

Session 19-22 a Regular Meeting of the Homer City Council was called to order on August 12, 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  
PORT DIRECTOR HAWKINS  
FIRE CHIEF KIRKO

**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: **Consent Agenda** Ordinance 19-38, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2019 Operating and Capital Budgets to Provide for Necessary Mid-Year Adjustments by Appropriating and Transferring funds from the General and Water Sewer Funds. City Manager/Finance Director. Memorandum 19-099 from Finance Director and Mid-Year Department Requests as backup. **Ordinances** Ordinance 19-37, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 2.08, Section 2.08.040(h) Quorum-Voting to Require the Mayor to Vote in the Case of a Tie. Lord. Memorandum 19-096 from City Manager as backup. **Pending Business** Ordinance 19-32(S), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.72 Advisory Planning Commission; Homer City Code 11.12.010 Street Address Assignment Plan Adopted; Homer City Code 21.03.040 Definitions Used in Zoning; and Homer City Code 22.10.040 Applicable and Exempted Subdivisions to Change the Name of the Advisory Planning Commission to the Planning Commission Throughout. Mayor. Memorandum 19-100 from Deputy City Clerk as backup. **New Business** Memorandum 19-098 from City Clerk Re: Request for Homer City Council to Veto Kenai Peninsula Borough Approval of the vacation of a 10 ft. wide drainage easement on Lot 24-A, AA Mattox Peggi's Addition (Plat HM 99-64); within Section 17, Township 6 South, Range 13 West, Seward Meridian, Alaska, within the Kenai Peninsula Borough KPB File 2019-048V. Follow up information from City Attorney.

VENUTI/LORD MOVED TO ADOPT 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**

Roberta Highland, city resident, commented in support of Ordinance 19-37 and the Mayor voting in the case of a tie.

### **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 July 22, 2019. City Clerk. Recommend adoption.
- b. Ordinance 19-36, An Ordinance of the City Council of Homer, Alaska, Authoring the Expenditure of \$1,500 from the HART Funds for Work on the Woodard Creek and Fairview Trail within Karen Hornaday Park. Venuti. Recommended dates: Introduction August 12, 2019, Public Hearing and Second Reading August 26, 2019.

Memorandum 19-095 from Parks Art Recreation & Culture Advisory Commission as backup.

- c. Ordinance 19-38, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2019 Operating and Capital Budgets to Provide for Necessary Mid-Year Adjustments by Appropriating and Transferring funds from the General and Water Sewer Funds. City Manager/Finance Director. Recommended dates: Introduction August 12, 2019, Public Hearing and Second Reading August 26, 2019.
- d. Resolution 19-050, A Resolution of the City Council of Homer, Alaska, Reaffirming the City of Homer's Status as an Official Purple Heart City and Recognizing August 7th as Purple Heart Medal Day. Stroozas/Smith. Recommend adoption.
- e. Resolution 19-051, A Resolution of the City Council of Homer, Alaska, Amending the City Council Operating Manual to add a Task Force Section to Provide a Framework for Efficient Operation and Effective Use of Task Force Time and Effort. Lord/Erickson. Recommend adoption.

Mayor Castner asked for a motion to adopt the recommendations of the consent agenda as read.

ERICKSON/VENUTI SO MOVED

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 budget priorities for 2020 and 2021. The City Manager presented building maintenance needs, reserve requests, deferred maintenance, and fleet replacement breakdowns. They also discussed the biennial budget and what it will look like as they explore the budget “buckets”.

b. Worksession Report

City Manager Koester reported Council had a productive worksession on revisions to Title 14, water and sewer code, and Title 17, special assessment district code. They made progress by moving through four specific questions and she noted for the public that there is an extended worksession on September 16<sup>th</sup> at 3:00 p.m. If there are specific concerns regarding HAWSP process, or reopening HAWSP for special assessment districts please make time to attend.

c. Special Meeting Report

Councilmember Smith reported Council met in executive session and gave direction to the City Attorney regarding Kadel vs. City of Homer.

d. Mayor's Report

i. North Pacific Fishery Management Council Update

Mayor Castner comment about the North Pacific Fisheries Management Council letter in the packet regarding their upcoming meetings in Homer. It will be an honor to have them here and it will be great to have another offseason event that will inject capital into the town.

