

City Council
July 22, 2013
Monday



Worksession 4:00 P.M.
Committee of the Whole 5:00 P.M.
Regular Meeting 6:00 P.M.



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

Produced and
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July/August 2013

Monday 22 nd	CITY COUNCIL Worksession 4:00 p.m., Committee of the Whole 5:00 p.m., and Regular Meeting 6:00 p.m.
Wednesday 24 th	PORT AND HARBOR ADVISORY COMMISSION Regular Meeting 6:00 p.m.
Thursday 25 th	GOVERNOR'S FAMILY PICNIC 4:00 – 7:00 p.m. at Karen Hornaday Park.
Thursday 1 st	KAREN HORNADAY PARK COMMITTEE Meeting 5:30 p.m.
Tuesday 6 th	LIBRARY ADVISORY BOARD Regular Meeting 5:00 p.m.
Wednesday 7 th	PLANNING COMMISSION Worksession 5:30 p.m. and Regular Meeting 6:30 p.m.
Thursday, 8 th	PUBLIC ARTS COMMITTEE Meeting 5:00 p.m.
	PERMANENT FUND COMMITTEE Meeting 5:15 p.m.
Monday 12 th	CITY COUNCIL Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.

Regular Meeting Schedule

- City Council 2nd and 4th Mondays 6:00 p.m.
- Library Advisory Board 1st Tuesday 5:00 p.m.
- Economic Development Advisory Commission 2nd Tuesday 6:00 p.m.
- Parks and Recreation Advisory Commission 3rd Thursday of the month with exception of December 5:30 p.m.
- Planning Commission 1st and 3rd Wednesday 6:30 p.m.
- Port and Harbor Advisory Commission 4th Wednesday 5:00 p.m.
(May – August 6:00 p.m.)
- Transportation Advisory Committee Quarterly 3rd Tuesday 5:30 p.m.
- Public Arts Committee Quarterly 3rd Thursday 5:00 p.m.
- Lease Committee Quarterly 2nd Thursday 3:00 p.m.
- Permanent Fund Committee Quarterly 2nd Thursday 5:15 p.m.

MAYOR AND CITY COUNCILMEMBERS AND TERMS

- BETH WYTHER, MAYOR – 14
- FRANCIE ROBERTS, COUNCILMEMBER – 15
- BARBARA HOWARD, COUNCILMEMBER – 14
- DAVID LEWIS, COUNCILMEMBER – 14
- BRYAN ZAK, COUNCILMEMBER – 13
- BEAUREGARD BURGESS, COUNCILMEMBER – 15
- JAMES DOLMA, COUNCILMEMBER - 13

**City Manager, Walt Wrede
City Attorney, Thomas Klinkner**

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



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.**
- 2. AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
- 3. Ordinance 13-25**, An Ordinance of the Homer City Council, Amending HCC 3.10.130, Governance of Homer Permanent Fund Assets, HCC 3.12.020, Contributions, HCC 3.12.030 Allocation to Sub-Funds, HCC 3.12.060 Expenditures of Income and HCC 3.12.080, Expenditure of Principal; Enacting HCC 3.12.015, Definitions; and Repealing HCC 3.12.070, Loans from Income Sub-Fund; Regarding the Homer Permanent Fund. City Clerk/Permanent Fund Committee. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 141*

Memorandum 13-098 from Permanent Fund Committee as backup. *Page 147*

Ordinance 13-26, An Ordinance of the Homer City Council, Appropriating \$67,310.08 from the Homer Permanent Fund to the Homer Foundation City of Homer Endowment Fund. City Clerk/Permanent Fund Committee. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 155*

Memorandum 13-098 from Permanent Fund Committee as backup. *Page 161*
- 4. COMMENTS OF THE AUDIENCE**
- 5. ADJOURNMENT NO LATER THAN 4:50 P.M.**
Next Regular Meeting is Monday, August 12, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Saturday, August 17, 2013 from 9:00 a.m. to 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
JULY 22, 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.**
- 2. AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
- 3. Resolution 13-079**, A Resolution of the City Council of Homer, Alaska, Requiring the Finance Department to Provide a Quarterly Report of Finances of the City of Homer. Roberts/Burgess. *Page 257*
- 4. CONSENT AGENDA**
- 5. REGULAR MEETING AGENDA**
- 6. COMMENTS OF THE AUDIENCE**
- 7. ADJOURNMENT NO LATER THAN 5:50 P.M.**
Next Regular Meeting is Monday, August 12, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Saturday, August 17, 2013 from 9:00 a.m. to 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

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

- A. **Resolution 13-048(S)(A)**, A Resolution of Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. *Page 23*

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

Page 29

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 24, 2013. City Clerk. Recommend adoption. *Page 117*
- B. **Memorandum 13-104**, from City Clerk, Re: 2014 Proposed Budget Schedule. *Page 139*
- C. **Ordinance 13-25**, An Ordinance of the Homer City Council, Amending HCC 3.10.130, Governance of Homer Permanent Fund Assets, HCC 3.12.020, Contributions, HCC 3.12.030 Allocation to Sub-Funds, HCC 3.12.060 Expenditures of Income and HCC 3.12.080, Expenditure of Principal; Enacting HCC 3.12.015, Definitions; and Repealing HCC 3.12.070, Loans from Income Sub-Fund; Regarding the Homer Permanent Fund. City Clerk/Permanent Fund Committee. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 141*
- Memorandum 13-098 from Permanent Fund Committee as backup. *Page 147*
- D. **Ordinance 13-26**, An Ordinance of the Homer City Council, Appropriating \$67,310.08 from the Homer Permanent Fund to the Homer Foundation City of Homer Endowment Fund. City Clerk/Permanent Fund Committee. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 155*
- Memorandum 13-098 from Permanent Fund Committee as backup. *Page 161*
- E. **Ordinance 13-27**, An Ordinance of the City Council of Homer, Alaska, Making Technical Corrections to Title 21 of the Homer City Code for its Republication by Code Publishing, Inc. Planning. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 167*
- Memorandum 13-106 from City Attorney as backup. *Page 177*
- F. **Ordinance 13-28**, An Ordinance of the City of Homer, Amending Homer City Code Chapter 11.12, Street and House Numbering, to Establish Standards and Procedures for the Naming and Renaming of Streets. Burgess. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 197*
- G. **Ordinance 13-29**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2014 in the Amount of \$6,600, with a Local Match of \$7,000 for Books and Library Materials, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Library Director. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 203*
- Memorandum 13-099 from Library Director as backup. *Page 207*
- H. **Ordinance 13-30**, An Ordinance of the Homer City Council, Amending HCC 14.04.040, Sewer Rate Schedule, and HCC 14.08.080, Schedule of Rates--Rules and Regulations; to Provide that Sewer and Water Rate Schedule Changes Shall Take Effect as of the Date

Set Forth by Resolution. City Manager. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 211*

Memorandum 13-102 from City Clerk as backup. *Page 215*

- I. **Ordinance 13-31**, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget By Appropriating an Additional \$69,000 from the Water Reserve Fund for the Demolition of the Redwood Tank at the Water Treatment Plant. City Manager/Public Works Director. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 217*

Memorandum 13-101 from Public Works Director as backup. *Page 221*

- J. **Resolution 13-073**, A Resolution of the Homer City Council Confirming the Appointment of Zhiyong Li as Treasurer for Calendar Year 2013. City Manager. Recommend adoption. *Page 227*

- K. **Resolution 13-074**, A Resolution of the City Council of Homer, Alaska, Designating Signatories of City Accounts and Superseding Any Previous Resolution So Designating. City Clerk. Recommend adoption. *Page 229*

- L. **Resolution 13-075**, A Resolution of the Homer City Council Amending the Library Facility Use Policy. City Manager/Library Director. Recommend adoption.

Page 231

Memorandum 13-100 from Library Advisory Board as backup. *Page 239*

- M. **Resolution 13-076**, A Resolution of the City Council of Homer, Alaska, Amending the Fee Schedule for Library Facility Use Fees. City Clerk/Library Advisory Board. Recommend adoption. *Page 251*

- N. **Resolution 13-077**, A Resolution of the City Council of Homer, Alaska, Requesting the City Manager to Prepare a Plan Requesting that the State Fire Marshal Delegate Fire Marshal Authority to the City of Homer Fire Chief. Burgess/Roberts. Recommend adoption. *Page 253*

- O. **Resolution 13-078**, A Resolution of the City Council of Homer, Alaska, Mandating the City Manager to Propose Projects that Utilize the Funds in Excess of \$3 Million Dollars in the HART Fund and Funds in Excess of \$3 Million Dollars in the HAWSP Fund for Consideration of the Homer City Council. Burgess/Roberts. Recommend adoption.

Page 255

- P. **Resolution 13-079**, A Resolution of the City Council of Homer, Alaska, Requiring the Finance Department to Provide a Quarterly Report of Finances of the City of Homer. Roberts/Burgess. Recommend adoption. *Page 257*

Q. **Resolution 13-080**, A Resolution of the City Council of Homer, Alaska, Requiring Invitations to Bid (ITB) and Request for Proposals (RFP) Plans and Specifications with Searchable Text and Plan Holder's Lists to be Posted on the City of Homer Website. Roberts/Burgess. Recommend adoption. *Page 259*

R. **Resolution 13-081**, A Resolution of the Homer City Council Awarding the Contract for Septic Tank Purchase – Kachemak City Sewer System to Consteel Concrete Company of Wasilla, Alaska, in the Amount of \$31,920 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Recommend adoption. *Page 261*

Memorandum 13-103 from Public Works Director as backup. *Page 263*

6. VISITORS

A. **Buccaneer Energy**, 10 minutes.

B. **Pratt Museum**, Update on the Exhibits and Education Program, Scott Bartlett, Curator of Exhibits and Rajil Christianson, Director of Education, 10 minutes.

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

A. Borough Report

B. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission
4. Parks and Recreation Advisory Commission
5. Port and Harbor Advisory Commission

8. PUBLIC HEARING(S)

A. **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. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013. *Page 273*

Ordinance 13-20(S), 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 277*

- B. **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. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013. *Page 281*

Ordinance 13-21(S), An Ordinance of the Homer City Council Accepting and Appropriating a Legislative Grant in the Amount of \$2,000,000 for the New Port and Harbor Office and Skyline Drive Fire Station. City Manager. *Page 285*

- C. **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. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013. *Page 289*

Memorandum 13-097 from City Clerk as backup. *Page 295*

- D. **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. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013. *Page 299*

Memorandum 13-097 from City Clerk as backup. *Page 303*

- E. **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. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013. *Page 307*

Memorandum 13-097 from City Clerk as backup. *Page 313*

9. **ORDINANCE(S)**

10. **CITY MANAGER'S REPORT**

- A. City Manager’s Report *Page 321*
 - 1. July Employee Anniversaries *Page 325*
 - 2. Letter to DOT/PF, Re: Tree Cutting and End of Runway *Page 327*
 - 3. Capital Project Status Report *Page 329*

B. Bid Report *Page 333*

- C. Games Report *Page 335*
 - 1. Alaska Marine Conservation Council

11. CITY ATTORNEY REPORT

- A. City Attorney’s Report for June 2013 *Page 341*

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. **If reconsidered - Resolution 13-048(S)(A)**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. *Page 23*
 Memorandum 13-073 from Water and Sewer Rate Task Force as backup. *Page 29*

14. NEW BUSINESS

15. RESOLUTIONS

- A. **Resolution 13-082**, A Resolution of the Homer City Council Awarding the Contract for the Homer Small Boat Harbor System 5 Electrical Improvements to the Lowest

Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Page 351

- B. **Resolution 13-083**, A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Trail Shore Protection Project to the Lowest Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. *Page 353*

- C. **Resolution 13-084**, A Resolution of the Homer City Council Awarding the Contract for Meadow-Wood Place Subdivision Sanitary Sewer Repair Project to the Lowest Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.

Page 355

Memorandum 13-105 from Public Works Director as backup.

Page 357

- 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, August 12, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Saturday, August 17, 2013 from 9:00 a.m. to 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

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

City Clerk

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

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	\$ -	\$0.0167 \$0.0218
Non-Lift-Station Customer	\$ -	\$0.0147
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 \$0.0218/Gal	\$58.45 \$76.30
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 \$89.05

Proposed Rates		
Non City Water Customer But City Sewer Customer	Sewer	
	Fees/Rate/Usage	Per Customer Per Month
Lift-Station Customer	\$0.01670/Gal <u>\$0.0218/Gal</u>	\$58.45 <u>\$76.30</u>
Non-Lift-Station Customer	\$0.01280/Gal <u>\$0.0147/Gal</u>	\$44.80 <u>\$51.45</u>
Pumping Fee	\$7.75/customer/mo.	\$ 7.75
Avg. Sewer Usage	3500 Gal/Mo.	
Total Charges/customer/Mo - Lift Station		<u>\$66.20</u> <u>\$84.05</u>
Total Charges/customer/Mo - Non Lift Station		<u>\$52.55</u> <u>\$59.20</u>

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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.

88
 89 Domestic sewer service customers who use large quantities of City water in addition to their
 90 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	
	Monthly Service	Usage Charge/Gallon
Customer Classification		
Lift-Station Customer	\$ 19.00	\$0.0111 <u>\$0.0109</u>
Non-Lift-Station Customer	\$ 19.00	\$0.0111 <u>\$0.0109</u>
Sprinkler (additional)	\$ 5.00	N/A
Bulk Water	\$ 19.00	\$0.0151 <u>\$0.0149</u>

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 Commercial - Any user not defined as Residential.

129
130 Customer/Tenant Fee – This fee applies to commercial and residential customers. Fee is for
131 apartments, rental units or multi-unit buildings where each unit would have one or more
132 restrooms and are intended to be rented on a monthly basis where there is only one meter
133 installed, excluding a rental building restroom used for shared or public use.

134
135 Fire Demand Fee – This fee is applicable to water service customers who have fire sprinkler
136 systems installed and/or the appropriate meters.

137
138
139 Meter Size Deposits.

140

<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

141
142 \$750 meter deposit shall apply to metered fire hydrant connections. The deposit will be returned
143 when the meter is returned undamaged. This deposit may be waived upon the recommendation
144 of the Public Works Superintendent.

145
146 If a bulk water customer purchases a meter from the City for measuring the quantity of water
147 purchased, it shall be exempt from the monthly meter service charge. It is the responsibility of
148 the bulk water customer to maintain that meter so the City can accurately determine the amount
149 of water being purchased. In the event the meter fails, it is the bulk water customer's
150 responsibility, at its expense, to repair it or purchase a replacement meter from the City. The City
151 may at any time test the meter for accuracy.

152
153 PASSED AND ADOPTED by the City Council of Homer, Alaska, this ___ day of July,
154 2013.

155
156
157 CITY OF HOMER
158
159
160 _____
161 MARY E. WYTHE, MAYOR

162 ATTEST:

163

164

165

166 JO JOHNSON, CMC, CITY CLERK

167

168 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
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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

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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%
<u>Maintenance and Operations</u>								
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%
<u>Capital Outlay, Transfers and Reserves</u>								
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		(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

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
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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,

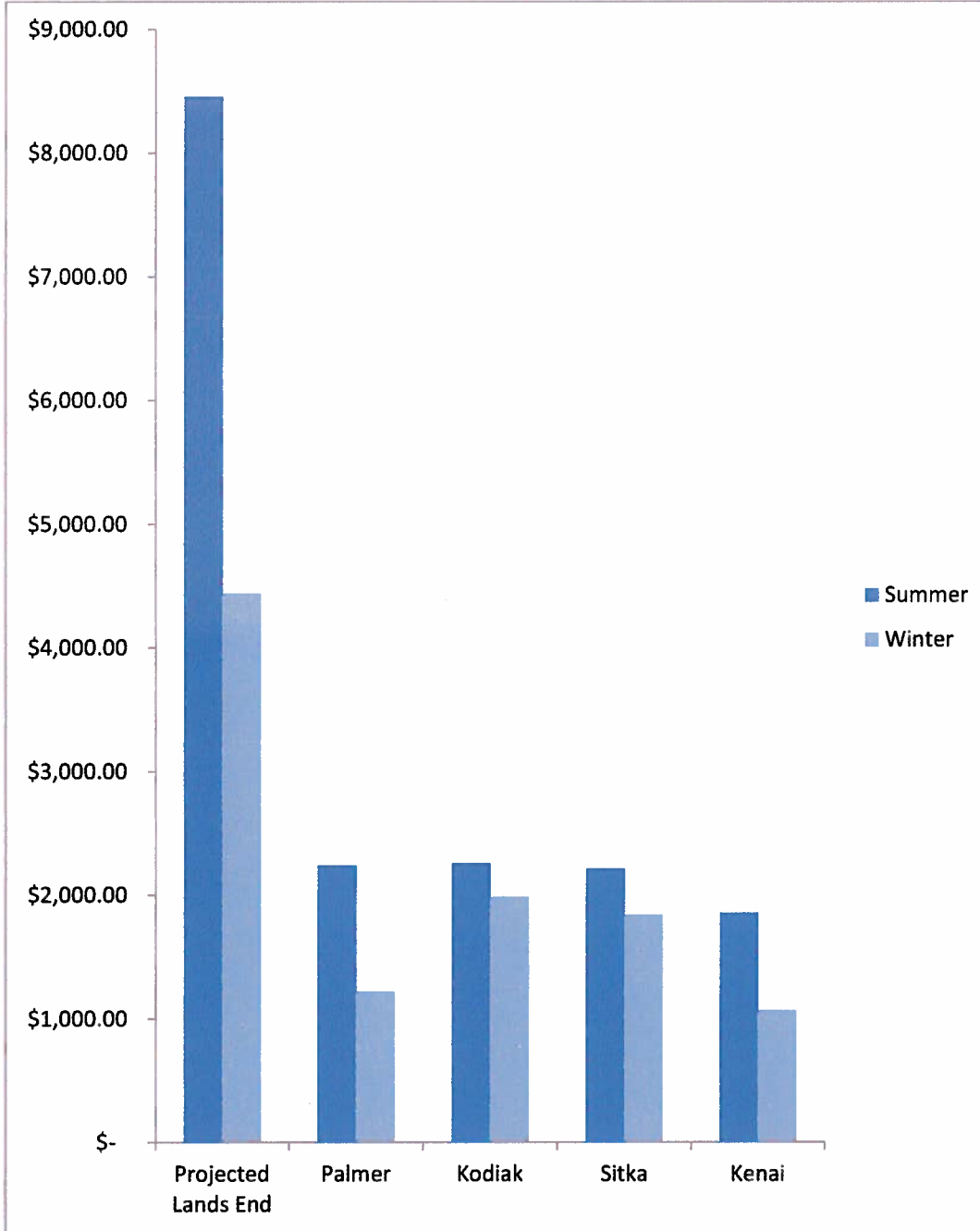


Josh Garvey – Land’s End Resort
907-299-4577

Exhibit A

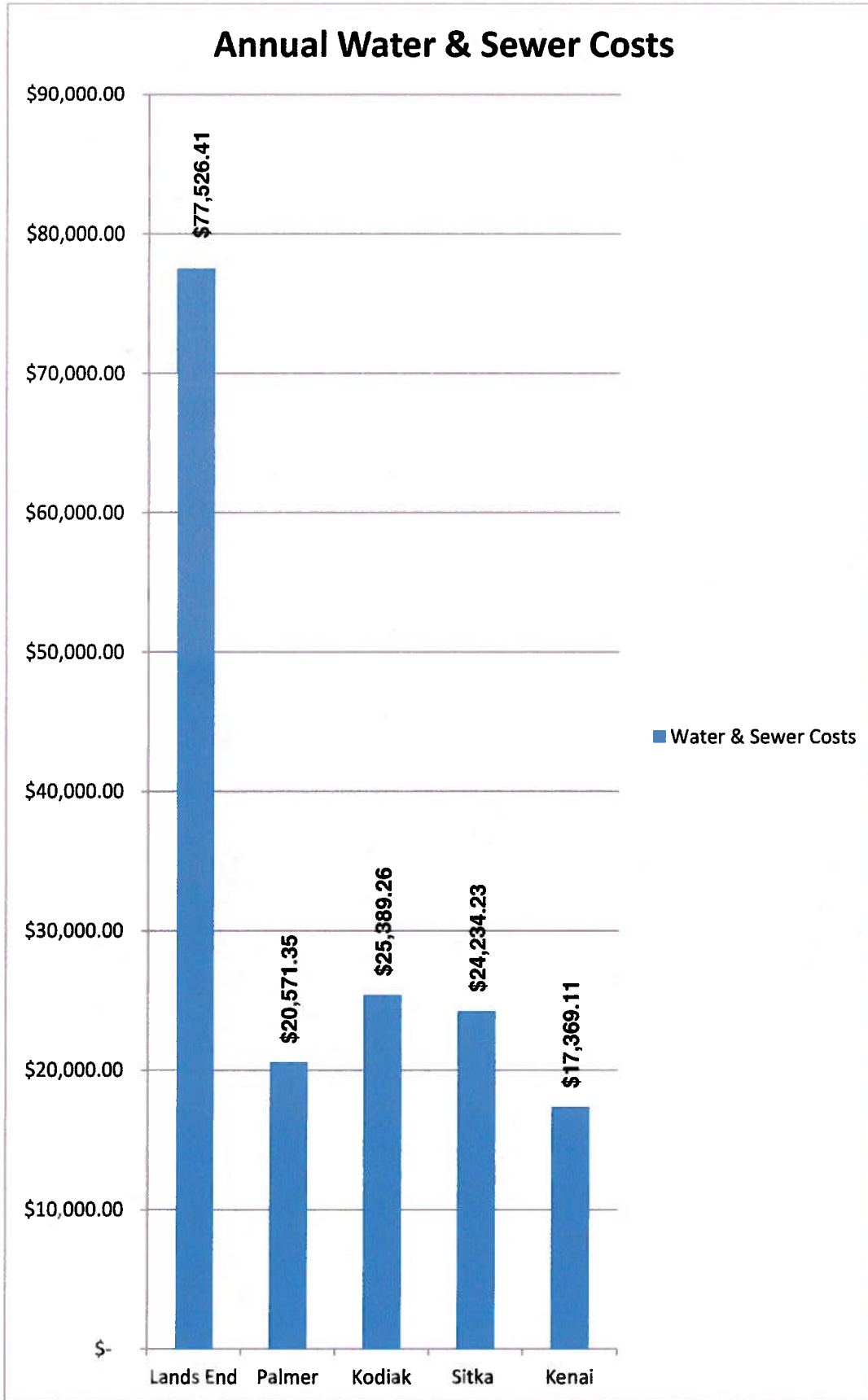
Water and Sewer Rates: A Comparative Study

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

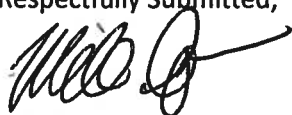
fraught with pitfalls, risk, and insufficient return. Making the correct decision to write-off a bad investment is often the most critical action a successful leader can take.

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.

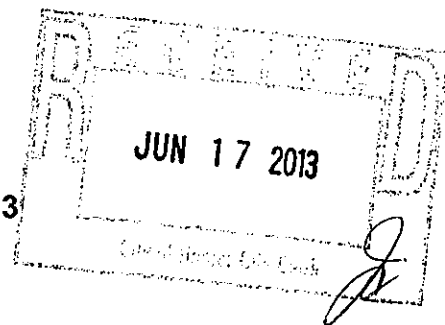
There is no public information on what constitutes “high BOD”, nor is there any documentation that costs are higher to process this waste within Homer’s Deep Shaft technology. If costs are higher, there is no documentation as to how much higher. Thus the rates associated with “High BOD” have no connection 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:

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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

Jo Johnson

To: Donna Rae and Don
Subject: Requesting allowing citizens with small businesses to have a 2nd water/sewer meter read by the City for duplexes as part of your water/sewer ordinance

From: Donna Rae and Don [mailto:surfshack@acsalaska.net]

Sent: Monday, June 24, 2013 10:17 AM

To: Department Clerk; Department Clerk; James Dolma; Francie Roberts; David Lewis; Bryan Zak; Beauregard Burgess; Barbara Howard

Cc: Walt Wrede; Jo Johnson

Subject: Requesting allowing citizens with small businesses to have a 2nd water/sewer meter read by the City for duplexes as part of your water/sewer ordinance

Dear Madame Clerk, Thank you for being sure that the Council members get this in their e-mails or packets today.

Dear Honorable Mayor Wythe, Distinguished Members of the Homer City Council,
We appreciate all that you are doing to come up with fair water/sewer rates and structure. We are coming into this discussion late and cannot come to tonight's meeting. We are constructing a duplex and have requested from Walt Wrede and Public Works that we can purchase from the City and install a second water meter to be read by the City so that we can properly bill our tenants and encourage their water conservation - we believe that they may be waiting to respond until after the City Council completes it's work on the current proposed ordinances.

We attached a table below our e-mail to illustrate the value of allowing a small business like ours to have a 2nd meter.

Both meters can be read and billed in our name, we would pay them as the landlord, but have clear monthly bills to charge the long term renters that will live there. This would make the water/sewer billing easier for those of us with small businesses in Homer and those who want to rent. Especially since (at least currently) the City charges 2 user fees, we feel that it is reasonable for us to get 2 bills (rather than us having to access the crawlspace, read meters that do not correspond with the City's actual readings because they will be done at a different time, and do lots of math, leave room for errors, take lots of time, etc.) Even if the City start charging a duplex for only one user fee, we would like to have a second meter read to bill tenants with. We will be collecting KPB/City of Homer taxes for each unit and believe that it is reasonable for us to request that if we pay for the additional meter, the City can provide us with 2 bills so that we can bill tenants simply, fairly and for

what they actually use, all the while encouraging their conservation of City water.

Thank you for your consideration.

Sincerely,

Donna Rae Faulkner and Don McNamara


811 Ocean Drive Loop

Homer, AK 99603

235-7873/299-0423

Impact to:	Without allowing us to get a 2nd meter at our new duplex	What we are asking for – Allowing us to install a 2nd City read meter at our new duplex
City Finances	No Difference – The City would charge us and receive the appropriate amount of money for 2 residential units and their usage ☺ (The City may be making a small amount of money on the 2 nd City-read meter that they charge us for? ☺)	
Public Works	They read one meter from the street ☺	They read 2 meters from the street (Public Works indicated to us this would be no problem or extra hassle for them.) ☺
Us (Tax-paying Property Owners and City Residents) In relation to the City	We'd receive 1 or (preferably) 2 bills from the City and be the responsible party to pay for them. ☺	
Us (As Responsible Landlords)	Lots of hassles, inefficiencies, room for math errors and miscommunications, and time wasted! ■ We would have to add a 2nd meter (not read by the City) that we/our tenants would need be available to consistently read and verify and keep track of (in the crawlspace or built to read them outside), (The downstairs unit will be handicapped accessible and we'd have to make a way to have the meters be so too?) Then we would make numerous calculations to assure that each unit then gets a bill for	We'd share the City's consistent, accurate, timely bills with our tenants for them to simply add to their next month's rent. ☺

	<p>us for the appropriate charges for water/sewer and user fees and then gets that invoice from us to pay with their next month's rent. ■ And because they won't be done, bills generated by self-reading will never match the City bill and this will always have to be taken into account. ■ If we or they are out of town or forget to take a read... ■</p>	
<p>Our Tenants</p>	<p>Have to be available to actually go out and read the 2 meters themselves and/or trust us/someone else to read consistently (best on the same day that Public Works reads them and the bill is created since one unit will have to subtract the full meter from the smaller one to figure out their usage), then verify/agree with both the readings and the math to make up their bill and then pay us. ■ Lots of room for errors, disagreements or problems if the meters are not self-read in a consistent/timely manner (see paperwork below) ■ Landlords under this scheme might need to not only collect a deposit for water/sewer from the tenants since the Landlord is prepaying and getting reimbursed from the tenant, but the Landlord should consider adding an upcharge or overhead cost for all the time/hassle created if the City won't read each meter. ■</p>	<p>Simple, clear, we Xerox the City's accurate/timely bill for their unit and they reimburse us that amount when they pay their next month's rent ☺. This would also encourage each tenant to conserve water as much as possible as it would clearly impact their wallets. ☺</p>
<p>Paperwork (A big hassle for us as small business owners!)</p>	<p>Obviously the City Bill will NEVER actually match the numbers we would calculate when we/the tenants (together?) actually make their meter reading and do the subtraction/other calculations! How are we to constantly readjust so that the City's bills line up with what each unit actually</p>	<p>Not so bad! The Automated City System supports its tax-paying users with efficiency, accuracy, and clarity. The amount of the City Bill is what the tenant actually reimburses us (no disputes or having to keep track of whether a tenant has over or underpaid on a given bill, no problem when a tenant turns over or</p>

	pays?!? 	Aarrggh!!!	ends their lease). Everyone is happy! 😊😊😊😊
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Revenue Impact Analysis

Water and Sewer Rate - Commodity Model

Prepared by Finance Department

6/24/2013

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Water:	
Water - Metered Sales (Gal.)	125,000,000
6.5% conservation (Gal.)	(8,125,000)
Projected/Proposed Rate Base (Gal.) ¹	116,875,000
Total Water Commodity Cost ²	\$ 1,271,247
Calculated Water Rate (Commodity)	0.0109
In order for the model to work (collect enough revenue)	
the metered sales must >=	116,875,000
Metered Sales Actual (Gal.) (2012)	122,000,000
Water Revenue Impact	\$ 55,745
<i>Metered Sales Actual (Gal.) (2011)</i>	<i>130,800,000</i>

1. This includes the bulk sales, which would be charged at a higher rate.
It will enhance the total revenue collection
2. Total Commodity Cost = Total Revenue Required (Water)
minus Costs considered as services to the general public
minus the fixed fees collected

Sewer: Proposed Model

Water - Metered Sales (Gal.)	125,000,000
6.5% conservation (Gal.)	(8,125,000)
Metered Spit w/o entering Treatment Line	(9,150,000)
Projected/Proposed Sewer Discharge ⁴	107,725,000
Total Sewer Commodity Cost ³	\$ 1,423,660
Calculated Sewer Rate (Commodity)	0.0132
Metered Lift Station Volume (Gal) ⁴	46,944,000
Lift Stations Costs	185,553
Additional Charge (Cost) to (by) Lift-Station Users (\$/Gal)	0.0040
Lift Station Commodity Rate	0.0172

In order for the model to work (collect enough revenue)

The total Sewer Discharge captured by billing must >=	107,725,000
Lift-Station Sewer Discharge captured by billing must >=	46,944,000

However, the total Sewer Discharge captured by billing (2012) ⁴	95,604,802
Lift-Station Sewer Discharge captured by billing (2012) ⁴	25,736,866

Sewer Revenue Impact \$ (244,001)

The total Sewer Discharge captured by billing (2011)	98,874,685
Lift-Station Sewer Discharge captured by billing (2011)	26,629,020

Sewer: Proposed Model

based on 2011 & 2012 actual billed Volume

2012 TOTAL Sewer Discharge Captured by Billing ⁵	97,000,000
Conservation (Gal.)	0
Metered Spit w/o entering Treatment Line	0
Projected/Proposed Sewer Discharge	97,000,000
Total Sewer Commodity Cost ³	\$ 1,423,660
Calculated Sewer Rate (Commodity)	0.0147
2012 LIFT-STATION Sewer Discharge Captured by Billing ⁵	26,000,000
Lift Stations Costs	185,553
Additional Charge (Cost) to (by) Lift-Station Users (\$/Gal)	0.0071
Lift Station Commodity Rate	0.0218

3. The Sewer Commodity Cost = Total Revenue Required (Sewer)

minus items are identified as specific Causers' Costs

minus the fixed fees collected

4. There is a significant discrepancy between the measured discharges (gal.) by the treatment plant and the amount was actually captured by the billing system.

5. This projected quantity is based on actual billed quantity in 2011 & 2012.

Impacts

<u>Customer #</u>	<u>Lift-Station</u>	<u>Water Qty/Yr</u>	<u>Water Qty/Mo.</u>	<u>Actual Charges (2012)</u>	<u>Charges (New Model)</u>	<u>Customer Impact</u>
Top Users						
3.1180.01	No	2,476,500	206,375	\$60,075	\$62,388	\$2,313
1.0051.01	Yes	2,446,100	203,842	\$59,344	\$78,992	\$19,648
1.0040.02	No	2,342,400	195,200	\$56,851	\$59,022	\$2,171
Non Sewer Top						
1.0180.01	Yes	1,909,400	159,117	\$22,285	\$20,076	(\$2,208)
1.0290.01	Yes	1,816,100	151,342	\$20,941	\$19,068	(\$1,873)
1.0185.02	Yes	1,301,000	108,417	\$15,371	\$13,758	(\$1,613)
Biggest Savings						
2.3190.01	No	97,600	8,133	\$7,469	\$3,343	(\$4,126)
4.2100.01	No	141,400	11,783	\$8,606	\$4,497	(\$4,109)
31.0170.01	No	236,000	19,667	\$10,114	\$6,877	(\$3,237)
Break Even						
4.2080.01	No	29,100	2,425	\$959	\$958	(\$0)
41.1477.02	No	29,100	2,425	\$959	\$958	(\$0)
3.0050.02	No	29,200	2,433	\$960	\$961	\$1
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Total		99,795,700		2,881,768	2,885,399	3,631

999.0012.01	Yes			78,423	117,197	38,774
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2.0855.01	Bulk Water	15,715,600		\$199,731	\$226,533	\$26,802
888.0095.02	Bulk Water	483,200		\$227	\$7,053	\$6,827
1.2041.03	Bulk Water	2,583,700		\$32,862	\$37,262	\$4,400
1.2041.02	Bulk Water	2,558,600		\$32,694	\$37,015	\$4,321
888.0095.01	Bulk Water	234,500		\$161	\$3,434	\$3,273
888.0039.01	Bulk Water	221,000		\$91	\$3,220	\$3,130
1.1655.02	Bulk Water	513,600		\$6,818	\$7,624	\$806

Revenue	Revenue Projection based on Calculated Rate (Finance)					Revenue Requirement	
	Service Fee	Usage Charges	Other Charges		Total	FY 2014	Over/(Short)
			Sprinkler	BOD			
Water	354,294	1,359,142	1,200		1,714,637	1,880,344	(165,707)
Sewer	42,902	1,600,026		5,760	1,648,688	1,680,279	(31,591)
Total	397,196	2,959,168	1,200	5,760	3,363,325	3,560,623	(197,298)

Revenue	Calculated (New Rate)	FY 2012 Actual	Over/(Short) FY 2012	FY 2014 Proj. Needs	Over/(Short) FY 2014
Water Service	354,294	595,383	(241,089)		
Water Consumption	1,359,142	1,090,889	268,253		
Sewer Service	42,902	555,956	(513,054)		
Sewer Usage	1,600,026	1,011,249	588,777		
Other Charges	6,960		6,960		
Total	3,363,325	3,253,477	109,847	3,560,623	(197,298)

Sewer: Proposed Model
based on 2011 & 2012 actual billed Volume

2012 TOTAL Sewer Discharge Captured by Billing ⁵	97,000,000
Conservation (Gal.)	0
Metered Spit w/o entering Treatment Line	0
Projected/Proposed Sewer Discharge	97,000,000
Total Sewer Commodity Cost ³	\$ 1,609,213
Calculated Sewer Rate (Commodity)	0.0166

**** This is the calculated sewer rate with socialized lift-station costs)**

Multi-Units and K-city (\$5/unit/mo.) - Would Collect	\$ 42,901.99
<i>If socialized - Per Customer Per month (1472 meters)</i>	2.43

Impacts

<u>Customer #</u>	<u>Lift-Station</u>	<u>Water Qty/Yr</u>	<u>Water Qty/Mo.</u>	<u>Actual Charges (2012)</u>	<u>Charges (New Model)</u>	<u>Customer Impact</u>
Top Users						
3.1180.01	No	2,476,500	206,375	\$60,075	\$67,094	\$7,018
1.0051.01	Yes	2,446,100	203,842	\$59,344	\$66,273	\$6,928
1.0040.02	No	2,342,400	195,200	\$56,851	\$63,473	\$6,622
Non Sewer Top						
1.0180.01	Yes	1,909,400	159,117	\$22,285	\$20,076	(\$2,208)
1.0290.01	Yes	1,816,100	151,342	\$20,941	\$19,068	(\$1,873)
1.0185.02	Yes	1,301,000	108,417	\$15,371	\$13,758	(\$1,613)
Biggest Savings						
2.3190.01	No	97,600	8,133	\$7,469	\$3,528	(\$3,940)
4.2100.01	No	141,400	11,783	\$8,606	\$4,766	(\$3,841)
31.0170.01	No	236,000	19,667	\$10,114	\$7,325	(\$2,789)
Break Even						
4.2080.01	No	29,100	2,425	\$959	\$1,014	\$55
41.1477.02	No	29,100	2,425	\$959	\$1,014	\$55
3.0050.02	No	29,200	2,433	\$960	\$1,016	\$56
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999.0012.01	Yes			78,423	89,242	10,819
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2.0855.01	Bulk Water	15,715,600		\$199,731	\$226,533	\$26,802
888.0095.02	Bulk Water	483,200		\$227	\$7,053	\$6,827
1.2041.03	Bulk Water	2,583,700		\$32,862	\$37,262	\$4,400
1.2041.02	Bulk Water	2,558,600		\$32,694	\$37,015	\$4,321
888.0095.01	Bulk Water	234,500		\$161	\$3,434	\$3,273
888.0039.01	Bulk Water	221,000		\$91	\$3,220	\$3,130
1.1655.02	Bulk Water	513,600		\$6,818	\$7,624	\$806

Revenue & Customer Impact

- Calculated Revenue (Commodity rate & FY12 Billed Qty.)
minus FY12 Actual Revenue = \$138,874
- Calculated Revenue (Commodity rate & FY12 Billed Qty.)
minus FY14 Required Revenue = (\$168,275) **

****** *It would be offset by Fire Protection (Hydrant) revenue requirement (10% waster revenue)*

Current Model vs. Commodity Model

2012 Billed Qty.	2012 Actual	2014 Proj. Budget	Cal. Revenue	Revenue Impact	Revenue Impact
	Current Rate		Commodity Rate	2012	2014
Water Service	595,383	1,880,344	354,522	(240,861)	(119,473)
Water Consumption	1,090,888		1,406,348	315,460	
Sewer Service	555,956	1,680,279	42,881	(513,074)	(48,801)
Sewer Usage	1,011,247		1,588,596	577,349	
Total	3,253,475	3,560,623	3,392,348	138,874	(168,275)

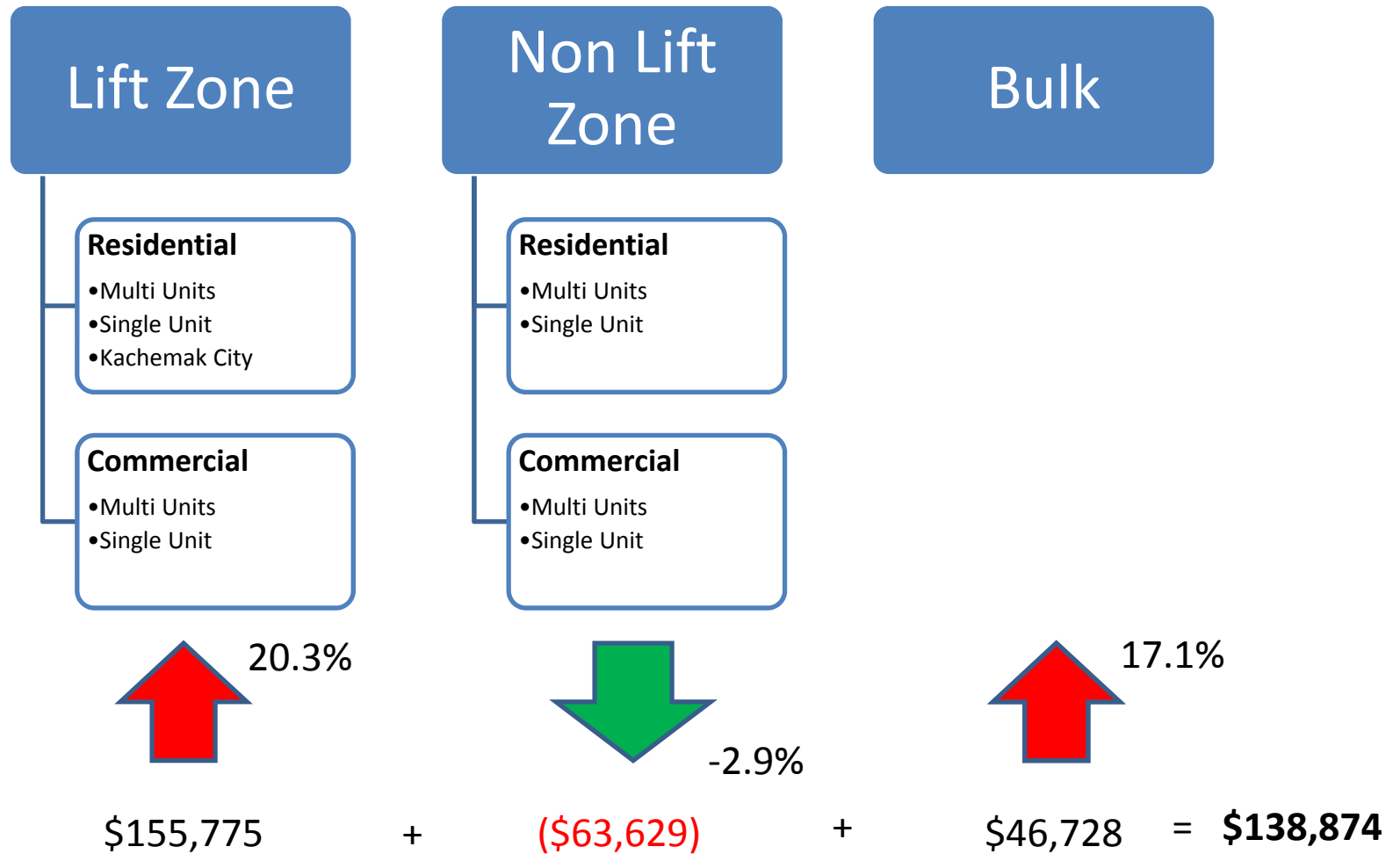
Revenue & Customer Impact

- 56 % (1009) would pay less **(\$208,300)** (from \$1 to \$4,000, Avg. \$206)
- 44% (800) would pay more \$347,174 (from \$1 to \$37,000; Avg. \$434)
 - *including Bulk Water buyers and Kachemak City*







$$\text{\$347,174} - \text{\$208,300} = \text{\underline{\underline{\$138,874}}}$$

- **Lift Zone, Non Lift Zone, & Bulk**
 - Lift Zone \$155,775
 - Non-Lift Zone **(\$63,629)**
 - Bulk \$46,728
- \$138,874**

Revenue & Customer Impact



Revenue & Customer Impact

– Lift Zone	\$155,775	20.3%	
• Kachemak City	\$37,238	42.5%	
• Commercial	\$95,031	17.9%	
» <i>Single Unit</i>	\$95,031		
» <i>Multi Units</i>	\$0		
• Residential	\$23,505	15.9%	
» <i>Single Unit</i>	\$19,750	28.1%	
» <i>Multi Units</i>	\$3,755	4.9%	

Revenue & Customer Impact

- Non-Lift Zone	(\$63,629)	-2.9%	↓
• Commercial	(\$34,751)	-4.0%	↓
» Single Unit	(\$34,584)		
» Multi Units	(\$167)		
• Residential	(\$28,879)	-2.1%	↓
» Single Unit	\$40,436	4.6%	↑
» Multi Units	(\$69,314)	-14.6%	↓

City Facilities \$9,575

– Lift Zone	\$12,435
– Non-Lift Zone	(\$2,860)
	<hr/>
	\$9,575

“Water & Sewer” Users

(exclude Bulk, K-City, Water Only, & Sewer Only)

W & S - Customers ONLY		<u>Pay More</u>		<u>Pay Less</u>	
Commercial Single Unit	425	117	28%	308	72%
Commercial Multi Units	4	1	25%	3	75%
Residential Single Unit	1092	568	52%	524	48%
Residential Multi Units	152	41	27%	111	73%
	<u>1673</u>	<u>727</u>	<u>43%</u>	<u>946</u>	57%

Break Even Analysis -volume

Lift-Station Zone Customers	Current Model				Commodity Model				Break- Even/Mo.	
	Water Service Fee/Mo.	Water Rate/Gal .	Sewer Service Fee/Mo.	Sewer Rate/Gal .	Water Service Fee/Mo.	Water Rate/Gal .	Sewer Service Fee/Mo.	Sewer Rate/Gal .	Volume (Gal.)	Amount (\$)
Commercial	25	0.0114	20	0.01264	19.00	0.0109	0	0.0218	3,002	\$117.18
Commercial (BOD)	25	0.0114	20	0.01264	19.00	0.0109	10	0.0218	1,848	\$89.42
Residential	25	0.00442	20	0.00997	19.00	0.0109	0	0.0218	1,420	\$65.43
Non-Lift-Station Zone Customers	Current Model				Commodity Model				Break- Even	
	Water Service Fee/Mo.	Water Rate/Gal .	Sewer Service Fee/Mo.	Sewer Rate/Gal .	Water Service Fee/Mo.	Water Rate/Gal .	Sewer Service Fee/Mo.	Sewer Rate/Gal .	Volume (Gal.)	Amount (\$)
Commercial	25	0.0114	20	0.01264	19.00	0.0109	0	0.0147	16,667	\$445.67
Commercial (BOD)	25	0.0114	20	0.01264	19.00	0.0109	10	0.0147	10,256	\$291.56
Residential	25	0.00442	20	0.00997	19.00	0.0109	0	0.0147	2,319	\$78.38

Break Even Analysis – \$ Amount “Water & Sewer” Users

(exclude Bulk, K-City, Water Only, & Sewer Only)

Lift Zone Customers	Customers Would Pay Less in 2014				Customers Would Pay More in 2014				
	# of Customers	2012 Avg. Gal./mo.	Avg. 2012 Charges/mo.	Break-Even Gal.	# of Customers	2012 Avg. Gal./mo.	Avg. 2012 Charges/mo.	Break-Even Gal.	
Commercial Single Unit	62	1217	\$74.26	1690	85	14679	\$397.88	11,587	21%
Commercial Multi Units	0				0				
Residential Single Unit	27	607	\$53.73	1062	53	2947	\$87.41	2,092	29%
Residential Multi Units	6	1428	\$65.55	1690	11	2565	\$81.91	2,245	12%
	95				149				

Non-Lift Zone Customers	Customers Would Pay Less in 2014				Customers Would Pay More in 2014				
	# of Customers	2012 Avg. Gal./mo.	Avg. 2012 Charges/mo.	Break-Even Gal.	# of Customers	2012 Avg. Gal./mo.	Avg. 2012 Charges/mo.	Break-Even Gal.	
Commercial Single Unit	246	3578	\$131.02	4376	32	46,508	\$1,163.05	44,690	4%
Commercial Multi Units	3	3372	\$126.07	4293	1	30,296	\$773.31	29,542	2%
Residential Single Unit	497	1119	\$61.10	1645	515	3,249	\$91.75	2,842	13%
Residential Multi Units	105	1857	\$71.72	2417	30	4,092	\$103.88	3,604	12%
	851				578				
	946				727				

CONSENT AGENDA

Session 13-14, a Regular Meeting of the Homer City Council was called to order on June 24, 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: BURGESS, HOWARD, LEWIS,
ROBERTS, ZAK

ABSENT: DOLMA (excused)

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
COMMUNITY AND ECONOMIC
DEVELOPMENT COORDINATOR KOESTER
FINANCE DIRECTOR LI
IT MANAGER POOLOS
POLICE CHIEF ROBL
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Council met for a Worksession from 4:00 p.m. to 4:57 p.m. to discuss Water and Sewer Rates. From 5:00 p.m. to 5:23 p.m. Council met as a Committee of the Whole to discuss Consent and Regular Meeting Agenda items.

Mayor Wythe declared Councilmember Burgess' absence at the June 10th meeting as excused instead of unexcused. Email notice was sent to the Clerk on Sunday before the meeting; however, the Clerk was out of the office.

Councilmember Dolma has requested excusal.

Mayor Wythe declared Councilmember Dolma's absence as excused. There were no objections from Council.

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

AGENDA APPROVAL

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

The following changes were made to the agenda:

CONSENT AGENDA - **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. **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. **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. **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. Memorandum 13-097 from City Clerk as backup to Ordinances 13-22, 13-23, 13-24 and Resolution 13-072.

ANNOUNCEMENTS/PRESENTATIONS - Thank you from the Kachemak Nordic Ski Club for Grant Funds from The Homer Foundation. **PUBLIC HEARINGS** - Public Hearing Notice for Monday, June 24, 2013. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. Written public comments. **RESOLUTIONS** - **Resolution 13-067(S)**, A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Trail Shore Protection Project to the Firm of **Endries Company** of **Soldotna, Alaska**, in the Amount of **\$884,624** and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Memorandum 13-095 from Public Works Director as backup. **Resolution 13-071(S)**, 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 **North Star Paving and Construction** of **Soldotna, Alaska**, in the Amount of **\$1,883,998** and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. Memorandum 13-096 from Public Works Director as backup.

Resolution 13-068 was moved from the Consent Agenda to Resolutions. Resolutions 13-067 and 13-067(S) were pulled.

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

BURGESS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Brianna Allen, city resident, supports Ordinance 13-24 as a partnership agreement. She read letters from property owners Gary Miller and Buck and Shelly Laukitis who support improvements in the Old Town area.

Adele Person Groening, Homer resident, supports Ordinance 13-24. She walks the patchwork trails and segments of sidewalks with her young children. Improvements to Old Town are a model for other areas.

Asia Freeman, city resident, supports Ordinance 13-24 and the positive changes for Old Town. It is a partnership by owners, offering creativity, trail development, excitement, and neighborhood vitality.

Rika Mouw, city resident, supports Ordinance 13-24. It will create a waterfront pedestrian district. Artists and residents partnering creates a dynamic win, win situation.

Adrienne Sweeney, city resident and multiple business owner in Old Town, supports Ordinance 13-24. We can collaborate together and the project will help with safety issues.

Mike Dye, Homer resident, supports Ordinance 13-24. Old Town is an important part of the community.

Mary Ann Marquardt, city resident, supports Ordinance 13-24. Living in the area, she sees a lot of pedestrian traffic with no place for pedestrians to walk. With tourists and residents walking to the local establishments and the area beach, safe walking places and signs are needed.

Christina Fenner, Homer resident, supports Ordinance 13-24 for safety reasons and artists in the community.

Lisa Zatz, business owner, supports Ordinance 13-24. The Old Town neighbors have done a good job of presenting safety and beautification features. She is all for reducing the speed to 15 mph with removable speed bumps. Now the police are frequently called to the area.

Barb Petersen, city resident, commented on Resolution 13-068. For 41 years she has had a partnership with the City on the Spit. Pier One Theatre started out on the old city dock and operated there for 10 years. In 1985 the City asked if Pier One would like the present site. A lot of work was done to make the building a theatre. The theatre runs a profit/loss of \$88,000 per summer with everything bought within the community.

Ann Margret Wimmerstedt, city resident, supports Ordinance 13-24. The rejuvenation of Old Town offers opportunities for artists to volunteer for some tasks and permanent sculptures and artist statements. She supports Pier One and TEX for children, and all of Barb Petersen's efforts.

Tricia Lillibridge, city resident, commented on Resolution 13-068. It was a mistake when the parcel was zoned marine industrial. Pier One was then offered the location. It is a beautiful

recreational space with 10,000 sq. ft. of property for water-based activities. She asked that the eleven acres be divided in half for both recreation and barge pull out.

RECONSIDERATION

CONSENT AGENDA

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

- A. Homer City Council unapproved Regular meeting minutes of June 10, 2013. City Clerk. Recommend adoption.

Moved to New Business, Item B.

- B. **Memorandum 13-090**, from Mayor, Re: Reappointment of Jennifer Sonneborn to the Homer Advisory Planning Commission.

- 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. Recommended dates: Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

- 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.

- 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. Memorandum 13-097 from City Clerk as backup.

Moved to New Business, Item C.

- 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.

Memorandum 13-097 from City Clerk as backup.

- 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.

Memorandum 13-097 from City Clerk as backup.

- 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.

Memorandum 13-092 from Art Selection Committee as backup.

- 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.

- 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.

Memorandum 13-094 from Police Chief as backup.

- 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.

Moved to Resolutions, Item C.

- 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.
- 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.
- 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.

Memorandum 13-097 from City Clerk as backup.

Item K, Resolution 13-068 was moved from the Consent Agenda to Resolutions, Item C.

Item A, unapproved Regular meeting minutes of June 10, 2013 was moved to New Business, Item B.

Item E, Ordinance 13-22 was moved from the Consent Agenda to New Business, Item C.

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

BURGESS/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

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

Mayor Wythe read and presented the proclamation to Parks Maintenance Coordinator Angie Otteson.

B. Borough Report

Bill Smith, Kenai Peninsula Borough Assemblyman, reported almost 100 people testified at the last Assembly meeting on the ordinance expanding protection of anadromous waters. The ordinance to delete changes made in 2011 to add more parcels to the protection area failed. The ordinance to adopt special exceptions for lake front properties and expanding protections for prior existing uses has been continued to July 2. The Borough has several initiatives, one being all elections by mail. State law does not allow a vote by mail in a runoff between two candidates. Last year there was a proposal to make service areas have appointed seats versus elected seats. Over 95% of service area seats are filled by self appointment with no competition in an election. Another initiative that has been certified is to increase the deduction for personal property from \$20,000 to \$50,000. The initiative will be put before the voters. Currently senior exemptions for the City of Homer are \$150,000 and \$300,000 at the Borough. A Borough resident gets the \$300,000 plus the \$20,000 personal property exemption. For the Borough to balance the books they would extend the \$50,000 exemption to all and place a limit of a \$300,000 exemption to seniors.

C. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission
4. Parks and Recreation Advisory Commission

Tricia Lillibridge, Parks and Recreation Commissioner, thanked Council for the parks proclamation. Everyone that serves on the commission puts in many volunteer hours and shares a passion to improve parks and highlight recreational opportunities in the town. The commission had a dynamic meeting last month discussing cutting back on some committees and looking at how to set up future committees. Park Day is Saturday, August 17th at Ben Walters Park. The Rotary Club has adopted the park and has done a lot of work on the restrooms and the dock. At Park Day there will be food and the commissioners will be there; she requested the presence of the Council too. The commission reviewed the CIP list and their selections include:

- Karen Hornaday Park funds for Phase II – road work to make the park a safe place;

- Mariner Park restrooms – new restrooms there could be cheaper than originally expected due to other construction in the area this summer;
- Jack Gist Park/Cottonwood Horse Park – speed warning signs are needed to ease access to East End Road.

The commission would like to add Rogers Park Loop Trail to their bucket of parks.

The pavilion at Karen Hornaday Park has been designed and approved by the engineers. The design work was more money than anticipated. An RFP will be issued to build the pavilion with both volunteer and paid labor. The construction will likely take place in August and September.

Commissioner Lillibrige encouraged people to apply for commissioner openings. It provides opportunity to participate in enhancing parks and recreational opportunities in Homer.

5. Port and Harbor Advisory Commission

- D. Memorandum 13-093 from Community and Economic Development Coordinator, Re: Green Dot Update
- E. Homer More Than a Fishing Town, An economically diverse city at the end of the road, Alaska Economic Trends
- F. Thank you from the Kachemak Ski Club for Grant Funds from The Homer Foundation

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.

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

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

Mayor Wythe opened the public hearing.

Phil Morris, Mayor of Kachemak City, suggested postponement again and a joint Worksession between Kachemak City and Homer City Council. Sewer costs for Kachemak City are all over

the lot. The 22% increase now is better than the 50% increase proposed at the beginning of tonight's meetings.

Josh Garvey, city resident and CFO of Land's End, asked why local government is paying itself so much. We need to look at the City's internal costs. The proposed water and sewer rates are anti-business; it is taking money from the business community and distributing it to overinflated budgets. Two hours ago figures were \$250,000 off; this requires postponement. Hire experts for complex problems. Water costs are four times higher than any other place on the Peninsula.

Adrienne Sweeney, city resident and business owner, remembers several years ago when water and sewer rates increased by 100% in one year. She urged council to take some time and postpone the discussion to the winter when small businesses can participate.

Bill Smith, city resident, is astonished to see an average of 3,500 gallons per month/per household sewer usage for Kachemak City. The number is way larger than the actual usage.

Mike Dye, city resident and Land's End employee, commented on the significant changes to the water and sewer rate models. The task force put in considerable time and effort, but they had no resources to deal with. Last minute changes are still being made; city staff noted a quarter of a million dollar shortfall. There are no windfalls in Land's End budget. He suggested an outside firm conduct a study on the rates.

Billy Robertson, Land's End employee, commented the resort would have to absorb the increased water and sewer rates by eliminating ten seasonal employees or one full-time position. They already try to get twelve months of business out of six months of opportunity.

Mayor Wythe closed the public hearing.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

1. Port and Harbor Bond Sale: The Bond sale closed on June 19th in Seattle. The City has transferred \$290,100 to the Bank of New York to hold as a reserve fund and the \$4,200,000 in sale proceeds have been transferred to a City account.
2. Health Insurance Broker: Just a reminder, we are 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. Animal Shelter RFP: The contract for operating the Animal Shelter expires at the end of December 2013. An RFP for Animal Shelter services has been prepared and will hit the streets this week. If you know companies or individuals that are interested and qualified, please have them contact the Clerk's office.
4. Pier One Lot: At the last meeting, I was asked to prepare a resolution that would offer the entire lot for lease. Such a resolution appears on your agenda for consideration. One of the questions that came up was whether the Pier One Theatre would be able to apply for a long term lease. After looking into this a bit, it appears that the answer is no. The line between the Marine Industrial Zoning District and Open Space/Recreation District is just to the South of the Fishing Hole, almost hugging the rim. Therefore, the Pier One Theatre (and the campground) is in the Marine Industrial District and would not be eligible to receive a lease.
5. Water and Sewer Rates: This packet contains a substitute resolution which cleans up some confusing language and presents the fees in a way that we believe is clearer and more understandable. Since the resolution was prepared, John has continued to work with the numbers provided by the Task Force and has discovered that they will not provide the revenue that is needed, especially on the sewer side. This will be explained at the meeting. At the workshop, John will have a new rate schedule that is based upon the correct numbers and 2014 revenue and expenditure projections.
6. Sterling Highway Paving: The DOT/PF contractor has pretty much completed the sidewalk concrete work. Asphalt grinding is scheduled to start today. They plan to do the Homer Hill first. Traffic will be reduced to two lanes from four during this phase. Folks will need to be patient and assume that travel in and out of town will take a little longer. Twenty minute delays can be expected during the paving phase, however, the contractor currently plans to do that at night.
7. Deed Transfer Agreement: Last week I went to Anchorage to sign the Deed Transfer Agreements between the City and DOT/PF regarding ownership and maintenance of Olson Lane, West Bunnell, and Mission Road. You will recall that this was part of the Spit Trail funding agreement approved by Council.
8. City Paving Projects: You may have noticed that the City paving projects are underway. The ones we have received the most comments on so far are Fish Dock, Ice Dock, and Fairview Ave.
9. Gas Lines: So far, things appear to be going pretty well with the gas lines. Enstar reports that Chumley's is about 50% done with the trunk line project. So far, we have spent about 50% of the legislative grant. Enstar expects to have the Hospital and the High School connected with gas flowing by the end of July. UTI, the contractor working on the distribution system within the City is making great progress. They have been doing an excellent job working with residents to minimize impacts and so far we have received no complaints about their activities. Enstar reports that approximately 500 people and businesses have signed up for the service so far.

10. Governor's Picnic: Plans and preparations for the Governor's Picnic are moving along rapidly. Fundraising for the picnic has been pretty successful and the overall plan sounds very good. Katie can give you a full update at the meeting if you wish.

11. Deep Water Dock TORA: This week I was in Anchorage to work on several changes to the TORA Agreement which the Council has already approved by resolution. The changes are mostly not substantive, but if they become so, I will bring it back to Council for approval.

City Manager Wrede provided his report as a laydown. He highlighted Item 7, a deed transfer agreement with the State for ownership and maintenance of West Bunnell, Mission Road and Olson Lane. Due to the school bus route, Mission Road will need to be plowed in the early morning during the winter months. Generally the snow removal crews start with the downtown core area and work their way up the hills to the residential areas.

Mayor Wythe called for a recess at 7:10 p.m. and reconvened the meeting at 7:15 p.m.

B. Bid Report

CITY ATTORNEY REPORT

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. **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.

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

Motion on the floor from June 10th: MOTION FOR THE ADOPTION OF RESOLUTION 13-048 BY READING OF TITLE ONLY.

Mayor Wythe called for a motion to substitute Resolution 13-048(S) for Resolution 13-048.

BURGESS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ROBERTS/LEWIS – MOVED TO POSTPONE RESOLUTION 13-048(S) TO JULY 22ND.

Councilmember Roberts asked for more time due to significant changes in the rate structure. Finance Director Li brought forth new information that changed the whole philosophy of the rate structure. People deserve time to comment on the significant change. The shortfall is anticipated at \$250,000.

Councilmember Burgess participated on the task force on the lengthy process. Most objections are relating to one group of people wanting to shift costs to another group of people. The cost causer equals cost payer means everyone pays the same. The task force did a good job and the information they relied upon was the same as a hired contractor would receive from city staff.

Councilmember Howard noted at the last meeting one person said we were ramrodding things through so she made the motion to postpone. At the close of the meeting she was lambasted for continuing. When talking about sewer and water, Land's End is never happy. The task force held special hearings in the winter so folks would have the time to go through it, instead of in the summertime. She is offended by some of the remarks that the task force did not have good resources. The task force paid money to have special rate setting materials from the American Water Works Association and others. The comments are not well founded.

VOTE: (postponement) YES. ROBERTS, ZAK, LEWIS

VOTE: NO. HOWARD, BURGESS

Motion failed.

Councilmember Burgess noted the information the task force relied upon when setting the sewer commodity rate was the operating flows from lift stations. Much to his credit, the Finance Director noted a discrepancy in the billable flows and brought that discrepancy to our attention. If we stick with the new proposed rate model it will require amending the sewage rate to \$0.0147 per gallon to make up the projected shortfall. If you are in a lift zone the rate will need to be amended to \$0.0218 per gallon.

BURGESS/ROBERTS - MOVED TO AMEND THE RATE FOR SEWAGE IN A LIFT STATION TO \$0.0218 PER GALLON.

Councilmember Zak agrees with the numbers, but it is nearly a 25% increase for the sewage lift station rate. It is a \$244,000 impact that we learned about tonight and it might be better to wait until September to discuss it further.

Councilmember Burgess commented we have two alternatives, either adjust the rate to meet our budget, or eliminate and socialize the cost of operating the lift stations to all users.

Councilmember Zak expressed concern about socializing some parts of the rates and not others. It may take some work to get to an agreeable position. If we act too quickly tonight there is now a 25% increase and other unknown impacts.

Mayor Wythe noted the intention is to get the amendments in so when it is postponed and comes back there will be another public hearing and people can comment on it.

Councilmember Zak noted the operating costs are not clear and there are other numbers he is not comfortable with. The rate passed on to users might be double of what they are currently paying.

Councilmember Burgess commented it is unfortunate that we have to consider decisions in a linear fashion. It is a complicated issue; the task force was formed to discuss it for that very reason.

VOTE: (amendment) YES. LEWIS, ROBERTS, HOWARD, BURGESS

VOTE: NO. ZAK

Motion carried.

ROBERTS/LEWIS - MOVED TO AMEND THE NON LIFT STATION SEWAGE RATE TO \$0.0147 PER GALLON.

Councilmember Burgess asked for a friendly amendment to specify it is non lift station sewage. The amendment was agreeable to the makers of the motion.

VOTE: (amendment) YES. BURGESS, LEWIS, ROBERTS, ZAK, HOWARD

Motion carried.

BURGESS/HOWARD - MOVED TO AMEND TO MAKE AN ACROSS THE BOARD RATE INCREASE OF 4% AND THAT THE INCREASE BE DEDICATED TO ANY OVERRUN REVENUES FOR OPERATING AND BE DEDICATED TO THE WATER AND SEWER RESERVE FUND TO ACCOUNT FOR COSTS IN MAINTAINING THE SYSTEM.

Councilmember Burgess commented the Water and Sewer Rate Task Force did a good job designing a rate model that would meet the operating costs of the system. In the current budget we are operating at a \$200,000 shortfall and are not funding depreciation. In the long term manageability of the system we need to account for a small portion of that cost within the rate model.

VOTE: (amendment) YES. HOWARD, BURGESS, LEWIS

VOTE: NO. ROBERTS, ZAK

Motion failed.

LEWIS/ROBERTS - MOVED TO POSTPONE TO AUGUST 12TH.

There was no discussion.

VOTE: (postponement) YES. ZAK, LEWIS, ROBERT

VOTE: NO. HOWARD, BURGESS

Motion failed.

VOTE: (main motion as amended) YES. HOWARD, BURGESS, ROBERTS

VOTE: NO. ZAK, LEWIS

Motion failed.

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.

BURGESS/LEWIS - MOTION TO ORDER A SPECIAL ELECTION ON THE REFERENDUM QUESTION.

A typical election costs the City \$4,800. Council discussed the lack of merits for a special election, including cost, voter turnout in the summer, and only attracting special interest groups.

Councilmember Burgess defended a special election as the will of the voters is the will of a democracy. The voters have a means to overturn the plastic bag ban.

VOTE: YES. ZAK, BURGESS

VOTE: NO. ROBERTS, HOWARD, LEWIS

Motion failed.

- B. Homer City Council unapproved Regular meeting minutes of June 10, 2013. City Clerk. Recommend adoption.

ZAK/ROBERTS – MOVED TO AMEND THE MINUTES TO REFLECT COUNCILMEMBER BURGESS’ EXCUSAL FOR THE JUNE 10TH MEETING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **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.

Memorandum 13-097 from City Clerk as backup.

Mayor Wythe called for a motion for the introduction of Ordinance 13-22 for first reading by reading of title only.

LEWIS/BURGESS – SO MOVED.

Mayor Wythe commented the property tax revenues from the Endeavour were derived by the alignment of many non-standard facts. It should be classified as windfall funds. There may be a day when the docks support this as normal commerce, but that is not today.

Councilmember Zak noted the moorage of the Endeavor was a large revenue item. If we start looking for taxable items we will find quite a few others. This is a big budget item to add to the Permanent Fund. The windfall definition does not fit; taxes were paid to the citizens of Homer. There may be an opportunity to allocate the funds more appropriately if we leave them undesignated.

Councilmember Burgess agreed it was not necessarily a windfall, although the Permanent Fund is a good place to put the monies. He asked if there was an alternative location to allocate the funds.

Councilmember Zak suggested leaving the revenues in the budget and when we find an opportunity, they can be allocated to serve the community as a whole.

Councilmember Lewis would like to hear from the public. There are a lot of places that have a shortfall, including healthcare and water and sewer.

VOTE: YES. LEWIS, ROBERTS, HOWARD, BURGESS

VOTE: NO. ZAK

Motion carried.

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.

Resolution 13-067(S), A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Trail Shore Protection Project to the Firm of **Endries Company** of **Soldotna, Alaska**, in the Amount of **\$884,624** and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Memorandum 13-095 from Public Works Director as backup.

Pulled.

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.

Resolution 13-071(S), 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 **North Star Paving and Construction** of **Soldotna, Alaska**, in the Amount of **\$1,883,998** and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk.

Memorandum 13-096 from Public Works Director as backup.

Mayor Wythe called for a motion for the adoption of Resolution 13-071 by reading of title only.

ROBERTS/HOWARD - SO MOVED.

Mayor Wythe called for a motion to substitute Resolution 13-071(S) for Resolution 13-071.

BURGESS/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

C. **Resolution 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.

Mayor Wythe called for a motion for the adoption of Resolution 13-068 by reading of title only.

BURGESS/ROBERTS – SO MOVED.

ROBERTS/LEWIS – MOVED TO AMEND EVERY PLACE THAT LISTS LOT 2 TRACT 1-A TO SAY SOUTHERN TWO-THIRDS OF THE PARCEL.

Many activities have been allocated on the northern third of the parcel with the water trail, Pier One, and the campground fee station. The Wooden Boat Society has talked about that portion of the parcel. There is no intent to drive people off the lot. It is realistic to define the available area.

BURGESS/ROBERTS – MOVED FOR A FRIENDLY AMENDMENT TO AMEND TO SOUTHEAST.

The portion was verified by Port and Harbor Director Hawkins.

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

Motion carried.

VOTE: (amendment) YES. BURGESS, LEWIS, ROBERTS, ZAK, HOWARD

Motion carried.

ROBERTS/LEWIS – MOVED TO AMEND LINE 39 TO OFFER TWO-THIRDS OF THE PARCEL FOR LEASE.

City Manager Wrede noted the last bullet “be it further resolved” indicates applicants may submit a proposal for all or a portion of the lot.

VOTE: (amendment) YES. HOWARD, BURGESS, LEWIS, ROBERTS, ZAK

Motion carried.

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

Motion carried.

COMMENTS OF THE AUDIENCE

Mike Dye, city resident, thanked everyone that voted against Resolution 13-048(S). The comments last week about ramrodding were not his and he was not meaning any ill content. Land’s End is never happy about water rates; any targeted costs that impact businesses negatively upset people. The owner cares a lot about his employees and the rate increases would have been damaging for his employer.

Tricia Lillibridge, city resident, asked for clarification on Lot 2, Tract 1-A.

Mayor Wythe showed the portion of the lot available for lease. It has never been the intent to put Pier One out of business. Council has never seen a proposal from the Wooden Boat Society, they have just heard about it.

Barbara Petersen, city resident, thanked Council for allowing more time for Pier One to operate. She didn't know if Council would stop the lease.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comments.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comments.

COMMENTS OF THE MAYOR

Mayor Wythe announced Katie is looking for volunteers to work two to three hour shifts at Karen Hornaday Park on July 25th for the Governor's Picnic. Call Katie at 435-3101. The Mayor thanked everyone that came out for public comments. Council and the public that comments have the best interests of the community in mind. Council's decisions run the business that you have hired them to run. But, there are no funds to pay for anything the citizens do not provide. We have repeatedly restricted those funds. It is very difficult to operate a business if you don't have qualified employees, yet we constantly hear how overpaid and overprovided our employees are. Yet the City has a hard time finding employees because we do not pay enough and we do not have enough benefits. The water and sewer system was built to meet a need that has not yet developed. We have miles of water and sewer line in subdivisions that have not yet filled up, yet we still have to pay to maintain the water and sewer system. She invited those that point fingers to step up to the table for election. As you voice opinions, keep in mind that we have a very silent majority that may not share your opinion. The property that is considered Pier One belongs to the Port and Harbor enterprise fund. They purchased the property. When we allot the parcel to uses outside of their business, we are not looking out for their interests. It is not good business to take their profit centers away. The port is a multi-million dollar asset industry that requires revenues beyond slip fees. When something is purchased with funds for a specific use, it is disingenuous for user groups to come back 25 years later and say we're glad you bought this so

we can use it. We are not trying to eliminate green space; we just have a small pot with a smaller portion to allocate to parks, recreation, and trails. Council is trying to do business first and fun things later.

COMMENTS OF THE CITY COUNCIL

Councilmembers Roberts is disappointed the water and sewer rates did not pass. She wanted to postpone it. The committee worked hard and is being criticized, even though they thought very thoroughly about it. During her tenure on the council she has been through the meter and bucket methods of water and sewer rates. The new proposal is one of the fairest methods she has seen in a long time. To throw it away is not our best choice. Enstar is building gas lines all over the place. Enstar said they would notify the public as to what neighborhoods they would be working in, but they are not. Information on their website has remained stagnant for ten days. The locations posted on the web are nowhere near where they said they would be. She has asked questions of Enstar and has not gotten answers.

Councilmember Burgess clarified Council's intent for the RFP on Lot 2, Tract 1-A. No one wants to eliminate green space, recreational activities, or Pier One Theatre; they want to assess the best use of the lot and solicit information in making that decision. Council is trying to make the most informed decision possible to balance the recreational needs and the economic benefits of the lot. It is not Council's intent to throw Pier One out. On the water and sewer rate model, by voting it down we have failed the citizens of Homer and city staff. He encouraged those that voted it down to bring it back for reconsideration. He served on the task force and they worked really hard on this. The information they relied on was the same that a contractor or private rate setter would have. Councilmember Burgess fails to see how a private contractor or another body could make a different model unless they were slipped money by a large special interest organization to come to a different conclusion. Under the current proposed rate model about 75% of users will experience cost savings. The rate model is not anti-business; it transfers costs to the actual commodity. Small businesses that use a low volume of water save money. You can't commend the task force out of one side of your mouth and then call them incompetent on the other side. It doesn't work. We owe it to the citizens to agree on models well in advance, inform them of the models well in advance, and then move forward and not allow the process to be derailed or influenced by misinformation or interest of a particular group. Council needs to reconsider this and we owe it to the people to give them a model that is sustainable moving forward that is apolitical.

Councilmember Lewis issued notice of reconsideration to be voted on at the July 22nd meeting.

Councilmember Howard commented on the strategic planning event. She feels strongly that we need to hire a facilitator. The City Manager needs to be part of the conversation instead of

facilitating it. She knows a couple facilitators in Anchorage that work with the hospital and are familiar with Homer. She referred the Clerk to doodle.com for scheduling meetings. Otherwise the task is harder than herding cats. Councilmember Howard thanked the Police Chief for his good negotiation for a very good jail contract. She expressed an interest on signing up for the Port and Harbor Building Task Force. The Port and Harbor Advisory Commission will be considering their appointment to the task force in July.

Councilmember Zak commented the sun is still shining so he would like to go see his new grass grow.

Councilmember Lewis would like to be appointed to the Port and Harbor Building Task Force.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:13 p.m. The next Regular Meeting is Monday, July 22, 2013 at 6:00 p.m., Committee of the Whole 5:00 p.m., and a Worksession 4:00 p.m. A Worksession is scheduled for 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.

JO JOHNSON, CMC, CITY CLERK

Approved: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

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(f) 907-235-3143

MEMORANDUM 13-104

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
FROM: JO JOHNSON, CMC, CITY CLERK
DATE: JULY 16, 2012
SUBJECT: 2014 PROPOSED BUDGET SCHEDULE

Included is the 2014 Proposed Budget Development Schedule.

RECOMMENDATION:

Review and approve the 2014 Budget Schedule.

CITY OF HOMER

2014 PROPOSED BUDGET DEVELOPMENT SCHEDULE

DATE	TIME	EVENT
7/22/2013	6:00 PM	Budget Schedule to Council.
8/5/2013		Submit to departments, budget work sheets including salary and fringe benefit costs.
8/12/2013	5:00 PM	During Committee of the Whole, Council to discuss budget priorities for the coming year.
8/12/2013	6:00 PM	Regular Meeting-Public Hearing, Council to seek public input on budget priorities for the coming year.
8/19/2013		Complete budget work sheets, including narratives, and justifications to Finance.
8/26/2013	5:00 PM	During Committee of the Whole, Council to discuss Revenue Sources for General Fund.
9/2/2013		Compile data and return copy to departments for review.
9/9/2013	Week of	City Manager & Finance Director review budget requests with Department Heads.
9/9/2013		Preliminary budget assumptions to Council.
10/14/2013		City Manager submits Draft Proposed Budget to Council.
10/14/2013	5:00 PM	During Committee of the Whole, Council to discuss budget - 1 hour.
10/14/2013	6:00 PM	Regular Meeting - Public Hearing.
10/28/2013	5:00 PM	During Committee of the Whole, Council to discuss budget - 1 hour
10/28/2013	6:00 PM	Regular Meeting-Budget Ordinance and Fee/Tariff Resolutions Introduced.
11/25/2013	5:00 PM	During Committee of the Whole, Council to discuss budget - 1 hour
11/25/2013	6:00 PM	Regular Meeting - Public Hearing.
12/9/2013	6:00 PM	Regular Meeting - Public Hearing & adoption of Proposed Budget.

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-25

An Ordinance of the Homer City Council, Amending HCC 3.10.130, Governance of Homer Permanent Fund Assets, HCC 3.12.020, Contributions, HCC 3.12.030 Allocation to Sub-Funds, HCC 3.12.060 Expenditures of Income and HCC 3.12.080, Expenditure of Principal; Enacting HCC 3.12.015, Definitions; and Repealing HCC 3.12.070, Loans from Income Sub-Fund; Regarding the Homer Permanent Fund.

Sponsor: City Clerk/Permanent Fund Committee

1. City Council Regular Meeting July 22, 2013 Introduction
 - a. Memorandum 13-098 from Permanent Fund Committee as backup
 - b. Letter from The Homer Foundation dated January 19, 2010, re: Overview of the city of Homer Grants Program and City of Homer Endowment Fund
 - c. Letter from The Homer Foundation dated January 25, 2013 with fund holder reports

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Clerk/
4 Permanent Fund Committee

5 ORDINANCE 13-25
6

7 AN ORDINANCE OF THE HOMER CITY COUNCIL
8 AMENDING HCC 3.10.130, GOVERNANCE OF HOMER
9 PERMANENT FUND ASSETS, HCC 3.12.020,
10 CONTRIBUTIONS, HCC 3.12.030 ALLOCATION TO SUB-
11 FUNDS, HCC 3.12.060 EXPENDITURES OF INCOME AND
12 HCC 3.12.080, EXPENDITURE OF PRINCIPAL; ENACTING
13 HCC 3.12.015, DEFINITIONS; AND REPEALING HCC
14 3.12.070, LOANS FROM INCOME SUB-FUND; REGARDING
15 THE HOMER PERMANENT FUND.
16

17 THE CITY OF HOMER HEREBY ORDAINS:

18
19 Section 1. Subsection (c) of HCC 3.10.130, Governance of Homer Permanent Fund
20 Assets, is renumbered as paragraph (b)(9).
21

22 Section 2. HCC 3.12.015, Definitions, is enacted to read as follows:
23

24 3.12.015 Definitions. As used in this chapter:

25 “Income” means interest, dividends or coupon discounts derived from investments, and
26 does not include realized or unrealized gains in the market value of investments.

27 “Permanent Fund” means the Homer Permanent Fund established by HCC 3.12.010.

28 “Windfall monies” means monies received by the City after the effective date of this
29 chapter that are not either standard budgeted operating revenues or monies received for a specific
30 purpose, including without limitation bond proceeds, grant funds, and monies recovered through
31 litigation other than the Exxon Valdez litigation as damages compensating or reimbursing the
32 city for previous expenditures. In all cases, the City Council’s identification of monies as wind-
33 fall monies shall be final and conclusive.
34

35 Section 3. HCC 3.12.020, Contributions, is amended to read as follows:
36

37 3.12.020 Contributions. a. If monies from the distribution of the Exxon Valdez settlement
38 or other forms of **windfall** ~~“wind-fall monies”~~ become available to the City, **not less than** 95%
39 of such funds shall be placed in the ~~Homer~~ Permanent Fund.

40 b. ~~“Wind fall monies” shall be defined as any new monies received by the City from any~~
41 ~~source other than standard budgeted operating revenues and not allocated to any specific~~
42 ~~purpose. “Wind fall monies” do not include bond proceeds, grant funds allocated to a specified~~
43 ~~purpose, or the proceeds of non-Exxon Valdez litigation when such proceeds are recovered as~~
44 ~~damages to compensate or reimburse the city for expenditures previously made by the city. In all~~
45 ~~cases, the City Council’s determination of whether monies are “wind fall” is final and~~
46 ~~conclusive.~~

47 e. The City Council shall appropriate all of the ~~remaining five percent of Exxon~~
48 ~~Valdez settlement funds and other~~ windfall ~~wind fall monies~~ that remain after the
49 contribution to the Permanent Fund required by subsection (a) of this section ~~are available~~
50 ~~to be appropriated by the City Council for grants to the Homer Foundation City of Homer~~
51 ~~Endowment Fund or other local non-profit organizations for the benefit of the community.~~

52
53 Section 4. HCC 3.12.030, Allocation to sub-funds, is amended to read as follows:

54
55 3.12.030 Allocation to sub-funds. a. Each ~~When a contribution is made to the Permanent~~
56 ~~Fund pursuant to HCC 3.12.020, the money received shall be allocated to two sub-funds as~~
57 ~~follows:~~

58 1a. Forty ~~Sixty~~ percent of each contribution shall be allocated to an income sub-
59 fund.

60 2b. Sixty ~~Forty~~ percent of each contribution shall be allocated to a growth sub-
61 fund.

62 b. Annually at the beginning of the fourth quarter the city shall transfer money
63 from the growth sub-fund to the income sub-fund to the extent necessary to cause the
64 amount in the income sub-fund, plus the outstanding principal of all loans from the income
65 sub-fund under HCC 3.12.060(b), to be equal to forty percent of the total amount in the
66 Permanent Fund.

67
68 Section 5. HCC 3.12.060, Expenditures of income, is amended to read as follows:

69
70 3.12.060 Expenditures from of income sub-fund. ~~a. Expenditures from the of~~
71 ~~Permanent Fund income~~ sub-fund may be made only as authorized in this section ~~chapter.~~

72 a~~b~~. The income from the income sub-fund may be appropriated by the City Council and
73 be expended for general governmental purposes, including but not limited to ordinary operating
74 expenses.

75 b. The principal of the income sub-fund may be used as a source of loan funds for
76 city capital projects, and not as a grant. To be eligible for such a loan the project must
77 receive a majority of its funding from other sources. Such loans shall be on terms approved
78 by resolution of the City Council, which must provide for the repayment of the loan over a
79 reasonable period of time.

80 e. ~~The income from the growth sub-fund shall not be expended. It shall be added to the~~
81 ~~principal of the growth sub-fund and reinvested.~~

82
83 Section 6. HCC 3.12.070, Loans from income sub-fund, is repealed.

84
85 Section 7. HCC 3.12.080, Expenditure of principal, is amended to read as follows:

86
87 3.12.080 Expenditures with voter approval of principal. a. Except as provided in HCC
88 3.12.060, no expenditure may be made from the ~~Expenditures of Permanent Fund principal~~
89 ~~may be made only as authorized in this section. b. Except as a source of loan funds as provided~~
90 ~~in subsection 3.12.070, the principal of both the income sub-fund and the growth sub-fund shall~~
91 ~~neither be distributed nor spent without the~~ approval ~~authorization of sixty percent of city voters~~
92 voting on the question at a regular or special election.

93 ~~be.~~ Prior to submitting to the voters the question of whether to **approve an expenditure**
94 ~~distribute or spend funds from the principal of the~~ Permanent Fund, the City Council shall find
95 that all reasonable options for borrowing have been exhausted, including the option of borrowing
96 from the ~~Homer~~ Permanent Fund pursuant to **HCC 3.12.060(b)** ~~section 3.12.070.~~

97
98 **Section 8.** This Ordinance is of a permanent and general character and shall be included
99 in the City Code.

100
101 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this
102 _____ day of August 2013.

103
104 CITY OF HOMER

105
106
107
108 _____
109 MARY E. WYTHE, MAYOR

110 ATTEST:

111
112
113 _____
114 JO JOHNSON, CMC, CITY CLERK

115
116
117
118 AYES:
119 NOES:
120 ABSTAIN:
121 ABSENT:

122
123
124
125 First Reading:
126 Public Reading:
127 Second Reading:
128 Effective Date:

129
130
131 Reviewed and approved as to form:

132
133
134 _____
135 Walt Wrede, City Manager

136 _____
137 Thomas F. Klinkner, City Attorney

Date: _____

Date: _____



City of Homer

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Memorandum 13-098

TO: MAYOR WYTHE AND CITY COUNCIL
THROUGH: WALT WREDE, CITY MANAGER
FROM: PERMANENT FUND COMMITTEE
DATE: JULY 15, 2013
SUBJECT: AMENDMENTS TO HOMER CITY CODE CHAPTERS 3.10 AND 3.12
PERMANENT FUND

The Permanent Fund Committee is tasked with a yearly review of the Permanent Fund ordinances. The following are the recommendations the committee would like to present for the council's consideration.

Chapter 3.10 – Investment and Collateralization of Public Funds

Section 3.10.130 – Item **c**, following #8 appears to be misnumbered. As a housekeeping measure, the committee recommends that this section be numbered 9.

Chapter 3.12 – Permanent Fund

Section 3.12.020 - Item **b** should be placed in the new section, 3.12.015 named Definitions. The committee recommends item **c** be renamed item **b** to keep the logical sequence. The new verb of *shall* is recommended for the new item **b** as the committee felt the original wording was not clear enough.

Section 3.12.030 – In item **a**, the committee recommends 40% replace 60%. In item **b**, the committee recommends 60% replace 40%. The reason for the recommendation is twofold. This would place our Permanent Fund investments inline with standard investing procedures, an improved investment strategy. Also, the Finance Department has already used our recommended standard delineation instead of the ordinance mandate.

Section 3.12.060 – "*Semiannually the growth and income sub-fund will be rebalanced to maintain a 60%/40% balance of the two funds. The income sub-fund will never transfer money to balance the growth fund*". The new language in this section clarifies the procedure the Finance Department should take to keep the growth sub-fund feeding the income sub-fund. If this procedure does not happen, the growth fund will grow ad infinitum and never be able to be utilized by the city government as the ordinance is currently written. This type of rebalancing tool is a common risk management tool.

Section 3.12.080 – The committee feels the number of 60% of registered voters is a number that never can be achieved given recent voter turnouts. The committee feels this number protects the fund but could allow the fund to be utilized if an emergency arose.

The final recommendation concerns the money allocated to the non-profit funds. When the Exxon Valdez monies and other windfall monies were received in the past, the Finance Department did not break out the 5% money. At this time, these funds are comingled with the city Permanent Funds. According to the committee calculations, this would have been \$70,864.87. The council allocated \$3,554.79 to the Green Dot program in the past year. It was the intention of the Council that these funds were from the 5% non-profit funds. This leaves \$67,310.08. The committee recommends that the \$67,310.08 be transferred to the Homer Foundation City of Homer Endowment Fund. These funds will be added to the current amount. The income from the City of Homer Endowment Fund can be allocated to nonprofits on a yearly basis.

The HOMER FOUNDATION

PO Box 2600
Homer, AK 99603

907-235-0541 (voice)
907-235-2021 (fax)
info@homerfund.org
www.homerfund.org

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Joy Steward

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Steve Yoshida

January 19, 2010

City of Homer
419 E. Pioneer Ave.
Homer, AK 99603

Dear Mayor and City Council,

The City of Homer made a \$20,000 allocation to the Homer Foundation in their 2010 budget. It is our recommendation to use these funds to support the City of Homer Grants Program that the Homer Foundation administers each year. Although our primary purpose is to encourage long-term (endowed) philanthropy, we recognize that our local nonprofits have been hard hit by the economic downturn. We feel that it would be in the community's best interest to distribute the allocation in its entirety through the City of Homer Grants Program again this year. We will add the earnings from both the City of Homer Endowment Fund and the Kachemak City Endowment Fund, making a total of \$27,100 available for distribution.

I understand that you had some questions at your last Council meeting. Here is a brief overview of the City of Homer Grants Program and the City's endowment fund at the Homer Foundation.

In 1999 a then new City Manager, Ron Drathman, attempted to help balance the budget by zeroing out all funding to nonprofits, including the Pratt Museum. The HF advocated for continued nonprofit support and offered to help. Two things resulted, the development of the City of Homer Grants Program, which is funded by the City and administered by the Homer Foundation, and the establishment of the City of Homer Fund at the Foundation. The grants program would assure a consistent process for awarding and monitoring grants, and the long-term vision for the endowment fund was that it would eventually be able to support the annual allocation for nonprofit funding.

Each year since 1999 the City has made a direct allocation to the Homer Foundation to be distributed equally between current year grants and the City of Home's endowment fund. Last year the City felt it was necessary to cut the

funding in half and the HF recommended distributing all \$20,000 in grants, which we did. We are making this recommendation again this year because of the financial need in the nonprofit sector. Also, it is important to note that no fees are charged for grants administration, and partial funding of the grants program does not warrant the review process that has been developed for this grants program.

I have one final note regarding distribution of earnings, as I understand that this came up at your meeting as well. The Foundation invests assets for income and growth. It has always been the Foundation's policy to distribute earned income annually, and has done this with the City's earnings each year since inception. Earned income is defined as interest, dividends and premiums. Market growth on the other hand, is non-distributable and, in most years, has added to the growth of the fund's corpus.

I hope this helps clarify the City's relationship with the Homer Foundation. I am happy to answer questions at any time.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joy Steward".

Joy Steward, Director
The Homer Foundation

January 25, 2013

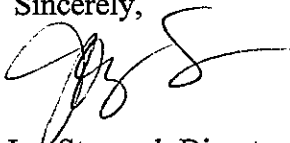
Dear Field of Interest Fund Holder,

Even though your second quarter fund holder report took a holiday, you can be assured that the Homer Foundation's investment team has been diligent in managing the community's philanthropic assets. The Foundation closed the first half of our fiscal year with a positive investment return of 7.03%. Our call strategy has generated \$91,000, well on our way to meeting the Investment Committee's \$150,000 projection.

Attached you will find two fund holder reports, one for the period ending September 30, 2012, and one for the period ending December 31, 2012. These reports include all contributions, market growth (loss), grants awarded, and income earned. Do call if you have questions regarding this report or any aspect of the fund.

Starting with the 3rd Quarter Fund Holder Report (3/30/13), we will deliver your quarterly fundholder reports via email. You may request to continue to receive a hard copy of the report by calling 235-0541 or emailing jsteward@homerfund.org.

Sincerely,



Joy Steward, Director
The Homer Foundation

HOMER FOUNDATION

Report of Fund Activity for the Month of December 2012

Assets and Liabilities	Investment Balance	Distributable Earnings	Non-Distrib Gains/Losses
Combo Portfolio			
FNBA Checking	4,624.45	-	-
FNBA Savings	67,818.59	9.16	-
Schwab I	2,315,558.92	2,449.56	(12,925.96)
Options	(1,300.00)	13,751.37	(12,327.96)
Deed of Trust Note	142,142.70	911.75	-
Cash Value Life Ins	5,477.38	-	(217.42)
Restricted Funds	(87,982.93)	-	-
CGA Due	(767.92)	-	-
Total	2,445,571.19	17,121.84	(25,471.34)
Restricted Pass Through Funds			
Pass Through Func	80,129.23	-	-
Grants Payable	1,103.04	-	-
Scholarships Payat	6,750.66	-	-
Total	87,982.93	-	-
Administrative Non-Cash Assets & Liabilities			
Petty Cash	90.73	-	-
Equipment, Net	1,596.04	-	-
Book Inventory	2,935.45	-	-
Payables	(7,853.70)	-	-
Payroll Tax Liability	(827.62)	-	-
Total, non cash	(4,059.10)	-	-
Agency Endowmen	(371,673.79)		3,968.73
Net Assets	2,157,821.23	17,121.84	(21,502.61)

HOMER FOUNDATION
 Quarterly Report to Fund Holders
July - Sept 2012

Fund Holder City of Homer
 Fund **City of Homer Fund**

Fund Type: Field of Interest
 Fund Code: 1305

PORTFOLIO SHARE (Corpus)

Beginning Balance	185,242.67
Contributions	-
Withdrawals	-
Portfolio Market Change	17,344.80
Ending Balance	202,587.47

AVAILABLE FOR DISTRIBUTION (Earnings)

Beginning Balance	25,475.06
Earnings Allocation	5,128.22
Grants Awarded:	
Grants Total	-
Transfers	-
Ending Balance	30,603.28

HOMER FOUNDATION
 Quarterly Report to Fund Holders
Oct - Dec 2012

Fund Holder City of Homer
 Fund **City of Homer Fund**

Fund Type: Field of Interest
 Fund Code: 1305

PORTFOLIO SHARE (Corpus)

Beginning Balance	202,587.47
Contributions	-
Withdrawals	-
Portfolio Market Change	(12,218.29)
Ending Balance	190,369.18

AVAILABLE FOR DISTRIBUTION (Earnings)

Beginning Balance	30,603.28
Earnings Allocation	3,646.14
Grants Awarded:	
Grants Total	-
Transfers	-
Ending Balance	34,249.42

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-26

An Ordinance of the Homer City Council, Appropriating \$67,310.08 from the Homer Permanent Fund to the Homer Foundation City of Homer Endowment Fund.

Sponsor: City Clerk/Permanent Fund Committee

1. City Council Regular Meeting July 22, 2013 Introduction
 - a. Memorandum 13-098 from Permanent Fund Committee as backup
 - b. Ordinance 12-58
 - c. Resolution 13-016

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

3
4 City Clerk/
Permanent Fund Committee

5 **ORDINANCE 13-26**

6
7 AN ORDINANCE OF THE HOMER CITY COUNCIL
8 APPROPRIATING \$67,310.08 FROM THE HOMER
9 PERMANENT FUND TO THE HOMER FOUNDATION CITY
10 OF HOMER ENDOWMENT FUND.

11
12 WHEREAS, Ordinance 05-14(S) established the Homer Permanent Fund (“Permanent
13 Fund”); and

14
15 WHEREAS, Ordinance 05-14(S) required that 95% of monies from the distribution of
16 the Exxon Valdez settlement or other forms of windfall monies that become available to the City
17 be deposited in the Permanent Fund, with the remaining five percent of such monies being
18 available to be appropriated by the City Council for grants to the Homer Foundation or other
19 local non-profit organizations for the benefit of the community; and

20
21 WHEREAS, In fact, 100% of monies from the distribution of the Exxon Valdez
22 settlement and other forms of windfall monies were deposited in the Permanent Fund, and 5% of
23 such monies were not reserved for appropriation by the Council as required by Ordinance 05-
24 14(S); and

25
26 WHEREAS, As a result of this error, \$70,864.87 was deposited in the Permanent Fund
27 that should have been reserved for appropriation by the Council as required by Ordinance 05-
28 14(S); and

29
30 WHEREAS, The Council partially corrected this error by adopting Ordinance 12-58
31 approving the disbursement of \$3,554.79 from the Permanent Fund to local non-profit
32 organizations for the benefit of the community, and allocating the same amount by Resolution
33 13-016 for the purpose of implementing the Green Dot program in Homer; and

34
35 WHEREAS, To complete the correction of this error, an additional sum of \$67,310.08
36 now should be appropriated from the Permanent Fund to the Homer Foundation City of Homer
37 Endowment Fund for the benefit of the community.

38
39 NOW, THEREFORE, THE CITY OF HOMER HEREBY ORDAINS:

40
41 Section 1. The sum of \$67,310.08 is appropriated from the Homer Permanent Fund to
42 the Homer Foundation City of Homer Endowment Fund as follows:
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Transfer From:

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
999-000-1043	Permanent Fund Income	\$26,924.03
999-000-1044	Permanent Fund Growth	\$40,386.05

Deposit/Transfer To:

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
806-375-5830	Homer Foundation	\$67,310.08

Section 2. The amount appropriated from the Homer Permanent Fund under Section 1 shall be withdrawn pro rata from each sub-fund in the Homer Permanent Fund.

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

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this _____ day of August, 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

AYES:
NOES:
ABSTAIN:
ABSENT:

First Reading:
Public Reading:
Second Reading:
Effective Date:

93 Reviewed and approved as to form:

94

95

96

97 _____
Walt Wrede, City Manager

98

99 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

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(f) 907-235-3143

Memorandum 13-098

TO: MAYOR WYTHE AND CITY COUNCIL
THROUGH: WALT WREDE, CITY MANAGER
FROM: PERMANENT FUND COMMITTEE
DATE: JULY 15, 2013
SUBJECT: AMENDMENTS TO HOMER CITY CODE CHAPTERS 3.10 AND 3.12
PERMANENT FUND

The Permanent Fund Committee is tasked with a yearly review of the Permanent Fund ordinances. The following are the recommendations the committee would like to present for the council's consideration.

Chapter 3.10 – Investment and Collateralization of Public Funds

Section 3.10.130 – Item **c**, following #8 appears to be misnumbered. As a housekeeping measure, the committee recommends that this section be numbered 9.

Chapter 3.12 – Permanent Fund

Section 3.12.020 - Item **b** should be placed in the new section, 3.12.015 named Definitions. The committee recommends item **c** be renamed item **b** to keep the logical sequence. The new verb of *shall* is recommended for the new item **b** as the committee felt the original wording was not clear enough.

Section 3.12.030 – In item **a**, the committee recommends 40% replace 60%. In item **b**, the committee recommends 60% replace 40%. The reason for the recommendation is twofold. This would place our Permanent Fund investments inline with standard investing procedures, an improved investment strategy. Also, the Finance Department has already used our recommended standard delineation instead of the ordinance mandate.

Section 3.12.060 – "*Semiannually the growth and income sub-fund will be rebalanced to maintain a 60%/40% balance of the two funds. The income sub-fund will never transfer money to balance the growth fund*". The new language in this section clarifies the procedure the Finance Department should take to keep the growth sub-fund feeding the income sub-fund. If this procedure does not happen, the growth fund will grow ad infinitum and never be able to be utilized by the city government as the ordinance is currently written. This type of rebalancing tool is a common risk management tool.

Section 3.12.080 – The committee feels the number of 60% of registered voters is a number that never can be achieved given recent voter turnouts. The committee feels this number protects the fund but could allow the fund to be utilized if an emergency arose.

The final recommendation concerns the money allocated to the non-profit funds. When the Exxon Valdez monies and other windfall monies were received in the past, the Finance Department did not break out the 5% money. At this time, these funds are comingled with the city Permanent Funds. According to the committee calculations, this would have been \$70,864.87. The council allocated \$3,554.79 to the Green Dot program in the past year. It was the intention of the Council that these funds were from the 5% non-profit funds. This leaves \$67,310.08. The committee recommends that the \$67,310.08 be transferred to the Homer Foundation City of Homer Endowment Fund. These funds will be added to the current amount. The income from the City of Homer Endowment Fund can be allocated to nonprofits on a yearly basis.

CITY OF HOMER
HOMER, ALASKA

City Clerk/
Permanent Fund Committee

ORDINANCE 12-58

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING THE DISBURSEMENT OF THE NET EARNINGS OF 5% OF THE PERMANENT FUND, AN AMOUNT OF \$3,554.79, TO LOCAL NON-PROFIT ORGANIZATIONS FOR THE BENEFIT OF THE COMMUNITY.

WHEREAS, The Permanent Fund was established in June, 2010 to invest and manage wind-fall monies to the City of Homer; and

WHEREAS, The net earnings of five percent (5%) of the fund are to be distributed to local non-profit organizations for the benefit of the community; and

WHEREAS, As of December, 2011 the net earnings of five percent of the Permanent Fund to be allocated to non-profit organizations is \$3,554.79.

THE CITY OF HOMER HEREBY ORDAINS:

Section 1. The City Council hereby approves the disbursement of the net earnings of 5% of the Permanent Fund, the amount of \$3,554.79, to local non-profit organizations for the benefit of the community as follows:

Expenditure:

From Account:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
999-1043	Net Earnings of 5%	\$3,554.79
999-1044	of the Permanent Fund	

To Account:

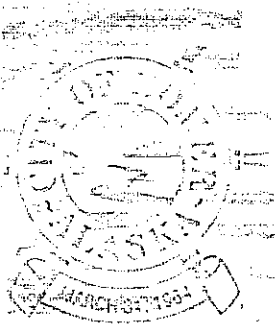
<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
999-1043	Local Non-Profit Organizations	\$3,554.79
999-1044		

Section 2. This ordinance is a budget amendment only, is not of a permanent nature and is a non code ordinance.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this 14th day of January, 2013.

CITY OF HOMER

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Mary E. Wythe
MARY E. WYTHE, MAYOR

ATTEST:

J. Johnson
JO JOHNSON, CMC, CITY CLERK

AYES: 5
NOES: 0
ABSTAIN: 0
ABSENT: 1

First Reading: 12/10/12
Public Reading: 1/14/13
Second Reading: 1/14/13
Effective Date: 1/15/13

Reviewed and approved as to form:

Walt Wrede
Walt Wrede, City Manager

Date: 1/21/13

Thomas F. Klinkner
Thomas F. Klinkner, City Attorney

Date: 1/25/13

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CITY OF HOMER

Mary E. Wythe
MARY E. WYPHE, MAYOR

ATTEST:

Jo Johnson
JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Account Number 999-1043/999-1044 Net Earnings of 5% of the Permanent Fund
\$3,544.79.

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-27

An Ordinance of the City Council of Homer, Alaska, Making Technical Corrections to Title 21 of the Homer City Code for its Republication by Code Publishing, Inc.

Sponsor: Planning

1. City Council Regular Meeting July 22, 2013 Introduction
 - a. Memorandum 13-106 from City Attorney as backup
 - b. Code Publishing, Inc. Legal Review

1 CITY OF HOMER
2 HOMER, ALASKA

3 Planning

4 ORDINANCE 13-27

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
7 ALASKA, MAKING TECHNICAL CORRECTIONS TO TITLE
8 21 OF THE HOMER CITY CODE FOR ITS REPUBLICATION
9 BY CODE PUBLISHING, INC.

10
11 WHEREAS, Code Publishing, Inc. has performed a legal analysis of the current Homer
12 City Code, that has identified Code provisions that require technical correction; and

13
14 WHEREAS, It is desirable that the technical corrections identified by Code Publishing,
15 Inc. be adopted to assure that the republished Code is as accurate and current as possible.

16
17 NOW, THEREFORE, THE CITY OF HOMER HEREBY ORDAINS:

18
19 Section 1. Subsection (a) of Homer City Code 21.10.030, Zoning map, is amended to
20 read as follows:

21
22 21.10.030 Zoning map. a. The official zoning map shall be kept in the City offices, **in**
23 **either paper or electronic form.** The "Homer Zoning Map" dated **April 4, 2012** ~~September 28,~~
24 ~~1982~~ is adopted by reference and declared to be part of this title, together with all amendments
25 subsequently approved by ordinance.

26
27 Section 2. Homer City Code 21.16.060, Traffic Requirements, is amended to read as
28 follows:

29
30 21.16.060 Traffic Requirements. A conditional use permit is required for every use that:
31 a. Is estimated to generate more than 100 vehicle trips during any hour of the day ~~based~~
32 ~~on the proposed land use and density, or~~ calculated utilizing the Trip Generation Handbook,
33 Institute of Transportation Engineers, **9th** ~~(current~~ edition);
34 b. Is estimated to generate more than 500 vehicle trips per day ~~based on the proposed~~
35 ~~land use and density, or~~ calculated utilizing the Trip Generation Handbook, Institute of
36 Transportation Engineers, **9th** ~~(current~~ edition);
37 c. Is estimated to generate an increase in the traffic to more than 100 vehicle trips during
38 any hour of the day due to a change in land use or intensity of use; **or**
39 d. Is expected to generate traffic that will detract from the safety of, or degrade by one
40 level of service, the highway, road, street, alley or intersection.

41
42 Section 3. Homer City Code 21.18.060, Traffic Requirements, is amended to read as
43 follows:

44
45 21.18.060 Traffic Requirements. A conditional use permit is required for every use that:

46 a. Is estimated to generate more than 100 vehicle trips during any hour of the day based
47 ~~on the proposed land use and density, or~~ calculated utilizing the Trip Generation Handbook,
48 Institute of Transportation Engineers, **9th** ~~(current~~ edition);

49 b. Is estimated to generate more than 500 vehicle trips per day ~~based on the proposed~~
50 ~~land use and density, or~~ calculated utilizing the Trip Generation Handbook, Institute of
51 Transportation Engineers, **9th** ~~(current~~ edition);

52 c. Is estimated to generate an increase in the traffic to more than 100 vehicle trips during
53 any hour of the day due to a change in land use or intensity of use; **or**

54 d. Is expected to generate traffic that will detract from the safety of, or degrade by one
55 level of service, the highway, road, street, alley or intersection.

56
57 Section 4. Homer City Code 21.20.100, Traffic Standards, is amended to read as follows:

58
59 21.20.100 Traffic Requirements Standards. A conditional use permit is required for
60 every use that:

61 a. Is estimated to generate more than 100 vehicle trips during any hour of the day based
62 ~~on the proposed land use and density, or~~ calculated utilizing the Trip Generation Handbook,
63 Institute of Transportation Engineers, **9th** ~~(current~~ edition);

64 b. Is estimated to generate more than 500 vehicle trips per day ~~based on the proposed~~
65 ~~land use and density, or~~ calculated utilizing the Trip Generation Handbook, Institute of
66 Transportation Engineers, **9th** ~~(current~~ edition);

67 c. Is estimated to generate an increase in the traffic to more than 100 vehicle trips during
68 any hour of the day due to a change in land use or intensity of use; **or**

69 d. Is expected to generate traffic that will detract from the safety of, or degrade by one
70 level of service, the highway, road, street, alley or intersection.

71
72 Section 5. Subsection (e) of Homer City Code 21.22.040, