

City Council
June 24, 2013
Monday



Worksession 4:00 p.m.
Committee of the Whole 5:00 p.m.
Regular Meeting 6:00 p.m.

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



COWLES COUNCIL CHAMBERS
491 E. PIONEER AVENUE
HOMER, ALASKA
www.cityofhomer-ak.gov



WORKSESSION
4:00 P.M. MONDAY
JUNE 24, 2013

MAYOR BETH WYTHE
COUNCIL MEMBER FRANCIE ROBERTS
COUNCIL MEMBER BARBARA HOWARD
COUNCIL MEMBER DAVID LEWIS
COUNCIL MEMBER BRYAN ZAK
COUNCIL MEMBER BEAUREGARD BURGESS
COUNCIL MEMBER JAMES DOLMA
CITY ATTORNEY THOMAS KLINKNER
CITY MANAGER WALT WREDE
CITY CLERK JO JOHNSON

WORKSESSION AGENDA

1. CALL TO ORDER, 4:00 P.M.

Councilmember Dolma has requested excusal.

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

3. Water and Sewer Rates

Page 123

4. COMMENTS OF THE AUDIENCE

5. ADJOURNMENT NO LATER THAN 4:50 P.M.

Next Regular Meeting is Monday, July 22, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

COWLES COUNCIL CHAMBERS
491 E. PIONEER AVENUE
HOMER, ALASKA
www.cityofhomer-ak.gov



COMMITTEE OF THE WHOLE
5:00 P.M. MONDAY
JUNE 24, 2013

MAYOR BETH WYTHE
COUNCIL MEMBER FRANCIE ROBERTS
COUNCIL MEMBER BARBARA HOWARD
COUNCIL MEMBER DAVID LEWIS
COUNCIL MEMBER BRYAN ZAK
COUNCIL MEMBER BEAUREGARD BURGESS
COUNCIL MEMBER JAMES DOLMA
CITY ATTORNEY THOMAS KLINKNER
CITY MANAGER WALT WREDE
CITY CLERK JO JOHNSON

COMMITTEE OF THE WHOLE AGENDA

1. CALL TO ORDER, 5:00 P.M.

Councilmember Dolma has requested excusal.

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

3. CONSENT AGENDA

4. REGULAR MEETING AGENDA

5. COMMENTS OF THE AUDIENCE

6. ADJOURNMENT NO LATER THAN 5:50 P.M.

Next Regular Meeting is Monday, July 22, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
AGENDA APPROVAL



MAYOR BETH WYTHE
COUNCIL MEMBER FRANCIE ROBERTS
COUNCIL MEMBER BARBARA HOWARD
COUNCIL MEMBER DAVID LEWIS
COUNCIL MEMBER BRYAN ZAK
COUNCIL MEMBER BEAUREGARD BURGESS
COUNCIL MEMBER JAMES DOLMA
CITY ATTORNEY THOMAS KLINKNER
CITY MANAGER WALT WREDE
CITY CLERK JO JOHNSON

REGULAR MEETING AGENDA

Worksession 4:00 p.m. and Committee of the Whole 5:00 p.m. in Homer City Hall Cowles Council Chambers.

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

Councilmember Dolma has requested excusal.

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 June 10, 2013. City Clerk. Recommend adoption.

Page 21

- B. **Memorandum 13-090**, from Mayor, Re: Reappointment of Jennifer Sonneborn to the Homer Advisory Planning Commission. *Page 37*
- C. **Ordinance 13-20**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Legislative Grant in the Amount of \$4,200,000 for Harbor Projects. City Manager. *Page 39*
- D. **Ordinance 13-21**, An Ordinance of the Homer City Council Accepting and Appropriating a Legislative Grant in the Amount of \$2,000,000 for the Port and Harbor Office and Skyline Fire Station. City Manager. Recommended dates: Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013. *Page 43*
- E. **Ordinance 13-22**, An Ordinance of the City Council of Homer, Alaska, Dedicating the Oil and Gas Property Tax Revenues to be Paid in 2013 by the Owners of the Drill Rig Endeavour (\$181,087.16) to the City of Homer Permanent Fund. Mayor. Recommended dates: Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013. *Page 47*
- F. **Ordinance 13-23**, An Ordinance of the City Council of Homer, Alaska, Dedicating and Transferring All Port Tariff Fees Generated by the Drill Rig Endeavor's Moorage at the Deep Water Dock in 2012 and 2013 (\$576,815.53) to the Port and Harbor Depreciation Reserve Fund. Mayor. Recommended dates: Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013. *Page 53*
- G. **Ordinance 13-24**, An Ordinance of the City Council of Homer, Alaska Amending the FY 2013 Capital Budget by Appropriating \$98,500 From the Homer Accelerated Roads and Trails Program Fund (HART) for Road Improvements, Trail Construction, and Pedestrian Safety and Walkability Enhancements in Old Town. Lewis/Roberts. Recommended dates: Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013. *Page 59*
- H. **Resolution 13-064**, A Resolution of the Homer City Council Awarding the Art Work Contracts for the Homer Spit Trail Phase II to Tarri Thurman and Marlon Prazen of Mooserun Metalsmiths of Homer, Alaska, in the Amount of \$11,000, and Melisse Reichman of Homer, Alaska, in the Amount of \$11,000, and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Recommend adoption. *Page 67*
 Memorandum 13-092 from Art Selection Committee as backup. *Page 69*
- I. **Resolution 13-065**, A Resolution of the City Council of Homer, Alaska, Approving an Amendment to the Kachemak Bay Seafoods Lease on Lot 88-3, Homer Spit No. 2, to permit Commercial Subleases in Two Buildings Located on the Leased Property, and

Authorizing the City Manager to Execute the Appropriate Documents. City Manager.
Recommend adoption. *Page 71*

- J. **Resolution 13-066**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting a Regional and Community Jails Services Contract for FY 2014 With the Alaska Department of Corrections in the Amount of \$753,410.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommend adoption.

Page 75

Memorandum 13-094 from Police Chief as backup.

Page 77

- K. **Resolution 13-068**, A Resolution of the City Council of Homer, Alaska, Amending the Land Allocation Plan to Make Lot 2, Tract 1-A, Fishing Hole Subdivision Available for Lease, Establishing the Parameters for Such an Offering, and Authorizing the City Manager to Proceed With a Request for Proposals. City Council. Recommend adoption.

Page 95

- L. **Resolution 13-069**, A Resolution of the City Council of Homer, Alaska, Approving a Proposed Land Sale and Easement/Long Driveway Agreement Between the City of Homer and Harmon and Pauli Hall, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Page 97

- M. **Resolution 13-070**, A Resolution of the City Council of Homer, Alaska, Authorizing the Allocation of Up to \$12,000 From the Reimbursable Grant Established in Ordinance 12-51(A) for the Purposes of Funding Phase 1 of the Tidal Energy Incubator Project. City Manager. Recommend adoption.

Page 103

- N. **Resolution 13-072**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Dispose of a Used and Surplus Deep Water Dock Fender Units Pursuant to HCC 18.30.010-020 and HCC 18.30.040(b). City Manager/Port and Harbor Director. Recommend adoption.

Page 107

6. VISITORS

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. **Mayor's Proclamation** – July as Parks and Recreation Month

Page 113

- B. Borough Report

- C. 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
- D. Memorandum 13-093 from Community and Economic Development Coordinator, Re:
Green Dot Update *Page 115*
- E. Homer More Than a Fishing Town, An economically diverse city at the end of the road,
Alaska Economic Trends *Page 117*
- 8. PUBLIC HEARING(S)**
- A. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of
Homer Fee Schedule Under Water and Sewer Fees. City Clerk. *Page 123*
- Memorandum 13-073 from Water and Sewer Rate Task Force as backup.
Page 135
- Resolution 13-048(S)**, A Resolution of Homer City Council Amending the City of
Homer Fee Schedule Under Water and Sewer Fees. City Clerk. *Page 127*
- 9. ORDINANCE(S)**
- 10. CITY MANAGER’S REPORT**
- A. City Manager’s Report
- B. Bid Report *Page 205*
- 11. CITY ATTORNEY REPORT**
- 12. COMMITTEE REPORT**
- A. Public Arts Committee
- B. Transportation Advisory Committee

- C. Permanent Fund Committee
- D. Lease Committee
- E. Port and Harbor Improvement Committee
- F. Employee Committee Report

13. PENDING BUSINESS

- A. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. *Page 123*

Memorandum 13-073 from Water and Sewer Rate Task Force as backup.

Page 135

- Resolution 13-048(S)**, A Resolution of Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. *Page 127*

14. NEW BUSINESS

- A. **Memorandum 13-091**, from City Clerk, Re: Referendum Petition to Repeal Ordinance 12-36(A) Prohibiting Sellers from Providing Customers with Disposable Plastic Shopping Bags. *Page 215*

15. RESOLUTIONS

- A. **Resolution 13-067**, A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Trail Shore Protection Project to the Firm of _____ of _____, _____, in the Amount of \$_____ and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. *Page 219*

- B. **Resolution 13-071**, A Resolution of the Homer City Council Awarding the Contract for the Homer Deep Water Dock and Spit Trail Extension Project to the Firm of _____ of _____, _____, in the Amount of \$_____ and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. *Page 221*

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 Monday, July 22, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PUBLIC COMMENTS
UPON MATTERS
ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA

Session 13-13, a Regular Meeting of the Homer City Council was called to order on June 10, 2013 at 6:00 p.m., by Mayor Mary E. Wythe at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: DOLMA, HOWARD, LEWIS, ROBERTS, ZAK

ABSENT: BURGESS (unexcused)

STAFF: CITY MANAGER WREDE
DEPUTY CITY CLERK JACOBSEN
COMMUNITY AND ECONOMIC
DEVELOPMENT COORDINATOR KOESTER
FINANCE DIRECTOR LI
PORT DIRECTOR/HARBORMASTER HAWKINS
PROJECT MANAGER NELSEN
POLICE CHIEF ROBL

Council met for a Worksession from 4:00 p.m. to 4:52 p.m. to discuss Water and Sewer Rates. From 5:00 p.m. to 5:46 p.m. Council met a Committee of the Whole to discuss Consent Agenda and Regular Meeting Agenda items.

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

AGENDA APPROVAL

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

The agenda was approved by consensus of the Council with the following changes:

CITY MANAGER'S REPORT-Memorandum 13-088 from Fire Chief re: Training for Senior and Elected Officials, Memorandum 13-089 Port Director/Harbormaster Re: Lot TR1-A Zoning "The Pier One Lot"; **CITY ATTORNEY'S REPORT**- City Attorney Written Report; **RESOLUTIONS**- Resolution 13-060(S) Awarding the Contract for Prisoner Meals at the Homer Jail to the Firm of Homer Senior Citizens, Inc. of Homer, Alaska, in the amount of \$8.50 Breakfast, \$8.50 Lunch, and \$8.50 Dinner Per Day/Per Inmate with a Delivery fee of \$5.00 Per Trip and Authorizing the City Manager to Execute the Appropriate Documents and Memorandum 13-087 as Back Up; Resolution 13-061(S) Awarding the Contract for Crittenden Drive/Waddell Street (Webber Subdivision) Road Reconstruction and Paving Improvements to the Firm of Arno Construction, Inc. of Homer, Alaska, in the Amount of \$598,219.00 and Authorizing the City Manager to Execute the Appropriate Documents with Memorandum 13-085 as Back Up; and Resolution 13-062(S) Awarding the Contract for the Homer Spit Boardwalk Revitalization Project to the Firm of Puffin Electric, Inc. of Homer, Alaska, in the Amount of \$171,850.00 and Authorizing the City Manager to Execute the Appropriate Documents with Memorandum 13-086 as Back Up.

Mayor Wythe called for a motion to approve the agenda.

HOWARD/LEWIS SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Carri Thurman, city resident and co-owner of Two Sister's Bakery, commented that Two Sister's is in support of the Old Town Project. Two Sister's is doing their best to resolve their parking issues and really tie in that end of Old Town as best they can. Having raised 3 kids in the neighborhood, she commented that having to be so careful on the roads and watching how traffic works through there, it would be such a huge relief for everyone to see some results, and this is the best step forward she has seen so far.

Barb Petersen, city resident, asked Council if they will be having further discussion about the Pier One lot at this meeting. Mayor Wythe said there may be more discussion tonight and there will be more at a later date. Mrs. Petersen commented that at the last meeting she left with the impression Council was looking at making the lot part recreation and part marine industrial, and now it sounds like they are looking at a bigger or more comprehensive picture. Mayor Wythe commented that she anticipates a replacement resolution will be coming forward.

Kevin Kreitz, city resident, commented he supports of the Old Town Project completely.

Michael Walsh, non-resident who works in Old Town, commented he supports the Old Town Project. He has been in Old Town for about seven years during the day and many evenings and has seen a vast amount of traffic increase over the years, especially during summer months that bring a lot of pedestrians as well. There is no walkability down there so you have to walk on the very small shoulder or in the road. He hopes they can get to the big dream of this project, the need of it is there and it should happen hopefully before there are accidents down there. He commented about the speed of the cars driving down there with no speed bumps or speed limits, it is an important issue for the safety of pedestrians and Old Town.

RECONSIDERATION

None.

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 May 28, 2013. City Clerk. Recommend adoption.
- B. **Memorandum 13-078**, from Mayor, Re: Appointment of Katie Koester to the Kenai Peninsula Economic Development District.

- C. **Memorandum 13-079**, from Mayor, Re: Recommendation for the Reappointment of Rick Foster to the Kenai Peninsula Borough Planning Commission.
- D. **Memorandum 13-080**, from Mayor, Re: Reappointment of Franco Venuti to the Homer Advisory Planning Commission.
- E. **Resolution 13-057**, A Resolution of the Homer City Council Declaring that the City of Homer is Officially a Purple Heart City. Mayor. Recommend adoption.
- F. **Resolution 13-058**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Renewal of the Special Services Contract for FY 2014 with the Alaska Department of Public Safety in the Amount of \$36,000.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommend adoption.

Memorandum 13-081 from Police Chief as backup.

- G. **Resolution 13-059**, A Resolution of the Homer City Council Establishing a Port and Harbor Building Task Force and Specifying a Scope of Work. Mayor. Recommend adoption.

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

HOWARD/LEWIS SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

- A. Brianna Allen, Old Town's Development Vision, 10 minutes.

Brianna Allen provided an overview of the Old Town's Development Vision that has been considered by a group of residents and business owners in Old Town. The group has already received an Art Place grant for \$150,000 and hopes to leverage community and City funding for the improvements to increase the walkability, safety, and attractiveness of the area. Old Town Neighborhood Proposals for City Consideration include:

- 15 MPH speed limit,
- Two removable speed bumps located at E. Bunnell and Beluga Place, E. Bunnell and Beluga Place

- Pavement widening and texturizing, E. Bunnell and Beluga Place traffic lane shift to north and east, respectively and narrow, designating the new road space on the south and west streets as pedestrian and biking lanes,
- Addition of three cross walks and signs located at W. Bunnell Ave, Main St and Beluga Place,
- Appropriate pedestrian and biking signage at Main St, E. Bunnell, and Beluga Place,
- Appropriate speed limit signage located at Main St, Ohlson Lane, E. Bunnell, and Beluga Place,
- Bishop's Beach parking lot paved and lined tightly, Charles Way developed as a walking and bike path, and closed to automobile traffic by bottle necking trail with boulders,
- Appropriate signage for use of Charles Way, "No Thru Traffic" at end of Main St looking West, and two trail head markers of Charles Way,
- Dirt work next to Bunnell Street Arts Center to build a model garden along the board.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

- 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

There were no Commission reports presented.

PUBLIC HEARING(S)

- A. **Ordinance 13-19**, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$396,000 from the General Reserve, \$54,000 from the Harbor Reserve, \$48,000 from the Sewer Reserve, and \$28,000 from the Water Reserve Funds. City Manager/Public Works Director. Introduction May 28, 2013, Public Hearing and Second Reading June 10, 2013.

Memorandum 13-077 from Public Works Director as backup.

Ordinance 13-19(S), An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$540,000 from Various City Reserve Funds. City Manager/Public Works Director.

Memorandum 13-083 from Public Works Director as backup.

Kevin Hogan, city resident, commented that he thinks they are putting the cart ahead of horse. He thinks that the city should put these out for RFP prior to appropriating funds, then appropriate funds based on the competitive bid results. If you appropriate the money you won't have any problem finding someone to spend it. Just the idea it is going to cost \$200,000 to retrofit the fire hall is way out of line and they need to start questioning the information they are being given. Let the market compete for better bang for the buck.

There were no further public comments and the hearing was closed.

Mayor Wythe called for the substitution of Ordinance 13-19(S).

HOWARD/LEWIS SO MOVED.

There was no discussion on the motion to substitute.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ROBERTS/ZAK MOVED TO AMEND 13-19(S) TO ELIMINATE LINE 46, LINE 49, LINE 50, AND LINE 52.

Councilmember Roberts commented that this eliminates the fire department, police department, and all the harbor items, since the harbor is phase two. She thinks it would be better to go back and look at the fire and police departments to see if there are less costly ways for the buildings to change over to gas. She noted that that the numbers will need to be adjusted throughout the ordinance.

VOTE (Primary Amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ROBERTS/ZAK MOVED TO AMEND SECTION ONE TO ADD PUBLIC WORKS DEPARTMENT AFTER CITY HALL ON LINE 27.

There was no discussion.

VOTE (Primary Amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief discussion confirming that the appropriate lines will be adjusted with the elimination of lines 46, 49, 50, and 52.

VOTE (Main Motion as Amended): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- B. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk.

Memorandum 13-073 from Water and Sewer Rate Task Force as backup.

Justin Arnold, city resident, questioned what will be the new multifamily cost per unit. Mayor Wythe explained the proposed flat fee is \$18 and an additional \$5 per unit to address more than one user, and then the volume of usage. Mr. Arnold commented that the city doesn't have a rule in place to charge separately for units. He is paying a very high per unit fee for his tri-plex and that cost is passed on to renters who are at the lowest economic spectrum for the city. We are forcing those kinds of people to leave because they can't afford rent when it's up in the \$1200 range for a 3 bedroom apartment. He doesn't see a reason to charge extenuating costs when there are none. There is only one water meter, he pays it, so why is there a cost added to each renter when he pays the water for them. Mayor Wythe responded the addition of the per unit fee is to address the impact to the water system by a multi-unit residence. There is still an impact to the larger volume of usage for a multi residential facility. The proposal in the resolution is a substantial reduction to what is being paid now. Mr. Arnold recognizes the decrease in cost and appreciates it, he still doesn't understand in that if we are paying for the water by basis of what it costs, how is there more of a cost. The usage fee is the idea that we have to maintain each shut off valve and meter.

Jon Faulkner, operator of Land's End Resort, commented that Land's End has spent a lot of time in the last 8 months understanding this ordinance, understanding the moving parts, attending the meetings, providing constructive input, and being part of the solution. They have written three letters to Council laying out findings of fact. If anyone is supporting this ordinance, then they are rejecting Land's Ends facts, or are not in agreement with them. He hopes that occasions some questions because their findings are laid out and fairly extensive. He thinks there has been a lot of rhetoric with the cost causer/cost payer model and not enough attention focused on the facts. We all want fairness, but that is an elusive term and that is why he encourages Council to create recorded finding of fact because they are overturning an ordinance. He doesn't believe there is a public mandate for change. He hasn't seen or heard it after attending every single task force meeting since November. He doesn't believe the proposed model is consistently applied and it's arbitrary in many respected as laid out in their arguments to consider. It's not justified in it's cost shifting effect. He is in favor of continuing public hearing if this needs further vetting because clearly the former speaker is pointing out something that is a conclusion in the task force findings, that a multi-family building does incur more cost to the system. He thinks it's a false finding and we need to know if there is greater burden on the system. He is asking Council to maintain the current rate structure that was deemed to be fair 3 years ago, and he doesn't believe the findings are there to overturn it. In response to question from Councilmember Zak, Mr. Faulkner said the original model proposed in November would cost Land's End \$35,000 per year, subsequent amendments associated with water lift station water allocations has resulted in a lower fee to Land's End, but the impact to the business will be \$8,000 per year as it stands now.

Josh Garvey, Land's End CFO, commented that he is the one tasked with preparing most of the numbers and referenced Mr. Faulkner's comments about the \$35,000 increase based on the

model proposed in November and added that their rate is already four times more than what similar communities pay out. Their total bill would increase \$35,000 over and above the costs over a \$70,000 bill already, so the impact would be over \$100,000, making it so they will have to reevaluate the operations, if they are even able to sustain them year round and give their employees the long term year round employment they count on.

Kevin Hogan questioned the BOD fee and if it only applies to processing facilities discharging to the sanitary sewer, because basically the only discharge his business has is domestic waste water. Mayor Wythe commented that the type of business would have to be taken into consideration. Mr. Hogan appreciates the work of the task force; however the Councils direction to try and address the revenue side of the picture and not the expenditure side, doesn't get us where we need to be. He thinks they need to look at expenditures and not just assume there can't be savings instituted. On the water side with a class 3 system, there are mandates by DEC to have 40 hours of certified operator and 96 are budgeted for, exceeding the mandate by a considerable amount. If the idea is cost causers is the cost payer, then why continually reject the idea of metering water in the harbor floats. He argued that is a small group of users using an incredible amount of water, probably the largest in the city, but the cost falls on all the harbor users. He thinks this still needs a lot of work. In the case of his processing facility they are looking at \$11.10 per thousand gallons for water and his competitors in Kodiak are paying 90 cents per thousand gallons.

Mike Dye, city resident, acknowledged there were some business people on the task force that were against it. A water hauler and realtor brought to his attention that this is getting ramrodded through. He asked the Council to make the tough decisions leaders have to make because despite the time, effort, effort, and resources put into this, it is going to be a mistake. He understands after all the work it is hard to turn back, but the task force didn't have the resources or avail themselves to the personnel that have training in rate modeling. That is a major red flag that you have to ask yourself why that wasn't done and why not use trained people outside the city or even those who had specific training. This cost causer methodology could maybe have some relevance in the future, but it doesn't unless there are resources to fully develop it. There are a multitude of costs that aren't being analyzed because they don't have the time. He doesn't understand why we are rushing through the process when there are costs to the system not being looked at. He hasn't heard anything about why the current model isn't working other than the multi-family units had a problem with the increase a few years ago. At the task force meetings there wasn't much support for it either way, and even now as we heard tonight, there still is not real support for it.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

1. Port and Harbor Bond Sale. The port and harbor bonds were sold on Wall Street this week. The amortization schedule is attached for your information. We will sign all of the related paperwork when Holly is here on the 10th. The formal bond sale closing takes place in Seattle a little later this month.

2. Health Insurance Broker: We are now confirmed for a workshop with the City health insurance broker, Jeff Paxton for 5:15 PM on Thursday, June 27. Please mark your schedules.
3. Borough Health Insurance Initiative: At the last meeting, Council members asked questions about the status of the Borough health insurance discussions. I told Council that I would follow-up with a report at this meeting. Attached is a memorandum from the HR Director on this topic.
4. Dietzman v. City of Homer: This is the airport shooting case. After the jury verdict was in, the attorneys for the Plaintiffs filed a number of motions for a new trial. Oral arguments on these motions took place on Monday, June 3. After hearing oral argument from both sides, the judge ruled against all of the plaintiff motions. There will be no new trial. Appeal to a higher court is still possible. The judge has not yet ruled on attorney's fees.
5. Pier One Lot: At the last meeting, there was general discussion about subdividing this lot to separate marine industrial uses from recreational uses. There was also discussion about the idea that the Port and Harbor Enterprise Fund should be reimbursed if any of the land it purchased with its funds was to be used for recreational purposes. There was some question about exactly what purchased because lot lines have changed. Council requested more information. The Planning Department did a little more research on this topic. What they found after reviewing the files was that the Enterprise Fund purchased 16 acres for \$1.5 Million. The area purchased went beyond the current Tract 1-A and it included some, if not all of the current fishing hole location. The enterprise fund made an initial down payment of \$500,000 and financed the rest at 10% interest. There was discussion in the minutes about refinancing in order to save money for the Enterprise Fund. There is more research that could be done here but I believe the basic question has been answered. It is clear that the Enterprise Fund purchased the land that the Council is discussing subdividing and setting aside for recreational uses. Also, I am aware of a Resolution that the Council passed in 1983 or thereabouts which designates the fishing hole and Pier One building area for recreational uses. This resolution played a part in another land use discussion that occurred several years ago. I will try and locate that resolution before meeting time.
6. Water and Sewer Rates: The staff has been reviewing the recommendations of the task force to make sure we understand the philosophy, all of the assumptions, the origin of the numbers used, etc. We are testing the proposed model to see how it works with our current software and whether the proposed rates do in fact generate the necessary revenue. John is presently working on inserting new updated numbers which would form the basis for a substitute resolution. In addition, we also looking at revising the fee schedule chart presentation so that it is easily understandable and preparing a comparison of the old rates versus the new so that customers can see how the proposed model would affect them. We plan on having drafts of this material available for the workshop. I would recommend putting final reading of the resolution off until June 24. I would also recommend that Council consider not implementing the new rates until January. The reasons for this can be discussed at the workshop.
 1. May & June Employee Anniversaries
 2. Bond Sale Amortization Schedule
 3. Memorandum 13-082 from Personnel Director, Re: Kenai Peninsula Borough Healthcare Meetings
 4. Memorandum 13-084 from Community and Economic Development Coordinator, Re: Tidal Energy Incubator Project Update

B. Bid Report

City Manager Wrede reviewed his staff report.

Mayor Wythe recognized the City employees with anniversaries in May and June with 8, acknowledging 16 employees celebrating 120 years of service to the City of Homer. We appreciate their time and effort.

Councilmember Lewis questioned the time limit for appeal in the Deitzman case. City Attorney Wells believes it is a 30 day period, but would confirm that and get back to council.

CITY ATTORNEY REPORT

City Attorney Wells reported that an initial decision has been received in the Auction Block Company vs. City of Homer case before the Federal Maritime Commission. In that decision the Commission Judge found that the City had not violated the act, wasn't subject to the act, and dismissed the case against the City. While that is exciting news, City Attorney Wells advised that Auction Block has appealed that decision and they are preparing for the appeal. The City is, unfortunately, going to be spending a lot of resources and efforts to present its case again before the Federal Maritime Commission as a whole.

COMMITTEE REPORT

- A. Public Arts Committee
- B. Transportation Advisory Committee
- C. Permanent Fund Committee
- D. Lease Committee
- E. Port and Harbor Improvement Committee
- F. Employee Committee Report

PENDING BUSINESS

- A. **Ordinance 13-06**, An Ordinance of the Homer City Council, Amending HCC 3.12.020 Permanent Fund Contributions, and HCC 3.12.060 Expenditures of Income, to Provide that Five Percent of Income from the Homer Permanent Fund Income Sub-Fund is Available to be Appropriated for Grants to The Homer Foundation for the Benefit of the Community. City Clerk/Permanent Fund Committee. Introduction March 11, 2013, Referred to Committee, Public Hearing and Second Reading April 22, 2013, Postponed to June 10, 2013.

Mayor Wythe stated the motion for adoption of Ordinance 13-06 is on the floor from April 22, 2013.

Councilmember Howard advised that the Permanent Fund Committee is continuing to work on this and will be coming back with a new ordinance for consideration at the last meeting in July.

VOTE: NO: LEWIS, ROBERTS, DOLMA, ZAK, HOWARD

Motion failed.

B. **Resolution 13-056**, A Resolution of the City Council of Homer, Alaska, Amending the Land Allocation Plan to Make Approximately 10,000 Square Feet in the NW Corner of Lot 2, Tract 1-A, Fishing Hole Subdivision Available for Lease to Qualified Non-Profit Organizations, Establishing the Parameters for Such an Offering, and Authorizing the City Manager to Proceed With a Request for Proposals. City Council. (Postponed from May 28, 2013.)

Resolution 13-056(S), A Resolution of the City Council of Homer, Alaska, Amending the Land Allocation Plan to Make Approximately 10,000 Square Feet in the NW Corner of Lot 2, Tract 1-A, Fishing Hole Subdivision Available for Lease to ~~Qualified Non-Profit Organizations~~, Establishing the Parameters for Such an Offering, and Authorizing the City Manager to Proceed With a Request for Proposals. City Council.

Memorandum 13-032 from City Manager as backup.
Memorandum 13-069 from City Planner as backup.

Mayor Wythe stated the motion for adoption of Resolution 13-056 is on the floor from April 22, 2013 and asked if there was a motion for the substitution of Resolution 13-056(S).

ZAK/ROBERTS SO MOVED.

There was no discussion on the motion to substitute.

VOTE: YES: ROBERTS, DOLMA, ZAK, HOWARD
NO: LEWIS

Motion carried.

ZAK/ROBERTS MOVED TO REMOVE WORDING APPROXIMATELY 10,000 SQUARE FEET IN THE NW CORNER, AND ADD AFTER TRACT 1A, OR PORTIONS.

There was discussion that the whereas clauses in the resolution have to do with specifics of leasing the 10,000 square foot tract, it should either be postponed or voted down.

VOTE: NO: HOWARD, LEWIS, ROBERTS, DOLMA, ZAK

Motion failed.

There was no further discussion.

VOTE: YES: LEWIS
NO: ZAK, HOWARD, ROBERTS, DOLMA

Motion failed.

Mayor Wythe commented that this will go back to staff for a replacement resolution at a later time.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk.

Memorandum 13-073 from Water and Sewer Rate Task Force as backup.

Mayor Wythe called for a motion for the adoption of Resolution 13-048 by reading of title only.

ROBERT/HOWARD SO MOVED.

HOWARD/ROBERTS MOVED TO POSTPONE TO JUNE 24.

There was no discussion.

VOTE: YES: DOLMA, HOWARD, LEWIS, ROBERTS
NO: ZAK

Motion carried.

- B. **Resolution 13-060**, A Resolution of the Homer City Council Awarding the Contract for Prisoner Meals at the Homer Jail to the Firm of _____ of _____, _____, in the Amount of \$_____ Breakfast, \$_____ Lunch, and \$_____ Dinner Per Day/Per Inmate with a Delivery Fee of \$_____ Per Trip and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Resolution 13-060(S), A Resolution of the Homer City Council Awarding the Contract for Prisoner Meals at the Homer Jail to the Firm of Homer Senior Citizens, Inc. of Homer, Alaska, in the amount of \$8.50 Breakfast, \$8.50 Lunch, and \$8.50 Dinner Per Day/Per Inmate with a Delivery fee of \$5.00 Per Trip and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Mayor Wythe called for a motion for the adoption of Resolution 13-060 by reading of title only.

LEWIS/ROBERTS SO MOVED.

Mayor Wythe called for a motion for the substitution of Resolution 13-060(S).

ROBERTS/LEWIS SO MOVED.

There was no discussion on the motion to substitute.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was brief discussion clarifying that the \$5 delivery fee is applied per trip and not per meal. Police Chief Robl confirmed and added that it is a backup in case the jail officer is unable to pick the meals up, and they haven't had to pay the fee in years.

VOTE: (main motion) NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

C. **Resolution 13-061**, A Resolution of the Homer City Council Awarding the Contract for Crittenden Drive/Waddell Street Road Improvements to the Firm of _____ of _____, _____ in the Amount of \$_____ and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Resolution 13-061(S), A Resolution of the Homer City Council Awarding the Contract for Crittenden Drive/Waddell Street (Webber Subdivision) Road Reconstruction and Paving Improvements to the Firm of Arno Construction, Inc. of Homer, Alaska, in the Amount of \$598,219.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Mayor Wythe called for a motion for the adoption of Resolution 13-061 by reading of title only.

ZAK/ROBERTS SO MOVED.

Mayor Wythe called for a motion for the substitution of Resolution 13-061(S).

HOWARD/LEWIS SO MOVED

There was no discussion on the substitution.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no discussion.

VOTE: (main motion) NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

D. **Resolution 13-062**, A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Boardwalk Revitalization Project to the Firm of _____ of _____, _____ in the Amount of \$_____ and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Resolution 13-062(S), A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Boardwalk Revitalization Project to the Firm of Puffin Electric, Inc. of Homer, Alaska, in the Amount of \$171,850.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Mayor Wythe called for a motion for the adoption of Resolution 13-062 by reading of title only.

ROBERTS/LEWIS SO MOVED.

Mayor Wythe called for a motion for the substitution of Resolution 13-062(S).

LEWIS/ROBERTS SO MOVED.

There was no discussion on the motion to substitute.

VOTE (substitution): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no discussion on the main motion.

VOTE: (main motion) NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

E. **Resolution 13-063**, A Resolution of the City Council of Homer, Alaska Directing the City Manager to Begin the Process of Subdividing Lot 2, Tract 1-A, Fishing Hole Subdivision. City Manager.

Memorandum 13-069 from City Planner as backup.

Mayor Wythe called for a motion for the adoption of Resolution 13-063 by reading of title only.

No motion was made by the Council.

COMMENTS OF THE AUDIENCE

Barb Petersen, city resident, expressed her interest in what is happening with the subdividing of Lot 2, Tract 1A. She asked for clarification that there will be further discussion at a worksession. Mayor Wythe confirmed that further information will come forward in a proposal to put the property out for lease for anyone interested in bidding in all or in part for the lease of the property, the bids can be reviewed by the Lease Committee to determine the best opportunity is for the property.

Frank Bauer, city resident, asked if the Council had received his correspondence with the City Clerk, as he had requested on Wednesday. It was determined that Council had not received the information. Mr. Bauer explained that at the beginning of last month he sent a letter to the City

Clerk regarding the gas pipe line and ordinance 17.04.040 (b) and it appears the ordinance is being violated from his reading of it. He cited the code and argues that after speaking with the City Clerk she believes it required 50% of the voters to dispute it and gave him some literature and ordinances that support it. After reviewing the information he wrote his letter to the Clerk which he said “your stated interpretation that 50% of the owners of real property are required cannot be found, the term 50% only refers to the cost of the improvement, therefore demand is for the City of Homer to comply with its own ordinance 17.04.040 and to cease and not proceed with the improvement until it revises the improvement plan to reduce the assessed cost of the improvement that is born.” He has done calculations and with the number of people who disputed, and we are talking about up to \$460,000, up to \$850 per property. His edited response from her is “the City Attorney has advised us from the start that the Homer Natural Gas Special Assessment District all provisions were followed in compliance with HCC 17.04 Special Assessment Districts. If there is something specific you believe was in violation of law please provide it in writing.” He did not read his response to her but he has tried to call her, he never got a response to his second letter and he would like the Council to review the correspondence. From his layman perspective the language is clear, there is no 50% requirement, the City was obligated to not go forward with the improvement of the natural gas pipeline until it revised, and he would like some answers why it was not done.

Mayor Wythe noted that the Clerk is presently out of the office, but she anticipates they will receive his information soon.

Mike Dye, city resident, said he hopes he will hear comments at the end of the meeting from council as to why they postponed. He was disappointed that there was a postponement but no real discussion to understand what is happening. Maybe we need to be at the four o'clock or five o'clock meeting to hear discussion. This is a serious item. They are investing a lot of time and the goal post keeps moving. With the new information today, it looks like will there will be increase more than what Mr. Faulkner reported. Every time they have gone to task force meetings it has been something different. He reiterated he was disappointed that there wasn't any discussion, but maybe that happens later.

