

Session 16-09 a Regular Meeting of the Homer City Council was called to order on April 25, 2016 at 6:00 p.m. by Mayor Mary E. Wythe at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

**PRESENT:** COUNCILMEMBERS: ADERHOLD, LEWIS, REYNOLDS, SMITH, VAN DYKE, ZAK  
(telephonic)

STAFF: CITY MANAGER KOESTER  
CITY CLERK JOHNSON  
FINANCE DIRECTOR LI  
IT MANAGER POOLOS  
PUBLIC WORKS DIRECTOR MEYER

Councilmember Zak has requested telephonic participation.

Mayor Wythe called for a motion to allow Councilmember Zak to participate by telephone.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Council met as a Committee of the Whole from 5:00 p.m. to 5:52 p.m. to discuss Ordinance 16-10, Memorandums 16-043, 16-062, and 16-072, Homer Accelerated Water and Sewer Program (HAWSP), and Homer Accelerated Roads and Trails (HART) Funding Availability.

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

## **AGENDA APPROVAL**

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

The following changes were made: **CONSENT AGENDA** - **Memorandum 16-068**, Liquor License for Young's Downtown Restaurant & Inn, Non-objection from Kenai Peninsula Borough.

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

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Ken Castner, city resident, commented on Ordinance 16-10. The Spit trail is rough on bikes and strollers, but no one is paying attention to trails. He questioned the 10% charged to HART for administering the program, along with a 15% contingency fee on the repaving project.

### **RECONSIDERATION**

- A. **Resolution 16-029(S)**, A Resolution of the City Council of Homer, Alaska, Amending the Beach Policy for Operating, Stopping or Parking of Motor Vehicles in Beach Areas Prohibited to Add an Exception to the Southern End of the Vacated Easement Formally Known as Shirlene Circle and the Area West of Bishop's Beach Park Access Between the South End of Mariner Park Beach to the East End of the Seawall From October 1 Through March 31 Solely for the Purpose of Gathering Sand and Coal. Reynolds. *Reconsideration issued by Councilmember Reynolds April 12, 2016.*

Mayor Wythe called for a motion for the reconsideration of Resolution 16-029(S).

REYNOLDS/LEWIS – SO MOVED.

The title is inconsistent with the location description.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

See Pending Business.

### **CONSENT AGENDA**

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Regular meeting minutes of April 11, 2016. City Clerk. Recommend adoption.

- B. **Memorandum 16-067**, from Mayor Wythe, Re: Appointment of Sarah Richardson to the Economic Development Advisory Commission.
- C. **Memorandum 16-068**, from Deputy City Clerk, Re: Liquor License for Young's Downtown Restaurant and Inn.
- D. **Ordinance 16-19**, An Ordinance of the City Council of Homer, Alaska, Determining to Retain For a Public Purpose Tax Foreclosed Property in the Homer Recording District, Third Judicial District, State of Alaska Described as SW1/4 NW1/4 Section 4 Township 6S Range 13W Seward Meridian, KPB Tax Parcel No. 173-052-19, Located in the Vicinity of Easy Street and Quinalt Avenue, Last Owner of Record Debra Good. City Manager. Recommended dates: Introduction April 25, 2016, Public Hearing and Second Reading May 9, 2016.
- E. **Ordinance 16-20**, An Ordinance of the City Council of Homer, Alaska, Amending Subsection (A) of HCC 17.04.040, Initiation of District, to Provide That a Special Assessment District May Be Initiated By a Petition Signed By the Record Owners of Real Property That Would Bear Not Less Than 50 Percent of the Assessed Cost of the Improvement. Smith. Recommended dates: Introduction April 25, 2016, Public Hearing and Second Reading May 9, 2016.

Memorandum 16-070 from City Attorney as backup.

- F. **Resolution 16-042**, A Resolution of the City Council of Homer, Alaska, Authorizing the Formation of the Kachemak Drive Phase III Water and Sewer Special Assessment District, and Authorizing the City Manager to Proceed With the Preparation and Construction of the Project. City Clerk. Recommend adoption.

Moved to Resolutions, Item B. Smith.

- G. **Resolution 16-043**, A Resolution of the Homer City Council Approving the City of Homer 2016 Land Allocation Plan. Mayor/City Council. Recommend adoption.
- H. **Resolution 16-045**, A Resolution of the City Council of Homer, Alaska, Requesting That the Kenai Peninsula Borough Categorize Snack Food as Prepared Food and Categorize Diapers and Feminine Hygiene Products as Essential Goods for Sales Tax Purposes. Lewis. Recommend adoption.

Moved to Resolutions, Item C. Smith.

- I. **Resolution 16-046**, A Resolution of the City Council of Homer, Alaska, Opposing the Proposed Update to Annex B of the Alaska Federal/State Preparedness Plan for Response to Oil and Hazardous Substance Discharges/Releases (Unified Plan). Aderhold. Recommend adoption.
- J. **Memorandum 16-071**, from Special Projects and Communications Coordinator, Re: Capital Improvement Plan Schedule for 2017 - 2022 & FY 2018 Legislative Requests.

