

Session 16-01 a Regular Meeting of the Homer City Council was called to order on January 11, 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, SMITH, VAN DYKE, ZAK
	ABSENT:	REYNOLDS (excused)
	STAFF:	CITY MANAGER KOESTER CITY CLERK JOHNSON CITY ATTORNEY KLINKNER FINANCE DIRECTOR LI FIRE CHIEF PAINTER PORT AND HARBOR DIRECTOR HAWKINS

Councilmember Reynolds has requested excusal.

Mayor Wythe ruled Councilmember Reynolds' absence as excused and there was no objection from the Council.

Council met for a Worksession from 4:00 p.m. to 4:47 p.m. to hear Public Safety Building Options. From 5:02 p.m. to 5:48 p.m. the Council met as a Committee of the Whole to discuss Ordinance 06-01, Memorandums 16-001 and 16-008, and Consent and Regular Meeting Agenda items.

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 - Ordinance 16-03(S)**, An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to State the Actual Principal Amount of, and Change the Payment Dates for, the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02, and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager. **ANNOUNCEMENTS** - Report from Councilmember Zak, Re: Alaska Housing Summit, January 6, 2016. **CITY MANAGER'S REPORT** - Hickerson Memorial Cemetery - written public comments. **CITY ATTORNEY REPORT** - City Attorney Report – December 2015.

Announcements Item A. EMT Swearing In was removed from the agenda and Item B. Mayor's Recognition – Homer High Wrestling Team was moved to follow agenda approval.

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

LEWIS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. Mayor's Recognition – Homer High Wrestling Team

Mayor Wythe read the recognition and presented it to the Homer High Wrestling Team and Coaches Chris Perk and Bubba Wells.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Jill Gann, Homer resident, commented on the proposed Hickerson Memorial Cemetery expansion and the adverse effects it will have on adjacent property owners. The public had no notification or input on the project. She asked that the Planning Commission be brought up to speed on the project and the City and the Public Works Director address the critical oversight.

George Frazier, city resident, commented on Resolution 16-009 that will benefit the community to not have to pay the Borough too. In 2014 Colorado gained \$70M in tax benefits and \$125M in 2015 from the marijuana industry. They anticipate 20% to 40% next year.

RECONSIDERATION

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 December 7, 2015. City Clerk. Recommend adoption.
- B. **Memorandum 16-002**, from Deputy City Clerk, Re: Liquor License Renewals for BPO Elks Lodge #2127, Kharacters, AJ's Old Town Steakhouse & Tavern, Captain Patties Fish House, Café Cups, Finn's, Little Mermaid, The Alibi, Salty Dawg Saloon, Down East Saloon, Pho & Thai Restaurant, and Grog Shop East End.

- C. **Ordinance 16-01**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.08.030, Composition of Governing Body – Terms of Office, Homer City Code 4.35.010, Review of Election Documents by Canvass Board, and Homer City Code 4.40.010, Runoff Election – Required; and Enacting Homer City Code 4.35.020, Votes Required to be Elected, Homer City Code 4.35.030, Tie Vote, and Homer City Code 4.35.040, Certification of Election; Regarding the Procedure for Electing the Mayor and Council Members. Mayor. Recommended dates: Introduction January 11, 2016, Public Hearing and Second Reading January 25, 2016.

Memorandum 16-003 from City Clerk as backup.

Moved to Ordinances, Item B. Smith.

- D. **Ordinance 16-02**, An Ordinance of the Homer City Council Amending the 2016 Operating Budget by Appropriating Funds in the Amount of \$20,000 From Port and Harbor Reserves to Purchase Eight Light Emitting Plasma (LEP) Lamps for the Fish Dock. City Manager/Port and Harbor Director. Recommended dates: Introduction January 11, 2016, Public Hearing and Second Reading January 25, 2016.

Memorandum 16-007 from Port and Harbor Director as backup.