Justin Arnold, city resident, commented that he is glad to see something is changing with water sewer rates. It is substantially less than what they are paying now. His water and sewer rates that are in line with three normal 2 bedroom homes, run higher than the heat on average, throughout the year. Those costs are passed on to the tenants. This is a step in the right direction. Paying \$45 per unit per month is \$150 a month in fees, and his understanding is if he could have 3 separate water meters for the units, he could understand the fee. He understands it isn't allowed because there is only one shut off valve at the curb in the event of non-payment. He sees a need for a definitive difference between apartments and people who are running a business for overnight guests for nightly use.

COMMENTS OF THE CITY ATTORNEY

City Attorney Wells had no comments.

COMMENTS OF THE CITY CLERK

Deputy City Clerk Jacobsen had no comments.

COMMENTS OF THE CITY MANAGER

City Manager Wrede explained for the listening audience the reason resolutions with blanks are on the council's agenda. The timing of bid openings in relation to the deadline for the council packet is such that an initial resolution with blanks is a place holder on the agenda and then a substitute resolution with the bid award information is provided after the bids are open. In reference to public comment, City Manager Wrede said that there has been discussion among staff about looking for ways apartment buildings can have separate water meters that would be convenient for the owner.

COMMENTS OF THE MAYOR

Mayor Wythe had no additional comments and thanked everyone for their time tonight.

COMMENTS OF THE CITY COUNCIL

Councilmember Howard thanked Katie for doing a good job on the "excuse us while we improve our community" information flyer. She thinks it will go a long way in helping folks understand what is happening, and also for our own citizens to know where their tax dollars are going. She supports the emergency training, it is terribly important to know what this big plan is that the Mayor Pro Tem has been working on. She thanked Mr. Foster and Mr. Venuti for serving once again as Planning Commissioners; it is a tremendously important and tedious job. She is excited about the paving projects around town, including Fish Dock and Ice Dock Road. Mrs. Howard commented her opinion on why they postponed the water and sewer rate resolution is because they had too many amendments, new information coming in, and for the sake of all of us and the general public it was too confusing. They will be bringing back a cleaned up resolution and if the Council has inconvenience anyone's schedule she apologizes, but it is a better public policy. She thanked the City Manager for explaining the bid award process. Thank you and good evening.

Councilmember Lewis noted that there was discussion of the water and sewer rates at the worksession and committee of the whole. He voted in favor of postponing the water and sewer rates because he isn't sure if he is in favor of the new rates, especially with the spit getting hit with both BOD fee and the lift station fee, and what this might end up costing the city. He thinks it is a discussion they really haven't had, regarding what they will cut for their extra cost for fire hydrant maintenance.

Councilmember Dolma commented that in the proposal they had, there was information from several different years and it needs to get cleaned up so it will be clearer to everyone. He thanked everyone who shows up and speaks. It is important that they come and speak their mind. They might not get immediate feedback, but Council does read the letters and emails, and take what people say under advisement.

Councilmember Zak commented that he would like to have voted on the water and sewer tonight. He isn't sure they have a system based on facts and there are more pieces to it, and it seems more complicated than what they have now. The cost to large business owners concerns him a little bit from an economic stand point. Having to shut down in the winter because water rates go up concerns him. Maybe there were people who weren't taken into consideration. He

could vote against it right now, and continue current rates. They have talked about amendments but doesn't think it can be done two weeks from now either. He thinks there are ways to work around tenant fees, but will take more time. He thinks they should work on it more and do it right. Mr. Zak thanked the Bunnell Street/Old Town group for coming out; it was good to see another example of community improvement. There will be future discussion on the fishing hole lot, it's unfortunate they haven't come up with a quick decision. It's in the best interest over time to do what is right.

Councilmember Roberts also thanked the Old Town group for coming, it was really good to see a community organizing and trying to help themselves. She looks forward to working with them in improving the pedestrian problems down there. She also supports the emergency training for the Council. She has done some of the training and participated on the task force in the spring, and she thinks it's really important for the community to be prepared. Others in the community should pay attention to the ideas too. She clarified Councilman Lewis' comment with her understanding that not all spit users are having BOD charges, only certain businesses. In two weeks she anticipates another hearing for water and sewer where people can comment on the modified resolution.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 7:49 p.m. The next Regular Meeting is Monday, June 24, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Thursday, June 27, 2013 at 5:15 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us
(p) 907-235-3130
(f) 907-235-3143

MEMORANDUM 13-090

TO: HOMER CITY COUNCIL

FROM: MARY E. WYTHE, MAYOR

DATE: JUNE 18, 2013

SUBJECT: REAPPOINTMENT OF JENNIFER SONNEBORN TO THE HOMER ADVISORY PLANNING COMMISSION

Jennifer Sonneborn is reappointed to the Homer Advisory Planning Commission for a three-year term. Her appointment will expire July 1, 2016.

RECOMMENDATION:

Confirm the reappointment of Jennifer Sonneborn to the Homer Advisory Planning Commission.

Fiscal Note: N/A

Jo Johnson

From: Melissa Jacobsen
Sent: Monday, June 10, 2013 5:45 PM
To: Jo Johnson
Subject: FW: Request for Reappointment

Importance: High

From: Renee Krause
Sent: Monday, June 10, 2013 4:56 PM
To: Melissa Jacobsen
Subject: Request for Reappointment
Importance: High

Jennifer Sonneborn, Planning Commissioner called to say she would like to be re-appointed.

Renee Krause, CMC
Deputy City Clerk I
City of Homer
491 E. Pioneer Avenue
Homer, Alaska 99603
Ph. 907-235-8121 ext. 2224
Fax. 907- 235-3143
rkrause@ci.homer.ak.us

"Successful is the person who has lived well, laughed often and loved much, who has gained the respect of children, who leaves the world better than they found it, who has never lacked appreciation for the earth's beauty, who never fails to look for the best in others or give the best of themselves."

The information contained in this message is proprietary and/or confidential. If you are not the intended recipient, please: (i) delete the message and all copies; (ii) do not disclose, distribute or use the message in any manner; and (iii) notify the sender immediately. In addition, please be aware that any message is subject to archiving and review by persons other than the intended recipient. Thank you.

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-20

An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Legislative Grant in the Amount of \$4,200,000 for Harbor Projects.

Sponsor: City Manager

1. City Council Regular Meeting June 24, 2013 Introduction

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 13-20

AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
ALASKA, ACCEPTING AND APPROPRIATING A
LEGISLATIVE GRANT IN THE AMOUNT OF \$4,200,000 FOR
HARBOR PROJECTS.

WHEREAS, The City has been awarded a Legislative Grant in the amount of \$4,200,000 through the Municipal Harbor Matching Grant Program; and

WHEREAS, It is in the City’s best interest to accept and appropriate the grant.

NOW, THEREFORE, BE IT ORDAINED by the City of Homer:

Section 1. The Homer City Council hereby accepts and appropriates a Legislative Grant in the amount of \$4,200,000 for harbor projects as follows:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
_____	Harbor Projects	\$4,200,000

Section 2. This ordinance is a budget amendment only, is not of a permanent nature, and shall not be codified.

ENACTED BY THE HOMER CITY COUNCIL this ___ day of _____, 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

41 YES:

42 NO:

43 ABSENT:

44 ABSTAIN:

45

46 First Reading:

47 Public Hearing:

48 Second reading:

49 Effective Date:

50

51 Reviewed and approved as to form:

52

53 _____

54 Walt Wrede, City Manager

55

56 Date: _____

57

58

Thomas F. Klinkner, City Attorney

Date: _____

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-21

An Ordinance of the Homer City Council Accepting and Appropriating a Legislative Grant in the Amount of \$2,000,000 for the Port and Harbor Office and Skyline Fire Station.

Sponsor: City Manager

1. City Council Regular Meeting June 24, 2013 Introduction

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 13-21

AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
ALASKA, ACCEPTING AND APPROPRIATING A
LEGISLATIVE GRANT IN THE AMOUNT OF \$2,000,000 FOR
THE PORT AND HARBOR OFFICE AND SKYLINE FIRE
STATION.

WHEREAS, The City has been awarded a Legislative Grant in the amount of \$2,000,000;
and

WHEREAS, This grant is a re-appropriation of funds the City received for improvements
at the Sterling Highway and Main Street Intersection; and

WHEREAS, It is in the City's best interest to accept and appropriate the grant.

NOW, THEREFORE, BE IT ORDAINED by the City of Homer:

Section 1. The Homer City Council hereby accepts and appropriates a Legislative Grant
in the amount of \$2,000,000 for the Port and Harbor Office and Skyline Fire Station as follows:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
_____	Port and Harbor Office & Skyline Fire Station	\$2,000,000

Section 2. This ordinance is a budget amendment only, is not of a permanent nature, and
shall not be codified.

ENACTED BY THE HOMER CITY COUNCIL this ____ day of _____,
2013.

CITY OF HOMER

MARY E. WYTHE, MAYOR

41 ATTEST:

42

43

44 _____

45 JO JOHNSON, CMC, CITY CLERK

46

47 YES:

48 NO:

49 ABSENT:

50 ABSTAIN:

51

52 First Reading:

53 Public Hearing:

54 Second reading:

55 Effective Date:

56

57 Reviewed and approved as to form:

58

59 _____

60 Walt Wrede, City Manager

61

62 Date: _____

63

64

Thomas F. Klinkner, City Attorney

Date: _____

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-22

An Ordinance of the City Council of Homer, Alaska, Dedicating the Oil and Gas Property Tax Revenues to be Paid in 2013 by the Owners of the Drill Rig Endeavour (\$181,087.16) to the City of Homer Permanent Fund.

Sponsor: Mayor

1. City Council Regular Meeting June 24, 2013 Introduction

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Mayor

4 **ORDINANCE 13-22**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
7 ALASKA, DEDICATING THE OIL AND GAS PROPERTY
8 TAX REVENUES TO BE PAID IN 2013 BY THE OWNERS OF
9 THE DRILL RIG ENDEAVOUR (\$181,087.16) TO THE CITY
10 OF HOMER PERMANENT FUND.

11
12 WHEREAS, The Drill Rig Endeavour was moored at the City Deep Water Dock from
13 October 2012 until March 2013; and

14
15 WHEREAS, Under State law, property taxes on oil and gas infrastructure are applied in
16 the municipality in which the infrastructure or equipment is physically located on January 1; and

17
18 WHEREAS, The State assessed the value of the Rig at \$40,241,500 which results in 2013
19 property tax revenues to the City of \$181,087.16; and

20
21 WHEREAS, This tax revenue is unanticipated and may be a one- time event; and

22
23 WHEREAS, The City of Homer Permanent Fund was established through adoption of
24 Ordinance 05-14(S) and codified at HCC Chapter 3.12; and

25
26 WHEREAS, The Fund was specifically created to provide a long term investment option
27 for “windfall monies” that are not anticipated or allocated to a specific purpose, as provided in
28 HCC 3.12.020; and

29
30 WHEREAS, HCC 3.12.040 authorizes additional contributions to the Fund upon City
31 Council approval.

32
33 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

34
35 Section 1. The City Council hereby dedicates the 2013 oil and gas property tax revenue
36 generated by the drill rig Endeavour to the Homer Permanent Fund and directs the
37 Administration to so deposit those revenues when they are received as follows:

41 Transfer From:

42 <u>Account Number</u>	<u>Description</u>	<u>Amount</u>
43 _____	Property Tax Revenues /	\$181,087.16
44 _____	Drill Rig Endeavour	

45 Deposit / Transfer To:

46 <u>Account Number</u>	<u>Description</u>	<u>Amount</u>
47 _____	Property Tax Revenues /	\$181,087.16
48 _____	Drill Rig Endeavour	

49 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall
50 not be codified.

51
52 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of
53 _____ 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

59
60 ATTEST:

61
62
63 _____
64 JO JOHNSON, CMC, CITY CLERK

65
66
67 YES:
68 NO:
69 ABSTAIN:
70 ABSENT:
71
72
73
74 First Reading:
75 Public Hearing:
76 Second Reading:
77 Effective Date:
78
79

80 Reviewed and approved as to form:

81

82

83

84 _____
Walt Wrede, City Manager

85

86

87 Date: _____

88

89

Thomas F. Klinkner, City Attorney

Date: _____

2013 TAX BILL

Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, AK 99669
907-262-4441
800-478-4441 - Toll Free Within Borough
www.borough.kenai.ak.us



Year: 2013 **PIN: 50200001**
TAG: 20 - HOMER CITY
Revenue ID: 1043909 **Bill Number: 2013000004**
Billing Date: 06/05/2013
Balance good until: 10/15/2013

#BWBBJDD
 #A000000502000019#

ATTN: DAVID FULTON
 KENAI OFFSHORE VENTURES, LLC
 952 ECHO LN STE 420
 HOUSTON TX 77024-2763

LEGAL DESCRIPTION

ENDEAVOR RIG

Value Type	Value	Exemption Type	Amount
LAND IMPROVEMENT	0 40,241,590		

Taxes, Credits, and Other Charges

Charge Description	Total Value	Exemption	Taxable	Rate/1000	Tax Dist	Boats	Aircraft	Credits	Total
BOROUGH	40,241,590	0	40,241,590	4.500000	181,087.16	0.00	0.00	0.00	181,087.16
HOMER	40,241,590	0	40,241,590	4.500000	181,087.16	0.00	0.00	0.00	181,087.16
SOUTH HOSPITAL	40,241,590	0	40,241,590	2.300000	92,555.66	0.00	0.00	0.00	92,555.66
2013 Total				11.300000	454,729.98	0.00	0.00	0.00	454,729.98

	2013 Total	Interest	Penalty	Fees	Subtotal	Prev Due	Paid	Total Due
Bill Summary	454,729.98	0.00	0.00	0.00	454,729.98	0.00	0.00	454,729.98

IN ORDER TO RECEIVE CREDIT FROM THE STATE YOUR PAYMENT MUST BE PAID BY JUNE 30, 2013. IF YOU HAVE ANY ADDITIONAL QUESTIONS PLEASE CONTACT US.

Please Return This Coupon with the Second Installment Payment. No second installment statement will be mailed

Year: 2013 **Bill No: 2013000004** **2nd Installment Amount: 227,364.99** **2nd Installment Due Date: 11/15/2013**
Make check Payable to Kenai Peninsula Borough **Change of Address**
PO Box 3040, Soldotna, AK 99669 **Name: KENAI OFFSHORE VENTURES, LLC**
ATTN: DAVID FULTON **PIN: 50200001** **Mailing Address**
KENAI OFFSHORE VENTURES, LLC **City, State, Zip**
952 ECHO LN STE 420 **Signature: _____**
HOUSTON TX 77024-2763 **Disregard if total is paid with first coupon by 10/15**

CHECKS WILL BE DEPOSITED ON THE DAY THEY ARE RECEIVED

32323232323232325348504848484849000000000000227364995

Please Return This Coupon with the First Installment Payment or Full Payment

Year: 2013 **Bill No: 2013000004** **Full Amount Due: 454,729.98** **Full Tax Due Date: 10/15/2013**
Make check Payable to Kenai Peninsula Borough **1st Installment Amount: 227,364.99** **1st Installment Due Date: 09/15/2013**
PO Box 3040, Soldotna, AK 99669 **Change of Address**
ATTN: DAVID FULTON **PIN: 50200001** **Name: KENAI OFFSHORE VENTURES, LLC**
KENAI OFFSHORE VENTURES, LLC **Mailing Address**
952 ECHO LN STE 420 **City, State, Zip**
HOUSTON TX 77024-2763 **Signature: _____**

CHECKS WILL BE DEPOSITED ON THE DAY THEY ARE RECEIVED

32323232323232325348504848484849002273649900454729983

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-23

An Ordinance of the City Council of Homer, Alaska, Dedicating and Transferring All Port Tariff Fees Generated by the Drill Rig Endeavor's Moorage at the Deep Water Dock in 2012 and 2013 (\$576,815.53) to the Port and Harbor Depreciation Reserve Fund.

Sponsor: Mayor

1. City Council Regular Meeting June 24, 2013 Introduction

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Mayor

4 **ORDINANCE 13-23**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
7 ALASKA, DEDICATING AND TRANSFERRING ALL PORT
8 TARIFF FEES GENERATED BY THE DRILL RIG
9 ENDEAVOR'S MOORAGE AT THE DEEP WATER DOCK IN
10 2012 AND 2013 (\$576,815.53) TO THE PORT AND HARBOR
11 DEPRECIATION RESERVE FUND.

12
13 WHEREAS, The Drill Rig Endeavour was moored at the City Deep Water Dock from
14 October 2012 until March 2013; and

15
16 WHEREAS, The tariff revenue generated by the presence of the rig, support tugs, and
17 other support services was unanticipated and unallocated; and

18
19 WHEREAS, The Port and Harbor Enterprise Fund Depreciation Reserve is underfunded
20 and contains a balance that is insufficient given the value of the assets owned and maintained by
21 the City Port and harbor Department; and

22
23 WHEREAS, Deposit of these revenues into the Depreciation Fund is a good long term
24 investment in the port and harbor infrastructure and the level of service the City provides its
25 customers.

26
27 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

28
29 Section 1. The City Council hereby dedicates the 2012 and 2013 tariff fee revenue
30 generated by the drill rig Endeavour to the Port and Harbor Depreciation Reserve and directs the
31 Administration to so deposit those revenues as follows:

32
33 Transfer From:

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
	Tariff Fees / Drill Rig Endeavor	\$576,815.53

36 Deposit / Transfer To:

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
	Tariff fees / Drill Rig Endeavor	\$576,815.53

40 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall
41 not be codified.

42
43 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of
44 _____ 2013.

45
46
47
48
49
50
51

CITY OF HOMER

MARY E. WYTHER, MAYOR

52 ATTEST:

53
54
55

56 _____
JO JOHNSON, CMC, CITY CLERK

57
58
59 YES:
60 NO:
61 ABSTAIN:
62 ABSENT:

63
64
65
66 First Reading:
67 Public Hearing:
68 Second Reading:
69 Effective Date:

70
71 Reviewed and approved as to form:

72
73

74 _____
Walt Wrede, City Manager

Thomas F. Klinkner, City Attorney

76
77

78 Date: _____

79 Date: _____

79

BUCCANEER ALASKA Arrived 8/31/12, Departed 3/29/13

ARRIVAL TUGS

ELSBETH II - TUG (#13729)

8/31/2012 dockage & moorage	\$602.28	
9/28/2012 dockage 8/31-9/27	\$8,527.00	
10/31/2012 dockage 9/28-10/26 & moorage& water	\$5,724.68	
11/29/2012 moorage>11/26/12	\$700.21	
12/31/2012 moorage & water	<u>\$943.85</u>	
		\$16,498.02

PACIFIC EXPLORER - TUG (#13743)

8/31/2012 dockage 8/25-8/30 & crane	\$1,932.65	
9/28/2012 dockage 9/1-9/27 & water	\$13,488.02	
10/30/2012 dockage 9/28-10/26 & moorage & water	\$10,822.66	
11/29/2012 dockage & moorage	\$5,049.67	
12/31/2012 dockage & moorage & water	\$3,806.36	
1/31/2013 dockage & moorage & water	<u>\$3,317.60</u>	
totals		\$38,416.96

DEPARTURE TUGS

Alaska Titan Tug (#13928)

3/29/2013 dockage 3/25-29 4.5 days	\$2,445.98	
------------------------------------	------------	--

Arctic Titan Tug (#13929)

3/29/2013 dockage 3/25-29 4.5 days	\$2,445.98	
------------------------------------	------------	--

Ocean Ranger Tug (#13930)

3/29/2013 dockage 3/25-29 4.5 days	\$2,445.98	
------------------------------------	------------	--

totals		\$7,337.94
--------	--	------------

RIG ENDEAVOUR at DWD (#13742)

dockage, gangway, water, land storage

8/31/2012 dockage 8/29-30/12, etc.	\$1,873.66	
9/28/2012 dockage 8/31-9/27, etc.	\$25,601.98	
10/31/2012 dockage 9/28-10/30, etc.	\$36,013.04	
11/30/2012 dockage 10/31-11/29, etc.	\$97,771.84	
12/31/2012 dockage 11/30-12/30, etc.	\$65,117.28	
1/30/2013 dockage 12/31/12-1/30/13, etc.	\$89,483.57	
2/25/2013 dockage 1/31/13-2/27/13, etc.	\$84,255.35	
3/29/2013 dockage 2/28/13-3/29/13, etc.	<u>\$89,448.06</u>	
totals		\$489,564.78

STEVEDORING - NORTH STAR 5%

Sept. 2012 Rig stevedoring 5%	\$1,749.00	
Oct. 2012 Rig stevedoring 5%	\$1,090.48	
Nov. 2012 Rig stevedoring 5%	\$6,992.28	
Dec. 2012 Rig stevedoring 5%	\$3,006.54	
Jan. 2013 Rig stevedoring 5%	\$252.08	
Feb. 2013 Rig stevedoring 5%	\$600.69	
>3/25/13 Rig stevedoring 5%	\$855.58	
Final Rig stevedoring 5%	<u>\$1,035.98</u>	
	\$15,582.63	\$15,582.63

TALON SECURITY 5%

Sept 2012 to Mar 29, 2013-Deep Water Dock Security		<u>\$9,415.19</u>
--	--	-------------------

ALL ACCOUNTS TOTAL REVENUE		\$576,815.52
-----------------------------------	--	---------------------

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-24

An Ordinance of the City Council of Homer, Alaska Amending the FY 2013 Capital Budget by Appropriating \$98,500 From the Homer Accelerated Roads and Trails Program Fund (HART) for Road Improvements, Trail Construction, and Pedestrian Safety and Walkability Enhancements in Old Town.

Sponsor: Lewis/Roberts

1. City Council Regular Meeting June 24, 2013 Introduction
 - a. Proposals for Old Town

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Lewis, Roberts

4 **ORDINANCE 13-24**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
7 ALASKA, AMENDING THE FY 2013 CAPITAL BUDGET BY
8 APPROPRIATING \$98,500 FROM THE HOMER
9 ACCELERATED ROADS AND TRAILS PROGRAM FUND
10 (HART) FOR ROAD IMPROVEMENTS, TRAIL
11 CONSTRUCTION, AND PEDESTRIAN SAFETY AND
12 WALKABILITY ENHANCEMENTS IN OLD TOWN.
13

14 WHEREAS, Old Town is a growing and vibrant neighborhood which contains residential
15 units and a variety of thriving businesses; and
16

17 WHEREAS, Old Town is a destination in itself and features attractions for visitors and
18 residents alike including restaurants, shops, art galleries, and access to trails, wildlife viewing
19 and Bishops Beach; and
20

21 WHEREAS, Old Town contains no sidewalks or trails and pedestrian safety and access is
22 a serious and growing concern; and
23

24 WHEREAS, Old Town property and business owners have worked together over the past
25 few years in a cooperative planning effort to identify goals and priorities for improving
26 pedestrian safety and access and creating a sense of place; and
27

28 WHEREAS, The neighborhood has generated a significant amount of grant funding and
29 in-kind contributions to further the planning and improvement effort; and
30

31 WHEREAS, Neighborhood representatives made a presentation on the planning effort to
32 the City Council at its regular meeting on June 10, 2013; and
33

34 WHEREAS, At the presentation, the neighborhood requested City financial support for
35 improvements that include a lower speed limit, crosswalks, appropriate signage, a bike trail on
36 Charles Way, pavement widening, lane shifts and narrowing, and pedestrian and bike lanes on
37 East Bunnell and Beluga Place, and pavement and striping for the Bishops Beach parking lot;
38 and
39

40 WHEREAS, The City administration has determined that the proposed work can be
41 funded through the HART Program.

42
43 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
44

45 Section 1. The Homer City Council finds that the requested improvements in Old Town
46 are necessary, desirable, and in the public interest and acknowledges the planning effort and
47 local contributions provided by neighborhood residents and businesses.

48
49 Section 2. The Homer City Council hereby amends the FY 2013 Capital Budget by
50 appropriating \$98,500 from the HART Program for road, trail, and pedestrian improvements in
51 Old Town as follows:

52
53 Expenditure:

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
_____	Trail and Trailhead Access/ HART Trails	\$68,800

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
_____	Road Paving, Striping/ HART Roads	\$29,700

61
62 Section 3. A preliminary project budget is attached and incorporated herein (Attachment
63 A).

64
65 Section 4. This is a budget amendment ordinance, is not permanent in nature, and shall
66 not be codified.

67
68 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of
69 _____ 2013.

70
71 CITY OF HOMER

72
73
74
75 _____
76 MARY E. WYTHE, MAYOR

76 ATTEST:

77
78
79 _____
80 JO JOHNSON, CMC, CITY CLERK

81 YES:
82 NO:
83 ABSTAIN:
84 ABSENT:

85
86
87

88 First Reading:
89 Public Hearing:
90 Second Reading:
91 Effective Date:

92

93 Reviewed and approved as to form:

94

95

96

97 _____
Walt Wrede, City Manager

98

99

Thomas F. Klinkner, City Attorney

100 Date: _____

Date: _____

101

102

103

104

**Old Town Pedestrian Improvements
Cost Estimate**

Item of Work	Quantity	Unit	Unit Price	Cost
--------------	----------	------	------------	------

Charles Way Trail

Mob/Demob	1	LS	\$2,000	\$2,000
Excavation (off-site disposal)	65	CY	\$20	\$1,300
Geotextile Fabric	1700	SF	\$1	\$1,700
F&I Type III Gravel	60	CY	\$30	\$1,800
F&I 24" Dia. Culvert	1	LS	\$1,600	\$1,600
Bollard	2	EA	\$1,100	\$2,200
Regulatory Signing	2	EA	\$600	\$1,200
Additional Signage	1	LS	\$7,500	\$7,500

Subtotal Trail Construction \$19,300

Bunnel Street Pavement Widening

Mob/Demob	1	LS	\$2,250	\$2,250
Excavation (off-site disposal)	90	CY	\$20	\$1,800
Sawcut Existing Pavement	650	LF	\$1	\$650
2"Leveling Course/2" A.C.	4000	SF	\$3.50	\$14,000
Striping	1	LS	\$5,000	\$5,000
Regulatory Signing	4	EA	\$600	\$2,400
Crosswalk	2	EA	\$1,800	\$3,600

Subtotal Bunnel Street \$29,700

Beluga Slough Trailhead Paving

Mob/Demob	1	LS	\$1,500	\$1,500
Surface Preparation	1	LS	\$2,500	\$2,500
2"Leveling Course/2" A.C.	13000	SF	\$3.50	\$45,500

Subtotal Trail Head Paving \$49,500

Construction Cost	\$98,500
Design Cost*	\$0
Permitting Cost*	\$0
Inspection Cost*	\$0
Contingency*	\$0

* City Staff Support (value = \$12,500)

Total Project Cost \$98,500

In order to promote an environment more conducive to creative vibrancy, the following are collaborative proposals made by property owners, business owners, employees and frequent users of Old Town. These proposals advocate a safer, more walkable place for all to access Old Town, by considering traffic calming techniques to change car culture in a way which better co-exists with a healthier, growing pedestrian culture in Homer.

- 1. 15 MPR Speed Limit zoning**
- 2. Removable speed bumps (Two, E. Bunnell and Beluga Place)**
- 3. E. Bunnell and Beluga Place pavement widening (paving the shoulder)**
- 4. E. Bunnell and Beluga Place traffic lane shift to north and east, respectively, and narrow**
- 5. Designating the new road space on the south and west streets as pedestrian and biking lanes**
- 6. Addition of cross walks (Three, W. Bunnell Ave, Main St and Beluga Place)**
- 7. Appropriate pedestrian and biking signage (Six: 1 Main St, 3 E. Bunnell, 2 Beluga)**
- 8. Appropriate speed limit signage (Five, 1 Main St, 1 Ohlson Lane, 2 E. Bunnell, 1 Beluga Place)**
- 9. Bishop's Beach parking lot paved and lined**
- 10. Charles Way developed as a walking and bike path, and closed to automobile traffic by bottle necking trail with boulders**
- 11. Appropriate signage for use of Charles Way ("No Thru Traffic" at end of Main St looking West, and two trail head markers of Charles Way)**

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 13-064

A RESOLUTION OF THE HOMER CITY COUNCIL
AWARDING THE ART WORK CONTRACTS FOR THE
HOMER SPIT TRAIL PHASE II TO TARRI THURMAN AND
MARLON PRAZEN OF MOOSERUN METALSMITHS OF
HOMER, ALASKA, IN THE AMOUNT OF \$11,000, AND
MELISSE REICHMAN OF HOMER, ALASKA, IN THE
AMOUNT OF \$11,000, AND AUTHORIZING THE CITY
MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The Request for Proposals was advertised in the Homer News on March 28, 2013, the Homer Tribune on April 3, 2013, the Alaska State Council on the Arts website, the Homer Council on the Arts, and posted on the City's website; and

WHEREAS, Proposals were due by 4:00 p.m. on Thursday, May 9, 2013 and six proposals were received by the City Clerk's Office; and

WHEREAS, The 1% for Art Selection Committee reviewed the proposals and recommended the awards for the art work to Tarri Thurman and Marlon Prazen of Homer, Alaska, for their work "Circle Hook" in the amount of \$11,000, and Melisse Reichman of Homer, Alaska, for her work "A Soulful Eye" in the amount of \$11,000; and

WHEREAS, This award is not final until notice is received by Tarri Thurman and Marlon Prazen of Homer, Alaska, and Melisse Reichman of Homer, Alaska, from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby awards the art work contracts for the Homer Spit Trail Phase II Project to Tarri Thurman and Marlon Prazen, Mooserun Metalsmiths, of Homer, Alaska, in the amount of \$11,000, and Melisse Reichman of Homer, Alaska, in the amount of \$11,000 and authorizes the City Manager to execute the appropriate documents and proceed accordingly.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 24th day of June, 2013.

CITY OF HOMER

MARY E. WYTHE, MAYOR

47 ATTEST:

48

49

50

51 JO JOHNSON, CMC, CITY CLERK

52

53 Fiscal Note: Acct. No. 415-928 Trail to Deep Water Dock and Coal Point; Acct. No. 151-792 to
54 Spit Trail.



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 13-092

TO: MAYOR WYTHE AND HOMER CITY COUNCIL

FROM: ART SELECTION COMMITTEE, HOMER SPIT TRAIL, PHASE II PROJECT

THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

DATE: JUNE 7, 2013

SUBJECT: RECOMMENDATION TO AWARD

BACKGROUND

The members of the Selection Committee reviewed and discussed six proposals. These were submitted in response to an advertised Request for Proposals for artwork on the Homer Spit Trail Phase II Project to fulfill the 1% for the Arts in accordance with Homer City Code, Chapter 18.07 Funds for Works of Art in Public Places. The committee reviewed the proposals at meetings on May 23rd, May 30th and June 6, 2013.

It was noted during the meeting on May 30, 2013 that the additional funding could be found within the construction budget according to Carey Meyer, Public Works Director. The members of the committee have unanimously agreed on the following artists and proposed works of art for the following restroom locations:

1. Circle Hook, Mooserun Metalsmiths, Tarri Thurman and Marlon Prazen, in the Amount of \$11,000

Placement at the Gateway area located at the intersection of Homer Spit Road and Freightdock Road

2. A Soulful Eye, Melisse Reichman, in the Amount of \$11,000

Placement in the End of the Road Park

RECOMMENDATION

Approve recommendation to award contracts to the artists noted above and authorize the City Manager to execute the appropriate documents.

City of Homer
Request for Proposals
Incorporating Art on the Homer Spit Trail Project, Phase II
on the Homer Spit, Homer, Alaska

MAR 19 2013

Proposals to incorporate art into three (3) sections of the Homer Spit Trail Project, Phase II on the Homer Spit, will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until **Thursday, May 9, 2013 at 4:00 p.m.** As there will be three separate areas, artists are encouraged to submit one or more concepts or proposals for each area so as to ensure artwork will be incorporated into all areas.

A non-mandatory project site visit will be held on **Thursday, April 11, 2013 at 2:00 p.m.** to physically view the project sites on the Spit. Proposers interested in attending are directed to meet at the corner of Freightdock Road and Homer Spit Road on the Homer Spit, Homer, Alaska.

Proposal requirement questions shall be directed to:

Renee Krause, CMC, Deputy City Clerk
City Clerk's Office, City of Homer
491 E Pioneer Avenue
Homer, AK 99603
907-235-8121, ext.2224; rkrause@ci.homer.ak.us

The intent of this proposal effort is to provide an opportunity for artists and other interested persons to present ideas on how and what art can be incorporated into the Homer Spit Trail Project, Phase II. The proposals will be evaluated by an Art Selection Committee utilizing the City's 1% for Art Funding designated for this project. All ideas and concepts will be considered. Expect that more than one art piece or idea will be funded with the available dollars.

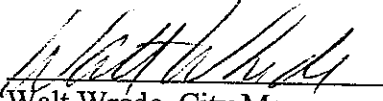
Project questions shall be directed to:

Carey Meyer, Public Works Director
City of Homer
3575 Heath Street
Homer, AK 99603
907-235-3170; cmeyer@ci.homer.ak.us

The City of Homer reserves the right to accept or reject any or all proposals, to waive irregularities or informalities in the proposals, and to award the contract to the respondent that best meets the selection criteria based on the recommendations of the review committee.

Dated this 20th day of March, 2013

CITY OF HOMER


Walt Wrede, City Manager

Advertisement:

Homer Tribune

Homer News

Anchorage Council on the Arts

Homer Council on the Arts

Fiscal Note: 151-792-5227

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager

4 **RESOLUTION 13-065**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
7 ALASKA, APPROVING AN AMENDMENT TO THE
8 KACHEMAK BAY SEAFOODS LEASE ON LOT 88-3,
9 HOMER SPIT NO. 2, TO PERMIT COMMERCIAL
10 SUBLEASES IN TWO BUILDINGS LOCATED ON THE
11 LEASED PROPERTY, AND AUTHORIZING THE CITY
12 MANAGER TO EXECUTE THE APPROPRIATE
13 DOCUMENTS.

14
15 WHEREAS, William Sullivan, dba Kachemak Bay Seafoods, has a ground lease on Lot
16 88-3, Homer Spit No. 2; and

17
18 WHEREAS, The lease expires on April 15, 2022 and contains two 2.5 year options; and

19
20 WHEREAS, Mr. Sullivan submitted a letter dated May 28, 2013 in which he requested a
21 lease amendment to allow for commercial subleases in two existing buildings on his leased
22 property; and

23
24 WHEREAS, The City administration has reviewed the request and finds that the
25 proposed subleases are consistent with the Lease Policies and applicable land use regulations and
26 recommends approval; and

27
28 WHEREAS, HCC 18.08.090 provides that all subleases must be approved by the Homer
29 City Council.

30
31 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves
32 an amendment to the lease held by William Sullivan, dba, Kachemak Bay Seafoods, to permit
33 commercial subleases in two existing buildings depicted on site plan submitted, a copy of which
34 is attached and incorporated herein.

35
36 BE IT FURTHER RESOLVED that the City Manager is authorized to execute the
37 appropriate documents.

