

City Council  
October 24, 2011  
Monday



Committee of the Whole 5:00 P.M.  
Regular Meeting 6:00 P.M.



Cowles Council Chambers  
City Hall  
491 E. Pioneer Avenue  
Homer, Alaska



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**2011  
OCTOBER/NOVEMBER**

<b>Monday 24<sup>th</sup></b>	<b>CITY COUNCIL</b> Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.
<b>Wednesday 26<sup>th</sup></b>	<b>PORT AND HARBOR ADVISORY COMMISSION</b> Regular Meeting 5:00 p.m.
<b>Tuesday 1<sup>st</sup></b>	<b>LIBRARY ADVISORY BOARD</b> Regular Meeting 5:00 p.m.
<b>Wednesday 2<sup>nd</sup></b>	<b>PLANNING COMMISSION</b> Neighborhood Meeting – East End Mixed Use District 5:30 p.m. and Regular Meeting 6:30 p.m.
<b>Thursday 3<sup>rd</sup></b>	<b>SPIT PARKS AND RECREATION COMMITTEE</b> 5:30 p.m.
<b>Monday 7<sup>th</sup></b>	<b>KACHEMAK DRIVE PATH COMMITTEE</b> 5:30 p.m.
<b>Tuesday 8<sup>th</sup></b>	<b>ECONOMIC DEVELOPMENT ADVISORY COMMISSION</b> Regular Meeting 6:00 p.m.
<b>Wednesday 9<sup>th</sup></b>	<b>KAREN HORNADAY PARK COMMITTEE</b> 5:30 p.m.
<b>Thursday 10<sup>th</sup></b>	<b>LEASE COMMITTEE</b> 3:00 p.m. <b>PUBLIC ARTS COMMITTEE</b> 5:00 p.m. <b>PERMANENT FUND COMMITTEE</b> 5:15 p.m.
<b>Friday 11<sup>th</sup></b>	<b>CITY OFFICES CLOSED</b> in observance of Veterans Day.
<b>Tuesday 15<sup>th</sup></b>	<b>TRANSPORTATION ADVISORY COMMITTEE</b> 5:30 p.m.
<b>Wednesday 16<sup>th</sup></b>	<b>PORT AND HARBOR ADVISORY COMMISSION</b> Regular Meeting 5:00 p.m. <b>PLANNING COMMISSION</b> Worksession 5:30 p.m. and Regular Meeting 6:30 p.m.
<b>Thursday 17<sup>th</sup></b>	<b>PARKS AND RECREATION ADVISORY COMMISSION</b> Regular Meeting 5:30 p.m.
<b>Thursday 24<sup>th</sup> &amp; Friday 25<sup>th</sup></b>	<b>CITY OFFICES CLOSED</b> in observance of Thanksgiving.
<b>Monday 28<sup>th</sup></b>	<b>CITY COUNCIL</b> Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.

**Regular Meeting Schedule**  
**City Council 2<sup>nd</sup> and 4<sup>th</sup> Mondays 6:00 p.m.**  
**Library Advisory Board 1<sup>st</sup> Tuesday 5:00 p.m.**  
**Economic Development Advisory Commission 2<sup>nd</sup> Tuesday 6:00 p.m.**  
**Parks and Recreation Advisory Commission 3<sup>rd</sup> Thursday**  
**with the exception of December 5:30 p.m.**  
**Planning Commission 1<sup>st</sup> and 3<sup>rd</sup> Wednesday 6:30 p.m.**  
**Port and Harbor Advisory Commission 4<sup>th</sup> Wednesday 5:00 p.m.**  
**Transportation Advisory Committee Quarterly 3<sup>rd</sup> Tuesday 5:30 p.m.**  
**Public Arts Committee Quarterly 3<sup>rd</sup> Thursday 5:00 p.m.**

**Lease Committee Quarterly 2<sup>nd</sup> Thursday 3:00 p.m.  
Permanent Fund Committee months of February, May, August, and November 5:15 p.m.**

**MAYOR AND CITY COUNCILMEMBERS AND TERMS**

**JAMES C. HORNADAY, MAYOR - 12  
BARBARA HOWARD, COUNCILMEMBER - 11  
DAVID LEWIS, COUNCILMEMBER - 11  
FRANCIE ROBERTS, COUNCILMEMBER - 12  
KEVIN HOGAN, COUNCILMEMBER - 12  
MARY E. (BETH) WYTHER, COUNCILMEMBER - 13  
BRYAN ZAK, COUNCILMEMBER - 13  
City Manager, Walt Wrede  
City Attorney, Thomas Klinkner**

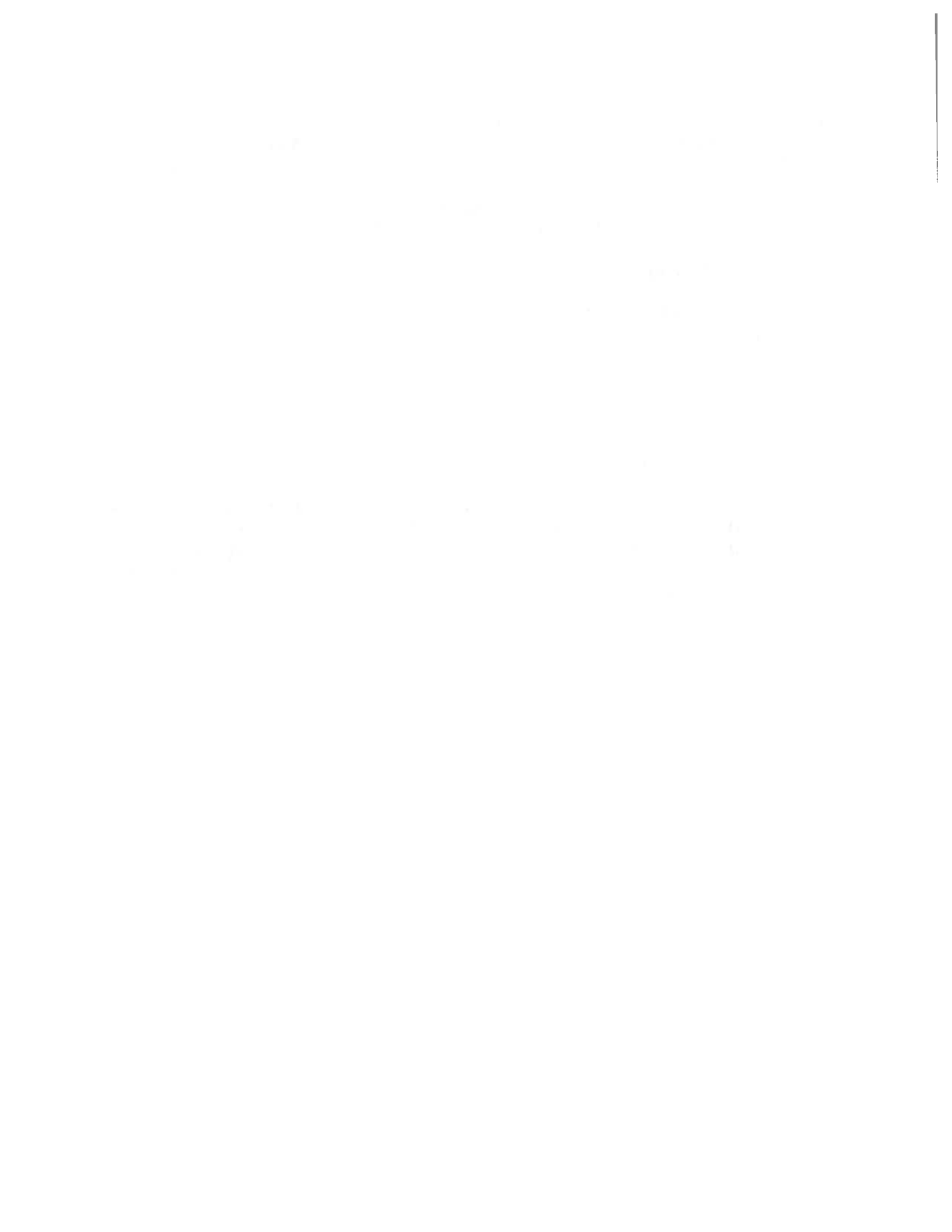
**<http://www.cityofhomer-ak.gov/cityclerk> for home page access, Clerk's email address is:  
[clerk@ci.homer.ak.us](mailto:clerk@ci.homer.ak.us) Clerk's office phone number: direct line 235-3130, other number 435-  
**3106.****

HOMER CITY COUNCIL/COMMITTEE OF THE WHOLE  
491 E. PIONEER AVENUE  
HOMER, ALASKA

OCTOBER 24, 2011  
MONDAY, AT 5:00 P.M.  
COWLES COUNCIL CHAMBERS

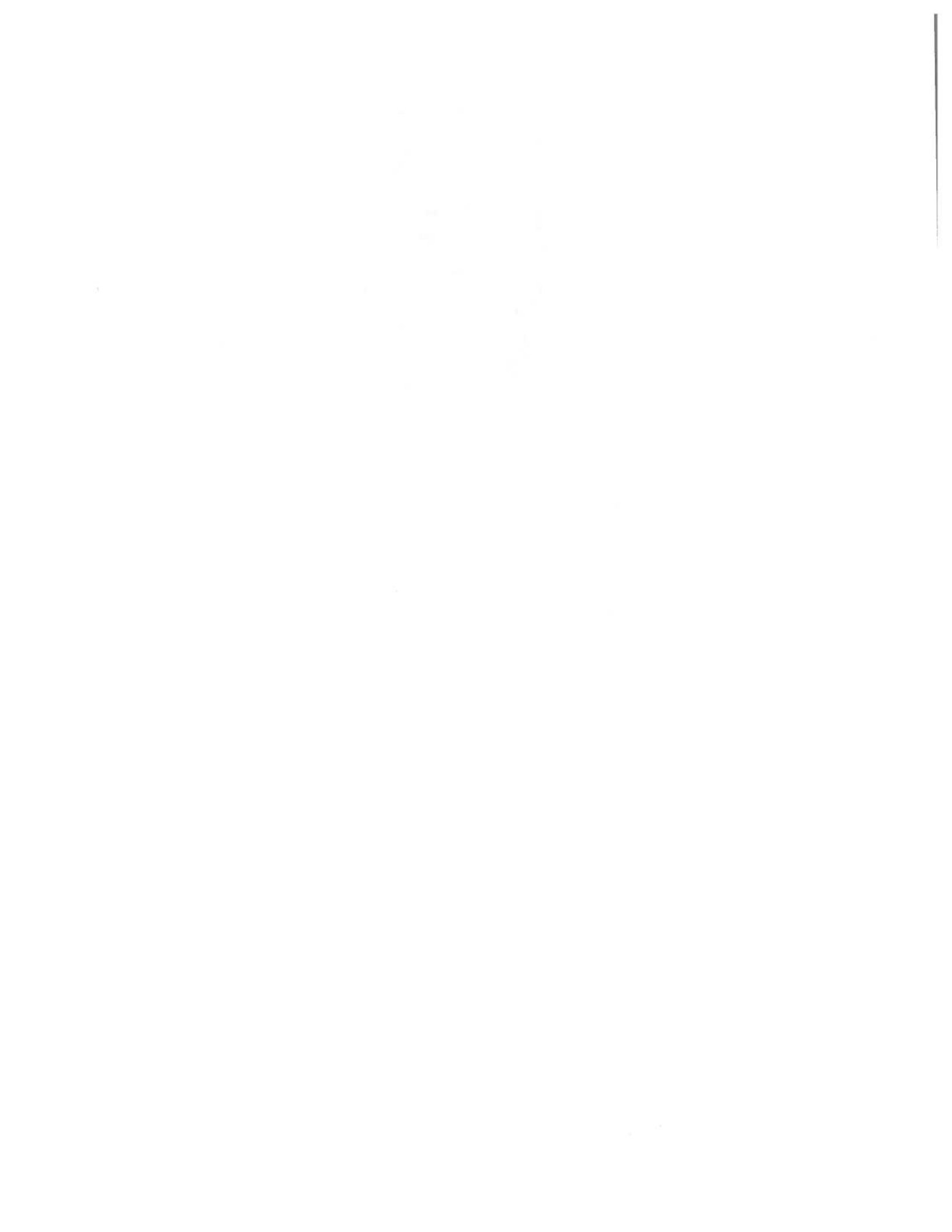
**MEETING NOTICE  
COMMITTEE OF THE WHOLE AGENDA**

1. **CALL TO ORDER, 5:00 P.M.**
2. **AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
3. **2012 Budget**
4. **REGULAR MEETING AGENDA**
5. **COMMENTS OF THE AUDIENCE**
6. **ADJOURNMENT NO LATER THAN 5:50 P.M. NEXT REGULAR MEETING IS SCHEDULED FOR MONDAY, NOVEMBER 28, 2011 AT 6:00 P.M. THE NEXT COMMITTEE OF THE WHOLE IS SCHEDULED FOR MONDAY, NOVEMBER 28, 2011 AT 5:00 P.M.** All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.





**Please bring your  
2012 Preliminary Budget**





**CALL TO ORDER**  
**PLEDGE OF ALLEGIANCE**  
**AGENDA APPROVAL**



HOMER CITY COUNCIL  
491 E. PIONEER AVENUE  
HOMER, ALASKA

OCTOBER 24, 2011  
MONDAY, AT 6:00 P.M.  
COWLES COUNCIL CHAMBERS

**MEETING NOTICE  
REGULAR MEETING AGENDA**

**Committee of the Whole 5:00 p.m. in Homer City Hall Cowles Council Chambers.**

**1. CALL TO ORDER, PLEDGE OF ALLEGIANCE**

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

**2. AGENDA APPROVAL**

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

**3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

**4. RECONSIDERATION**

**5. 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 October 10, 2011 and Special Meeting minutes of October 10 and 17, 2011. City Clerk. Recommend adoption.

Page 13

B. **Memorandum 11-142**, from Mayor Hornaday, re: Reappointment of Barbara Howard to the Permanent Fund Committee.

Page 37

**6. VISITORS**

A. **Dale Banks**, Community Composting Program, 10 minutes.

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

A. Borough Report

B. Commissions/Board Reports:

1. Library Advisory Board

- 2. Homer Advisory Planning Commission
- 3. Economic Development Advisory Commission Page 39
- 4. Parks and Recreation Advisory Commission
- 5. Port and Harbor Advisory Commission
- C. Prince William Sound Regional Citizens' Advisory Council, Report by John Velsko Page 41
- 8. **PUBLIC HEARING(S)**
  - A. **Ordinance 11-42**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating State Department of Corrections Capital Project Funds in the Amount of \$3,500 to Purchase New Lockers for Prisoner's Personal Property and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Introduction October 10, 2011, Public Hearing and Second Reading October 24, 2011. Page  
Memorandum 11-138 from Police Chief as backup.
- 9. **ORDINANCE(S)**
  - A. **Ordinance 11-43**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 14.08.037, Water Meters; Regarding the Number of Water Meters Required Per Lot. City Manager. Recommended dates: Introduction October 24, 2011, Public Hearing and Second Reading November 28, 2011. Page 51  
Memorandum 11-143 from City Manager as backup. Page 55
- 10. **CITY MANAGER'S REPORT**
  - A. City Manager's Report Page 63
  - B. Bid Report Page 67
  - C. Games Report
    - 1. Benevolent & Protective Order of Elks Lodge #2127 Page 69
    - 2. K-Bay Marines Detachment 838 Marine Corp League Page 72
- 11. **CITY ATTORNEY REPORT**
- 12. **COMMITTEE REPORT**
  - A. Public Arts Committee

- B. Transportation Advisory Committee
- C. Permanent Fund Committee
- D. Lease Committee
- E. City Hall Renovation and Expansion Task Force
- F. Port and Harbor Improvement Committee

**13. PENDING BUSINESS**

**14. NEW BUSINESS**

- A. **Memorandum 11-144**, from City Manager, re: Special Projects Coordinator Position.

Page 75

**15. RESOLUTIONS**

- A. **Resolution 11-099**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Draft and Submit a Revenue Bond Sale Application and Take Other Steps Necessary to Prepare for a Possible Bond Sale to Finance Construction of Six Top Priority Capital Projects Within the Homer Harbor. Howard, Lewis, Wythe.

Page 77

Memorandum 11-145 from City Manager as backup.