- E. **Ordinance 16-03**, An Ordinance of the City Council of Homer, Alaska Amending Ordinance 13-03(S)(2) to State the Actual Principal Amount of, and Change the Payment Dates for, the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02, and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager. Recommended dates: Introduction January 11, 2016, Public Hearing and Second Reading January 25, 2016.

Moved to Ordinances, Item A. Lewis.

- F. **Resolution 16-001**, A Resolution of the Homer City Council Confirming the City Manager's Appointment of Jo Johnson as Acting City Manager and Mark Robl as Backup Acting City Manager for Calendar Year 2016. City Manager. Recommend adoption.
- G. **Resolution 16-002**, A Resolution of the Homer City Council Confirming the Appointments of Zhiyong Li as Treasurer and Jenna deLumeau as Deputy Treasurer for Calendar Year 2016. City Manager. Recommend adoption.

- H. **Resolution 16-003**, A Resolution of the City Council of Homer, Alaska, Acknowledging the December 2015 Surplus Equipment Bid Results. City Clerk. Recommend adoption.
- I. **Resolution 16-004**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Dispose of Used and Surplus Equipment Pursuant to HCC 18.30.010 and HCC 18.30.040(b). City Manager. Recommend adoption.

Memorandum 16-009 from City Manager as backup.

Moved to Resolutions, Item A. Smith.

- J. **Resolution 16-005**, A Resolution of the Homer City Council Excluding Kenai Peninsula Borough Parcel 17708014 Owned by Cook Inlet Region, Inc. from the Homer Natural Gas Special Assessment District. City Manager. Recommend adoption.

Moved to Resolutions, Item B. Smith.

- K. **Resolution 16-006**, A Resolution of the Homer City Council Adopting an Alternative Allocation Method for the FY16 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in the Cook Inlet Fisheries Management Area. City Manager. Recommend adoption.
- L. **Resolution 16-007**, A Resolution of the City Council of Homer, Alaska, in Support of Full Funding for the State of Alaska Harbor Facility Grant Program in the FY 2017 State Capital Budget. City Manager/Port and Harbor Director. Recommend adoption.
- M. **Resolution 16-008**, A Resolution of the City Council of Homer, Alaska, Supporting the Establishment of a Syringe Exchange Program in Homer. Lewis. Recommend adoption.
- N. **Resolution 16-009**, A Resolution of the City Council of Homer, Alaska, Requesting That Any Additional Taxes Levied Against Commercial Marijuana Activities by the Kenai Peninsula Borough, on Businesses Located Within the Municipal Boundaries of Homer, Alaska, is Remitted to the City of Homer. Reynolds/Cannabis Advisory Commission. Recommend adoption.

- O. **Memorandum 16-004**, Travel Authorization for Mayor Wythe and Councilmembers Lewis and Reynolds to Travel to Juneau to Advocate for the City February 2 – 4, 2016. Recommend adoption.

Moved to New Business, Item B. Smith.

- P. **Memorandum 16-005**, Travel Authorization for Councilmember Zak to Travel to Anchorage to Attend the Alaska Housing Summit January 6, 2016.

- Q. **Memorandum 16-006**, from City Clerk, Re: Amendment of Resolution 15-105 for March 2016 Meeting Schedule of Council.

Item C, Ordinance 16-01 was moved to Ordinances, Item B. Smith.

Item E, Ordinance 16-03 was moved to Ordinances, Item A. Lewis.

Item I, Resolution 16-004 was moved to Resolutions, Item A. Smith.

Item J, Resolution 16-005 was moved to Resolutions, Item B. Smith.

Item O, Memorandum 16-004 was moved to New Business, Item B. Smith.

