

Session 21-26 a Regular Meeting of the Homer City Council was called to order on October 11, 2021 by Mayor Ken Castner at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

**PRESENT:** COUNCILMEMBERS ADERHOLD, DAVIS, HANSEN-CAVASOS, LORD, VENUTI

**ABSENT:** COUNCILMEMBER SMITH (excused)

**STAFF:** CITY MANAGER DUMOUCHEL  
CITY CLERK JACOBSEN  
FINANCE DIRECTOR WALTON  
PUBLIC WORKS DIRECTOR KEISER  
CITY ATTORNEY GATTI

**AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council’s Operating Manual, pg. 6)

Mayor Castner read the following changes and supplemental items: Under Resolutions there is Resolution 21-069(S), A Resolution of the City Council of Homer, Alaska Awarding a Contract to Furnish Two Blowers for the Waste Water Treatment Plant to APSCO,LLC/OTSA in the Amount of \$119,040 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director. And Memorandum 21-177 from Public Works Director as backup; Resolution 21-070(S), A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 5, 2021 to Elect Two City Councilmembers for Three Year Terms Each and One City Councilmember for a One Year Term. City Clerk. With Exhibit –A; Memorandum 21-175 from City Clerk as backup to Resolutions 21-071 Amending the Homer Planning Commission Policy and Procedures Manual and Resolution 21-072 Amending the Homer Planning Commission Bylaws; and Memorandum 21-176 as backup to Resolution 21-073 amending the Homer Gift, Donation, and Art Policies, Procedures, and Guidelines.

In addition, amending the agenda to take up Resolution 21-070 election certification and swearing in newly elected councilmembers immediately following Reconsideration.

LORD ADERHOLD 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**

Larry Slone commented on Ordinance 21-62 regarding the flat tax for aircraft. He thinks this will make it easier to administer than the current system, and craft value can be difficult to determine so flat tax on aircraft weight is simpler. He doesn't know the impact, if any, on commercial operations, however it will have more of an impact on individuals who own small personal aircraft and were able to use the personal exemption. Under this new program they'll no longer have that exemption, but the flat tax shouldn't be too much, maybe \$100.

### **RECONSIDERATION**

There were no items for reconsideration.

The agenda was amended to take up Resolution 21-070 following Reconsideration.

- a. A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 5, 2021 to Elect Two City Councilmembers for Three Year Terms Each and One City Councilmember for a One Year Term. City Clerk.

Resolution 21-070(S), A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 5, 2021 to Elect Two City Councilmembers for Three Year Terms Each and One City Councilmember for a One Year Term. City Clerk.

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 21-070 BY READING OF TITLE ONLY.

LORD/ADERHOLD MOVED TO SUBSTITUTE RESOLUTION 21-070(S) FOR 21-070.

There was no discussion on the motion to substitute.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no further discussion on the main motion.

VOTE (main motion): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

City Clerk Jacobsen administered the oath of office to newly elected Councilmembers Aderhold, Erickson, and Davis. Councilmember Erickson took her seat at the table.

**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. Ordinance 21-61, An Ordinance of the City Council of Homer, Alaska Amending the FY22 Capital Budget and Appropriating an Additional \$30,953 for a Total Expenditure of \$128,953 Divided Equally between the Water and Sewer Capital Asset Repair and Maintenance Allowance Funds for East Hill Road City Utility Betterments as part of the Alaska Department of Transportation and Public Facilities Repaving Project. City Manager/Public Works Director. Recommended Dates Introduction October 11, 2021 Public Hearing and Second Reading, October 25, 2021.

Memorandum 21-172 from Public Works Director as backup

- b. Resolution 21-067, A Resolution of the City Council of Homer, Alaska Accepting the 2020 Basic Financial Statements and Acknowledging the Management Letter Submitted by the City's Independent Auditor, BDO USA, LLP and Authorizing the City Manager to Execute the Final Report. City Manager/Finance Director.
- c. Resolution 21-068, A Resolution of the City Council of Homer, Alaska Awarding the Ramp 3 Drywell Installation Construction Contract to East Road Services, Inc. in the Amount of \$16,200 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 21-173 from Public Works Director as backup

City Clerk Jacobsen read the consent agenda and its recommendations.