e. Borough Report

f. Library Advisory Board

Kate Finn, Board member, highlighted the summer events at the library. She reported the Board met in August after two months off. They agreed to revise the library gift acceptance policy to clarify and address a wider range of potential giving options and they'll have a special worksession to discuss it further soon. Library Director Berry presented a strategic plan for 2020-2025 with four main priorities that include improving the efficiency of the library by harnessing technology and streamlining procedures, expand capacity to serve as a community

hub, promote lifelong learning, and provide access to materials in a wide range of formats. The Boards bylaws include a member's monthly participation at the Friends of the Homer Library and there was discussion of removing that as the Friends requested they attend only as needed. The Board discussed having a potluck with the Friends once a year to improve relations and forge personal ties as both groups work toward the betterment of the Homer Public Library, and their first gathering will be in October. The Board has discussed changing the library card renewal policy from annual to every two years and they request a sponsor to bring that resolution forward on August 26<sup>th</sup>. She reminded Council and listeners that the board meets on the first Tuesday of the month at 5:30 p.m. and everyone is welcomed to attend.

g. Homer Advisory Planning Commission

Roberta Highland, Commissioner, reported at their last meeting the Commission had one plat consideration, they've been working on East End Mixed Use ordinance that would allow building heights of 75 feet with a conditional use permit, drafting an ordinance to allow manufacturing as an outright permitted use in GC1 and GC2 zoning districts. The Commission will be forwarding a memo requesting and extension on the final review of amending water rules to allow water service outside City limits. They've had lengthy discussion and would like more time with it before making final recommendation. The Commission is drafting ordinance language to allow outright boat sales, service, repair, rental, and storage.

h. Economic Development Advisory Commission

i. Parks Art Recreation and Culture Advisory Commission

Robert Archibald, Commissioner, reported at their last meeting the Commission was presented with a Klondike Alley project consideration and will discuss it further at their next meeting. Karin Marks, Chair of the Economic Development Advisory Commission reported to PARCAC on Wayfinding and Streetscapes and it was very interesting. The City's Transportation Plan is due to be updated and they look forward to working with other Commission on Wayfinding and Streetscapes. Deputy City Planner Engebretsen briefed the Commission on the Seafarer Memorial Parking Project and Spit erosion nourishment approach and Parks Maintenance Coordinator Steffy reported about ongoing projects staff is working on. There is collaboration ongoing with user groups for improvements at Jack Gist Park to make field 2 a regulation field by raising the fence. The Commission forwarded a request for \$1500 for trail improvement at Karen Hornaday Park, and that was introduced tonight on the consent agenda. Their CIP recommendations to Council include Main Street sidewalks and Bayview Park. The welcomed new Commissioner Barnwell and there is a seat open for a Student Representative.

j. Port and Harbor Advisory Commission

- i. Memorandum from City Clerk Re: Request for Sponsor for Legislation Submitted by Port & Harbor Advisory Commission.

Mike Stockburger, Commissioner, reported the Commission has been discussing proposed tariff changes to the Port of Homer Tariff to better capture the use of at the barge ramp facility by small vessels and find a consistent approach towards managing an equitable rate for the use. He explained some of the small vessel owner concerns that it's difficult to track multiple landings with varied amounts of cargo for multiple customers. The Commission identified and proposed solutions that set a wharfage per landing for vessels under 50 feet, an annual barge ramp pass for these vessels and a priority use grating to vessels over 50 feet, and allow commercial landing at the Load and Launch ramp on off peak hours. Mr. Stockburger also touched on the importance of the engineering services for Deep Water Dock contingency planning that is scheduled as a public hearing item on this agenda.

- k. Americans with Disabilities Act Compliance Committee

Councilmember Aderhold reported the Committee will meet Thursday to discuss projects for the Capital Improvement Plan.

- l. Employee Committee

- i. Memorandum from Employee Committee Re: COLA Request

Deputy City Planner Julie Engebretsen and Library Technician II David Bernard, Chair and Vice Chair of the Employee Committee thanked Council for approving the healthcare plan outside of the normal budgeting cycle, it will be a big savings this year and should allow more time for negotiations in the future to make sure we get the best plan for the least amount of money for the City and reported that the Employee Committee recommends a COLA of 3% for FY 2020. The method of determination is simple. Inflation for Urban Alaska in 2018, according to the Consumer Price Index, was 3%; we ask that the FY 2020 budget also include a 3% COLA. If the City adopts a two-year budget cycle, a FY 2021 COLA should also be included, consistent with observed inflation in 2019.

