**

Port and Harbor Director Bryan Hawkins was appointed to a 3-year term on the newly formed Cook Inlet Harbor Safety Committee (HSC). The HSC was born out of a Cook Inlet RCAC risk assessment for Cook Inlet commissioned after the Seabulk Pride grounding in 2006. The HSC is a group of industry professionals that will advise the USCG Captain of the Port on specific maritime safety issues. This management method has proven to be very effective in other major US waterways. The City is pleased to have representation on the Committee that can keep protecting Kachemak Bay and Cook Inlet a top concern given the large volume of vessel traffic and sensitive cargo it carries. See press release from Cook Inlet HSC.

## **Fleet Reserves**

A number of emergent needs have surfaced for the fleet reserves. This is concerning, because reserves have not been funded in 3 years. In some cases, the purchase would wipe the reserve fund out. In others, there is not even enough in the fund to cover debt repayment on existing purchases. The impact of not funding the reserves is being felt, and at time when meeting the operating budget expenditures will be challenging. It would be my preference to deal with these equipment replacement issues in 2016 with the passage of a new budget. However, in some cases, it will be very expensive, inconvenient and inefficient to wait.

### Dump Truck

Public Works is in desperate need of a new dump truck after their second truck they have been nursing along finally quit on them. Public Works Superintendent Gardner outlined options in the attached memo.

Amount in Public Works Fleet Reserve: Negative \$42,801 (street sweeper payment)

### Ambulance

For the last few years a replacement ambulance (\$180,000) has been on the Capital Improvement Plan. The HVFD has secured partial funding from a State of Alaska Code Blue grant (\$70,000). Chief Painter was informed that Code Blue has additional funds they could put towards the ambulance (estimate not to exceed \$25,000), however they need a commitment from the City that we could come up with the remaining \$85,000 (50%).

Amount in Fire Fleet Reserve \$116,998

### Police Car

According to best practices, the City should be buying one new vehicle annually to maintain the fleet. As you know, the City has not been able to maintain that replacement schedule in a long time; consequently the Department is running vehicles with well over 100,000 miles on

them. This is almost unheard of in the public safety business. The City is replacing engines, transmissions and other major parts to keep these old vehicles on the road.

Amount in Police Fleet Reserve: \$17,031

### **Beach Policy Recommendations**

The Parks and Recreation Advisory Commission has been working for months on Beach Policy recommendations. They presented these to the Council at the June 29<sup>th</sup> meeting. Recommendations regarding dog waste and the Western Hemisphere Shorebird Reserve have been brought forward by Councilmembers at this meeting. However, the Commission is requesting leadership from the Council on the most controversial issue, vehicle use.

The Commission's recommendation is to close the beach to vehicles. Staff can write a resolution for Council to amend the Beach Policy to do this, which would be followed by a technical ordinance at a later date from the City Attorney. If a Councilmember would like to sponsor such legislation, please let me know and staff will work on draft language.

### **Float Debris**

This spring members of the public brought to the City's attention a number of floats that had washed up on area beaches. The floats were from the Seldovia and Homer Harbor float replacement projects. Floats were given by the contractor hired to do the replacement to members of the public who did not secure them appropriately. In response, the City placed a dumpster above the commercial barge ramp for the public to place flotation debris and encouraged people to contact the Harbormaster if disposing of large debris to coordinate proper disposal.

Recently, the City touched base with Ginny Litchfield from the Division of Habitat who has surveyed the Bay for debris. She reported that much of the debris has been cleaned up and appreciated the disposal help from the Harbor and efforts of the public and cleanup. Habitat is taking an inventory of any remaining float debris. In turn they are directing people who have brought in debris to contact the Harbormaster's office to coordinate proposer disposal. In the fall we will have an opportunity to reassess the situation. It has been a collaborative process. I appreciate the effort of Habitat and the individuals around the bay who have taken the initiative to bring the debris to a proper resting place in the landfill.