38
39 PASSED AND ADOPTED by the Homer City Council this 24th day of June, 2013.
40

41
42
43
44
45
46
47
48
49
50
51
52
53
54
55

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

MAY 29 2013

William Sullivan
4470 Homer Spit Road
Homer, AK 99603



City of Homer
Office of The Clerk
491 E. Pioneer Avenue
Homer, AK 99603

May 28, 2013

To the Clerk;

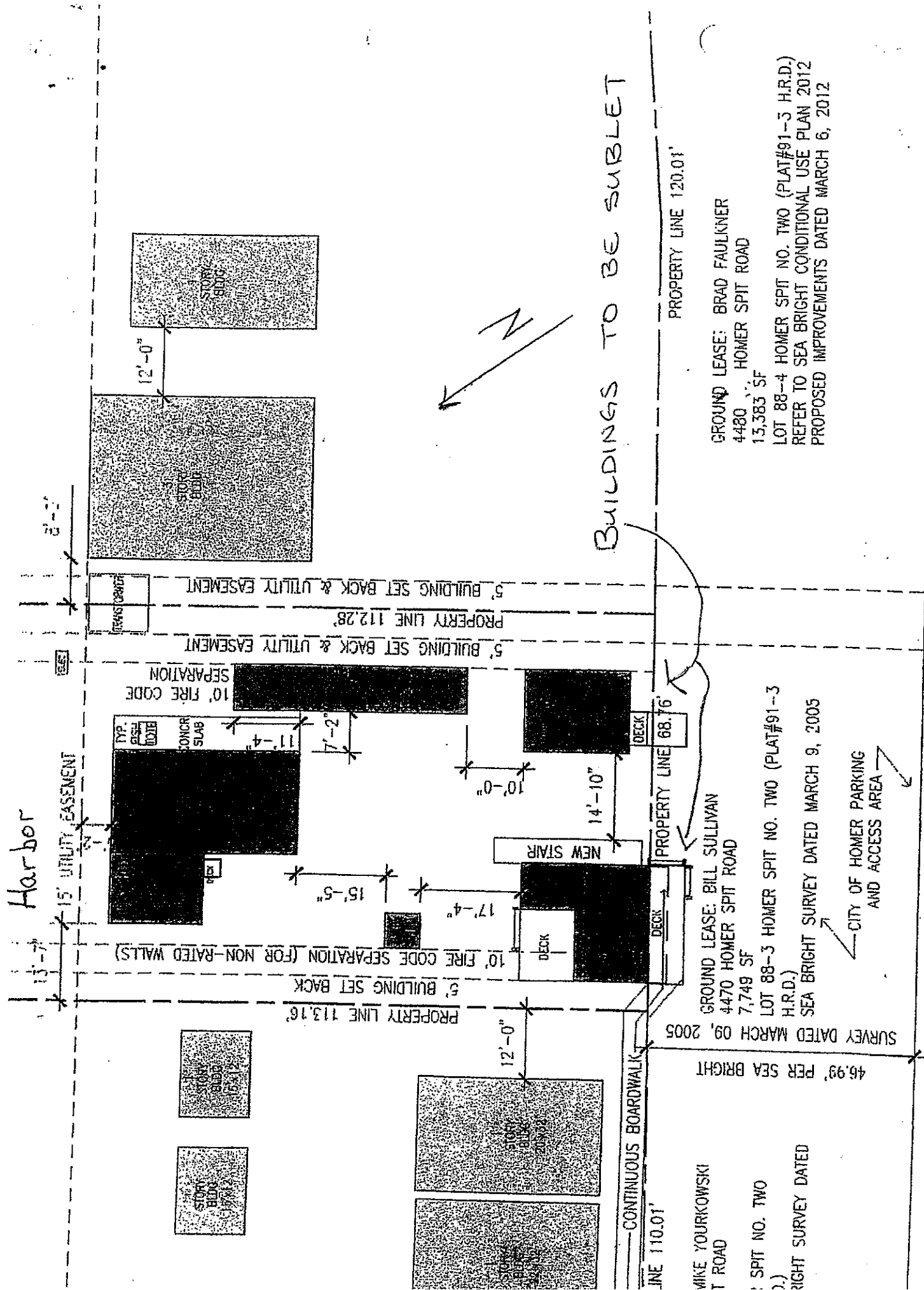
I, William Sullivan, am requesting permission from the City of Homer to sublet the two buildings adjacent to Homer Spit Road on the west end of my lot located at 4470 Homer Spit Rd, Lot 88-3 Homer Spit No. Two (Plat #91-3 HRD). Please see attached diagram indicating the lot and buildings.

Respectfully,



William Sullivan

Harbor



BUILDINGS TO BE SUBLET

PROPERTY LINE 120.01'

GROUND LEASE: BRAD FAULKNER
 4480 HOMER SPIT ROAD
 13,383 SF
 LOT 88-4 HOMER SPIT NO. TWO (PLAT#91-3 H.R.D.)
 REFER TO SEA BRIGHT CONDITIONAL USE PLAN 2012
 PROPOSED IMPROVEMENTS DATED MARCH 6, 2012

PROPERTY LINE 68.76'

GROUND LEASE: BILL SULLIVAN
 4470 HOMER SPIT ROAD
 7,749 SF
 LOT 88-3 HOMER SPIT NO. TWO (PLAT#91-3 H.R.D.)
 SEA BRIGHT SURVEY DATED MARCH 9, 2005

SURVEY DATED MARCH 09, 2005

46.99' PER SEA BRIGHT

MIKE YOURKOWSKI
 T ROAD
 SPIT NO. TWO
 RIGHT SURVEY DATED

CITY OF HOMER PARKING
 AND ACCESS AREA

Homer Spit Rd

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/Police Chief

4 **RESOLUTION 13-066**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
7 ALASKA, APPROVING AND ACCEPTING A REGIONAL
8 AND COMMUNITY JAILS SERVICES CONTRACT FOR FY
9 2014 WITH THE ALASKA DEPARTMENT OF
10 CORRECTIONS IN THE AMOUNT OF \$753,410.00 AND
11 AUTHORIZING THE CITY MANAGER TO EXECUTE THE
12 APPROPRIATE DOCUMENTS.

13
14 WHEREAS, The jail services contract with the Alaska Department of Corrections has
15 been revised to reflect a five-year contract term; and

16
17 WHEREAS, The period of performance for this contract begins July 1, 2013 and ends
18 June 30, 2018; and

19
20 WHEREAS, The contract amount will fluctuate each year with annual Consumer Price
21 Index and Geographical differential increases; and

22
23 WHEREAS, The jail services contract generates \$753,410.00 in revenue for the City of
24 Homer and is budgeted; and

25
26 WHEREAS, Police Chief Robl recommends approval and acceptance of this contract.

27
28 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska,
29 approves and accepts the Regional and Community Jails Services Contract for FY 2014 with the
30 Alaska Department of Corrections in the amount of \$753,410.00 and authorizes the City
31 Manager to execute the appropriate documents.

32
33 PASSED AND ADOPTED by the Homer City Council this 24th day of June, 2013.

34
35 CITY OF HOMER

36
37 _____
38 MARY E. WYTHER, MAYOR

39
40 ATTEST:

41
42 _____
43 JO JOHNSON, CMC, CITY CLERK

44
45
46 Fiscal information: \$753,410.00 budgeted in Account 100.030.4503.



CITY OF HOMER

POLICE DEPARTMENT

4060 HEATH STREET HOMER, AK 99603-7609

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

MEMORANDUM 13-094

DATE: June 12th, 2013
TO: Walt Wrede, City Manager
FROM: Mark Robl, Chief of Police
SUBJECT: FY 2014 Jail Contract Renewal

The Department of Corrections has offered to renew our existing jail contract for FY 2014 for \$753,410. This is an increase of \$116,192 from FY 2013. I am very happy with the increase and I recommend we obtain council permission to renew this contract.

Over the past 18 months the chiefs of Alaska's Community Jails have continued meeting with DOC officials to discuss our jail contracts. Last year we began doing quarterly budget and cost reporting to DOC and submitted actual budget projections to them in October. The main result is the contract increase we have been presented. Another change is that we are now going to a five year contract term. There are also some changes to the contract language, most are related to the five year term. We currently comply with all of them.

This new contract includes annual CPI increases and geographical differential increases. It also provides us the ability to submit annual budgets that request additional increases. I believe we will have continued success at obtaining increases in this contract with suitable justification and ongoing cost documentation and reporting.

Fiscal note: Revenue, \$753,410 to 100.030.4503



Division of Administrative Services

P.O. Box 112000
Juneau, Alaska 99811-2000
Main: 907.465.3399
Fax: 907.465.2006
john.schauwecker@alaska.gov

June 7, 2013

Dear Borough / City:

Please find attached the Regional & Community Jail Contract for FY14. The Department of Corrections has identified below changes that were made to the contract language and the reasons for the changes.

1. The Department changed the name from “Community Jails” to “Regional & Community Jails” throughout the contract. This was changed to more appropriately describe the program.
2. The Department changed the name from “Contractor” to “Borough / City” throughout the contract. This was changed to more appropriately describe the Borough / City.
3. Appendix C.3: This language changed to reflect the new 5 year contract term.
4. Appendix C. 4. j - o: The insurance language in these sections have been revised to ensure compliance with the State of Alaska, Division of Risk Management current standards and requirements.
5. Appendix C. 4. n: This language was moved from Appendix 5.c and was slightly modified by Risk Management to require that the Borough / City shall hold the State of Alaska harmless up to the limits of their policy as stated in Section 4(m). The indemnification language is the responsibility of the Borough / City and should have been in Section 4.
6. Appendix C. 4. r - u: The annual budget, capital project request and quarterly financial report sections have been revised to reflect the new 5 year contract term.
7. Appendix C. 4. o – x: Have been renumbered because the language in C.4.n was added.
8. Appendix D.1: This language changed the contract term from a one year contract to a five year contract with annual Consumer Price Index (CPI) and Geographical differential increases.

9. Appendix D. 4: The intent of this language is to explain how the annual CPI and Geographical differential adjustment works.
10. Appendix F: This was added to provide an example of how annual CPI and Geographical differential adjustment works.

If you have any questions, please don't hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "John P. Schauwecker".

John Schauwecker CPPB, C.P.M
Procurement Manager

cc: Leslie Houston
Deputy Commissioner

Kevin Worley
Administrative Services Director

Carrie Belden,
Probation and Parole Director

Billy Houser
Probation Officer IV

John Bodick
Alaska Department of Law
Attorney V

STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

1. Agency Contract Number 2041005	2. ASPS Number	3. Financial Coding 20665500-15905-76900006-73076	4. Agency Assigned Encumbrance
5. Vendor Number CIH84724	6. Project/Case Number Regional and Community Jail: Homer		7. Alaska Business License Number not applicable
This contract is between the State of Alaska,			
8. Department of Corrections		Division Probation and Parole	hereafter the State, and
9. Contractor City of Homer, Police Department		hereafter the Contractor	
Mailing Address 4060 Heath Street	Street or P.O. Box	City Homer	State AK
			ZIP+4 99603
<p>10. ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.</p> <p>ARTICLE 2. Performance of Service:</p> <p>2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.</p> <p>2.2 Appendix C sets forth the services, liability and insurance provision of this contract to be performed by the contractor.</p> <p>ARTICLE 3. Period of Performance: The period of performance for this contract begins July 1, 2013, and ends June 30, 2018.</p> <p>ARTICLE 4. Considerations:</p> <p>4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$ 753,410.00 in accordance with the provisions of Appendix D.</p> <p>4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:</p>			
11. Department of Corrections		Attention: Division of Administrative Services, Accounting	
Mailing Address PO Box 112000, Juneau, AK 99811-2000		Attention: Devra Hayes (ph. 907-465-3478)	
12. CONTRACTOR		14. CERTIFICATION: I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.	
Name of Firm City of Homer			
Signature of Authorized Representative	Date		
Typed or Printed Name of Authorized Representative Walt Wrede			
Title City Manager (ph. 907-235-3150; fax 907-235-3151)			
13. CONTRACTING AGENCY		Signature of Head of Contracting Agency or Designee	Date
Department/Division Corrections / Probation and Parole	Date		
Signature of Project Director		Typed or Printed Name John Schauwecker	
Typed or Printed Name of Project Director Carrie Belden		Title Procurement Manager CPPB, C.P.M.	
Title Director, Probation and Parole (ph. 907-269-7367)		Dept. of Corrections Juneau Procurement Officer (907-465-3399)	

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

APPENDIX A

GENERAL PROVISIONS

Article 1. Definitions.

- 1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.
- 1.2 "State Contracting Agency" means the department for which this contract is to be performed and for which the Commissioner or Authorized Designee acted in signing this contract.

Article 2. Inspections and Reports.

- 2.1 The department may inspect, in the manner and at reasonable times it considers appropriate, all the contractor's facilities and activities under this contract.
- 2.2 The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

Article 3. Disputes.

- 3.1 Any dispute concerning a question of fact arising under this contract which is not disposed of by mutual agreement shall be decided in accordance with AS 36.30.620-632.

Article 4. Equal Employment Opportunity.

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, disability, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, disability, age, sex, marital status, changes in marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.
- 4.2 The contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy or parenthood.
- 4.3 The contractor shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' compensation representative of the contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.
- 4.4 The contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.
- 4.5 The contractor shall cooperate fully with State efforts which seek to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.
- 4.6 Full cooperation in paragraph 4.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.
- 4.7 Failure to perform under this article constitutes a material breach of contract.

Article 5. Termination.

The Project Director, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. The State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

Article 6. No Assignment or Delegation.

The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Project Director and the Agency Head.

Article 7. No Additional Work or Material.

No claim for additional services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Project Director and approved by the Agency Head.

Article 8. Independent Contractor.

The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

Article 9. Payment of Taxes.

As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any Subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

Article 10. Ownership of Documents.

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the contractor. The contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. The contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

Article 11. Governing Law.

This contract is governed by the laws of the State of Alaska. All actions concerning this contract shall be brought in the Superior Court of the State of Alaska.

Article 12. Conflicting Provisions.

Unless specifically amended and approved by the Department of Law the General Provisions of this contract supersede any provisions in other appendices. The contractor specifically acknowledges and agrees that provisions in any form contracts it appends hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska that are not conditioned on legislative appropriation, or (3) seek to limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.

Article 13. Officials Not to Benefit.

Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

Article 14. Covenant Against Contingent Fees.

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except employees or agencies maintained by the contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage or contingent fee.

**ALASKA DEPARTMENT OF CORRECTIONS
CONTRACT FOR REGIONAL AND COMMUNITY JAILS SERVICES
July 1, 2013 through June 30, 2018**

**Appendix C
General Terms**

Parties

The parties to this contract are the Alaska Department of Corrections, and the Borough/City of Homer, herein referred to as the "Borough/City".

1. Services

Provide short-term regional and community jail confinement of persons held under **State** law.

This is a contract for the Borough/City to operate a jail facility and hold prisoners in accordance with this contract and The Standards for Jail Operations adopted by the Governor's Task Force on Community Jails (November 18, 1994 edition), hereafter referred to as "The Standards".

The Standards and the final report of the Governor's Task Force are attached as Appendix E to this contract. As adopted by the Governor's Task Force, and as explained in the Document, Chapter 13, sec. 13.05 of Appendix E, these standards were not, and are not, intended to be used in any legal proceeding to establish a "duty of care", or evidence of a legal duty to any person or entity. Rather, these standards were and are intended:

- a. as a statement of professional goals to be achieved;
- b. to promote recognition of needed improvements, both as to facilities and operations;
- c. to promote efficiency; and
- d. to encourage professionalism in the operations of Alaska jails.

As used in this contract, "Community Jail Administrator" has the meaning given in Chapter 13 of The Standards.

As used in this contract, "prisoner" has the meaning given in AS 33.30.901(12), and specifically excludes persons detained under authority of AS 47. This contract allows the Borough/City to hold persons detained under AS 47 in its jail facility, however the Department is authorized to, and will not, compensate the Borough/City for any direct or indirect costs related as AS 47 detainees, including medical or transportation costs.

2. Sole Agreement

This contract is the sole agreement between the parties relating to jail services. There are no other agreements, express or implied. This contract represents the Department's sole obligation for payment for the care and custody of prisoners held at the Homer Regional and Community Jail participating in the Regional and Community Jails Program during the term of the contract. It is the intention of the parties that no other sums will be billed to or owed by the Department for jail services.

3. Effective Date/Termination/Amendments

This contract is effective **July 1, 2013** and continues in force through **June 30, 2018** except that it may be terminated by either party upon ninety (90) days written notice from the terminating party. This will be a five-year contract with annual CPI and Geographical differential increases applied each fiscal year as described in Appendix D.

Contract amendments for additional work can be incorporated through appendices or attachments mutually agreed upon and signed by both parties.

4. Responsibilities of the parties

General Responsibilities of the Borough/City

The Borough/City Shall

- a. Operate a facility for the care and confinement of prisoners in accordance with this contract and with goals set out in The Standards, including any additions or deletions to The Standards by the Commissioner of Corrections following notice to all community jail administrators and an opportunity to comment.
- b. Comply with the U.S. Civil Rights Act of 1964, as amended (P.L. 88-35-42 USC secs. 2000e-2 and 2000e-3) and Federal regulations implementing the act in the hiring and treatment of its employees and will not subject any prisoner to discrimination on the grounds of race, creed, color, religion, national origin, sex.
- c. Permit reasonable visitation for prisoners as set out in The Standards. A record or log of all prisoner visitors will be kept indicating date, time and identity of each visitor.
- d. Protect prisoner property by taking proper precautions and providing the necessary policies and procedures to protect the property from loss or destruction.
- e. Not accept a prisoner into the facility under this contract if the person is unconscious or in immediate need of medical attention, and shall not be entitled to reimbursement for immediate medical services provided to such a person. The Borough/City shall provide necessary medical care for prisoners accepted into the facility under this contract, and shall be entitled to reimbursement by the Department for the cost of such care, per Section C6 of this contract.
- f. Immediately notify the Department of Corrections, the nearest post of the Alaska State Troopers, and any police agencies in the general vicinity of the jail facility if a prisoner escapes or leaves the premises of the facility without authority. The Borough/City shall make every reasonable effort to return the prisoner to the facility without cost to the Department of Corrections, as long as there are reasonable grounds to believe the prisoner is within the Borough/City limits.
- g. Adopt and enforce rules concerning smoking by prisoners and staff consistent with State statutes and regulations, keeping in mind the health and welfare of all prisoners and staff personnel.
- h. Maintain prisoner records showing the prisoner's time served, the date and time the

prisoner was booked in, the date and time of changes to custody, notations about the prisoner's institutional adjustment, and records of medical and dental treatment. These prisoner records must be in a prisoner's file when they are transferred from the regional and community jail facility to another state correctional facility.

- i. Immediately, but, in no event more than 24 hours following receipt of notice, report to the Department of Corrections all claims concerning the jail facility that could foreseeably affect the legal liability of either party to this contract and cooperate with the Department of Corrections in the defense and/or settlement of the claim.
- j. Purchase and maintain in force at all times during the performance of services under this agreement the policies of insurance listed in the contract. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Borough's/City's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.
- k. Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Borough's/City services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS21.
- l. The Borough / City shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and where applicable, any other statutory obligations including but not limited to Federal U.S.L.&H. and Jones Act requirements. This policy must waive subrogation against the state. The Borough/City shall be responsible for insuring that any subcontractor who directly or indirectly provides services under this contract will maintain Worker's Compensation Insurance.
- m. Provide and maintain comprehensive general liability insurance, with a combined single limit per occurrence of not less than \$1,000,000.00 covering activities associated with or arising out of this contract, to include jail keeper's legal liability coverage. The State shall be added as an additional insured under such policies. The Borough/City shall be solely responsible for the payment of claims or losses to the extent they fall within the deductible amount of such insurance. This insurance shall be primary to any other insurance or self insurance carried by the State.
- n. Hold that the Borough / City shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Borough / City under this agreement up to the Borough / City policy limits as noted in Section 4(m). The Borough / City shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Borough / City and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Borough / City" and "Contracting agency", as used within this and the following article, include the employees, agents and other Borough / City who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's

selection, administration, monitoring, or controlling of the Borough / City and in approving or accepting the Borough / City work.

- o. Provide and maintain comprehensive automobile liability insurance, covering all owned, hired and non-owned vehicles used during the provision of services under this contract with coverage limits not less than \$100,000.00 per person, \$300,000.00 per occurrence bodily injury and \$50,000.00 property damage.
- p. The regional and community jail must use an accounting system that records all expenditures on an ongoing basis and must provide a record of these expenditures to the oversight agency on a quarterly basis in a format prescribed by the oversight agency.
- q. The regional and community jail must prepare and present an annual budget request that reflects the necessary resources required for facility operations. Budget requests will be prepared in the manner and detail prescribed by the oversight agency. The annual budget request will include a staffing plan showing in detail staff assignments and the number of full and part-time positions.
- r. Annual budget request for each fiscal year is due to the Department's State Regional and Community Jail Administrator on October 15 of each year.
- s. Annual budget request for each fiscal year is due to the State Regional and Community Jail Administrator on October 1 of each year for inclusion in the annual Department of Corrections' fiscal year operating appropriations request annually. For example; Fiscal Year 2015 is due to the State Regional and Community Jail administrator on October 1, 2013 for inclusion in the annual Department of corrections' fiscal year 2015 operating appropriations request.
- t. By October 1 of each fiscal year, the Regional and Community Jail Administrator must provide their request for the next fiscal year capital project request. Failure to meet this deadline may result in no capital project request for the next fiscal year
- u. Quarterly financial reports are due to the state regional and community jail administrator on the following dates of each fiscal year:
 - July – September – quarterly and year-to-date financial statement due on October 31.
 - October – December – quarterly and year-to-date financial statement due on January 31.
 - January – March – quarterly and year-to-date financial statement due on April 30.
 - April – June– quarterly financial and year-to-date financial statement due on July 31.
- v. Provide a monthly accounting of prisoner statistics by the 15th day of the month following the monthly period covered on forms provided by the Department of Corrections. The forms shall include specific information on each prisoner housed during the reporting period to include the prisoner's name, the number of man-days, the charge or reason for incarceration, the dates of incarceration, the arresting agency and other information as requested on the forms.

“Man-day” indicates a prisoner was confined for more than four (4) hours in one twenty-four hour calendar day. If a prisoner had been confined for less than or equal to (4) hours in one calendar day, the accounting shall indicate one-half man-day.

- w. Not operate furlough or release programs for pre-sentenced prisoners held, unless ordered by a court. The Borough/City shall not permit a furlough or release for any sentenced prisoners without the consent of the Department of Corrections.
- x. Regional and Community Jails accessing the Agency's Alaska Corrections Offender Management System (ACOMS) will require all jail personnel using the ACOMS System to undergo a DOC background security check. The Regional and Community Jail Administrator will submit the following information for each person accessing the ACOMS System for security review by DOC:

- (1) Full name
- (2) Residence address
- (3) Telephone
- (4) Date of birth
- (5) Valid drivers license and state of issue, or other photo identification
- (6) Social Security number

The Jail Administrator, with assistance from the State Regional and Community Jail Administrator, will develop Policy and Procedures for monitoring jail staff to ensure system security, confidentiality and the use of the ACOMS System only for Regional and Community Jail business. The Jail Administrator will immediately notify the Regional and Community Jail Coordinator if jail staff with access to the ACOMS System leave their employment.

Regional and Community will be responsible for ongoing telecommunications costs such as line charges, connection fees and internet service provider fees, etc.

5. General Responsibilities of the Department of Corrections

The Department of Corrections shall:

- a. Reimburse the Borough/City for necessary medical care under section C6 of this Contract.
- b. Not be responsible for the management of local jail facility prisoner population. It is the policy of the Department of Corrections to detain and confine only prisoners from the normally serviced region of the respective facilities. However, in the case of an emergency or for necessary population or security management purposes, prisoners may be transferred from other areas of the State.
- c. Be permitted to inspect, at all reasonable times, any facility used by the Borough/City

to house prisoners that are confined, in order to determine if that facility is complying with The Standards and with this agreement.

- d. Provide on-going technical assistance and training for regional and community jails requesting access to the ACOMS System. The Department of Corrections will conduct security checks, with information provided by the Jail Administrator, for all jail staff requesting access to the ACOMS System. All related telecommunications charges (such as telephone company lines fees or tolls and internet service provider fees, or special charges for initial line installation) will be the responsibility of the community jail.

6. Medical and Dental Care and Reimbursement

The Borough/City shall:

- a. Provide necessary medical care to prisoners accepted into the Regional and Community Jail facility under this contract. Prisoners who require medical attention are to be provided treatment as soon as possible, taking into consideration the nature of the illness or injury. If medical care is provided outside of the jail facility, the Regional and Community Jail Administrator shall provide transport to the off-site medical facility and necessary security as required by paragraph 7a of this contract.

As used in this contract, "necessary medical care" has the meaning given in Chapter 13 of The Standards. If requirements of this definition are otherwise met, the following are included within the term "necessary medical care" and subject to reimbursement:

- (1) psychological or psychiatric care; and
- (2) dental care to:
 - i. control bleeding;
 - ii. relieve pain;
 - iii. eliminate acute infection;
 - iv. prevent pulp decay and imminent loss of teeth through operative procedures; and
 - v. treat injuries to teeth or repair supporting dental structures, caused by accident or injury.
- b. Maintain control of and dispense medicines to prisoners in compliance with The Standards and directions specified by a physician or other qualified health care provider, and take reasonable steps to guard against misuse or overdose of medicines by prisoners.
- c. Adopt emergency medical procedures and make available telephone numbers for medical, psychiatric, or other health services, so that staff will have ready access to such information.
- d. Obtain approval from the Department before incurring liability for medical care which reimbursement is sought, except in the case of emergency care that must be provided to the prisoner before approval from the Department of Corrections can be obtained. The Borough/City shall make a reasonable effort to obtain approval from the Department of Corrections and shall promptly, but in no event later than the next

working business day, notify the Department of Corrections of any emergency for which medical care was provided before such approval could be obtained. Approval from the Department of Corrections will not be unreasonably withheld. To obtain approval Borough/City staff should contact the Department of Corrections Central Office during normal working hours Monday through Friday 8:00am to 4:30pm at (907) 269-7300, after hours, weekends and holidays contact the Anchorage Correctional Complex Medical Unit at (907) 269-4233.

- E Be entitled to reimbursement from the Department of Corrections for expenses of necessary medical care provided under paragraph 6a and approved under paragraph 6d. In applying for reimbursement, the Borough/City must follow the procedure set out in paragraph 6f. The Borough/City will not be entitled to reimbursement for the hiring of emergency guards or other medically related security costs, or for medical care for persons
- (1) held under the authority of AS 47,
 - (2) accepted into the facility while unconscious or in immediate need of medical attention,
 - (3) receiving medical services for elective, cosmetic or other medical services that are not necessary medical care, or

Medical services provided to prisoners who have been properly accepted into the Borough/City jail facilities under this contract shall not, however, be challenged by the Department merely because they were rendered immediately or shortly after the prisoner was accepted.

- F Request reimbursement by submitting to the Department of Corrections a properly certified accounting containing:
- (1) a copy of the medical bill with the prisoner's name and a description of the services rendered,
 - (2) a copy of the monthly booking form showing the prisoner's date and time of booking, and
 - (3) a copy of the medical payment request form.

The Regional and Community Jail Administrator will make reasonable effort and take appropriate steps to assure that the Department of Corrections is billed only for necessary and required medical services beyond the payment limits of the prisoner or any insurance carrier or other third-party payer.

7. Transfers and Transportation of Prisoners

The parties agree that:

- a. The Borough/City shall provide transportation and supervision for medical care provided within local boundaries as required by paragraph 6(a). Supervision must be adequate to prevent escapes, prevent inappropriate contact with others, prevent possession of contraband and provide security for the prisoner and the public.

- b. The Borough/City shall immediately notify the Department to request that a prisoner be transferred from the facility to one outside of local boundaries because;
 - (1) a court has ordered the transportation;
 - (2) the prisoner has been incarcerated in the facility for 10 consecutive days, unless a court has ordered that the prisoner remain in the facility or the prisoner has signed a written waiver requesting to remain in the facility; or
 - (3) the Regional and Community Jail Administrator believes a transfer is necessary for security or population management reasons.
- c. The Borough/City shall continue to hold prisoners, notwithstanding the existence of grounds for a transfer, until the Department arranges transportation for the prisoner.
- d. The City shall, when the prisoner leaves the facility, furnish the transporting officer with the prisoner's file described in paragraph 4h of this agreement.

8. Electronic Monitoring

The Borough/City has the option to use electronic monitoring. If the Borough/City is interested in electronic monitoring, please contact DOC to coordinate a memorandum of agreement and utilization of the DOC BI, Inc. Electronic Monitoring contract.

**ALASKA DEPARTMENT OF CORRECTIONS
CONTRACT FOR REGIONAL AND COMMUNITY JAIL SERVICES
July 1, 2013 through June 30, 2018**

**Appendix D
Payment Provisions**

1. The total contract amount for the City / Borough of Homer is **\$753,410.00** for the period from **July 1, 2013 through June 30, 2014** and represents the total payment due for FY 14. This will be a five-year contract with annual CPI and Geographical differential increases applied each fiscal year as described below. 7 Beds
2. It is specifically agreed by the parties that the Department of Corrections is not funded for and will not provide annual in-service training as set out in Section 10.01 of The Standards, unless funding is provided by the Alaska Legislature or the City.
3. The City / Borough shall be prohibited from utilizing funds received under this contract for any purpose other than operation of Regional and Community Jail facility. Any funds received by the City / Borough under this contract that are utilized for purposes other than those authorized by this contract shall be reimbursed to the State and deposited to the general fund.
4. The Department of Corrections will automatically provide a guaranteed inflation adjustment at the start of FY 2015 (July1, 2014) and price adjustments will then be provided annually at the beginning of each fiscal year throughout the life of the contract.

Adjustments will be calculated in accordance with the percentage change in the US Department of Labor Consumer Price Index (CPI) CUUSA427SA0, - All Urban Consumers for Anchorage, Alaska (not seasonally adjusted) issued for the most recent half-year period. The base CPI for all future adjustments will be the index issued for January through June 2012 (205.215). The percentage change for each annual price adjustment will be further adjusted by the appropriate "district cost factor" in AS 14.17.460 as a geographical difference.

The CPI adjustment is capped at 2% per annual period multiplied by the geographical difference noted in the prior paragraph. See the attached EXAMPLE, (Appendix F), which further explains the automatic guaranteed inflation adjustment with the geographical difference adjustment.

The Department of Corrections will notify the City / Borough of Homer each fiscal year in May of the new rate that includes the price adjustment. The Department of Corrections will exercise a unilateral amendment to encumber the appropriate funds and recognize to new contract amount each fiscal year that includes the CPI and geographical differential increases and provide a copy to the City / Borough of Homer.

Appendix List:

- A General Provisions
- B Not used
- C General Terms and Indemnity and Insurance related language
- D Payment Provisions
- E State of Alaska, Community Jails Program: Standards for Jail Operation
As produced and adopted by the Governor's Task Force on Community Jails,
November 1994
- F CPI & Geographical Differential example

Appendix F
CPI & Geographical Difference Example

For the CPI adjustment in the contract, Department of Corrections (DOC) annually adjusts the contract amount on the initial base year amount. Then annually, DOC recalculates the CPI model to determine the contract increase (capped at 2% per annual period multiplied by the Department of Education and Early Development factor) Contract increase will be the lower of the CPI adjusted amount or the DOC capped amount.

Contract renewal date: July 1, 2014

Price to be adjusted: \$500,000 annual contract

Adjustment period: Annually

CPI index to use: CPI-U All Urban Consumers, All Items, Anchorage area

DOEED factor: 1.234

Base index: January to June, 2012 - 205.215

First Adjustment Period (FY 2015):			
Current index: July to December 2013			208.500
Base index: January to June 2012			205.215
Subtract the Base index from the Current index		=	3.285
Divide the result by the Base index		=	0.0160
Multiply the result by 100 to obtain percentage		=	1.60%
Multiply the price to be adjusted by the % increase		=	\$ 8,000.00
Multiply the price increase by the appropriate District			
Cost Factor from AS 14.17.460			\$ 9,872.00
Add the price to be adjusted to the adjusted amount		=	\$ 509,872.00
CPI adjusted amount			\$ 509,872.00
DOC capped amount			\$ 509,872.00 (A)
Contract amount multiplied by capped increase		=	\$ 10,000.00
Multiply the capped price increase by the appropriate			
District Cost Factor from AS 14.17.460		=	\$ 12,340.00
Add the capped price to base contract amount		=	\$ 512,340.00 (B)
CONTRACT AMOUNT FOR THE FIRST ADJUSTMENT PERIOD	Lower of (A) or (B)		\$ 509,872.00

Contract renewal date: July 1, 2015
 Price to be adjusted: \$500,000 annual contract
 Adjustment period: Annually
 CPI index to use: CPI-U All Urban Consumers, All Items, Anchorage area
 DOEED factor: 1.234
 Base index: January to June, 2012 - 205.215

Second Adjustment Period (FY 2016):			
Current index: July to December 2014			213.300
Base index: January to June 2012			205.215
Subtract the Base index from the Current Index		$213.300 - 205.215$	8.085
Divide the result by the Base index		$8.085 / 205.215$	0.0394
Multiply the result by 100 to obtain percentage		0.0394×100	3.94%
Multiply the price to be adjusted by the % increase		$\$500,000.00 \times 3.94\%$	$\$ 19,700.00$
Multiply the price increase by the appropriate District			
Cost Factor from AS 14.17.460		$\$19,700 \times 1.234$	$\$ 24,309.80$
Add the price to be adjusted to the adjusted amount		$\$500,000.00 + \$24,310$	$=$
CPI adjusted amount			$\$ 524,310.00$
DOC capped amount			
Contract amount multiplied by capped increase		$\$500,000 * (2\% * 2)$	$=$
Multiply the capped price increase by the appropriate			$\$ 20,000.00$
District Cost Factor from AS 14.17.460		$\$20,000 * 1.234$	$=$
Add the capped price to base contract amount		$\$500,000 + \$24,680$	$=$
CONTRACT AMOUNT FOR THE SECOND ADJUSTMENT PERIOD		Lower of (A) or (B)	$\$ 524,310.00$

It is important to note that with each price adjustment, the original CPI base index date range must be compared to the most current CPI index date range. Equally important is that DOC must always make the adjustment to the original contract amount. DOC does not adjust the contract amount that has been previously adjusted.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Council

4 **RESOLUTION 13-068**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
7 ALASKA, AMENDING THE LAND ALLOCATION PLAN TO
8 MAKE LOT 2, TRACT 1-A, FISHING HOLE SUBDIVISION
9 AVAILABLE FOR LEASE, ESTABLISHING THE
10 PARAMETERS FOR SUCH AN OFFERING, AND
11 AUTHORIZING THE CITY MANAGER TO PROCEED WITH
12 A REQUEST FOR PROPOSALS.
13

14 WHEREAS, Lot 2, Tract 1-A, Fishing Hole Subdivision is a parcel which is very much
15 in demand by a variety of competing interest groups and current uses include a mix of recreation,
16 dredged material storage, the theatre, camping, and marine industrial activities; and
17

18 WHEREAS, The City Council has determined that it will not consider any new leases on
19 this property until a land use plan is approved that considers the overall best interest of the City
20 now and in the future; and
21

22 WHEREAS, A conceptual plan was presented to the Council by the Planning Department
23 several months ago and a revised concept plan was presented at a workshop on May 13 which
24 was scheduled to further the discussion of the long term future of the parcel and the on-going
25 planning effort; and
26

27 WHEREAS, The revised concept plan included a new Water Trail launch site, relocating
28 the campground office, relocating and building a new picnic shelter, improving the day use
29 areas, extending trails, reconfiguring the campground and making more efficient use of available
30 space, and dividing and separating recreational uses from marine industrial uses; and
31

32 WHEREAS, The Council considered Memorandum 13-069 from the City Planner which
33 addressed the new concept plan and the background for planning and Memorandum 13-032 from
34 the City Manager regarding steps the Council needed to take if it wanted to make property
35 available for lease on this parcel; and
36

37 WHEREAS; During the discussion regarding Resolutions 13-056(S) and 13-063 at the
38 regular meeting on June 10, the Council reached the conclusion that it might be best to offer the
39 entire parcel for lease in order to provide opportunities to all interested parties and get a better
40 indication of what the market demand might be.