Item F, Resolution 16-042 was moved to Resolutions, Item B. Smith.

Item H, Resolution 16-045 was moved to Resolutions, Item C. Smith.

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

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **VISITORS**

- A. Joy Steward, Homer Foundation

Joy Steward, Executive Director of The Homer Foundation, reported the City of Homer Grants Program is in its 17<sup>th</sup> year with \$750,000 distributed to date. The support is vital for the nonprofit community. This year's \$19,000 allocation from the City allowed a total of \$24,875 (including earned income from the City of Homer and City of Kachemak's endowment funds) for distribution to ten nonprofits. Funding for the nonprofits is important for them to garner additional funding. Last year the ten nonprofits generated nearly \$4.4M in revenues. This includes \$2.3M in new money coming into Homer from State, Federal, and Foundation grants. They also employ 65 full and part-time employees with personnel costs exceeding \$2.2M. The Foundation does not charge fees to the City to administer the endowment fund.

- B. Week of the Young Child, Lisa (Red) Asselin Martin

Homer Early Childhood Coalition Coordinator Red Asselin Martin and Haven House Prevention Coordinator Rachel Romberg reported Alaska has fallen short in child abuse

prevention and neglect. Alaska has six times the national average in reported abuse. Long term exposure to abuse increases poor performance and mental health problems. The Coalition is trying to build a shared understanding about brain development. Between newborn to five years old is an important time for brain development and to establish a neurological foundation. Positive experiences create connections between children and community members. When the experiences are not positive it creates gaps in the brain with no activity in some places. This can happen with neglect, sexual abuse, domestic violence in the home, and adverse experiences. Connections can be made later in life to help heal the brain. There is the power of empathy for children suffering from abuse. The community is urged to connect with families, the legislature, early learning resources, or with a child.

C. Safe & Healthy Kids Fair Committee, Mike Illg and Ginny Espenshade

Community Recreation Coordinator Mike Illg and Youth Court Director Ginny Espenshade announced the Safe & Healthy Kids Fair on April 30<sup>th</sup> from 10:00 a.m. to 2:00 p.m. This is the 24<sup>th</sup> year and 30 different entities are involved. City personnel from the Library are showcasing summer programs, Public Works is sweeping the parking lot to make it safe for the bike rodeo, Community Recreation is operating the bike rodeo with the help of volunteers, HVFD is cooking food, and HPD is operating project drive with the go-cart. This is Elaine Grabowski's last safe kids fair as she will be retiring from the City.

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

A. Mayor's Proclamation - Week of the Young Child, April 24 - 30, 2016

Councilmember Smith read and presented the proclamation to Red Asselin Martin and Rachel Romberg.

B. Mayor's Proclamation – Municipal Clerks Week, May 1 – 7, 2016

Mayor Wythe read and presented the proclamation to City Clerk Jo Johnson.

C. Mayor's Proclamation – Parkinson's Awareness Month, April 2016

Councilmember Reynolds read and presented the proclamation to Jolee Ellis.

D. Mayor's Proclamation – Clean-Up, Clean-Out, Spruce-Up Day, May 7, 2016

Councilmember Aderhold read and presented the proclamation to Jan Knutson, Chamber of Commerce.

E. Borough Report

F. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
  - a. Minutes of March 16, 2016
3. Economic Development Advisory Commission

Economic Development Advisory Commission Chair Karin Marks reported the commission has one open seat. They have many new faces and are working on an action plan to guide them in their tasks. The group is pro-development for new ideas in economic development.

4. Parks and Recreation Advisory Commission

Parks and Recreation Advisory Commissioner Deb Lowney reported the commission has been focusing on connectivity – healthy people in a healthy community. The dog bags and dispensers have received positive response and there is a demand for more dispensers and trash receptacles. The community may be able to help with the collection aspect; this will help parks maintenance with the duty. The commission has made final revisions on the Beach Policy and is now updating their portion of the Comprehensive Plan. The rocks and gate on Bishop's Beach are positive additions. Commissioner Lowney announced the Trails Symposium on May 3<sup>rd</sup> at Islands and Ocean Visitor Center from 5:30 p.m. to 7:30 p.m. They are prioritizing trails through input from the community.

5. Port and Harbor Advisory Commission

- a. Memorandum 16-069 from Deputy City Clerk, Re: Port and Harbor Advisory Commission Recommendation to Allow Retail Marijuana on the Spit.

6. Cannabis Advisory Commission

Councilmember Reynolds announced the meeting on April 28<sup>th</sup> at 5:30 p.m.