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

LEWIS/ADERHOLD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

- A. Fire Chief Painter, All-Hazard Mitigation Plan Update

Fire Chief Painter provided an update on the All-Hazard Mitigation Plan that is a FEMA requirement in order to receive funding for projects. The plan review began six months ago and occurs every five years. A committee comprised of representatives from Enstar, HEA, SPH, City Councilmember Reynolds, Planning Technician Dotti Harness, and he reviewed the plan. The purpose of the document is to identify Homer's hazards in floods, wildfires, landslides, bad weather, earthquakes, tsunamis, volcanoes and coastal erosion. The plan

now includes hazards associated with natural gas. The plan has been posted on the City's website for two months to gain public input. To date there has been one comment of the possible inclusion of the cemetery. The committee has recommended that the cemetery not be included in this revision as more investigation is needed. The plan can be viewed at <http://www.cityofhomer-ak.gov/planning/all-hazard-mitigation-2016-plan-update> and the public comment period remains open for another week.

- B. Arni Thomson, Alaska Salmon Alliance, Economic Impact of the Seafood Industry in Southcentral Alaska

Ian Pitzman, Vice President of North Pacific Fisheries Association in Homer, introduced Arni Thomson.

Arni Thomson, Alaska Salmon Alliance Executive Director, provided an overview of "The Economic Impact of the Seafood Industry in Southcentral Alaska" as prepared by McDowell Group. The report may be found at: <http://www.aksalmonalliance.org/>

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. EMT Swearing In
- B. Mayor's Recognition – Homer High Wrestling Team
- C. Borough Report

Kenai Peninsula Borough Assembly Member Kelly Cooper reported the health care task force subcommittee meets on January 20th at 5:30 p.m. at South Peninsula Hospital. They are meeting with stakeholders in the medical community to get input to improve services while reducing costs. On February 3rd the health care task force meets. The meetings are open to the public, with meeting agendas and minutes posted on the borough website. They are having deliberate conversations, not rushing anything, with the goal to make it sustainable for all employees and to get great medical care at all the hospitals.

The Borough's marijuana task force meets January 20th. There is an ordinance designed to name the Kenai Peninsula Borough Planning Commission as the regulatory authority in the borough. There is an assembly member bringing forward an ordinance to create a moratorium on all cannabis operations on the borough, but there is not enough support for its passage.

The Assembly is working on the 2016 state capital budget priorities. They included wildfire mitigation, municipal revenue sharing, PERS and TERS funding, road maintenance funding,

and support for University of Alaska Kenai Peninsula College campuses, along with multiple capital improvement projects for schools on the southern peninsula. The majority of school projects are based in Homer and Anchor Point. The Lake Street rehab and Pioneer Avenue reconstruction projects continue to be capital project priorities.

The Kenai Peninsula Borough will not be sending a full delegation to Juneau this year due to budget constraints. Only the mayor and one or two assembly members will attend.

D. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
 - a. Minutes of December 2, 2015
3. Economic Development Advisory Commission
4. Parks and Recreation Advisory Commission

Matt Steffy, Parks and Recreation Advisory Commission Chair, reported a full commission with just the student position vacancy. The commission is enthusiastic and supportive of the boathouse project that is moving forward. It will be a great addition to green space and public meeting space on the Spit. The annual park walk-throughs were conducted. Some parks are in decent shape, but some need obvious repair. The commission is speaking with user groups and adopt-a-park groups to get projects done. The commission had a brief discussion of HART funds, of spending money for new trails versus maintenance of existing trails. The consensus of the commission is to make sure existing trails are safe, free from brush, and accessible. The new dog waste dispensers are available at Homer Hounds, the Homer veterinarian, Homer Animal Shelter, Homer Dog Trainers, and the Port and Harbor office. The use of bags is encouraged for hygiene in the parks, beaches, and area trails. A few commissioners are working on the HERC feasibility project. They are meeting with community members to ensure that as long as the HERC is open it should be used to full capacity. They are looking at creative ways of generating revenue for the facility. The next commission meeting is January 21st. Community recreation is booming, with Thursday and Saturday being the Telluride Film Festival.

Mayor Wythe stated uses of the HERC building, other than the gymnasium, up to 35 people at a time are not approved by the Fire Marshal. The City is not pursuing that, but having the City's commission working in direct opposition to the City Council's direction seems really counterproductive to her at this time.

Mr. Steffy said the commission is not seeking to exceed the restrictions on the HERC facility; they just want to utilize the facility to the full extent.

Accolades are still pouring in from the parks and recreation conference held last fall. The commission will be reviewing the financials from the conference at their January meeting.

- 5. Port and Harbor Advisory Commission
- 6. Cannabis Advisory Commission
- E. Thank you from Cook Inletkeeper
- F. Thank you from Nordic Ski Club
- G. Letters to Council, Re: Crosswalks and a Rec Center
- H. Report from Councilmember Zak, Re: Alaska Housing Summit, January 6, 2016

Councilmember Zak reported the Governor and Lt. Governor held the Alaska Housing Summit to discuss affordable housing that is lacking in remote areas and Anchorage. Attendees broke into different committees to discuss mortgage financing, tiny houses, land swaps, high rents, and energy efficiency. The group viewed the challenges faced by prisoners put on the street with nothing and no source of income. It is great to see the state leadership taking time for housing concerns.

PUBLIC HEARING(S)

ORDINANCE(S)

- A. Ordinance 16-03**, An Ordinance of the City Council of Homer, Alaska Amending Ordinance 13-03(S)(2) to State the Actual Principal Amount of, and Change the Payment Dates for, the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02, and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager. Recommended dates: Introduction January 11, 2016, Public Hearing and Second Reading January 25, 2016.

Ordinance 16-03(S), An Ordinance of the City Council of Homer, Alaska Amending Ordinance 13-03(S)(2) to State the Actual Principal Amount of, and Change the Payment Dates for, the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02, and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager.

Mayor Wythe called for a motion for the adoption of Ordinance 16-03 for introduction by reading of title only.

LEWIS/ADERHOLD – SO MOVED.

Mayor Wythe called for a motion to substitute Ordinance 16-03(S) for Ordinance 16-03.

LEWIS/ADERHOLD – 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.

- B. **Ordinance 16-01**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 2.08.030, Composition of Governing Body – Terms of Office, Homer City Code 4.35.010, Review of Election Documents by Canvass Board, and Homer City Code 4.40.010, Runoff Election – Required; and Enacting Homer City Code 4.35.020, Votes Required to be Elected, Homer City Code 4.35.030, Tie Vote, and Homer City Code 4.35.040, Certification of Election; Regarding the Procedure for Electing the Mayor and Council Members. Mayor. Recommended dates: Introduction January 11, 2016, Public Hearing and Second Reading January 25, 2016.

Mayor Wythe called for a motion for the adoption of Ordinance 16-01 for introduction by reading of title only.

LEWIS/ADERHOLD – SO MOVED.

SMITH/ZAK – MOVED TO AMEND TO DELETE ON LINES 27 THROUGH 29 “AT THE REGULAR COUNCIL MEETING AT WHICH THE PERSON’S ELECTION IS FINALLY CERTIFIED IMMEDIATELY FOLLOWING THAT CERTIFICATION” AND INSERT “AT THE FIRST REGULAR COUNCIL MEETING FOLLOWING THE ELECTION IMMEDIATELY AFTER THE FINAL CERTIFICATION OF THAT ELECTION.”

The election will be certified and the candidate(s) sworn in on the same day.

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

Motion carried.

SMITH/ZAK - MOVED TO AMEND LINE 153 TO DELETE "HIS" AND INSERT "THE CANDIDATE'S."

There was no discussion.

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

Motion carried.

City Clerk Johnson requested an amendment to the title to include HCC 4.10.010 Declaration of Candidacy be added to Line 8 following "terms of office."

ZAK/ADERHOLD – SO MOVED.

There was no discussion.

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

Motion carried.

An amendment to the final section will be made so that the Council may decide on potential situations that were not addressed. Attorney Klinkner will provide a substitute ordinance for the next meeting.

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

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

It has been 5 weeks since the last Council meeting - feels like almost an eternity! I hope everyone enjoyed the respite and the holidays. There promises to be plenty to keep us busy in 2016.