### Next Time

Port and Harbor Director Hawkins has instituted policy for float replacement projects to avoid this problem in the future. All city float projects will require the contractor to:

- Remove old floats from the Harbor for 3 weeks to kill any growth
- Remove un-coated Styrofoam – dispose of in landfill
- Replace flotation with coated sealed billets

The contractor will be responsible for meeting these requirements or disposing of the floats in the landfill. It is a delicate balance, if floats are thrown away the Harbor gets criticized for not letting them be repurposed.

### **Lillian Walli Land Sale**

Staff is moving forward with the necessary steps to sell the 7 City of Homer properties in the Lillian Walli subdivision. We have done title searches on the property and are waiting for them to be appraised. Estimate is that I will be able to bring a Resolution outlining the terms and conditions of the sale and initiating the process at the second meeting in August.

### **Open Government Software**

Finance Director Li has looked into open government software as a way to provide financial data on the City website in the interest of more responsive and transparent government. Open government software is internet (cloud) based software that displays financial data on the City website.

Benefits of "OPEN DATA"

1. Makes government data more user friendly and intuitive for both internal and external clients
2. Makes data more transparent; increases efficiency for users as well as data providers; and sparks creativities for employing more ways of using data.
3. Promotes a higher level of engagement and trust with constituents

Director Li is proposing to contract with a firm, Socrata, for a 6-month pilot project at a promotional rate (\$3000), after which we would decide if the service is useful to the public and we have the capacity to maintain it.

City Manager Koester highlighted items in her report to include the Oil Discharge Prevention and Contingency Plan submitted by Aurora Gas, LLC for exploration on the site twenty miles out East End Road off Basargin. The plan may be viewed at the Clerk's office.

The Town Hall meeting was successful and we appreciate the participation. For public members that want to weigh in on the City's budget, the online survey is offered on the City's homepage until August 4<sup>th</sup>. To date there have been 458 responses.

City Manager Koester congratulated Harbormaster Bryan Hawkins for his appointment to the Cook Inlet Harbor Safety Committee. The committee will advise the City on large vessel traffic in Kachemak Bay and Cook Inlet. It is important that the City be represented on the committee.

There are a number of fleet needs and we have been delaying putting money in reserves. A dump truck is needed for Public Works; the truck is beyond repair. It will cost \$125,000 to

\$130,000 for a new dump truck. There is currently no funding in Public Works reserves. The Fire Department needs a new ambulance. We have half of the amount secured in State grant funding. There is need for a police car too. She is trying to delay these to the regular budget process so the Council may look at all the needs.

City Attorney Klinkner suggested financing the vehicles on a 3, 5, or 7-year plan on a tax-exempt interest rate.

Councilmember Van Dyke indicated he talked to City Manager Koester earlier about the ambulance and the possibility of clubs (such as the Lions Club) purchasing the ambulance. The Lions Club bought Wrangell an ambulance due to the need. For short term needs he suggested contracting with a local to help out with a dump truck. The federal government and State of Alaska have surplus vehicles. We may be able to find the vehicles through that source.

City Manager Koester answered a dump truck rents for \$5,000 a month and may not be available this time of year. Public Works has been weighing options.

Councilmember Burgess would like more information on the open source financial data. He commended the Finance Director for bringing the item forward. He would be happy to sponsor an ordinance at the next meeting for the ambulance purchase since it is an essential service.

B. Bid Report

**CITY ATTORNEY REPORT**

A. City Attorney Report – June 2015

City Attorney Klinkner reported he has not received any feedback for resolution of the assessment roll for condominiums in the natural gas special assessment district.

**COMMITTEE REPORT**

A. Public Arts Committee

B. Permanent Fund Committee

C. Employee Committee Report

D. Public Safety Building Review Committee

E. Vessel Haul-Out Task Force

**PENDING BUSINESS**

A. **Ordinance 15-18(S)**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Capital Budget by Appropriating \$621,500 From the General Fund Fund Balance to the Public Safety Building Project Account to Fund the New Public Safety Building to 35% Design. Mayor. Introduction May 26, 2015, Public Hearing June 29, 2015, Second Reading July 27, 2015.