Page 79

- B. **Resolution 11-100**, A Resolution of the City Council of Homer, Alaska, Requesting the Kenai Peninsula Borough to Perform a Feasibility Study for a Community Composting Operation at the Homer Solid Waste Transfer Facility. Mayor.

Page 87

**16. COMMENTS OF THE AUDIENCE**

**17. COMMENTS OF THE CITY ATTORNEY**

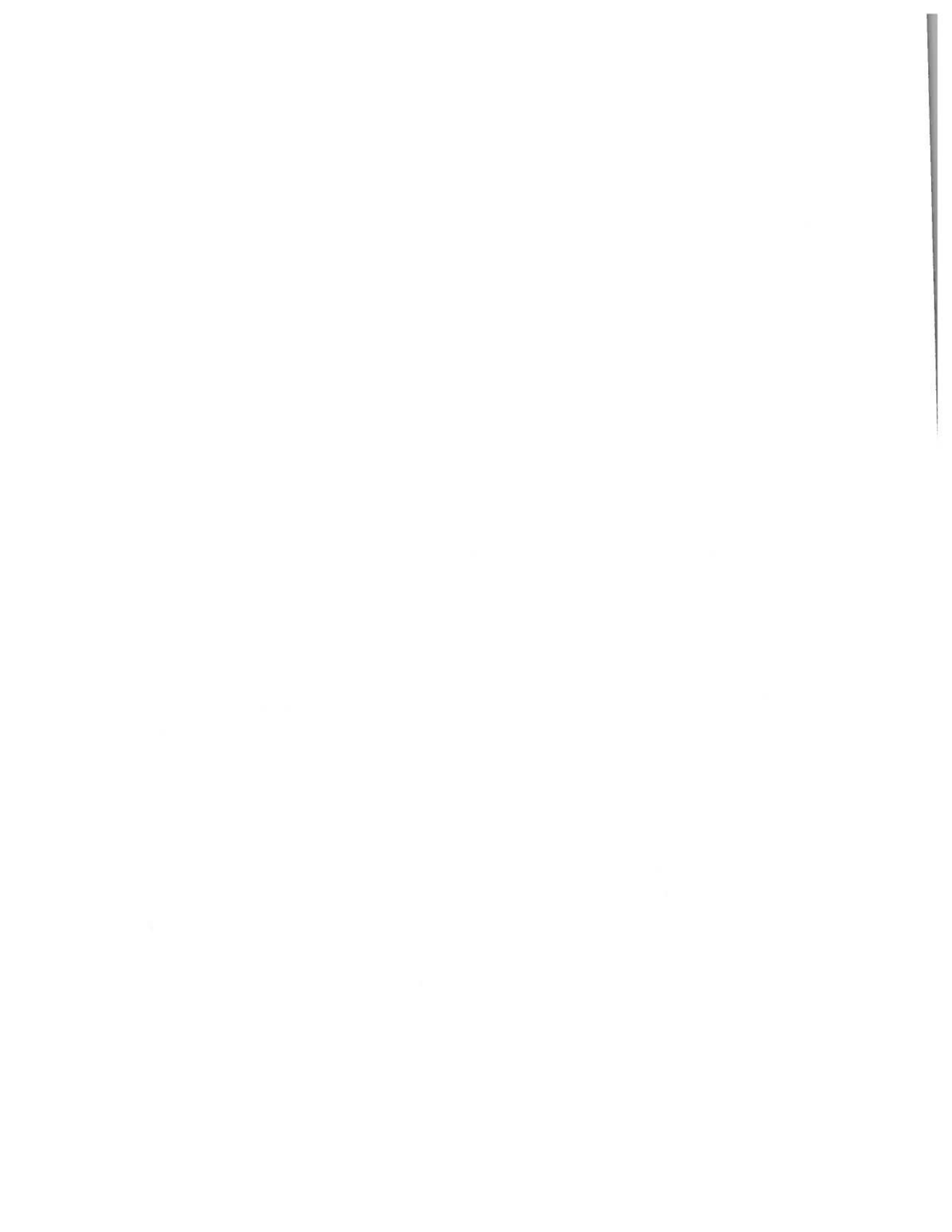
**18. COMMENTS OF THE CITY CLERK**

**19. COMMENTS OF THE CITY MANAGER**

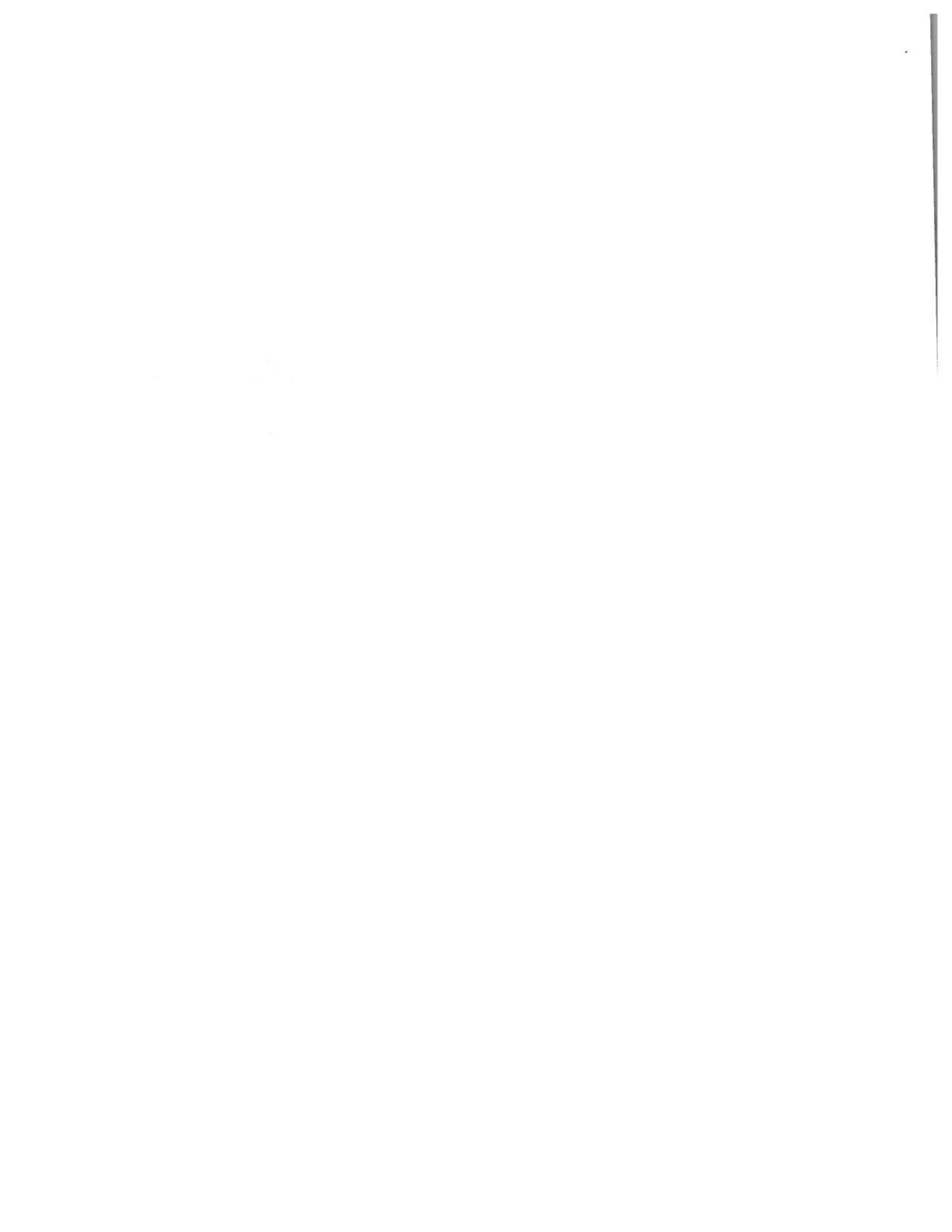
**20. COMMENTS OF THE MAYOR**

**21. COMMENTS OF THE CITY COUNCIL**

**22. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR MONDAY, NOVEMBER 28, 2011 AT 6:00 P.M. THE NEXT COMMITTEE OF THE WHOLE IS SCHEDULED FOR MONDAY, NOVEMBER 28, 2011 AT 5:00 P.M.** All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



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





# RECONSIDERATION



# CONSENT AGENDA



Session 11-31 a Regular Meeting of the Homer City Council was called to order on October 10, 2011 at 6:00 p.m. by Mayor James C. Hornaday, 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: HOGAN, HOWARD, LEWIS, ROBERTS,  
WYTHE, ZAK<sup>1</sup>

STAFF: CITY MANAGER WREDE  
CITY CLERK JOHNSON  
CITY ATTORNEY KLINKNER  
FINANCE DIRECTOR MAURAS

Council met for a Special Meeting from 4:00 p.m. to 4:59 p.m. in Executive Session to discuss City Lobbyist Contract and Legal Issues Regarding Seawall. Council convened as a Committee of the Whole from 5:02 p.m. to 5:39 p.m. to discuss 2012 Budget 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.)

Councilmember Zak has requested telephonic participation. The request for telephonic participation was made four days prior to the day of the meeting. Councilmember Zak is in Seward for a presentation to the Seward City Council.

**ROBERTS/WYTHE - MOVED TO ALLOW COUNCILMEMBER ZAK TO PARTICIPATE BY TELEPHONE.**

Councilmember Wythe expressed opposition to Councilmember Zak's telephonic participation. Pursuant to HCC 1.24.100(c) states that every effort shall be made to participate in the entire meeting. Scheduling in the understanding you will not participate in the whole meeting is in conflict of the intent of that language.

VOTE: YES. HOGAN, LEWIS  
VOTE: NO. ROBERTS, WYTHE, HOWARD

Motion failed.

The agenda was amended to add: AGENDA APPROVAL - Councilmember Zak has requested telephonic participation. CITY MANAGER'S REPORT Budget Message FY 2012 Operating

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<sup>1</sup> Councilmember Zak was present on the phone until Agenda Approval.

Budget, The Homer Foundation Fund Report Ending June 30, 2011, and Fee Waiver for Disposal of Animal Carcasses by City, ORDINANCES – Ordinance 11-41, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2012 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures). City Manager. - Budget Request from the Chamber of Commerce, and RESOLUTIONS - Resolution 11-097(S), A Resolution of the City Council Certifying the results of the City of Homer Regular City Election Held October 4, 2011 to Elect Two Council Members. City Clerk/Canvass Board.

Additionally, Item 6-A. VISITORS – Anderson Group, Lobbyists and Items 13-A. & B. PENDING BUSINESS – Memorandums 11-136 and 11-137 were stricken from the agenda.

The agenda as amended was approved by consensus of the Council.

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

There were no public comments.

### **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 September 26, 2011. City Clerk. Recommend adoption.

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

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **VISITORS**

- A. **Anderson Group, Lobbyists**

Pulled under Agenda Approval.

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

- A. Borough Report
- B. Commissions/Board Reports:
  - 1. Library Advisory Board
  - 2. Homer Advisory Planning Commission
  - 3. Economic Development Advisory Commission
  - 4. Parks and Recreation Advisory Commission
  - 5. Port and Harbor Advisory Commission
- C. Managing Healthcare Costs, McKinsey Report Says Employers Will Abandon Health Insurance. (Mayor Hornaday)

Mayor Hornaday gave a shout out to Jim Rearden who won the Governor's Award for the Arts and Humanities. On a sad note we lost Jack Baxter who coached for many years. Go Mariners for the championship game.

Bill Smith, Kenai Peninsula Borough Assemblyman, reported he and Mayor Carey met with Governor Parnell about the high school track and the gasline. Assemblyman Smith told the Governor that Kachemak City passed a ballot proposition to add to their mil rate to extend gas mains throughout the city. He told the Governor that the City of Homer is working on similar issues and had laid out a core area and the Council would be working on financing to spread the gasline through the core of the city. The City has also been working with Enstar to see what arrangements could be made. Although the Governor was not antagonistic towards the gasline, he told them he was uncomfortable since other communities have paid to have gas extended. Assemblyman Smith pointed out Anchor Point, Nikolaevsk, and Ninilchik benefited from State grants. Assemblyman Smith pointed out to the Governor that Representative Seaton had brought up the extra \$1 per Mcf. He discussed with the Governor how that might not be feasible because Enstar is not sure it would apply to this project. Enstar will have to do a study to determine the proceeds and would have to make a commitment to invest the capital. The Governor did say he liked the things being done, that they were moving in the right direction. He didn't commit to putting it in his budget, but he did not say he wouldn't. Assemblyman Smith had hoped he would commit so if the Legislature put it in the budget that he would not veto it again. It would not hurt if people wrote to the Governor in support of the gasline.

**PUBLIC HEARING(S)**

- A. 2012 Budget

Mayor Hornaday opened the public hearing.

Kelly Cooper, Homer resident, requested the continued level of funding for the Boys and Girls Club. A community task force is being assembled to work out a solution for the club's location. They request that a councilmember serve on the task force. They will meet in the HERC building on Thursdays at 6:00 p.m.

Diane Converse, city resident and Director of the Pratt Museum, commented funding by the City is essential for funding and grants for the museum. The Pratt is an economic engine for the City with most of the dollars spent right here. The direct and indirect economic impact is about \$1M annually. The museum has already reduced staff by 1.5, did not receive a COLA last year, nor will this year. The City's funding has reduced each year for the past three years. Other operational funding is difficult to obtain. She asked that funding continue, and possibly increase.

Asked by Councilmember Howard how much the museum generated in sales tax, Ms. Converse answered the retail sales are between \$65,000 and \$75,000, creating several thousand dollars in sales tax.

Holly VanPelt, city resident and President of the Homer Chamber of Commerce and Board of Visitors, asked Council to budget some money for the Chamber to market Homer. The money multiplies many times through leverage in various associations, volunteers, and name recognition on the website. Their talented and experienced executive director has a background in marketing with lots of ideas and enthusiasm. Marketing the City expands the marine trade with benefits of year-round city jobs. Local visitors generate a huge amount of tax revenue, reducing the property tax burden.

Asked by Councilmember Howard if the Chamber collects sales tax, Ms. VanPelt answered the board voted to discontinue collection of sales tax as sales at the Chamber are so small the labor was costing more than tax revenues.

Bob Letson, Chamber of Commerce, urged the Council to fund \$21,000 for the Chamber's marketing program. Visitors are so important to the economy and businesses in Homer. It is a good return on the investment. The average visitor spends \$128 per day. Over 9,000 visitors stopped by the Chamber in the past year.

Asked by Councilmember Howard if \$21,000 was the Chamber's request, Mr. Letson answered they request at least that amount and any more Council can find. Sales tax revenue generated by visitors is \$53,548. Asked if the Chamber's employees will get increases and COLAs, Mr. Letson answered it would be 3% if voted on by the Board.

Phillip Alderfer, city resident, asked for an appropriation for the Pratt Museum for arts quality and culture. The Pratt is an economic engine. People move here for the quality of life; few towns have the richness and diversity of social organizations such as the Pratt. City dollars provide an important role in supplementing operating expenses.

Mayor Hornaday closed the public hearing.



**ORDINANCE(S)**

- A. **Ordinance 11-41**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2012 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures). City Manager. Recommended dates: Introduction October 10, 2011, Public Hearings November 28 and December 12, 2011, Second Reading December 12, 2011.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-41 for introduction and first reading by reading of title only.

WYTHE/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

**Resolution 11-094**, A Resolution of the City Council of Homer, Alaska, Maintaining the City of Homer Fee Schedule at the Current Rates. City Clerk. Recommended to follow Budget Ordinance 11-41 schedule.

Mayor Hornaday called for a motion for the adoption of Resolution 11-094 by reading of title only.

LEWIS/WYTHE - SO MOVED.

Mayor Hornaday called for a motion for Resolution 11-094 to follow the same schedule as Ordinance 11-41 through the budget process.

WYTHE/HOWARD - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

**Resolution 11-095**. A Resolution of the City Council of Homer, Alaska, Maintaining the Port of Homer Terminal Tariff No. 600 at the Current Rates. City Clerk. Recommended to follow Budget Ordinance 11-41 schedule.

ROBERTS/LEWIS - MOVED TO ADOPT RESOLUTION 11-095 BY READING OF TITLE ONLY.