41 NOW, THEREFORE, BE IT RESOLVED that Homer City Council hereby amends the
42 Land Allocation Plan to make Lot 2, Tract 1-A, Fishing Hole Subdivision available for lease.

43
44 BE IT FURTHER RESOLVED that the parameters and stipulations to be included in the
45 Request for Proposals shall include:

- 46
- 47 • That the proposed use must be consistent with the intent and requirements of the
48 applicable zoning district and the Spit Comprehensive Plan (almost all of the parcel south
49 of the Fishing Hole is zoned Marine Industrial)
 - 50 • That the parcel is being offered to all qualified applicants including qualified non-profit
51 organizations.
 - 52 • That qualified, responsive, and highly scored non-profit organizations will receive a 30%
53 discount on lease rent. If their proposal contains a lease rate that is within 70 percent of
54 competing proposals, they receive a preference.
 - 55 • That applicants may submit a proposal for all or a portion of the lot.
- 56

57 BE IT FURTHER RESOLVED that the City Manager is authorized to proceed with
58 issuing the request for proposals.

59
60 PASSED AND ADOPTED by the Homer City Council this 24th day of June, 2013.

61
62 CITY OF HOMER

63
64
65 _____
66 MARY E. WYTHER, MAYOR

67
68 ATTEST:

69
70
71 _____
72 JO JOHNSON, CMC, CITY CLERK

73
74
75 Fiscal information: N/A

76

40 BE IT FURTHER RESOLVED that the Council hereby approves the proposed sale and
41 easement agreement with Harmon and Pauli Hall and authorizes the City Manager to execute the
42 easement agreement and take the necessary steps required under the City Code to initiate the
43 land sale.

44

45 PASSED AND ADOPTED by the Homer City Council this 24th day of June, 2013.

46

47

CITY OF HOMER

48

49

50

MARY E. WYTHER, MAYOR

51

52

53 ATTEST:

54

55

56

JO JOHNSON, CMC, CITY CLERK

57

58

59

60

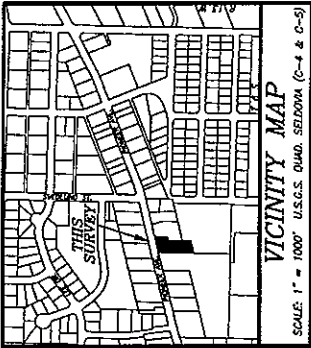
Fiscal information: Amount to be determined from sale of land.

61

62

63

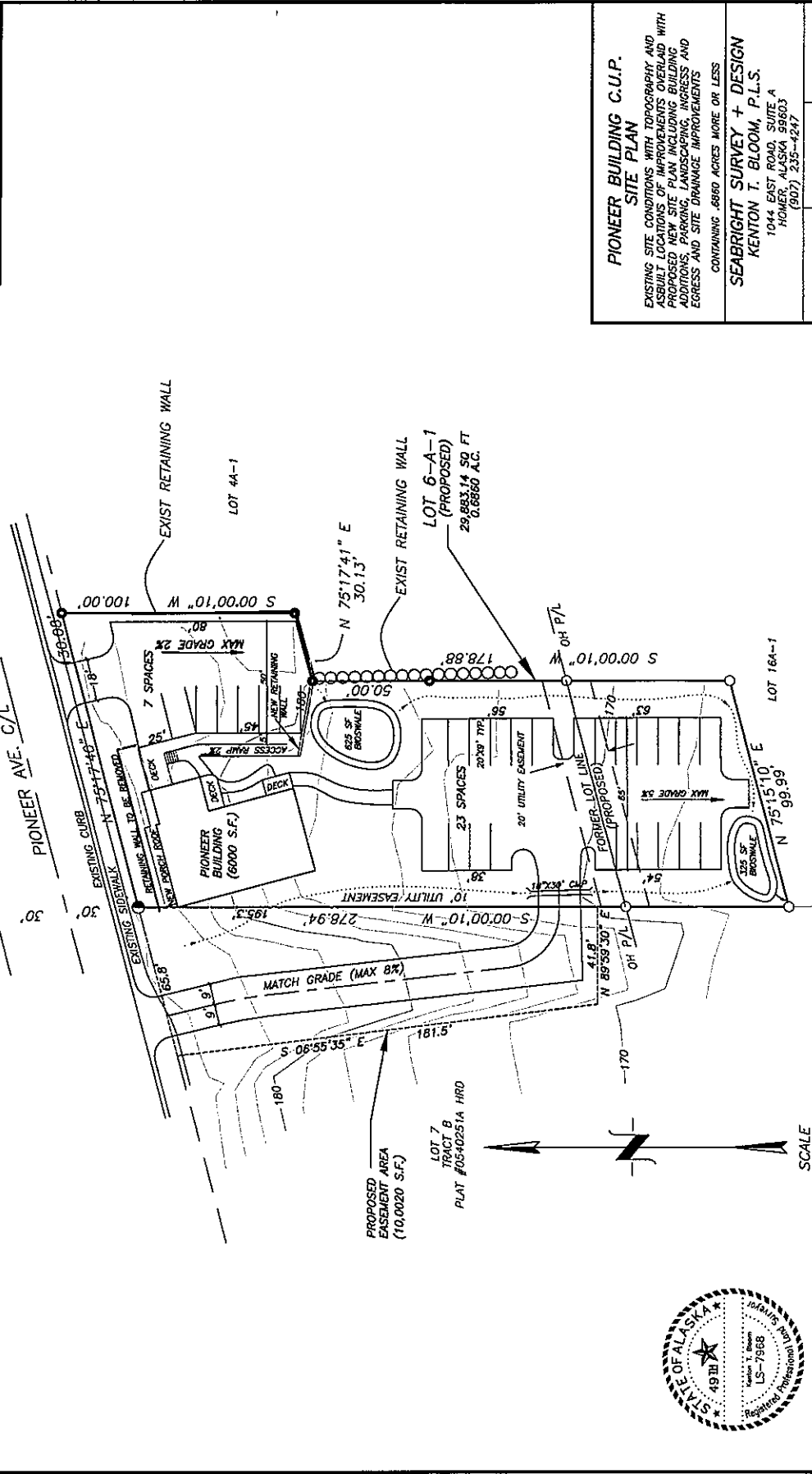
64



NOTES

LEGEND

- 2" ALUMINUM CAP ON 30" X 5/8" REBAR SET IN 1984 (PLAT #1884-123 HRD) (RECORD)
- 5/8" REBAR W/ STAMPED SURV-KAP SET IN 1990 (PLAT #1990-20 HRD) (RECORD)
- AL CAP MONUMENT, 4469-S (RECORD)



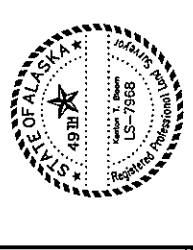
**PIONEER BUILDING C.U.P.
SITE PLAN**

EXISTING SITE CONDITIONS WITH TOPOGRAPHY AND LOCATIONS OF IMPROVEMENTS OVERLAIN WITH PROPOSED PLAN. SEE PLAN FOR EXISTING AND PROPOSED ADDITIONS, PARKING, LANDSCAPING, INGRESS AND EGRESS AND SITE DRAINAGE IMPROVEMENTS

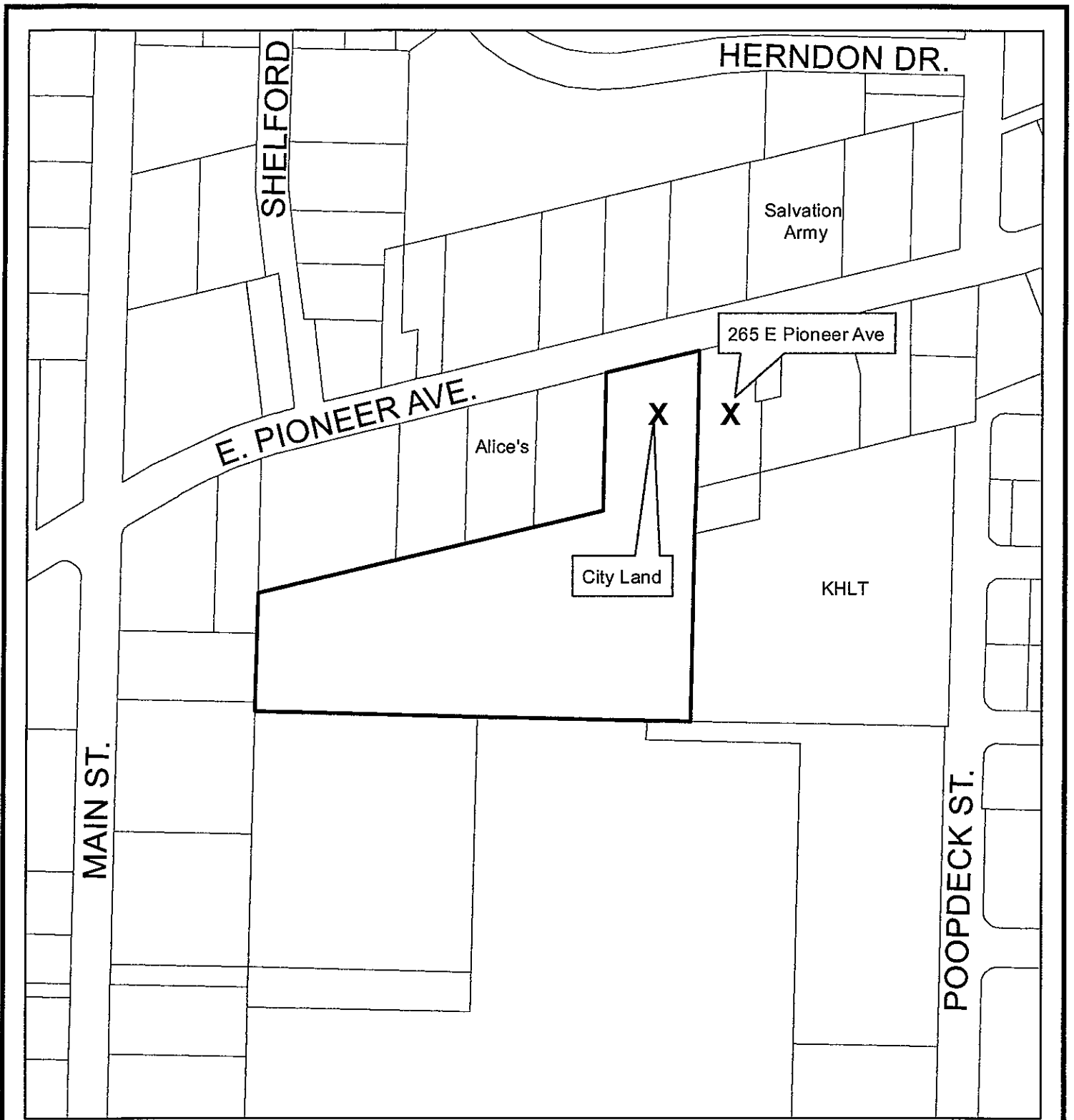
CONTAINING .6860 ACRES MORE OR LESS

**SEABRIGHT SURVEY + DESIGN
KENTON T. BLOOM, P.L.S.**
1044 EAST ROAD, SUITE A
HOMER, ALASKA 99603
(907) 235-4247

DRAWN BY: K.B. CHKD BY: KB JOB #13-03
DATE: 4/26/2013 SCALE: 1"=30' SHEET #1 OF 1

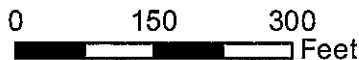


SCALE
1" = 30'

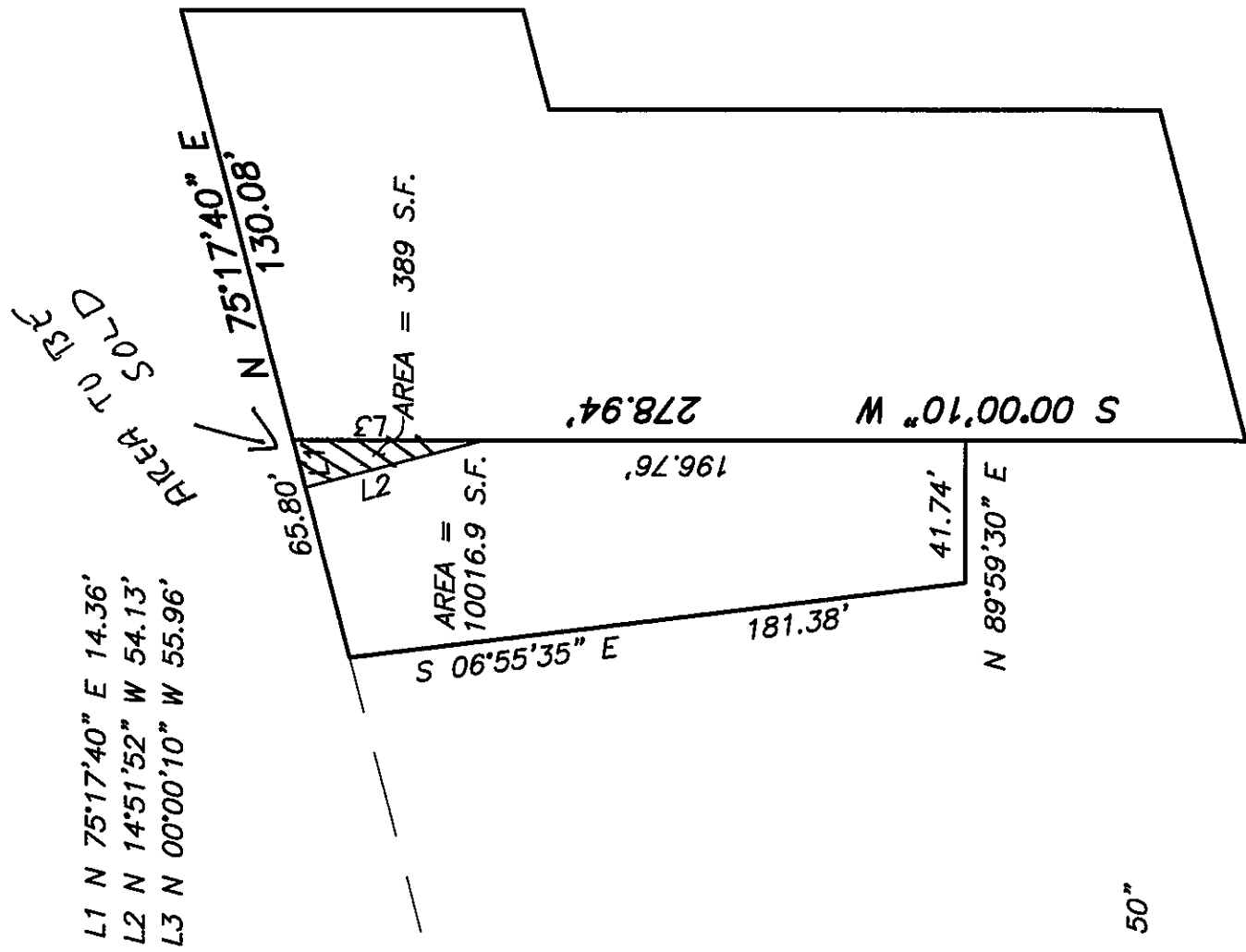


City of Homer
 Planning and Zoning Department
 June 18, 2013

Vicinity Map



Disclaimer:
 It is expressly understood the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or deductions, interpretations or conclusions drawn therefrom.



1" = 50'

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager

4 **RESOLUTION 13-070**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
7 ALASKA, AUTHORIZING THE ALLOCATION OF UP TO
8 \$12,000 FROM THE REIMBURSABLE GRANT
9 ESTABLISHED IN ORDINANCE 12-51(A) FOR THE
10 PURPOSES OF FUNDING PHASE 1 OF THE TIDAL ENERGY
11 INCUBATOR PROJECT.

12
13 WHEREAS, A working group assembled of industry professionals and agency
14 representatives has been meeting to explore the potential of developing the Deep Water Dock as
15 a Tidal Energy Incubator for the purposes of testing tidal power technology; and
16

17 WHEREAS, The City of Homer has a strong interest in seeing this project funded
18 because of the potential for the proposed Homer Tidal Energy Incubator Project to create local
19 jobs and strengthen Homer's economy; and
20

21 WHEREAS, The Homer City Council created a reimbursable grant in the amount of
22 \$100,000 via Ordinance 12-51(A) on November 26, 2012 to fund the Tidal Energy Incubator
23 Project; and
24

25 WHEREAS, Phase 1 of the project consists of defining opportunities, developing design
26 and evaluation criteria, refining design and cost estimates, selecting a preferred alternative,
27 performing a market analysis, and determining site conditions; and
28

29 WHEREAS, A group of seven University of Alaska Anchorage students developed a
30 preliminary design for the facility as part of their University of Alaska Anchorage School of
31 Engineering Student Capstone Design Project fulfilling most of the objectives set out for Phase
32 1; and
33

34 WHEREAS, One of the remaining elements of Phase 1 is a site assessment to determine
35 current, turbulence, and suspended solids measurements; and
36

37 WHEREAS, Phase 1 will set the groundwork for allowing the City to develop a
38 reimbursable grant proposal to fund development of the project in accordance with the direction
39 provided in Ordinance 12-51(A); and
40
41

42 WHEREAS, The Homer Port and Harbor will benefit from having site assessment data
43 for the Deep Water Dock; and

44
45 WHEREAS, The expenditures required for the site assessment include deploying an
46 acoustic doppler current profiler and associated analysis.

47
48 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council authorizes the
49 allocation of up to \$12,000 to perform a site assessment at the Deep Water Dock from the
50 reimbursable grant established in Ordinance 12-51(A).

51
52 PASSED AND ADOPTED by the Homer City Council this 24th day of June, 2013.

53
54 CITY OF HOMER

55
56
57
58 _____
59 MARY E. WYTHER, MAYOR

60 ATTEST:
61
62
63 _____
64 JO JOHNSON, CMC, CITY CLERK

65
66 Fiscal Note: \$12,000 from the reimbursable grant established in Ordinance 12-51(A).
67

June 13, 2013

Site Assessment for the Homer Tidal Power Incubator Project

Overview:

Tom Ravens (Prof. of Civil Engineering at UAA, and Director of the UAA Fluid Mechanics and Hydrokinetics Lab) proposes to provide a Site Assessment for the Homer Tidal Power Incubator Project. Based on conversations and emails with Bob Smith and others, Dr. Ravens proposes the 5 Tasks below.

Tasks:

- 1. Current measurements at a selected location.* A bottom-mounted Acoustic Doppler Current Profiler (ADCP) will be deployed on the Bay bottom in the proposed Incubator Site. The ADCP will record half-hourly velocity data (in the East, North, and vertical directions) for one to two months. The hourly measurement will be an average of 10 minutes of data centered on the half-hour. Data will be collected in 1-m high vertical bins (i.e., data will be available as a function of vertical position at 1-m intervals). Data on measurement uncertainty will be provided. The location of the ADCP will be decided after consulting with Representatives of the City of Homer. A City of Homer crane would be used to help deploy the instrument.
- 2. Turbulence measurements.* A tripod-mounted Acoustic Doppler Velocimeter (ADV) will be deployed near the ADCP measurement site in order to collect data on turbulence intensity and size of turbulent eddies at about 2 m above bottom. Turbulence data will be collected every half hour by measurement of a burst (4048 data points) of velocity data at 16 Hz.
- 3. Turbulence and suspended solids measurements.* Two Optical Backscatter (OBS) sensors will be deployed at two different depths by the ADV deployment. The OBS sensors will be cabled to the ADV which will provide power to the OBS sensors and store data.
- 4. Collection and analysis of bottom sediment samples.* Two to four surface sediment samples will be taken with an Eckman dredge. The sediments will be analyzed for grain size distribution.

5. *Final Report.* A final report to Homer City Council documenting the site assessment work conducted and presenting the data collected.

Budget:

The total budget for the project is \$11,913. This includes salary for the PI (\$3080, ¼ month) and grad student (\$3480, 1 month). It also includes fringe benefits (\$1,512), travel costs (\$758), instrument maintenance (\$500), field and lab supplies (\$200), and indirect costs (\$2383).

I would be happy to answer any questions.

Sincerely,

A handwritten signature in blue ink that reads "Tom M. Ravens". The signature is written in a cursive style with a large initial 'T'.

Tom Ravens, Ph.D.
Professor, Dept. of Civil Engineering
Director, UAA Fluid Mechanics and Hydrokinetics Lab
University of Alaska, Anchorage
(907) 786-1943
(907) 231-0793 (cell)
tmravens@uaa.alaska.edu

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Port and Harbor Director

5 **RESOLUTION 13-072**

6
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
8 ALASKA, AUTHORIZING THE CITY MANAGER TO
9 DISPOSE OF USED AND SURPLUS DEEP WATER DOCK
10 FENDER UNITS PURSUANT TO HCC 18.30.010-020 AND
11 HCC 18.30.040(B).

12
13 WHEREAS, The Port and Harbor Department has in its possession eleven (11) used
14 fender units and associated support pile and hardware which it has determined to be unneeded
15 and surplus pursuant to HCC 18.30.110; and

16
17 WHEREAS, It is estimated that the value of the fender units and associated support pile
18 and hardware exceeds \$5,000; and

19
20 WHEREAS, HCC 18.30.020 provides that “ No supplies, materials, equipment or other
21 personal property of a value of more than five thousand dollars may be sold or otherwise
22 disposed of until the City Council has declared, by motion or resolution, such property surplus,
23 obsolete, or unneeded, or that the transaction is otherwise in the best interest of the City.”; and

24
25 WHEREAS, HCC 18.40(b) provides that “the City Manager may sell, lease, donate,
26 exchange or otherwise dispose of personal property, or an interest therein, to or with another
27 municipality, state, or the United States when and under such terms and conditions as the City
28 Council, in its sole judgment, deems advantageous to the City to do so.”; and

29
30 WHEREAS, The Port and Harbor Department and the City Administration want to
31 advertise the sale of the Deep Water Dock surplus the fender units, support pile, and associated
32 hardware; the disposal of which is deemed to be in the overall best interest of the City.

33
34 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby declares
35 the Deep Water Dock surplus fender units, support pile, and associated hardware to be unneeded
36 and surplus and authorizes the City Manager to dispose of it pursuant to either HCC 18.30.010-
37 020 or HCC 18.30.040(b) in the best interests of the City.

38
39 PASSED AND ADOPTED by the Homer City Council this 24th day of June, 2013.
40
41

42
43
44
45
46
47
48
49
50
51
52
53
54
55

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Revenue amount to be determined.

VISITORS

ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS

**CITY OF HOMER
HOMER, ALASKA**

MAYOR'S PROCLAMATION

July as Parks and Recreation Month

WHEREAS, Parks and recreation programs are an integral part of communities throughout this country, including the City of Homer; and

WHEREAS, Our parks and recreation are vitally important to establishing and maintaining the quality of life in our communities, ensuring the health of all citizens, and contributing to the economic and environmental well-being of a community and region; and

WHEREAS, Parks and recreation programs build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for those who are mentally or physically disabled, and also improve the mental and emotional health of all citizens; and

WHEREAS, Parks and recreation programs increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS, Parks and recreation areas are fundamental to the environmental well-being of our community; and

WHEREAS, Parks and natural recreation areas improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, and produce habitat for wildlife; and

WHEREAS, Our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and

WHEREAS, The U.S. House of Representatives has designated July as Parks and Recreation Month; and

WHEREAS, The City of Homer recognizes the benefits derived from parks and recreation resources.

NOW, THEREFORE, I, MARY E. WYTHER, Mayor of the City of Homer, do hereby proclaim July as:

PARKS AND RECREATION MONTH

in the City of Homer, Alaska.

IN WITNESS WHEREOF, I have hereunto set my hand and cause to be affixed the official seal of the City of Homer, Alaska, on this 24th day of June, 2013.

CITY OF HOMER

ATTEST:

MARY E. WYTHER, MAYOR

JO JOHNSON, CMC, CITY CLERK



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov
(p) 907-235-8121
(f) 907-235-3148

Memorandum 13-093

TO: Mayor Wythe and Homer City Council
THROUGH: Walt Wrede
FROM: Katie Koester, Community and Economic Development Coordinator
DATE: June 13, 2013
SUBJECT: Green Dot Update

The purpose of this memo is to update the Council on the Green Dot initiative in Homer.

Background: Green Dot is a violence prevention program that teaches bystander intervention. The State of Alaska chose Homer as a pilot community for Green Dot. This is a “train the trainers” program where Green Dot trainers travel to Homer and train a group of people who will then be responsible for training representatives of different groups in bystander intervention. The City Council supported Green Dot with \$3,500 in Resolution 13-016.

Update: On June 7, 2013 Green Dot trainers gave an overview of Green Dot and the progress thus far implementing Green Dot in Homer. The 90 minute overview was attended by a diverse group of community leaders and organization representatives.

The State of Alaska chose 6 pilot communities, (Bethel, Fairbanks, Prince of Wales, Kenai, Homer and Anchorage) for a three year model for implementing Green Dot in Alaska. Year one, which we are currently in, has been about working with communities on what an 'Alaskan Green Dot' looks like. The Green Dot trainers are in the process of modifying the original model (developed for University campuses) to Alaskan communities. Site launch will occur in August when the fundamentals of the program will be in place. Green Dot trainers will come back in January to check on implementation. The 6 pilot communities will be trained to be able to take the core elements of Green Dot to other Alaskan communities so the program is sustainable.

According to the Green Dot organizers locally, Homer has an impressive number of community members consistently attending each training (3 trainings thus far). Each session attendees are assigned to outreach to individuals and invite them to trainings. The most important thing is for people to see friends and neighbors share their own stories and make it personal. The following organizations have participated to some extent in the Green Dot effort (not an exhaustive list): Haven House, REC Room, The Center, Public Health, Alaska State Troopers, Homer Police Department, Kenai Peninsula Borough School District, City of Homer, Head Start, Sprout, Seldovia Village Tribe, Nanwalek, Port Graham, MAPP, and Homer Prevention Project.

The next Green Dot training is August 8 from 8am to 5pm and August 12 from 8am to noon at Council Chambers. Council is invited to attend any part of the training.

Homer More Than a Fishing Town

An economically diverse city at the end of the road



The city of Homer was inhabited long before its namesake, Homer Pennock, arrived and lured other settlers with the ultimately unfulfilled promise of gold.

Alaska Natives had used the area's bountiful natural resources for thousands of years before Russians first arrived seeking fish, furs, and trade. After the Russians came the beginning of coal mining, then the 1896 arrival of gold mining company promoter Pennock.

Homer's beginning as an official city started with a roar. In 1964, the Good Friday earthquake destroyed the port and caused the Homer Spit to sink 2 to 8 feet into the water. Homer became an incorporated city four days later, on March 31, and the port was eventually rebuilt with federal funds.

Today, the southernmost town on the state's contiguous highway system is a growing and economically diverse community. Since 2000, the city has added residents at an average rate of 0.6 percent annually for a 2012 population of about

5,200. In 2005, the growing town finally got its first traffic light.

Despite some similarities to the rest of the state, Homer has key differences in industry makeup, income, and demographics.

Older and less diverse

Homer has grown in past years from attracting new residents as well as from births. The 2000 and 2010 censuses show approximately 2,000 adults between ages 25 and 54 moved to the area and often brought children with them. Like much of Alaska, more 20-to-24-year-olds left than arrived, which is typical for young people everywhere when they pursue outside job opportunities or further education.

Though Homer isn't a retirement community, it does have an older population — a high percentage of people between 55 and 74 moved to Homer over the last two decades, reflected in the area's higher median age of 44 versus 33.8 for the whole state. (See Exhibit 1.)



This aerial photo shows the Homer Spit. Photo courtesy of the Alaska ShoreZone Program, National Oceanic and Atmospheric Administration, National Marine Fisheries Service

Homer stands out in other ways as well. Its population is overwhelmingly Caucasian — over 90 percent on average between 2007 and 2011 compared to 67 percent statewide — with just 5 percent Alaska Native or American Indian residents versus 14 percent statewide. Less than 1 percent were black and just one-tenth of 1 percent were Native Hawaiian or Pacific Islander.

Homer also has a large population of veterans despite being nowhere near a military installation. Its veteran residency rate is 14.2 percent — slightly less than the state as a whole but much

higher than the nation's 9.1 percent.

Some costs are higher

Many facets of everyday life cost more in Homer than in the encompassing Kenai Peninsula Borough or Anchorage. (See Exhibit 2.) Food costs in 2008 were 13 percent higher than in Anchorage while transportation and clothing cost 20 and 21 percent more, respectively.

The highest relative costs were for utilities and airfare, at 63 and 56 percent more than Anchorage. These costs will likely come down over the next few years as natural gas is piped into Homer and households transition to gas from other heating methods.

Not everything in Homer is more expensive, though. Housing, which is typically a family's largest expenditure, was 21 percent cheaper than in Anchorage, and Homer's medical costs were just 3 percent higher.

A different industry mix

Homer's distribution of jobs in health care, manufacturing, and transportation is nearly identical to the state's overall job market, but the similarities end there. (See Exhibit 3.) Homer has no oil or mining to speak of — key industries in Alaska — and its high proportions of local government and leisure and hospitality far exceed the state average.

Local government is Homer's largest sector, which is common for small communities, and its most common occupation is a teacher or instructor. Public schools make up most of local government, which was responsible for 19.5 percent of Homer's employment in 2011.

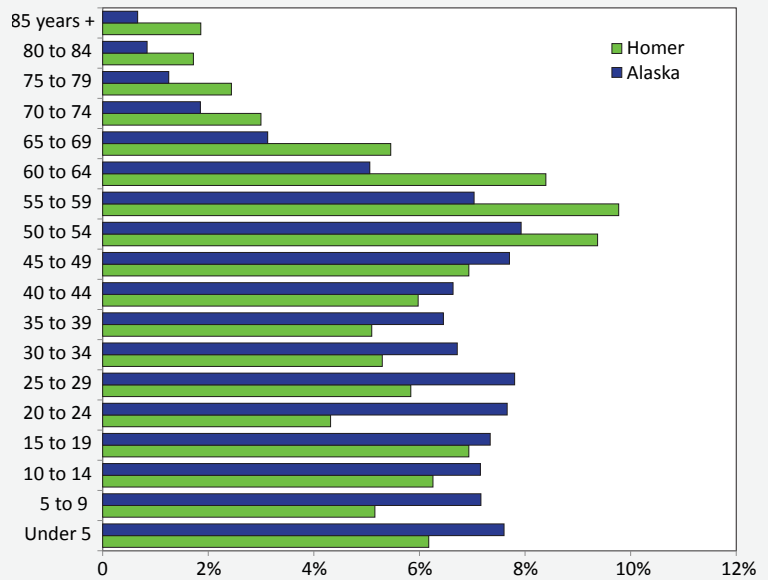
Leisure and hospitality, a frequent proxy for tourism, was the second-largest industry at 16.3 percent. It includes food and entertainment such as hotels, restaurants, bars, bowling alleys, and movie theaters.

Earnings versus income

Homer's industry makeup largely

1 Homer Residents Tend to Be Older

Homer and Alaska, 2010



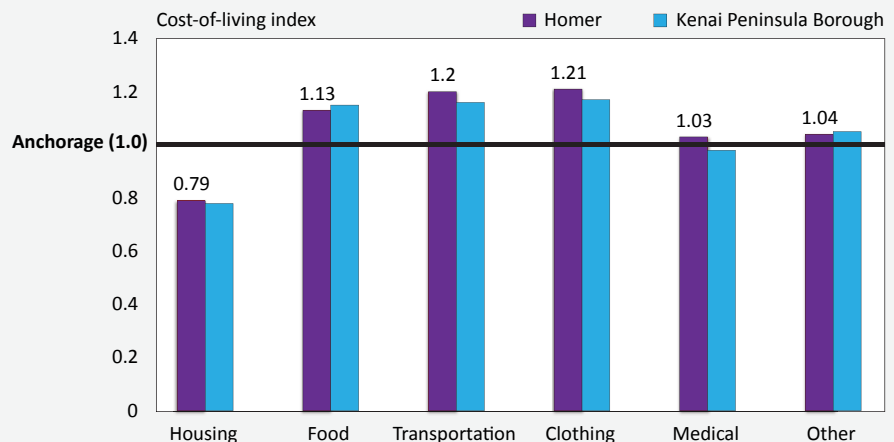
Source: U.S. Census Bureau

explains its low average earnings of \$36,000 in 2011, considerably less than the statewide average of \$48,900. The area has relatively few high-paying jobs — such as those in oil and gas — and has a higher proportion of lower-paying leisure and hospitality jobs.

Leisure and hospitality's average pay is \$16,500 a year, partly because many of its jobs are part-

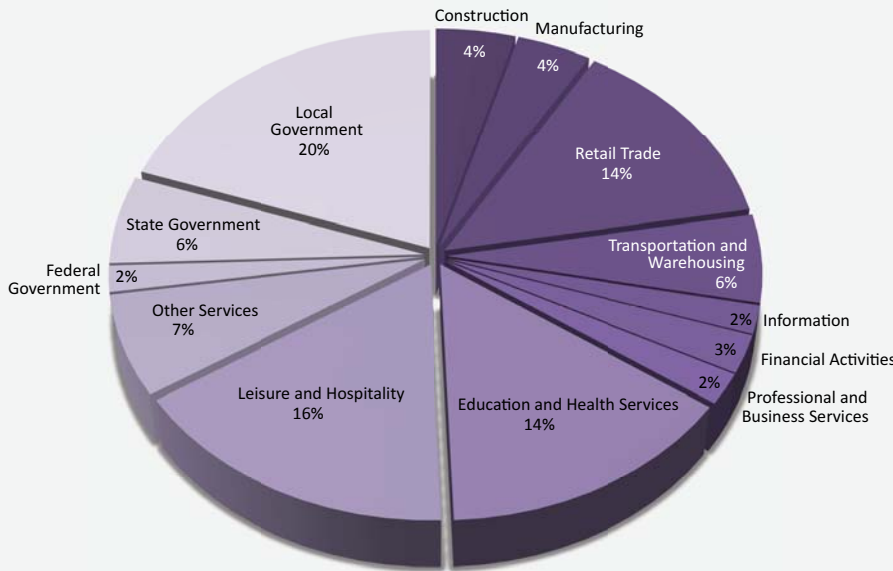
2 Most Costs Are Higher in Homer

Relative to Anchorage and Kenai borough, 2008



Source: Alaska Geographic Differential Study, 2008

3 Local Government Largest Industry Homer, 2011



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

time. Even statewide, this industry averaged just \$20,300 per year.