**Ordinance 15-18(S-2)**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Capital Budget by Appropriating \$355,000 From the General Fund Fund Balance to the Public Safety Building Project Account to Fund the New Public Safety Building to Modified 35% Design.

Memorandum 15-007 from Public Safety Building Review Committee as backup.

Memorandum 15-074 from City Manager as backup.

Memorandum 15-124 from Public Safety Building Design Team and Public Works Director as backup.

Ordinance 15-18(S) was introduced at the May 26<sup>th</sup> meeting.

Mayor Wythe called for a motion to substitute Ordinance 15-18(S-2) for Ordinance 15-18(S).

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 15-18(S-2) for second and final reading by reading of title only.

ROBERTS/BURGESS – MOVED TO ADOPT.

Councilmember Burgess recognizes the controversy in taking the project to the 35% design level. The amount to bring the project to design is almost cut in half due to the Mayor and staff's work. It will get the design to the shovel-ready stage. It is an expensive project and the funding climate is bleak in a tight fiscal environment. We have already spent hundreds of



thousands of dollars. The public safety building is a critical need; it has been the highest project on the CIP for a year and has been on the CIP for 10 years. He will be voting for this since he does not think the present fiscal climate will go on forever. He sees it as funding our reserves. We don't need to do anything with the project. Securing federal funding is probable. Although his vote is unpopular and it is election season, members of the public don't support any funding. In the long run it is in the best interest of the community. It is the right thing to do for response times and recouping the investment we have already made.

Councilmember Lewis has not found anyone in the public that says to spend the money. Reducing the amount is great and he hopes we are not going to spend money for a dump truck, ambulance, and police car. He requested that the old school not undergo demolition until we have the funding in hand.

Councilmember Reynolds voiced her approval of moving forward to the next stage since the amount has been reduced to \$355,000.

Councilmember Van Dyke called himself the most fiscal conservative here who hates spending money. He has looked at the project in all ways. Due to the situation the most prudent thing is to approve the design and get the building when the money comes around. He will be voting for it.

Councilmember Zak commented the majority of people he has talked to have told him no. Tonight we voted to tax ice cream, cake, and cookies. We heard public testimony about future costs and being able to pay for it. Thinking of future costs from a long term strategy it would be digging a hole. Now is the time to back out. The Chairman from the Public Safety Building Review Committee told us not to do this. At the Town Hall meeting a lot of people told him the public safety building was not a good thing, the location is not good, and we should scale back. Spending \$30M now is not the right time. We are talking about taxing food, we can't replace vehicles, and we can't do the public safety building at this time.

Councilmember Roberts will be voting for the ordinance. The \$355,000 is coming from a one-time piece of money from State Revenue Sharing. It is not ready to take to the voters for bonding. We are spending energy on the old HERC building and it is extremely expensive at \$90,000 a year. The City Manager provided the energy saving costs of 60% to 70% for city buildings converted to natural gas. Without spending money on HERC and a new energy efficient building we can find a way to afford the building.

Mayor Wythe commented she is always listening when the public is speaking. There are a lot of people that never show up here. There are a lot of people interested and have support for the projects that the City moves forward to the handful that come in here in opposition. At least 30 people and their families are interested in them working in a safe environment. The prisoners don't want to be in a filthy and nasty unmaintained facility. The work that the Public Safety Building Review Committee has done is no less diligent and has a far wider reach on the impact than if someone drives their car on the beach or not. Money comes in the

most unexpected moments and ways. We have missed funding opportunities for dozens of things in the last five years as we were not ready. She doesn't find it to be a threat regarding eliminating services. If the facilities become so dilapidated that they are no long habitable you won't be able to provide the services and will be looking at alternative ways to provide the services. We have allowed this to go on long enough. The police station has been on the CIP for 20 years, as are all city facilities. You can't go on forever with duct tape and bailing wire. Pretty soon there is nothing left to weld or tape together. The committee did extensive due diligence on facilities, pricing, least cost to the community, and the public/private concept. When you have someone else build the building and you lease it you pay many times over the cost of construction and interest. She is thankful to the design team for coming forward with less cost to bring the project to 35% design. It will never get less expensive and unless we are not going to provide those services we have to find a way to make it financially feasible.