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

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

## **VISITORS**

- a. Presentation of 2020 Audit - Bikky Shrestha, BDO USA, LLP. (10 minutes)

Bikky Shrestha reported on the 2020 audit. They prepared the audit in accordance with government and generally accepted auditing standard. Since the City received funds from federal sources it was also subject to audit in accordance with uniform guidance for the federal award. Mr. Shrestha said there are no findings to report and they are presenting an unmodified, or clean, opinion on the financial statements and on compliance.

- b. COVID-19 Agency Update Derotha Ferraro, South Peninsula Hospital Director of Public Relations & Marketing and Lorne Carroll, State of Alaska Public Health Nurse III (10 minutes)

Lorne Carroll, State of Alaska Public Health Nurse III, reported on updates to the State COVID-19 Dashboard and gave a step by step overview of how to navigate it. The state is still in red alert with 800 to over 2000 cases per day and hospitalizations are still high. He reviewed demographics of cases across the state and models that help gauge what we might be looking at in the future. Statewide, immunization rates are holding steady at 50% of all ages fully vaccinated, on the Kenai Peninsula Borough its lower at 42%, on the Southern Kenai Peninsula we're at 50%. He highlighted that the Alaska Public Health Alert Network released an alert on September 29<sup>th</sup> that was an urgent message for pregnant women and those trying to get pregnant in the near future to get vaccinated. August 2021 was the month with the highest death rate for pregnant women. The vaccination is safe and recommended for women in those categories.

Derotha Ferraro, South Peninsula Hospital (SPH) Public Information Officer, reported testing is slowing down at the hospital and positivity rates about the same over the last two weeks. She reported numbers on testing and a positivity rate between 7% and 9%, and reported on vaccinations, and also on hospital staffing. They have 52 positions open at the hospital and 18 are for nurses and 11 for CNA or patient care techs, so they're happy that 11 of the FEMA sponsored temporary relief health care workers arrived to help SPH, seven CNA's, two emergency room nurses, one labor and delivery nurse, and one surgical nurse. SPH supported a unified response of the state to research search the high demand for healthcare statewide and touched on efforts leading up to this. Currently SPH is able to meet the health care demands in our community, but can utilize the framework if needed. She reviewed hospitalizations, ER visits, and infusions over the last two months, and reported on upcoming vaccination booster and flu shot events. Ms. Ferraro also shared about the Notes of Gratitude Program that's available through the Alaska State Hospital and Nursing Home Association (ASHNHA) website, and other ways to express gratitude to our local healthcare workers.

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

- a. Committee of the Whole Report

Councilmember Lord reported the heard the audit report from BDO staff.

- b. Mayor's Report

Mayor Castner reported he spent the last few weeks reviewing the audit, preparing two pieces of legislation being introduced tonight, and working with the Public Works Director on the related to drainage management in developments of property.

- c. Borough Report

Assembly member Lane Chesley reported the Homer High School roof project 1<sup>st</sup> phase of construction is complete and the Borough is planning the next phase of construction and identifying sources of funding for it, and that the Borough is advertising for a consultant for the schematic design for Kachemak Selo School. There is a resolution at tomorrow's Assembly Meeting to classify 16.2 acres of land in Anchor Point and some amount will be set aside for the Anchor Point Food Pantry. The Homer Transfer Facility is in winter hours now and closed on Sunday, he asked about having some Sunday hours during the winter but there have been some unexpected expenses related to the cell at the Homer Solid Waste Facility.

d. Library Advisory Board

Library Advisory Boardmember Michael McKinney reported at their last meeting the Board voted to approve the donor recognition policy that addresses how and when donors to the library will be recognized and thanked. He summarized the changes to their bylaws that had first reading. He added they'll be doing outreach with the Rec Room to see how they might better serve Middle School and High School aged youth, and they're still looking for one Boardmember.

**PUBLIC HEARING(S)**

- a. Ordinance 21-59, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Passenger Vessel Tax Program 2021 Grant from the State of Alaska for \$35,445 and a Commercial Passenger Vessel Tax Pass-Through Grant from the Kenai Peninsula Borough in the Amount of \$35,445 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents, and Appropriating the Funds to the Computer Aided Dispatch Capital Project. City Manager. Introduction September 27, 2021 Public Hearing and Second Reading October 11, 2021.

