

Session 20-34 a Regular Meeting of the Homer City Council was called to order on November 23, 2020 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:** COUNCILMEMBER ADERHOLD, EVENSEN, HANSEN-CAVASOS, LORD, SMITH, VENUTI

**STAFF:** CITY MANAGER DUMOUCHEL  
CITY CLERK JACOBSEN  
SPECIAL PROJECTS & COMMUNICATIONS COORDINATOR CARROLL  
PUBLIC WORKS DIRECTOR KEISER  
FINANCE DIRECTOR WALTON  
CITY ATTORNEY GATTI  
PORT DIRECTOR/HARBORMASTER HAWKINS

**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: **MAYORAL RECOGNITIONS/PROCLAMATIONS** Alaska Association of Municipal Clerks Clerk of the Year - Melissa Jacobsen, MMC, Written public comment; **ANNOUNCEMENTS/PRESENTATIONS/REPORTS** Economic Relief Grant Programs Written Reports; **PENDING BUSINESS** **Resolution 20-077(S)**, A Resolution of the City Council of Homer, Alaska Adopting a Reserve Fund Policy for the Collection and Use of ~~the~~ Water and Sewer Depreciation Reserve Funds **Capital Asset Repair and Maintenance Allowance (CARMA) Funds**. Lord/Aderhold and Updated Draft Policy, **Resolution 20-078(S)**, A Resolution of the City Council of Homer, Alaska Amending the Homer Accelerated Water and Sewer Program (HAWSP) Policy Manual to Modernize the Language and Clarify Qualifying Criteria for using HAWSP Funds. Lord/Aderhold, and Updated Draft Policy; **Resolution 20-117**, and **Resolution 20-117(S)**, Regarding the Approving a Lease Assignment Originally held by Harbor Leasing, LLC and Assumed by Alaska Growth Capital BIDCO, Inc. to Salmon Sisters Holdings LLC, there is Written Public Comments and copy of Salmon Sisters Presentation to Port & Harbor Advisory Commission. City Manager.

LORD/VENUTI MOVED TO ADOPT THE AGENDA AS AMENDED

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **MAYORAL PROCLAMATIONS AND RECOGNITIONS**

- a. Recognition of Carey Meyer, PE, MPA for 21 Years of Service to the City of Homer
- b. Alaska Association of Municipal Clerks Clerk of the Year - Melissa Jacobsen, MMC

### **PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA**

## 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 Special Meeting Minutes of November 9, 2020. City Clerk. Recommend adoption.
- b. Memorandum 20-190 from Mayor Re: Appointment of Jay Cherok to the Economic Development Advisory Commission. Recommend Approval.
- c. Memorandum 20-191 from City Clerk Re: Liquor License Renewals for Fresh Catch Cafe, La Baleine, Grog Shop, Homer Liquor and Wine Company, Patel's, Patel's #2, and Rum Locker. Recommend approval.
- d. Ordinance 20-89, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 3.05 Budget; Section 3.01.010 Fiscal Year, Section 3.05.050, Budget Assumptions and Section 3.05.010 Budget Submission-Content, Regarding a Fiscal Year Budget Schedule. Smith. Recommended Dates Introduction November 23, 2020 Public Hearing and Second Reading

Memorandum 20-192 from Finance Director as backup

- e. Ordinance 20-90, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating a Donation from Friends of Woodard Creek in Karen Hornaday Park in the Amount of \$7,025 for Woodard Creek Nature Trail Maintenance and Improvements in Karen Hornaday Park. City Manager. Recommended Dates Introduction November 23, 2020 Public Hearing and Second Reading December 14, 2020
- f. Ordinance 20-91, An Ordinance of the City Council of Homer, Alaska Amending the 2020 Operating Budget and Authorizing the Expenditure of \$42,000 for the Purpose of Contracting with a Lobbyist for the City of Homer. Smith. Recommended Dates Introduction November 23, 2020 Public Hearing and Second Reading December 14, 2020
- g. Resolution 20-119, A Resolution of the City Council of Homer, Alaska Acknowledging the 2021 Budget will be Truncated to January 1 to June 30, 2021 to Accommodate the Transition from a Calendar Year Budget to a Fiscal Year Budget. Smith. Recommend adoption.

Moved to Resolutions Item b. Aderhold

- h. Resolution 20-120, A Resolution of the City Council of Homer, Alaska Approving a Lobbyist Contract with J & H Consulting, LLC of Juneau, Alaska, for a Term of One Year commencing on December 15, 2020 and ending on December 15, 2021, in the Amount of \$42,000 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. Smith/Aderhold. Recommend adoption.

