

Session 24-15 a Regular Meeting of the City Council of Homer, Alaska was called to order on July 22, 2024 by Mayor Castner at 5:00 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 ERICKSON, DAVIS, ADERHOLD, VENUTI, LORD, HANSEN

STAFF: INTERIM CITY MANAGER JACOBSEN
ACTING CITY CLERK KRAUSE
CITY ATTORNEY GATTI
PUBLIC WORKS DIRECTOR KORT
FINANCE DIRECTOR FISCHER
PERSONNEL DIRECTOR BROWNING
PORT DIRECTOR HAWKINS
RECREATION MANAGER ILLG
COMMUNITY DEVELOPMENT DIRECTOR ENGBRETSSEN
SPECIAL PROJECTS & COMMUNICATIONS COORDINATOR CARROLL
CHIEF TECHNOLOGY OFFICER JIRSA
FIRE CHIEF KIRKO

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

Mayor announces supplemental items: CONSENT AGENDA Item g. Ordinance 24-34, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget by Appropriating \$16,000 from the General Fund Capital Asset Repair and Maintenance Allowance (CARMA) Fund to Convert the Existing Fuel Boiler at the Homer Education and Recreation Complex (HERC) to Natural Gas. Public Comment Received PENDING BUSINESS Item a. Ordinance 24-30, An Ordinance of the City Council of Homer, Alaska, Amending the FY24 Capital Budget by Appropriating \$900,000 from the Gas Line Fund for a Multi-Use Community Recreation Center Project. Memorandum CC-24-154 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

Terry Eubanks, City Manager for the City of Kenai, commented in support of Resolution 24-078 noting the benefits to having air service connecting the Kenai Peninsula to the Seattle/Tacoma airport.

Larry Slone, city resident, commented on the city manager's contract, specifically the termination clause and purported amount of \$50,000.

Robert Archibald, city resident, commented in support for Ordinance 24-30 and supported Resolution 24-077, stating that they needed to protect the water source.

Jan Keiser, city resident, supported Ordinance 24-30 and Resolution 24-077, reiterating the benefits and development of a water budget.

Karin Marks, city resident, commented on Ordinance 24-30 but expressed her concerns regarding usage of the funds for studies or designs that have already been done and asked for Council to provide guidance on how the funds were to be used.

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, 2024. Acting City Clerk. Recommend adoption.
- b. Memorandum CC-24-106 from Mayor re: Appointments to the Sister City 40th Anniversary Task Force and Comprehensive Plan Steering Committee. Recommend approval.
- c. Memorandum CC-24-107 from Acting City Clerk re: Liquor License Renewals for Sweetgale Meadworks & Cider House and The Broken Oar. Recommend approval.
- d. Memorandum CC-24-108 from Special Projects & Communications Coordinator re: Approving the 2025-2030 CIP and FY26 Legislative Priorities Development Schedule. Recommend approval.
- e. Memorandum CC-24-109 from Mayor re: Confirming Appointments to the City Manager Hiring Advisory Committee and Identifying their Charge. Recommend approval.
- f. Ordinance 24-23, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Operating Budget to Provide for Necessary Mid-Biennium Adjustments. City Manager. Introduction May 28, 2024 Public Hearing and Second Reading June 10, 2024.

Memorandum CC-24-113 from HR Director/Finance Director as backup.

Memorandum CC-24-111 from Employee Committee as backup.

Memorandum CC-24-112 from Community Development Director as backup.

Memorandum CC-24-110 from Parks, Art, Recreation and Culture Advisory Commission as backup.

- g. Ordinance 24-24, An Ordinance of the City Council of Homer, Alaska, Amending the FY25 Capital Budget to Provide for Necessary Mid-Biennium Adjustments. City Manager. Introduction May 28, 2024 Public Hearing and Second Reading June 10, 2024.

Memorandum CC-24-114 from PARCAC/Community Recreation as backup.