## **PUBLIC HEARING(S)**

- a. Ordinance 19-33, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds in the amount of \$10,000 from the Port and Harbor Reserves Fund for Engineering Services for Deep Water Dock Contingency Planning. City Manager/Port Director. Introduction July 22, 2019, Public Hearing and Second Reading August 12, 2019.

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

VENUTI/ADERHOLD MOVED TO ADOPT ORDINANCE 19-33 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was brief discussion in support of the ordinance.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- b. Ordinance 19-34, An Ordinance of the City Council of Homer, Alaska, Amending the Capital Budget and Authorizing Pass Through Funds for the Alaska Department of Transportation (ADOT) Lake Street Project. City Manager/Public Works Director. Introduction July 22, 2019, Public Hearing and Second Reading August 12, 2019.

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

LORD/ADERHOLD MOVED TO ADOPT ORDINANCE 19-34 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There were brief comments in support of the ordinance.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- c. Ordinance 19-35, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 3.05, Budget to Institute a Biennial Budget; Repealing Homer City Code 3.05.040, Equipment Replacement Reserve, Homer City Code 3.05.042, Alternative Funding For Depreciation, And Homer City Code 3.05.043, Health Insurance Reserve Fund; Amending Homer City Code 3.05.045, Balanced Budget Requirements; and Enacting Homer City Code 3.05.046, Emergency Operations Fund; 3.05.047, Capital Asset Repair And Maintenance Account; 3.05.048, Capital Improvement Fund; 3.05.049, General Fund - Fund Balance; And 3.05.050, Prioritization of Funding. Mayor. Introduction July 22, 2019, Public Hearing and Second Reading August 12, 2019.

Ordinance 19-35(S), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 3.05, Budget to Institute a Biennial Budget; Repealing Homer City Code 3.05.040, Equipment Replacement Reserve, Homer City Code 3.05.042, Alternative Funding For Depreciation, And Homer City Code 3.05.043, Health Insurance Reserve Fund; Amending Homer City Code 3.05.045, Balanced Budget Requirements; and Enacting Homer City Code 3.05.046, Emergency Operations Fund; 3.05.047, Capital Asset Repair And Maintenance Account; 3.05.048, Capital Improvement Fund;

3.05.049, General Fund - Fund Balance; And 3.05.050, Prioritization of Funding. Mayor.

Policy Discussion Points from Mayor  
Memorandum 19-097 from City Manager as backup

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

ERICKSON/ADERHOLD MOVED TO ADOPT ORDINANCE 19-35 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

ERICKSON/ADERHOLD MOVED TO SUBSTITUTE ORDINANCE 19-35(S) FOR 19-35

There was no discussion on the motion to substitute.

VOTE (substitute): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Aderhold questioned the repeal of the health insurance fund, City Manager Koester responded if the fund is repealed it would not be used as a mechanism to buffer against increased in the operating budget for health insurance, it would be used as a cost center a cost center for payments per employee contribution, at the end of every year any surplus or deficits would laps back to the general fund. It wouldn't be used as a buffer against increasing health insurance costs, without a policy direction from Council.

Councilmember Lord commented this ordinance raises two issues that should be addressed separately. They could have moved forward with approving the biennial budget and for the next budget cycle created a new system of how we utilize funds, developing well thought out and articulated policies. She questioned the need for line 272 that reads unassigned fund balance shall be available for appropriation by City Council, as all dollars run though the city are available for appropriation by City Council. Mayor Castner commented it's simply a statement and commented regarding funds available for Council to use at their discretion. City Manager Koester added it boils down to a policy and philosophy on spending money with a clear picture of assets versus liabilities, which the Mayor is trying to streamline through this process.

There was continued general discussion of addressing policies and priorities related to funds and spending. Concerns were expressed regarding potentially over spending with the proposed Capital Asset Repair and Maintenance or CARMA Fund and consider the pros and cons of that approach.

ADERHOLD/VENUTI MOVED TO AMEND TO STRIKE LINE 205 AND 206 SECTION 2. HOMER CITY

CODE 3.05.017, MINIMUM ANNUAL TRANSFER FOR HOMER ACCELERATED ROADS AND TRAILS CAPITAL ACCOUNTS IS REPEALED.