The Council discussed the cost of the project. The \$30M project is the upper end, but instead of steel and concrete it can be wood and plasterboard.

Mayor Wythe noted we have an estimate how much it costs to build an industrial building. We have no solid estimate on the cost of this and the more times we throw out \$30M to \$50M figures we are promulgating false information. The actual number will be known when we get to 35% design.

VOTE: YES. REYNOLDS, ROBERTS, VAN DYKE, BURGESS, LEWIS

VOTE: NO. ZAK

Motion carried.

## **NEW BUSINESS**

- A. **Memorandum 15-110**, from City Clerk, Re: Deferred Assessment for Youngblood, Leasure, Conroy, and Petrosius for the Homer Natural Gas Special Assessment District.

Mayor Wythe declared her continued conflict of interest in natural gas line related issues and passed the gavel to Mayor Pro Tempore Roberts.

Mayor Pro Tempore Roberts called for a motion for the approval of deferred assessment payments for the natural gas special assessment district for Youngblood, Leasure, Conroy and Petrosius.

BURGESS/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Pro Tempore Roberts returned the gavel to Mayor Wythe.

- B. **Memorandum 15-118**, from Finance Director and Public Works Director, Re: Water and Sewer Rate Recommendations for 2015.

Mayor Wythe called for a motion for the approval of the recommendations of Memorandum 15-118.

LEWIS/BURGESS - SO MOVED.

As a member of the Water and Sewer Rate Task Force, Councilmember Burgess explained the rate structure the task force brought to the Council is a living document. Rates are plugged in for water and sewer funds, expenses, anticipated usage based on previous years, some added contingency for debt service, and conservation measures with a goal of a balanced budget. The water fund made a little surplus based on conservation and paid for its operating expenses; the sewer fund did not. Staff recommends keeping the rates the same, but it is not good fiscal policy to knowingly operate the enterprise at a loss. He suggested asking staff for a recommendation to increase sewer rates slightly.

ROBERTS/LEWIS - MOVED TO POSTPONE MEMORANDUM 15-118 TO THE NEXT MEETING AUGUST 10<sup>TH</sup> WITH A REQUEST TO STAFF TO RUN THE RATE MODEL AND PROVIDE THE INFORMATION AS TO WHAT THE PROJECTED RATES WILL BE UNDER THE MODEL.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **RESOLUTIONS**

- A. **Resolution 15-056**, A Resolution of the City Council of Homer, Alaska, Noting the Insufficiency of the Petition for Mattox, Virginia Lyn, Fritz Subdivision Road Reconstruction and Paving Special Assessment District. City Clerk.

Councilmember Lewis declared he is a property owner in the proposed improvement district and requested excusal.

Mayor Wythe ruled Councilmember Lewis does have a conflict of interest and there was no objection from the Council. Councilmember Lewis exited his seat.

Mayor Wythe called for a motion for the adoption of Resolution 15-056 by reading of title only.

BURGESS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Lewis returned to his seat.

- B. **Resolution 15-063**, A Resolution of the Homer City Council Authorizing Deferred Assessments to the Homer Natural Gas Distribution Special Assessment District for Lots That Were Split as a Result of the Construction of Kachemak Drive. Van Dyke.

Memorandum 15-119 from City Manager as backup.

Mayor Wythe declared her continued conflict of interest in natural gas line related issues and passed the gavel to Mayor Pro Tempore Roberts.

Mayor Pro Tempore Roberts called for a motion for the adoption of Resolution 15-063 by reading of title only.

VAN DYKE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Pro Tempore Roberts returned the gavel to Mayor Wythe.

- C. **Resolution 15-059**, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for an Insurance Benefit Broker and Consulting Services to the Firm of Wells Fargo Insurance Services USA, Inc. of Seattle, Washington, in the Amount of \$25,000 Annually for a Three-Year Term and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 15-113 from Personnel Director as backup.

Mayor Wythe called for a motion for the adoption of Resolution 15-059 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

Councilmember Burgess commented the City has quite a bit of financial interaction with Wells Fargo. We deposit the vast majority of our funds with them and Wells Fargo provided a proposal when the City sought financing for the gas line. One of the strikes against their proposal was that deposit funds are leveraged in the event of a default on the loan. It is difficult to concentrate all of the City's financial services to one institution. He has had nothing but negative experience with Wells Fargo and they are not the most solvent of the large banks. Although it is for insurance services and they are the most responsive bidder he has an adverse feeling about going into business with organizations he has had negative experiences with.

City Manager Koester noted the other bid from Mercer was for \$43,000.

Councilmember Burgess noted Mercer is primarily a health care insurance provider and asked how badly we need the service.

City Manager Koester answered the Personnel Director would advocate for the expertise with benefits. It is a lot less expensive than the \$48,000 budgeted because we have a much simpler plan and are no longer self-insured. As a new city manager and the personnel director with just a year in, she requests a professional when negotiating our benefit packages to get the best deal for our employees and our city.

Councilmember Burgess asked if a shorter contract could be negotiated.

Mayor Wythe noted the RFP was for three years and it would be difficult to amend with a responsive bid.

Councilmember Roberts has no problem with Wells Fargo Insurance Services. We are no longer self-insured and she asked what they will be doing for us. It seems like we should be diminishing our need for services.

Mayor Wythe asked if our insurance carrier provides us with Affordable Care Act assistance in negotiating all of the changes in the next three to five years. If you are not shopping for new insurance, the insurance carrier should be able to provide the service without a third party.

City Manager Koester noted we are not necessarily staying with the same insurance company depending on what the bids come back at.

LEWIS - MOVED TO POSTPONE TO THE NEXT MEETING FOR KATIE TO FIND OUT MORE OF THE ANSWERS PEOPLE HAVE<sup>1</sup>.

Personnel Director Browning appeared before Council to address the questions. She indicated we could postpone it and go out for RFP, but we need to start getting bids within the next month and a half. They do a lot less than Mercer but they have relationships with insurance companies and can negotiate better deals. We want to be more creative with better solutions for employees. The Affordable Care Act is changing so much; if we miss something and get nailed with a penalty it far outweighs the cost. The City of Soldotna had Wells Fargo and they were happy with them. The group is from Seattle.

VOTE: YES. VAN DYKE, LEWIS, REYNOLDS, ROBERTS

VOTE: NO. ZAK BURGESS

Motion carried.

D. **Resolution 15-066**, A Resolution of the Homer City Council Establishing Conditions Under Which Benefitted Property Owners Will Be Allowed to Connect to the Proposed Kachemak Drive and Shellfish Avenue/South Slope Drive Water Mains Being Installed as Part of Homer Water Storage/Distribution Improvements (Phase I). City Manager/Public Works Director. Recommend adoption.

Memorandum 15-117 from Public Works Director as backup.

Councilmember Burgess declared he is a property owner in the proposed improvement district and requested excusal.

Mayor Wythe ruled Councilmember Burgess does have a conflict of interest and there was no objection from the Council. Councilmember Burgess exited his seat.

Mayor Wythe called for a motion for the adoption of Resolution 15-066 by reading of title only.

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<sup>1</sup> Motion dissolved with lack of a second and the report from Personnel Director Browning.

LEWIS/REYNOLDS - SO MOVED.

ROBERTS/LEWIS - MOVED TO POSTPONE RESOLUTION 15-066 TO OUR NEXT MEETING.

Councilmember Roberts noted during the Committee of the Whole the resolution was discussed and questions need to be answered. The City Manager will find out how the people in the districts will be charged; Kachemak Drive district wants a SAD (Special Assessment District).

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Burgess returned to his seat.

- E. **Resolution 15-067**, A Resolution of the Homer City Council Accepting an ADEC Municipal Matching Grant (MMG #40909) for the Water Storage and Distribution Improvement Project (Phase I), Accepting the Responsibility to Operate and Maintain the Improvement, Agreeing to the Terms and Conditions of the Grant, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption.

Mayor Wythe called for a motion for the adoption of Resolution 15-067 by reading of title only.

LEWIS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **COMMENTS OF THE AUDIENCE**

Lindianne Sarno, city resident, thanked Mayor and Council for appointing her to the Cannabis Advisory Commission. The CAC needs to hear from those that want to be involved in merging of local cannabis. People may review online agendas for zoning, definition of public, and how

to encourage cannabis to emerge from the underground economy to participate in taxation and funding.

Deb Lowney, city resident, thanked Robert for the Parks and Recreation Advisory Commission report. She appreciates the two resolutions. Two-thirds of the people testified in support of limited access to the beaches. They listened to a lot of emotional testimony, science, a tremendous amount of research, and an incredible number of user groups. She felt the commission's recommendations met and addressed the needs of everyone that spoke to them.

Tom Zitzmann, city resident, produced marine life in Ziploc bags who are the stakeholders on Bishop's Beach. The beach has the spring migration of shorebirds and then the reverse of migration. Vehicles and motorized traffic are destructive to the beach; 95% to 98% of the vehicles are travelling illegally on the beach.

Ted Schmidt, city resident, commented there is a lot of disagreement on the beach policy task force. He sent out a personal poll and the majority agreed to just enforce the regulations as they stand. There is 6 to 7 miles of beach that the public can easily access. Private property owners can fend for themselves and enforce it to the mean high tide.

Scott Adams, city resident, commented at the July 1<sup>st</sup> PSBRC meeting Mr. Castner said he couldn't support a \$30M public safety building. Skagway's new building is 26,000 sq. ft. and cost 12.7M. He cautioned the expenditure since today's price of oil is \$47 a barrel, down from \$105 last summer.

#### **COMMENTS OF THE CITY ATTORNEY**

City Attorney Klinkner was no longer in attendance.

#### **COMMENTS OF THE CITY CLERK**

City Clerk Johnson announced the two council seats for the October election. Candidacy filing opens on August 3 and ends on August 17.

#### **COMMENTS OF THE CITY MANAGER**

City Manager Koester had no comments.



## **COMMENTS OF THE MAYOR**

Mayor Wythe commented on popularity contests and politics; they could not be more divergent. Her objective is to do something to move forward and keep the community viable and sustainable. It will slide backwards if we don't maintain it. We need to provide the services and jobs; there are very few decent jobs here. It is incumbent of the Council to take the responsibility even though we are not always popular. As the descending voice in the gas line, she would much rather pay her assessment she is paying for Enstar's infrastructure to replace the fire and police station. She would pay it ten times over since it is a far superior project to building a gas line for Enstar. It is a project that is the responsibility of the citizens of Homer if they want to continue receiving the services. The property in the Western Hemisphere Shorebird Reserve Network is EVOS property purchased with funds from the *Exxon Valdez* oil spill. It is already preserved land and needs to be included in this other designation. She agreed with Mr. Schmidt on beach access. She has been here for forty years and can't ever remember not being able to drive down to the beach, long before there was Bishop's Beach or a road. That area and further down near Ocean Shores offered beach access. Beach access is a hot topic button. There are people that use the beaches for recreation and they need to be considerate about people that live by the beach. We managed to do that twenty years ago. It is more of a function of sharing rather than locking the beaches up.