Homer's earnings were lower than the statewide average in every category except local government. (See Exhibit 4.) However, average earnings don't tell the whole story, because not everyone who lives in Homer works in Homer. Sixteen percent of employed Homer residents worked outside the Kenai Peninsula Borough in 2011 — 6 percent worked in Anchorage and 4 percent in the North Slope Borough. These commuters' earnings were not reported in Homer but still infused money into the Homer economy.

Per capita income, an inclusive measure of all money going into residents' pockets and not just their wages, was also lower than the statewide average by nearly \$14,200 and below the Kenai Peninsula Borough average by \$10,300.

Like earnings, though, part of the difference in income is due to data availability. At the borough level, a higher percentage of income came from transfer payments, including retirement and disability insurance, than at the statewide level. However, this level of detail doesn't exist for Homer, where transfer

payments are likely significant because 14.5 percent of the population was 65 or older in 2010, compared to just 7.7 percent statewide.

Fishing an important piece of the economy

Sport and commercial fishing are important pieces of Homer's economy, but because most seafood harvesters are considered self-employed, their earnings are reported differently and they aren't counted in the previous jobs and earnings breakdown.

On the commercial fishing side, the number of pounds of fish caught and gross earnings have been on the rise over the last decade (see Exhibit 5) but volatile due to changes in fish prices and the amount available for harvest.

The highest grossing year was 2008, when commercial fishing brought more than \$86 million into Homer. However, it was in 2010 that the greatest poundage came across the docks, with more than 122 million pounds of crab, halibut, herring, various shellfish and groundfish, sablefish, and salmon.

Among sport fishermen, more than 35,600 salt

4 How Earnings Compare in Homer Versus Alaska average, 2011

Industry	Homer	Statewide
Total	\$36,008	\$48,845
Natural Resources and Mining	n/a	\$112,910
Construction	\$55,463	\$70,125
Manufacturing	\$25,199	\$38,518
Trade, Transportation, and Utilities	\$37,642	\$41,760
Retail Trade	\$25,952	\$28,663
Transportation and Warehousing	\$45,555	\$58,906
Information	\$34,475	\$58,488
Financial Activities	\$43,052	\$52,210
Professional and Business Services	\$33,948	\$56,890
Health Care and Social Assistance	\$25,336	\$44,336
Leisure and Hospitality	\$16,501	\$20,316
Other Services	\$29,662	\$29,991
Federal Government	\$71,767	\$71,784
State Government	\$49,430	\$51,205
Local Government	\$49,256	\$43,066

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

water anglers logged a total of 56,400 fishing days in Homer in 2011 and caught an estimated 73,100 pounds. This generated additional business for other Homer industries such as retail and leisure and hospitality, as fishermen need lodging and food and many spend money on additional gear and services during their trip.

A busy port

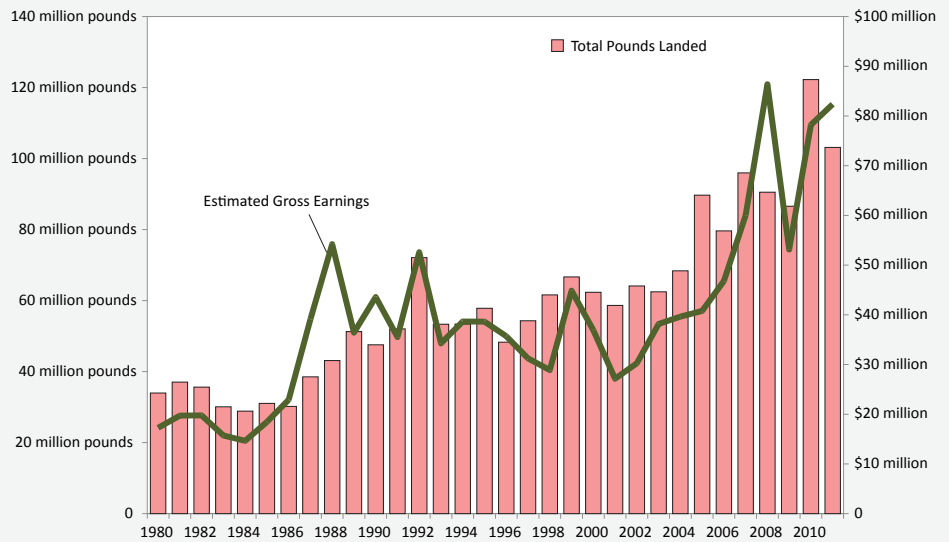
The Homer deep water port and harbor is extremely popular, and it has seen many large vessels since its repair and completion in 1964. For its size, it's well-equipped to serve the needs of vessels large and small. Services include everything from carpentry, hydraulics, welding, and general repair to finance and insurance — and recently, a small Coast Guard Station.

There were nearly 800 annual reservations for moorage in 2012, more than 1,700 monthly transient moorage sales, and more than 2,200 daily transient moorage sales. Approximately 1,300 additional boats were on the waiting list for a stall.

Industries foster balance

Despite the characteristics that make Homer unique, its economy shares a key similarity to many Alaska communities — seasonal jobs such as fishing and tourism boost the town in the summer while its public services, the industrial harbor, retail, lodging, and manufacturing provide stable, year-round jobs and keep money flowing.

5 Pounds of Seafood and Total Earnings Homer, 1980 to 2011



Source: Commercial Fisheries Entry Commission

PUBLIC HEARING(S)

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

City Clerk

3
4 **RESOLUTION 13-048**

5
6 A RESOLUTION OF THE HOMER CITY COUNCIL
7 AMENDING THE CITY OF HOMER FEE SCHEDULE UNDER
8 WATER AND SEWER FEES.
9

10 WHEREAS, Water and sewer utility services shall be reviewed biennially on odd
11 calendar years and amended, as necessary, to take effect as of July 1, 2013 with the first billing
12 cycle to take effect following July 1; and
13

14 WHEREAS, The Water and Sewer Rate Task Force reviewed the current rate model and
15 proposed rates for 2013.
16

17 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that
18 the City of Homer Fee Schedule, Water and Sewer Fees is amended as follows:
19

20 **WATER AND SEWER FEES:**
21

22 (The following fees have been set by the following legislative enactment HCC Title 14, new fees
23 set forth in Ordinance 11-43, Resolution 11-062(A), Resolution 09-47(S)(A), Resolution 09-
24 48(S)(A), Resolution 07-119 (A), Resolution 07-120(A), Ordinance 06-62(A), Resolution 06-04,
25 Resolution 05-125, Resolution 05-122, Resolution 05-121(A), Resolution 05-09, Resolution 04-
26 95, Resolution 04-94(S)(A), Resolution 03-159, Resolution 02-80, Resolution 01-80(A),
27 Resolution 00-123, Resolution 00-34, Ordinance 00-02, Ordinance 97-17(A), amending the
28 rates set forth in Ordinance 97-5(S)(A), with amendments by Ordinance 97-7, Ordinance 97-13
29 and Ordinance 97-14).
30

31 Public Works - 235-3170
32 City Hall - 235-8121
33 Billing - 235-8121 x2240
34

35 A 15% admin. fee for replacement parts for water/sewer services, functions, pressure reducing
36 valves, sewer saddles, any Public Works Department stock item for resale to public.
37

38 Establishing service includes a one-time disconnect - \$30
39 Service calls, inspections, repairs not to exceed one hour - \$25 per employee plus equipment
40 and materials.
41

42 Service calls, inspections and repairs during normal operating hours in excess of one hour
43 labor: actual labor costs by City plus equipment and materials.
44

45 Service calls, inspections and repairs after normal operating hours or on weekends/holidays:
46 \$50 minimum plus equipment and materials or actual cost incurred by City, whichever is
47 greater.
48

49 **SEWER FEES:**

50 Sewer Connection and Extension Permit Fee
51

52 Single Family/Duplex \$255
 53 Multi-Family/Commercial/Industrial \$330

54
 55 Sewer Rate Schedule.

56
 57 All sewer utility services shall be billed according to the following schedule. This schedule is
 58 for monthly sewer services and is in addition to any charges for connecting or disconnecting
 59 the service, installation of the service or any assessment of the improvements.
 60
 61

Customer Classification*	Monthly Customer Charge	Charge per Gallon	Usage Charge per 1,000 Gallons of Water
Single Family Residential Non-Lift Station Zone	\$20 \$9	\$0.00997 \$0.013	\$ 9.97 \$13.00
Multi Family Residential	\$20 (per unit)	\$0.00997	\$ 9.97
Commercial Non-Lift Station Zone	\$20 \$9	\$0.01264 \$0.013	\$12.64 \$13.00
B.O.D. Fee (if Applicable)	\$10	\$0.00	\$0.00
Residential/Commercial Lift Station Zone	\$9	\$0.016	\$16.00
Kachemak City (Monthly Charge includes \$5 Customer/Tenant Fee)	\$14	\$0.016	\$16.00

62
 63 Seasonal monthly sewer customer charge will be \$10.00 or one half off the regular monthly
 64 customer charge.
 65

66 *Customer classification definitions for determining water rates:

67
 68 Single Family Residential – A unit providing housing for one household; with less than 25% of
 69 the building area used for business or commercial purposes.
 70

71 Multi Family Residential – A building or lot occupied by more than one household; contained
 72 within one building or several building within one complex. Examples of multi family units
 73 include duplexes, four plexes and up, apartments, condominiums, co-housing projects, and
 74 multiple structures on one lot (where units are normally rented or occupied for longer than one
 75 month at a time). Examples of units not considered as multi family include hotels, motels,
 76 B&B's seasonal rooms/cabins (where units are routinely rented or occupied for less than one
 77 month at a time.)
 78

79 Commercial - Any user not defined as Residential.
 80

81 **Biological/Biochemical Oxygen Demand (BOD) Fee** – Fee applied to a customer who
 82 typically produces and discharges an effluent containing more organic matter than a
 83 typical residential or commercial customer. This includes but is not limited to
 84 Commercial/Institutional Kitchens, Car Washes, Hotels/Motels, Processing Facilities,
 85 Campgrounds/RV Parks, Laundromat, Service Stations.
 86

87 Sewer System Residential or Residential Equivalent Dischargers Who Are Not Water System
 88 Users:
 89

90 Sewer system dischargers who are not water system users **and do not reside in a “lift station**
 91 **zone”** shall be charged at the rate of ~~\$54.90~~ **\$54.50**. Variable rate ~~\$34.90~~ **\$45.50** based on

92 3,500 gallons per month plus monthly customer charge ~~\$20~~ **\$9**. The City reserves the right to
 93 adjust this rate based on the characteristics of the service for non-residential or non-residential
 94 equivalent users. Customers who receive septic service shall be charged an additional \$6.00*
 95 per month.

96
 97 **Sewer system dischargers who are not water system users and reside in a “lift station**
 98 **zone” shall be charged at the rate of \$64.00. Variable rate \$56.00 based on 3,500 gallons**
 99 **per month plus monthly customer charge \$9. The City reserves the right to adjust this**
 100 **rate based on the characteristics of the service for non-residential or non-residential**
 101 **equivalent users. Customers who receive septic service shall be charged an additional**
 102 **\$6.00* per month.**

103
 104 Sewer System Dischargers Who Are Members of Kachemak City LID:
 105 Kachemak City Local Improvement District (LID) members have contributed to the initial cost
 106 of the sewer treatment plant and the collection system. **For** Kachemak City LID dischargers
 107 connected within the LID ~~and~~ the City of Homer shall bill Kachemak City in one lump sum at
 108 the rate of ~~\$60.90~~ **\$70.00**. Variable rate ~~\$34.90~~ **\$56.00** based on 3,500 gallons per month
 109 plus monthly customer charge of ~~\$20~~ **\$14 (\$9 plus Customer Charge \$5)** plus septage cost
 110 \$6.00* per month for each residential or residential equivalent discharger. Kachemak City shall
 111 be responsible for payment to the City of Homer.

112
 113 Domestic sewer service customers who use large quantities of City water in addition to their
 114 domestic use shall be allowed, with the Public Works Director's approval, to install an
 115 additional water meter on the domestic water use line for the purpose of metering and charging
 116 for domestic sewer system use. Sewer system use will be billed monthly.

117
 118 The City will allow, upon approval by Public Works and a permit from the Public Works
 119 Department, a second water usage meter – called a seasonal sewer meter – for each customer
 120 that desires to measure the flow of City water that is not discharged to the sewer system during
 121 the summer growing season, June 15 through September 15. Rates noted above do not apply.

122
 123 Seasonal Sewer Meter Fee is \$211.97.

124
 125 **WATER FEES:**
 126 Water Connection Fee

127
 128 Single Family/Duplex \$300
 129 Multi-Family/Commercial/Industrial \$375

130
 131 Water Rate Schedule.

132
 133 All water utility services shall be billed according to the following schedule. This schedule is for
 134 monthly water service and is in addition to any charges for connecting or disconnecting the
 135 service, installation of the service or any assessment of the improvements.

Customer Classification*	Monthly Customer Charge	Charge per Gallon	Usage Charge per 1,000 Gallons of Water
Single Family Residential	\$25 \$9	\$0.00442 \$0.0111	\$ 4.42 \$11.10
Multi-Family Residential	\$25 (per unit)	\$0.00442	\$ 4.42
Commercial	\$25 \$9	\$0.01140 \$0.0111	\$11.40 \$11.10
Bulk	\$25 \$0	\$0.01269 \$0.015	\$12.69 \$15.00

137
 138 Seasonal monthly water customer charge will be \$12.50 or one half off the regular monthly

139 customer charge.
 140

Fire Demand Fee	\$10	NA	NA
Customer/Tenant Fee (Residential/Commercial)	\$5	NA	NA

141
 142 *Customer classification definitions for determining water rates:
 143

144 Single Family Residential – A unit providing housing for one household; with less than 25% of
 145 the building area used for business or commercial purposes.
 146

147 ~~Multi-Family Residential~~ – A building or lot occupied by more than one household; contained
 148 within one building or several building within one complex. Examples of multi family units
 149 includes duplexes, four plexes and up, apartments, condominiums, co-housing projects, and
 150 multiple structures on one lot (where units are normally rented or occupied for longer than one
 151 month at a time). Examples of units not considered as multi family include hotels, motels,
 152 B&B's seasonal rooms/cabins (where units are routinely rented or occupied for less than one
 153 month at a time.)
 154

155 Commercial - Any user not defined as Residential.
 156

157 **Customer/Tenant Fee – This fee applies to commercial and residential customers. Fee is**
 158 **for apartments, rental units or multi-unit buildings where each unit would have one or**
 159 **more restrooms and are intended to be rented on a monthly basis where there is only**
 160 **one meter installed, excluding a rental building restroom used for shared or public use.**
 161

162 **Fire Demand Fee – This fee is applicable to water service customers who have fire**
 163 **sprinkler systems installed and/or the appropriate meters.**
 164

165
 166 Meter Size Deposits.
 167

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

168
 169 \$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be
 170 returned when the meter is returned undamaged. This deposit may be waived upon the
 171 recommendation of the Public Works Superintendent.
 172

173 If a bulk water customer purchases a meter from the City for measuring the quantity of water
 174 purchased, it shall be exempt from the monthly meter service charge. It is the responsibility of
 175 the bulk water customer to maintain that meter so the City can accurately determine the
 176 amount of water being purchased. In the event the meter fails, it is the bulk water customer's
 177 responsibility, at its expense, to repair it or purchase a replacement meter from the City. The
 178 City may at any time test the meter for accuracy.
 179
 180

181 PASSED AND ADOPTED by the City Council of Homer, Alaska, this ____ day of June,
182 2013.

183
184
185
186
187

CITY OF HOMER

188

MARY E. WYTHE, MAYOR

189 ATTEST:

190

191

192

193 JO JOHNSON, CMC, CITY CLERK

194

195 Fiscal Note: Revenue amounts not defined in CY2013 budget.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

City Clerk

3
4 **RESOLUTION 13-048(S)**

5
6 A RESOLUTION OF THE HOMER CITY COUNCIL
7 AMENDING THE CITY OF HOMER FEE SCHEDULE UNDER
8 WATER AND SEWER FEES.
9

10 WHEREAS, Water and sewer utility services shall be reviewed biennially on odd
11 calendar years and amended, as necessary, to take effect as of _____ with the first
12 billing cycle to take effect following _____ ; and
13

14 WHEREAS, The Water and Sewer Rate Task Force reviewed the current rate model and
15 proposed rates for 2013.
16

17 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that
18 the City of Homer Fee Schedule, Water and Sewer Fees is amended as follows:
19

20 **WATER AND SEWER FEES:**
21

22 (The following fees have been set by the following legislative enactment HCC Title 14, new fees
23 set forth in Ordinance 11-43, Resolution 11-062(A), Resolution 09-47(S)(A), Resolution 09-
24 48(S)(A), Resolution 07-119 (A), Resolution 07-120(A), Ordinance 06-62(A), Resolution 06-04,
25 Resolution 05-125, Resolution 05-122, Resolution 05-121(A), Resolution 05-09, Resolution 04-
26 95, Resolution 04-94(S)(A), Resolution 03-159, Resolution 02-80, Resolution 01-80(A),
27 Resolution 00-123, Resolution 00-34, Ordinance 00-02, Ordinance 97-17(A), amending the rates
28 set forth in Ordinance 97-5(S)(A), with amendments by Ordinance 97-7, Ordinance 97-13 and
29 Ordinance 97-14).
30

31 Public Works - 235-3170
32 City Hall - 235-8121
33 Billing - 235-8121 x2240
34

35 A 15% admin. fee for replacement parts for water/sewer services, functions, pressure reducing
36 valves, sewer saddles, any Public Works Department stock item for resale to public.
37

38 Establishing service includes a one-time disconnect - \$30

39 Service calls, inspections, repairs not to exceed one hour - \$25 per employee plus equipment and
40 materials.
41

42 Service calls, inspections and repairs during normal operating hours in excess of one hour labor:
43 actual labor costs by City plus equipment and materials.
44

45 Service calls, inspections and repairs after normal operating hours or on weekends/holidays: \$50
46 minimum plus equipment and materials or actual cost incurred by City, whichever is greater.

47 SEWER FEES:
 48 Sewer Connection and Extension Permit Fee

49
 50 Single Family/Duplex \$255
 51 Multi-Family/Commercial/Industrial \$330

52
 53 Sewer Rate Schedule.

54
 55 All sewer utility services shall be billed according to the following schedule. This schedule is
 56 for monthly sewer services and is in addition to any charges for connecting or disconnecting the
 57 service, installation of the service or any assessment of the improvements.

Proposed Rates		
	Sewer	
Customer Classification	Monthly Service	Usage Charge/Gallon
Lift-Station Customer	\$ -	\$ 0.01670
Non-Lift-Station Customer	\$ -	\$ 0.01280
Multi-units (additional per unit, Commercial & Residential)	\$ 5.00	N/A
BOD (additional)	\$ 10.00	N/A

58
 59

Proposed Rates		
Kachemak City	Sewer	
	Fees/Rate/Usage	Per Customer Per Month
Lift-Station Customer	\$0.01670/Gal	\$ 58.45
Monthly Service	\$5.00/customer/mo.	\$ 5.00
Pumping Fee	\$7.75/customer/mo.	\$ 7.75
Avg. Sewer Usage	3500 Gal/Mo.	
Total Charges/customer/Mo		\$ 71.20

Proposed Rates		
Non City Water Customer But City Sewer Customer	Sewer	
	Fees/Rate/Usage	Per Customer Per Month
Lift-Station Customer	\$0.01670/Gal	\$ 58.45
Non-Lift-Station Customer	\$0.01280/Gal	\$ 44.80
Pumping Fee	\$7.75/customer/mo.	\$ 7.75
Avg. Sewer Usage	3500 Gal/Mo.	
Total Charges/customer/Mo - Lift Station		\$ 66.20
Total Charges/customer/Mo - Non Lift Station		\$ 52.55

60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90

Residential – A unit providing housing for one household; with less than 25% of the building area used for business or commercial purposes (multi-family units).

Multi-Family Residential - A building or lot occupied by more than one household: contained within one building or several building 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.

Biological/Biochemical Oxygen Demand (BOD) Fee – Fee applied to a customer who typically produces and discharges an effluent containing more organic matter than a typical residential or commercial customer. This includes but is not limited to Commercial/Institutional Kitchens, Car Washes, Hotels/Motels, Processing Facilities, Campgrounds/RV Parks, Laundromat, Service Stations.

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. For Kachemak City LID dischargers connected within the LID the City of Homer shall bill Kachemak City in one lump sum at the rate of \$71.20. Variable rate \$58.45 based on 3,500 gallons per month plus monthly customer charge of \$5 plus septage cost \$7.75 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

91 water meter on the domestic water use line for the purpose of metering and charging for
 92 domestic sewer system use. Sewer system use will be billed monthly.

93
 94 The City will allow, upon approval by Public Works and a permit from the Public Works
 95 Department, a second water usage meter – called a seasonal sewer meter – for each customer that
 96 desires to measure the flow of City water that is not discharged to the sewer system during the
 97 summer growing season, June 15 through September 15. Rates noted above do not apply.

98
 99 Seasonal Sewer Meter Fee is \$211.97.

100
 101 **WATER FEES:**
 102 Water Connection Fee

103
 104 Single Family/Duplex \$300
 105 Multi-Family/Commercial/Industrial \$375

106
 107 Water Rate Schedule.

108
 109 All water utility services shall be billed according to the following schedule. This schedule is for
 110 monthly water service and is in addition to any charges for connecting or disconnecting the
 111 service, installation of the service or any assessment of the improvements.
 112

Proposed Rates	Water	
Customer Classification	Monthly Service	Usage Charge/Gallon
Lift-Station Customer	\$ 19.00	\$0.01110
Non-Lift-Station Customer	\$ 19.00	\$0.01110
Sprinkler (additional)	\$ 5.00	N/A
Bulk Water	\$ 19.00	\$0.01510

113
 114
 115 Customer classification definitions for determining water rates:

116
 117 Single Family Residential – A unit providing housing for one household; with less than 25% of
 118 the building area used for business or commercial purposes.

119
 120 Multi-Family Residential- A building or lot occupied by more than one household: contained
 121 within one building or several building within one complex. Examples of multi-family units
 122 includes duplexes, four-plexes and up, apartments, condominiums, co-housing projects, and
 123 multiple structures on one lot (where units are normally rented or occupied for longer than one
 124 month at a time). Examples of units not considered as multi-family include hotels, motels,
 125 B&B’s seasonal rooms/cabins (where units are routinely rented or occupied for less than one
 126 month at a time.)

127
 128

129 Commercial - Any user not defined as Residential.

130
131 Customer/Tenant Fee – This fee applies to commercial and residential customers. Fee is for
132 apartments, rental units or multi-unit buildings where each unit would have one or more
133 restrooms and are intended to be rented on a monthly basis where there is only one meter
134 installed, excluding a rental building restroom used for shared or public use.

135
136 Fire Demand Fee – This fee is applicable to water service customers who have fire sprinkler
137 systems installed and/or the appropriate meters.

138
139 Meter Size Deposits.

140
141

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

142
143 \$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be returned
144 when the meter is returned undamaged. This deposit may be waived upon the recommendation
145 of the Public Works Superintendent.

146
147 If a bulk water customer purchases a meter from the City for measuring the quantity of water
148 purchased, it shall be exempt from the monthly meter service charge. It is the responsibility of
149 the bulk water customer to maintain that meter so the City can accurately determine the amount
150 of water being purchased. In the event the meter fails, it is the bulk water customer's
151 responsibility, at its expense, to repair it or purchase a replacement meter from the City. The City
152 may at any time test the meter for accuracy.

153
154 PASSED AND ADOPTED by the City Council of Homer, Alaska, this ___ day of June,
155 2013.

156
157
158 CITY OF HOMER

159
160
161 _____
162 MARY E. WYTHE, MAYOR
163
164
165

166 ATTEST:

167

168

169

170 JO JOHNSON, CMC, CITY CLERK

171

172 Fiscal Note: Revenue amounts not defined in CY2013 budget.



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

MEMORANDUM 13-073

TO: MAYOR WYTHE & HOMER CITY COUNCIL
FROM: WATER & SEWER RATE TASK FORCE
THRU: RENEE KRAUSE, CMC, DEPUTY CITY CLERK I
DATE: APRIL 5, 2013
SUBJECT: PROPOSED WATER & SEWER RATES AND ADDITIONAL RECOMMENDATIONS

Attached is the Water & Sewer Rate Task Force's ("the Task Force") recommendation regarding the rate-setting model for the City of Homer Water & Sewer services. The Task Force was established in accordance with the provisions of Resolution 12-027(A), consisting of five City of Homer residents (Ken Castner, Bob Howard, Sharon Minsch, Lloyd Moore and Terry Yager) and two City Council members (Barbara Howard and Beth Wythe), appointed by Mayor James Hornaday through Memorandum 12-056. Subsequent to the original appointments, community member Terry Yager submitted his resignation from the Task Force and the seat remained unfilled for the duration of the review process. Also, following the October elections, Beth Wythe was authorized to continue on the Task Force through Resolution 12-094 following her election as Mayor. Barbara Howard resigned from the Task Force in November and was replaced by Council Member Beau Burgess through Memorandum 12-161(A). Copies of all Resolutions and Memoranda are included in the appendix of this report as supporting documentation.

Following the establishment of the Task Force the initial meeting was held May 9, 2012. At this meeting the Task Force established the framework for a meeting schedule for meeting the first and third Tuesday of each month; the first Tuesday being a work session and the third Tuesday being a regular meeting. Work sessions and meetings were scheduled in the conference room with the exception of public hearings which were held in the Council Chambers.. The schedule was adjusted from time-to-time to accommodate holidays and scheduling conflicts for members of the Task Force.

The initial meetings of the Task Force were primarily focused on determining the types and sources of information that would be required to allow the Task Force to more fully understand rate making concepts and the nature of the City of Homer's current rate design. This process included:

- Reviewing the 1991 Water and Wastewater Utilities Rate Study conducted by KPMG Peat Marwick.
- Reviewing the 1997 Utility Rate Study prepared by Montgomery Watson. Task Force Members Castner and Moore were participants in that rate study as well and were able to provide valuable insight into the resulting rate model which was successfully used by the City until recent history.
- Reviewing budget documents from several prior years, as well as more current information included in the proposed 2013 budget.
- Reviewing the areas served by the Water & Sewer Enterprise and discussions related to potential users that have a disproportionate impact on the existing infrastructure. These include the requirements of the system specific to providing fire hydrant services, commercial building sprinkler services, and the expense of delivering water to, and returning sewage from the Spit.
 - The requirements for certified staff and the staffing plan for the water and sewer treatment plants were reviewed, as was the allocation of other staff services to the Water & Sewer Enterprise.
 - The loss of large volumes of treated water as a result of dead-ended lines were a major concern and were considered regularly throughout the process as this appeared to be a substantial expense to the system as a whole.
 - Rates from other nearby communities were reviewed and the reasons for the difference in operating costs, as well as anticipated impacts of new regulations on these systems as compared to the Homer system, were discussed.
 - User data was reviewed to develop a sense of the “average” user, and again to develop a better understanding of the disproportionate users.
 - Staff provided an overview of both the water system from treatment to return, and the sewer system from return to treatment.
 - Fire protection expenses were also discussed periodically as a substantial contributor to the expense of the system that was not adequately or properly allocated.

Following the collection and review of this information the Task Force considered a variety of ratemaking formulas giving consideration to fairness and consumer satisfaction. The following rate evaluation illustration was provided in the American Water Works Association manual M54, Developing Rates for Small Systems (2004, p. 38).

OBJECTIVES	INCREASING RATE MODEL	UNIFORM RATE MODEL	SEASONAL RATE MODEL	FLAT RATE MODEL
FAIRNESS	High	Low	High	Low
CONSERVATION	High	Low	High	Low
EQUITY	High	Low	High	Low
COST OF SERVICE BASED	High	Low	High	Low
UNDERSTANDABLE	High	Low	High	Low
FEASIBLE	High	Low	High	Low
DEFENDABLE	High	Low	High	Low
REVENUE STABILITY	Low	High	Low	High
COST RECOVERY	High	Low	High	Low
LEGAL	High	Low	High	Low



Upon considering the various rate design options, the Task Force determined that focusing its energy on designing a commodity based, uniform rate structure that considered expenses that were not directly related to the delivery of service to all consumers, such as system size due to fire hydrants, delivering water to the Spit, water used to flush dead-end lines, and water leakage in the harbor. The Task Force also considered extraordinary expenses on the sewer system including the impact of high biochemical oxygen demand (BOD) waste which increases the cost of waste processing and the requirement in some areas for lift-stations to deliver waste to the treatment plant.

The recommendations of this report are based on this information and result in a balanced budget for the Water & Sewer Enterprise Fund. The recommendations also provide a new rate model that will ensure the collection of the required funding into the future. Distributing the expense for the system more equitably based on a cost-causer, cost-payer is the foundation of the proposed rate model.

The recommendations of the Task Force include:

- Replacing the current rate model with the proposed commodity based model found on page A1-A4.
- Continue to periodically review the allocation of administrative and other overhead expenses to ensure they properly reflect the actual expenses being charged to water & sewer.
- Clearly delineate water and sewer rates, by location, in future budget documents (i.e., revenue from City facilities and related expense lines in Port & Harbor, Water & Sewer, and other administrative budgets.)

- Confirm that ALL City of Homer facilities receiving water and sewer services are being properly metered and billed.
- Consider alternatives for refreshing the water in deadened lines that does not result in the waste of large volumes of treated water.
- Renew the contract with Kachemak City and ensure that the rates adequately reflect the cost of this area on the system as a whole, including any added administrative expenses.
- Consider methods for rate-setting that will not allow political influences to result in the under collection of rates in the future.

While this review may not have fully exhausted the rate design possibilities available to a rates consulting firm, it is the belief of the Task Force that the information and recommendations found in this report have met the fundamental review requirements that the Task Force was requested to consider in the development of their recommendations.

Respectfully submitted,

HOMER WATER & SEWER TASK FORCE

Chair: Beth Wythe

Vice Chair: Beauregard Burgess

Current Members: Ken Castner, Robert Howard, Sharon Minch, and Lloyd Moore

Water and Sewer Rate Review Proposed Water & Sewer Rate Model and Recommendations

Report of the Water & Sewer Rate Task Force

4/8/2013

Contributing Task Force Members Beauregard Burgess, Ken Castner, Barbara Howard, Terry Yager, Bob Howard, Sharon Minsch, Lloyd Moore, Beth Wythe

TABLE OF CONTENTS

INTRODUCTION.....PAGE 3

CURRENT RATE STRUCTURE.....PAGE 3

FAIR AND EQUITABLE RATES.....PAGE 3

SYSTEM REQUIREMENTS.....PAGE 4

DISPROPORTIONATE IMPACTS.....PAGE 5

OPTIONS FOR DISTRIBUTING COSTS TO CAUSERS.....PAGE5

CRITERIA FOR EVALUATING THE SOLUTIONS.....PAGE 6

OTHER CONSIDERATIONS.....PAGE 6

CONCLUSIONS.....PAGE 7

DRAFT WATER RATES.....PAGE A-1

DRAFT SEWER RATES.....PAGE A-2

APPENDICES.....PAGE 8

REFERENCES AND RESOURCES.....PAGE 9

INTRODUCTION:

The Water & Sewer Rate Task Force (the Task Force) was established in accordance with the provisions of Resolution 12-027(A), consisting of five City of Homer residents (Ken Castner, Bob Howard, Sharon Minsch, Lloyd Moore and Terry Yager) and two City Council members (Barbara Howard and Beth Wythe), appointed by Mayor James Hornaday through Memorandum 12-056. Subsequent to the original appointments, community member Terry Yager submitted his resignation from the Task Force and the seat remained unfilled for the duration of the review process. Also, following the October elections, Beth Wythe was authorized to continue on the Task Force through Resolution 12-094 following her election as Mayor. Barbara Howard resigned from the Task Force in November and was replaced by Council Member Beau Burgess through Memorandum 12-161(A). Copies of all Resolutions, Memoranda and information provided by Staff are included in the Appendices to this report; all reference materials accessed or reviewed have been cited as supporting documentation.

The City Council approved the creation of a Task Force after numerous public comments and complaints about the 2012 increase in Water & Sewer Rates and fees.

From the beginning, the Task Force resolved to reach decisions that were not colored by sentiment or popularity. The Task Force began its work of developing a recommendation for the City Council by considering who the benefactors were of the water and sewer systems. In addition to the residential and business customers there are large commercial users such as South Peninsula Hospital and the Port & Harbor. There are also incidental benefits that the system was designed to provide including providing both fire hydrants and sufficient water for buildings that house sprinkler fire suppression equipment. While the City Council will make the final decision regarding any rate changes, the Task Force has included recommendations for allocating the additional expenses related to these specifically identifiable cost centers in an equitable manner.

CURRENT RATE STRUCTURE:

Currently water and sewer rates differentiate between various water usage and sewage returns based on whether they are delivered to or derived from residential customers, or small or large commercial customers. The Task Force believes that a gallon of water or a gallon of waste should be of an equal base cost to all users, and when a class or location of users is found to be more costly, a surcharge should be added.

Public Works states that the size of the City's water system is primarily designed to handle the delivery volume required for the fire protection needs of the City. The current City contribution to the annual water budget does not fully reflect the attributed costs that should be recovered through "hydrant rents".

FAIR AND EQUITABLE RATES:

The Task Force believes the basic service charge for water and sewer customers should accurately reflect the cost of customer billing, banking and accounting expenses. Other system maintenance and treatment expenses should be billed in accordance with the customers' actual usage. There is an inherent fairness in charging all customers hooked into the system(s) the same rate for an indistinct commodity. A gallon of water is the same no matter what its use. A uniform rate lends itself to easy rate adjustments using calculations that are simple and transparent.

The Task Force identified costs associated with the water and sewer system that are derived from the population in general (fire protection, City owned buildings, public rest rooms, fish cleaning stations and support of other community facilities that use water in their day-to-day activities). These costs should be borne by the City as general fund expenses using the same tariff basis as any other user.

Fairness also requires that users that require services beyond the normal, or create additional costs, be charged for those expectations and/or costs. Two examples of the former would be those buildings with un-metered fire protection service lines and multi-unit complexes using a single meter. Two examples of the latter would be the additional cost of treating "hot" (high BOD) sewage and the costs of maintaining and powering the sewer lift stations. In order to address these non-standard users a small surcharge has been recommended.