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

LORD/ADERHOLD MOVED TO APPROVE ORDINANCE 21-59 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

In response to a question about use of the funds City Manager Dumouchel explained this money is coming through the American Rescue Plan Act (ARPA) Grant Program the State and Borough asked it be used on a project that would be eligible under the ARPA guidelines. The computer aided dispatch capital projects meets the eligibility requirements.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 21-60, An Ordinance of the City Council of Homer, Alaska, Amending the FY22/23 Capital Budget and Authorizing Expenditure of \$25,000 from the Homer Accelerated Road and Trail (HART) Program - Road Fund for the Development and Implementation of an Integrated Pest Management Plan and Authorizing a Task Order with the Homer Soil and Water Conservation District to Assist with the Work. City Manager/Public Works Director. Introduction September 27, 2021, Public Hearing and Second Reading October 11, 2021.

Memorandum 21-167 from Public Works Director as backup

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

LORD/ADERHOLD MOVED TO APPROVE ORDINANCE 21-60 BY READING OF TITLE ONLY FOR SECOND AND FINAL READING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

**ORDINANCE(S)**

- a. Ordinance 21-62, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Title 9 Taxation-Generally to Enact Section 9.04.044 Annual Tax Levy-Registered Aircraft to Provide for a Flat Tax on Aircraft. Mayor. Introduction October 11, 2021, Public Hearing and Second Reading October 25, 2021.

LORD/ADERHOLD MOVED TO INTRODUCE ORDINANCE 21-62 BY READING OF TITLE ONLY.

Mayor Castner explained this ordinance is fairly self-explanatory, it brings us in line with what the Borough has already adopted and bring aircraft into parity with boats. We have a flat tax for vessels and it supports the aviation community, which is an economic engine, and would be larger if we support it tax wise. He feels it's a parity matter.

At the request of the Mayor, Attorney Gatti commented briefly regarding work on this ordinance when the Mayor learned of some issues related to aircraft taxation and the way it's structured with the Borough compared to how it is in Homer. In Homer they're taxed as personal property at an ad valorem rate and in the Borough there's a flat tax. Flat tax is authorized by Alaska Statutes Title 29 and a number of municipalities, based on aviation support, have adopted a flat tax in their jurisdiction. This ordinance parallels with the Borough, with some modifications.

Councilmember Lord commented she appreciates the impetus behind this ordinance and supports introduction. She'd like to understand the financial implications to the city. She noted some potential verbiage edits regarding references to Anchorage. She also questioned line 57 that references physical inspection by the Homer assessing staff and she wonders if we have staff to do that.

City Manager Dumochel commented staff is working with Borough staff on determining the financial piece and will have a memo for the next meeting.

Councilmember Venuti noted the public testimony and conversation at the table on this matter has helped her better understand it since there wasn't any back up information provided.

Councilmember Davis suggested when staff is talking with the Borough about the total amount of revenue we get it would be interesting to know the average amount per plane or per individual to get a sense of how many people are paying and what the average amount is.

Mayor Castner noted the last iteration of the ordinance he sent the clerk had the correct information, so he was surprised about the typos and asked that they be corrected.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Ordinance 21-63, An Ordinance of the City Council of Homer, Alaska Settling the Current and Future Distributions of Income and Debt in the Natural Gas Distribution Special Assessment Bond Sinking Fund. Mayor. Introduction October 11, 2021 Public Hearing and Second Reading October 25, 2021.

LORD/VENUTI MOVED TO INTRODUCE ORDINANCE 21-63 BY READING OF TITLE ONLY.

Mayor Castner noted some of the work he's done to help get the gas tax issues cleaned up. After Council agreed to pay of the note to the Borough, at that point everything owed to the city related to natural gas distribution, came to the city. What matters in this ordinance is it's declaring that the city is absorbing all future payments for assessments and all of the free main allowance.

Councilmember Lord asked for a staff overview on this. She understands the gist of the ordinance but some of the language in the ordinance is very specific and she needs to do some work to further her comfort level with it. On line 38 and 39, if there's unsurety about the dollar amounts, she questions what that means in the context of the ordinance.

Mayor Castner reviewed work he's done with the Finance Department to understand what we have that hasn't been paid on and don't expect to get paid, and it seems those properties are the State or other entities that have no intention of ever paying the assessment. Including the amount is more of a memorialization of that.