Storm Drain Failure on Bunnell Avenue

On Tuesday, a hole opened up in the Bunnell Street roadway, south of Main Street. The "sink hole" was caused by a deteriorated 36" storm drain which allowed soil to wash into the drain – undermining the pavement. Public Works responded; excavated to expose the drain, put a patch on the hole in the side of the storm drain, and backfilled the hole. Pavement will be replaced in the Spring. The storm drain was installed by the State in the early 80's. This storm

drain, as well as the storm drain in Heath Street (installed during the same time frame), will need some work. These two storm drains serve the Central Business District. Public Works will be working with ADOT to determine who is responsible for rehabilitation. Public Works will be asking the Council for authorization to proceed with the design of a fix for the portion that the City is responsible for at the second meeting in January using HART funds.

Council Open House at Library

A patron at the Homer Public Library suggested the Council do a once a month 'open house' with the public at the library. It could be a good way to increase dialogue with the public and reach out to the community in a new way.

The Friends of the Library are willing to advertise it through their usual channels (flyers, newsletter, community calendar, radio). If the program is successful and at a regular time, the community will come to expect the event and advertising won't be as much of an issue.

It is hard to predict what would be the best time for turn out, however the Library Director suggested lunch time. People are out and about then, and people who work could stop in on their lunch hour. One option would be the first Council Monday of the month – which would give people an alternative to an evening meeting to visit with you. A noon meeting could be held in the study room and we could serve tea/coffee. If one councilmember a month volunteers, each member will have to commit to two lunch meetings a year (or less).

If Council is interested, I suggest you pick a time and day and give it a try for one month each. Then we can revisit if it is successful. I can circulate a signup sheet via email. I propose starting next month, February 8 at noon.

Seafarer's Memorial Camping

The Seafarer's Memorial parking lot has been occupied this fall/winter by a dozen long term campers. Some of the trailers are in such a bad state of repair they had to be towed in. The site has been problematic; HPD has arrested several of the campers for various misdemeanors. HCC 19.08.030(d) allows people to camp in the Seafarer's Memorial parking lot when all City campgrounds are closed (April 1-October 30). The same section allows the City Manager to open a campground at any time. I have issued the attached notice to open the Pier One campground. On December 15th campers were served notice that they needed to move their camper to the Pier One Theatre lot or elsewhere. To date, none of them have moved. The next step is for HPD to enforce the issue with fines and impounds. During the process, as always, HPD will refer individuals in need of any available services.

Hickerson Cemetery

A couple of Borough residents have brought concerns with the impact to area groundwater and clearing of trees associated with the expansion of Hickerson Cemetery to the attention of city staff and Council. I have offered to hold a neighborhood meeting so residents have an opportunity to ask questions and air their concerns which I am hoping will be a good starting place to work with the neighborhood.

The Hickerson Cemetery expansion project has been in the works since 2010 when the land was purchased adjacent to the existing cemetery. The 2012 budget authorized design, and this year Council authorized a phased development of the first few hundred plots. Though if winter conditions allow, Public Works could do some site preparation of the land this winter. The project will not be bid until the next construction season.

Homer cemeteries average 12 burials a year, and according to the Homer Funeral Home, only about half of those choose to be embalmed (which involves chemicals that are of a concern to area residents). Using arsenic in the embalming process was discontinued in the early 1900s. The existing Hickerson Cemetery was developed in 1960. City of Homer Public Works checked with the State (DEC drinking water and solid waste management) to make sure all the proper rules are followed. There are no State regulations regarding the creation or expansion of cemeteries as it relates to zoning/groundwater concerns. The KPB has established no zoning in the area of the proposed cemetery and does not regulate the creation or expansion of cemeteries. According to the Public Works Director and City Engineer, the hydrology of the area is conducive for minimizing or eliminating the potential for metals (from deceased fillings, watches, etc.) or embalming fluid from entering groundwater and moving off site.

I know the Council has both an interest in being a good neighbor and providing area community members a place to bury their loved ones. If the community members feel strongly one way or another, I encourage them to let the City know. I will keep the Council abreast of how the project progresses.

KPEDD Industry Forum

Kenai Peninsula Economic Development District will be holding their annual Industry Outlook Forum this January 28-29 (draft agenda attached). This is open to the public, free, and a great opportunity to network with industry professionals and other business and public entities on the Peninsula and around the state. Register here: <https://www.eventbrite.com/e/industry-outlook-forum-2016-tickets-19973176308>

City Manager's Office Staffing

As you know, Assistant City Manager Patrick Lawrence left the City of Homer at the end of 2015. I have struggled with how to fill his position. There is plenty of justification for an Assistant City Manager position given the work load and supervisory responsibilities in the City Manager's office. Nevertheless, I also feel like it is difficult in these lean budget times to justify funding the position at the level that is needed to attract qualified candidates. I have decided to advertise the position as a Special Projects/Communications Coordinator. This person will be in charge of the CIP, website and social media, and staffing the Economic Development Advisory Commission, among other things. Given the projects the City has on its plate, the position will also have a renewed emphasis on grant writing. However, I will retain many of the afterhours and broader community relations functions as this will not be a salaried position. I am confident we will receive excellent candidates and the changes in the job description will benefit the City. However, I am concerned about capacity in the City

Manager's office with these changes and the administrative assistant position moving to a part time status. I will ask for help if I need it at midyear, but am looking forward to solidifying my team for 2016 and getting our feet under us. Please direct any interested candidates for the Special Projects/Communications position to the City website.

New Website

I have mentioned that the City is going to have a new website design in a couple of City Manager reports, however over the holidays we took the plunge and transitioned to a more mobile friendly template with greater capacity. Holly Brennan at the Library deserves special recognition for taking on the immense technical details of this project. The new site has inspired a renewed interest in the website from City departments, which is a good thing as we strive to be more communicative with the public. There are still a few bugs to work out linking the old site to the new design, so please let my office know if you see something that needs tweaking or does not work quite right as you navigate around.

City Manager Koester referenced the proposed open house for councilmembers at the Library once a month. It would provide an opportunity for the public to stop by and ask questions. She suggested the first or second Monday of the month at noon. It is a different time of day for those that can't get to meetings to ask the Council questions. The Friends of the Homer Library have offered to advertise and promote it. The Council decided two members would attend each open house.

A neighborhood meeting for Hickerson Memorial Cemetery concerned residents has been scheduled for February 10th at 5:30 p.m. Asked if the City could require vaults be used for burials, City Attorney Klinkner said the City could impose more strict requirements than the State of Alaska.

City Manager Koester said the current break-ins and robberies are very unusual for Homer. In the 30 years that Police Chief Robl has been with the City, there have only been a handful of armed robberies. In the last few months there have been many. The Police Chief's advice to people who may be in a robbery situation is to be a good witness instead of a hero.

B. Bid Report

CITY ATTORNEY REPORT

A. City Attorney Report – December 2015

COMMITTEE REPORT

A. Public Arts Committee

- B. Permanent Fund Committee
- C. Employee Committee Report
- D. Public Safety Building Review Committee

Mayor Wythe reported the Council was presented with three alternatives for the public safety building at the Worksession today. At the next meeting there may be something brought forward to the Council.

- E. Sustainable Animal Control Review Committee

PENDING BUSINESS

- A. **Ordinance 15-43**, An Ordinance of the City Council of Homer, Alaska, Repealing Homer City Code Chapter 3.12, Permanent Fund, Placing the Funds in a Self-Managed Brokerage and Disbanding the Permanent Fund Committee. City Clerk/Permanent Fund Committee. Introduction November 23, 2015, Public Hearing and Second Reading December 7, 2015, Postponed to January 11, 2016.

Ordinance 15-43(S), An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 3.10.130, Governance of Homer Permanent Fund Assets, Regarding the Management of Investments of the Homer Permanent Fund. City Clerk/Permanent Fund Committee. Recommend: Public Hearing January 25, 2016.