SYSTEM REQUIREMENTS:

The water and sewer system in Homer has some unique characteristics that increase the cost of operations and maintenance. The first is the location of our water source and another is the elevation of many users relative to the sewer treatment plant.

Having water come from the top of the hill may at first appear to be a great asset since many water systems are challenged with pumping water to higher elevation customers. However, reducing the pressure in the delivery system as a result of the gravity fed nature of Homer's system presents its own costly challenges. The construction and maintenance of the pressure reducing valves that are required to safely deliver water into the system and then into the residences and businesses receiving services is a substantial contributor to the cost of Homer's water system over other similarly sized systems across the state.

In addition to these challenges, having a surface source of water increases the volume of treatment required to make the water potable. As a result, Homer has been required to maintain a state-of-the-art water treatment facility for years and has recently built a new treatment facility with the capacity to meet current and anticipated water quality standards for years to come.

The water delivery system has also been sized to provide adequate pressure and flows for a variety of special services including fire sprinkler systems and hydrants. Hydrants benefit all City property owners whether they are connected to the delivery system or not. Therefore the Task Force believes that a portion of the additional system costs related to system size should be shared by property owners independently from the rates charged to water and sewer customers.

There are many service locations on the sewer system that pass through elevations that will not allow for gravity to deliver sewage all the way to the sewer treatment plant. In order to provide service to these areas lift stations are required to pump sewage to a higher elevation in the system so it can continue to the treatment plant by gravity delivery. Just as the pressure reducing valves required on the water system create an additional maintenance expense, these lift stations create an additional maintenance expense for the sewer system. Unlike the pressure reducing stations that benefit all customers, the lift stations only provide benefit to those that are in areas where they are required. For this reason, the Task Force has included a nominal monthly fee to the billing for customers that live in areas served by lift stations.

DISPROPORTIONATE IMPACTS:

In addition to the above expenses specific to Homer's water delivery and sewer collection systems, other costs of operating the systems which the Task Force determined to be identifiable to specific users included:

High BOD waste; and water required for flushing dead-end lines

A nominal fee is recommended for the purposes of identifying the existence of high BOD waste contributors and to marginally off-set additional expenses related to treatment.

The water loss related to dead-end lines is considered a cost of the system in general and no fee was recommended in association with this impact.

Another potentially disproportionate impact that was identified but not quantifiable was the presence of facilities that have water delivered, but return sewage through the sewer without being billed.

OPTIONS FOR DISTRIBUTING COSTS TO CAUSERS:

The proposed rate model provides a spreadsheet for the calculation of water rates independent of the spreadsheet for calculating sewer rates, although the proposed structure continues the practice of billing sewage based on water usage. The singular exemption to this was in reducing the volume of projected sewage from the Spit due to the large volume of water used at the Port that is not returned as sewage.

When reviewing the proposed water model you will observe first that the model begins with the required revenue in mind. The required revenue is then reduced by a variety of alternative revenue sources including:

- Service fees (finance fees/number of customers)
- Hydrant Rents (10% of required water system revenues)
- Sprinkler Differential (\$5/month/identified user)
- Surplus (Bulk) Water sales (estimated sales X \$0.004)
- Dwelling Fees (\$5/month/business or residence)

This identifies the amount of revenues that need to be collected through the commodity (usage) rates. In the projection provided, consideration is also given for the potential reduction in water use that may result from the commodity based fee schedule (conservation).

Using this model, rate reductions are as easy as updating the "Total Water Revenue Requirements", the "Metered Sales Projections"; the "Number of Meters"; and the "Finance Department O/H" cells. Updating these cells will generate the "Water Rate" which is the commodity fee, and the "Metered Service Fee" which is rounded up to the next highest dollar amount and becomes the monthly base rate for water services.

The use and maintenance of the proposed sewer rates is very similar. Beginning with the projected annual revenue assumption reduced by:

Lift Station Charge (lift station maintenance costs/users);
High BOD fees (\$10/month/identified user);
Multi-residential facility & Kachemak City fees (\$5/month/identified facility);
Kachemak City Fees (less pumping);
Dumping Station Fees; and
Water Only Meters (no septic returned).

Resulting in the total revenue required through rates. Rates are allocated based on historic usage allocated to those meters that are in sewer return areas that require a lift station and those that are not to generate two rates; Non-lift zone customers – sewer rate/gal, and Lift Station Zones – Sewer Rate/gal.

Again, with the adjustment of the key cells, new rate projections become simple.

CRITERIA FOR EVALUATING THE SOLUTIONS:

Because the primary complaint regarding the current rate structure has consistently been the perception of unfairly allocating costs, the Task Force was assigned the responsibility of reviewing the current rate model and recommending new rates for the 2013 rates review process. Through reviewing not only the current rate model, but also the components of the water and sewer system and identifying not only the billed users, but also others that benefit from the system, the Task Force believes that the proposed commodity based, uniform rate structure provides the most fair distribution of the expenses for operations and maintenance of the water and sewer system.

In addition to the current rate model that is “class” based, with a large base rate, the Task Force considered rate structures designed to encourage conservation (increasing rates when usage increased); structures that encouraged usage (reduced rates as usage increased); and rates that were fully commodity based (a flat fee per gallon, regardless of base expenses and extraordinary expenses). Ultimately, it was determined that the proposed rate model would best meet the test of “fairness”.

By distributing the administrative costs of billing between all customers and then charging the same rate per delivered gallon of water, water users can take control of their bill and no customer is subsidizing the use of another customer. By separating expenses related to making water available for non-standard uses such as fire protection and bulk water sales the model removes subsidies. Customers are merely being charged for the service they are receiving.

Similarly, on the sewer side subsidies are being removed by allocating extraordinary expenses related to lift stations and high BOD waste to the users that benefit from them, and multi-family dwellings are contributing proportionally to the cost of maintaining a larger system to accommodate sewage generated by more than one customer using the same metering system.

OTHER CONSIDERATIONS:

In developing the proposed rate structure, the Task Force accepted the costs that had been promulgated by the City Administration and approved by the City Council.

Eighty percent of the combined budgets are costs necessary for the treatment and delivery of water for the City and its customers, together with the cost of collection and treatment of the produced effluent. The remainder is the allocated cost of administrative service. The decision as to the size and appropriateness of that allocation, and the decision to use City employees to provide those services, rests with the City Council.

The Task Force does not believe that the proposed rate model will resolve all of the complaints regarding fairness in the allocation of the expenses for maintenance and operation of the water and sewer program, but we do feel that the concerns identified and those brought before us through public comment have been appropriately addressed through this model. Additionally, the model provides an ease of administration and future rate setting that if properly applied will help the City continue to adequately fund the program for years to come.

CONCLUSIONS:

In conclusion the Task Force is pleased to provide the City Council with the following recommendations with the anticipation of improved rate stability in the water and sewer program.

- Replacing the current rate model with the proposed commodity based model found on page A-1 - A-4.
- Continue to periodically review the allocation of administrative and other overhead expenses to ensure they properly reflect the actual expenses being charged to Water & Sewer.
- Clearly delineate water and sewer rates, by location, in future budget documents (i.e., revenue from City facilities and related expense lines in Port & Harbor, Water & Sewer, and other administrative budgets.)
- Confirm that ALL City of Homer facilities receiving water and sewer services are being properly metered and billed.
- Consider alternatives for refreshing the water in dead-end lines that does not result in the waste of large volumes of treated water.
- Renew the contract with Kachemak City and ensure that the rates adequately reflect the cost of this area on the system as a whole, including any added administrative expenses.
- Conduct rate-setting in a manner that will not allow political influences to result in the under collection of rates in the future.
- Establish a periodic meter inspection program to ensure that all meters are properly installed and reading.
- Customer/Tenant Fees as applied within the proposed rate model for Water and Sewer are defined as apartments, rental units, or multi-unit buildings where each unit has one or more restrooms. This fee applies to all units whether commercial or residential that is intended to be rented on a monthly basis or longer, excluding public or shared restroom facilities.

APPENDICES

Appendix A – Creation of the Task Force

- Resolution 12-027(A), Establishing a Water & Sewer Rate Task Force
- Resolution 12-094, Amending Resolution 12-027(A), The Composition of the Water and Sewer Rate Task Force to Allow Mayor Wythe to Continue to Serve
- Memorandum 12-161, Appointing of Councilmember Burgess to the Water & Sewer Rate Task Force

Appendix B – City of Homer Water & Sewer Rates

- Resolution 11-094(S), Maintaining the City of Homer Fee Schedule at the Current Rates and Amending Customer Classifications in the Water & Sewer Rate Schedules
- Ordinance 11-43, Amending HCC 14.08.037, Water Meters Regarding Number of Meters Per Lot
- Resolution 11-062(A) Maintaining the City of Homer Fee Schedule Under Water and Sewer Fees.

Appendix C - Budgets

- 2012 Operating Budget Water & Sewer
- City of Homer 2012 Operating Budget Fund 200 – Water & Sewer Special Revenue Fund
- Fund 400 - Water Fund Administration, Fund 400 Water & Fund 500 Sewer Fund Revenues
- City of Homer Year End 2011 Utility Special Revenue Fund 2011 Balance Sheet
- Year to Date figures Water & Sewer June 2012
- Year to Date figures Water & Sewer August 2012

Appendix D – Classifications & Sample Invoices

- Classifications & Average Monthly Usage for 2011
- Actual Random Sample Invoices depicting various gallonage used for comparison

Appendix E – Fire Protection, Flushing, Water Treatment Plant, Depreciation, Meter Sizes, Maps

- How Fire Protection Affects the Water System – Public Works
- Flushing Fire Hydrants & Water Mains- Public Works
- Water Treatment Plant Flows in Millions of Gallons – Public Works
- Depreciation Reserves Requirements and 2012 Depreciation Reserves – Water & Sewer – Finance Dept
- Maps Indicating Lift Station Locations and Areas Served – Public Works
- Number of Gallons of Water delivered to the Spit Annually – Public Works
- Staff Response to Questions regarding Staff time to produce Invoice – Finance Dept.
- Staff response to Questions regarding How Budget Numbers are calculated – Finance Dept.
- Staff Response to Number of Meeting Sizes - Meter Sizes & Number of Each Size – Public Works
- Staff Response to Question regarding Gallonage Used in the Harbor – Public Works

Appendix F – Spit Surcharges

- Resolution 04-94(S) (A), Amending Homer Fee Schedule Regarding Water Rates
- Resolution 04-95, Amending Homer Fee Schedule Regarding Sewer Rates
- Excerpt from City Council Minutes, 2004, regarding Resolution 04-94(S) & Resolution 04-95
- Resolution 05-121(A), Amending the City of Homer Fee Schedule Regarding Water Rates
- Resolution 05-122, Amending the City of Homer Fee Schedule Regarding Sewer Rates
- Staff Response Analysis on Proposed Spit Surcharge – Public Works

Appendix G – Public Written Comments

REFERENCES AND RESOURCES

Rate Setting for Small Water Systems, Texas Cooperative Extension Service, Texas A & M University System
Excerpt from Basic Guide to Water Rates, www.lwua.gov.ph/water_rates_08/rates_two.html
Chart Table 2-1 Annual Funds Required – Unknown Source
Anchorage Water & Sewer Rates 2012 www.awwu.biz/website/Service/water_tariff13-2.htm
Intergovernmental Agreement for Kachemak /Homer Wastewater System between Kachemak City and City of Homer, dated August 10, 1988
KPMG Peat Marwick, Water and Wastewater Utilities Rate Study, February 11, 1991
Montgomery Watson, Utility Rate Study, August 11, 1997
City of Homer 2000 Rate Model Matrix – Water & Sewer 2008 Rates Analysis Water & Sewer Enterprise Fund
City of Kenai Water & Sewer Rate Study Prepared by Kurt Playstead, CH2M HILL, February 7, 2011
M54: Developing Rates for Small Systems, the American Water Works Association, Copyright 2004
City of Soldotna Water & Sewer Rate Study Prepared by HDR Engineering (No date)

City of Homer Water and Sewer Rate Study Draft Rate Model
April 5, 2013
PROPOSED WATER RATES

Revenue Assumptions (dollars):		Source:	
1	Total Water Revenue Requirements (2014)=	1,890,265	Annual Budget
2	Deduct Portion Collected through Service Fee=	310,077	Annual Budget
3	Hydrant Rents (10% of E6) =	189,027	Annual Budget
4	Sprinkler Differential (20 buildings - \$5/mo)=	1,200	Building Customer
5	Surplus Water Sales (Bulk) surcharge only =	92,290	Bulk Sales
6	Adjusted Revenue Requirements =	1,297,672	Calculated
Usage Assumptions (gallons):			
7	Metered Sales Projection (gallons) =	125,000,000	Prior Year
8	6.5% Commodity Reduction due to Conservation =	8,125,000	Number to be tested
9	Adjusted Sales Projection (gallons) =	116,875,000	Calculated
Informational:			
10	Spit Water Sales =	17,921,000	Prior Year
11	Surplus (Bulk) Water Sales =	23,072,500	Prior Year
12	Number of Meters =	1,472	Prior Year
13	City Hall Finance Department O/H=	775,192	Annual Budget
14	Public Facilities Water Usage (value)=	134,904	Annual Budget
All Customers	Water Rate Per Gallon	Metered Service Fee	
15	0.0111	\$18	Round up to Next \$
16	Bulk Water = .015/gallon		

City of Homer Water and Sewer Rate Study Draft Rate Model

April 5, 2013

PROPOSED SEWER RATES

Revenue Assumptions (dollars)		Source:	
1	2014 Total Revenue Requirement=	1,680,279	Annual Budget
2	Sewer Differential (.86*84% of Lift Stations) =	181,915	All Lift Station Users
3	High BOD Generator Sewage Differential (\$10/mo) =	5,760	New Fee
4	Customer Fee Kachemak City/Tenant Fee (\$5/mo) =	53,160	Reduced Fee
5	Kachemak City Fees (less pumping) =	81,270	Prior Year
6	Dumping Station Fees	10,500	Prior Year
7	Summer Metered Gallons (Septic Reduction) =	(400.00)	From Accounting
8	Adjusted Revenue Requirements=	1,348,074	
Usage Assumptions (gallons):			
9	Discharge Sales Projection (gross metered) =	125,000,000	Water Sales
10	6.5% Commodity Reduction due to Conservation =	(8,125,000)	
11	Metered Spit w/o entering Treatment Line=	(9,150,000)	
12	Adjusted Discharge Sales Projection =	107,725,000	
Informational			
13	Spit Sewer Discharge (gallons)=	7,225,000	Prior Year
14	Lift Station Costs=	181,915	Annual Budget
15	Single Connection Multi-Tenant Units=	886	Prior Year
16	Public Facilities Contribution =	46,918	Annual Budget
17	Number of High BOD Generators Sewage=	48	From Page 2
18	Dumping Station Fees =	10,500	Annual Budget
19	Lift Station Gallons=	46944000.0	PW Annual Pumping Rates Est
NON-Lift Zone Customers - Sewer Rate /gal			
20	0.013		
** Lift Station Zones - Sewer Rate /gal			
21	0.016		

High B.O.D Users

Restaurants	24
Hotels w/ Rest & Hosp	4
Clubs, Seniors, Schools	12
Laundromats	3
Car Wash	2
Service Stations	3
Total High BOD Generators	48

Type of User	\$18/mo Service Fee	1.11¢ gal Water Fee	1.5¢ gal Bulk Water	1.3¢ gal Sewer Fee Non- Lift Station	1.6¢ gal Sewer Fee Lift Station	\$5/mo Customer /Tenant Fee	\$10/month BOD Fee	\$5/mo Fire Demand
BASE FEES:								
Bulk Water Purchaser			✓					
Residential/ Commercial *	✓	✓		✓				
Residential/Commercial - Lift Zones	✓	✓			✓			
Residential/Com - Kachemak City						✓		
ADDITIONAL FEES:								
Commercial/Institutional Kitchens							✓	
Multi-unit Customer Fee**						✓		
Car Washes							✓	
Hotels/Motels							✓	
Processing Facilities							✓	
Campground/RV Parks							✓	
Laundromat							✓	
Service Stations							✓	
Buildings w/ Sprinkler Systems								✓
* Includes: B & B's Businesses Churches w/o DEC Kitchens Cocktail Lounges Groceries w/o DEC Kitchens Private Club w/o DEC Kitchens Public Authority w/o DEC Kitchens				** Includes: Apartment/Housing Complexes Malls & Other Multi-unit Commercial Trailer Parks on Shared Meter(s)				

CITY OF HOMER, ALASKA

Utility Special Revenue Fund

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended December 31, 2012

	Utility Operations	HAWSP Debt Service	Utility Capital Projects	Utility Reserves	Total Utility Fund
Revenues:					
Sales tax	\$ -	1,174,683	-	-	1,174,683
Intergovernmental:					
Capital grants	-	-	46,370	-	46,370
State of Alaska PERS relief	130,004	-	-	-	130,004
Total intergovernmental	130,004	-	46,370	-	176,374
Charges for services:					
Water charges and connection fees	1,717,259	-	-	-	1,717,259
Sewer charges and connection fees	1,552,816	-	-	-	1,552,816
Total charges for services	3,270,075	-	-	-	3,270,075
Water and sewer special assessments	-	262,591	-	-	262,591
Other	-	-	-	10,900	10,900
Total revenues	3,400,079	1,437,274	46,370	10,900	4,894,623
Expenditures:					
Water:					
Pumping system	88,471	-	-	-	88,471
Treatment plant and operations testing	481,615	-	-	-	481,615
Distribution system and reservoir	354,459	-	-	-	354,459
Water meters	115,531	-	-	-	115,531
Water hydrants	92,038	-	-	-	92,038
Administration	680,152	138,797	-	-	818,949
Total water	1,812,266	138,797	-	-	1,951,063
Sewer:					
Pumping system	761,560	-	-	-	761,560
Collection system	173,131	-	-	-	173,131
Administration	672,471	138,797	-	-	811,268
Total sewer	1,607,162	138,797	-	-	1,745,959
Debt service:					
Principal	-	834,681	-	-	834,681
Interest	1,794	158,704	-	-	160,498
Total debt service	1,794	993,385	-	-	995,179
Capital outlay	-	-	1,633,463	255,372	1,888,835
Total expenditures	3,421,222	1,270,979	1,633,463	255,372	6,581,036
Excess of revenues over (under) expenditures	(21,143)	166,295	(1,587,093)	(244,472)	(1,686,413)
Other financing sources (uses):					
Issuance of long-term debt	-	1,565,730	-	-	1,565,730
Eliminating transfers	(213,181)	(1,532,027)	1,532,027	213,181	-
Transfers out	(20,300)	-	-	-	(20,300)
Net other financing sources (uses)	(233,481)	33,703	1,532,027	213,181	1,545,430
Change in fund balances	(254,624)	199,998	(55,066)	(31,291)	(140,983)
Beginning fund balances (deficits)	3,212,721	(3,199,283)	(1,005,612)	4,337,639	3,345,465
Ending fund balances (deficits)	\$ 2,958,097	(2,999,285)	(1,060,678)	4,306,348	3,204,482

**CITY OF HOMER
2013 OPERATING BUDGET**

Water Reserves

256 - 378

Expenses thru 6/30/12

Acct #		2010	2011	2012	2013
		Actual	Budget	Budget	Budget
	Beginning Balance	2,104,794	2,129,479	2,133,390	2,206,440
4992	Annual Transfer	250,000	250,000	100,000	100,000
	Adjustment to Reserves			(3,124)	
	Loan Repayment for Energy Proje			12,395	12,395
4801	Interest Income	4,035			
5990	Energy Fund				
	Ord 10-14	(88,975)	(166,089)		
5xxx	Expenditures	(140,375)	(80,000)	(14,092)	
	Subtotal	2,129,479	2,133,390	2,228,569	2,318,835
	Encumbered			(22,129)	(25,000)
	Ending Balance	2,129,479	2,133,390	2,206,440	2,293,835

Expenditure Detail

	Ord #	2010	2011	2012	2013
		Actual	Budget	Budget	Actual
Water Main Line Tapping Tool	Bud				
Watershed Land	09-08(A)				
Watershed Land		140,375			
Used Allman Light Tower	11-16(A)		10,000	10,000	
Land - Nancy Hillstrand	11-38		70,000	70,000	
2012 Budget					
Frost Ripper Attachment (1/2)				2,750	
Steamer Unit	Ord 12-09			9,092	
Badger Orion Meter	Ord 12-12			7,713	
Steam/Boiler Unit	Ord 12-33(A)(S)			16,667	
2013 Budget					
1/3 Vacuum Excavator					25,000
		140,375	80,000	80,000	36,221
					- 25,000
					-

**CITY OF HOMER
2013 OPERATING BUDGET**

Sewer Reserves

256 - 379

Expenses thru 6/30/12

Acct #	Ord #	2010	2011	2012	2013
		Actual	Budget	Budget	Budget
		1,836,716	1,997,741	2,178,693	1,994,609
4992		250,000	250,000	100,000	100,000
	Loan Repayment for Energy Projects Ord 11-02(S)(A)			787	787
5xxx	Expenditures		(62,206)	(49,555)	
5990	Trsf to Energy Fund		(6,843)		
	Ord 10-14	(88,975)	(6,843)		
	Subtotal	1,997,741	2,178,693	2,229,925	2,095,396
	Encumbered			(235,316)	(365,000)
	Ending Balance	1,997,741	2,178,693	1,994,609	1,730,396

Expenditure Detail

	Ord #	2010	2011	2012		2013	
		Actual	Budget	Actual	Budget	Actual	Budget
Aqua Tech Sewer Jet	Ord 06-61(S)						
Biosolid Treatment Feasibility Study			50,000	45,816			
Polymer Feed Equip Replacement	11-16(A)		35,000	7,390		21,925	
Dynapac Diesel Plate Compactor	ord 11-16(A)		10,000	9,000			
2012 Budget							
Frost Ripper Attachment (1/2)					2,750		
Beluga Lift Station Pump Replacement					20,000	18,538	
Campground Lift Station					9,500		
Siemens Mag Meter, Flow Meter & Totalizers					10,000		
Bock Oil Fired Water Heater					10,000		
Steam Sterilizer, Autoclave					10,999	9,092	
WWTP Odor Control Alternative					11,101		
WWTP Headworks Improvement Alternatives					17,967		
Polymer Equipment Replacement	Ord 12-02(A)				114,288		
Steamer Unit	Ord 12-09				9,092		
Badger Orion Meter	Ord 12-12				7,713		
Bald Mtn Air Sewer Service Replace	Ord 12-21				12,000		
Steam/Boiler Unit	Ord 12-33(A)(S)				16,667		
2013 Budget							
1/3 Vacuum Excavator						25,000	
Beluga Lift Station						20,000	
Odor Control/Bar Screen						250,000	
Sewer Pipeline Inspection Equipment						10,000	
Lift Stations SCADA Upgrade						60,000	
		-	95,000	62,206	252,076	49,555	365,000
							-

**City of Homer
2013 Operating Budget**

**Fund 200
400 Water & 500 Sewer Fund Revenues**

	FY 2010 Actual	FY 2011 Actual	FY 2012 Adopted Budget	FY 2012 Amended Budget	FY 2013 Adopted Budget	Difference Between 2012 Amended & 2013 Adopted Budget	
Water Revenue							
Operating Revenue:							
4616 Metered Sales Residential	\$ 460,681	\$ 443,853	\$ 713,541	\$ 713,541	\$ 664,234		
4617 Metered Sales Commercial	1,154,757	1,230,033	932,560	932,560	1,107,241		
4618 Metered Sales Industrial	31,318	33,594	32,000	32,000	33,000		
4661 Connection Fees	14,813	15,516	15,000	15,000	15,000		
4662 Services & Meters	23,452	19,495	24,000	24,000	24,000		
Total Operating Revenue	1,685,020	1,742,491	1,717,101	1,717,101	1,843,475	126,374	7.36%
Non- Operating Revenue							
4801 Interest on Investments	4,566	4,668	5,000	5,000	5,000		
4802 Penalty & Interest (Utilities)	8,812	8,772	6,000	6,000	6,000		
4527 PERS Revenue	49,838	108,649	50,000	50,000	112,810		
4902 Other Revenue	147,493	12,371	-	-	-		
Total Non-Operating Revenue	210,709	134,461	61,000	61,000	123,810	62,810	102.97%
Total Water Revenue	\$ 1,895,729	\$ 1,876,952	\$ 1,778,101	\$ 1,778,101	\$ 1,967,285	189,184	10.64%
Sewer Revenue							
Operating Revenue							
4616 Metered Sales	634,165	600,522	953,785	953,785	824,821		
4617 Meter Sales Commercial	818,798	882,664	582,304	582,304	793,511		
4618 Meter sales Industrial	17,925	16,036	20,000	20,000	20,000		
4662 Services & Meters	9,609	5,220	13,000	13,000	6,000		
4701 RV Dump Station	2,924	3,010	3,000	3,000	3,000		
Total Operating Revenue	1,483,423	1,507,452	1,572,089	1,572,089	1,647,332	75,243	4.79%
Total Sewer Revenue	\$ 1,483,423	\$ 1,507,452	\$ 1,572,089	\$ 1,572,089	\$ 1,647,332	75,243	4.79%
Operating Transfers							
Total Operating Revenue	\$ 3,168,443	\$ 3,249,942	\$ 3,289,190	\$ 3,289,190	\$ 3,490,807		
Total Non-Operating Revenue	\$ 210,709	\$ 134,461	\$ 61,000	\$ 61,000	\$ 123,810		
Total Water & Sewer Revenue	\$ 3,379,152	\$ 3,384,403	\$ 3,350,190	\$ 3,350,190	\$ 3,614,617	264,427	7.89%

City of Homer
2013 Operating Budget

FUND 200 WATER
EXPENDITURE SUMMARY BY LINE ITEM

	FY 2010 Actual	FY 2011 Actual	FY 2012 Adopted Budget	FY 2012 Amended Budget	FY 2013 Adopted Budget	Difference Between 2012 Amended & 2013 Adopted Budget	
Salaries and Benefits							
5101 Permanent Employees	509,706	504,172	516,317	516,317	526,291	9,974	1.93%
5102 Fringe Benefits	383,986	378,848	344,372	344,372	400,710	56,338	16.36%
5103 Part Time Employees	2,532	590	4,720	4,720	4,909	189	4.01%
5104 P/T Fringe Benefits	741	159	638	638	630	(8)	-1.21%
5105 Overtime	32,633	39,736	26,000	26,000	26,000	-	0.00%
5107 Part Time Overtime	2	-	-	-	-	-	0.00%
Total Salaries and Benefits	929,599	923,505	892,047	892,047	958,539	\$ 66,493	7.45%
Maintenance and Operations							
5201 Office Supplies	1,274	2,010	1,200	1,200	1,700	500	41.67%
5202 Operating Supplies	50,785	57,190	45,700	45,700	59,100	13,400	29.32%
5203 Fuel/Lube	34,490	49,307	36,000	36,000	51,000	15,000	41.67%
5204 Chemicals	43,714	122,401	32,000	32,000	100,000	68,000	212.50%
5207 Vehicle/Boat Maintenance	414	327	1,200	1,200	900	(300)	-25.00%
5208 Equipment Maintenance	15,203	16,994	42,500	42,500	38,750	(3,750)	-8.82%
5209 Building & Grounds Maintenance	12,088	2,628	12,500	12,500	10,500	(2,000)	-16.00%
5210 Professional & Spec Services	28,683	18,587	33,600	33,600	42,600	9,000	26.79%
5211 Accounting/Auditing	7,392	8,414	9,496	9,496	9,496	-	0.00%
5213 Survey/Appraisal	950	-	1,200	1,200	1,000	(200)	-16.67%
5214 Rents & Leases	394	-	2,000	2,000	-	(2,000)	-100.00%
5215 Communications	3,887	4,020	4,200	4,200	4,200	-	0.00%
5216 Postage/Freight	83	441	1,500	1,500	1,000	(500)	-33.33%
5217 Electricity	122,864	188,969	127,000	127,000	148,000	21,000	16.54%
5220 Refuse/Disposal	170	-	-	-	-	-	0.00%
5221 Property Insurance	12,243	13,088	13,444	13,444	14,750	1,306	9.71%
5222 Auto Insurance	11,808	11,033	11,439	11,439	11,473	34	0.30%
5223 Liability Insurance	19,274	14,996	17,777	17,777	11,670	(6,107)	-34.35%
5226 Testing/Analysis	19,009	17,024	16,000	16,000	16,000	-	0.00%
5227 Advertising	249	210	700	700	250	(450)	-64.29%
5231 Tools/Equipment	9,980	5,570	9,700	9,700	8,000	(1,700)	-17.53%
5234 Recording/Permit Fees	150	249	1,000	1,000	300	(700)	-70.00%
5235 Memberships/Dues	343	553	1,000	1,000	750	(250)	-25.00%
5236 Transportation	386	2,006	-	-	1,000	1,000	0.00%
5237 Subsistence	301	910	-	-	200	200	0.00%
5252 Credit Card Expense	24,712	25,699	15,000	15,000	15,000	-	0.00%
5261 Construction	6,072	59,463	-	-	-	-	0.00%
5602 Safety Equipment	1,508	1,863	2,000	2,000	1,500	(500)	-25.00%
5603 Employee Training	7,331	170	8,400	8,400	8,400	-	0.00%
5606 Bad Debt Expense	3,635	3,163	-	-	-	-	0.00%
Total Maintenance & Operations	439,390	627,285	446,556	446,556	557,539	110,983	24.85%
Capital Outlay, Transfers and Reserves							
5990 Transfers To Reserves	250,000	250,000	100,000	100,000	100,000	-	0.00%
59901 Energy Projects - Repayment	-	-	-	12,864	12,864	0	0.00%
Leave Cash Out Bank Transfer	12,785	16,211	15,699	15,699	21,824	6,125	39.02%
Total Capital Outlay, Transfers & Reserves	262,785	266,211	115,699	128,563	134,688	6,125	4.76%
5607 Debt Payment	(909)	-	-	-	-	-	0.00%
5608 Interest Expense	1,354	523	-	-	-	-	0.00%
Total Debt Service	445	523	-	-	-	-	0.00%
5241 G/F Admin Services	195,392	200,968	226,432	226,432	241,203	14,771	6.52%
Total Other Charges	195,392	200,968	226,432	226,432	241,203	14,771	6.52%
TOTAL	\$ 1,827,611	\$ 2,018,492	\$ 1,680,734	\$ 1,693,598	\$ 1,891,970	198,372	11.71%

City of Homer
2013 Operating Budget

**FUND 200 SEWER
EXPENDITURE SUMMARY BY LINE ITEM**

		FY 2010	FY 2011	FY 2012	FY 2012	FY 2013	Difference Between 2012	
		Actual	Actual	Adopted Budget	Amended Budget	Adopted Budget	Amended & 2013 Adopted Budget	
5101	Regular Employees	\$ 433,677	\$ 419,697	\$ 446,817	\$ 446,817	\$ 455,520	8,703	1.95%
5102	Fringe Benefits	323,334	323,441	299,072	299,072	343,869	44,798	14.98%
5103	Part Time Employees	3,419	590	7,080	7,080	7,364	284	4.01%
5104	P/T Fringe Benefits	1,329	159	956	956	945	(11)	-1.16%
5105	Overtime	23,618	22,406	14,500	14,500	14,500	-	0.00%
5107	Part Time Overtime	2	-	-	-	-	(46)	0.00%
Total Salaries and Benefits		785,379	766,293	768,424	768,424	822,198	53,774	7.00%
Maintenance and Operations								
5201	Office Supplies	105	1,143	-	-	1,000	1,000	0.00%
5202	Operating Supplies	23,324	26,022	26,800	26,800	27,800	1,000	3.73%
5203	Fuel/Lube	46,895	40,303	45,000	45,000	42,000	(3,000)	-6.67%
5204	Chemicals	29,654	76,390	25,000	25,000	25,000	-	0.00%
5207	Vehicle/Boat Maintenance	-	45	-	-	-	-	0.00%
5208	Equipment Maintenance	23,061	27,274	29,200	29,200	26,200	(3,000)	-10.27%
5209	Building & Grounds Maintenance	3,119	354	3,500	3,500	2,500	(1,000)	-28.57%
5210	Professional & Special Services	6,449	14,947	48,600	48,600	14,900	(33,700)	-69.34%
5211	Earnings before transfers	7,392	8,414	9,495	9,495	9,495	-	0.00%
5214	Rents & Leases	850	95	1,500	1,500	200	(1,300)	-86.67%
5215	Communications	75	-	4,500	4,500	500	(4,000)	-88.89%
5216	Postage/Freight	34	359	2,500	2,500	500	(2,000)	-80.00%
5217	Electricity	188,528	162,988	189,700	189,700	180,000	(9,700)	-5.11%
5218	Water	17,044	17,246	15,000	15,000	16,000	1,000	6.67%
5219	Sewer	598	661	900	900	750	(150)	-16.67%
5221	Property Insurance	12,262	7,743	7,719	7,719	8,433	713	9.24%
5222	Auto Insurance	11,808	11,033	11,439	11,439	11,473	34	0.30%
5223	Liability Insurance	18,311	13,805	17,447	17,447	11,582	(5,865)	-33.61%
5226	Testing/Analysis	3,300	5,729	4,000	4,000	4,000	-	0.00%
5227	Advertising	-	-	500	500	300	(200)	-40.00%
5231	Tools/Equipment	4,438	4,459	4,500	4,500	4,000	(500)	-11.11%
5232	Damage not covered by insurance	5,850	-	-	-	-	-	0.00%
5235	Memberships/Dues	1,926	515	1,500	1,500	750	(750)	-50.00%
5236	Transportation	124	276	-	-	450	450	0.00%
5237	Subsistence	375	892	-	-	150	150	0.00%
5252	Credit Card Expense	24,712	25,697	15,000	15,000	15,000	-	100.00%
5601	Clothing/Uniforms	470	313	250	250	400	150	60.00%
5602	Safety Equipment	1,592	1,451	1,500	1,500	1,950	450	30.00%
5603	Employee Training	1,892	986	4,000	4,000	9,000	5,000	125.00%
5606	Bad Debt Expense	980	2,137	-	-	2,500	2,500	0.00%
Total Operations & Maintenance		435,169	451,276	469,550	469,550	416,833	(52,717)	-11.23%
Capital Outlay, Transfers and Reserves								
5990	Transfer to Reserves	250,000	250,000	100,000	100,000	100,000	-	0.00%
59901	Energy Projects - Repayment	-	-	-	20,618	20,618	0	0.00%
5106	Leave Cash Out Bank Transfer	18,064	20,412	20,093	20,093	25,574	5,481	27.28%
Total Capital Outlay, Transfers and Reserves		268,064	270,412	120,093	140,711	146,192	5,481	3.90%
5607	Debt Payment	(909)	-	-	-	-	-	0.00%
5608	Interest Expense	242	-	-	-	-	-	0.00%
Total Debt Service		(667)	-	-	-	-	-	0.00%
524	G/F Admin Services	281,469	279,013	310,086	310,086	319,102	9,016	2.91%
Total Other Charges		281,469	279,013	310,086	310,086	319,102	9,016	2.91%
Totals		\$ 1,769,414	\$ 1,766,994	\$ 1,668,154	\$ 1,688,771	\$ 1,704,325	15,554	0.92%