There was discussion that Council established a minimum amount to go toward new road and trail projects. Removing the minimum amount that remains in the HART fund opens the ability for the general fund to absorb what it needs to cover roads and trail maintenance. This is what the voters agreed to when it went to the ballot and repealing isn't an option.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was discussion regarding the fund balance and consideration of four versus six months of revenue restricted for emergencies. The risk factors are relatively low outside of a natural disaster, and that being the case, four months is the minimum they should lock in. Creating a ceiling would allow for some flexibility in emergency spending.

Mayor Caster called for a recess at 7:36 p.m. and reconvened the meeting at 7:45 p.m.

SMITH/ERICKSON MOVED TO AMEND LINE 262 TO READ "EQUAL TO ~~SIX~~ **FOUR** MONTHS REVENUE FOR THE CURRENT FISCAL YEAR THAT IS RESTRICTED TO EMERGENCY"

There was comment restricting that amount of money leaves the remaining unassigned fund balance to provide more flexibility.

City Manager Koester explained GFOA recommends municipalities develop a fund balance policy and recommends two months to six months operating expenditures as the fund balance policies. The number set depends on the use of the fund. She isn't uncomfortable with four months in this instance.

It was noted discussion there are questions that need to be answered in developing a fund balance policy.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no further discussion on the substitute ordinance as amended.

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

Motion carried.

**ORDINANCE(S)**



- a. Ordinance 19-37, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 2.08, Section 2.08.040(h) Quorum-Voting to Require the Mayor to Vote in the Case of a Tie. Lord. Recommended dates: Introduction August 12, 2019, Public Hearing and Second Reading August 26, 2019.

VENUTI/LORD MOVED TO INTRODUCE ORDINANCE 19-37 BY READING OF TITLE ONLY.

There were comments that there needs to be consistency regarding the way the Mayor responds when there is a tie vote of the Council. It doesn't send a clear message to the Council or the public when the Mayor decides when he will or will not break a tie. He has opinions and participates in the discussion and he should vote when there is a tie. There were also comments that they should honor the Mayor's position that he breaks a tie when he so chooses.

Mayor Caster explained he has voted to break a tie at introduction because he felt something shouldn't die on first reading and go to public hearing, but he will no longer do that. He won't break a three/three tie on a first reading. He will however, have a yes vote on ordinances or resolutions he sponsors.

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

Motion failed.

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

- a. City Manager's Report

City Manager Koester recapped the information on the Regulatory Commission of Alaska hearing on Enstar Tariff 310-4 that was included in her written report, noting the RCA has until November 3<sup>rd</sup> to make their decision.

- b. Bid Report – Informational only

### **PENDING BUSINESS**

- a. Ordinance 19-32(S), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.72 Advisory Planning Commission; Homer City Code 11.12.010 Street Address Assignment Plan Adopted; Homer City Code 21.03.040 Definitions Used in Zoning; and Homer City Code 22.10.040 Applicable and Exempted Subdivisions to Change the Name of the Advisory Planning Commission to the Planning Commission Throughout. Introduction June 24, 2019, Public Hearing and Refer to Planning Commission July 22, 2019, Second Reading August 12, 2019.

VENUTI/ERICKSON MOVED TO ADOPT ORDINANCE 19-32(S) BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

## **NEW BUSINESS**

- a. Memorandum 19-098 from City Clerk Re: Request for Homer City Council to Veto Kenai Peninsula Borough Approval of the vacation of a 10 ft. wide drainage easement on Lot 24-A, AA Mattox Peggi's Addition (Plat HM 99-64); within Section 17, Township 6 South, Range 13 West, Seward Meridian, Alaska, within the Kenai Peninsula Borough KPB File 2019-048V.

Mayor Castner stated this memorandum is informational and it will come back as an action item on August 26<sup>th</sup>.

## **RESOLUTIONS**

### **COMMENTS OF THE AUDIENCE**

Scott Adams, city resident, commented in support of the Mayor's ability to decide whether or not he wants to vote to break a tie and in appreciation of the Mayor's efforts regarding Kachemak City Water and Enstar.

Wayne Aderhold, city resident, commented specific campaign promises should be upheld particularly at the local level, and the Mayor made two that were very specific. He can accept the explanation given tonight, but at the time the Mayor broke the tie, it wasn't the situation people were led to understand.

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

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

City Clerk Jacobsen commented that there is an opening on the Economic Development Advisory Commission and seats for student representatives on the advisory commissions. The candidacy filing period is open for two City Council seats. Candidacy filing packets are available on line and can be picked up and turned in at the City Clerk's Office. Completed packets will be accepted until 4:30 pm on Thursday the 15<sup>th</sup>. We currently have 4 candidates who have filed. Election Day is Tuesday, October 1<sup>st</sup> and the deadline to register to vote or update voter registration for this election is September 1<sup>st</sup>. The Clerk's office is recruiting registered voters who are city residents to work as election judges. It's a great way to play an

important role in the election process, to help the community, and even make a little extra money before the holidays. She provides election worker training every year, and if people are interested, they can all or stop by the Clerk's office for more information.

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

City Manager Koester had no comment.

### **COMMENTS OF THE MAYOR**

Mayor Castner commented regarding the possibility of a teachers strike occurring. Tomorrow there will be a bargaining session and hopefully there will be some resolution. If they go on strike and if so, Administration has determined that they will lock down the campuses and there will be no activities there at all, including sports and public events. This was a good meeting tonight, they chewed on a lot of things. He's happy they worked through the Enstar hearings in six months, it could have gone on much longer. They're taking on a lot of policy issues and ambitions are laudable and good, and he hopes it's something that is helping the City grow. He said he respects the Council and takes no affront to anything that was said tonight.

### **COMMENTS OF THE CITY COUNCIL**

Councilmember Erickson commented that school starts next week so watch out for the kids. She said she was in the back country for a few days and it is really, really dry back there. She's never seen the swamps without water. With hunting season coming up and all the outdoor things happening in the back country, she encouraged people to be safe out there. If there's a fire there isn't much of a barrier as dry as it is.

Councilmember Stroozas recognized Mayor Castner and the City Manager for their work and tireless hours they put in on the Enstar hearing. He also thanked Council for their work leading up to the hearings.

Councilmember Lord appreciated the conversation at the table tonight regarding the Mayoral voting ordinance that failed. She appreciates the strong feelings we all hold on it from different positions and she appreciates the clarity that the Mayor provided, whatever the consistency is and it's what the community can have as the baseline, she's comfortable with. For clarity's sake, Councilmembers don't have the choice to abstain, unless they have an declared and approved conflict. She and her family are excited for school to start, she hopes negotiations go well and the teachers can avoid a strike. She said is unable to attend AML Summer Conference.

Councilmember Aderhold had no comment.

Councilmember Smith commented today is his daughters 20<sup>th</sup> birthday and his oldest daughter is having a baby soon. He's excited about being a grandparent and has appreciated being a parent. He gave a shout out to his city softball team for winning the co-ed tournament and the men's team moving on to the state tournament. He said he had extended an invitation to Randall Clifford, the only Purple Heart recipient in Homer to attend tonight, but he will the signed copy of Resolution 19-050 to him, he has a lot of gratitude for the people who have served our country. He said his house is in the middle of town and he observed the people coming to WKFL Park to sight the recall petition for the Governor. He likened it to the book *Animal Farm* by George Orwell, giving an overview of the story. His hope is that we can move past the idea that we have to oust everybody that we disagree with. To see the people there who were so diametrically to recall, be okay with it in this case, he could not tell them apart.

Councilmember Venuti said she wants everyone to vote for better bags in October, 19 Alaska communities no longer allow plastic bags and it's time for Homer to join them. KBC is having an open house on Saturday from noon to 4:00 p.m. There will be food trucks and music, and Director Reid and all the professors will be there. People can sign up for classes and they'll be giving away a golded ticket for a free credit. She's looking forward to attending the AML Summer Conference in Soldotna, and she thanked Tom and Rachel for their work on Ordinance 19-23(S). Mrs. Venuti shared that Headstart will be closing, 8 people will be losing their job and 30 children will be looking of other opportunities. She supports Headstart and the programs they offer and hopes it comes back in another form.

### **ADJOURN**

There being no further business to come before the Council Mayor Castner adjourned the meeting at 8:51 p.m. The next Regular Meeting is Monday, August 26, 2019 at 6:00 p.m., Worksession 4:00 p.m. Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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Melissa Jacobsen, MMC, City Clerk

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