- h. Ordinance 24-25, An Ordinance of the City Council of Homer, Alaska, Amending the City of Homer Water and Sewer Rates and Updating the City Fee Schedule Accordingly. City Manager/Finance Director. Introduction May 28, 2024 Public Hearing and Second Reading June 10, 2024.

Memorandum CC-24-122 from Finance Director as backup.

- i. Resolution 24-058, A Resolution of the City Council of Homer, Alaska, Establishing a 2024 Mil Rate of 1 Mil for the Ocean Drive Loop Special Service District. City Manager. Recommend adoption.

Memorandum CC-24-116 from Acting City Clerk as backup.

- j. Resolution 24-059, A Resolution of the City Council of Homer, Alaska, Establishing the City of Homer Prop. Tax Mil Levy Rate at 4.5 Mills for 2024. City Manager. Rec. adoption.
- k. Resolution 24-060, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Dispose of Used and Surplus Equipment Pursuant to Homer City Code 18.30. City Manager. Recommend adoption.

Memorandum CC-24-117 from Public Works Director as backup.

- l. Resolution 24-061, A Resolution of the City Council of Homer, Alaska Authorizing the City Manager to Execute the Clean Water State Revolving Loan Fund Loan Agreement #409361 for the Homer Bunnell-Charles Way Sewer Main Extension and the Drinking Water State Revolving Fund Loan Agreement #409351-S for the Bunnell-Charles Way Water Main Extension. City Manager. Recommend adoption.

Memorandum CC-24-118 from Public Works Director as backup.

- m. Resolution 24-062, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Execute a Loan Agreement with the State of Alaska Department of Environmental Conservation for an Alaska Drinking Water Fund Loan in the Not to Exceed Principal Amount of \$415,670 for the Bunnell Avenue/Charles Way Water Improvement Project. City Manager/Public Works Director. Recommend adoption.

Memorandum CC-24-119 from Public Works Director as backup.

- n. Resolution 24-063, A Resolution of the City Council of Homer, Alaska, Authorizing the Purchase of Playground Equipment and Surfacing Material in the Amount of \$39,753 to Install as Part of the Bayview Park Improvements Project and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/City Engineer. Recommend adoption.

Memorandum CC-24-120 from City Engineer/Parks Maintenance Coord. as backup.

Councilmember Aderhold moved Item i. Resolution 24-079 to Resolutions Item B. for discussion.

Acting City Clerk Krause read the Consent Agenda into the record as amended.

LORD/VENUTI MOVE TO ADOPT THE CONSENT AGENDA AS READ.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS (10 Minutes limit per visitor)

- a. Harbor Expansion Quarterly Update Presentation & Report - Jenny Carroll, Communication & Special Projects Coordinator and Bryan Hawkins, Port Director

Special Projects & Communications Coordinator Carroll and Port Director Hawkins presented an update on the Homer Harbor Expansion Project noting the following:

- Secured Federal Continuation Funding
 - o \$800,000 in US Corps of Engineers FY2024 Workplan
 - o \$800,000 pending in President's Draft FY25 Federal Budget for 3rd year funding
- Secured Additional State Match Funding
 - o \$288,523 in the FY24 Supplemental State Capital Budget
- Provided the differences since December 2023 and July 2024 with work and funding flow
- General Investigation Study Process Refresh
 - o General Investigation Tentative Schedule and Major Milestone Timeline
- Reviewed where they have been and what was accomplished
- Major Plan Components Identified
- Baseline Conditions Ongoing Work
 - o Environmental Stakeholders Working Group
 - o Ecological Modeling
 - o Environmental Fieldwork
 - o Ship Simulation
 - o Geotechnical Investigation and Bathymetric Mapping
 - o Fleet Identification and Economic Survey
- Reviewed Next Steps

- Advance Development of Identified Alternatives
- Public Scoping meeting to review alternatives
- Alternative Design Comparative Analysis
 - All alternative plans are compared to the future without project condition
 - Alternative plans are compared to each other to identify differences in costs, benefits, risks, and impacts.
- Next Steps, Major Milestone Tentative Dates

Ronny McPherson, with HDR, provided technical details on the project.