CITY OF HOMER
COUNCIL REPORT
FOR THE 4 MONTHS ENDING APRIL 30, 2013

WATER / SEWER SPECIAL REVENUE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>WATER REVENUE</u>					
PERS REVENUE	.00	.00	112,810.00	112,810.00	.0%
METER SALES RES	223,957.44	223,957.44	664,234.00	440,276.56	34.0%
METER SALES COM	249,400.86	249,400.86	1,107,241.00	857,840.14	23.0%
METER SALE IND	7,366.54	7,366.54	33,000.00	25,633.46	22.0%
CONNECTION FEES	5,450.00	5,450.00	15,000.00	9,550.00	36.0%
SERVICE & METERS	4,033.63	4,033.63	24,000.00	19,966.37	17.0%
INTEREST INCOME	705.90	705.90	5,000.00	4,294.10	14.0%
PENALTY/INT	2,332.19	2,332.19	6,000.00	3,667.81	39.0%
	<u>493,246.56</u>	<u>493,246.56</u>	<u>1,967,285.00</u>	<u>1,474,038.44</u>	<u>25.0%</u>
<u>SEWER REVENUE</u>					
METER SALES RES	294,294.28	294,294.28	824,821.00	530,526.72	36.0%
METER SALES COM	181,799.56	181,799.56	793,511.00	611,711.44	23.0%
METER SALE IND	869.85	869.85	20,000.00	19,130.15	4.0%
SERVICE&METER	1,785.00	1,785.00	6,000.00	4,215.00	30.0%
RV DUMP STATION	.00	.00	3,000.00	3,000.00	.0%
	<u>478,748.69</u>	<u>478,748.69</u>	<u>1,647,332.00</u>	<u>1,168,583.31</u>	<u>29.0%</u>
	<u>971,995.25</u>	<u>971,995.25</u>	<u>3,614,617.00</u>	<u>2,642,621.75</u>	<u>27.0%</u>
<u>WATER EXPENDITURES</u>					
WATER SYSTEMS ADMINISTRATION	465,469.80	465,469.80	695,990.00	230,520.20	67.0%
TREATMENT PLANT	110,021.65	110,021.65	429,783.00	319,761.35	26.0%
TESTING	11,533.32	11,533.32	57,027.00	45,493.68	20.0%
PUMP STATIONS	31,102.60	31,102.60	99,313.00	68,210.40	31.0%
DISTRIBUTION SYSTEMS	88,849.20	88,849.20	309,299.00	220,449.80	29.0%
WATER RESERVOIR	18,941.29	18,941.29	72,389.00	53,447.71	26.0%
WATER METERS	29,235.28	29,235.28	136,407.00	107,171.72	21.0%
WATER HYDRANTS	27,256.67	27,256.67	91,761.00	64,504.33	30.0%
	<u>782,409.81</u>	<u>782,409.81</u>	<u>1,891,969.00</u>	<u>1,109,559.19</u>	<u>41.0%</u>
<u>SEWER EXPENDITURES</u>					
SEWER SYSTEMS ADMINISTRATION	583,295.19	583,295.19	771,137.00	187,841.81	76.0%
SEWER PLANT OPERATIONS	160,154.24	160,154.24	529,320.00	369,165.76	30.0%
SEWER SYSTEM TESTING	21,345.50	21,345.50	71,675.00	50,329.50	30.0%
SEWER LIFT STATIONS	52,592.83	52,592.83	181,914.00	129,321.17	29.0%
COLLECTION SYSTEM	44,804.33	44,804.33	150,279.00	105,474.67	30.0%
	<u>862,192.09</u>	<u>862,192.09</u>	<u>1,704,325.00</u>	<u>842,132.91</u>	<u>51.0%</u>

CITY OF HOMER
 COUNCIL REPORT
 FOR THE 4 MONTHS ENDING APRIL 30, 2013

{SEGTITLE[F FUND]}

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
	1,644,601.90	1,644,601.90	3,596,294.00	1,951,692.10	46.0%
NET REVENUE OVER EXPENDITURES	(672,606.65)	(672,606.65)	18,323.00	690,929.65	(3671.0)
TOTAL WATER, SEWER, HAWSP	(672,606.65)	(672,606.65)	18,323.00	690,929.65	(3671.0)

**CITY OF HOMER
2013 OPERATING BUDGET**

Water Reserves

256 - 378

Expenses thru 6/30/12

Acct #		2010	2011	2012	2013
		Actual	Budget	Budget	Budget
	Beginning Balance	2,104,794	2,129,479	2,133,390	2,206,440
4992	Annual Transfer	250,000	250,000	100,000	100,000
	Adjustment to Reserves			(3,124)	
	Loan Repayment for Energy Proje			12,395	12,395
4801	Interest Income	4,035			
5990	Energy Fund				
	Ord 10-14	(88,975)	(166,089)		
5xxx	Expenditures	(140,375)	(80,000)	(14,092)	
	Subtotal	2,129,479	2,133,390	2,228,569	2,318,835
	Encumbered			(22,129)	(25,000)
	Ending Balance	2,129,479	2,133,390	2,206,440	2,293,835

Expenditure Detail

	Ord #	2010	2011	2012	2013
		Actual	Budget	Budget	Actual
Water Main Line Tapping Tool	Bud				
Watershed Land	09-08(A)				
Watershed Land		140,375			
Used Allman Light Tower	11-16(A)		10,000	10,000	
Land - Nancy Hillstrand	11-38		70,000	70,000	
2012 Budget					
Frost Ripper Attachment (1/2)				2,750	
Steamer Unit	Ord 12-09			9,092	
Badger Orion Meter	Ord 12-12			7,713	
Steam/Boiler Unit	Ord 12-33(A)(S)			16,667	
2013 Budget					
1/3 Vacuum Excavator					25,000
		140,375	80,000	80,000	36,221
					- 25,000 -

**CITY OF HOMER
2013 OPERATING BUDGET**

Sewer Reserves

256 - 379

Expenses thru 6/30/12

Acct #	Ord #	2010	2011	2012	2013
		Actual	Budget	Budget	Budget
		1,836,716	1,997,741	2,178,693	1,994,609
4992		250,000	250,000	100,000	100,000
	Loan Repayment for Energy Projects Ord 11-02(S)(A)			787	787
5xxx	Expenditures		(62,206)	(49,555)	
5990	Trsf to Energy Fund				
	Ord 10-14	(88,975)	(6,843)		
	Subtotal	1,997,741	2,178,693	2,229,925	2,095,396
	Encumbered			(235,316)	(365,000)
	Ending Balance	1,997,741	2,178,693	1,994,609	1,730,396

Expenditure Detail

	Ord #	2010	2011	2012		2013	
		Actual	Budget	Actual	Budget	Actual	Budget
Aqua Tech Sewer Jet	Ord 06-61(S)						
Biosolid Treatment Feasibility Study			50,000	45,816			
Polymer Feed Equip Replacement	11-16(A)		35,000	7,390		21,925	
Dynapac Diesel Plate Compactor	ord 11-16(A)		10,000	9,000			
2012 Budget							
Frost Ripper Attachment (1/2)					2,750		
Beluga Lift Station Pump Replacement					20,000	18,538	
Campground Lift Station					9,500		
Siemens Mag Meter, Flow Meter & Totalizers					10,000		
Bock Oil Fired Water Heater					10,000		
Steam Sterilizer, Autoclave					10,999	9,092	
WWTP Odor Control Alternative					11,101		
WWTP Headworks Improvement Alternatives					17,967		
Polymer Equipment Replacement	Ord 12-02(A)				114,288		
Steamer Unit	Ord 12-09				9,092		
Badger Orion Meter	Ord 12-12				7,713		
Bald Mtn Air Sewer Service Replace	Ord 12-21				12,000		
Steam/Boiler Unit	Ord 12-33(A)(S)				16,667		
2013 Budget							
1/3 Vacuum Excavator						25,000	
Beluga Lift Station						20,000	
Odor Control/Bar Screen						250,000	
Sewer Pipeline Inspection Equipment						10,000	
Lift Stations SCADA Upgrade						60,000	
		-	95,000	62,206	252,076	49,555	365,000

WATER AND SEWER FEES:

(The following fees have been set by the following legislative enactment HCC Title 14, new fees set forth in Ordinance 11-43, Resolution 11-062(A), Resolution 09-47(S)(A), Resolution 09-48(S)(A), Resolution 07-119 (A), Resolution 07-120(A), Ordinance 06-62(A), Resolution 06-04, Resolution 05-125, Resolution 05-122, Resolution 05-121(A), Resolution 05-09, Resolution 04-95, Resolution 04-94(S)(A), Resolution 03-159, Resolution 02-80, Resolution 01-80(A), Resolution 00-123, Resolution 00-34, Ordinance 00-02, Ordinance 97-17(A), amending the rates set forth in Ordinance 97-5(S)(A), with amendments by Ordinance 97-7, Ordinance 97-13 and Ordinance 97-14).

Public Works - 235-3170
 City Hall - 235-8121
 Billing - 235-8121 x2240

A 15% admin. fee for replacement parts for water/sewer services, functions, pressure reducing valves, sewer saddles, any Public Works Department stock item for resale to public.

Establishing service includes a one time disconnect - \$30
 Service calls, inspections, repairs not to exceed one hour - \$25 per employee plus equipment and materials.

Service calls, inspections and repairs during normal operating hours in excess of one hour labor: actual labor costs by City plus equipment and materials.

Service calls, inspections and repairs after normal operating hours or on weekends/holidays: \$50 minimum plus equipment and materials or actual cost incurred by City, whichever is greater.

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.

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

Seasonal monthly sewer customer charge will be \$10.00 or one half off the regular monthly customer charge.

*-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 building 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 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.

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

Bulk	\$25	\$0.01269	\$12.69
------	------	-----------	---------

Seasonal monthly water customer charge will be \$12.50 or one half off the regular monthly customer charge.

*-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 building 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
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.

RESIDENTIAL HOLDING TANK FEES

(Resolution 02-23)

City of Homer will bill property owner/customer monthly for City service, not pumping contractor charge.

Each property owner/customer will be billed once each month, regardless of number of pumping, 1[one] Customer Charge \$3.98 + 1 [one] General Service Charge \$16.95 + Commodity Charge [\$12.00 per pumping]

Property owner/customer is responsible for payment to pumping contractor.

City of Homer monthly billing examples based on number of pumping per month:

<u>Type of Charge</u>	<u>No Pumping</u>	<u>1 mo.Pumping</u>	<u>3 mo. Pumping</u>
Customer Charge	\$3.98	\$3.98	\$3.98

Gen. Svs. Charge	\$16.95	\$16.95	\$16.95
Commodity Charge	\$0	\$12.00	\$36.00
Total Monthly Bill	\$20.93	\$32.93	\$56.93

Jo Johnson

From: Larry Slone <larryslone222@yahoo.com>
Sent: Friday, May 24, 2013 12:53 PM
To: Jo Johnson
Subject: Res 13-048, next council meeting

To Homer City Councilmembers
ref: Resolution 13-048
May 24, 2013

I support approval of Resolution 13-048, amending the water/sewer rate schedule.
Larry Slone

Jo Johnson

From: Larry Slone <larryslone222@yahoo.com>
Sent: Sunday, May 26, 2013 11:35 PM
To: Jo Johnson
Subject: Info for May 27th city council meeting

to: Homer City Council
for May 27th council meeting
from: Larry Slone

1. I support Resolution 13-056, making available 10,000 feet of NW corner of Pier One lot for non-profits at a discount.

2. I support Resolution 13-053, providing a small plaque at Karen Hornaday Park in honor of Mae Harrington.

3. I strongly support Resolution 13-048, modifying the Water/Sewer Fee Schedule.

Below are my examples of water/sewer fees changes, current schedule versus proposed Rate Model (taxes NOT included):

a. Residential @ 1,000 gals/month: \$60/month vs. \$42/month

b. Residential, no Lift-Station, @ 3,500 gals/month: \$95 vs. \$102

c. Residential, with Lift-Station, @ 3,500 gals/month: \$95 vs. \$112

d. Multiplex (Residential), no Lift-Station, with 4 units @ 15,000 gals/month: \$396 vs. \$380

e. Multiplex (Residential), using Lift-Station, with 4 units @ 15,000 gals/month. Current: \$396 vs. \$425

f. Commercial with Lift-Station and Kitchen using 50,000 gals/month: \$1247 vs. \$1383

g. Bulk (no Lift-Station) using 100,000 gals/month: \$1295 vs. \$1500

Note 1: Bulk does not directly contribute to the cost of maintaining the sewer portion of the system.

Note 2: Fire protection benefits all, but the cost is currently borne only by water/sewer subscribers.

Larry Slone

KACHEMAK CITY, ALASKA

P.O. BOX 958, (VIA) HOMER, ALASKA 99603

PH. (907) 235-8897 FAX (907)235-8854

kachemak@xyz.net

April 29, 2013

Dear Walt and Homer City Council Members:

I have reviewed the water and sewer rate review model and recommendations. First, let me say that I think the committee has done a remarkable job overall in getting back to a rate model mostly free of politics and based on a "cost causer-cost payer" basis.

I would, however, note that the proposal, relative to Kachemak City users, represents a 19.63% increase which is significant.

The increase in cost due to changing the accounting for lift station use and maintenance which directly affects nearly all Kachemak City residents is acceptable. The \$5.00 customer tenant fee which represents 40% of our increase seems hard to justify in our case. There are few if any apartments in Kachemak City. Other than a couple of duplexes and since most "connections" are single family residences and due to our system using septic tanks, virtually no solids enter the system from our area. The solids, which appear to be the rationale for the apartment surcharge are collected every three years at an additional cost of \$279 which we exclusively pay in our monthly septic pumping charge of \$7.75. The addition of the tenant fee appears to me to be double charging and inappropriate for those using the Kachemak City system. Other than this anomaly we support the excellent work of the committee and will continue to pay our fair share of the additional costs.

Thank you very much for your thoughtful consideration of our position on this matter. Recall that our position has always been one of a partner and our desire to be treated as any other customer.

Sincerely,



Philemon D. Morris
Mayor.



To: Homer City Council
Fr: Josh Garvey, Land's End Resort
Re: Water and Sewer Task Force, Proposed Rate Model
Date: June 4, 2013

Dear City Council:

I would like to petition you to reconsider the proposed water and sewer rate model, because of the detrimental economical affects it will have on the closely tied together business and residential community here in Homer.

Having lived here all my life it has always saddened me that our city leadership has not been able to develop more employment opportunities and create a more stable economy to attract and retain those individuals and families that would love to make Homer their permanent home. I've heard the same old story hundreds of times where a young family will move to Homer and fall in love with our community, only to find out that there is no steady work for them and they simply can't afford to live here. After a couple years of forming relationships, getting involved in the community, and contributing greatly to our quality of life, they realize that they just can't make the finances work, so they finally have to give up and move away to find other cities with more prosperous employment opportunities. This is especially prevalent in my age group of younger families that are 25-35 years old. People don't care nearly as much about their utility bill as they do about whether they have a job and can count on getting a steady paycheck.

It really resonated with me when I first heard the task force talking about the city's need to "infill" and attract more people to Homer in order to spread out the cost of our large, expensive, and underutilized water and sewer system. I thought for sure that the task force would be devising some great plan to attract more people to Homer and encourage more development in our community. So you can imagine my disappointment when I heard them propose a rate model that would increase the cost of service to businesses and actually discourage future business development and investment in our community. How can we in one breath say that we want to grow our population base and in the next present a plan that will actively seek to destroy jobs and lead to people abandoning our community for work elsewhere? People won't leave Homer because their water bill goes up \$10, but they will move if one of their wage earners is laid off for the winter because the company they work for can't afford the rising costs of doing business.

As the CFO of Land's End Resort I hold a Bachelors degree in both Business Management and Economics, as well as a Masters degree in Accounting and Finance. Because of my education and experience, my company relies heavily on me to make recommendations about profitability and return on investment

scenarios. There are several reasons why I cannot support the implementation of the newly proposed rate model:

- 1) The new rate model offers no sustainable incentive or savings for resource conservation
- 2) The new rate model over burdens business operations to the point of making it even more unprofitable to operate during the off-season months
- 3) The administrative overhead that the new rate model seeks to fund is applied arbitrarily, without sufficient oversight, and is poorly managed
- 4) The new rate model is too complex and needs more disclosure, transparency, and discussion before any implementation occurs

Conservation & Savings

In light of this new rate proposal, I cannot recommend that my company continue to invest in conservation measures and other facility improvements since any savings are simply too short-lived. The proposed rate model does NOT promote or reward conservation. Here's the entire summary devoted to this subject by the task force (page 5):

"In the projection provided, consideration is also given for the potential reduction in water use that may result from the commodity based fee schedule (conservation)."

The problem is that the city can't reduce expenses when demand drops. Conservation works against the interests of the city!

Several years ago, this task force decided the way to increase revenue was to increase the commodity rate and eliminate differential rates for Homer Spit. The goals then were to simplify the rate structure, create a level playing field and encourage conservation. At the time, the council was warned: "You cannot conserve your way out of a revenue problem" and the same is true today.

Land's End spent thousands on low gallon toilets, shower heads and sink valves. We acted responsibly, and instead of a reward that would amortize our investment, the goal post was moved. Rates went up—as did our total annual costs.

The simple fact is the city does not want conservation; they admit that in order to satisfy an ever-increasing need for more money, they need more USERS and more volume. Until this council figures out how to lower costs, as soon as consumption goes down, rates will need to go up in order to meet the revenue demand.

The task force recommendation of a 6% adjustment in usage from conservation is proof enough that:

- a) The task believes it's rates are so high they will discourage demand by 6%---the opposite of what it should be doing; and

b) That conservation (lower usage) is simply offset with increased commodity rates.

Operational Profitability

Furthermore, I cannot recommend that my company continue to operate at the same level as we have in the past during our already unprofitable off-season months due to our rising costs. For a large user, Homer's water and sewer rates are far beyond any reasonable comparison. The current rates are overly burdensome enough when compared with any other like community. Here in Homer, Land's End pays four times more than the exact same property and usage would pay in Kenai—and more than triple what it would pay in Palmer, Kodiak or Sitka. This translates to roughly five lost jobs.

In many ways, Land's End reflects this council's commitment to serving the business community. We're local. We invest in the community; 100% of our revenue circulates here. And yet, we find that our competitive position is hindered by high costs such as those proposed.

Attached Exhibit A makes apples-to-apples comparisons between Homer and other Alaskan communities.

This information shows the reality faced by local businesses. Task Force members stated that "other communities are not fully compliant and are on the verge of increasing their rates." This argument is completely irresponsible, since it amounts to heresay and does nothing to address the real problem.

The proposed rate increases are nothing short of anti-business politics designed to stunt growth, discourage "infilling," and deprive this community of any long term opportunity to develop a flourishing and vibrant economy that would actually be able to effectively sustain our enormously expensive and greatly underutilized water treatment system.

Administrative Overhead

As the CFO of Land's End I realize how overhead can affect things radically, and how important it is to base allocations on facts and real labor effort, and apportion them fairly so you know what's making money and what isn't. Yet at the city level our administrative overhead is applied in an arbitrary and capricious manner. The most expensive component of our water system—administrative overhead—is poorly managed.

When asked how overhead is determined, the answer from the task force was: "The finance director develops the percentage and it's then inserted as part of the budget process."

One person adjusts the number to make the budget balance, depending on how much money needs to be wrung from the enterprise fund. No council member has the information to challenge this number and so they never do, and the process is arbitrary. Does Homer impose disproportionately higher overhead costs to water & sewer administration (indirect, non-depreciation costs) than other communities and if so, what is the justification for it?

The answer is “yes” and yet there appears to be little justification for it in the public record. The city does not track administrative time spent on each revenue center, and the allocation of administrative overhead applied to the Water & Sewer Fund is never brought to the council and voted on as a number to be justified—a percentage based on reasonably supported facts. We need transparency so the true costs and sustainability of our current system can be analyzed.

Complexity, Disclosure, and Transparency

Finally, I cannot support this proposed rate model as it is too complex and difficult to understand, especially when compared to the rate structures used in other similar communities. It’s also too hard for the average citizen to get good solid info when trying to evaluate the rate model’s assumptions and analyze its overall impact. The Council has made progress on simplifying the rate model and making it more transparent, but not nearly enough yet.

There also appears to be discrepancies between the rate model and the city budget. The draft rate model uses \$3,570,544 in total revenue versus \$3,350,190 in the current city budget. There is no explanation for this revenue in excess of the budget.

Closing Remarks

With this proposed rate model on the table I cannot in good faith recommend that my company continue to invest in conservation projects that generate local work opportunities for contractors, or to maintain the same year-round operational plan that sustains much of our workforce through the Homer’s difficult off-season months. This proposed rate plan will ERODE investment and job opportunity throughout our community and will exacerbate our water & sewer system’s “infill” and budgetary problems even more. I urge the Council to slow down and take more time to fully investigate the ramifications of such a rate model. Independent firms that are experts in utility rate management should be consulted, the public should be given more time to examine the rate model and discuss its long term impact, and the entire philosophy and concept of how we fund and allocate the City’s administrative overhead needs to be reevaluated. If the City really wants to see Homer grow and develop to the point of being able to effectively fund our water treatment system, then they have to maintain their commitment to show the State that Homer is “open for business.” This proposed rate model sends the message loud and clear that our city officials are anti-business and that the City of Homer itself is closed to business development.

Sincerely,

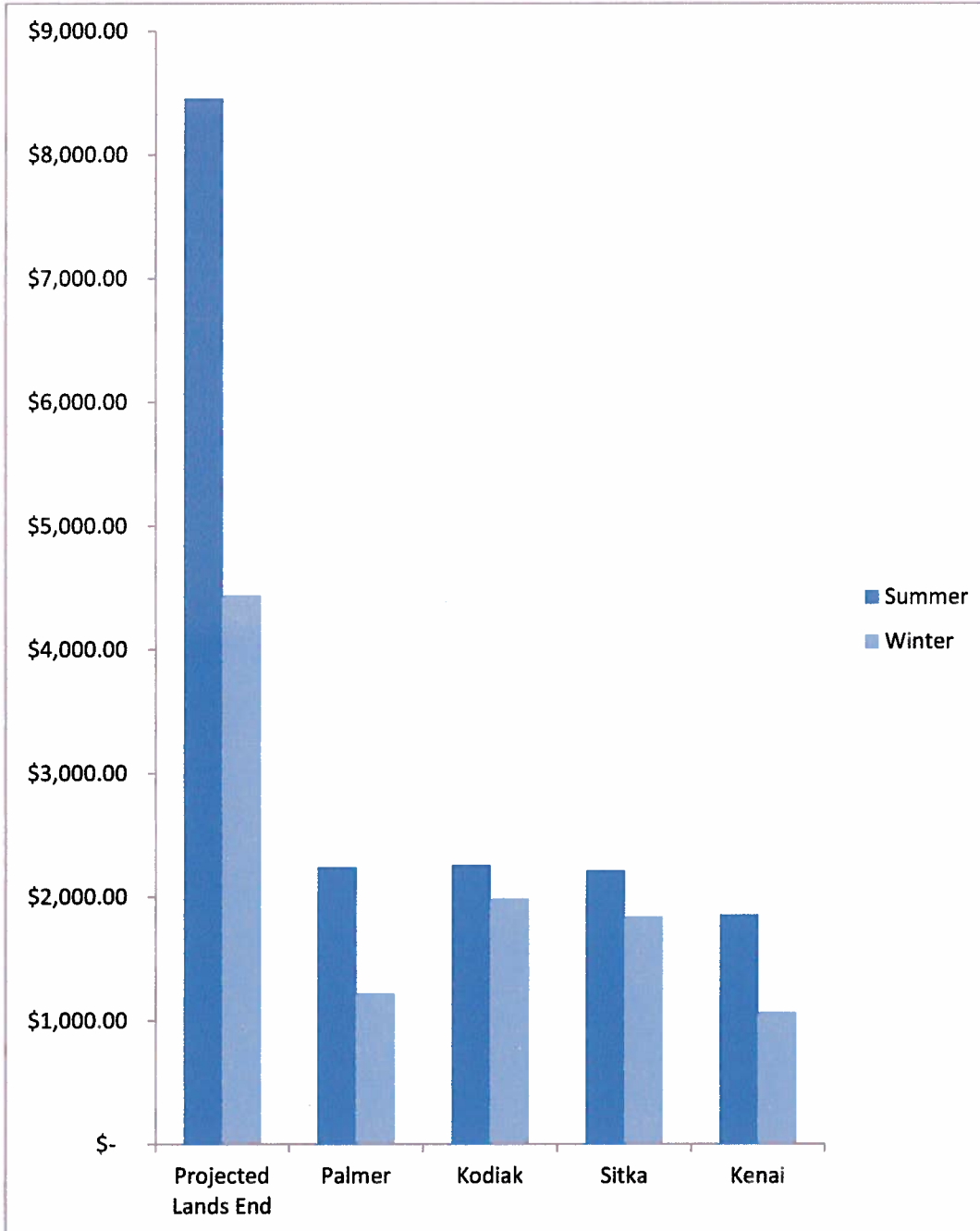


Josh Garvey – Land’s End Resort
907-299-4577

Exhibit A

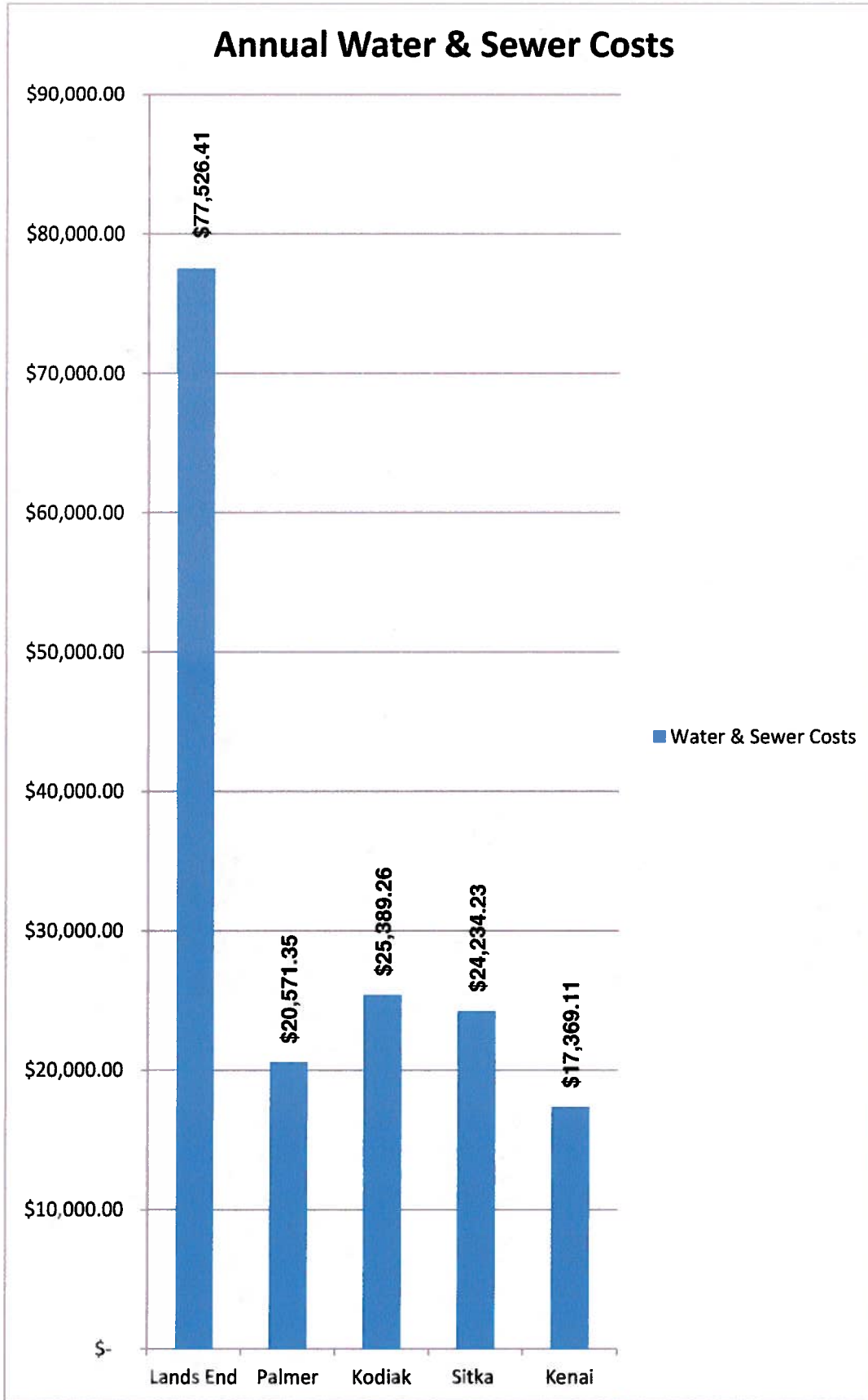
Water and Sewer Rates: A Comparative Study

Projected water & sewer costs based on actual Land's End usage (monthly average for summer & winter)



	Summer Months	Winter Months
Projected Lands End	\$8,453.51	\$4,440.00
Palmer	\$2,239.91	\$1,219.52
Kodiak	\$2,254.62	\$1,985.08
Sitka	\$2,212.53	\$1,837.84
Kenai	\$1,854.04	\$1,064.69

Projected water & sewer costs based on actual Land's End usage (annualized)





June 4, 2013

To: Homer City Council
From: Mike Dye, CEO
Land's End Acquisition Corporation
Re: Rate Model Proposed by Water and Sewer Task Force

Dear City Council:

Beware of the Rhetoric:

I urge you all to review critically the rhetoric that has dominated the discussions at the task force meetings.

First, proponents of this rate model love to tout this model as “free of politics” because it seems no one has been bullied or coerced by big business. Instead, this model lowers fixed monthly fees by 45% for residential customers and, as one council member pointed out, benefits the decision makers and 80% of the people who vote to elect you. The task force admits under “Criteria For Evaluating Solutions” that it was public complaints and the “perception of unfairly allocating costs” --not flawed logic--that prompted this effort. How is this not political; it's only when business interests are driving for change that “politics” is in play? This rate model places individual businesses at risk—both politically in the future, and economically immediately.

Second, proponents tout the seemingly unimpeachable policy of “cost causer, cost payer”. If you use it, you pay for it, and everyone pays the same! Please do not fall for this rhetoric because it's deceptive. Look deeper into the facts, such as the following statement by the task force.

“By distributing the administrative costs of billing between all customers and then charging the same rate per delivered gallon of water...no customer is subsidizing the use of another customer...Customers are merely being charged for the service they are receiving.”

Is this really true? What are the facts?

High volume users pay proportionately MORE of city overhead, but in reality cost the city LESS to administer. In other words, cost causers are NOT the cost payers. Under the proposed new model, high volume commercial businesses subsidize others. Here's the math:

Land's End consumed 2,827,100 gallons in 2012---equivalent to 94 customers using 2,500 gallons per month. The City allocates \$775,192 in accounting overhead to the system, which services 1,472 meters. If each cost causer is deemed to cost the city the same amount every month for accounting and billing (logical and easily proven) then each cost causer should pay \$526.62 a year (or \$43.88/month). Instead,

the task force proposes that volume users subsidize residential users by lowering their overhead cost to \$18/mo—costing the system a whopping \$457,144 a year! Meanwhile, under this new model, the overhead costs are shifted to high volume users such as Land’s End, which pays 2.42% of overhead, or \$18,745 a year-- \$1,562 per month!

Coincidentally, residential customers now pay about \$44/mo---precisely because it was deemed fair the last time the task force decided what was “fair and equitable”. So ask yourself, what’s changed?

For every \$1 per month the city fails to charge each residential customer for overhead, it costs the system \$17,664 per year!

If you’re still skeptical, consider this: If the high volume users ARE NOT subsidizing the system, then having them drop off the system entirely would NOT have a disproportionately larger effect on remaining users than having the equivalent volume of water in RESIDENTIAL customers drop off the system. But this is NOT the case. Do the math!

Disproportionate Impacts:

Under the heading “Disproportionate Impacts”, the Task Force concluded:

“The water loss related to dead end lines is considered a cost of the system in general and no fee was recommended in association with its impact.”

The Task Force makes no effort to quantify this cost, but recognizes that it is substantial. They make little effort to identify the “cost causers”. Instead, they simply call it a system-wide cost. Who then pays for it? Just like “overhead”, the high volume users pay a disproportionately larger share of this cost---for no justifiable reason since it has nothing to do with “Cost Causers”.

The costs of hydrant flushing is another significant “cost causer” that is passed along disproportionately to high volume users in this new model, and not to the specific beneficiaries of the hydrants. City Spit Lessees, “cost causers”--who the city permits to run a business without paying anything into the system, also disproportionately impact “cost payers”.

The 6.5% “commodity reduction due to conservation” is a roughly \$90,000 hidden assessment on volume users. It cost Land’s End about \$2,177 a year, whereas a typical 3,000 gpm customer pays about \$27.72 ($36,000/116,875,000 \times 90,000$). One task force member thinks this is fair, and promotes a plan to fund depreciation through a similar “surcharge”, reasoning that high volume users stand to gain the most from an expanded system. (On this point, he conveniently moves away from cost-causer rationale to a “who benefits” argument).

This “conservation surcharge” is arbitrary, and proves two things: conservation is not rewarded (those in a position to conserve the most are whacked by higher rates the following year), and high volume users pay once again a disproportionate share of this “slush fund” which is used to finance and pay for such things as new vehicles (fund transfers).

This model touts itself as “fair” through rhetoric, not facts. “Cost Causer, Cost Payer” sells well to the electorate, but there are too many exceptions and “loopholes” to make it a fair or factual representation of what’s really going on.

Lack of Public Mandate

LEAC attended five task force hearings, none of which contained a quorum, and at which cumulatively only one other person (Larry Sloan) commented on the proposed rate model. There is no testimony on record to justify this radical change. Furthermore, I assert that a very significant majority of the general public does not even understand the radical changes proposed in this rate model.

Arbitrary Excess Revenue Collection from High Volume Users

A significant drop in commodity usage should translate to lower overall system costs, but not here. Furthermore, the proposed 6% drop in expected usage is arbitrary—an admitted WAG resulting in a “cushion” of excess revenue. This might be justified if collected from everyone equally. But your model raises the commodity rate to absorb 100% of this “slush fund”, so large volume users once again pay disproportionately more. This “surcharge” has nothing to do with the costs of delivering water. As a common “reserve”, it should be collected from everyone equally, and refunded accordingly.

Homer Spit Pays Its Way

Analysis of the draft rate model indicates that “spit” users are projected to discharge 7,225,000 gallons per year; the total for the entire City of Homer system is projected at \$125,000,000. The “Spit” users represent 7.2% of the total usage, or 6.2% of the Adjusted Discharge gallons (\$99,600,000) after adjusting for conservation, and the adjustment line labeled “metered spit without entering treatment line.”