## **PUBLIC HEARING(S)**

### **A. ERIC LANE LILLIAN WALLI SUBDIVISION ROAD, DRAINAGE AND SEWER SPECIAL ASSESSMENT DISTRICT**

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

- B. Ordinance 16-18(A)**, An Ordinance of the City Council of Homer, Alaska, Enacting Homer City Code Chapter 3.20, Recreational Facility Matching Grants; and Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of ~~\$900,000~~ **\$225,000** From the Permanent Fund to the Recreational Facility Matching Grant Fund. Lewis. Introduction April 11, 2016, Public Hearing and Second Reading April 25, 2016.

Mayor Wythe opened the public hearing.

Barb Brodowski, city resident, questioned how the funds magically appeared to spend. Just four months after the 2016 budget reductions there are all kinds of money available for recreation along with two resolutions increasing taxes on food. She questioned how the City will approach residents this year for the 2017 budget.

Deb Lowney, city resident, commented SPARC has brought forward an incredible opportunity. Number one on the PARC Needs Assessment was a multi-use year-round community facility. SPARC has received the political support and has secured space for the building. She supports leveraging city dollars for secure funding. Whatever is developed it should be a selective process with strong guidelines and accessible by volunteers, non-profit recreational organizations, and private businesses that provide recreation opportunities and facilities.

Ken Castner, city resident, said there is no better strategy than having partners. It is the only way the city will have a recreation program in the future. Whether the money comes from the Permanent Fund, future funds, or money in the bank, this is something tangible.

Daniel Zatz, Homer resident, commented we need to diversify the economy. We have a chance to build an infrastructure to generate revenue and provide a healthier lifestyle. SPARC can double what money the City puts in. It is a good investment on behalf of the City.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 16-18(A) by reading of title only for second and final reading.

LEWIS/VAN DYKE – SO MOVED.

Councilmember Lewis asked that the ordinance be voted down since Ordinance 16-21 is coming up. Later he will be presenting an ordinance for the Parks and Recreation Advisory Commission to review. It will be something sustainable.

Councilmembers expressed the need to put more thought into a recreation ordinance.

VOTE: NO. LEWIS, SMITH, ADERHOLD, REYNOLDS, ZAK, VAN DYKE

Motion failed.

## **ORDINANCE(S)**

- A. **Ordinance 16-21**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2016 Operating Budget by Appropriating Funds in the Amount of \$189,000 From the General Fund to The Homer Foundation for Purposes of Constructing the South Peninsula Athletic and Recreation Center. Lewis/Smith. Recommended dates: Introduction April 25, 2016, Public Hearing and Second Reading May 9, 2016.

Mayor Wythe called for a motion for the adoption of Ordinance 16-21 for introduction and first reading by reading of title only.

LEWIS/SMITH - SO MOVED.

Councilmember Smith advocated for the ordinance as it will put the majority of burden on those that want to develop the program. It provides a 2:1 match, capping out at \$189,000. In 2017 the City anticipates \$215,000 in revenue sharing. The facility is a win win for the community because of the economic and health benefits it will provide. Daniel Zatz and Anders Gustafson need to order the building within a few weeks. Without the City's commitment they will have to move on. Leveraging additional funds will help build a multi-use facility.

City Manager Koester told Council the revenue sharing will be received in 2017. Revenue sharing for 2016 was allocated to the public safety building project.



Councilmember Lewis offered support and a recommendation that any projects of this nature go through Parks and Recreation Advisory Commission before the City Council.

Discussion on the City's \$1 match to each \$2 contribution to the fund ensued. Two-thirds of the total cost of the SPARC project is provided by the proposers and donations.

ZAK - MOVED TO AMEND TO A 1:1.5 MATCH.

Motion died for lack of a second.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **CITY MANAGER'S REPORT**

### **A. City Manager's Report**

#### **Tom Klinkner Steps Down as City of Homer Lead Attorney**

After 8 years of service to the City of Homer, Tom Klinkner of Birch Horton Bitner and Cherot will no longer be our lead attorney. Holly Wells, who you know well from her tenure with the City, will take over as the point person for City of Homer issues and be the City Attorney listed on official City documents. She will be working with Katie Davis and Leila Kimbrell to provide quick and thorough advice for BHB municipal clients. Luckily Tom's historical knowledge won't be totally out of reach – he plans on continuing to work part-time for the firm.

#### **How City Manager Navigates Requests for Support and Legislation**

In the short time that I have had the privilege to serve as your City Manager (1 year last week!), I have tried to be very cognizant of my role as advisor and implementer and your role as policy makers. Council has to make the tough decisions, which is appropriate since you have the backing of the electorate (and a division of labor I am forever grateful for). In that vein, I try to bring you legislation that pertains to how the City works. Policy statements, such as the City of Homer's support for another agency's policy should come from a Councilmember. That being said, I am often approached by members of the public to support or oppose something on behalf of the City with very little turnaround time. If the issue is clearly in the interest of the City, such as the letter opposing the Alaska State Hockey Association's proposal to consolidate all state level tournaments included in this packet, and time is of the essence, I will pen a letter and include it for your review in the City Manager's report. If I have time to approach the Mayor, I try to, as a letter from the top elected official is more meaningful. If a resolution is needed, my goal is to ask the requestor to either contact a Councilmember or I will put them in touch with a Councilmember that may be interested in their cause. This extends to recommendations from Boards and Commissions, unless the

