

Session 19-14 a Regular Meeting of the Homer City Council was called to order on May 28, 2019 by Mayor Ken Castner at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: ADERHOLD, ERICKSON, LORD, SMITH, STROOZAS, VENUTI

STAFF: CITY MANAGER KOESTER
CITY CLERK JACOBSEN
INTERIM FIRE CHIEF PURCELL
CITY PLANNER ABOUD
CITY ATTORNEY WELLS

AGENDA APPROVAL (Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

The following changes were made: PUBLIC HEARINGS Amend item b. Ordinance 19-20(S) to be a subheading under Item A, instead of a separate agenda item and renumber the remaining items as b. and c.; Ordinance 19-20(S), An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating the Police Station General Obligation Bond Proceeds in the Amount of \$4,804,047 to the Police Station Fund and Amending the 2019 Capital Budget to Appropriate \$5,285,806 from the Police Station Fund to Complete the New Homer Police Station Project and Authorizing the City Manager to Execute All Appropriate Documents Necessary to Complete the Project Within the Approved Budget. City Manager/Public Works Director. Memorandum 19-065 from City Manager as backup and Memorandum 19-066 from Project Manager as backup; ORDINANCES Ordinance 19-23, An Ordinance of the City Council of Homer, Alaska, Repealing and Reenacting Homer City Code Title 14 to be Entitled “Homer Public Utility Systems” and Homer City Code Title 17 to be Entitled “Public Assessments” to: 1) Consolidate Water and Sewer System Regulations and Rates; 2) Update Definitions and Common Terms, and 3) Create Uniformity Between Service and Assessment Practices and Repealing Homer City Code Chapters 9.08, 13.24 and 13.28 to Relocate Utility Construction Practices and Fees from Homer City Code 13.24 and Homer City Code 13.28 Into Titles 14 and 17 and Move Homer City Code 9.08 to Homer City Code 17.03 and Update Assessment Lien Enforcement Provisions to Incorporate State Law Requirements. Lord/Stroozas. Current Homer City Code Title 14 Public Services and Title 17 Improvement Districts as backup and Current Homer City Code Title 1.16 General Penalty as backup; Ordinance 19-25, An Ordinance of the City Council of Homer, Alaska Approving the Sale of Homer Public Library Lot Located at 3713 Main Street and Authorizing the City Manager to Execute the Appropriate Documents to Dispose of the Lot. Aderhold. Historical Assessed Value for the Old Library Lot as backup and Soils Investigation Report.; CITY MANAGERS REPORT AML Open Letter to the Governor and Alaska State Legislature RESOLUTIONS Resolution 19-036, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Water and Sewer Rates and Updating the Fee Schedule Accordingly. City Manager/Finance Director. Recommend Schedule for Public

Hearing on June 10, 2019. Understanding Homer's Water and Sewer Systems Diagram as backup and Water and Sewer Rate Model Presentation and Memorandum from Finance Director as backup.

LORD/VENUTI MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

Sherry Stead, city resident, commented in support of Ordinance 19-25 explaining her business is interested in purchasing the City owned property identified in the ordinance if an appraisal comes in within their price range.

Karen Marks, city resident, commented in support of Ordinance 19-25. She supports infilling and Pioneer Avenue becoming a more robust economic engine for Homer. She understands **maintaining land for the City's civic purposes but this lot may not be large enough to develop** and have adequate parking for City purposes, and would be beneficial to have on the tax rolls.

Jack Cushing, city resident, commented in support of Ordinance 19-19 noting his prior comments and concerns about negative impacts to the City of providing water outside its **boundaries. He urged business owners inside the City to watch this as it's a great start for the** City.

Mark Speakman, Kachemak City resident and Kachemak City Council member, commented on his own behalf regarding Ordinance 19-19 and about the two cities history working together on other projects in the past and encouraged the Homer to provide water to the 16 lots that front the water line on East End Road.

Robert Archibald, city resident, commented in support of Ordinance 19-19 and thanked the **City for the letter supporting Diamond Creek that is reference the City Manager's report.**

Larry Slone, city resident, commented Ordinance 19-19 sharing his thoughts that it is too restrictive and makes it extremely difficult for individuals to be able to obtain water service. He commented in support of Ordinance 19-25 and suggested including a restriction that the property only be used for commercial and business purposes.

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a 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 May 13, 2019. City Clerk. Recommend adoption.
- b. Memorandum 19-059 from Mayor Re: Appointment of Charles Barnwell to the Parks, Art, Recreation & Culture Advisory Commission and Reappointment of Franco Venuti to the Homer Advisory Planning Commission. Recommend approval.