The total sewer revenue requirement for 2014 is budgeted at \$1,680,279 less \$53,160 from KC Tenant customer fees and \$81,270 for Kachemak City equals \$1,546,249. 6.2% of \$1,546,249 equals \$95,867. If “Spit” users are not singled-out unnecessarily, and charged the same rate of 1.4 cents per gallon like city residential users, then fees would total \$101,150—exceeding the \$95,867 required.

If 50% of the “Spit” sewer discharge is High BOD (1.83 cents) discharge and 50% is not (1.4 cents) then the average “Spit” gallon price would approximate 1.61 cents which would yield \$116,322 which far exceeds the \$95,867 required. This scenario assumes that the City does not increase the “Spit” rate to 2.7 cents per gallon and maintains a level playing field for ‘Spit” and “non-Spit” users.

There is no need for singling out the “Spit” users, and furthermore there is no need for a high BOD rate.

Executive Summary

The Homer City Council needs to demonstrate solid leadership at this critical time and make the difficult decision to terminate this proposed rate model. As business or civic leaders, we all occasionally find ourselves in a position of having invested significant time, resources and energy in a project that is

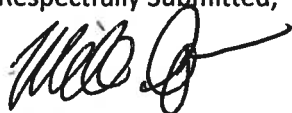
fraught with pitfalls, risk, and insufficient return. Making the correct decision to write-off a bad investment is often the most critical action a successful leader can take.

After terminating this plan, I urge the Council to invest in a review of the City's budget and gain an improved assessment of the need for modifying the rate model both in terms of the City budget, and in terms of the fairness of the current model. Is this water and sewer fund being asked to cover general fund expenses or expenses outside of water and sewer operations? What is unfair about the current rate model?

If the City Council then finds that a new rate model should be pursued then please engage professionals who are trained in water and sewer rate modeling. I assume that when approaching dock repairs, building repairs, etc. on a large public project involving \$1,000,000 + that the City Council ensures that the contractor is qualified – if for no other reason than to mitigate its risk if the project fails, incurs major cost overruns, or has the perception of not meeting the standard.

This rate model process is far too incomplete. There are too many cost areas unaccounted for, or swept under the rug, too many questions unanswered or answered with rhetoric that one moment focuses on the cost causer, and then the next moment shifts towards the beneficiary. Trained rate modelers have the tools to dig further and understand the underpinnings of varied rate model approaches, and just as important they have the time to dig rather than fall back to rhetoric because it is their profession and they are being paid for their efforts. There are too many jobs at stake to take the quick and dirty approach.

Respectfully Submitted,



Mike Dye,

Land's End Acquisition Corporation

907.399.8118

To: Homer City Council
Fr: Jon Faulkner, President, Land's End
Re: Water and Sewer Task Force, Proposed Rate Model
Date: June 4, 2013

Dear City Council:

Nothing that follows is intended to be critical; it's a business perspective which is solely lacking in Homer. It was noticeably missing from the Water & Sewer Task Force.

Until this council address the core problem of allocated overhead, a heavy and unjustified burden will continue to fall on businesses and high volume users, eroding job creation and the health of our local economy.

Executive Summary

The concept of "cost-causer—cost payer" has merit, although more time is required to realize its promise—and its effects.

This "Spit Differential" was initially a bold attempt to shift lift station costs onto volume users under a poorly supported pretense of "cost-causer, cost payer". In truth, very little attention has been paid to identification of significant and proven sources of cost to the system—let alone who is responsible for generating them. As evidence of this, until Land's End complained in February, 2013, the task force didn't even consider the idea of charging everyone on a lift station; its 11/20/12 rate model charged off fully 86% of 50% of all lift station costs city-wide just to Spit users! Almost ½ the total cost of lift station maintenance in line item 503 "Sewer Pumps and Lift Stations"—about \$60,000—is fringe benefits and PERS revenue offset alone. These costs are not attributable just to lift-station users, let alone Spit businesses!

Until better data is obtained, I urge you to maintain the current rate structure. In the meantime, any perceived unfairness in the current rate structure should be thoroughly and openly vetted. Broad, unsupported "assumptions", such as the added burden to the system of sprinklered buildings and what constitutes high BOD, need "findings of fact" and documentation to support them. Similarly, the true cost of lift stations needs more analysis. Any relief sought by residential customers should NOT be shifted to businesses and high volume users, as proposed, but rather through re-calculation of overhead or transfers from the general fund.

Bottom line: the council needs more time to gather facts relating to "cost-causers" and to apportion those costs in a manner that is fact-based and sustainable.

History

While the Task Force should be recognized for their effort, their findings should be questioned by the council. The complexity of this work suggests that professionals are required, who follow more defined policy objectives from the council. There are solid reasons for this:

- a) **Consistency in the present:** Presently, the task force recommended model of “cost-causer, cost payer” runs counter to the adopted policy of the city administration and council with respect to the gas distribution model, which favors a framework of “we’re all in this together”, and purposely avoids itemizing cost / benefit differentials.
- b) **Consistency with the past:** The council should act consistently over time and not keep “second guessing” every prior decision about what is fair and equitable. Homer’s water and sewer rate history is NOT one of stability and minor adjustment. It is 20 years of radical shifts from one extreme to another, from one rate model to another, penalizing developers and investors who have made decisions based on one set of circumstances only to see them change on a whim. Every new model purports to correct an injustice, and this proposed model is no different. What was fair just a few years ago is now deemed too expensive by some. We need to spend less time debating what is fair and more time making our system more affordable!
- c) **Consistency within the model itself.** The Task Force recommends a new “cost causer, cost payer” framework. However, there are more examples of INCONSISTENCIES within their model—i.e. instances where their framework is NOT applied---than there are examples of where it IS consistent and IS applied.

Sustainability

A sustainable model regenerates itself year after year without new energy injection-absorbing changes along the way as they can be assimilated without negative disruption. We talk a lot about the sustainability of our planet, and not enough about the sustainability of our budgets.

Not only should we avoid models that require ever-increasing amounts of revenue, we should build into our municipal models the ability to downsize. Things change, and sustainable models adapt to change as the ONE CONSTANT we all face. It is a reality that businesses must face and respond to. If we overbuilt our system, that is no reason to overburden volume users.

The idea of what is fair should also be a sustainable concept, not something subject to constant flux. Here’s a statement by the task force that I find on-point:

“Fairness also requires that users that require services beyond the normal, or create additional costs, be charged for those expectations and/or costs. Two examples of the former would be those buildings with un-metered fire protection service lines and multi-complexes using a single meter.”

The first problem is that the Task Force does not make any effort to justify its concept of fairness by itemizing precisely what the “additional costs” are they want to recover. In other words, they do not

support their assumptions. As cost-causers are singled out by the council, findings of fact that reasonably support these conclusions need to be made in order to build credibility and stability. For example, is it really true that fire sprinklers require the city to increase the size of its supply lines? If this is true, what is the real cost? Furthermore, does it make sense to penalize a home or business for having sprinklers when the Borough offers tax exemptions for the same improvement? Don't we want to encourage residential sprinklers? The Task Force needs to explain to the public precisely how a multi-plex building using a single meter adds to the city's costs.

The second problem is the logic itself is not sustainable. For example, do businesses which can prove their burden on the system is LESS than normal, or that the business actually LOWERS the costs to others, deserve a break? Similarly, are there examples of people whose burden on the system is "beyond normal" or "creates additional costs" who are charged NOTHING at all? Is the Task Force recommending all these people pay-up, or just some?

Be aware of sweeping "fairness" statements. They often sound good, but fail the fact-check test.

More Time is Needed to Gather Facts:

The Task Force has inadequate information relative to the lift station costs and who on the system it will affect. Although this idea has merit, the city has only recently begun to track such costs by individual lift station and needs more time to gather data and notify residents of this new assessment. Compare the cost of Kachemak City's lift station to other lift stations and ask yourself: does this cost sound realistic?

The most expensive lift station is Beluga Lake at roughly \$25,000 in direct cost in 2012. This lift station services Kachemak Drive, Ocean Drive, the Airport, the Landings, and the subdivision west of Beluga Lake Lodge. Until Land's End questioned the Task Force about why their "cost causer" model failed to consider others on this lift station, this important data was missing entirely from the dialogue.

The same is true for this new concept of high BOD, hydrant flushing, and the cost of flushing dead-end lines periodically. There is inadequate data or factual basis for assessing people who are believed to be "cost causers" and the council may not be prepared to carry this model to its logical conclusion---that all costs will be borne by those who cause them. Clearly the task force was not willing to go there.

Finally, from a cost modeling standpoint, there is little difference between electricity that runs a lift station and a revenue clerk. They both generate costs to the system that can be fairly apportioned. We all know a commercial customer does not cost the city more to administer and invoice monthly than a residential customer, and yet the task force easily manipulates the commodity rate so the net effect is Land's End pays over \$1,500 per month for billing and accounting services while a typical residential customer will pay \$18. Their model has less to do with cost-causers and more to do with cost-shifting.

The Justification for a “High BOD” Fee is Unsupported.

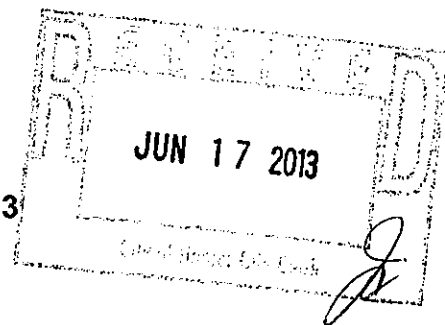
There is no public information on what constitutes “high BOD”, nor is there any documentation that costs are higher to process this waste within Homer’s Deep Shaft technology. If costs are higher, there is no documentation as to how much higher. Thus the rates associated with “High BOD” have no connection to actual costs. Businesses have been given zero information or data in order to comment or to question the basis for this policy change.

The Council’s Fund Accounting and Revenue Target is Too Complex.

How much money Homer’s system actually costs to operate must be more transparent. Direct and indirect costs should be easily identified. The council needs to make accessibility to information a higher priority. Within the Annual Water Quality Report should be an easy-to-understand annual accounting of where the money comes from and where it goes. The more the public understands the facts, the wiser and more supported our decisions will be.

As an example of this, initially the Task Force model appears to have overestimated revenue requirements by failing to account for non-operating revenues into the Enterprise Fund 200, such as interest, penalties and PERS contributions. And yet these revenues sources are in the City budget. The task force initially was given a revenue target of \$3,570,544 while the 2014 city budget has \$3,350,190 inserted. The city cannot treat this enterprise fund as a profit center designed to fund general fund expenditures!

KACHEMAK, ALASKA
P.O. BOX 958, (VIA) HOMER, ALASKA 99603
PH. (907) 235-8897 FAX (907)235-8854
kachemak@xyz.net



June 14, 2013

Dear Homer Council Members:

The City of Kachemak strenuously objects to the proposed \$5 fee to be added to our sewer billing. As I mentioned in the Committee of the Whole meeting last Monday, we are fine with the adjusted cost per gallon of sewer usage relative to lift station costs and with the increased septic pumping charge of \$7.75 per month, but heard no rational justification for each Kachemak City lot to be lumped in with an Homer apartment house surcharge which has no merit when it comes to individual households in Kachemak City.

According to our original MOU with Homer, a copy of which is enclosed, we are to be equal partners with Homer in the sewer enterprise and should be treated as any other similar customer in Homer. If the extra \$5 surcharge for Kachemak is necessary to balance the books, then add it to the "commodity charge" for everybody equally and let's get on with it.

In addition, according to the MOU, Kachemak City should have had a representative on any rate study committee, and we are specifically asking that in the future we be included from the beginning, in these deliberations. Had we been included in this case, then the committee would have been better informed about Kachemak's relationship to Homer sewer service and the role we play in assisting Homer in offering this important public service.

Sincerely,

Philemon D. Morris
Mayor

PDM: his

Enclosure

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF KACHEMAK AND THE CITY OF HOMER
FOR AN
INTEGRATED WASTEWATER SYSTEM

This Memorandum of Understanding between the Kachemak City Council and the Homer City Council sets forth the basis for development of an Intergovernmental Agreement between the two cities, providing for a joint wastewater collection and treatment system serving both communities.

BACKGROUND

The City of Homer is currently expanding and improving its wastewater treatment and outfall facilities. Some of these improvements are funded and underway. Other improvements are in the planning stages and funding is needed to cover the capital cost of design and construction. Homer will benefit from this joint agreement by receiving 1) additional financial support from Kachemak for the planned expansion and 2) an expanded customer base providing economies of scale for its sewer utility operation.

Kachemak City does not have sewer service and its residents rely upon on site disposal of domestic wastewater. Problems exist with the continued use of on site systems and a community sewer system is needed to eliminate these problems. Kachemak will benefit from the joint agreement by providing the needed community sewer system in the most economical way possible.

Consummation of an Intergovernmental Agreement will provide:

1. A COMBINED EFFORT WITH KACHEMAK AND HOMER ACTING JOINTLY, INCREASING THE POLITICAL IMPACT OF LOBBYING FOR FINANCIAL ASSISTANCE AND AGENCY SUPPORT FOR THE PROPOSED EXPANSION OF WASTEWATER IMPROVEMENTS SERVING BOTH COMMUNITIES.

Speaking with a combined voice will clearly enhance the probability of securing legislative appropriations and/or State and Federal Grants-in-Aid needed for construction of Homer's planned "Wastewater Treatment Plant Expansion". The show of unity and desire to solve a common problem will also have a positive effect on the Alaska Department of Environmental Conservation (ADEC), the Environmental Protection Agency (EPA) and other regulatory agencies; particularly from the standpoint of a single wastewater plant and ocean discharge. This positive effect will improve coordination and facilitate the review and approval of submittals to the key agencies.

2. A SINGLE OPERATING ENTITY FOR WASTEWATER COLLECTION, TRANSPORT, TREATMENT AND DISPOSAL. THE MOST ECONOMICAL AND ENVIRONMENTALLY SOUND SOLUTION FOR ALL RESIDENCES OF KACHEMAK AND HOMER.

A single operating entity offers advantages for both cities. Homer currently operates a wastewater utility and has the capability to furnish this service on an expanded basis. Expansion of the customer base served by Homer will allow greater utilization of the specialized equipment and staff supporting the existing utility, providing a more economic and efficient operation. Kachemak City benefits by eliminating the need to develop a duplicate operating organization.

BASIS OF AGREEMENT

This Memorandum of Understanding and the forthcoming Intergovernmental Agreement are based on the following general points:

I. Allocation Method.

Both Cities will share in the local share of capital costs of future wastewater system improvements based on the projected total contributed flow from each community. Local share of capital costs is defined as the total capital costs less any and all EPA grants-in-aid of construction. Four categories of improvements exist, each described as follows:

- (1) Those improvements of the collection and transportation system which benefit only Kachemak City or only the City of Homer.
- (2) Those improvements of the collection and transportation system which benefit both Kachemak and Homer i.e. existing trunks in the east end area. [Note that capacity exists in the existing Cooper Subdivision Sewer System to meet the total projected flows from Kachemak at saturation development.] The capital costs will be prorated on an "area served" basis using the Zone Connection Fee policy established for the Cooper Subdivision Project.
- (3) Improvements to Homer's treatment facilities required by State and EPA compliance orders.
- (4) Improvements to Homer's treatment facilities required to provide additional capacity.

Each city will provide one hundred percent (100%) of the funds required to complete the Category (1) improvements within its jurisdiction.

The total Category (2) allocation will be predicated on the current Zone Connection Fee policy developed for the Cooper Subdivision Expansion prorating the unassessed capital cost between Kachemak and the unserved portions of the original assessment district. Presently there is an unassessed capital cost of \$175,000 for the Cooper Subdivision Project. Homer has a contributing area of 196 acres in the original district, and Kachemak has a contributing area of 980 acres for a total contributing area of 1,176 acres. The total amount assessed to Kachemak for Category (2) costs is expressed by the following formula:

$$\text{Kachemak Assessment} = \frac{980}{1176} \times \$175,000 = \$145,833$$

Payment of the \$145,833 will become due upon the initial connection of a sewer system developed in Kachemak that connects to the Cooper Subdivision Trunk. Further, at the discretion of Kachemak City, payment of the Category (2) costs may be financed over a twenty (20) year period at the prevailing interest rate for tax exempt general obligation bonds available through the State Municipal Bond Bank at the time of connection or eight percent (8%) per annum which ever is greater.

II. Derivation of Categories (3) and (4) Allocation Factors.

The Category (3) improvements benefit both existing and future system users. Consequently total system flow is the appropriate allocation method.

Final
9/14/87

Category (4) improvements benefit only future users of the system, therefore the added (incremental) flow from these future users is the appropriate allocation method.

The following parameters apply for the City of Homer (source: Homer Wastewater Facilities Planning Project, Phase I Progress Report dated January 20, 1987, Table 3 Revised January 30, 1987).

Current Average Daily Flow	
Peak Month into Plant	283,000 gal/day
1987 Sewered Population for Homer	2,480 persons
2007 Sewered Population for Homer	5,450 persons
Per Capita Rate including I & I	120 gal/cap/day

The following parameters apply for Kachemak City (same source as referenced above for the City of Homer).

1987 Population for Kachemak City Sewered Area	360 persons
2007 Population for Kachemak City Sewered Area	650 persons

From these values the following flow rates are calculated:

Incremental 2007 flow from Kachemak City:

$$650 \times 120 = 78,000 \text{ gal/day}$$

Incremental 2007 flow from the City of Homer:

$$5,450 - 2,480 \times 120 = 356,400 \text{ gal/day}$$

Total 2007 flow:

$$283,000 + 78,000 + 356,400 = 717,400 \text{ gal/day}$$

Total Incremental 2007 flow:

$$78,000 + 356,400 = 434,400 \text{ gal/day}$$

Consequently, the allocation factor to Kachemak City for Category (3) compliance improvements is:

$$\frac{78,000}{717,400} = 0.1087 \text{ (10.87\%)}$$

Similarly, the allocation factor to Kachemak City for additional capacity improvements for Category (4) is:

$$\frac{78,000}{434,400} = 0.1796 \text{ (17.96\%)}$$

III. The City of Homer's Equity in Existing System.

Kachemak City will make a capital contribution to the City of Homer in recognition of Homer's equity in the now existing wastewater treatment system including the new outfall and influent pumping station presently being constructed. This contribution will be based on the Category (3) allocation factor and the City of Homer's net equity defined as the depreciated book value of the existing wastewater treatment facility including land plus the final construction cost of the outfall and the influent pumping station, including design costs and the City of Homer's construction overhead costs of 11.5% of the total construction cost.

From 1986 detailed accounting records, the depreciated value of the existing wastewater treatment facility including land is \$1,389,977. The old influent pumping station, the old outfall line, and the existing aeration system will not be incorporated into the new wastewater treatment facility. Accordingly, the depreciated value of these items (\$112,436) will be deducted from the total depreciated value of the existing wastewater treatment facility. The bid price for the outfall was \$413,999 plus \$85,000 for the pipe and the bid price for the influent pumping station was \$209,786. In addition, \$78,600 in change orders for the two projects are currently being processed. The design costs for the outfall were \$35,000 and for the influent pumping facility, \$43,050.

Consequently, Homer's estimated total equity for existing facilities is:

Final
9/14/87

Existing wastewater treatment facility including land	\$1,389,977
Less existing influent pumping station, outfall and aeration system	< 112,436 >
Outfall including pipe	498,999
Outfall design	35,000
Outfall Construction OH costs (11.5%)*	57,385
Influent pumping station	209,786
Influent pumping station design	43,050
Influent pumping station OH Costs (11.5%)*	24,125
Change Orders to date*	78,600
Construction OH costs on C.O.s (11.5%)*	<u>9,040</u>
Total Equity	\$2,233,526

* The total value of change orders and the City of Homer's construction overhead costs shall be based on final construction costs and will be determined by the City of Homer on or before December 31, 1987.

Kachemak City's estimated capital contribution for the City of Homer's equity is:

$$\text{Contribution} = 0.1087 \times \$2,233,526 = \$242,784$$

Payment of the value established as Kachemak's capital contribution will become due upon the initial connection of a sewer system developed in Kachemak that connects to the Cooper Subdivision trunk. Further, at the discretion of Kachemak City, payment of the equity buy-in may be financed over a twenty (20) year period at the prevailing interest rate for tax exempt general obligation bonds available through the State Municipal Bond Bank at the time of connection or eight percent (8%) per annum which ever is greater.

IV Deposit.

Upon execution of the Intergovernmental Agreement, Kachemak City will place on deposit with the City of Homer \$50,000 as a good faith statement of Kachemak's intention to implement the Agreement. The deposit shall be refunded at such time that Kachemak City makes its initial payment for Category (3) or (4) improvements or upon connection to the Homer Sewer System. In the event that Kachemak City does not connect to the Homer sewer system within five years, the deposit shall be refunded if Kachemak is not able to connect to the Homer sewer system for reasons beyond Kachemak City's control. "Beyond Kachemak City's control" includes the inability to obtain sufficient capital funding to meet the obligations outlined in this MOU, including the rejection of indebtedness by the voters of Kachemak. However, if Kachemak is able to connect to the Homer sewer system but elects not to, then the deposit will be forfeited.

V. Responsibilities.

Each city will have definitive responsibilities throughout the life of the Intergovernmental Agreement. The responsibilities of each are discussed as follows:

Responsibilities of Kachemak City

1. General planning including, the sequence of development of all wastewater collection system improvements within the corporate boundaries of Kachemak.
2. Securing of funding for Kachemak's capital contribution for Category (1) through (4) improvements.

3. Securing all easements and rights-of-way necessary to build, operate and maintain the wastewater collection system within Kachemak's corporate limits.
4. Cooperation with the City of Homer in all efforts to secure funding for the improvement and expansion of Homer's Wastewater Treatment Facilities.
5. The billing and collection of user charges for customers connected to the system within Kachemak's corporate boundaries.

Responsibilities of the City of Homer

1. Provide for the engineering, design, construction and construction surveillance of all system improvements, including those constructed within the corporate limits of Kachemak.
2. Securing of funding for Homer's capital contributions for Category (1) through (4) improvements.
3. The ownership, operation, maintenance, repair, replacement and general management of all existing and future wastewater facilities including those located within the corporate limits of Kachemak.
4. The provision of sufficient capacity to accept and treat wastewater flow from Kachemak City for an equivalent population of 650 persons.

POINTS OF AGREEMENT

The following general agreement is made by and between Kachemak City and the City of Homer in consideration of the points discussed in this Memorandum of Understanding.

Kachemak City Agrees To:

1. Continue negotiations in good faith with the City of Homer for the development of a comprehensive Intergovernmental Agreement providing for a joint wastewater collection and treatment system serving both communities.
2. Pay to the City of Homer, upon execution of this Memorandum of Understanding, twenty thousand dollars (\$20,000) as the initial payment of Kachemak's share of the 201 Facilities Plan currently under development. Additionally, pay to the City of Homer twenty-one thousand seven hundred dollars (\$21,700) as the final payment of Kachemak's share of the Plan upon execution of the Intergovernmental Agreement.
3. Provide capital funding for one hundred percent (100%) of the cost of all Category (1) improvements in Kachemak City.
4. Pay to the City of Homer one hundred forty-five thousand, eight hundred thirty-three (\$145,833) for the prorated Zone Connection Fee representing Kachemak's total Category (2) costs. Payment will become due upon the initial connection of the Kachemak Sewer System into the Cooper Subdivision sewer. At the discretion of Kachemak City, the payment may be financed over a twenty (20) year period at eight percent (8%) per annum or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, at the time of connection.
5. Provide capital funding for ten and eighty-seventh one hundredths percent (10.87%) of the local share cost of all Category (3) improvements. Kachemak will transfer

the capital funding to Homer on or before the award of the construction contract implementing the improvement. Should Kachemak be unable to provide it's prorated share of Category (3) improvement costs and Homer elects to proceed with the project, Kachemak's prorated cost, not paid, shall increase at the rate of eight percent (8%) per annum, or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater at the time of construction contract award, until such time that Kachemak does pay their prorata costs including the additional surcharge. The surcharge shall start the day following the construction contract award and shall be computed on a monthly basis.

6. Provide capital funding for seventeen and ninty-sixth one hundreds percent (17.96%) of the local share costs of all Category (4) improvements. Kachemak will transfer the capital funding to Homer on or before the award of the construction contract implementing the improvement. Should Kachemak be unable to provide it's prorated share of Category (4) improvement costs and Homer elects to proceed with the project, Kachemak's prorated costs, not paid, shall increase at the rate of eight percent (8%) per annum, or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, at the time of construction contract award until such time that Kachemak does pay their prorata costs including the additional surcharge. The surcharge shall start the day following the construction contract award and shall be computed on a monthly basis.

7. Pay to the City of Homer an amount yet to be determined, based on completion of work currently in progress, as Kachemak's prorated share of Homer's

equity in the existing wastewater system. The current estimate of this amount is two hundred forty-two thousand seven hundred eighty-four dollars (\$242,784). Payment will become due upon the initial connection of the Kachemak sewer system into the Cooper Subdivision sewer. At the discretion of Kachemak City, the payment may be financed over a twenty (20) year period at eight (8%) percent per annum or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, at the time of connection.

8. Provide as a good faith deposit fifty thousand dollars (\$50,000) upon execution of the Intergovernmental Agreement.
9. Adopt as City of Kachemak ordinances, the appropriate existing and future rules and regulations relating to sewer operations and use constraints that are contained in Title 14 of the City of Homer codes or ordinances.
10. Provide all easements and rights-of-way required to construct, operate and maintain sewer improvements within Kachemak's corporate boundaries.
11. Collect all user fees due to Homer from sewer utility customers within Kachemak's corporate boundaries.
12. Pay to Homer, monthly, user fees due to Homer collected from Kachemak customers.
13. Charge to Kachemak customers any additional fees necessary to cover administrative costs and debt service associated with Kachemak City's participation in installation and operation of the wastewater system.

14. Pay all debt service on funds borrowed by Kachemak to finance sewer improvements.
15. Prepare and provide to Homer annually a five-year capital improvement plan delineating all sewer improvements within Kachemak corporate boundaries which are to be financed with public funds.
16. Coordinate all privately funded sewer improvements within Kachemak City with the City of Homer and the developer.
17. Serve as a clearing house for all service connection requests, collecting all appropriate fees from customers requesting service and pay all fees due to Homer.
18. Seek appropriate legal remedies against any customer or user of the system residing in Kachemak that fails to pay for services provided or to comply with rules and conditions of service.

The City of Homer Agrees To:

1. Continue negotiations in good faith with Kachemak City for the development of a comprehensive Intergovernmental Agreement providing for a joint wastewater collection and treatment system serving both communities.
2. Support and assist Kachemak City in the development of any Innovative Alternative collection system that may be applicable to Kachemak. Further receive on behalf of Kachemak, if necessary, any state or federal grants that may be applicable for an innovative alternative system.

3. Plan, design and construct adequate capacity in the currently proposed wastewater treatment plant expansion and outfall improvements to accommodate the needs of Kachemak City.
4. Provide capacity in any future improvements to Homer's collection, transportation and treatment facilities to provide continued service for the existing and future needs of Kachemak, for an equivalent population of 650 persons.
5. Refund to the City of Kachemak the fifty thousand dollars (\$50,000) good faith deposit upon the initial payment of any monies for implementation required by the Intergovernmental Agreement or after five years from the date of the Intergovernmental Agreement (provided that Kachemak meets the test of beyond Kachemak's control) which ever comes first.
6. Charge to Kachemak City for any customer classification user fees that are equal to or less than the same fee charged to a Homer customer of the same class.
7. Reduce all user charges for Kachemak City customers to adjust for any debt service, sinking funds or any other means of financing capital improvements. (The result of this action is to charge Kachemak customers: for the administration, operation, maintenance and depreciation expense of the utility only.)
8. Provide the planning, engineering, design, contract for construction, construction administration and construction surveillance for all necessary improvements including those within Kachemak's corporate boundaries.

9. Own, operate, maintain, repair, replace and keep whole all improvements required to serve Kachemak including those located within Kachemak's corporate boundaries.

These points of agreement are established as a basis to develop an Intergovernmental Agreement and generally will become effective upon the completion and execution of such a document.

Approved by the City of Kachemak 14th of September 1987.

City of Kachemak

Philemon D. Morris
Philemon D. Morris, Mayor

Approved by the City of Homer 14th of September 1987.

City of Homer

John Calhoun
John Calhoun, Mayor

ORDINANCE(S)

CITY MANAGER'S REPORT



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum

TO: MAYOR AND CITY COUNCIL
FROM: MELISSA JACOBSEN, DEPUTY CITY CLERK
DATE: JUNE 18, 2013
SUBJECT: BID REPORT

INVITATION TO BID HOMER SMALL BOAT HARBOR SYSTEM 5 IMPROVEMENT PROJECT Sealed bids for the construction of the Homer Small Boat Harbor System 5 Improvement Project will be received at the office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 2:00 PM, Thursday, July 11, 2013, at which time they will be publicly opened and read. The time of receipt will be determined by the City Clerk's time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered.

CITY ATTORNEY REPORT

COMMITTEE REPORTS

PENDING BUSINESS

NEW BUSINESS



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

MEMORANDUM 13-091

TO: MAYOR WYTHER AND CITY COUNCIL

FROM: JO JOHNSON, CITY CLERK

DATE: JUNE 18, 2013

SUBJECT: REFERENDUM PETITION TO REPEAL ORDINANCE 12-36(A) PROHIBITING SELLERS FROM PROVIDING CUSTOMERS WITH DISPOSABLE PLASTIC SHOPPING BAGS.

On June 3, 2013, Justin Arnold filed a referendum petition in my office, seeking a referendum on Ordinance 12-36(A), titled, "An Ordinance of the Homer City Council, Enacting Homer City Code Chapter 5.42 Prohibiting Sellers from Providing Customers with Disposable Plastic Shopping Bags." I have determined that the petition bears sufficient signatures, and have so certified.

The petition was filed after the effective date of Ordinance 12-36(A), so the ordinance is not suspended pending the referendum election. Under AS 29.26.180(a), I am required to submit the referendum question to the voters at the next regular City election, on October 1, 2013, unless the Council determines that it is in the best interest of the City to order by ordinance a special election on the referendum question before the next regular election but not sooner than 60 days after certification of the petition.

Please let me know whether I should prepare an ordinance ordering a special election on the referendum question.

RECOMMENDATION:

Advise the Clerk if a special election is requested so she may prepare an ordinance requesting same.

RESOLUTIONS

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 13-067

A RESOLUTION OF THE HOMER CITY COUNCIL
AWARDING THE CONTRACT FOR THE HOMER SPIT
TRAIL SHORE PROTECTION PROJECT TO THE FIRM OF
_____ OF _____, _____, IN THE
AMOUNT OF \$_____ AND AUTHORIZING THE
CITY MANAGER TO EXECUTE THE APPROPRIATE
DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was advertised in the Homer Tribune on May 22 and 29, 2013, in the Peninsula Clarion on May 26, 2013, sent to two in-state plans rooms, and posted on the Clerk's home page; and

WHEREAS, Bids were due on June 20, 2013 and _____ bids were received; and

WHEREAS, Bids were opened and the firm of _____ was determined to be the low responsive bidder and found to be qualified to complete the work; and

WHEREAS, This award is not final until written notification is received by the firm from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves the contract award for the Homer Spit Trail Shore Protection Project to the firm of _____ of _____, _____, in the amount of \$_____ and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 24th day of June, 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Homer Spit Trail Shore Protection Project, Acct. No. 151-792.

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 13-071

A RESOLUTION OF THE HOMER CITY COUNCIL
AWARDING THE CONTRACT FOR THE HOMER DEEP
WATER DOCK AND SPIT TRAIL EXTENSION PROJECT TO
THE FIRM OF _____ OF _____,
_____, IN THE AMOUNT OF \$_____ AND
AUTHORIZING THE CITY MANAGER TO EXECUTE THE
APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
advertised in the Homer News on May 30 and June 6, 2013, in the Peninsula Clarion on June 2,
2013, sent to two in-state plans rooms, and posted on the Clerk's home page; and

WHEREAS, Bids were due on June 20, 2013 and _____ bids were received; and

WHEREAS, Bids were opened and the firm of _____ was determined to be the
low responsive bidder and found to be qualified to complete the work; and

WHEREAS, This award is not final until written notification is received by the firm from
the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska,
approves the contract award for the Homer Deep Water Dock and Spit Trail Extension Project to
the firm of _____ of _____, _____, in the amount of
\$_____ and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 24th day of June, 2013.

CITY OF HOMER

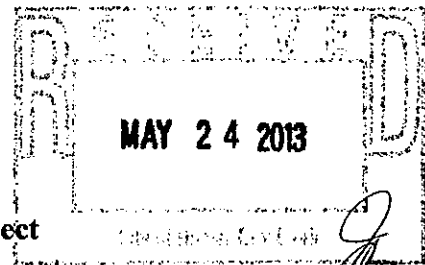
MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Homer Deep Water Dock and Spit Trail Extension Project, Acct. Nos. 151-792 and
415-928.

INVITATION TO BID
By the City of Homer, Alaska, for the
Homer Deep Water Dock and Spit Trail Extension Project



Sealed bids for the construction of the **Homer Deep Water Dock and Spit Trail Extension Project** will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 2:00 PM, Thursday, **June 20, 2013**, at which time they will be publicly opened and read. The time of receipt will be determined by the City Clerk's time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered. Bidders are required to be on the plan holder's list to be considered responsive. To be on the Bidder's List (and to obtain bid documents) contact: City Clerk, 491 E. Pioneer Avenue, Homer, Alaska 99603 (907) 235-3130.

The project is funded with State of Alaska Cruise Ship Head Tax monies. The City's local bidders 5% preference requirements do not apply; State prevailing wage rates will apply. The work includes, but is not limited to, the following:

Constructing 5,600 LF of 10' wide paved trail from the fishing lagoon to the end of the Spit; 3,200 LF of 10' wide paved trail from the southwest corner of the Homer Small Boat Harbor to the Deep Water Dock; paving of a staging area at the approach to the Deep Water Dock, and other paving, curb and gutter, signing, overlooks, and miscellaneous pedestrian improvements.

Please direct all technical questions regarding this project to: Dan Nelsen, City of Homer, Public Works Department, 3575 Heath Street, Homer, Alaska 99603 (907) 435-3141

A mandatory pre-bid conference will be held on Monday, **June 10, 2013** at 2:00 PM at the Harbormaster's Office, 4350 Homer Spit Road., Homer, Alaska to answer any questions bidders may have.

Plans and specifications may be downloaded at no charge or hard copies can be obtained at the office of the City Clerk upon payment of \$250 per set (\$280 for overnight delivery). City of Homer Standard Construction Specifications 2011 Edition (containing general contract provisions) may be downloaded from the City's web site. All fees are non-refundable. The City of Homer reserves the right to accept or reject any or all bids, to waive irregularities or informalities in the bids, and to award the contract to the lowest responsive bidder.

DATED this 24th day of May, 2013.

CITY OF HOMER


Walt Wrede, City Manager

Homer News – May 30 – June 6, 2013

Peninsula Clarion – June 2, 2013

Fiscal Note: 151-792 and 415-928

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