Memorandum 20-193 from City Clerk as backup

Moved to Resolutions Item c. Aderhold

- i. Resolution 20-121, A Resolution of the City Council of Homer, Alaska Approving Amendment Two to the Emergency Management Communications Services and Related Matters Contract between the City of Homer and Kenai Peninsula Borough. City Manager. Recommend adoption.
- j. Resolution 20-122, A Resolution of the City Council of Homer, Alaska Approving a Memorandum of Agreement Between the City of Homer and the Kenai Peninsula Borough Office of Emergency Management Regarding the Replacement and Maintenance of Emergency Sirens. City Manager. Recommend adoption.
- k. Resolution 20-123, A Resolution of the City Council of Homer, Alaska Amending the CARES Act Project Close Out Plan to Provide a \$6,000 Direct Grant to Kachemak Bay Equestrian Association to Cover Eligible Costs Incurred due to the COVID-19 Pandemic. Venuti. Recommend adoption.
- l. Resolution 20-124, A Resolution of the City Council of Homer, Alaska Amending the CARES Act Project Close Out Plan to Provide a Direct Grant in the Amount of \$44,250 to Kachemak Ski Club to Expand COVID-Conscious Outdoor Winter Recreation Opportunities. Evensen. Recommend adoption.

Moved to Resolutions Item c. Aderhold

- m. Resolution 20-125, A Resolution of the City Council of Homer, Alaska Creating a Public Works Campus Task Force and Establishing a Scope of Work and Parameters under which the Task Force will Conduct its Work. City Manager/Public Works Director. Recommend adoption.

Memorandum 20-194 from Public Works Director as backup

Items g. h. and l. moved to Resolutions items b. c. and d. Aderhold.

City Clerk Jacobsen read the consent agenda and recommendations.

LORD/ADERHOLD MOVED TO ADOPT THE RECOMMENDATIONS OF THE CONSENT AGENDA AS READ.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

## **VISITORS**

### a. Unified Command Report (20 Minutes)

Lorne Carroll, Public Health Nurse, commented regarding point of dispensing (POD) planning for COVID vaccine when it becomes available, and that many partners have ramped up planning for access to the vaccine. He shared a slide from the Center for Disease Control that suggests when the vaccine is available it will come in limited amounts and availability will increase over time. Major unknowns are when the vaccine will be available and when it will be available to us on the Southern Kenai Peninsula. He explained challenges with contact tracing with case counts of 500-700 per day, and contact tracers are prioritizing efforts toward long term care and other congregate settings where chance of transmission is very high. When a COVID test is positive, the medical facility reports it to the Division of Public Health and contacting the individual, who then needs to go home and isolate and let those they've been in contact with know they've tested positive and that the close contacts need to isolate as well.

Christine Anderson, South Peninsula Hospital (SPH) Liaison, reported on COVID activity since the last report to Council, including hospital admissions, emergency room activity, clinic services, and COVID specific treatments that are available. She noted continued regular testing of long term care residents due to positive tests for staff members and visitation restrictions remain in place. So far local health care capacity has been able to handle the influx of patients in their COVID ready spaces. Staffing is becoming an issue with close to 30 members out due to COVID infection, close contacts, or awaiting test results; and strict return to work protocols are in place. Partners up the road at Central Peninsula Hospital and in Anchorage are very busy with COVID activity, we rely on them for transfers of patients from SPH so they're urging everyone to practice safe COVID activity to keep people out of the hospitals. Regarding testing, SPH is averaging 106 tests per day over the past seven days and a positivity rate has been 9% up from 8% over the previous week. The swabbing station is open daily from 9:00 a.m. to 6:00 p.m.

Jenny Carroll, City of Homer Public Information Officer (PIO), shared that today is Public Health Thank You Day, and she took the opportunity to thank all the public health professionals in our community and around the State who have committed themselves to health improvement for individuals, families, and on the community level as well. She's been working a great deal with

public health professionals since the pandemic began and has learned a great deal from all them. She's inspired by their commitment, caring, and creativity in working with community partners to encourage healthy practices through COVID and everything else we deal with in our community. She encouraged everyone to continue with best practices. We know that masking works to cut down the spread along with social distancing, keeping a small social bubble and notifying them if you test positive helps curb the spread. She's standing by as PIO to learn how the City can support with POD when a vaccine becomes available. She thanked the public for doing their best, it's all any of us can do in supporting everyone's physical and mental health in the community.

Mark Kirko, City of Homer Fire Chief, echoed others comments. Cases are rising so we need to do our best to social distance and keep mitigation plans in place. We've been working hard at this and he applauds the health organizations for doing a wonderful job and working through some difficult times. He believes our resources are in a reasonable position, and is hoping to purchase more personal protective equipment (PPE) because we don't know what's going to happen after the first of the year, and the duration of need out there. He shared a report about local Fire Departments partnering with the home school program Connections to do online program for the students to do exit drills in the home. These are typically done at the schools, but can't right now, so they're promoting an online public education experience for the students.

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

a. Worksession Report

City Manager Dumouchel reported Finance Director Walton walked Council through the water and sewer rate model and rates proposed in Resolution 20-118(S). They also worked with Public Works Director Keiser and discussed updates to the HAWSP Policy Manual and the Water and Sewer Fund Policy.

b. Committee of the Whole Report

Councilmember Lord reported Council discussed the change of the City's fiscal year, CARES Act Grants and CARES Act financial summary, and the Salmon Sister's lease process.

c. Special Meeting Report

d. Mayor's Report

i. ACoM Resolution - COVID Mitigation

Mayor Castner reported on several items. He attended the Alaska Conference of Mayors two day meeting where they had training on learning from errors called Failing Forward, and also

review of crisis management. They passed a resolution about addressing COVID and how the State may go about doing it.

There was a press for the North Pacific Management Council to come up with a management plan for an area of Federal Waters south of Kalgin Island down to the latitude of Anchor Point that accounts for the first two weeks of fisheries. They're surprise solution for the management plan was to completely close the fishery. It cuts out the first two weeks of the fishery and all the Homer deliveries associated when the fleet is working the fish as they move up the inlet. The Kenai City Council is having an emergency meeting tonight to address this and he got the notice too late to add it to this agenda. It's a big deal for Homer because a good part of our Cook Inlet landings come in that first two week period.

There's some interest by a private company in low income housing for Homer that's looking for land to be donated or leased within the city, and they say their housing is for seasonal workers to support summer activities. He provided information the City Manager.

There was a request from Moose Habitat, Inc. regarding purchasing easements with HAWSP funds for conservation purposes, and waiving the assessments against the property. They're now dealing with the Land Trust.

He spoke to the auditors last week regarding the 2019 audit and they said it should be completed by the end of the month.

Council discussed scheduling an emergency meeting to address the North Pacific Management Council proposal and bring forward a Resolution opposing the closure. A Special Meeting was scheduled for November 25<sup>th</sup> at 3:30 p.m.

e. Borough Report

f. Library Advisory Board

The Library Advisory Board prepared a written report that was provided as a laydown item.

g. Planning Commission

i. Memorandum from Planning Commission Re: Revisiting Medical District Building Heights

h. Economic Development Advisory Commission

i. Memorandum from Economic Development Advisory Commission Re: Request to Move Forward on Wayfinding Streetscape Capital Project.

Karin Mark, Economic Development Advisory Commission Chair, reported the Commission is delighted with the appointment of Debbie Speakman and appreciates tonight's appointment of Jay Cherok. At their last meeting they discussed actions that will fit under each goal of their strategic plan. They decided to set up an outreach to local businesses to see what will be needed in the future due to COVID. They also addressed community outreach regarding the Comprehensive Economic Development Strategy. Both of these topics will be addressed further at their December meeting. Deputy City Planner Engebretsen provided input on two items that Planning is looking at, Green Infrastructure and a revised Community Design Manual. The Commission voted to move forward on the Wayfinding Streetscape project in 2021 as seen in the memorandum in the packet. Since Council approved HART funds for the project, the Commission would like to move forward on it. It's important to continue to look to the future of Homer, others are moving forward on their projects, and having a plan for coordination is in the City's best interest.

Councilmember Venuti wanted to make sure they have a head nod to proceed with this in next year's budget. She'd like to sponsor a memo at the next meeting, outlining that Council would like this to continue.

i. Parks Art Recreation and Culture Advisory Commission (PARCAC)

Ingrid Harrald, Parks Art Recreation and Culture Advisory Commissioner, reported at their last meeting the Public Works Director talked to them about public restrooms, the need for funding and proposed tapping the HAWSP fund, which the Commission supports. Karen Hornaday Park is having a new topographic study done to help understand the scope of work for improvements for the parking lot and drainage, there's also a tree study to determine the value of trees in our area, and the Main Street Sidewalk design is at 30% completion. The Community Recreation report included new ideas including sport equipment lending program, and using CARES funding for new registration software. There are five electronic fee stations being located, 3 at campgrounds, one at the RV dump station, and one at the airport parking lot. There's an idea of an 18-hole disc golf course in the Diamond Creek Rec area being discussed, and more sanding and increased lighting on the more urban trail. There's a big uptick in ice skating on Beluga and Lampert Lakes. The Rotary is putting in four memorial benches, one at WKFL Park in memory of Gary Thomas, also at Bishops Beach, Fishin Hole, and Ben Walter's Park. PARCAC is looking at establishing an Endowment Fund, similar to what the Library has done. The heard public comment about the Beach Policy, beach use, and increased traffic. They've scheduled a worksession to review the Beach Policy.

j. Port and Harbor Advisory Commission

k. Americans with Disabilities Act Compliance Committee

Councilmember Aderhold reported at their last meeting they spent time talking with Public Works Director Keiser about the current status of our ADA Transition Plan, what's been

accomplished, what's on the short list, and what will take more time to accomplish. They also talked about moving forward on a Transition Plan for parks and trails.

#### I. Economic Relief Grant Update

Sara Perman reported on the Non-Profit Relief Grant (NERG) and Fisherman's Economic Relief Grant (FERG) Programs. NERG closed November 8<sup>th</sup> and gave out \$367,000 in CARES Act funding and just under \$150,000 is remaining in the amount allocated. The FERG runs through November 29<sup>th</sup>. Of the \$1.3 million allocated about \$1.1 million requested so far. That money is set to be awarded on a first come first serve basis and if it's distributed before the program ends, they won't be accepting the last applicants. As of today 220 FERG applications have been received. One challenge with this program is the amount of documentation being requested which has put a lot of strain on the applicants and the review process.

Special Projects and Communications Coordinator Carroll reported on the Small Business Economic Relief Grant (SBERG) on behalf of Jody Mastey, who was having audio issues. Ms. Carroll noted there were 268 total applications for SBERG 2 equaling just over \$4 million in requests, and she reviewed the payment schedule. In compiling the requests the City will be able to close out the Kenai Peninsula Borough CARES Act funds. She's been working on identifying unencumbered City CARES Act funds because spending plan Council pass asked for any available funds to go toward SBERG applicants if there were more applicants than funds, so \$1,038,662 is being added to funding SBERG 2 applicants. She said Ms. Mastey recommended setting aside \$400,000 for the appeals process and there are several coming in that they'll be looking at. She reviewed the reward scale being used that's based on percentage of revenue loss and explained they're able to spread the funds to all deserving business and follow Council's intent to prioritize the highest loss businesses that applied.

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

- a. Ordinance 20-86, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating an Arts and Culture CARES Act Matching Grant from the Rasmuson Foundation in the Amount of \$50,000 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction November 9, 2020 Public Hearing and Second Reading November 23, 2020.

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

LORD/VENUTI MOVED TO ADOPT ORDINANCE 20-86 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.



VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 20-87, An Ordinance of the City Council of Homer, Alaska Extending the Suspension of Homer City Code Chapter 5.42 Single-Use Plastic Bags to December 31, 2020 and Affirming January 1, 2021 as the date in which Merchants Shall Discontinue Providing Single-Use Plastic Carryout Bags. Aderhold/Venuti. Introduction November 9, 2020 Public Hearing and Second Reading November 23, 2020.

Mayor Castner opened the public hearing.

Karin Marks, city resident, commented that the increase of COVID going on, she questioned if this action might be premature because of concern of spread from using recyclable bags.

Kalliste Edeen commented in support of re-instating the ban. To this point it's said the virus lives on plastic longer than paper so a reusable bag is one of the issues, but going back to paper bags as an option absolutely needs to happen.

There were no further comments and the hearing was closed.

LORD/EVENSEN MOVED TO ADOPT ORDINANCE 20-87 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Councilmember Aderhold comment there were a lot of unknowns with COVID in the beginning, and setting the bag ban aside for that period was valid. A lot of questions have been answered and we're at a time when things are flowing smoothly, we know how to act personally and socially, so she believes it's time to return to the plastic bag ban.

Councilmember Venuti added the store can provide paper bags for those who need them.

Councilmember Smith noted regardless of this there are still a lot of sources of plastic that impact our environment, paper bags create a larger carbon footprint and cost the stores more to put into place. Ultimately we need to stick with what the voters did and getting back to this is the right thing to do. He encouraged notification to business owners right away so they're aware and can properly plan for the transition.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Ordinance 20-88, An Ordinance of the City Council of Homer, Alaska Accepting and Appropriating an FY 2020 State Homeland Security Program Grant in the Amount of \$65,685 to Upgrade the City's Radio Communication System with the Purchase and

Deployment of Portable Radios and Mobile Repeaters for the Homer Volunteer Fire Department and Authorizing the City Manager to Execute the Appropriate Documents.  
.City Manager. Introduction November 9, 2020 Public Hearing and Second Reading November 23, 2020.

Memorandum 20-188 from Fire Chief as backup

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

LORD/ADERHOLD MOVED TO ADOPT ORDINANCE 20-88 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Mayor Castner called for a recess at 7:45 p.m. and the meeting resumed at 7:55 p.m.

## **ORDINANCE(S)**

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

#### a. City Manager's Report

City Manager Dumouchel congratulated City Clerk Jacobsen for receiving the Clerk of the Year award. Several of the City staff step up at the State level to participate and take leadership roles, he's excited and proud about that. He noted the COVID framework review he had listed in his report. At an organizational level, he's moved us to a red status due to the increase in case counts locally in an effort to protect staff so we can continue to provide high quality service to the public.

Councilmember Lord congratulated City Clerk Jacobsen and also Rachel Friedlander on her new job as City Manager in Seldovia. She's enjoyed working with Ms. Friedlander she's been a really great help in supporting information needs for Council. She noted she's had a lot of contact regarding ice skating, and feels anything we can do to support outdoor recreation this winter will be great.

City Manager Dumouchel responded that he'd inclined to push toward more of a community driven solutions for maintaining the ice. The City doesn't control or maintain the lake, and from a liability perspective with the fluctuations in weather, we'd have to commit a lot of attention on the safety side.

Councilmember Smith shared that he's fully supportive of people recreating out there, but agrees with the City Manager's position.

Councilmember Evensen noted concerns of pilot acquaintances who don't fly to Homer in the winter because of the vehicular traffic on the lake. He also commented about Soundview and Sterling Highway, and the schools. He recalled prior conversation from DOT's that Homer Middle School doesn't front the highway and they weren't interested in putting up a stop light. In his mind it fulfills the spirit of their policy on that, and hopes this time there's success in showing the value added to our community.

### **PENDING BUSINESS**

- a. Resolution 20-077, A Resolution of the City Council of Homer, Alaska Adopting a Reserve Fund Policy for the Collection and Use of Water and Sewer Depreciation Reserve Funds. Lord/Aderhold.

Memorandum 20-165 from Finance Director as backup

Resolution 20-077(S), A Resolution of the City Council of Homer, Alaska Adopting a ~~Reserve Fund~~ Policy for the Collection and Use of ~~the~~ Water and Sewer ~~Depreciation Reserve Funds~~ **Capital Asset Repair and Maintenance Allowance (CARMA) Funds**. Lord/Aderhold.

Mayor Castner explained that there's a motion on the floor to adopt Resolution 20-077 that was postponed from the October 12<sup>th</sup> meeting and opened the floor for discussion or a motion to substitute.

LORD/ADERHOLD MOVED TO SUBSTITUTE RESOLUTION 20-077(S) FOR 20-077.

There was no discussion.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Councilmember Smith expressed his preference to postpone and work on it some more because he thinks some policy decisions have yet to be made. He thinks further discussion of components that comprise our rate structure are needed to better understand what's going to be required to drive what the Homer Accelerated Water and Sewer Policy (HAWSP) will be used for and also what it won't be. He noted the section "Qualifying Project Material or Criterion" item b. and suggested removing "located in city limits" because it's a given it's in the city and that it meets one of the criteria listed.

Councilmember Lord responded we have the water reserve and the sewer reserve with no policy associated with them to help guide what they're used for. It's true that because we have HAWSP, they work together in some way and how we look at one impacts how we look at the other. She looks forward to moving something forward and doesn't know if they'll get hung up on philosophical beliefs and encouraged finding a way to work together to compromise and move past the same conversation they keep having at the table.

Mayor Castner commented it's an apex policy with three things that feed into it. First, the money that goes into the fund and the money that's there now is collected through the tariff. Second, we have the policy about how we're funding the entire enterprise itself through the annual budget process. Those are tied together through the tariff, we looked at the fiscal requirements for the budget and matched the tariff to those fiscal requirements. Third, we have this concept of a self-writing tariff and it has to have numbers that are known, not unknown. To say we're going to take 15% as a surcharge, as an example, isn't acceptable as far as setting a tariff.

Councilmember Lord responded that she has yet to understand the Mayor's perspective on how to fund reserve type projects. From the conversation they keep having she's hearing they should have no reserves and the operating and maintenance annual budget should encompass every dollar that the water/sewer utility utilizes, with maybe a little extra cushion, but no built up pot of money. She questions how they are going to pay for those things.

Mayor Castner said he'll provide comments in writing if they postpone this tonight.

Councilmember Evensen agreed that the Mayor's concerns need to be addressed and it makes sense to him that they need to address what seems to be an excessive tariff. He doesn't think it's being argued that it's not a good place to be with \$4 million for projects, but the point is how we got here may not have been the best route.

Councilmember Lord responded that maybe the need to set a number, councils haven't done that before, and there also hasn't been any policy to guide how to use the fund. By going through this exercise, it gives everyone a better idea and also get to a same page on definitions, on how our system works and what it takes to run it, and then we can come up with some boundaries.

LORD/ADERHOLD MOVED TO POSTPONE TO OUR NEXT MEETING.

Mayor Castner noted their next regular meeting is December 14<sup>th</sup>.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Resolution 20-078, A Resolution of the City Council of Homer, Alaska Amending the Homer Accelerated Water and Sewer Program (HAWSP) Policy Manual to Modernize the Language and Clarify Qualifying Criteria for using HAWSP Funds. Lord/Aderhold.

Resolution 20-078(S), A Resolution of the City Council of Homer, Alaska Amending the Homer Accelerated Water and Sewer Program (HAWSP) Policy Manual to Modernize the Language and Clarify Qualifying Criteria for using HAWSP Funds. Lord/Aderhold.

Mayor Castner explained that there's a motion on the floor to adopt Resolution 20-078 that was postponed from the October 12<sup>th</sup> meeting and opened the floor for discussion or a motion to substitute.

LORD/ADERHOLD MOVED TO SUBSTITUTE RESOLUTION 20-077(S) FOR 20-077.

There was no discussion.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief discussion confirming some technical items discussed at the worksession could be addressed in a revision that will come back to Council, given the understanding this will be postponed also.

Councilmember Smith noted Mayor Castner's comments at the worksession about there being some balance between the special assessment districts (SAD) and the capital projects, and how we establish what those might be. He's not sure how they address that without further discussion. Also g. in part 4, about changing to when financing a SAD project, it should remain as a HAWSP project because there will be projects outside the SAD's that the HAWSP will be on the hook for. We've talked about circumstances where we might have a match or percentage toward a grant that we have to provide, that could be done with cash, but HAWSP would be used to pay the loan.

Councilmember Evensen noted Public Works Directors comments at the worksession regarding public bathrooms falling under the health and safety category and that makes sense to him.

Councilmember Lord shared her understanding that the Mayor will provide his comments and staff will make revisions based on discussion at the worksession and this meeting. It would be great to get any further comments, particularly what members want to see, sooner than later to incorporate those and bring back in the revised policy manual.

Mayor Castner noted also having discussion with Counsel regarding bond reserve requirements, as it's an open issue that needs to be addressed.

LORD/ADERHOLD MOVED TO POSTPONE TO OUR NEXT MEETING.

Mayor Castner noted their next regular meeting is December 14<sup>th</sup>.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- c. Resolution 20-117, A Resolution of the City Council of Homer, Alaska Approving a Lease Assignment Originally held by Harbor Leasing, LLC and Assumed by Alaska Growth Capital BIDCO, Inc. to Salmon Sisters Holdings LLC and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents for a new Twenty Year Lease with Options for Two Consecutive Five Year Renewals for a Portion of Lot 12C, Port Industrial Subdivision No. 4, Plat 99-43, at an Annual Rate of \$29,785.32. City Manager.

Memorandum 20-189 from City Manager as backup

Resolution 20-117(S), A Resolution of the City Council of Homer, Alaska Approving a **Notice to Award for the** Lease Assignment Originally held by Harbor Leasing, LLC and Assumed by Alaska Growth Capital BIDCO, Inc. to Salmon Sisters Holdings LLC and Authorizing the City Manager to Negotiate **a Final Lease for Council Approval** and ~~Execute the Appropriate Documents for a new Twenty Year Lease with Options for Two Consecutive Five Year Renewals for a Portion of Lot 12C, Port Industrial Subdivision No. 4, Plat 99-43, at an Annual Rate of \$29,785.32. City Manager.~~ City Manager.

Memorandum 20-197 from Port and Harbor Advisory Commission as backup

Mayor Castner explained that there's a motion on the floor to adopt Resolution 20-077 that was postponed from the November 9<sup>th</sup> meeting and opened the floor for discussion or a motion to substitute.

LORD/ADERHOLD MOVED TO SUBSTITUTE RESOLUTION 20-117(S) FOR 20-117.

There were brief comments in support of the substitution.

Mayor Castner recognized Harbormaster Hawkins who noted a correction that the legal description should be amended to delete "a portion of" and explained the proposed lease is for the entire lot 12C.

VOTE (substitution): YES: VENUTI, SMITH, ADERHOLD, EVENSEN, HANSEN-CAVASOS, LORD

Motion carried.

Councilmember Aderhold shared concern of setting a precedence with this and asked for clarification as to why this lease for this parcel is being handled in this manner rather than putting it out for RFP.

City Attorney Gatti said before responding he'd prefer to talk separately with the Harbormaster and City Manager regarding this matter and would be willing to do so if Council wants to recess or defer to a later time. As he understands it there is lengthy history regarding the bankruptcy of the prior lessee, the bank is paying the rent on the lease for the land, the building has been vacant, and there hasn't been anyone stepping up with interest until now.

Councilmember Lord expressed that Council should have received these answers before this point. She supports getting the property leased and into profitable hands, but she doesn't feel she's been given the information needed to responsibly adopt this resolution.

Councilmember Smith reiterated that the bank holds the lease and the building. Whatever happens will have to move through the bank, it's not a typical situation, and he doesn't know if the RFP process works the same way in this situation. He doesn't have much of a problem proceeding in this manner since it's held by the bank and there are existing issues that need to be addressed. Salmon Sisters has taken the initiative to work through the bank in order to buy the facility and have the lease assigned and re-negotiated. He supports administration moving forward to see what comes out of the process and see if it fits with what we should or can do.

City Attorney Gatti noted the memoranda in the packet outlining the situation where the City responded to a request to move quickly on this transaction. The Harbormaster and City Manager did a good job on doing so, they'd been in discussion with the bank and thought the transaction was moving forward positively to accomplish the objective, but it wasn't satisfactory to the applicant seeking to lease the land. In going out to RFP, it becomes a two phase transaction in an applicant's ability to negotiate with the City and also the bank. It's his understanding this applicant has been negotiating with the bank, but doesn't know what that has entailed. The public policy Council has to consider is whether this should be a fair market rental transaction, or whether there are circumstances that would give Council confidence that having a less than fair market transaction meets a public purpose and there's defensible criteria to apply to the transaction. He and the administration will help them navigate through the process but that's the balancing point Council has to reach.

Council discussed concerns of the perception of fairness in providing this lease at less than fair market value. There were discussion points regarding the current condition of the building, the need for a sunset on a less than fair market rate and a plan on how to get to a fair market lease rate, and the need for better justification for determining the lease is valuable for public purpose or use. Since the substitute resolution identifies authorizing the City Manager to

negotiate the lease for Council approval, so the negotiate lease will come back to them, Councilmembers expressed willingness to support it.

LORD/ADERHOLD MOVED TO AMEND LINES 14 AND 54 TO DELETE THE WORDS "A PORTION OF"

There was no discussion.

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.

- d. Resolution 20-118, A Resolution of the City Council of Homer, Alaska Amending the City of Homer Water and Sewer Rates and Updating the Homer Fee Schedule Accordingly. City Manager/Finance Director.

Resolution 20-118(S), A Resolution of the City Council of Homer, Alaska Amending the City of Homer Water and Sewer Rates and Updating the Homer Fee Schedule Accordingly. City Manager/Finance Director.

Memorandum 20-196 from Finance Director as backup

LORD VENUTI MOVED TO ADOPT RESOLUTION 20-118 BY READING OF TITLE ONLY.

LORD/VENUTI MOVED TO SUBSTITUTE RESOLUTION 20-118(S) FOR 20-118

There was no discussion.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There were brief comments in appreciation of the information provided by Finance Director Walton who stepped them through this at the worksession, and for Council working through the rates.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.



## **NEW BUSINESS**

### **RESOLUTIONS**

- a. Resolution 20-126, A Resolution of the City Council of Homer, Alaska Awarding a Term Contract for Professional Engineering Services to Seabold Consulting, LLC; and Authorizing the City Manager to Negotiation and Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 20-195 from Public Works Director as backup

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 20-126 BY READING OF TITLE ONLY

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- g. Resolution 20-119, A Resolution of the City Council of Homer, Alaska Acknowledging the 2021 Budget will be Truncated to January 1 to June 30, 2021 to Accommodate the Transition from a Calendar Year Budget to a Fiscal Year Budget. Smith. Recommend adoption.

LORD/SMITH MOVED TO ADOPT RESOLUTION 20-119 BY READING OF TITLE ONLY.

There was discussion regarding postponing to have this follow Ordinance 20-89.

ADERHOLD/LORD MOVED TO POSTPONE TO DECEMBER 14<sup>TH</sup>.

There was brief discussion confirming this doesn't impact any of the work staff is doing regarding the potential budget transition.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- h. Resolution 20-120, A Resolution of the City Council of Homer, Alaska Approving a Lobbyist Contract with J & H Consulting, LLC of Juneau, Alaska, for a Term of One Year commencing on December 15, 2020 and ending on December 15, 2021, in the Amount of \$42,000 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. Smith/Aderhold. Recommend adoption.

Memorandum 20-193 from City Clerk as backup

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 20-120 BY READING OF TITLE ONLY.

Councilmembers Aderhold and Smith sat on the review committee along with Harbormaster Hawkins and they commented the three all scored J & H Consulting as their top choice after independently reviewing the proposals.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- I. Resolution 20-124, A Resolution of the City Council of Homer, Alaska Amending the CARES Act Project Close Out Plan to Provide a Direct Grant in the Amount of \$44,250 to Kachemak Ski Club to Expand COVID-Conscious Outdoor Winter Recreation Opportunities. Evensen. Recommend adoption.

LORD/EVENSEN MOVED TO ADOPT RESOLUTION 20-124 BY READING OF TITLE ONLY.

Councilmember Venuti had questions whether it's appropriate to provide this grant when the facility is outside city limits.

It was explained that the ski club was determined eligible to receive funds through the City's Non-Profit Economic Relief Grant Program, which opened the pathway for them to receive additional funds.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

#### **COMMENTS OF THE AUDIENCE**

Bob Shavelson, city resident, thanked Council for approving funds thanks for Kachemak Ski Club and commented regarding some of the KSC has been doing and increased recreating at the rope tow.

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

City Attorney Gatti commented there was good discussion tonight and at the next meeting he can give more detail on the public purpose question at the next meeting and will confer with the City Manager and Harbormaster on some of the other issues associated with the lease transaction. He congratulated City Clerk Jacobsen on her award and City Engineer Meyer on his retirement.

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

City Clerk Jacobsen thanked everyone for the congratulations tonight, it's very humbling to receive the Clerk of the Year award from the Alaska Association of Municipal Clerks. There are over 100 members and many Clerks are deserving so it's an honor to be selected.

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

City Manager Dumouchel reminded listeners that City Hall will be closed for the Thanksgiving holiday. On the topic of thankfulness for any staff that's listening he expressed his appreciation for everyone who works for the organization. Responding to COVID while also running a city is a hard thing to do. We have over 100 people out there doing a really good job in a tough situation, they're doing it well, and with a good attitude. He thanked everyone who listens to the Council meetings.

### **COMMENTS OF THE MAYOR**

Mayor Castner shared the history of ice skating on Beluga Lake, which is a man-made lake, and the property under the lake is taxable and owned by private parties. When Tony Neal donated the parcel next to McDonalds where the bathrooms are, he made that portion under the lake part of the deal. Part of that deal is the City would maintain a skating rink on the frozen surface above it. While it's true the lake is also an airport, in the winter time it's bifurcated and the north side of the lake is used for recreation. On the south side they'd usually put in trees down the lake to help maintain depth perception for airplanes coming in to land. The history is that the City did maintain the ice skating rink near the side where the bathrooms are, but decided it was an onerous task, that they weren't obligated to meet that covenant, and abandoned that task.