WYTHE/HOWARD - MOVED FOR RESOLUTION 11-095 TO FOLLOW THE SAME SCHEDULE AS ORDINANCE 11-41 THROUGH THE BUDGET PROCESS.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 11-42**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating State Department of Corrections Capital Project Funds in the Amount of \$3,500 to Purchase New Lockers for Prisoner's Personal Property and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommended dates: Introduction October 10, 2011, Public Hearing and Second Reading October 24, 2011.

Memorandum 11-138 from Police Chief as backup.

Mayor Hornaday called for a motion for the adoption of Ordinance 11-42 for introduction and first reading by reading of title only.

LEWIS/WYTHE - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

- A. City Manager's Report

There was no discussion on the budget message as provided by City Manager Wrede.

- B. Bid Report

#### **CITY ATTORNEY REPORT**

City Attorney Klinkner will provide Council with a written report in advance of the October 24<sup>th</sup> meeting.

#### **COMMITTEE REPORT**

- A. Public Arts Committee

- B. Transportation Advisory Committee
- C. Permanent Fund Committee
- D. Lease Committee
- E. City Hall Renovation and Expansion Task Force
- F. Port and Harbor Improvement Committee

#### **PENDING BUSINESS**

- A. **Memorandum 11-136**, From City Clerk, Re: Request for Executive Session Pursuant to AS §44.62.310(C)(1 & 2), Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Subjects That Tend to Prejudice the Reputation and Character of Any Person, Provided the Person May Request a Public Discussion. (City Lobbyist Contract). *(If additional time is needed from Special Meeting at 4:00 p.m.)*

Pulled under Agenda Approval.

- B. **Memorandum 11-137**, From City Clerk, Re: Request for Executive Session Pursuant to AS §44.62.310(C)(1 & 5), Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Attorney/Client Privilege. (Legal Issues Regarding Seawall) *(If additional time is needed from Special Meeting at 4:00 p.m.)*

Pulled under Agenda Approval.

#### **NEW BUSINESS**

- A. **Memorandum 11-139**, from City Clerk, Re: Travel Authorization for Councilmember Zak's Attendance at Alaska Municipal League 61<sup>st</sup> Annual Local Government Conference in Fairbanks, Alaska, November 7 – 11, 2011.

Mayor Hornaday called for a motion to approve the recommendations of Memorandum 11-139 to allow Councilmember Zak to travel to AML.

LEWIS/HOGAN - SO MOVED.

LEWIS – MOVED TO TRANSFER THE COST OF THE AIR FLIGHT FROM HOMER \$450 FROM SUBSISTENCE TO TRAVEL.

Motion died for lack of a second.

VOTE: (main motion) YES. LEWIS, HOGAN  
VOTE: NO. ROBERTS, WYTHE, HOWARD

Motion failed.

## RESOLUTIONS

- A. **Resolution 11-096**, A Resolution of the Homer City Council Adopting the 2012-2017 Capital Improvement Plan and Establishing Capital Project Legislative Priorities for Fiscal Year 2013. Mayor and City Council.

Mayor Hornaday called for a motion for the adoption of Resolution 11-096 by reading of title only.

WYTHE/HOWARD – SO MOVED.

HOWARD/ROBERTS - MOVED TO ADD IN THE (PRATT) MUSEUM AT #5 AND MOVE THE OTHERS DOWN FOR CONSIDERATION.

The amendment would insert the Pratt Museum at #5 and move the other projects down.

VOTE: YES. ROBERTS, HOWARD  
VOTE: NO. HOGAN, LEWIS, WYTHE

Motion failed.

WYTHE/ROBERTS MOVED TO STRIKE ITEM 9 HARBOR FLOAT REPLACEMENT/RAMP 3 GANGWAY AND APPROACH BECAUSE THAT ITEM WILL BE INCLUDED IN #3 (HARBOR IMPROVEMENT REVENUE BOND PROJECTS).

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

LEWIS/HOGAN – MOVED TO SWITCH OUT #12 OCEAN DRIVE RECONSTRUCTION AND PUT IN THE HAVEN HOUSE ALTERNATIVE ENERGY.

Councilmember Lewis defended the cost at \$35,000 and the Governor's regard to domestic violence funding.

Councilmember Roberts expressed opposition although Haven House is a great organization. If the Governor is on the domestic violence funding bandwagon he will do it without it on the CIP list. The intention is to not get nonprofits on the CIP list.

Councilmember Hogan believes the Haven House is beyond a non profit. It is a vital public safety agency.

VOTE: YES. HOGAN, LEWIS

VOTE: NO. HOWARD, ROBERTS, WYTHE

Motion failed.

Councilmember Wythe asked that Council review and discuss what the CIP is for the city. The other item on the CIP is the High School Track Renovation. Council went through a diligent process of establishing priorities of the CIP. The items on the CIP are activities the City has to pay for and finance. There are State items and then non profits are included for the benefit of the Legislature knowing we support the concept of the, but they are not the financial responsibility of the City. She has a hard time adding items that are not the financial responsibility of the City, as the City has many needs that may get lost in the list. We have gotten legislative funds for lots of things that are not our responsibility, but are in our CIP.

Councilmember Hogan commented the legislative process as it exists will not fund important projects for the community without the Council's weight behind them. The high school track is a school district facility and borough responsibility, but we will not get anywhere without Council speaking up. Although the priorities are on our budget, we need to speak up for the needs of the community. It is not costing us anything in our budget and we need to send a message to the Legislature what is important to us.

Councilmember Wythe answered it may not cost the city anything, but if we send 15 items and they do not choose our #1 or #2 priority, we effectively took money out of our budget to support something else that is not our responsibility. We are asking for financial assistance to the City of Homer.

HOWARD/ROBERTS – MOVED TO REMOVE THE HIGH SCHOOL TRACK.

Letters or another resolution could be written in support of the track.

VOTE: YES. HOWARD, WYTHE

VOTE: NO. HOGAN, LEWIS, ROBERTS

Motion failed.

ROBERTS /WYTHE – MOVED TO DELETE THE PROJECTS THAT WERE FUNDED ON LAST YEARS CIP LIST: THE DEEP WATER DOCK UPLAND IMPROVEMENTS, THE DOWNTOWN RESTROOMS, THE DOCK FENDERS ON THE DEEP WATER DOCK, THE FIRE PUMP TESTING TRAILER, THE TIDE GAUGE, AND THE EAST END ROAD REHABILITATION TO WATERMAN DRIVE.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/LEWIS - MOVED TO INCLUDE THE HARBOR IMPROVEMENT REVENUE BOND PROJECTS TO THE CIP FOR THE NEXT COMING SESSION.

HOGAN - MOVED TO AMEND BY ADDING TO THE HARBOR IMPROVEMENT REVENUE BOND PROJECT LIST THE TRUCK LOADING FACILITY AND THE ICE PLANT UPGRADES.

Motion failed for lack of a second.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ROBERTS/HOWARD - MOVED TO ADD THE OCEAN DRIVE RECONSTRUCTION WITH TURN LANE TO THE CIP LIST (PAGE 157).

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

LEWIS/HOWARD - MOVED TO ADD THE ICE PLANT UPGRADE TO THE CIP LIST.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/ROBERTS - MOVED TO ADD TANKER 2 REFURBISHMENT FOR THE HOMER VOLUNTEER FIRE DEPARTMENT TO THE CIP LIST.

WYTHE/ROBERTS - MOVED TO AMEND THAT THE PROPOSED TANKER 2 AND 4 BE ONE CONSOLIDATED ITEM.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VOTE: (add Tanker 2 & 4) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

LEWIS/ROBERTS – MOVED TO ADD THE HIGH SCHOOL TRACK RENOVATION TO THE CIP LIST.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/LEWIS- MOVED TO ADD THE HARBOR SHEET PILE LOADING DOCK TO THE CIP LIST.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/HOWARD – MOVED TO ADD THE HH FLOAT IMPROVEMENTS.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/HOWARD - MOVED TO ADD THE BARGE MOORING FACILITY.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

WYTHE/HOWARD – MOVED TO ADD THE MARINE WAYS LARGE VESSEL HAULOUT FACILITY

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

LEWIS/WYTHE – MOVED TO ADD THE TRUCK LOADING FACILITY TRUCK UPGRADES AT THE FISH DOCK TO THE CIP LIST.

Councilmember Hogan requested excusal from the topic of discussion as he is the primary benefactor of the truck loading facility.

Mayor Hornaday excused Councilmember Hogan from participation and Councilmember Hogan was excused from his seat.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Councilmember Hogan returned to his seat.

LEWIS/HOGAN – MOVED TO ADD COMMUNITY SOCCER FIELDS AND BASKETBALL COURTS TO THE CIP LIST.

VOTE: YES. HOGAN, LEWIS, ROBERTS

VOTE: NO. WYTHE, HOWARD

Motion failed.

Brief discussion on old harbor projects in the CIP for improvement ensued. Councilmember Wythe clarified the Port and Harbor Improvement Committee plans to bring forward a combined proposal with inclusion of several of the individual projects.

WYTHE/HOWARD - MOVED TO REMOVE INDIVIDUAL PROJECTS FOR THE PORT AND HARBOR BUILDING, THE HARBOR ENTRANCE EROSION CONTROL, THE RAMP 3 GANGWAY AND APPROACH, THE HARBOR FLOAT REPLACEMENT, THE SYSTEM 5 UPGRADE AND THE LOAD AND LAUNCH RAMP; I'D LIKE TO REMOVE THOSE ITEMS AS THEY ARE NOW INCORPORATED INTO THE HARBOR IMPROVEMENT REVENUE BOND PROJECT.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VOTE: (main motion as amended) YES. ROBERTS, WYTHE, HOWARD, HOGAN, LEWIS

Motion carried.



B. **Resolution 11-097**, A Resolution of the City Council Certifying the Results of the City of Homer Regular Election Held October 4, 2011 to Elect Two Councilmembers. City Clerk/Canvass Board.

**Resolution 11-097(S)**, A Resolution of the City Council Certifying the Results of the City of Homer Regular Election Held October 4, 2011 to Elect Two Councilmembers. City Clerk/Canvass Board.

Mayor Hornaday called for a motion for the adoption of Resolution 11-097 by reading of title only.

WYTHE/HOWARD – SO MOVED.

Mayor Hornaday called for a motion to substitute Resolution 11-097(S) for Resolution 11-097.

WYTHE/HOWARD SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

C. **Resolution 11-098**, A Resolution of the City Council of Homer, Alaska, Urging Federal Emergency Management Agency (FEMA) to Schedule a Flood Study Review Meeting in Homer to Discuss with the Public the Newly Proposed Digital Flood Insurance Rate Maps (DFIRMS) and Flood Insurance Study (FIS) Report for the City of Homer, Alaska, Prior to the Commencement of the Statutory 90-Day Appeal Period for Modified Base Flood Elevations (BFEs). Howard.

Mayor Hornaday called for a motion for the adoption of Resolution 11-098 by reading of title only.

HOWARD/WYTHE - SO MOVED.

Asked by Councilmember Howard when the public hearing period closes, City Manager Wrede answered it has been extended considerably. Senator Begich has weighed in and has urged FEMA to move slowly. The earliest they may get to this will be May.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **COMMENTS OF THE AUDIENCE**

Bill Smith, Kenai Peninsula Borough Assemblyman, commented on a composting program for the city. A great deal of landfill space is taken up with compostable items. With removal of the landfill, there is an opportunity to design a composting operation. A feasibility study will cost \$50,000. If bids for the site preparation for the new transfer facility come in under budget there may be funds for the feasibility study. He asked Council for a resolution asking the Borough to go forward with a feasibility study for a composting operation here. Dale Banks heads up the Community Composting Coalition.

Mayor Hornaday indicated he will sponsor a resolution.

## **COMMENTS OF THE CITY ATTORNEY**

City Attorney Klinkner offered congratulations to Councilmembers Howard and Lewis on their re-election.

## **COMMENTS OF THE CITY CLERK**

City Clerk Johnson also congratulated Councilmembers Howard and Lewis.

## **COMMENTS OF THE CITY MANAGER**

City Manager Wrede also congratulated Councilmembers Howard and Lewis.

## **COMMENTS OF THE MAYOR**

Mayor Hornaday also congratulated Councilmembers Howard and Lewis.

## **COMMENTS OF THE CITY COUNCIL**

Councilmember Wythe congratulated Dave and Barb and is looking forward to another couple of fun years.

Councilmember Lewis thanked everyone that voted and everyone that voted for him. He offered congratulations to the high school football team and wished them good luck this weekend. He congratulated Lolita Brache who was awarded the 2011 Educator of the Year award by the Adult Education Association at their annual meeting last Friday.

Councilmember Hogan congratulated Dave and Barb and looks forward to working with them. He is excited about the Mariners football team. They have done a great job this year and hopefully they will continue with a win.

Councilmember Roberts echoed a welcome back to Barb and David. She is very excited about the Homer Mariners, 7:30 p.m. on Saturday.

Councilmember Howard offered congratulations to all the candidates that stepped up to offer their services to participate in local government and to the City Clerk. The goal of the Clerk's office is always to have an uneventful event day and they pulled it off once again. Councilmember Howard commented Kelly Cooper is trying to put together a task force for the Boys and Girls Club and she requested to serve as a volunteer. She asked that the appointment be made at the next council meeting as time is of the essence.

**ADJOURNMENT**

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 7:07 p.m. The next Regular Meeting is scheduled for Monday, October 24, 2011 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, October 24, 2011 at 5:00 p.m. A Special Meeting is scheduled for Monday, October 17, 2011 at 6:00 p.m. All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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JO JOHNSON, CMC, CITY CLERK

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



Session 11-30 a Special Meeting of the Homer City Council was called to order on October 10, 2011 at 4:00 p.m. by Mayor James C. Hornaday, 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: HOGAN, HOWARD, LEWIS, ROBERTS,  
WYTHE

**ABSENT:** ZAK

**STAFF:** CITY MANAGER WREDE  
CITY CLERK JOHNSON  
CITY ATTORNEY KLINKNER  
PUBLIC WORKS DIRECTOR MEYER

### **AGENDA APPROVAL**

(Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

Councilmember Zak was not eligible to participate in the Special Meeting as he requested telephonic participation for the Committee of the Whole and Regular Meeting. Executive Sessions are excluded from telephonic participation.

The agenda was approved by consensus of the Council.

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

There were no public comments.

### **NEW BUSINESS**

- A. **Memorandum 11-136**, From City Clerk, Re: Request for Executive Session Pursuant to AS §44.62.310(C)(1 & 2), Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Subjects That Tend to Prejudice the Reputation and Character of Any Person, Provided the Person May Request a Public Discussion. (City Lobbyist Contract)
- B. **Memorandum 11-137**, From City Clerk, Re: Request for Executive Session Pursuant to AS §44.62.310(C)(1 & 5), Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Attorney/Client Privilege. (Legal Issues Regarding Seawall)

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandums 136 and 137 to meet in Executive Session to discuss city lobbyist contract and legal issues regarding Seawall.

WYTHE/LEWIS - SO MOVED.

City Manager Wrede invited Public Works Director Carey Meyer to be present for the Seawall discussion.

WYTHE/LEWIS – MOVED TO AMEND TO INCLUDE THE CITY MANAGER AND THE ATTORNEY FOR THE LOBBYIST CONTRACT AND THE CITY MANAGER, ATTORNEY, AND DIRECTOR OF PUBLIC WORKS FOR THE SEAWALL.

There was no discussion.

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

Motion carried.

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

Motion carried.

Mayor Hornaday called for a motion to adjourn to Executive Session.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. ROBERTS, WYTHE, HOWARD, HOGAN, LEWIS

Motion carried.

Council adjourned to Executive Session at 4:05 p.m. and reconvened the meeting at 4:58 p.m.

Mayor Pro Tempore Wythe stated Council met and did a review of our lobbyists and also met with our attorney to review issues relating to the Seawall. They have provided direction and will be waiting to hear back from him.

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

There were no comments of the audience.

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

City Attorney Klinkner had no comment.

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

City Clerk Johnson had no comment.

**COMMENTS OF THE CITY MANAGER**

City Manager Wrede had no comment.

**COMMENTS OF THE MAYOR**

Mayor Hornaday had no comment.

**COMMENTS OF THE CITY COUNCIL**

Councilmembers Hogan, Howard, Lewis, Roberts, and Wythe had no comment.

**ADJOURNMENT**

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 4:58 p.m. The next Regular Meeting is scheduled for Monday, October 24, 2011 at 6:00 p.m. The next Committee of the Whole is scheduled for Monday, October 24, 2011 at 5:00 p.m. A Special Meeting is scheduled for Monday, October 17, 2011 at 6:00 p.m. All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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JO JOHNSON, CMC, CITY CLERK

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





Session 11-32 a Special Meeting of the Homer City Council was called to order on October 17, 2011 at 6:00 p.m. by Mayor James C. Hornaday, 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: HOGAN, HOWARD, LEWIS, ROBERTS,  
WYTHE

**ABSENT:** ZAK<sup>1</sup>

**STAFF:** CITY MANAGER WREDE  
CITY CLERK JOHNSON

**AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)

The agenda was approved by consensus of the Council.

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

There were no comments of the public.

**VISITORS**

**CITY MANAGER'S REPORT**

**CITY ATTORNEY'S REPORT**

**PENDING BUSINESS**

**NEW BUSINESS**

A. Oath of Office administered to the Newly Elected Officials.

City Clerk Johnson administered the Oath of Office to Councilmembers Howard and Lewis.

Councilmember Howard thanked everyone that has helped her along the way. She is passionate about the work, appreciates the opportunity, and hopes she does a good job.

Councilmember Lewis thanked everyone and hopes he can do what everyone expects of him. He will be fair, impartial and honest.

B. **Memorandum 11-140**, from City Clerk, Re: Selection/Appointment of Mayor Pro Tempore for 2011/2012.

**HOWARD/ROBERTS - MOTION TO SELECT MARY BETH WYTHE AS MAYOR PRO TEMPORE FOR 2011/12.**

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<sup>1</sup> Councilmember Zak arrived after the meeting adjourned.

Councilmember Howard commented Beth has done a great job and she hopes she will agree to nomination. She looks forward to her serving another year as Mayor Pro Tempore.

VOTE: YES. HOWARD, ROBERTS, LEWIS, HOGAN, WYTHE

Councilmember Howard opted to move one seat to the right, exchanging seats with Councilmember Zak.

C. **Memorandum 11-141**, from Mayor Hornaday, Re: Appointment of Councilmember Hogan to the Boy and Girls Club Task Force.

Mayor Hornaday called for a motion for the approval of the recommendations of Memorandum 11-141.

WYTHE/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

There were no comments of the audience.

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

City Attorney Klinkner was not present

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

City Clerk Johnson offered congratulations to Barbara and David.

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

City Manager Wrede offered congratulations to Barbara and David.

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

Mayor Hornaday offered congratulations to Barbara and David.

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

Councilmember Howard thanked Kevin for stepping up to serve on the newly formed task force for the Boys and Girls Club. It is the beginning of a way to solve a problem that has been plaguing this town for a while. She looks forward to hearing a report.

#### **ADJOURNMENT**

There being no further business to come before the Council, Mayor Hornaday adjourned the meeting at 6:16 p.m. The next Regular Meeting is scheduled for Monday, October 24, 2011 at

HOMER CITY COUNCIL  
SPECIAL MEETING MINUTES  
OCTOBER 17, 2011

6:00 p.m. The next Committee of the Whole is scheduled for Monday, October 24, 2011 at 5:00 p.m. All meetings scheduled to be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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JO JOHNSON, CMC, CITY CLERK

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





Office of the Mayor  
James C. Hornaday  
Homer City Hall  
491 E. Pioneer Avenue  
Homer, Alaska 99603-7624

Phone 907-235-8121 x2229  
Fax 907-235-3143

## MEMORANDUM 11-142

TO: HOMER CITY COUNCIL

FROM: JAMES C. HORNADAY, MAYOR

DATE: OCTOBER 17, 2011

SUBJECT: REAPPOINTMENT OF BARBARA HOWARD TO THE PERMANENT FUND COMMITTEE.

Barbara Howard is reappointed to the Permanent Fund Committee with a term to expire October, 2014.

### RECOMMENDATION:

Confirm the reappointment of Barbara Howard to the Permanent Fund Committee.

Fiscal Note: N/A



# VISITORS





**ANNOUNCEMENTS  
PRESENTATIONS  
BOROUGH REPORT  
COMMISSION REPORTS**



# Office of the City Clerk

Jo Johnson, CMC, City Clerk  
Melissa Jacobsen, CMC, Deputy City Clerk II  
Renee Krause, CMC, Deputy City Clerk I



491 E. Pioneer Avenue  
Homer, Alaska 99603  
(907) 235-3130  
(907) 235-8121  
ext: 2224, 2226, or 2227  
Fax: (907) 235-3143  
Email: clerk@ci.homer.ak.us

## MEMORANDUM - REPORT

TO: MAYOR HORNADAY AND HOMER CITY COUNCIL  
FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK  
DATE: OCTOBER 19, 2011  
SUBJECT: ECONOMIC DEVELOPMENT ADVISORY COMMISSION REPORT RE:  
SMALL BUSINESS DEVELOPMENT SUPPORT

Commissioner Neece wanted to express kudos to people on Pioneer and around town who have done a lot of work this last year on remodeling, paving, and other things that have improved the overall look along Pioneer Avenue. The town is looking good. He would like to get a message to the Mayor from the EDC that they recognize all the work. He commented that one thing that was talked about during the work on the CEDS document and bringing this stuff forward is starting to pay off and people are doing things to their businesses that are creating economic flow to Pioneer. He wants to let them know that we are seeing it. It starts here and keeps expanding to give Homer vibrancy and vision.

NEECE/FAULKNER MOVED THAT THE ECONOMIC DEVELOPMENT COMMISSION SEND A MESSAGE TO CITY COUNCIL EXPRESSING ITS APPRECIATION IN SEEING WHAT IS HAPPENING ALONG PIONEER AVENUE AND RECOGNIZING THE PEOPLE ALONG PIONEER AVENUE FOR DOING SUCH.

FAULKNER/SARNO MOVED TO AMEND TO ADD AND CONTINUE SUPPORT FOR IN THE GAS LINE EFFORTS FOR THAT AREA AS IT WILL BENEFIT EVERYONE WHO HOOKS UP.

There was no discussion on the amendment.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

There was no further discussion on the main motion as amended.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.



*John Velsko*

*Prince William Sound Regional Citizens' Advisory Council*

*jvelsko@hotmail.com*

*235-7836 ph./299-1215 cell*

October 12, 2011

Greetings Mr. Mayor, City Council & City Manager,

On September 15th & 16th the PWSRCAC held a Board meeting in Kenai which I attended. Some of the highlights are listed below;

- Alyeska Pipeline gave a presentation on the engineering challenges the company is facing due to declining throughput. At its peak the Trans Alaska Pipeline System (TAPS) transported almost two million barrels per day. It currently transports about 600,000 barrels per day. Low volume results in lower oil temperatures, waxy deposits in the line & water condensation issues all of which require engineering & maintenance solutions.
- A draft report on maintenance procedures at the Valdez Marine Terminal was presented to the Board for discussion. This report was a joint effort between Alyeska Pipeline & an independent contractor selected by the PWSRCAC to audit Alyeska's maintenance program. Unfortunately, the preliminary findings point to some areas of concern to the PWSRCAC in regards to the efficacy of current maintenance practices being employed at the Terminal
- SeaRiver Tanker Co. ( a subsidiary of EXXON ) gave a presentation on their plans to build two new, state of the art tankers for the transportation of crude oil from the Valdez Marine Terminal. These ships will be built in the USA & will incorporate cutting edge technology in regards to treating ballast water discharges & engine emissions. Of course, they will be double-hulled. It is interesting to note, that while throughput in the TAPS is declining, profitability of the remaining oil is soaring as evidenced by the considerable capital investment in these new ships
- The Coast Guard gave the Board a heads up on proposed Federal & International regulations regarding Ship Emissions & Invasive Species Ballast Water Management, both of which could financially impact the cruise ship industry as well as the marine oil transportation industry. I believe that the current practice of at-sea exchanges of untreated ballast water & the burning of high emission bunker oil in ship's engine rooms within 200 miles of the coast will be unacceptable in the near future.

As always, if you have any questions or wish to discuss these issues further please feel free to contact me at anytime or visit the PWSRCAC website at [www.pwsrcac.org](http://www.pwsrcac.org).

Regards,

John Velsko



# PUBLIC HEARING(S)





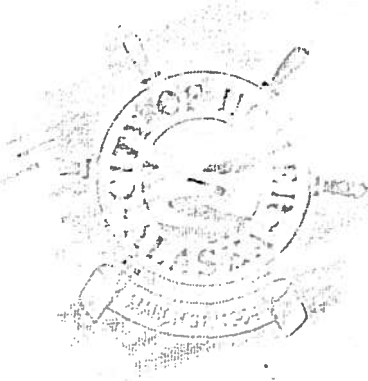


**CLERK'S AFFIDAVIT OF POSTING**

I, Renee Krause, CMC, Deputy City Clerk I for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for Ordinance 11-42, Accepting and Appropriating State Department of Corrections Capital Project Funds in the Amount of \$3,500 to Purchase New Lockers for Prisoner's Personal Property was distributed at the City of Homer kiosks located at City Clerk's Office, Captain's Coffee Roasting Co., Harbormaster's Office, and Redden Marine Supply of Homer, on October 14, 2011 and that the City Clerk posted same on City of Homer Homepage on October 11, 2011.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 11<sup>th</sup> day of October, 2011.

  
\_\_\_\_\_  
Renee Krause, CMC, Deputy City Clerk I



**ORDINANCE REFERENCE SHEET**  
**2011 ORDINANCE**  
**ORDINANCE 11-42**

An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating State Department of Corrections Capital Project Funds in the Amount of \$3,500 to Purchase New Lockers for Prisoner's Personal Property and Authorizing the City Manager to Execute the Appropriate Documents.

Sponsor: City Manager/Police Chief

1. City Council Regular Meeting October 10, 2011 Introduction
  - a. Memorandum 11-138 from Police Chief as backup
2. City Council Regular Meeting October 24, 2011 Public Hearing and Second Reading
  - a. Memorandum 11-138 from Police Chief as backup



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**CITY OF HOMER  
HOMER, ALASKA**

City Manager/  
Police Chief

**ORDINANCE 11-42**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, ACCEPTING AND APPROPRIATING STATE DEPARTMENT OF CORRECTIONS CAPITAL PROJECT FUNDS IN THE AMOUNT OF \$3,500 TO PURCHASE NEW LOCKERS FOR PRISONER'S PERSONAL PROPERTY AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The State Department of Corrections has awarded \$3,500 to the Police Department in Capital Project Funds; and

WHEREAS, The Capital Project Funds are provided for community jails to purchase equipment, perform maintenance, or for other needs related to the confinement of prisoners; and

WHEREAS, The funds will be utilized to purchase new lockers for prisoner's personal property.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby accepts and appropriates State Department of Corrections Capital Project Funds in the amount of \$3,500 to purchase new lockers for prisoner's personal property as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Revenue:		
100-030-4512	State Department of Corrections Capital Project Funds	\$3,500
Expenditure:		
100-164-5231	Lockers for Prisoner's Personal Property	\$3,500

Section 2. The City Manager is authorized to execute the appropriate documents.

Section 3. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

ENACTED BY THE HOMER CITY COUNCIL this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

CITY OF HOMER

\_\_\_\_\_  
JAMES C. HORNADAY, MAYOR

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JO JOHNSON, CMC, CITY CLERK

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59 YES:

60 NO:

61 ABSENT:

62 ABSTAIN:

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64 First Reading:

65 Public Hearing:

66 Second reading:

67 Effective Date:

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69 Reviewed and approved as to form:

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71 \_\_\_\_\_  
72 Walt Wrede, City Manager

\_\_\_\_\_  
Thomas F. Klinkner, City Attorney

73  
74 Date: \_\_\_\_\_

Date: \_\_\_\_\_



# CITY OF HOMER

## POLICE DEPARTMENT

4060 HEATH STREET HOMER, AK 99603-7609

EMERGENCY 911  
TELEPHONE (907) 235-3150  
TELECOPIER (907) 235-3151

### MEMORANDUM 11-138

DATE: September 29, 2011  
TO: Walt Wrede, City Manager  
FROM: Mark Robl, Chief of Police  
SUBJECT: Capital Funds Acceptance

The State Department of Corrections has agreed to give us \$3,500 to purchase new lockers for holding prisoner's personal property. (Our current lockers are over 25 years old.) These are capital project funds that are given out to community jails to purchase equipment, perform maintenance or for other needs that are related to the confinement of prisoners. We requested funding for the locker replacement during the capital funds budget process and have just been notified of the award.

I request that we advise the council of this funding award and ask for permission to accept and obligate these funds for the purchase of the lockers.





# ORDINANCE(S)



**ORDINANCE REFERENCE SHEET**  
**2011 ORDINANCE**  
**ORDINANCE 11-43**

An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 14.08.037, Water Meters; Regarding the Number of Water Meters Required Per Lot.

Sponsor: City Manager/Public Works

1. City Council Regular Meeting October 24, 2011 Introduction
  - a. Memorandum 11-142 from City Manager as backup
  - b. Ordinance 11-26
  - c. Excerpt of Fee Schedule for water/sewer fees



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CITY OF HOMER  
HOMER, ALASKA

City Manager/Public Works

ORDINANCE 11-43

AN ORDINANCE OF THE CITY COUNCIL OF HOMER,  
ALASKA, AMENDING HOMER CITY CODE 14.08.037,  
WATER METERS; REGARDING THE NUMBER OF WATER  
METERS REQUIRED PER LOT.

THE CITY OF HOMER ORDAINS:

Section 1. Homer City Code 14.08.037, Water meters, is amended to read as follows:

14.08.037 Water meters. a. All water shall be metered. The one time meter lease fee shall be the actual cost of the water meter installed plus fifteen percent as determined by the Public Works Director.

b. ~~Except for the following,~~ Only one meter shall be issued to each lot, except that :

1. ~~A multi family building that contains more than one dwelling unit shall have a separate water meter for each dwelling unit. This requirement applies to all new construction on and after the effective date of this section. Units in multi family buildings subject to and in compliance with this subsection shall be billed at residential rates for both water and sewer.~~

2. ~~Existing multi family buildings:~~

a) ~~Have the option to have individual meters installed for each dwelling unit. By doing so, each unit will be subject to "Single Family Dwelling Unit" Rates as defined under the Rate Schedule, and be billed at residential rates for both water and sewer, or~~

b) ~~Continue business utilizing the single meter. These businesses will be required to pay the customer charge per unit for water and sewer as defined by the Rate Schedule and will remain on the higher rate schedule listed as "Other", or "Commercial" as listed in the rate schedule until such a time as they have individual meters installed as defined by 2.a.~~

e) mMultiple meters may be issued for lots on the Spit.

Section 2. This Ordinance is of a permanent and general character and shall be included in the City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

[**Bold and underlined added.** Deleted language stricken through.]

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

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ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt E. Wrede, City Manager

Thomas F. Klinkner, City Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**[Bold and underlined added. Deleted language stricken through.]**

## MEMORANDUM 11-143

**TO:** Mayor Hornaday and Homer City Council

**FROM:** Walt Wrede

**DATE:** October 24, 2011

**SUBJECT:** Water Meters

### Introduction

The City Council recently adopted Ordinance 11-26 entitled "AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, REPEALING SUBSECTION (C) OF HOMER CITY CODE 14.08.035, WATER CONNECTION AND EXTENSION PERMIT FEE; AND ENACTING HOMER CITY CODE 14.08.037, WATER METERS; REGARDING THE NUMBER OF WATERS METERS REQUIRED PER LOT." This ordinance was adopted upon the recommendation of the city administration when the Council was setting water and sewer rates this summer. The intent was to increase the customer base, increase revenues, provide equity among residential users, and reduce rates in multifamily dwellings from commercial to residential.

While the intent behind this ordinance was good, some unintended and practical consequences were fully appreciated when we geared up to implement the ordinance. In hindsight, we could have thought this through a little better before bringing it to Council.

### The Issues:

There are a number of cost related and practical implications for both the property owner and the City. Property owners of multifamily units would be required to install separate water lines to the street for each unit in the dwelling or install elaborate plumbing fixtures either in the building or at the street so that each unit could have a separate shutoff valve and water meter. Not only would this be expensive, but the maintenance costs would increase as well over time.

The City would have to install and maintain 400 plus new shut-off valves and meters. The City wants these valves to be in the street because it does not want to enter buildings to do this, for a variety of reasons. It is important that the City has the ability to shut water off. This greatly increases the workload for Public Works staff; because there will be more maintenance and more shutoffs and turn-ons due to payment delinquency, changes in renters, people leaving in the winter, etc. In addition, the added administrative burden on the Finance Department will be significant. Anytime you have 400 plus new customers, the workload increases.

### What Does This Ordinance Do?

This ordinance eliminates the need for each unit in a multifamily dwelling to have a separate meter. However, it keeps the same concept. Each unit will be charged the same customer charge as any other residential building. However, this charge will be levied administratively through the fee schedule. So, instead of the City interacting with individual renters, it will continue to interact with the property owner, as it does now. The property owner is ultimately responsible. Residential rates will apply. Finance will conduct another analysis when Regina returns, but we believe this raises enough money to balance the budget, similar to the ordinance passed this summer.

**RECOMMENDATION:** Approve Ordinance 11-43.





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**CITY OF HOMER  
HOMER, ALASKA**

Roberts/Wythe

**ORDINANCE 11-26**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, REPEALING SUBSECTION (c) OF HOMER CITY CODE 14.08.035, WATER CONNECTION AND EXTENSION PERMIT FEE; AND ENACTING HOMER CITY CODE 14.08.037, WATER METERS; REGARDING THE NUMBER OF WATER METERS REQUIRED PER LOT.

THE CITY OF HOMER ORDAINS:

Section 1. Subsection (c) of Homer City Code 14.08.035, Water connection and extension permit fee, is repealed:

Section 2. Homer City Code 14.08.037, Water meters, is enacted to read as follows:

14.08.037 Water meters. a. All water shall be metered. The one time meter lease fee shall be the actual cost of the water meter installed plus fifteen percent as determined by the Public Works Director.

b. Except for the following, only one meter shall be issued to each lot:

1. A multi-family building that contains more than one dwelling unit shall have a separate water meter for each dwelling unit. This requirement applies to all new construction on and after the effective date of this section. Units in multi-family buildings subject to and in compliance with this subsection shall be billed at residential rates for both water and sewer.
2. Existing multi-family buildings:
  - a) Have the option to have individual meters installed for each dwelling unit. By doing so, each unit will be subject to "Single Family Dwelling Unit" Rates as defined under the Rate Schedule, and be billed at residential rates for both water and sewer, or
  - b) Continue business utilizing the single meter. These businesses will be required to pay the customer charge per unit for water and sewer as defined by the Rate Schedule and will remain on the higher rate schedule listed as "Other", or "Commerical" as listed in the rate schedule until such a time as they have individual meters installed as defined by 2.a.
  - c) Multiple meters may be issued for lots on the Spit.

Section 3. This Ordinance is of a permanent and general character and shall be included in the City Code.

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ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 27<sup>th</sup> day of June,

~~2011~~



CITY OF HOMER

James C. Hornaday  
JAMES C. HORNADAY, MAYOR

ATTEST:

[Signature]  
JO JOHNSON, CMC, CITY CLERK

YES: 4  
NO: 2  
ABSTAIN: 0  
ABSENT: 0

First Reading: 6/13/11  
Public Hearing: 6/27/11  
Second Reading: 6/27/11  
Effective Date: 6/28/11

Reviewed and approved as to form:

[Signature]  
Walt E. Wrede, City Manager  
Date: 6/30/11

[Signature]  
Thomas F. Klinkner, City Attorney  
Date: 7-5-11

for domestic sewer system use. Sewer system use will be billed monthly.

The City will allow, upon approval by Public Works and a permit from the Public Works Department, a second water usage meter – called a seasonal sewer meter – for each customer that desires to measure the flow of City water that is not discharged to the sewer system during the summer growing season, June 15 through September 15. Rates noted above do not apply.

Seasonal Sewer Meter Fee is \$211.97.

**WATER FEES:**

Water Connection Fee

Single Family/Duplex \$300

Multi-Family/Commercial/Industrial \$375

Water Rate Schedule.

All water utility services shall be billed according to the following schedule. This schedule is for monthly water service and is in addition to any charges for connecting or disconnecting the service, installation of the service or any assessment of the improvements.

<b>Customer Classification*</b>	<b>Monthly Customer Charge</b>	<b>Charge per Gallon</b>	<b>Usage Charge per 1,000 Gallons of Water</b>
<b>Single Family Residential</b>	\$25	\$0.00442	\$ 4.42
<b>Multi-Family Residential</b>	<b>\$25 (per unit)</b>	<b>\$0.00442</b>	<b>\$ 4.42</b>
Commercial	\$25	\$0.01140	\$11.40
Bulk	\$25	\$0.01269	\$12.69

\* - Customer classification definitions for determining water rates:

**Single Family Residential** - A unit providing housing for one household; with less than 25% of the building area used for business or commercial purposes.

**Multi-Family Residential** - A building or lot occupied by more than one household; contained within one building or several buildings within one complex. Examples of multi-family units include duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, B & B's, seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time).

**Commercial** - Any user not defined as Residential.

Meter Size Deposits.

<u>Size (inches)</u>	<u>Residential Users</u>	<u>Nonresidential Users</u>
5/8	\$75.00	\$220.00
3/4	\$80.00	\$230.00
1	\$90.00	\$250.00
1-1/2	\$115.00	\$310.00
2	\$150.00	\$370.00
3	\$220.00	\$525.00

**SEWER FEES:**

Sewer Connection and Extension Permit Fee

Single Family/Duplex \$255

Multi-Family/Commercial/Industrial \$330

Sewer Rate Schedule.

All sewer utility services shall be billed according to the following schedule. This schedule is for monthly sewer services and is in addition to any charges for connecting or disconnecting the service, installation of the service or any assessment of the improvements.

<b>Customer Classification*</b>	<b>Monthly Customer Charge</b>	<b>Charge per Gallon</b>	<b>Usage Charge per 1,000 Gallons of Water</b>
<b>Single Family Residential</b>	\$20	\$0.00997	\$ 9.97
<b>Multi-Family Residential</b>	<b>\$20 (per unit)</b>	<b>\$0.00997</b>	<b>\$ 9.97</b>
<b>Commercial</b>	\$20	\$0.01264	\$12.64

\* - Customer classification definitions for determining sewer rates:

**Single Family Residential** - A unit providing housing for one household; with less than 25% of the building area used for business or commercial purposes.

**Multi-Family Residential** - A building or lot occupied by more than one household; contained within one building or several buildings within one complex. Examples of multi-family units include duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and multiple structures on one lot (where units are normally rented or occupied for longer than one month at a time). Examples of units not considered as multi-family include hotels, motels, B & B's, seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time).

**Commercial** - Any user not defined as Residential.

Sewer System Residential or Residential Equivalent Dischargers Who Are Not Water System Users:

Sewer system dischargers who are not water system users shall be charged at the rate of \$54.90. Variable rate \$34.90 based on 3,500 gallons per month plus monthly customer charge \$20. The City reserves the right to adjust this rate based on the characteristics of the service for non-residential or non-residential equivalent users. Customers who receive septic service shall be charged an additional \$6.00\* per month.

Sewer System Dischargers Who Are Members of Kachemak City LID:

Kachemak City Local Improvement District (LID) members have contributed to the initial cost of the sewer treatment plant and the collection system. Kachemak City LID dischargers connected within the LID and the City of Homer shall bill Kachemak City in one lump sum at the rate of \$60.90. Variable rate \$34.90 based on 3,500 gallons per month plus monthly customer charge of \$20 plus septage cost \$6.00\* per month for each residential or residential equivalent discharger. Kachemak City shall be responsible for payment to the City of Homer.

Domestic sewer service customers who use large quantities of City water in addition to their domestic use shall be allowed, with the Public Works Director's approval, to install an additional water meter on the domestic water use line for the purpose of metering and charging

4	\$310.00	\$730.00
6	\$520.00	\$1,225.00

\$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be returned when the meter is returned undamaged. This deposit may be waived upon the recommendation of the Public Works Superintendent.

If a bulk water customer purchases a meter from the City for measuring the quantity of water purchased, it shall be exempt from the monthly meter service charge. It is the responsibility of the bulk water customer to maintain that meter so the City can accurately determine the amount of water being purchased. In the event the meter fails, it is the bulk water customer's responsibility, at its expense, to repair it or purchase a replacement meter from the City. The City may at any time test the meter for accuracy.



# CITY MANAGER'S REPORT





## BUDGET MESSAGE

### FY 2012 OPERATING BUDGET

Submitted September 28; Introduced October 10, 2011

#### Introduction:

The Draft FY 2012 Operating Budget was delivered to the City Council on September 28, 2011. The draft budget was a result of many hours of hard work, number crunching, and program review by the department heads and their staff. I would like to especially thank Regina Mauras, the Finance Director, for her immeasurable contribution to this effort. I believe the budget document contains more information and is easier to read than ever before. This draft budget is often referred to as the "Manager's Budget" and it is scheduled to be introduced via a budget ordinance at the regular meeting on October 10, 2011. After the budget is introduced by ordinance, it becomes the Council's budget and it can be amended as Council sees appropriate at anytime right up to final adoption.

The draft budget contains new graphics and data regarding personnel costs that I think the Council and the public will find to be helpful. The budget incorporates a recalibration of how some expenditures on the Spit related to the visitor industry (garbage collection, restroom maintenance and custodial) are shared between the General Fund and the Port and Harbor Enterprise Fund. The budget also fully incorporates the transfer of the port maintenance function from the Public Works Department to the Port and Harbor Department.

In developing this budget, I did my best to adhere to the budget priorities identified by the Council and balance them against fiscal reality and what is needed to maintain core municipal services. For example, my priorities as City Manager were workforce morale, productivity, building reserves, filling some vacant positions, and maintaining a high level of service delivery. This budget achieves those objectives for the most part with the notable exceptions of COLA's and filling vacant positions. The budget addresses Council priorities including no new or increased taxes or fees, at least in the initial draft, a conservative budget that acknowledges continued economic and revenue uncertainty, and increased transfers to depreciation and fleet reserve accounts. One Council priority that the budget does not address at this time is refilling vacant positions in core programs.

A budget summary follows which provides a quick overview of the draft budget. This summary covers all three operating funds and highlights the "flashpoints" that many people zero in on and want to know first about the budget. A more detailed description of the contents of each fund follows in subsequent sections and we will go through the budget with you line item by line item at the Committee of the Whole on Monday.

#### Budget Summary:

- There are no new or increased taxes or fees
- All funds are balanced, meaning that revenues meet or exceed expenditures
- Transfers to depreciation and fleet reserves are included for the General Fund this year but they have been reduced slightly for the Port and Harbor Enterprise Fund and the Water and Sewer Utility Fund.
- Increases in real expenditures are limited to fixed costs, training, and basic operating supplies.
- Non-profits are funded at last year's level. That includes The Chamber of Commerce, the Homer Foundation, the Pratt Museum, and Haven House.
- There are no new positions or vacant positions that have been filled with the exception of a part time seasonal position with Parks.
- There are no changes to employee compensation from last year.

- The budget does not include a COLA.

### The General Fund

The General Fund is balanced in the sense that revenues meet or exceed expenses. The total General Fund Budget is \$10,782,862. Total Revenues and Transfers are projected to increase by \$668,004. This is due largely to the fact that PERS relief payments are shown as revenue. Property tax is projected to remain essentially level and sales tax is projected to increase by almost \$200,000 over what was budgeted last year. Expenditures increase by \$622,756 over 2011 however, most of that is accounted for by transfers to depreciation and reserve accounts and PERS relief payments which also are included on the expenditures side. Projected revenues exceed projected expenditures by \$ 443,246 before transfers. Virtually all of those excess funds were transferred into reserve accounts. Of that amount, \$329,894 was transferred into depreciation and fleet reserve accounts.

Following are some budget highlights that I would call your attention to:

- The lobbying contract is included at the same level as last year, pending Council action. \$22,000 from the General Fund and \$22,000 from P&H Fund (page 55).
- The Attorney Contract and budget is included at last year's level, consistent with Council action. (page 55).
- The Animal Shelter contract is included at last year's level, pending Council action. (page 97).
- Non-Profits are included at last year's level (Pages 66, 92, and 114.)
- Fishing Hole Contribution included at last year's level (page 66).
- Contributions to depreciation and fleet reserves included for first time in two years, restored to 2009 levels but still far short of 2008 (page 47).
- Almost no major capital expenditures from reserve accounts proposed (page 201)
- No new positions or vacant positions filled with exception of restoration of vacant summer temporary Parks position. (page 228.)
- Funding restored for Council stipends (back to previous level) and for Council travel (for AML and Juneau) (page 55).
- Funding restored on limited basis for training ( Clerk, Finance, Personnel, Police, Fire) and for basic operating supplies.
- Funding included for two elections (to provide for possible runoff or special elections) (page 60).
- Estimated "warm status" costs for HERC Building (Old School) (page 70)
- Estimated energy costs for expanded but more efficient City Hall (page 78)

### Analysis / Comment

Overall, the general fund is in much better shape than it has been the previous couple of years. We can be thankful that at least this year, we are not talking about layoffs, eliminating entire programs, reducing the level of services, and deleting funding for services that might be considered "nice" but not essential. I am very pleased that we were able to include transfers to depreciation and fleet reserves for the first time since FY 2009.

However, we should not allow our collective relief over the fact that we can manage to produce what is essentially a status quo budget cloud our vision. There are still a number of concerns that must be addressed. Although the General Fund reserve is now close to the level recommended by the auditors, this budget does not "grow" the reserve at all. Second, although we are happy to be able to do something about depreciation this year, the amount transferred is far below what was transferred in the past and that recommended by the auditors and Council resolution. The economy and tax revenues continue to be very uncertain as we move forward. That is why I chose

to place all of the excess revenues this year into savings accounts rather than fill vacant positions. I was not confident that the positions we would fill would be sustainable. Finally, the number of vacant positions continues to be a problem. The most critical positions right now, in my opinion are the project manager, maintenance and custodial, dispatch, and the jail. I would be happy to talk with the Council about this in detail.

Port and Harbor Enterprise Fund:

The Port and Harbor Enterprise Fund is balanced in that projected total revenues (\$3,431,243) exceed projected total expenditures (\$3,174,725). The fund is operating in the black in terms of operating expenses however, when the recommended depreciation expenses are included as though they represented a real expenditure this year, it appears that the fund is operating in the red, and by a large margin. Projected revenues are down slightly from 2011. The budget includes expenditures that are up approximately \$100,000; a fact that can be attributed largely to PERS Relief, increases in operating supplies, and increased garbage collection costs. This budget transfers \$470,000 into depreciation and fleet reserves which is \$30,000 less than 2011. Budget highlights for the Port and Harbor Enterprise Fund include:

- No new fees or fee increases pending Council action (see below)
- Incorporation of the port and harbor maintenance function
- Moderate expenditures from reserves (page 201)
- No new personnel
- An essentially status quo operating budget

Analysis / Comment:

The Port and Harbor Enterprise Fund is solvent but it is essentially trading water. This is basically a maintenance budget. It covers day to day operating costs and that is about it. The City has deferred maintenance, repair, upgrades, and investment in this vital infrastructure for too long. There is room to generate more revenue that can be reinvested in the port and harbor however, deciding how to increase revenues and what to spend them on can be difficult. Political pressure to keep fees low has trumped good management. As a result, fees have not kept up with inflation and they do not generate enough revenue to address basic depreciation. Because the City has not raised fees as it should and has not kept up with maintenance, repair and investment, the decisions get harder and the necessary fee increases more drastic.

The Enterprise Fund does not have as much in its depreciation reserve account as it should given its assets and the value of its infrastructure. Instead of transferring \$500,000 a year, the City should be transferring three times that much. The Fund is also developing a problem with retained earnings and cash on hand. This is getting dangerously low and it means that the Fund does not have much margin for error if a large unforeseen expense occurs or revenues suddenly decline.

As noted above, there are legitimate opportunities to raise fees and the City should probably do so simply to grow the depreciation reserves and improve the Fund's retained earnings position. But, given the current state of the economy, care should be taken to not raise fees to the point of diminishing returns. As you know, the Special Port Revenue Bond Committee is looking at the possibility of selling revenue bonds to leverage other funds and finance improvements in the harbor. This would also require raising fees. This is where the decisions get tough. But, the City has a wonderful asset and economic engine here. We have exciting opportunities before us to improve and maintain the asset if we manage it carefully with an eye toward the future.

### Water and Sewer Utility Fund

The Water and Sewer Utility Fund is balanced but the margin between revenues and expenditures is tight. Water revenue is projected to increase by about \$150,000 over the 2011 Budget to \$1,717,101 but sewer revenues are anticipated to decrease by \$300,000 to \$1,572,089. Total revenues are projected to decrease by \$129,852 to \$3,289,190. Expenditures are budgeted to increase by \$115,284 to \$3,107,571. This can be accounted for by PERS relief showing as an expense, and by increases in fixed costs and essential operating supplies. Only the minimum amount authorized by resolution, \$200,000, was placed in the depreciation reserves. That was necessary to balance the budget.

Highlights for the Water and Sewer Revenue Fund Include:

- No increases in fees consistent with the fee schedule adopted in July
- No new staff positions
- Expense increases limited to inflation and purchase of basic supplies
- Moderate capital expenses from reserves for basic infrastructure upgrades and repair (page 201)

### Analysis / Comment:

The Water and Sewer Utility Fund remains vulnerable because of the basic structural flaws we have discussed in the past. We have a production and distribution infrastructure that is very expensive to operate and maintain and relatively few customers to pay for it. We have a reliable source of funds to build things and expand the infrastructure (dedicated sales tax) but inadequate funds to maintain it all (user fees). There is intense political pressure to keep fees down even though doing so may not always be in the best interest of the Fund. Our bonded indebtedness is significant and will limit opportunities to finance new projects or expansion of the distribution system for the next few years at a minimum. That is a problem if the Council's goal is to increase the number of customers. This year we have further uncertainty on the revenue side until we fully understand how the new "meter" ordinance will work in practice. We have already discovered some unanticipated flaws and will soon be discussing amendments with the Council.

# Office of the City Clerk

Jo Johnson, CMC, City Clerk  
Melissa Jacobsen, CMC, Deputy City Clerk II  
Renee Krause, CMC, Deputy City Clerk I



491 E. Pioneer Avenue  
Homer, Alaska 99603  
(907) 235-3130  
(907) 235-8121  
ext: 2224, 2226, or 2227  
Fax: (907) 235-3143  
Email: clerk@ci.homer.ak.us

## MEMORANDUM - REPORT

TO: MAYOR HORNADAY AND HOMER CITY COUNCIL  
FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK  
DATE: OCTOBER 19, 2011  
SUBJECT: CURRENT BID(S) AND REQUEST FOR PROPOSALS

### Incorporating Art In The Newly Renovated And Expanded City Hall Complex-

The City of Homer, Alaska is requesting proposals from artists and other interested parties to provide art, artist services or ideas for incorporating art into the newly renovated and expanded City Hall Complex. Proposals will be received at the City Clerk's Office, City Hall until 4:30 p.m., Thursday, October 27, 2011. All firms submitting proposals must be listed on the "Plan Holder's List" maintained by the City Clerk. Proposals received after this date and time will not be accepted. The City reserves the right to accept or reject any or all proposals, to waive irregularities or informalities in the proposals and to enter into an agreement with the respondent(s) that best meet the selection criteria as determined by the Art Selection Committee.



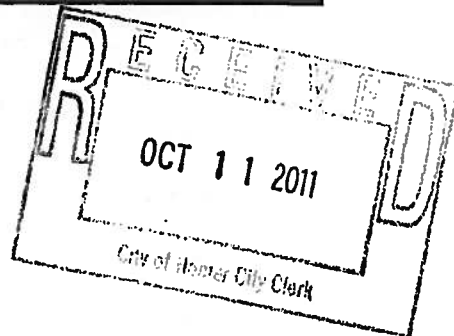


State of Alaska > DOR > Online Tax Information System > Online Permitting and Licensing

**Application Receipt**

**Current Status: Finalized**

Type: Permittee  
 Year: 2012  
 TAX Permit #: 496  
 Permittee Name: Benevolent & Protective Order Of Elks Lodge # 2127  
 EIN: 920044637  
 Application Number: 8884  
 TOPS Receipt: 11284000033



**Organization Information**

Year Permit requested for: 2012  
 Federal EIN or Alaska Tax Identification Number: 920044637  
 Name of Organization or Municipality: Benevolent & Protective Order Of Elks Lodge # 2127  
 Mailing Address One: 215 W Jenny Way  
 City, State Zip + 4: Homer, AK 99603  
 Telephone Number (All numbers include area code): (907) 235-2127  
 Fax Number (All numbers include area code): (907) 235-2190  
 Organization Website Address (If available):  
 Type of Organization: Fraternal  
 Organized As: Corporation  
 How will activities be conducted?: Self-Directed by the Organization  
 Does the organization have 25 or more members who are Alaska residents as defined in your articles of incorporation or bylaws?: Yes  
 Have the organization's articles of incorporation changed?: No  
 Have the organization's bylaws changed?: No  
 Estimated gross receipts for year prior to application year: \$100,001 or more

**Game Types**

Facility or Location-Specific - Unrestricted: Bingo, Pull-Tabs  
 Area Based - Unrestricted: Contest of Skill, Fish Derbies, Raffles

**Self-Directed Facility or Location-specific**

Game Type(s): Bingo, Pull-Tabs, Raffles  
 Facility or Location Name: Homer Elks Lodge 2127  
 Address: 215 W Jenny Way  
 City, State, Zip: Homer, AK 99603  
 Ownership: Owned

**Area-based Information**

Area Homer  
 Game Type(s) Contest of Skill, Fish Derbies, Raffles

**Vendor Information**

**Operator Information**

**Multiple-beneficiary Permittee (MBP)**

**Members in Charge / Manager of Games**

What position does this person serve? Primary and Manager  
 First name Jan  
 Middle Initial C  
 Last Name Jonker  
 Address 422 Elderberry Ct  
 City, State, Zip Homer, AK 99603  
 Daytime Telephone (907) 235-3170  
 Mobile Number  
 Email Address  
 Has this person taken the test? Yes  
 Permit number under which the test was taken

What position does this person serve? Alternate Member in Charge  
 First name Michael  
 Middle Initial  
 Last Name Coates  
 Address 215 W Jenny Way  
 City, State, Zip Homer, AK 99603  
 Daytime Telephone (907) 235-2553  
 Mobile Number  
 Email Address  
 Has this person taken the test? Yes  
 Permit number under which the test was taken

**Legal Information**

Persons convicted of a felony, extortion, or a violation of a law  
 None  
 Persons with a prohibited conflict of interest  
 None

**Net Proceeds Dedication, Details**

Scholarships / Youth Activities / Veterans Programs / Youth Sports  
 Sponsors / Community Service Needs / Alaska State Elks Association  
 Youth & Veterans Activities / Elks National Foundation

**Attachments**

**Title (Type), Description**





# 2012 Alaska Gaming Permit Application

DEPARTMENT USE ONLY	
Validation #	
Date Stamp	

826

## Organization Information

Federal EIN <b>16-1627119</b>	If renewing, enter gaming permit # <b>2307</b>	Phone Number <b>(907) 235-1814</b>	Fax Number <b>(907) 235-1814</b>
Organization Name <b>K-Bay Marines Detachment 838 Marine Corp League</b>		Website Address	
Mailing Address <b>200 East Pioneer Avenue</b>		City <b>Homer</b>	State <b>AK</b>
		Zip +4 <b>99603</b>	
Entity Type (check one)	Organization Type (check one) for definitions see AS 05.15.690 and 15 AAC 160.995.		
<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Association	<input type="checkbox"/> Charitable <input type="checkbox"/> Civic or service <input type="checkbox"/> Dog mushers' association <input type="checkbox"/> Educational <input type="checkbox"/> Fishing derby association	<input type="checkbox"/> Fraternal <input type="checkbox"/> Labor <input type="checkbox"/> Municipality <input type="checkbox"/> Nonprofit trade association <input type="checkbox"/> Outboard motor association	<input type="checkbox"/> Police or fire department <input type="checkbox"/> Political <input type="checkbox"/> Religious <input checked="" type="checkbox"/> Veterans <input type="checkbox"/> IRA/Native Village
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Does the organization have 25 or more members who are Alaska residents as defined in your articles of incorporation or bylaws?			

## Members in Charge of Games

Members in charge must be natural persons and active members of the organization or employees of the municipality and designated by the organization. Members in charge may not be licensed as an operator, be a registered pull-tab vendor or an employee of a vendor for this organization. If more than one alternate, attach a separate sheet.

Primary Member First Name	M.I.	Primary Member Last Name	Alternate Member First Name	M.I.	Alternate Member Last Name
<b>Leonard</b>	<b>O</b>	<b>Wells</b>	<b>Eileen</b>	<b>J</b>	<b>Faulkner</b>
Social Security Number		Email	Social Security Number		Email
		<b>kcharacters@yahoo.com</b>			<b>eif@gci.net</b>
Daytime Phone Number		Mobile Number	Daytime Phone Number		Mobile Number
<b>(907) 235-1814</b>		<b>(907) 299-8169</b>	<b>(907) 235-0545</b>		<b>(907) 299-8949</b>
Home Mailing Address			Home Mailing Address		
<b>2189 Aspen Lane</b>			<b>357 Lee Drive</b>		
City	State	Zip +4	City	State	Zip +4
<b>Homer</b>	<b>AK</b>	<b>99603</b>	<b>Homer</b>	<b>AK</b>	<b>99603</b>
Has the primary member passed the test?		Permit # under which test was taken:	Has the alternate member passed the test?		Permit # under which test was taken:
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<b>1817</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<b>498</b>

## Legal Questions These questions must be answered, if you answer Yes to either question, see instructions.

Yes  No Does any member of management or any person who is responsible for gaming activities have a prohibited conflict of interest as defined by 15 AAC 160.954?

Yes  No Has any member of management or any person who is responsible for gaming activities ever been convicted of a felony, extortion, or a violation of a law or ordinance of this state, or another jurisdiction, that is a crime involving theft or dishonesty, or a violation of gambling laws?

We declare, under penalty of unsworn falsification, that I have examined this application, including any attachments, and that, to the best of our knowledge and belief, it is true and complete. We understand that any false statement made on the application or any attachments is punishable by law. By our signatures below we, the primary member, the alternate member, and if applicable, the manager of games, agree to allow the Department of Revenue to review any criminal history we may have, in accordance with 15 AAC 160.934.

Primary Member In Charge's Signature <i>Leonard O Wells</i>	Printed Name <b>Leonard O Wells</b>	Date <b>15 Oct 11</b>
President or Other Officer's Signature (see instructions) <i>Roxie Schade</i>	Printed Name <b>Roxie Schade, Secretary/Treasurer</b>	Date <b>15 Oct 11</b>
Alternate Member In Charge's Signature <i>Eileen J Faulkner</i>	Printed Name <b>Eileen J Faulkner</b>	Date <b>15 Oct 11</b>
Manager of Games Signature	Printed Name	Date

Mail to: ALASKA DEPARTMENT OF REVENUE  
TAX DIVISION - GAMING GROUP  
PO BOX 110420  
JUNEAU AK 99811-0420  
Phone 907-465-2320 • Fax 907-465-3098

One copy of the completed application must be sent to the nearest municipality or borough. See instructions for mandatory attachments.

Pay online with OTIS at [www.tax.alaska.gov](http://www.tax.alaska.gov) or make check payable to State of Alaska. New applicants must pay by check.

### Permit Fee

The permit fee is based on the 2011 estimated gross receipts. Check the appropriate box.

<input type="checkbox"/> New applicant	\$20
<input type="checkbox"/> \$0 - \$20,000	\$20
<input type="checkbox"/> \$20,001 - \$100,000	\$50
<input checked="" type="checkbox"/> \$100,001 or more	\$100

# 2012 Alaska Gaming Permit Application

826

Gaming Permit # 2307	Organization Name K-Bay Marines Detachment 838 Marine Corp League
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## Facility-Based Games (self-directed) If more than two facilities, attach a separate sheet.

Facility Name Veterans Pull Tab Store	Physical Address 200 East Pioneer Avenue	City Homer	State AK	Zip +4 99603
Facility Type (check one) <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased <input type="checkbox"/> Donated	Game Type (check all that apply) <input type="checkbox"/> Bingo <input checked="" type="checkbox"/> Raffle <input checked="" type="checkbox"/> Pull-tabs <input type="checkbox"/> Animal classic (chicken)* <input type="checkbox"/> Animal classic (rat race)* <input type="checkbox"/> Special draw raffle ** <input type="checkbox"/> Calcutta pool**			
Facility Name	Physical Address	City	State AK	Zip +4
Facility Type (check one) <input type="checkbox"/> Owned <input type="checkbox"/> Leased <input type="checkbox"/> Donated	Game Type (check all that apply) <input type="checkbox"/> Bingo <input type="checkbox"/> Raffle <input type="checkbox"/> Pull-tabs <input type="checkbox"/> Animal classic (chicken)* <input type="checkbox"/> Animal classic (rat race)* <input type="checkbox"/> Special draw raffle ** <input type="checkbox"/> Calcutta pool**			

## Area-Based Games If more than two areas, attach a separate sheet.

\* restricted game type \*\*see instructions for mandatory attachments

Area Homer/Anchor Point	Game type (check all that apply) <input checked="" type="checkbox"/> Raffle <input checked="" type="checkbox"/> Contest of skill <input type="checkbox"/> Fish derby <input type="checkbox"/> Dog musher' contest <input type="checkbox"/> Classic (specify) _____
Area Kenai Peninsula	Game type (check all that apply) <input checked="" type="checkbox"/> Raffle <input checked="" type="checkbox"/> Contest of skill <input type="checkbox"/> Fish derby <input type="checkbox"/> Dog musher' contest <input type="checkbox"/> Classic (specify) _____

## Manager of Games Required only for self-directed pull-tabs and bingo.

Manager First Name Leonard	MI O	Manager Last Name Wells	Social Security Number	Daytime Phone Number (907) 235-1814
Home Mailing Address 2189 Aspen Lane			Email kcharacters@yahoo.com	Mobile Phone (907) 299-8169
City Homer	State AK	Zip +4 99603	Has the manager of games passed the test? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Permit # under which test taken 1817

## Vendor Information Attach 2012 vendor registration form(s) and fee(s) for each vendor listed below.

Bar or Liquor Store Name L&S, Inc. d/b/a Kcharacters	Physical Address 3851 Shelford	City Homer	State AK	Zip +4 99603
Bar or Liquor Store Name	Physical Address	City	State AK	Zip +4
Bar or Liquor Store Name	Physical Address	City	State AK	Zip +4
Bar or Liquor Store Name	Physical Address	City	State AK	Zip +4
Bar or Liquor Store Name	Physical Address	City	State AK	Zip +4

## Operator Information

Designate operator who will conduct activities on the organization's behalf. Attach signed operating contract(s). If more than one operator, attach a separate sheet.

Operator License # N/A	Operator	Facility Name	Game Type(s)
Physical Address		City	State Zip +4

## Multiple-Beneficiary Permittee Information (MBP)

Designate the MBP with which the organization has signed a partnership or joint venture agreement.

MBP Permit # N/A	MBP Name	Facility Name	Game Type(s)
Physical Address		City	State Zip +4

## Dedication of Net Proceeds Describe in detail how the organization will use the net proceeds from gaming activities.

Veterans organizations, civic organizations, veterans assistance, high school & college scholarships, Active Duty Service personnel, military assistance, children & youth activities, families in need, community assistance, Share to Spirit, Lions Club, elementary school breakfast program, Senior Center, Fire Departments, medical & educational assistance.

326  
-72-

# 2012 Alaska Pull-Tab Vendor Registration

854

A registration is required for each vendor location. A permittee may not contract with more than five vendors at one time.

## Permittee Information

Federal EIN 16-1627119	Gaming permit # 2307	Permittee Name K-Bay Marines Detachment 838 Marine Corp League
Phone Number (907) 235-1814	Member in Charge Leonard O. Wells	Member in Charge Phone Number (907) 235-1814

## Vendor Information

Federal EIN or Social Security Number*	Beverage Dispensary License # 1085	Package Store License # N/A
Owner Name L&S, Inc.	Business License 253886	
Business Name Kcharacters	Phone Number (907) 299-3519	Fax Number
Mailing Address 3851 Shelford	Physical Address of Vendor Location 3851 Shelford	
City Homer	State AK	Zip + 4 99603
	City of Vendor Location Homer	State AK
		Zip + 4 99603

## Legal Questions

*\*If your business has not been issued a federal EIN, you are required to provide your social security number.*

These questions must be answered. If you answer Yes to any question, please submit the person's name, date of birth, social security number and position of responsibility.

- Yes  No Has any member of management or any person who is responsible for gaming activities ever been convicted of a felony, extortion, or a violation of law or ordinance of this state, or another jurisdiction, that is a crime involving theft or dishonesty, or a violation of gambling laws?
- Yes  No Do you employ or have a contract with the primary or alternate member in charge, officer, board member or manager of gaming for the above organization?
- Yes  No Do you have a contract other than a vendor contract with the organization listed above?

## Vendor Contract to Sell Pull-Tab

Pursuant to AS 05.15.188, the vendor listed above hereby agrees to sell pull-tabs as a vendor on behalf of the permittee listed above.

The vendor further agrees that, as compensation for expenses incurred in selling pull-tabs on behalf of the permittee, 70.00 % of the ideal net of each game may be retained by the vendor as compensation. Permittee must receive at least 70% of the ideal net from each game. AS 05.188(h).

The vendor further agrees that an amount equal to the ideal net, less the compensation owed to the vendor, shall be paid by check by the vendor to the permittee upon delivery of a pull-tab series. AS 05.15.188(i).

It is further agreed that the vendor will ensure pull-tab winners of \$50 or more will complete prize receipt forms; that a prize winner summary form will be completed for each pull-tab game and retained with those winning pull-tabs AS 05.15.187(j); and these records of pull-tab winners will be given to the permittee to retain for the required two or three years. AS 05.15.187(f).

It is further agreed that it is the vendor's responsibility to ensure gaming activity at this vendor location is conducted in accordance with all applicable state statutes and regulations.

It is further agreed that, if the vendor is no longer eligible to sell pull-tabs, then all unopened and opened pull-tab games shall be returned to the permittee within 10 days. If the permittee loses the privilege to conduct gaming activities, then all unopened and opened pull-tab games must be treated in accordance with 15 AAC 160.490.

*We declare, under penalty of unsworn falsification, that we have examined this application, including any attachments, and that, to the best of our knowledge and belief, it is true and complete. We understand that any false statement made on the application or any attachments is punishable by law.*

Vendor Signature <i>Rondy Bossell</i>	Printed Name Rondy Bossell	Date 10/7/2011
Member in Charge Signature <i>Leonard O. Wells</i>	Printed Name Leonard O. Wells	Date 10/7/2011

## Registration Fee is \$50

Pay online using (OTIS) at [www.tax.alaska.gov](http://www.tax.alaska.gov) or make your check payable to the State of Alaska. This completed registration form must be attached to a permit application form and will not be processed until the fee is received.

Mail to: ALASKA DEPARTMENT OF REVENUE  
TAX DIVISION - GAMING GROUP  
PO BOX 110420  
JUNEAU AK 99811-0420  
Phone 907-465-2320 • Fax 907-465-3098

DEPARTMENT USE ONLY	
Validation #	
Date Stamp	

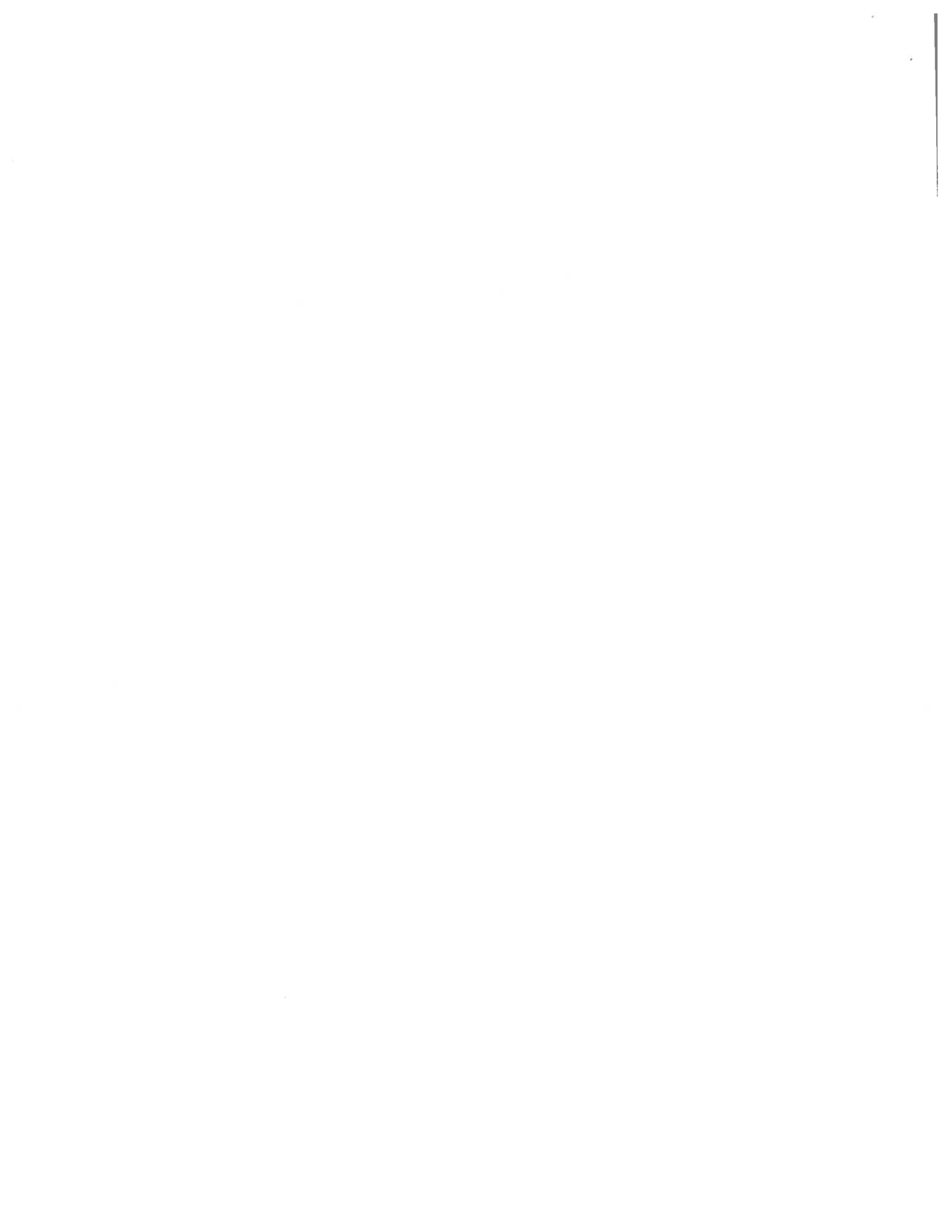
Retain a copy for your records

0405-854 - Rev 08/11

-73-



# CITY ATTORNEY REPORT



# COMMITTEE REPORT(S)





**PENDING BUSINESS**



# NEW BUSINESS



# MEMORANDUM 11-144

**TO:** Mayor Hornaday and Homer City Council

**FROM:** Walt Wrede

**DATE:** October 24, 2011

**SUBJECT:** Special Projects Coordinator Position

## Introduction

As you know, Special Projects Coordinator Anne Marie Holen is scheduled to retire at the end of this month. This has provided me with an opportunity to rethink this position and perhaps restructure it in a way that better meets the City's needs and staffing requirements. I have been thinking about this a lot. I am proposing that the Council authorize me to change the job description and the title and to increase the pay significantly in order to attract qualified candidates with the skill sets we need. The new position would include many of the duties Anne Marie already performs and add new responsibilities related to project management and economic development.

## The Position Description

I propose to change the job title from Special Projects Coordinator to Community and Economic Development Coordinator. The amended job description would add duties that focus on areas Council members have identified as important and lacking, such as economic development, marketing the port and harbor, assistance with project management, and public relations. Primary components of the revised job description would include:

- Grant Writing and Research
- Project Development
- CIP Development
- Legislative Assistance and Support for Mayor, City Manager and Lobbyist
- Project Management Support ( paperwork, project tracking and coordination)
- Implementation of Adopted Community Economic Development Strategy (CEDS), Develop a Strategic Plan
- Community, Port and Harbor Marketing
- Implementation of Adopted Comprehensive Plan (infrastructure and community facilities and services)
- Staff Support for Economic Development Commission
- City Liaison to Other Community and Economic Development Organizations such as Chamber, Borough Economic Development District, etc.
- Public Relations Functions, disseminate information about local government

## Compensation

The Special Projects Coordinator position is currently compensated at a Range 16 on the City Salary Schedule. I bumped this position up one range to a 17, changed the job description slightly, and advertised for the position several weeks ago. I did not receive many applications and decided that now was a good time to rethink this, cast a bigger net, and go for the type of position and applicants that I perceive we really need.

I propose that Council approve bumping this position up from a Range 16 to a Range 23. I believe that the job description and the qualifications I would be looking for warrants this and that it is necessary to attract good

candidates. This position would remain in the City Manager's office and would be part of the Administration Department. The compensation would be several ranges below that of the department heads but on par with the City Planner and City Clerk. The position would be exempt (not hourly).

Discussion:

Doing this would cost the City an additional, estimated, \$15,000 per year including salary and benefits. I think this would be a bargain because it addresses to some degree areas where we need help, but it does not involve creating new positions or new long term financial obligations. It stops short of creating a Department or Director position. It is not a cure-all by any means, but it does provide some relief for problem areas. I have several ideas regarding where the extra money could be found and if Council approves of this recommendation, I will submit a proposed budget amendment in November.

Next Steps:

Personnel Director Andrea Petersen has a draft job descript ready to go. If the Council approves of this move, Andrea will send out a recruitment notice the next day, Tuesday, October 25<sup>th</sup>. I will follow that up with a proposed budget amendment for the Meeting on November 28.

**RECOMMENDATION:** Authorize the City Manager to advertise for a Community and Economic Development Coordinator position as described above.

**RESOLUTION(S)**





**CITY OF HOMER  
HOMER, ALASKA**

Howard, Lewis, Wythe

**RESOLUTION 11-099**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AUTHORIZING THE CITY MANAGER TO DRAFT AND SUBMIT A REVENUE BOND SALE APPLICATION AND TAKE OTHER STEPS NECESSARY TO PREPARE FOR A POSSIBLE BOND SALE TO FINANCE CONSTRUCTION OF SIX TOP PRIORITY CAPITAL PROJECTS WITHIN THE HOMER HARBOR.

WHEREAS, The Homer City Council recently adopted Resolution 11-060 entitled "A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, ESTABLISHING A COMMITTEE TO DEVELOP A PORT AND HARBOR IMPROVEMENT REVENUE BONDING PLAN AND PROVIDE COMMITTEE REVIEW AND OVERSIGHT THROUGHOUT THE IMPLEMENTATION AND COMPLETION OF ANY APPROVED PLAN"; and

WHEREAS, The Committee has completed the first phase of its work and has submitted a memorandum containing recommendations to the Council, a copy of which is attached and incorporated herein; and

WHEREAS, The Committee conducted a thorough review of all aspects related to revenue bond sales that must be considered including the bond sale process, the status and fiscal health of the Port and Harbor Enterprise Fund, the Fund's capacity to generate new revenues to retire bonded indebtedness, and an overview of all projects identified for inclusion in a potential bond sale; and

WHEREAS, The Committee found that it was in the best interest of the City to recommend a small but targeted revenue bond sale focused on the most high priority projects and those in which a local share would leverage funds from outside sources; and

WHEREAS, The Committee selected six projects for inclusion in the sale at a cost of approximately \$ 6 Million financed over twenty years; and

WHEREAS, The projects recommended in order of priority ranking are:

- Load and Launch Ramp
- Ramp 3 Gangway
- System 5 Upgrades
- Harbor Float Replacement
- Harbor Office
- Harbor Entrance Erosion Control

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council finds that it is in the best interest of the City to proceed with the next steps in preparation for a possible bond sale consistent with the recommendations of the Port and Harbor Revenue Bond Committee; and

BE IT FURTHER RESOLVED that the City Council hereby authorizes the City Manager to draft and submit a revenue bond sale application and take other steps necessary to prepare for a possible bond sale for financing the harbor projects referenced above.

PASSED AND ADOPTED by the Homer City Council this 24<sup>th</sup> day of October, 2011.

CITY OF HOMER

\_\_\_\_\_  
JAMES C. HORNADAY, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Administration and Legal Time / estimated to be less than \$3,000.

## MEMORANDUM 11-145

**TO:** Mayor Hornaday and Homer City Council

**FROM:** Port and Harbor Revenue Bond Committee / Barbara Howard Chair

**DATE:** October 24, 2011

**SUBJECT:** Proposed Revenue Bond Sale for Harbor Improvement Projects

### Introduction

The City Council recently adopted Resolution 11-060 entitled " A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, ESTABLISHING A COMMITTEE TO DEVELOP A PORT AND HARBOR IMPROVEMENT REVENUE BONDING PLAN AND PROVIDE COMMITTEE REVIEW AND OVERSIGHT THROUGHOUT THE IMPLEMENTATION AND COMPLETION OF ANY APPROVED PLAN." The Committee was established and held its first meeting in early August. Barbara Howard was elected Chair and meetings were held every Thursday until the end of September when they were changed to every other week.

Resolution 11-060 required that the Committee provide recommendations to the Council by November 1, 2011. We are pleased to report that the Committee has completed the first phase of its work. This memorandum contains the Committee's recommendations.

The Committee conducted a thorough review of all of the variables that must be evaluated when municipalities are considering a revenue bond sale. The Committee started by having a discussion with Deven Mitchell, the Executive Director of the Alaska Municipal Bond Bank. Mr. Mitchell explained the entire bond sale process from conception and application through closing. He also outlined the benefits associated with using the Bond Bank to conduct the sale. The Committee received several briefings from the Finance Director regarding the financial health and capacity of the Port and Harbor Enterprise Fund. As part of this process, the Committee reviewed the Fund's ability to generate the amount of revenue that would be needed to retire bond debt.

The Committee received an overview of all of the harbor projects that were included in the enabling resolution. It also reviewed a number of new projects that were not included in either the CIP List or the enabling resolution for possible inclusion in the bond sale. Finally, the Committee was informed that the current City Attorney, Tom Klinkner, was one of the best known bond counsels in the State. Bond Counsel is required for any bond sale and the City already has the legal services it will need.

### The Project Selection Criteria

There are many port and harbor projects that have been on the CIP List for a long time and are worthy of consideration for inclusion in the bond sale. Making choices was potentially difficult, especially given the backlog of priority projects and the limited bonding capacity of the enterprise fund. Therefore, the Committee decided to go about selecting projects in a methodical and structured manner. It scored and ranked projects using a weighted set of criteria. The criteria were:

- Is the project included in the enabling resolution?
- Does the project address health and safety issues?
- Does bonding leverage other money from outside sources?

- Does the project stimulate economic development and job creation?
- Does the project generate revenue for the enterprise fund?
- Does the project improve service delivery to port and harbor customers?
- Is there an identifiable revenue stream from benefitted users to retire the debt?

#### Other Considerations

The Committee carefully considered the financial capacity of the Port and Harbor Enterprise Fund and concluded that if a bond sale was conducted, it should be a relatively small and conservative one. The Committee took note of the fact that the Fund has diminishing retained earnings and cash assets below what would be advisable. The amount of money in the depreciation account is much less than that recommended by the City's auditors. The City could easily justify fee increases of 10 percent or more just to address these issues. Adding additional increases on top of that could be problematic and result in diminishing returns. No one wanted to raise fees too high too fast. To complicate matters further, revenues are down overall this year and are projected to be down again next year.

The Committee concluded that even though the Fund's bonding capacity at present is limited, interest rates are very low and there are opportunities right now to leverage significant amounts of outside funding for harbor priority projects that are too good to pass up. A targeted and limited investment in vital harbor infrastructure seems prudent and feasible. The Port and Harbor Enterprise Fund is expected to be self sustaining and good business practices require that investments be made in the facilities that support port and harbor operations. The port and harbor is an economic engine that creates jobs and generates revenue for the community. The revenues raised through a bond sale would be dedicated and directed right back into the facilities that port and harbor customers use and benefit from.

Bond revenues would be used to provide the required local match for other funding sources (with the exception of the harbor office). Therefore, five of the projects recommended for approval have significant funding sources associated with them. The City has already received a grant to pay for engineering and design for four of them. The Committee concluded that there was room for harbor fee increases sufficient to pay for bonded indebtedness up to \$5 or 6 Million. The Committee recommends exploring a staged call on bond revenues so that fees could be increased incrementally, and not all at once.

For a six million dollar bond sale and a twenty year amortization period, it is estimated that annual bond payments, including principal and interest, would be between \$300,000 and \$400,000. Closing costs will be minimal if the City goes through the Alaska Municipal Bond Bank and uses its attorney, Tom Klinkner as Bond Counsel. Harbor fees would have to be raised about 12% across the board to cover those payments unless other reductions in Port and Harbor expenses were achieved. The Committee also looked at targeted increases in specific fees for user groups that would benefit by particular projects. The City would be required to have a reserve account in place in the amount of \$500,000 to cover impending default and/or routine maintenance.

The City has received a grant Memorandum of Understanding for the load and launch ramp reconstruction project. Phase I of the project, engineering and design, will be fully funded up to \$350,000 with no local match requirement. The construction phase will be funded with federal money at 75% with a 25% local match. It is very likely that the 25% local match will be covered by the State of Alaska, either through Department of Fish and Game Sport Fish Program funds or through a State Harbor grant. Therefore, there is a good possibility no match from the City will be necessary. That could save the City an estimated \$837,500 in bonded indebtedness or a drawdown of port and harbor reserves.

The City will need to develop more current and precise project cost and local share estimates. This will be provided in more detail later if the Council approves the bonding recommendation in concept and authorizes us to move on to the next steps in the process. Council approval will be needed at a number of steps along the way.

The Recommended Projects

Following is a list of recommended projects to be included in a proposed revenue bond sale. They are listed in order of priority as scored by Committee members.

<u>Project</u>	<u>Estimated Cost</u>	<u>City Share</u>	<u>Matching Funds</u>
Load and Launch Ramp	\$3,350,000	\$837,500	Federal / State
Ramp 3 Gangway	\$1,700,000	\$850,000	State Harbor Grant
System 5 Upgrades	\$530,000	\$265,000	State Harbor Grant
Harbor Float Replacement	\$3,500,000	\$1,750,000	State Harbor Grant
Harbor Office	\$2,875,000	\$2,875,000	-----
Harbor Entrance Erosion Control	\$600,000	<u>\$300,000</u>	State Harbor Grant
TOTAL		\$6,877,500	
		<u>-790,000</u>	(secured design money)

**TOTAL ESTIMATED BOND SALE \$6,087,500**

**FISCAL NOTES:** The estimated costs presented above are total project costs. More refined and precise cost estimating will be provided as part of the bond application and approval process. The amount already secured for engineering and design (\$440,000 from Denali Commission and \$350,000 for L&L Ramp) is subtracted at the bottom. This has the effect of reducing the City's overall bonding costs. Also, it is probable that the City share for reconstruction of the L&L ramp will also be eliminated. If so, that reduces the bond sale to about \$5 Million.

These projects have been bundled into one project that was approved as part of the newly adopted CIP List. A good description of each project, the estimated costs, and the anticipated matching funds are included there. The project is entitled "Harbor Improvement Revenue Bond Projects" and is attached for your information.

**HARBOR OFFICE NOTES:** The Committee noted that the criteria used to select the recommended projects was not well suited for evaluating the merits of this particular project. A new harbor office has been on the City CIP List for many years. The facility is a patchwork of older buildings cobbled together and is easily number one on the City's list of buildings that need to be replaced. The building does not meet many of today's building code standards and it is not energy efficient. Replacing this building is a health and safety issue, both for the employees that work there and for the general public that conducts business there. Replacing this building would enable the staff to work more efficiently and productively and therefore, provide better service to the public. It is the intent of the Committee to explore the possibility of securing renters in the new facility to help cover bond payments.

**RECOMMENDATION:** Approve Resolution 11-099. Authorize the City Manager to proceed with the next steps including preparation of a bond sale application to the Alaska Municipal Bond Bank and the necessary documents for Council approval authorizing a bond sale.



## Harbor Improvement Revenue Bond Projects

**PROJECT DESCRIPTION & BENEFIT:** This project will utilize municipal revenue bonds along with state and federal grant funds to accomplish six significant harbor improvement projects:

- **Port & Harbor Building**—will replace the existing Port & Harbor building (Harbormaster's Office) constructed in 1983. The building is substandard with electrical, lighting, and heating deficiencies, and does not meet codes and standards for occupancy as an office building. The new building is being planned as overslope development. Cost: \$2,875,000.
- **Harbor Entrance Erosion Control**—will construct a rock revetment to replace the badly damaged and disintegrating log cribbing that was installed as a temporary erosion control measure in 1995. Rip-rap revetment would extend 935 feet from the jetty entrance of the harbor to the existing revetment near the Ferry Terminal, providing critical shore/infrastructure protection. Cost: \$600,000.
- **Ramp 3 Gangway and Approach**—will replace the existing Ramp 3 which dates back to the mid-1960s. This ramp is the steepest ramp in the harbor and difficult to use during very low tides. At 100 feet long, the new ramp will be less steep and therefore ADA compliant. It will be constructed of aluminum and covered by an awning to keep it snow and ice-free for year-round access. The existing Ramp 3 approach, a long narrow wooden structure in poor condition, will also be replaced. Cost: \$1,700,000.
- **Harbor Float Replacement**—will replace some of the oldest and most badly damaged floats in the harbor. These floats are plagued by worn and irregular walking surfaces, bull rails in need of replacement, ice damage to pilings, and broken sidewalls with exposed flotation. A total of 1,706 linear feet will be replaced: A Float, connecting E-J, J Float, R Float, and S Float. Cost: \$3,500,000.
- **Upgrade System 5 – Vessel Shore Power and Water**—will provide float system in the Homer Harbor, with additional power pedestals and a year-round fresh water supply to meet the needs of the large vessel fleet and attract new vessels to be home-ported in Homer. Cost: \$530,000.
- **Load and Launch Ramp**—will reconstruct the entire Load and Launch Ramp facility, replacing all five lanes along with the floats and piles. The existing ramp is suffering from age-related wear and tear and has been judged by the Alaska Dept. of Fish and Game to be in need of replacement. The facility serves small boaters from all over south-central Alaska. Cost: \$3,500,000.

**PLANS & PROGRESS:** 80% of design and engineering funds have been procured through a Denali Commission Waterfront Development grant for three of the projects: Ramp 3 Gangway and Approach, Harbor Float Replacement, and System 5 Upgrade. The same three projects are also eligible for an Alaska Municipal Harbor Facility grant, which would cover 50% of construction costs. Local revenue bonds can be used to meet the 50% match requirement for this grant program. Load and Launch Ramp reconstruction may be accomplished with a Federal Aid in Sport Fish Restoration Act grant together with state matching funds (provided through the Dept. of Fish and Game).

Total Project Cost: \$12,705,000

Amount covered by existing or projected grant funds = \$6,530,000 as follows:

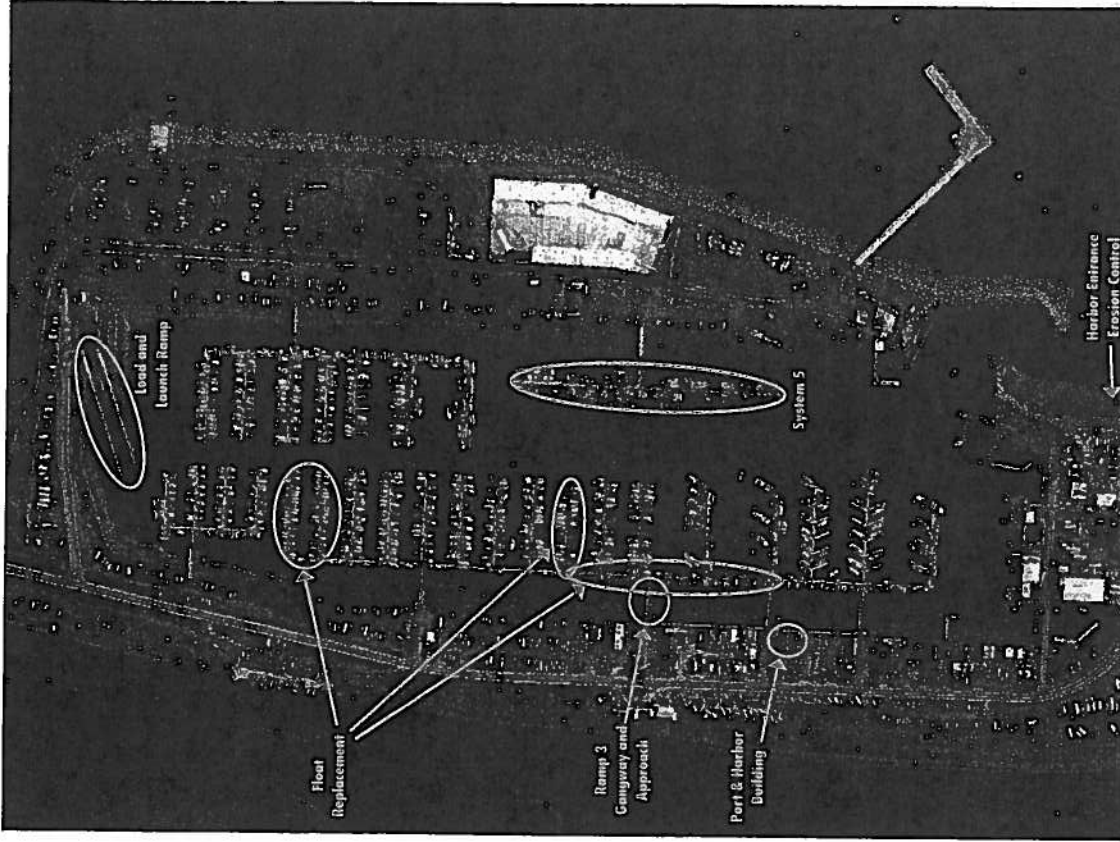
\$440,000 (Denali Commission grant – already secured)

\$3,377,000 (Municipal Harbor Facility grant – to be requested after revenue bond sale is approved)

\$2,712,500 (Federal Aid in Sport Fish Restoration Act funds plus state Fish and Game funds)

Remaining (local responsibility) = \$6,175,000

Schedule: 2012-2014 Priority Level: 1



Contact Mayor Jim Hornaday or City Manager Walt Wrede at 235-8121





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**CITY OF HOMER  
HOMER, ALASKA**

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**RESOLUTION 11-060**

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A RESOLUTION OF THE CITY COUNCIL OF HOMER,  
ALASKA, ESTABLISHING A COMMITTEE TO DEVELOP A  
PORT AND HARBOR IMPROVEMENT REVENUE BONDING  
PLAN AND PROVIDE COMMITTEE REVIEW AND  
OVERSIGHT THROUGHOUT THE IMPLEMENTATION AND  
COMPLETION OF ANY APPROVED PLAN.

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WHEREAS, The City of Homer Capital Improvement Plan (CIP) contains a variety of repair and improvement items for the Port & Harbor district, many of which have been languishing on the CIP list for a number of years with the continued hope of receiving funding from State and Federal agencies; and

WHEREAS, The Homer City Council recognizes the Port and Harbor Enterprise as a vital economic contributor to the community and as such desires to maintain and improve the facilities to ensure continued economic vitality and support economic development within the community; and

WHEREAS, State and Federal funding of these projects becomes increasingly unlikely due to economic shortfalls at all levels of government; and

WHEREAS, The Port and Harbor is an Enterprise Fund which generates revenues that can be allocated to the repayment of financed projects, which qualifies the Enterprise Fund for Revenue Bonding consideration; and

WHEREAS, The Port and Harbor Enterprise Fund currently has no indebtedness; and

WHEREAS, The current Port and Harbor Enterprise Fund depreciation reserve account has a balance of \$1,653,816 as of December 31, 2010.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, supports the establishment of a committee to develop a plan for the implementation of a Port and Harbor Improvement Revenue Bonding Project; and

BE IT FURTHER RESOLVED that the committee will consist of six members, three representatives from the Homer City Council (to be appointed by the Mayor and approved by the Council), the Harbormaster, and two members from the Port and Harbor Advisory Commission (to be selected by the Port and Harbor Advisory Commission). Other staff members will provide administrative and consultative support as requested by the committee or directed by the City Manager.

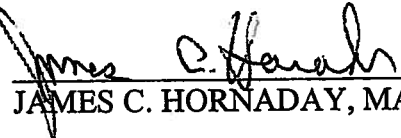
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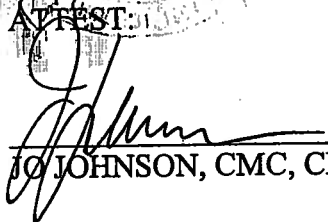
BE IT FURTHER RESOLVED that the committee will make a recommendation to the Council not later than November 1, 2011, including information on the process for revenue bond funding, a proposed timeline for project completion in not longer than three years with a beginning date of no later than June 1, 2012, and including the following items from the Capital Improvement Projects list:

- a. Harbormaster's Office (to be developed as a model over-slope development project and include public restroom facilities with a separated entrance from the building to allow 24-hour access) \$2,875,000
- b. Harbor Entrance Erosion Control 600,000
- c. Ramp 3 Gangway replacement (to include disability access) 1,700,000
- d. Harbor Float Replacement 3,500,000
- e. Upgrade System 5 – Vessel Shore Power & Water 530,000
- f. Fishdock Restrooms 400,000

PASSED AND ADOPTED by the Homer City Council this 13th day of June, 2011.



CITY OF HOMER  
  
JAMES C. HORNADAY, MAYOR

ATTEST:  
  
JO JOHNSON, CMC, CITY CLERK

Fiscal Note: \$6,720, Acct. No. 165-375 (HART Trails Reserve)

**CITY OF HOMER  
HOMER, ALASKA**

Mayor

**RESOLUTION 11-100**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, REQUESTING THE KENAI PENINSULA BOROUGH TO PERFORM A FEASIBILITY STUDY FOR A COMMUNITY COMPOSTING OPERATION AT THE HOMER SOLID WASTE TRANSFER FACILITY.

WHEREAS, The City of Homer adopted a Climate Action Plan (CAP) in 1997; and

WHEREAS, The CAP recommends the City of Homer "Establish a program aimed at greatly increasing the percentage of households that routinely recycle materials" and "Form an advisory group to work with the Kenai Peninsula Borough to help develop a comprehensive plan for improvements at the Homer Baling Facility"; and

WHEREAS, The CAP notes that the "Waste reduction strategies primarily seek to prevent or reduce the release of methane at landfills and other facilities by diverting recyclable and compostable material from the waste stream."; and

WHEREAS, Composting is processing and recycling materials into a locally useable product; and

WHEREAS, The southern Kenai Peninsula has a growing agricultural industry, a successful and growing farmers market, and a vibrant personal gardening community, all of which would participate in and be supported by a community composting operation; and

WHEREAS, The Kenai Peninsula Borough is in the design and construction phase of a solid waste transfer facility which will replace the Homer area landfill and subsequently truck municipal solid waste to the Soldotna landfill; and

WHEREAS, Composting could divert a significant amount of solid waste that would otherwise be trucked to Soldotna for landfilling, and could potentially reduce methane emissions, reduce hauling costs, and create a usable end product; and

WHEREAS, It is timely to perform a study to determine the feasibility of a community composting operation to operate in parallel with the new transfer station; and

WHEREAS, In order to best integrate a potential composting operation in the development of the transfer station, it is important that a feasibility study be performed as early as possible in the transfer station design process; and

WHEREAS, A viable composting program could benefit all areas served by the Borough solid waste program, and a successful pilot project could result in other areas being served with a potential reduction of operational costs for the solid waste program; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, requests the Kenai Peninsula Borough to proceed as soon as practical with a composting feasibility study for the Homer area solid waste transfer site.

BE IT FURTHER RESOLVED that this resolution be forwarded to Borough Mayor Dave Carey and members of the Borough Assembly.

PASSED AND ADOPTED by the Homer City Council this 24<sup>th</sup> day of October, 2011.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

COMMENTS OF THE AUDIENCE  
COMMENTS OF THE CITY ATTORNEY  
COMMENTS OF THE CITY CLERK  
COMMENTS OF THE CITY MANAGER  
COMMENTS OF THE MAYOR  
COMMENTS OF THE CITY COUNCIL  
ADJOURNMENT