Moved to New Business item b. Aderhold.

- c. Memorandum 19-064, Reappointment of Franco Venuti to the Kenai Peninsula Borough Planning Commission. Recommend approval.
- d. Resolution 19-033, A Resolution of the City Council of Homer, Alaska Awarding the Art Work Contracts for the New Homer Police Station Project to Rohleder Borges Architecture of Seattle, Washington, for the Sculpture, Together, Ascend In the Amount of \$26,800 and Austin Parkhill and David Pettibone of Homer, Alaska, for the Mural, Sandhill Cranes In Flight In the Amount of \$20,000 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Recommend adoption.

Memorandum 19-062 from Art Selection Committee as backup.

- e. Resolution 19-034, A Resolution of the City Council of Homer, Alaska, Establishing the Mil Rate at 4.5 for 2019. City Manager. Recommend adoption.
- f. Resolution 19-035, A Resolution of the City Council of Homer, Alaska, Establishing a 2019 Mil Rate of 9.962541 Mils for the Ocean Drive Loop Special Service District. City Manager. Recommend adoption.

Item b. moved to New Business item b. Aderhold

ADERHOLD/ERICKSON MOVED TO APPROVE THE CONSENT AGENDA AS READ

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

a. Committee of the Whole Report

Councilmember Smith reported Council discussed Ordinance 19-23 on the re-write of title 14 and 17, there will be a number of meetings to consider this ordinance. They also heard a short report from Project Manager McNary on the police station project that we are moving along nicely.

b. Worksession Report

City Manager Koester reported there was a productive discussion by Council on Ordinance 19-19. They discussed the philosophical perspective and value of providing extra-territorial services, emphasized how the ordinance applies to all extra-territorial water service in the Homer area, and addressed possible changes that would provide a process for provide extra-territorial that members could support.

d. Mayor's Report

- i. Letter from the Alaska Municipal League to the Governor and the Alaska State Legislature

e. Borough Report

Assembly member Kelly Cooper reported there will be a joint worksession with municipalities on Tuesday June 5th to discuss an ordinance proposing a 12% bed tax. In this proposal is the Borough would split the tax with municipalities and the accommodations industry would not pay a sales tax. There is a Chamber forum scheduled Monday evening to discuss the bed tax and at the joint worksession. The ordinance will be postponed as options are considered, and **it will go to voters in the fall if it passes. They aren't expecting a mil rate increase this year, she's co-sponsoring an ordinance to give the Assembly the authority to adjust the sales tax cap that's been in place since 1964.** Borough foreclosure sales are on the docket for October 26th this year **and notices have been sent to those affected. They've completed 2 days of budget** worksessions and items of note include Kenai Peninsula Tourism and Marketing Council budget allocation was zeroed out by the Mayor and the Assembly voted to bring them back to \$100,000. They also voted to fund the Kenai Peninsula Economic Development District, Small Business Development, and the college. Their FY 2019 budget looks like it will end at \$600,000 in the black. FY 2020 shows a deficit of approximately \$2.1 million, including a potential loss of State revenue of \$3 million for school bond debt reimbursement and the fisheries tax, so that could change.

f. Library Advisory Board

Mark Massion, Library Advisory Board member, reported on the **Library's** Summer Reading Program that goes through July 31st **and the schedule can be found on the Library's website.**

He thanked Alaska Public Media, Center for Alaska Coastal Studies, Homer Food Pantry, National Center for Women and Information Technology, the Friends of the Homer Library, and others who bought rocket ships for their financial support of the program. He also shared that there will be free bags of non-perishable foods for teens and kids who are in need. The bags can be picked up on Wednesdays at the Homer Library from 10:00 a.m. to 6:00 p.m. and at the Bookmobile at Karen Hornaday Park on Thursdays from 4:30 to 6:00 p.m. May 30-June 27.

g. Homer Advisory Planning Commission

h. Economic Development Advisory Commission

Karin Marks, Economic Development Advisory Commission Chair, reported on the **Commission's** work with other commissions in covering areas from the Business Retention and Expansion Survey. Most recently they presented a memo to the Planning Commission outlining the EDC's request that they consider their amendments to to the sign code for large commercial buildings with multiple business tenants that came directly from the BRE survey. **She hopes they'll get through the rest of the list, which includes zoning and permitting.** It's been good to work with other commissions on bringing forth their ideas. They are also looking at strategic goals for the Commission. She reported there is still a vacancy that can be filled by a city resident or a non-city resident.

i. Parks Art Recreation and Culture Advisory Commission

Robert Archibald, Parks Art Recreation and Culture Advisory Commissioner, reported the Commission had a worksession where they visited Jack Gist Park and Bayview Park. There is a **ballfield at Jack Gist that isn't** within regulation limits that the Softball Association is working to bring into compliance so they can hold tournaments there. There is no water or electricity out there, but **they're** working with what they have. Parks Maintenance Coordinator Steffy reported on the erosion issues on the spit related to camping areas 1 and 2. The areas were filled with dredge spoils and is tent camping only now with no vehicles allowed as they will get stuck and have to pay to be towed out. Those areas provided 20% of the camping revenue for the City, and there is the potential loss of up to 60 campsites with the development of the Large Vessel Haul Out near Pier One. There are volunteer Camp Hosts this year at the Fishing Hole area and Karen Hornaday Park and he thanked the Girl Scouts and Deb Lowney for organizing the work on the Karen Hornaday Park trail. The Commission considered proposals for the rehabilitations to the Poopdeck Trail and ADA accessible parking, and thanked Student Representative Avram Salzmann for his service to the Commission. They have an opening for a Student Representative now.

In response to a question regarding the Disc Golf area at Jack Gist Park, Mr. Archibald said they **didn't walk the entire course but explained** some of the course has been rearranged and **they've limited hours in hopes of creating less of a nuisance for neighboring properties.**

j. Port and Harbor Advisory Commission

Bob Hartley, Port and Harbor Advisory Commissioner, reported it's busy at the harbor. It's full with 229 vessels on the stall waiting list. At their last meeting the Commission primarily worked on tariff changes for smaller vessels, 36-50 feet in length, that are using barge ramp. This is the same facility larger vessels use and pay a tariff for, so in fairness the smaller vessels should have one as well, as they use the facility as much as four or five times a day. They are working toward an option that will work for these vessels. If there is any question on the need for a **large vessel harbor, just go look at the harbor now. It's jammed full and we accommodate what we can, and if we had a facility for them we'd probably have more here. They have also** discussed the seriousness of the erosion issue on the spit. There was a tremendous amount of damage this spring to the point where buildings are involved. The Commission urges Council to give all the support they can to secure a large vessel harbor here and to continue work with key entities to address the erosion issue on the spit.

k. Americans with Disabilities Act Compliance Committee

PUBLIC HEARING(S)

- a. Ordinance 19-20, An Ordinance of the City Council of Homer, Alaska, Amending the 2019 Capital Budget to Appropriate Funds in the Amount of \$5,328,306 from the Police Station Project Account for Completion of the New Homer Police Station Project. City Manager/Public Works Director. Introduction May 13, 2019, Public Hearing and Second Reading May 28, 2019

Memorandum 19-050 from Public Works Director as backup

Ordinance 19-20(S), An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating the Police Station General Obligation Bond Proceeds in the Amount of \$4,804,047 to the Police Station Fund and Amending the 2019 Capital Budget to Appropriate \$5,285,806 from the Police Station Fund to Complete the New Homer Police Station Project and Authorizing the City Manager to Execute All Appropriate Documents Necessary to Complete the Project Within the Approved Budget. City Manager/Public Works Director.

Mayor Castner opened the public hearing. There were no comments and the hearing was closed.

VENUTI/ADERHOLD MOVED TO ADOPT ORDINANCE 19-20 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

LORD/ADERHOLD MOVED TO SUBSTITUTE ORDINANCE 19-20(S) FOR 19-20.

There was no discussion on the motion to substitute.

VOTE (substitute): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no discussion on Ordinance 19-20(S)

VOTE (main motion): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 19-21, An Ordinance of the City Council of Homer, Alaska, Amending the 2019 Operating Budget to Appropriate Funds in the Amount of \$104,000 from General Fund Fund Balance as a Mid-Year Budget Adjustment to Fund Additional Fire Department Personnel. Mayor. Introduction May 13, 2019, Public Hearing and Second Reading May 28, 2019

Mayor Castner opened the public hearing.

Larry Slone, city resident, commented this is a lot of money for six months and this adds two **positions to the city rolls, so we'll be paying the full salary** and benefits for the positions. He **understood that there was a need to hire staff for training, but this isn't for training positions,** both are for EMS positions.

There were no further comments and the hearing was closed.

ADERHOLD/VENUTI MOVED TO ADOPT ORDINANCE 19-21.

Councilmember Stroozas said he checked with his insurance agency, a fairly large national **corporation, and ISO ratings don't have any correlation to what they use for premium** evaluations. His agency bases their premiums on how many premiums are paid in the community, both for residential and commercial establishments they insure.

Councilmember Lord commented she understood the request from Chief Purcell as the need for high level leadership at the department, and this ordinance addresses that need. She sees anyone in the position providing periodic training as well as ongoing day to day training through oversight and leadership. She will support the ordinance as presented but shared concern with pulling from the general fund balance. She looks forward to discussing this and general fund policies as we move into budget.

Councilmember Smith shared his support with being fully staffed at the department but **doesn't think there is** a very good baseline to judge how the station could be run with proper leadership. He supports funding one position and wants to see what the new leadership is capable of before expanding further. **He doesn't see an emergency with the ISO rating at this**

time, and appreciated the interim Chief's morale concerns that he raised. He's excited to have the new Chief come in and find himself a good Assistant Chief.

SMITH/STROOZAS MOVED TO REDUCE THE APPROPRIATION TO \$43,100 AND REMOVE ANY REFERENCE TO AN EMS ASSISTANT CHIEF AND JUST FUND THE ESS POSITION.

Councilmember Lord asked if Chief Purcell could come up and speak to this. There was no objection.

Interim Chief Purcell explained he made those recommendations based on a very in-depth analysis of the Fire Department and he stands by the recommendations. He feels this is a key time to start moving the department in a positive direction and it will take these positions to address the two key functional areas, the first being ESS. The ESS position is designed to complete the 24 hour coverage for the best possible EMS response without going to a career department with full time crews, and to give support to the volunteers. The other area is subject matter expertise training and operational supervision. He does not believe its feasible today for one Assistant Chief to address these two fields. The issue of leadership is being strengthened with the selection of the new Fire Chief, but there is leadership and there is **capacity. The department is lacking capacity in the EMS side or the fire side, but it's not functional to have one assistant chief who's trying to do two peoples jobs in two discrete areas of service.** He reiterated that he stands by his recommendations, it was the most conservative approach he could take and get buy in from the City Manager. His strategy was to bring Council the minimum necessary to support the organization moving forward. He doesn't believe "wait and see" works given the capacity needed to meet the workload.

Councilmembers Lord, Aderhold, and Venuti commented they are in support of the Chief's recommendations and would not be supporting the amendment.

Councilmember Smith understands the Chief's argument but he struggles with not knowing the capacity when comparing the leadership we've had in the past and the potential with the new Chief. It may redefine the scope under which they hire an assistant chief, and what they are capable of doing before increasing the capacity.

VOTE (amendment): YES: SMITH, STROOZAS
NO: VENUTI, ADERHOLD, LORD, ERICKSON,

Motion failed.

Councilmember Erickson commented she understands Councilmember Smith's concerns and he raises a good point, but she recognizes the need to have the paid staff available to respond and work with the volunteers.

STROOZAS/ERICKSON MOVED TO AMEND LINE 18 TO READ THE ISO RATING MAY HAVE A DIRECT CORRELATION.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Smith reiterated his concerns about adding two positions in addition to the Assistant Chief, prior to bringing on the new Fire Chief and seeing what their capacity is first.

Mayor Castner noted that he was unable to find another funding source other than the fund balance. **Hopefully we'll reconfigure how we identify funds to have a common fund for things like this.**

VOTE (main motion): YES: ADERHOLD, LORD, VENUTI, STROOZAS, SMITH, ERICKSON

Motion carried.

- c. Ordinance 19-22, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.05.030(b) to Change How Building Height is Measured within Areas of Special Flood Hazard. Smith/Erickson. Introduction May 13, 2019, Public Hearing and Second Reading May 28, 2019

Memorandum 19-053 from City Planner as backup

Mayor Castner opened the public hearing. There were no comments and the hearing was closed.

ERICKSON/VENUTI MOVED TO ADOPT ORDINANCE 19-22 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

CITY MANAGER'S REPORT

- a. City Manager's Report

City Manager shared some additions to her written report. She thanked Assembly member Cooper for announcing the Kenai Peninsula Borough joint worksession on Tuesday June 4th. **She doesn't have** an agenda but will be in touch once things are finalized. She reported there were two mandatory walk throughs scheduled with the HERC building RFP. Staff waited for

twenty minutes each time and no one showed up. She will be issuing an addendum that walk-throughs can be scheduled and staff will accommodate schedules as they can. She announced today is the last day to get steps in for the Homer Steps Up Challenge, and there will be an end of challenge party at the Farmers Market from 2:00 to 3:00 p.m.; there will be a worksession for training on the agenda management software and electronic packets on June 24th.; and she will confirm dates for a Pioneer Avenue Project open house.

In response to a questions, City Manager Koester commented regarding online sales tax and **explained the Borough has mentioned they won't be able to portion out the online revenue from the in person sales revenue. It can be looked at by industry, but not by point of sale. It's** a challenge because people want to know.

Regarding spit erosion she explained there are multiple things going on now addressing erosion that will require action by either the Council, DOT, or the Corps, **and she isn't sure how** they will all intersect at this time. Council action will have the ability bring the public and stakeholders together. For a long term solution we envision something as engaged in public as an update to the Spit Comprehensive Plan because we need to be talking about what the Spit looks like in 30 years, whether we rip-rapping **the entire side of the Spit, if we're** displacing City and private property when that happens, and the pros and cons of that.

In moving into the budget conversation she will prioritize addressing the fund balance policies and getting a handle on depreciation schedule as she and the Mayor work on the budget.

- b. Bid Report – Informational Only

ORDINANCE(S)

- a. Ordinance 19-23, An Ordinance of the City Council of Homer, Alaska, Repealing and **Reenacting Homer City Code Title 14 to be Entitled “Homer Public Utility Systems” and Homer City Code Title 17 to be Entitled “Public Assessments” to: 1) Consolidate Water and Sewer System Regulations and Rates; 2) Update Definitions and Common Terms, and 3) Create Uniformity Between Service and Assessment Practices and Repealing Homer City Code Chapters 9.08, 13.24 and 13.28 to Relocate Utility Construction Practices and Fees from Homer City Code 13.24 and Homer City Code 13.28 Into Titles 14 and 17 and Move Homer City Code 9.08 to Homer City Code 17.03 and Update Assessment Lien Enforcement Provisions to Incorporate State Law Requirements.** Lord/Stroozas. Recommended dates: Introduction May 28, 2019, Worksession June 10, 2019. Public Hearing June 10, 2019, Public Hearing and Second Reading June 24, 2019.

Memorandum 19-058 from Councilmembers Lord and Stroozas as backup

Memorandum 19-063 from City Attorney as backup

LORD/VENUTI MOVED TO INTRODUCE ORDINANCE 19-23 BY READING OF TITLE ONLY.

There was brief discussion they may need to have additional public hearing and extend the second reading date and addressing ways to bring forward amendments.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 19-24, An Ordinance of the City Council of Homer, Alaska, Amending the 2019 Capital Budget by Authorizing the Expenditure of an Additional \$16,100 from the Police Fleet Reserves for the Outfitting of Two New Police Vehicles and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommended dates: Introduction May 28, 2019, Public Hearing and Second Reading June 10, 2019.

Memorandum 19-061 from Police Chief as backup

LORD/VENUTI MOVED TO INTRODUCE ORDINANCE 19-24 BY READING OF TITLE ONLY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Ordinance 19-25, An Ordinance of the City Council of Homer, Alaska Approving the Sale of Homer Public Library Lot Located at 3713 Main Street and Authorizing the City Manager to Execute the Appropriate Documents to Dispose of the Lot. Aderhold. Recommended dates: Introduction May 28, 2019, Public Hearing and Second Reading June 10, 2019.

VENUTI/ADERHOLD MOVED TO INTRODUCE ORDINANCE 19-25 BY READING OF TITLE ONLY.

Councilmember Smith commented he **doesn't support selling the property**. He spoke to Angie Newby, the **city's contracted Real Estate Broker**, who explained the **City had two prime properties**, the one where the police station is being built and this lot. It has utilities and central access and so has some potential future use for the **City**. **He's not interested** in moving it at this time and certainly not at a reduced rate.

Councilmember Lord generally isn't interested in liquidating publicly owned City property and agrees there isn't a need to sell for anything less than fair market value. She questions if this lot would meet the space needs for a city facility and accommodate parking **because it's a fairly**

small lot in that regard. She supports an appraisal to find out what the fair market value is, and then moving forward from there.

Councilmember Stroozas concurred with having an appraisal done and having more discussion after that. This evening Grace Ridge Brewery shared their interest in purchasing the lot and it would be a good addition to Pioneer Avenue, but not at a fire sale price.

Councilmember Erickson also agreed with the idea of having the appraisal and more discussion. She questioned if there is a need to put this out for an RFP. City Attorney Wells confirmed there are provisions that govern procurement and appropriate steps, and she **believes those steps have been followed by the City in this case. If not, we'll need to go back to that process.**

Mayor Castner commented the knoll on this lot is the high point on what he would call the City bench. As we look to the future as a smart city evolves you get into line of sight communication with antennas. He thinks it would be best to leave the highest knoll as is because there will be an immediate demand for additional antenna coverage for downtown Homer as we move into a smart city. He thinks we should wait and see what evolves before the knoll gets knocked down.

Councilmember Venuti **doesn't agree with having a tower on the lot if that's what the Mayor** was indicating. She supports selling the property and thinks development would instill a vibrancy to our downtown, which is needed. It would say we have a vision and faith we are growing as a community. If it were to be the brewery it would be good to see a year round local business expand.

Councilmember Smith noted in his discussion with Angie Newby there is no shortage of **commercial land available for development, and this lot isn't pigeon holed as their only choice.** There are lots on the newly developed Greatland Street and some on Main Street.

Further discussion ensued regarding the perplexity of prior conversations geared somewhat strongly toward selling the HERC site, which is a large valuable lot at the entrance to town, and **that it's important to get parcels on the tax rolls**, and the reasoning that this parcel is so valuable **that it shouldn't be pushed** into the private sector. It was pointed out that the HERC property was relegated to a Task Force for consideration and recommendation. This is a specific action on a specific lot. Additional comments suggested that the putting this back on **the tax rolls wouldn't generate much revenue.** They also discussed challenges and cost of leveling the lot.

Question was raised as to the justifying reason to need to hang on to this property. It was **suggested it's a timing issue and it's important to keep options open**, particularly related to

the status of the HERC and what needs might be after completion of the RFP process, and other transitions with moving the Police Department and Fire Department needs.

VOTE: YES: LORD, ADERHOLD, VENUTI
NO: ERICKSON, STROOZAS, SMITH

Mayor Caster voted yes to break the tie and allow it to go to public hearing.

Motion passed.

PENDING BUSINESS

- a. Ordinance 19-19, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 14.08, “Water Rules and Regulations” to add HCC 14.08.015, “Water Service Area” and Prohibiting the City from Providing Water Service Outside the City of Homer Unless Authorized by Ordinance or Required by Law and Requiring the Adoption of Extraterritorial Public Utility Agreements by Resolution. Aderhold. Introduction April 22, 2019, Postponed to May 28, 2019.

Mayor Castner announced the motion on the floor from April 22, 2019 as follows:

ADERHOLD/VENUTI MOVED TO INTRODUCE ORDINANCE 19-19 BY READING OF TITLE ONLY.

Councilmember Aderhold thanked Council for the good discussion at the worksession. If the Council votes to introduce she’ll bring back a substitute that address issues they discuss and bring back a schedule for review by Planning , Port and Harbor, and Economic Development Commissions for evaluation.

VOTE: YES: ERICKSON, VENUTI, LORD, STROOZAS, ADERHOLD, SMITH

Motion carried.

ADERHOLD/STROOZAS MOVED TO COME BACK AT THE JUNE 10TH MEETING FOR A PUBLIC HEARING AND SECOND READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

- a. Memorandum 19-060 from City Clerk Re: Correcting appointment term in Memorandum 19-049

ADERHOLD/VENUTI MOVED TO APPROVE THE CORRECTED TERM FOR EDC COMMISSIONER DEBORAH BROWN TO EXPIRE APRIL 1, 2022.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Memorandum 19-059 from Mayor Re: Appointment of Charles Barnwell to the Parks, Art, Recreation & Culture Advisory Commission and Reappointment of Franco Venuti to the Homer Advisory Planning Commission.

ADERHOLD/LORD MOVED TO APPROVE THE RECOMMENDATION OF MEMORANDUM 19-059.

ADERHOLD/LORD MOVED TO AMEND THE MEMORANDUM TO REMOVE THE RE-APPOINTMENT OF FRANCO VENUTI TO THE PLANNING COMMISSION.

Councilmember Aderhold referenced a note from the Clerk that **Mr. Venuti's re-appointment can be submitted again after his application is filed with the City Clerk's Office.**

There was brief discussion with the Clerk that Mr. Venuti submitted his request for re-appointment to the Borough Planning Commission, which was approved on the consent **agenda, but the Clerk's office has not requested or received his re- appointment request to the City's Planning Commission. Once it's received and approved a new memo will come back to Council for confirmation.**

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no further discussion on the main motion as amended.

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

Motion carried.

Mayor Castner called for a recess at 8:05 p.m. and the meeting resumed at 8:15 p.m.

RESOLUTIONS

- a. Resolution 19-036, A Resolution of the City Council of Homer, Alaska, Amending the City of Homer Water and Sewer Rates and Updating the Fee Schedule Accordingly. City Manager/Finance Director. Recommend Schedule for Public Hearing on June 10, 2019.

LORD/VENUTI MOVED TO ADOPT RESOLUTION 19-036 BY READING OF TITLE ONLY.

Councilmember Stroozas pointed out that the utility fund only lost \$9,800 for the year and this **amendment raises the rates ten cents per 100 gallons of water. He doesn't agree there is a need to raise water rates this year.**

Councilmember Lord asked Mayor Castner for his input as he was a member of the Committee that established the water/sewer rate model. She appreciates the model that they have inputs to, that has assumptions, and has been vetted by the community in a thorough way that we **base our rates setting with. She isn't comfortable amending the outputs from the model as it works by incrementally tweaking the water rates both up and down over time.**

Mayor Castner in looking at how the model is working, we're collecting more than we're spending. The model doesn't have a reserve/replacement component, but the Council has adopted one which takes a varying amount of money and puts it in reserves. The model was created to self-right and his inkling is not to go into doing a big change because he thinks it will self-right. But there is still the discussion about how we fund replacement and depreciation and how the dollars we bring in support replacement and maintenance.

Councilmember Aderhold shared her understanding that a decision made that this is a fund that is going to pay for itself. The water and sewer funds stay within the fund, **don't go** into the general fund.

City Manager Koester referenced the supplemental packet information that shows revenue versus operating expenditures. Page 108 excludes transfers to reserves to show the operation health of the fund, page 107 includes the budgeted transfer to reserves. She explained how they ran the model and established 15% transfer to reserves, and that there is a reserve component of maintaining water and sewer infrastructure that include things like vehicles, manhole covers, cleaning components for the sewer station, and so on. The numbers presented here are 2018 usage, with a 2019 budget and a 15% transfer to reserves using the exact same model. Last year it went down in sewer and up in water, 2018 usage was down which is likely why the model adjusted to an increase in both water and sewer. She appreciates the value of the model and maintaining the **integrity of the model so she's not guessing** each year, and emphasizes the need for some allocation to reserves.

In response to a query of how much is in the reserve and what the goal is, City Manager Koester explained the reserve has \$4.7 million for the water and sewer fund. We have a \$10 million water plant, a 30 year old sewer treatment plant, and 50 miles of pipe that are maintained

through the fund. **It's about \$330,000 in average expenditures from the fund, with some things not taken care of that probably should be.**

There was further discussion on both sides as to whether there is a need to adjust the rates this year.

ADERHOLD/VENUTI MOVED TO POSTPONE TO A PUBLIC HEARING ON JUNE 10TH.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Lord requested more information regarding the monthly billing analysis information on page 115 of the supplemental packet.

- b. Resolution 19-037, A Resolution of the City Council of Homer, Alaska, Requesting the City Manager Issue a Request for Proposals for Real Estate Broker Services. Erickson.

ERICKSON/VENUTI MOVED TO ADOPT RESOLUTION 19-037 BY READING OF TITLE ONLY.

There was discussion that **while there isn't a lot of city owned** property to dispose of currently, it could be beneficial to continue to have Real Estate Broker services available for the City if **needed. It was also suggested that it's helpful to put this out for RFP again to get an idea if** others are interested in providing this service.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Resolution 19-038, A Resolution of the City Council of Homer, Alaska, Requesting the City Manager Issue a Request for Proposals for General Counsel Legal Services for the City of Homer. Mayor.

STROOZAS/VENUTI MOVED TO ADOPT RESOLUTION 19-038 BY READING OF TITLE ONLY.

Councilmember Stroozas commented it's in the best interest of the City to routinely re-issue and RFP for professional services to ensure they are getting the best rates for the city.

There was brief discussion that the RFP would be similar to the last one that was advertised.

Councilmember Smith said he doesn't want the RFP to be too limiting in a sense that would disqualify some people off-hand because of certain criteria that may not favor one type of firm over another.

Councilmember Aderhold understands the need to re-evaluate to ensure the city is getting the best services they can but she has concern that there is a lot of outstanding litigation and things in the works so it gives her pause in thinking about how they would move forward with and what it would end up costing the City.

There were further comments supporting the notion that it's beneficial to re-evaluate to ensure the City is getting the best service.

VOTE: YES: SMITH, LORD, VENUTI, STROOZAS, ADERHOLD, ERICKSON

Motion carried.