He congratulated City Clerk Jacobsen and noted that 5 or so years ago former Clerk Jo Johnson was selected as Clerk of the Year, which is remarkable for a city the size of Homer.

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

Councilmember Smith thanked everyone for coming prepared to engage, it was a good meeting. Some of these things are weighty and need to be well thought out. He congratulated City Clerk Jacobsen for being recognized for the job she's doing. He congratulated Executive Administrative Assistant Friedlander, he recalled talking to her a year ago and her saying she had bigger plans, and here we are. She'll do a good job for Seldovia and he wishes her the best. He encouraged as we head into Thanksgiving, and even daily, to assess the things in your life to be grateful for, because there are a lot of things to be grateful for. He shared about his mother who had a hard time getting her mind off things she had zero control over, which was heavy on his heart because it really affected her happiness. He hopes people don't unduly saddle themselves with things they can't control and instead be continually grateful for the wonderful things in their lives and not take them for granted. He wished everyone happy Thanksgiving.

Councilmember Aderhold said she's been thinking a lot about what she's thankful for. In learning today is Public Health Professional's Thank You Day, she thinks the best thing we can do is stay healthy and maintain our physical distance, wear masks, and don't get sick. She's

thankful for City staff, it's amazing the high caliber of staff we have and she appreciates all the work they do. She congratulated City Clerk Jacobsen, she excited she's Clerk of the Year, it's very well deserved. It's going to be interesting to track Executive Administrative Assistant Friedlander's career, she's going to be a superstar. During our transition between City Managers Koester and Dumouchel, Ms. Friedlander kept things rolling in the City Manager's office. Many thanks to Carey Meyer for his 21 years with the City and for all he's done. She's also been thinking about the mentors she's had in her lifetime and how thankful she is for them, and one in particular who she lost last week, who was her advisor during her Master's work at Texas A&M. She shared about what an amazing and gifted man he was. She wished everyone a happy Thanksgiving.

Councilmember Hansen-Cavasos thanked Councilmember Evensen for bringing forward the Ski Club Resolution. She thinks back to their youth and the time the spent at the rope tow. She thinks their friend Rowan Springer, who's no longer with us, would be really happy. Last week Dave Brann was nominated as Volunteer of the Millennia. He was her favorite teacher and taught them so many things in Junior High. She's thankful to work at a place where when they're struggling with more positive cases in the workforce at the hospital and clinic, that staff is willing to help each other. She's working from home due to possible exposure and she appreciates those who step up and help cover for each other. She wished everyone a happy Thanksgiving.

Councilmember Evensen thanked all of our health care workers who are so professional and keep our community running during this time. He thanked the Mayor for the history for Beluga Lake and noted there are ideas floating around for an outdoor Zamboni that, in his mind, could live at Public Works and drive over. He congratulated City Clerk Jacobsen and underscored how meaningful Barbara Howard's letter was as it read with pride and no better congratulations could be given. He congratulated Executive Administrative Assistant Friedlander on her promotion. He thanked Councilmember Venuti for her question regarding the grant to the Kachemak Ski Club and the discussion to ensure it met the criteria for the funding. He thanked the KSC Board for their work on the proposal, and Special Projects and Communications Coordinator Carrol for her assistance. He also thanked Councilmember Hansen-Cavasos for mentioning Rowan Springer and noted at the conclusion of the season on the ski hill they have Rowan Day to celebrate him.

Councilmember Venuti congratulated City Clerk Jacobsen her award is well deserved and she's proud of her, and also Executive Administrative Assistant Friedlander, she'll be a good City Manager. She wished everyone a safe and healthy Thanksgiving. She agrees the best thing we can do for our public health workers is stay home and stay safe. She shared about Haven Houses need for toys to give to the children of the families who are under their care, and encouraged listeners to participate in the Toy Drive being put on by the Coast Guard, Homer United Methodist Women, and the college. If you want to make a difference for a child, deliver

an unwrapped new toy to the Haven House at 3776 Lake Street or call 235-7712 for more information. She wished everyone happy Thanksgiving.

Councilmember Lord congratulated City Clerk Jacobsen, City Engineer Meyer, and Executive Administrative Assistant Friedlander. She participated in the AML virtual conference and appreciated being able to connect with elected officials from all over the State and talking about big issues that affect us all. She wished everyone happy Thanksgiving and hopes everyone has a good time with as few people as possible. She thanked everyone who wears a mask because they do help, when she's out in the community and sees people wearing masks she feels she's on a team and we're all doing the little bit we can do and helps her kids see we're all in this together.

**ADJOURN**

There being no further business to come before Council Mayor Castner adjourned the meeting at 9:30 p.m. The next Regular Meeting is Monday, December 14, 2020 at 6:00 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:\_\_\_\_\_