Discussion continued regarding the language of the ordinance and its overall intent, and that some of the language could be confusing because it's not flushed out.

City Manager Dumouchel confirmed he will have a memorandum on this at the next meeting. He saw a draft today and the Finance Director has done a nice breakdown, but it wasn't quite ready for this meeting.

It was requested they have time to discuss this further at a worksession or Committee of the Whole before the next meeting.

VOTE: YES: VENUTI, ERICKSON, ADERHOLD, LORD, DAVIS, HANSEN-CAVASOS

Motion carried.

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

a. City Manager's Report

Mayor Castner commented on the information provided regarding the Borough tax foreclosure on the Kachemak Drive lots. He's spent some time thinking through the implications of the Borough foreclosing on two lots and by the act of the foreclosure erasing any clouds to title such as special assessments, mineral rights, or covenants. It baffles him how they can do that.

At the request of the Mayor, City Attorney Gatti explained Deputy City Planner Engebretsen talked to him about this and whether the property should be dedicated to a public purpose. Her memo speaks for itself and addresses some suggestions for the use of those properties. As they looked through this it brought forward the issue of the special assessment liens that are on the properties. It implicates two sections of title 29 enforcement of tax liens and related to special assessments. There's a provision in title 29 related to what happens when the Borough gets a clerk's deed when they go through their foreclosure process, that deed provides clear title but for federal and state tax liens. It raises question on how the special assessment liens are addressed. He'll speak with City Manager Dumouchel about this matter.

There was discussion about the timing of this matter and having more information in the next report.



**PENDING BUSINESS**

**NEW BUSINESS**

**RESOLUTIONS**

- a. Resolution 21-069, A Resolution of the City Council of Homer, Alaska Awarding a Contract to Furnish Two Blowers for the Waste Water Treatment Plant to a Firm to be Announced in an Amount to be Disclosed and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director.

Resolution 21-069(S), A Resolution of the City Council of Homer, Alaska Awarding a Contract to Furnish Two Blowers for the Waste Water Treatment Plant to APSCO,LLC/OTSA in the Amount of \$119,040 and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Public Works Director.

Memorandum 21-177 from Public Works Director as backup

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 21-069 BY READING OF TITLE ONLY.

LORD/ADERHOLD MOVED TO SUBSTITUTE RESOLUTION 21-069(S) FOR 21-069.

There was no discussion on the motion to substitute.

VOTE (motion to substitute): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief comments of appreciation for the information provided in the supplemental packet, and discussion of the City Manager's ability or need to negotiate a contract that's being approved.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- b. Resolution 21-070, A Resolution of the City Council of Homer, Alaska Certifying the Results of the City of Homer Regular Election held October 5, 2021 to Elect Two City Councilmembers for Three Year Terms Each and One City Councilmember for a One Year Term. City Clerk.

Taken up at the beginning of the meeting

- c. Resolution 21-071, A Resolution of the City Council of Homer, Alaska Amending the Homer Planning Commission Policy and Procedures Manual to Update the Language

and Appeal Filing Deadline and Remove the Section Addressing Appeals. City Clerk/Planning Commission.

LORD/ADERHOLD MOVED TO ADOPT RESOLUTION 21-071 BY READING OF TITLE ONLY.

There was discussion clarifying that the appeal language is coming out of the document to bring it in line with recent amendments to the appeals section in city code. Request was also made that when appeals are filed with a hearing officer that the Council be made aware so they can consider nuances of the arguments that are made.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- d. Resolution 21-072, A Resolution of the City Council of Homer, Alaska Amending the Homer Planning Commission Bylaws by Updating the Section Regarding Vacancies, Adding a Section on Teleconference, and Updating Language. City Clerk/Planning Commission.

LORD/VENUTI MOVED TO ADOPT RESOLUTION 21-072 BY READING OF TITLE ONLY.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

- e. Resolution 21-073, A Resolution of the City Council of Homer, Alaska Updating the City of Homer Gift, Donation, and Art Policies, Procedures, and Guidelines to add a section on Murals, and Amend Language and Processes. City Clerk/PARCAC.

LORD/VENUTI MOVED TO POSTPONE TO A DATE NOT LATER THAN JANUARY 10, 2022 AND REFER IT TO PARCAC FOR FURTHER ANALYSIS OF LEGAL AND POLICY ISSUES ARISING FROM MURAL PLACEMENT ON PUBLIC PROPERTY.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **COMMENTS OF THE AUDIENCE**

Gary Porter with Bald Mountain Air Service commented regarding Ordinance 21-62. He has a maintenance facility and operates expensive larger airplanes. When you tax this style of airplane it causes him to take the airplane someplace else. It's a question of economics, people

with expensive airplanes to Anchorage, Palmer, and Wasilla where there are large welcoming maintenance facilities and the support the mechanics.

**COMMENTS OF THE CITY ATTORNEY**

City Attorney Gatti had no comments.

**COMMENTS OF THE CITY CLERK**

City Clerk Jacobsen announced openings on the Parks Art Recreation and Culture Advisory Commission, Economic Development Advisory Commission, and the Library Advisory Board, and a student representative seat on the Economic Development Advisory Commission.

**COMMENTS OF THE CITY MANAGER**

City Manager Dumouchel thanked City Clerk Jacobsen for sitting in as Acting City Manager while he was out, he really appreciates that he can relax knowing that things are in good hands. He also announced jobs available including a financial analyst, building maintenance tech, a heavy equipment operator, Ice Plant Fish Dock supervisor, part time jail officer and parks maintenance laborer. He also announced recruitment for volunteer fire fighters.

**COMMENTS OF THE MAYOR**

Mayor Castner welcomed the newly elected Council members and shared a sad good-bye to Councilmember Smith. He and Councilmember Smith worked together on things they had mutual interest in. He was a good participant and brought a little bit of balance to the Council, we had better discussions, and he'll miss his voice at the table.

**COMMENTS OF THE CITY COUNCIL**

Councilmember Lord acknowledged today is Indigenous Peoples Day. We live in a rich state with first nation people living fabulous lives and it's interesting to learn the history of the people whose land we live on. She shared about visiting the Alaska Native Heritage Center with her family and encouraged others to check it out. She congratulated the newly elected councilmembers, welcomed Councilmember Erickson back to the table, and shared her appreciation for Councilmember Smith and the good discussion and debate they had. They come from different perspectives and they were able to listen to one another and work together kindly. She shared that next meeting she'll be participating by Zoom from the Statewide Harbormasters Association Conference, and appreciates the ability to participate remotely.

Councilmember Venuti welcomed the newly elected councilmembers back to the table. She shared about Councilmember Smith and the pride he had when he spoke about his family, she'll miss that. She noted Parks Superintendent Matt Steffy and Parks Art Recreation & Culture Advisory Commission Deb Lowney's recognition by the Alaska Parks and Recreation

Association. She also expressed sadness about the loss of Alaska’s best balladeer Hobo Jim. She too appreciates being able to participate remotely and will continue to do so until COVID numbers come down.

Councilmember Aderhold agreed that she’ll miss Councilmember Smith at the table. He had a strong voice and she’ll miss that. He was good at arguing his position and changed her mind on a number of items. She’ll continue to try to channel that because he did bring valuable points to the table. She reminded listeners about the upcoming Redistricting Board presentation, Department of Transportation Airport meeting next week, and encouraged kindness and patience while we continue to work through our second year of COVID.

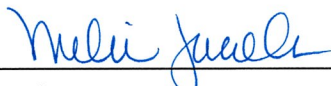
Councilmember Hansen-Cavasos thanked Councilmember Smith for his service, she enjoyed working with him and admired him. She welcomed the newly election councilmembers and looks forward to working with them this year.

Councilmember Davis shared his appreciation for being elected and hopes people will reach out to him and share their comments and questions. He will be absent from the next meeting for a family event that was planned quite a while ago and will be flying during the meeting time so won’t be able to zoom in.

Councilmember Erickson commented it’s fun to be back and see everyone. She looks forward to working with Councilmember Davis and will miss working with Councilmember Smith. She acknowledged his service and noted the time he put in attending a lot of the Commission meetings. She appreciates his wisdom and love for the town, and she knows we’ll see him at the ball field and around town.

**ADJOURN**

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, October 25, 2021 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



Melissa Jacobsen, MMC, City Clerk

Approved: October 25, 2021