COMMENTS OF THE AUDIENCE

Josh Garvey, city resident, encouraged Council to oppose the bed tax, and not to support the water and sewer rate increase.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells commented **she'll be attending the AML internet sales tax meeting on June 6th**, along with the City Manager and can report back to Council.

COMMENTS OF THE CITY CLERK

City Clerk Jacobsen had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Koester had no comments.

COMMENTS OF THE MAYOR

Mayor Castner commented he will be meeting with the City Manager and others to discuss 5G. **He's been reading a lot about smart cities and discovered we're way behind the curve and 5G is happening now across the US and the world. The FCC has taken a stance that 5G will be a national policy and determined what Homer can do, what we can charge, and what we can't say no to. Several Mayors have sued over the ruling and it's in the court of appeals now. We need to get ahead of this, understand what it means, and how the technology will be applied. He's looking forward to working on the next phases developing our new budget process, hopefully we can bring more light to these funds and fund balances.**

COMMENTS OF THE CITY COUNCIL

Councilmember Erickson commented the Navy was supposed to be here Saturday but ended up not coming, but they had a group of Veterans who did the fish fry for the town for donations, she believes for Hospice. It was great to see everyone out there. Memorial Day weekend was

busy with two cruise ships and one of the best quotes was from a visitor who had just been to Japan, who said this place is way prettier.

Councilmember Lord commented her family is really excited for summer and the library Summer Reading program. The Book Mobile was at Paul Banks for the last day of school and **the new art by Rachel Tussey that's on it is really cool. They watched the High School soccer regionals, it was great fun, and she said awesome job to all the students and thank you for playing because it's such a great community thing to experience. The Pony Club did horse rides at the Horse Park and they'll be doing a beginners riding clinic for ages 6-14.** It was fun to go to the ceremonial ground breaking for the police station, it was great to see the police force there and **she's excited for the new station.**

Councilmember Smith said it was a rare treat to see Chief Robl in his uniform. He wished the Lady Mariners the best of luck at the State tournament. He thanked Josh for coming tonight. **Something they didn't discuss is the new hotel with 30 rooms and those gallons of water will add up quickly. Something else that hasn't been addressed is that we have a water service area that's approved by the Regulatory Commission of Alaska. In 1994 it was amended to include the HEA lot that's in Kachemak City so we are compelled to honor that, so when we have members throwing around the fear factor about mega stores and potential impacts, the prime lot in Kachemak City has city water and sewer. As far as deterrent in order for us to consider what we should or shouldn't do, it's already there. Our nation is having a heated discussion about the value boundaries and he doesn't know how that plays in our town, but the friendly neighbor thing is worth some thought. He has a great deal of appreciation for those who serve and protect what this country stands for is humbling. He appreciated the opportunity to visit the USS Roosevelt, it's an experience he'll never forget.**

Councilmember Venuti attended the Memorial Day service at Hickerson Memorial Cemetery. The flags were beautiful and a 5 piece Navy band was there and did a beautiful rendition of the Star Spangled Banner. She thought about all the volunteers from the American Legion, Elks, Veterans of the Foreign Wars, and the Emblem Club. The Veterans were holding the flags steady despite the winds that day. Our freedoms should never be taken lightly. She encouraged **everyone listening, don't drive distracted, and put your phones down. You can really tell drivers who are looking down and distracted. She's read it's the number one cause of accidents now. Keep your mind on the road, she'd hate to see someone hurt in one of the intersections.**

Councilmember Aderhold commented this was a great meeting, she appreciated digging into the issues tonight and the good discussion. She thanked the people who testify in person or by **email, it's important for decision making. Pier One theater has started and she's amazed by quality of actors in community. She encourage people to get out and see at least one of the shows.**

Councilmember Stroozas commented that the Homer Chamber of Commerce Jackpot Halibut Derby is underway and someone has already caught a tagged fish, so remember to get your derby ticket before going out. He was proud to be a visitor on the USS Roosevelt, it was an awesome experience. The Alaska State Elks Association hosts a youth camp every summer for two weeks at their camp in Palmer. It's free and includes transportation for youths 8-12 year olds. Girl's week is the last week in July and **boy's** week is the first week in August. Applications are due next week and people can call him or contact the Elks lodge for more information. It free, complements of all the Elks in Alaska, and remember Elks care and Elks share.

ADJOURN

There being no further business to come before the Council, Mayor Castner adjourned the meeting at 9:06 p.m. The next Regular Meeting is June 10, 2019 at 6:00 p.m., Worksession at 4:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Melissa Jacobsen, MMC, City Clerk

Approved: _____