Memorandum 15-190 from Permanent Fund Committee as backup.

Motion on the floor from December 7th: MOTION FOR THE ADOPTION OF ORDINANCE 15-43 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

Mayor Wythe called for a motion to substitute Ordinance 15-43(S) for Ordinance 15-43.

LEWIS/ZAK - SO MOVED.

Councilmember Aderhold requested clarification of Ordinance 15-43(S).

Mayor Wythe advised Council the original ordinance came forward disbanding the permanent fund, but the intent is to cancel the contract with the investment company. The permanent fund will still remain intact because the funds can be managed in-house. The permanent fund will remain separate from the general fund.

City Attorney Klinkner explained Line 91 deletes the professional investment manager to be hired to manage the permanent fund.

Finance Director Li clarified we will not internally actively manage the fund. He and Katie met with the City's investment manager who manages the general fund. He suggested the permanent fund can passively follow the S&P 500 to save management fees and still follow Council's original intention of the 60% equity/40% fixed investment and use of funds. Right now the permanent fund is underperforming and the broker says the investment policy ties their hands, but the Permanent Fund Committee concluded our money is not enough to draw that much attention to actively manage it. He and Katie have talked to two investment managers and their advice is to park the money and follow the index fund. Currently we are paying close to \$15,000 per year for a money manager.

City Attorney Klinkner referenced Line 44 subsection (b) that outlines the existing process for managing the permanent fund. Staff will invest funds in a manner that will follow the objectives of the permanent fund. Council should adopt a resolution for the investment policy that includes the policies outlined in HCC 3.10.130(b) 1-3 and include that the Finance Department will oversee the investment.

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

Motion carried.

- B. **Resolution 15-109**, A Resolution of the Homer City Council to Support the Repair and Reopening of Rocky River State of Alaska Road Easement to the Gulf of Alaska. Mayor. Recommend adoption. Postponed to January 11, 2016.

Motion on the floor from December 7th: MOTION FOR THE ADOPTION OF RESOLUTION 15-109 BY READING OF TITLE ONLY.

Council received additional information from the Seldovia Chamber of Commerce and City of Seldovia and maps.

Councilmember Aderhold expressed opposition as she is unsure of the new economic opportunities it will provide. Although it says the area is federal land she is not sure the road accesses federal lands.

Councilmember Lewis believes it is federal land close to the Chugach National Forest.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

- A. **Memorandum 16-001**, from Mayor Wythe, Re: Appointment of a Person to be Named to the Kenai Peninsula Economic Development District.

ZAK/LEWIS - MOVED TO AMEND MEMORANDUM 16-001 FOR THE PERSON TO BE APPOINTED BY THE MAYOR AND APPROVED BY THE COUNCIL AND POSTPONE TO JANUARY 25TH.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Memorandum 16-004**, Travel Authorization for Mayor Wythe and Councilmembers Lewis and Reynolds to Travel to Juneau to Advocate for the City February 2 – 4, 2016. Recommend adoption.

Mayor Wythe called for a motion for the adoption of the recommendations of Memorandum 16-004.

LEWIS/ZAK – SO MOVED.

Councilmember Smith expressed opposition as the lobbyist, Anderson Group, was hired to represent the City in Juneau. He would have been happy to send our people at a lesser cost than what the Anderson Group charges. The legislative priorities for AML are on the same issues we are worried about. That includes the proposed statewide sales tax that will affect every municipality. There is no credibility that we will miss out on the conversation if we are not there. Telephone contact and Skype are effective means of communication and are very cost effective. We should impress upon the Anderson Group to do what they are paid to do. We need to be more proactive in making appointments with legislators. When we travel we should look at what our objectives are, the realistic view of achieving those objectives, and decide if it is the best representation of tax dollars.

Councilmember Van Dyke agreed that we need to conserve as much as we can. The Borough will not be sending a full delegation due to budget constraints.

Councilmember Lewis defended that face to face time with other representatives shows that your community really cares. In the past we have sent the mayor and city manager twice in a legislative session; the second trip is only if needed. If it prevents something from happening that will affect us, it will be worth it.