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

a. Committee of the Whole Report

Councilmember Lord provided a brief summary of the items discussed by City Council

b. Mayor's Report

Mayor Castner reported visiting Kodiak to attend a 60th anniversary of the Tustemena and arriving back the next day. He attended the Planning Commission meeting on Wednesday, July 17, 2024 and spoke about the city policy of allowing only one water meter and should consider changing policy to allow multiple meters similar to Homer Electric so each residence has their own meter.

c. Borough Report – Brent Johnson

Mr. Johnson provided a brief update on the Kenai Peninsula Borough's meeting of July 9, 2024 and noted the following:

- Bed Tax implementation was postponed to the fall when they can have more public input
 - May create a working group for this issue
- Kachemak Selo School Building Fund moving forward
- Hospital Bonding will be on the August 6th Agenda and requested for the August 12th meeting
- Borough is using online as well as the local newspapers to advertise their meetings

d. Planning Commission – There was no report submitted and no commissioner present.

e. Parks Art Recreation and Culture Advisory Commission

Commissioner Archibald reported on the successful completion of the Strategic Plan which will be used for the development of the SWOT Analysis, worksessions are planned for the next several meetings to complete that document, development of individual park plans and needs to assist in biennial budget development, conducted a pre-CIP review, potential harbor pavilion mural and beach policy review in October.

f. ADA Advisory Board Report

i. ADA Advisory Board Report for July 11, 2024

Councilmember Venuti reviewed her written report for the Council.

g. Champions Report

- i. Finance – There have been no meetings scheduled.
- ii. Harbor – Councilmember Lord reported on a brief meeting conducted on Friday, July 19, 2024 for a meeting with the US Army Corps of Engineers for a site visit overview of the Harbor facilities. Councilmembers had other commitments and could not participate in the tour of the Harbor.
- iii. Recreation – There have been no meetings scheduled.

PUBLIC HEARING(S)

ORDINANCE(S)

CITY MANAGER'S REPORT

a. City Manager's Report

Interim City Manager Jacobsen noted that her report was in the packet. She commented on the following items of interest as follows:

- FY26-FY27 Proposed Budget Schedule
- Airport Sidewalk Renovation Project starting soon
- Review of the STIP by Community Development Director

City Manager Jacobsen facilitated brief comments on:

- Difference in the reduction of sales tax revenues, was this starting a downward trend and how they would address budget concerns, especially noting the previously conservative approaches the city has employed; and
- Recommending a worksession to discuss the issue; and
- Presentation of departments regarding increasing expenses, educational opportunity, similar to but not as intense to what is done at the Borough level and what deferred maintenance is required should be a priority.

b. Monthly Expenditure Report Actuals through June 2024

PENDING BUSINESS

- a. Ordinance 24-30, An Ordinance of the City Council of Homer, Alaska, Amending the FY24 Capital Budget by Appropriating \$900,000 from the Gas Line Fund for a Multi-Use Community Recreation Center Project. Mayor. Introduction June 10, 2024 Public Hearing and Second Reading June 17, 2024. Postponed to July 22, 2024.

Public Comment Received

LORD/ADERHOLD MOVED TO ADOPT ORDINANCE 24-30 BY READING OF TITLE ONLY.

LORD/VENUTI MOVED TO AMEND LINE 21 TO ADD, "WHEREAS, A DEDICATED INVESTMENT ACCOUNT WILL BE ESTABLISHED FOR THE MULTI-USE COMMUNITY RECREATION CENTER PROJECT" AND AMEND LINE 32 TO CHANGE THE TRANSFER TO FUND NAME TO "YET TO BE DETERMINED".

There was discussion by Council on amending code related to creation of new accounts for projects so that interest is earned right from the start; the use of money from the fund established was for the construction of the building but not restricting the use solely for that purpose since there was no location for the proposed project at this time and that there should be referenced that the use was not for the new roof at the HERC or to demolish HERC 2.

VOTE. (Amendment) YES. HANSEN, VENUTI, LORD, DAVIS, ADERHOLD, ERICKSON

Motion carried.

Mayor Castner briefly commented on the intent of the ordinance.

NEW BUSINESS

- a. Memorandum CC-24-150 from Councilmembers Lord and Aderhold re: Accessible/Disabled Parking on the Homer Spit.

LORD/ADERHOLD MOVED TO APPROVE THE RECOMMENDATION AND FORWARD TO THE ADA ADVISORY BOARD AND PORT AND HARBOR ADVISORY COMMISSION.

Discussion included clarification on bringing this topic forward to discuss options regarding parking on the Spit for Accessible Parking recommendations to make it the most accessible. Information on the Parking authority and who has that authority how the decision is made and that Council does not set fees and anecdotal information on parking lots in Arizona reporting that for a ball game in a 40-acre parking lot, the first 20 acres are ADA Accessible parking spots.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

RESOLUTIONS

- a. Resolution 24-077, A Resolution of the City Council of Homer, Alaska, Supporting a Partnership Between the City, University of Alaska and the Kachemak Bay National Estuarine Research Reserve to Submit a Grant Application to the National Oceanic and Atmospheric Administration for Funding to Acquire and Protect Lands Within the Bridge Creek Watershed Protection District. Aderhold.

Memorandum CC-24-144 from Community Development Director as backup.

ADERHOLD/LORD MOVED TO ADOPT RESOLUTION 24-077 BY READING OF TITLE ONLY.

Discussion ensued on the presentation during Committee of the Whole and reiterated the available funding with no match required to protect ecologically important lands.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- b. Resolution 24-079, A Resolution of the City Council of Homer, Alaska, Providing Comments to the Alaska State Legislature Regarding the Impact of Tax Exemptions on Municipalities. Aderhold.

ADERHOLD/LORD MOVED TO ADOPT RESOLUTION 24-079 BY READING OF TITLE ONLY.

Councilmember Aderhold stated the intent of the resolution was to allow the Council the ability to comment on legislation that would be moved forward that impacts the ability of the city to collect property taxes or sales taxes and when the legislature does something like that they are impacting the city. She noted that the Alaska Municipal League is working on an information packet to be able to present to the legislature. Ms. Aderhold would like to postpone it to complete the missing information to provide clarification, provide statements to reflect that it does not impact the Senior Tax Exemption, which affects approx. 10% of the city residents. Further discussion points made were:

- relieve one group, it impacts another.
- Adding a breakdown of sales tax collected and the mil rate for the city as information
- related actions of the legislature regarding food as an example
- Partnership that needs to be maintained with the State

ADERHOLD/VENUTI MOVED TO POSTPONE TO RESOLUTION 24-079 TO THE AUGUST 12, 2024 REGULAR MEETING.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Charles Barnwell, city resident, commented on the Department of Transportation has a separate step item for the Diamond Creek Underpass Trail, noting that this was not funded, but Council did support it and there is strong interest from residents of Homer to have this built and Council needs to take action as the AKDOT is interested in what the City is going to do. Mr. Barnwell then stated that he has an interest in the Harbor studies as he has been here since the 1964 quake and expressed concerns on HDR designing boreholes with possible seismic reactions depending on the placement and depth of the boreholes. He further commented that he did not need to remind people of the devastating tsunami that was caused by underground avalanche in 1964 and the geological survey that was

provided by DGGs in 2022 pointed out that Homer has some concerns in that regard. He hoped that HDR has that information and is including it in their consideration or processes used.

COMMENTS OF THE CITY ATTORNEY

City Attorney Gatti had no comments.

COMMENTS OF THE CITY CLERK

Acting City Clerk Krause provided information on the vacancies on the Economic Development Advisory Commission, and Sister City Task Force. She announced the timing of the Candidacy Period for upcoming City Elections and availability of the documents on the city website.

COMMENTS OF THE CITY MANAGER

City Manager Jacobsen noted that there were several job openings and the information on each position was available on the city website. The positions were for permanent part time, full time and seasonal temporary positions.

COMMENTS OF THE MAYOR

Mayor Castner commented jokingly that City Manager Jacobsen was not going to get a new name plate, that she could tape over the word "interim". He then announced that he was getting excited for a possible delegation visit to Teshio, Japan in late May 2025 and announced the visitor scheduled for September 9, 2024 regular meeting of the Japanese General Counsel was planning a visit.

COMMENTS OF THE COUNCIL MEMBERS

Councilmember Erickson expressed her appreciation for the City Manager of Kenai to come to their meeting tonight to speak to the Joint Resolution regarding air service from Kenai to the Lower 48 and believed that it was really important as they have experienced this summer the lack of air service in and out of Homer has affected everyone, especially with the number of fatalities on the road. It is really critical that we have a dependable airline. She noted that back in the 80's or 70's they had a triangle from Seattle, Anchorage, Homer, Kodiak and all those planes were full and she expressed confidence in having enough passengers from Kenai to the Lower 48 to make that worthwhile. Ms. Erickson then commented on her recent visit to Jack Gist Park and how beautiful the park was down there noting that the contractor and public works department has done a great job with the parking, drainage and will be complete once the bathrooms are in place. She provided some feedback on the ongoing traffic with gravel trucks and asphalt up and down the Baycrest Hill and the resulting noise and smells acknowledging the efforts of the drivers to make it as minimal as possible.

Councilmember Davis commented on the Mayor's consternation with having a regulation on the books allowing only one water meter, even if there are 25 structures on a lot. He provided his personal experience when developing his business on Main Street. He agreed with the Mayor on fixing that.

Councilmember Aderhold commented that she was very excited to be working with Melissa in her new capacity and noted that while reading the Anchorage Daily News the Department of Labor has new

statistics out for the Alaska population and are predicting over the next ten years that the population is going to decline for Alaska. The population has been on a downward trajectory except places like the Kenai Peninsula and Mat-su Borough, but moving forward that should be considered as they revise the Comprehensive Plan and make code changes they need to consider what that means since Homer does not seem to follow the state trend. She then commented on the many events around Homer such as the Concert on the Lawn, the performance of the Addams Family and Spit Toons during July and the number of people supporting these events, its really great to see people getting out and enjoying summer and doing things that make us laugh as we need laughter right now.

Councilmember Venuti expressed her appreciation for the Mayor traveling to Kodiak for the Tustemena anniversary event, the incident with Crowdstrike and appreciation to IT being right on the issue and sending notifications and updates to Council, thanked Shelly for her sharing her talents in Spit Toons as she is a very talented keyboardist and encouraged everyone to see the show as it was wonderful and funny. She commented on the reminder regarding the Assembly meeting being held in Homer on August 6th. Ms. Venuti congratulated Renee on taking on the role of City Clerk and Melissa becoming their City Manager and how the city did not have to look far for the best was right here looking at us.

Councilmember Lord Congratulated Melissa and delighted to be able to keep working with her in her new capacity and with all city staff. She reported on attending the Addams Family production and stated it was awesome, that Homer is a great community and Spit Toons was great with a live music, performers of all ages, really delightful community and then this weekend in Soldotna there will be the 4H Expo and Progress Days celebration, her and her children will be camped out at the spots complex as they have their chickens entered in to show, not sell, just show, but there is a livestock auction. She commented on the exhibits and her children's exhibits will include dog training and Japan.

City Manager Jacobsen wished Mayor Castner a Happy Birthday and City Council and a few of those present in the audience sang Happy Birthday to the Mayor.

ADJOURNMENT

There being no further business to come before the Council Mayor Castner adjourned the meeting at 8:20 p.m. The next Regular Meeting is Monday, August 12, 2024 at 6:00 p.m. and Committee of the Whole at 5:00 p.m. Special Meeting at 4:00 p.m. All meetings are scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom webinar.

Renee Krause
Renee Krause, MMC, Acting City Clerk

Approved: Aug 12, 2024