## **COMMENTS OF THE CITY COUNCIL**

Councilmember Reynolds was impressed with the Town Hall meeting. Patrick and Katie did a great job thinking of everything that needed to be put in place. She's impressed with all the people that participated. It has had her wheels turning and thinking a great solution is to move closer to services and increase the amount of people that live in the city. Every time you buy something locally you are contributing in sales tax. She offered her safe driving tips of following the speed limit and setting the cruise control.

Councilmember Van Dyke commented he probably surprised a lot of people by voting for spending money on the Public Safety building. His gut feel said no, but it is the most important project this town has in front of it. He is going to brief since he'd like to get home since it is his birthday. He asked Councilman Burgess to be brief.

Councilmember Burgess echoed Catriona's thanks to the people that participated in the Town Hall meeting. It is important to have that level of input from the public. On the beach policy, individual property owners are protecting their property rights. We have law enforcement, people can demarcate and fence their property, but to say the City should limit access is dubious to him. It is upon him to defend his private property. If you have a problem you can draw on the resources of public safety, law enforcement, and the legal system to help defend your rights. It is not the City's obligation to fence your property. A lot of the problems mentioned rose from lack of enforcement. Putting up a fence and gate will frustrate a large amount of people but it won't solve the problems. It will not stop kids from partying on the

beach or erosion traffic from dogs and foot traffic. His father is a PhD botanist and his mother has a master's in dendrochronology and ethnobotany. He grew up in that ecosystem of conservation mentality. After years and decades of being steep in that mentality, when you cut our citizens off from the beach you are cutting them off from the few places they are interfacing with the natural world. There are times when he goes out and has emotionally connecting moments while on the beach. For some people it's important to be in their car or on a 4-wheeler. The beach might be one of the few places to go to interface with nature. Today kids spend a lot of time indoors, on their devices. The beach is a place where they can go to blow off steam and interface with nature. Beach access is important to a lot of people and it is a treasure that should be preserved.

Councilmember Zak is trying to absorb tonight's meeting and is wondering if he's in reality. He has a real concern of where we are financially as a city. We heard a lot of comments from the public and he is shocked as to where we are going. The public safety building will only get us to 35% design; it may be on the shelf for a long time. Rather than moving in the direction of saying we have to do this as a city, there is private enterprise that could bring this to Homer. He is highly concerned about health care, the cost of equipment, and replacing reserves.

Councilmember Lewis thanked the harbor and police as to how they handled things when his steering broke. On Resolution 15-062 we had tons of people here to protest the Navy's training exercises, but to ask our delegation to negotiate a change of time there was no one here to speak. He is bringing forward an ordinance or resolution about the beach policy; whether he is for or against it he doesn't really know. We aren't cutting off people's access to the beach, just their vehicles. By walking you can enjoy the sounds of the beach. Blue Crest is coming in and will be renting hotel rooms while we worry about funding. If we would have had a bed tax in place supported by the Borough it would have brought in a lot of money. At the Town Hall meeting 79% of the people supported a bed tax.

Councilmember Roberts noted the Public Safety Building Review Committee has one member on hiatus and she would like to replace that person and get another voice on that committee so it is effective. It may be someone with a different opinion on the project. People are able to pay assessments for the gas line at any time of the year. She is anxious to see Dave's ordinance about the beaches. There are a lot of nuances in the recommended policies and four areas that can be driven on. When you go east on Bishop's Beach you are not supposed to be driving there, but there are a lot of people driving that direction. We need to find a workable solution. She appreciates Deb Lowney's testimony about how Parks and Recreation worked together to find a compromise for each person that testified. That's the same way our city council operates, by finding a find compromise. When you say it is your CIP list, it is really ours. We do not always get what we want.

## **ADJOURNMENT**

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 10:08 p.m. The next Regular Meeting is Monday, August 10, 2015 at 6:00 p.m.,

Committee of the Whole 5:00 p.m., and a 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.

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JO JOHNSON, MMC, CITY CLERK

Approved: \_\_\_\_\_