ZAK/VAN DYKE - MOVED TO AMEND MEMORANDUM 16-004 BY REMOVING COUNCILMEMBERS LEWIS AND REYNOLDS.

VOTE: (amendment) YES. SMITH, ZAK, VAN DYKE

VOTE: NO. LEWIS, ADERHOLD

Motion failed.

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

VOTE: NO. SMITH, VAN DYKE

Motion failed.

RESOLUTIONS

- A. **Resolution 16-004**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Dispose of Used and Surplus Equipment Pursuant to HCC 18.30.010 and HCC 18.30.040(b). City Manager. Recommend adoption.

Memorandum 16-009 from City Manager as backup.

Mayor Wythe called for a motion for the adoption of Resolution 16-004 by reading of title only.

LEWIS/ZAK – SO MOVED.

The resolution was inadvertently pulled from the consent agenda.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Resolution 16-005**, A Resolution of the Homer City Council Excluding Kenai Peninsula Borough Parcel 17708014 Owned by Cook Inlet Region, Inc. from the Homer Natural Gas Special Assessment District. City Manager. Recommend adoption.

Mayor Wythe called for a motion for the adoption of Resolution 16-005 by reading of title only.

LEWIS/ZAK - SO MOVED.

Councilmember Smith questioned the exclusion since CIRC didn't contest the assessment in a timely or proper manner.

City Manager Koester said the claim is legitimate since the lot was purchased through the Alaska Native Claims Settlement Act. It is clear in state statutes and CIRC did pay the assessment on the other lots owned.

Councilmember Smith suggested a deferral of assessment rather than exclusion from the district since the property will be developed and sold and will garner benefits.

City Attorney Klinkner advised if the parcel is excluded from the district in order to get natural gas they will need to pay a prorated share to Enstar who pays the City of Homer up to ten years after the improvement was installed.

Councilmembers Aderhold and Lewis expressed approval of the exclusion since federal land cannot be taxed until it is developed. Utility assessments are a tax.

Councilmember Smith requested a legal opinion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Attorney Klinkner will provide a legal opinion.

COMMENTS OF THE AUDIENCE

There were no comments of the audience.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner referenced his December report and that he would be happy to answer any questions from Council.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Koester commented she enjoyed the long break, but it is good to meet again and touch base. She thanked Mayor and Council for a good meeting.

COMMENTS OF THE MAYOR

Mayor Wythe announced she will pay for her own trip to Juneau. The value of our face in Juneau is still very valid. She appreciates everybody coming in and the time and energy they put into the meeting.

COMMENTS OF THE CITY COUNCIL

Councilmember Lewis had no comment.

Councilmember Smith congratulated Chris Perk and the excellent job he has done with the wrestlers. Chris and he had the same coach through high school. In 1983 one wrestler was sent to State and they won the team championship. He thanked the commissions and committees for their hard work; he appreciates the time they put in.

Councilmember Aderhold congratulated the wrestling team. There were no girls on the teams when she was in high school so she was thrilled to sit behind so many young women who are champion wrestlers. Lobbyist Linda Anderson suggested we set up a legislative sub-committee and she would like to volunteer for that committee. With things moving forward with the public safety building we need to be thinking about the HERC and what we are doing to continue providing a rec center of some sort.

Councilmember Van Dyke commented there were excellent reports and information received from Chief Painter, the seafood industry, parks and rec, and wrestling.

Councilmember Zak thanked the seafood folks who appeared in force to share their report. The report shows the impact of oil and gas for the state. The days of \$100 for a barrel of oil are gone. If there are changes for the fishermen they will let us know how much it impacts them. The icy and dark conditions have increased the number of thefts and robberies. He cautioned people to be careful out there. He sent condolences to Assembly Member Cooper whose daughter was injured pretty badly in a car accident on the highway.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 7:58 p.m. The next Regular Meeting is Monday, January 25, 2016 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 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: _____