recommendation of a Commission is brought to me by a department head (who makes a good argument for the proposal and it is relevant to the business of the City). I will ask commission members to find a Councilmember to sponsor their recommendation and to take up the issue. I am happy to facilitate this and do any necessary research or drafting. I know this is not a new practice, but I thought it would be valuable to communicate to the Council, Commissioners, and public. Because we are government and we have internal best practices to adhere to, please give us sufficient turnaround time (it seems like we have been approached a lot this month). A big thank you goes to all the Boards, Commissions, organizations, and community members who are working to make our community a better place. The City appreciates the opportunity to participate in those efforts and learn from the public where we can do things better.

### **Real Estate RFP Extended**

The City of Homer issued an RFP for real estate agent services that expired April 14. There were no responses so I have extended the deadline to May 5. I am hopeful this extension will give local firms the time they need to prepare a bid and help the City move some property back onto the tax roll.

### **Input from the Borough on Tax Code**

The KPB Finance Director has informally solicited input on items that municipalities would like to see changed in the Borough's sales and property tax code. We have not yet been provided with a list of possible changes that the Borough is considering, so it is difficult to comment. Once the Borough administration has presented the Assembly with the recommendations, I think it is appropriate for Council to weigh in officially on items by resolution, as we discussed at the revenue worksession on the 18<sup>th</sup>. At this stage, I cannot say that the City is opposed or supportive of a particular revision without Council review, except for changing the definition of non-prepared food, which was incorporated into City code last year. With Council approval, I plan to forward to the Borough Finance Director that the City of Homer would like to see the following items *considered* with an official opinion of the Council (by resolution) to follow.

- raising the sales tax cap from \$500-\$1,000
- excise taxes on alcohol, marijuana, and tobacco
- changing the definition of non-prepared food

I anticipate there being additional items the Council would like to comment on once we have seen what the Borough administration is considering. Changes in KPB tax code will be discussed at the May 16 revenue work session with potential resolution(s) before Council on May 23.

### **Pioneer Avenue Revitalization Project**

The City of Homer is participating in a cross-sector task force to revitalize Pioneer Avenue, Homer's historic downtown commercial corridor with over 86 businesses. The goal is to promote Pioneer Avenue as a prominent Homer destination by creating a cohesive 'Peonies

on Pioneer' brand identity. Peony farming is a burgeoning industry in Homer (with over 25 local farms) and a symbol of Homer's pioneering spirit cultivating new forms of beauty and industry to help sustain the local economy. Efforts so far include an upcoming mural project and development of peony flower beds. The group is also working on providing benches, contiguous bike and walking trails, trash cans, and wayfinding signage embellished with Alaskan peonies as a consistent theme. Bunnell Street Arts Center has agreed to be a fiscal sponsor and may be asking the City of Homer for letters of support in the future for peony related projects. (See attached letter to Pioneer Avenue businesses.)

### **The Legislature...**

The Legislature was scheduled to adjourn at midnight on Sunday the 17<sup>th</sup> of April. As of the drafting of this report, they are well past that deadline and not closer to progress on closing the fiscal gap. However, a number of pieces of legislation that would be devastating to municipalities have been stalled – for this year at least, so thank you to everyone for their effort on that front. SB 210 changing revenue sharing to municipal assistance and adjusting the formula passed. Due to the late passage of the bill and the time it takes to verify population numbers, payments for State fiscal year 2016 won't be seen by municipalities until June of 2016 and SFY2017 payments July of 2017.

<b>SB210 Est. Payments</b>	<b>FY16 (actual)</b>	<b>FY17 (est.)</b>	<b>FY18 (est.)</b>	<b>FY19 (est.)</b>
Statewide Distribution	\$57.3MM	\$38.2MM	\$30MM	\$30MM
City of Homer Allocation	\$322,641	\$215,640	\$145,663	\$145,663

City Manager Koester announced the Parks, Recreation and Trails Symposium on Tuesday, May 3<sup>rd</sup> 5:30 p.m. to 7:30 p.m. at Islands and Ocean Visitor Center.

### **B. Bid Report**

## **CITY ATTORNEY REPORT**

## **COMMITTEE REPORT**

- A. Public Arts Committee
- B. Employee Committee Report
- C. Public Safety Building Review Committee

Public Safety Building Review Committee Chairman Ken Castner reported on Wednesday, April 27<sup>th</sup> there is a Worksession at the HERC with the architect and construction manager to begin the charrette process. People will meet at the HERC at 8:00 a.m. to go over areas that can be used for public safety needs. They will return to the Conference Room around noon

and adjourn no later than 3:00 p.m. There are cost controls throughout the project to stay within the \$12M budget established by City Council. Additionally, the committee is developing plans for the fire station. They may use the term contractor for the design and put the project out for bid. In the upcoming six weeks the committee has meetings and will provide detailed designs of the police facility to prepare for a bond proposition. He is optimistic they will come within the \$12M budget.

D. Americans with Disabilities Act Compliance Committee

Councilmember Donna Aderhold reported the committee met last week and reviewed the draft ADA grievance procedure and form. The grievance procedure will come before Council after the committee has approved it. Next, the committee will develop a transition plan for the City of Homer to comply with ADA. The transition plan starts with a self-evaluation, comprehensive checklist, and a variety of things related to employment practices. For those areas that are not in compliance, there will be a building transition plan. The plan will require a lot of cooperation from each department within the City.

**PENDING BUSINESS**

- A. **Ordinance 16-10**, An Ordinance of the City Council of Homer, Alaska, Amending the 2016 Operating Budget to Allow for the Completion of the 2016 Streets Repaving Project Utilizing Homer Accelerated Roads and Trails (HART) Funds in an Amount Not to Exceed \$638,000. City Manager/Public Works Director. Introduction March 14, 2016, Public Hearing March 29, 2016. Reconsidered April 11, 2016 and Postponed to April 25, 2016.

Memorandums 16-043, 16-062, and 16-072 from Public Works Superintendent as backup.

Motion on the floor from March 29<sup>th</sup>: MOTION FOR THE ADOPTION OF ORDINANCE 16-10 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

City Manager Koester referenced Memorandum 16-072 from Public Works Superintendent Gardner that includes options to downsize the project not to exceed \$374,391 or increase the amount to \$700,000 to complete the entire paving project.

LEWIS/REYNOLDS – MOVED TO AMEND THE AMOUNT TO \$700,000 FOR ALL OCCURRENCES.

Councilmember Smith questioned the administration fee of 15% and inspection fee of 4%. There's no representation for the money collected from HART. Charging an administration fee

when it is time to spend it is almost double dipping. When it is time to allocate the hours and expenditures we can do it in house.

City Manager Koester asked that the administrative fee in this ordinance remain and a closer scrutiny of the fee be given to HART at a later date. We will only charge the hours that the person works.

Councilmember Lewis called for a point of order to discuss the amendment on the table.

Councilmember Reynolds opposes the increase as she believes it has to do with contingency for the project.

Councilmember Aderhold supports the increased amount as it is important to keep our roads maintained. For the roads that are presented Public Works has demonstrated a need. We have to trust our Public Works Department to assess projects and determine their need. Those personnel have engineering degrees and professional engineering licenses.

Councilmember Zak suggested a smaller amount this year and go back to the \$700,000 every three years based on an analysis of how many road repairs are needed in the future.

VOTE: YES. ADERHOLD, LEWIS

VOTE: NO. REYNOLDS, ZAK, SMITH, VAN DYKE

Motion failed.

ZAK/VAN DYKE – MOVED TO APPROVE \$374,391 WHICH INCLUDES A 5% OVERALL CONTINGENCY.

Councilmember Reynolds would like to see all road projects move ahead.

VOTE: YES. VAN DYKE, ZAK, SMITH

VOTE: NO. REYNOLDS, ADERHOLD, LEWIS

Mayor Wythe broke the tie with a NO vote.

Motion failed.

SMITH/ZAK – MOVED TO REMOVE THE ADMINISTRATIVE FEE OF 15%.

Councilmember Smith commented there is no representation of HART if we collect first and then charge again when the money is spent.

Councilmember Aderhold prefers to look at the administrative fees when the monies come to the City. An administrative fee with a specific project makes a lot more sense.

Finance Director Li was asked to join the conversation. He agreed that administrative fees pay for accounting, staff, and tax collecting. Administrative fees are used to pay for the person managing the project while it is underway.

Mayor Wythe called for a recess at 7:41 p.m. and reconvened the meeting at 7:48 p.m.

Mayor Wythe clarified overhead allocations are distributed between various funds for accounting purposes. HART contributes 4% for roads and 1% for trails towards general administrative expenses. Those include Council expenses, City Clerk, City Manager, Economic Development Advisory Commission, personnel issues, IT, Finance Department, City Hall complex use fees, janitorial services, and Public Works administration. All of those components go into calculating the overhead distribution. The overhead operation is allocated to the general fund, the water fund, the sewer fund, Port and Harbor, roads and trails, and HAWSP to create 100%. That is the total expense of all these divisions of the City that provide services everywhere. They are not funds available to pay for the project administration. People will be allocated to manage the project and their expenses will be allocated to the project.

City Manager Koester further explained a person's salary can be billed to a project. It is not a concrete tangible number that can be budgeted.

Finance Director Li told Council we don't charge labor costs to a project. It is charged through the administration fee. The project manager is not part of the general fund budget; if he works on a project it gets charged to the project.

VOTE: YES. SMITH

VOTE: NO. VAN DYKE, LEWIS, REYNOLDS, ZAK, ADERHOLD

Motion failed.

ADERHOLD/REYNOLDS - MOVED TO AMEND WHEREVER IT READS \$638,000 TO \$668,500.

There was no discussion.

VOTE: YES. LEWIS, ADERHOLD

VOTE: NO. ZAK, VAN DYKE, SMITH, REYNOLDS

Motion failed.

ADERHOLD/ZAK - MOVED TO POSTPONE TO OUR NEXT MEETING.

There was no discussion.

VOTE: YES. ZAK ADERHOLD

VOTE: NO. SMITH, REYNOLDS, LEWIS, VAN DYKE

Motion failed.

VOTE: (main motion) YES. LEWIS, ADERHOLD, REYNOLDS, ZAK, VAN DYKE

VOTE: NO. SMITH

Motion carried.

- B. ***If Reconsidered: Resolution 16-029(S)***, A Resolution of the City Council of Homer, Alaska, Amending the Beach Policy for Operating, Stopping or Parking of Motor Vehicles in Beach Areas Prohibited to Add an Exception to the Southern End of the Vacated Easement Formally Known as Shirlene Circle and the Area West of Bishop's Beach Park Access Between the South End of Mariner Park Beach to the East End of the Seawall From October 1 Through March 31 Solely for the Purpose of Gathering Sand and Coal. Reynolds.

**Resolution 16-029(S-2)**, A Resolution of the City Council of Homer, Alaska, Amending the Beach Policy for Operating, Stopping or Parking of Motor Vehicles in Beach Areas Prohibited, **to Prohibit Vehicles on the Beach at the Bottom of Airport Access Road, to Add An Exception Allow Vehicles From To the Southern End of the Vacated Easement Formally Known as Shirlene Circle to the East, to Prohibit Motor Vehicles to the East of Bishop's Beach Park Access, to Prohibit Motor Vehicles South of Mariner Park, and to Allow Motor Vehicles** and the Area West of Bishop's Beach Park Access Between the South End of Mariner Park Beach to the East End of the Seawall From October ~~31~~ **1** Through March ~~1~~ **31** Solely for the Purpose of Gathering Sand and Coal. Reynolds.

Motion on the floor from April 11: MOTION FOR THE ADOPTION OF RESOLUTION 16-029(S) BY READING OF TITLE ONLY.

Mayor Wythe called for a motion to substitute Resolution 16-029(S-2) for 16-029(S).

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

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

Motion carried.

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

Motion carried.

- C. **Resolution 16-041**, A Resolution of the City Council of Homer, Alaska, Amending the Homer Accelerated Roads and Trails Program (HART) Policy Manual to Change the Allocation of Costs for Street Reconstruction and New Street Construction, and the Basis for Assessing Such Costs; Amending the HART and Homer Accelerated Water and Sewer Program (HAWSP) Policy Manuals to State That Expenditures Under Each Program is Subject to the Availability of Funds; and Referring Other Revisions of the HART Policy Manual to the Homer Advisory Planning Commission for Its Review and Recommendations. City Manager. Postponed to April 25, 2016. Recommend Public Hearing May 9, 2016.

Memorandum 16-063 from City Manager as backup.

**Resolution 16-041(S)**, A Resolution of the City Council of Homer, Alaska, Amending the Homer Accelerated Roads and Trails Program (HART) Policy Manual to Change the Allocation of Costs for Street Reconstruction and New Street Construction, and the Basis for Assessing Such Costs; Amending the HART and Homer Accelerated Water and Sewer Program (HAWSP) Policy Manuals to State That Expenditures Under Each Program is Subject to the Availability of Funds; and Referring Other Revisions of the HART Policy Manual to the Homer Advisory Planning Commission for Its Review and Recommendations. City Manager.

Motion on the floor from April 11: MOTION FOR THE ADOPTION OF RESOLUTION 16-041 BY READING OF TITLE ONLY.

Mayor Wythe called for a motion to substitute Resolution 16-041(S) for 16-041.



LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

LEWIS/ADERHOLD - MOVED TO AMEND LINE 52 TO DELETE "AND (III)" AND INSERT ";(IV)"; LINE 53 FOLLOWING "FUNDS" INSERT "AND (V) DEVELOP A MATCHING GRANT PROGRAM FOR SMALL SCALE GREENWAY TRAILS;" LINE 54 INSERT A NEW RESOLVE "BE IT FURTHER RESOLVED THAT THE COUNCIL REFERS TO THE PARKS AND RECREATION ADVISORY COMMISSION FOR ITS REVIEW AND RECOMMENDATIONS THE SUBJECT OF REVISING THE HART POLICY MANUAL TO DEVELOP A MATCHING GRANT PROGRAM FOR SMALL SCALE GREENWAY TRAILS."

There was no discussion.

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

Motion carried.

REYNOLDS/LEWIS - MOVED ON PAGE 290, LINE 46 FOLLOWING "FUNDS" INSERT "DEFINED AS A DEBT-SERVICE COVER RATIO OF 1.25 OR ABOVE."

There was no discussion.

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

Motion carried.

Mayor Wythe called for a motion to postpone to May 9<sup>th</sup> for a public hearing.

ADERHOLD/REYNOLDS - SO MOVED.

There was no discussion.

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

Motion carried.

## **NEW BUSINESS**

## RESOLUTIONS

- A. **Resolution 16-044**, A Resolution of the City Council of Homer, Alaska, Supporting Kenai Peninsula Borough Ordinance 2016-09, Amending KPB 5.18.200 to Change the Seasonal Exemption From Sales Taxes of Non-Prepared Food Items to Apply From October 1 to March 31 of Each Year. Lewis.

Mayor Wythe called for a motion for the adoption of Resolution 16-044 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

City Manager Koester reported the City loses about \$800,000 a year by not taxing non-prepared foods. Reducing the exemption to three months will produce at least a couple hundred thousand dollars.

Council noted the exemption dates tie in with fiscal quarters, making it easy for stores to switch the tax. The shortened exemption period will be brought up by the Borough Assembly and they will hold a public hearing. If KPB Ordinance 2016-09 is adopted, the citizens may come back against it. At the town hall meetings the majority of participants favored a seasonal sales tax as a revenue source.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- F. **Resolution 16-042**, A Resolution of the City Council of Homer, Alaska, Authorizing the Formation of the Kachemak Drive Phase III Water and Sewer Special Assessment District, and Authorizing the City Manager to Proceed With the Preparation and Construction of the Project. City Clerk. Recommend adoption.

Mayor Wythe called for a motion for the adoption of Resolution 16-042 by reading of title only.

LEWIS/REYNOLDS - SO MOVED.

Councilmember Smith acknowledged the statements of objection for people who felt the assessments were excessive and that they should not be assessed.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- H. **Resolution 16-045**, A Resolution of the City Council of Homer, Alaska, Requesting That the Kenai Peninsula Borough Categorize Snack Food as Prepared Food and Categorize Diapers and Feminine Hygiene Products as Essential Goods for Sales Tax Purposes. Lewis. Recommend adoption.

Mayor Wythe called for a motion for the adoption of Resolution 16-045 by reading of title only.

LEWIS/REYNOLDS – SO MOVED.

Councilmember Lewis defended the resolution although the Borough does not like the idea of deciding what is prepared and non-prepared food items. Taxing snack food may be a way to capture tax revenue without extending or raising taxes. At the same time the resolution removes diapers and feminine hygiene products that are essential for certain individuals. Many states are having the discussion with the tampon tax. It may take a store a day or two to set up its tax system. In the long run it may bring in extra funds that we need.

Councilmembers Van Dyke and Reynolds agreed that snack foods are discretionary food items and should be taxed. It may be difficult to define the snack foods as there are many cereals that qualify too.

Councilmember Smith pointed out wipes and toilet paper are necessities and the list could be extended with other essentials.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **COMMENTS OF THE AUDIENCE**

Mike Illg, city resident, expressed gratitude to Elaine. She is an amazing person who is not just a face of the Fire Department or the City of Homer, but a truly kind person. There is a going-away party for her this Wednesday.

Robert Archibald, city resident, thanked Council for passing Resolution 16-046. The former city manager is going to work for PWSCAC. He is happy we are moving forward with parks and recreation in town, but we still have some issues.

Ginny Espenshade, city resident, appreciates Council's support and funding of recreation. It is crucial to wellness and prevention. Leveraging is a good idea with 1:2. Although this is reactive and a one-time expense, she hopes Council moves forward with a grant program for recreation.

Ken Castner, city resident, commented on the SPARC project and that Council is not being reactive. It has been pounded on for years that we need more recreation. Services and supplies are real value and should not be discounted on the 1:2 match. It is unfair to say HART is only contributing 5%. That is the percentage of the operating budget for administration. Converting HART money into administrative money by trading it along the way is a little washing operation.

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

City Attorney Wells was not present.

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

City Clerk Johnson wished Elaine well. She is an example of an exemplary employee and the City has been fortunate to have her. She is always a bright spot when visiting our office.

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

City Manager Koester congratulated Elaine for over 30 years of service to the City. She appreciates the thorough vetting and debate Ordinance 16-10 for HART roads received. She assured Council when they give city staff a contingency for any project we will always try to do it for the least amount. Projects often do come in under project. She is a little concerned with the expectation to do the entire project at a reduced amount. She is hopeful we will be able to do that with the bidding climate; she will not bring Council a project that will run over. If we need to drop something after getting the bids she will keep Council apprised.

#### **COMMENTS OF THE MAYOR**

Mayor Wythe commented on Ordinance 16-18(A) and the implication there was suddenly money available. It came together with Ordinance 16-21. In bringing funds together that are single source funds, you can't use those monies to balance your budget or for staff. You cannot guarantee those funds and that is why we took community revenue sharing out of the budget process. It can only be allocated to a single project expenditure. It is a viable source to help with the soccer field recreational facility. She commended Councilmembers Smith and Lewis for bringing it forward to consider those funds. In light of the recognition of clerks, the week of May 4<sup>th</sup> is Public Service Appreciation Day. She challenged people in the community to appreciate public employees that provide service to you. That includes fire, police, public

works, harbor, administration, and library employees, and people at the post office. There is always the perception that people that work for the government are overly enriched. Those positions are not highly compensated, but traditionally are secure jobs. The City of Homer axed that this year with the reduction of six positions. It's a different environment for public employees and she challenged people to show their appreciation. She told Council that the food tax will come back to bite them in the butt. It does every single time we talk about it. She is not thrilled with signing the resolution and usually doesn't veto when council votes unanimously. She feels it will cost a lot of people a lot of heartache. There are a lot of things we are putting on the Parks and Recreation agenda that requires a substantial amount of staff time and she would like Council to be conscious of staff time and overtime.

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

Councilmember Lewis congratulated Elaine on 30 years of service. It is a long time to be in one job. His butt's been bit a number of times and he is sure this is not the last.

Councilmember Smith commented he knows Elaine personally as he delivers to the Fire Station. He has seen her there at the front desk for many years. He appreciates her disposition and smile. She has been a great representative of the City and our Fire Hall. He gave a shout out to the Homer Softball Girls Fast Pitch who kick off their season tomorrow. They then travel to Juneau to play twelve games and get primed for their region play here. We've been talking about how old some of our vehicles are and how much use we get out of the roads. It brings back the old adage: Use it up, fix it up, wear it out, or do without. The City has done a good job of doing that. It doesn't bother him that we drive around some 1985 vehicles; if they function and they are safe let's use them until they're done. He commented on the goggles Mike Illg provided.

Councilmember Aderhold reiterated Ginny Espenshade's announcement that April 30<sup>th</sup> is National Drug Take Back Day. There are posters around town and an announcement on the Homer Police website that is a nice statement on why you want to dispose of your drugs. Disposing of them in a proper manner prevents misuse and them ending up in the water system. Drugs dissolve in the water and become a health hazard to our marine wildlife and then come back to us. There is a drop box at the police station. When you are going to the Safe & Healthy Kids Fair you can drop them off.

Councilmember Van Dyke commented the three speakers were informative and well thought out. Our children are our future. The safer we can get them and the more educated they are the better the place we will have in the future. The Safe & Healthy Kids Fair is an excellent example of the cooperation between government, private sector, and nonprofit organizations. He can't tell you how many hours he has spent picking up trash for Homer Clean-Up Day and how many hours he has spent at the Chamber cooking hot dogs. He complimented the advisory commissions and boards who do so much work behind the scenes.

Councilmember Zak commented Council did a wonderful job with further discussion on processes. He appreciates Dan Gardner and Carey Meyer coming before the Council and agreeing to provide more information on the roads' repairs and costs to have a clear understanding. We need to be aware of budgeting funds for repaving roads every three years. The Council is trying hard to figure out ways to reduce costs and pay for increased expenses. In October the voters will be considering the public safety building and we are working to gain their support and trust when we ask that question on the ballot.

Councilmember Reynolds just returned from Washington, D.C. She visited Capitol Hill and spoke with staff members of Senators Sullivan and Murkowski, and Representative Young's offices. She took plans of the Army Corps of Engineers harbor feasibility study and Resolution 16-039 about the Remote Transactions Parity Act. She spoke about those and other issues affecting the City of Homer and the state of Alaska. She had a good reception and an appropriate amount of time to talk to people. She heard about the concern of the Zika virus. A message to anyone of reproductive age is that there is a lot of uncertainty. If you are traveling check in with your medical provider if pregnancy is ideal at this time. Councilmember Reynolds wrote a grant to the Awesome Foundation to provide seed money for the syringe exchange program and it was approved. The money should be sufficient for supplies and the pilot program this summer. The next meeting for the syringe exchange program is May 3<sup>rd</sup>. The hospital is going to allow the syringe exchange program to be in the education and training room on Pioneer Avenue. It is a good example of being responsive and reactive. She recognized Elaine Grabowski who was her first contact with the City of Homer when she moved to town. The Public Safety Building Review Committee is going to be doing a lot of work in the next six weeks and she appreciates that and all the volunteer work.

Mayor Wythe wished Elaine the best of luck; she certainly deserves the opportunity.

## **ADJOURNMENT**

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:49 p.m. The next Regular Meeting is Monday, May 9, 2016 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. A Worksession is scheduled for Monday, May 16, 2016 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.

---

JO JOHNSON, MMC, CITY CLERK

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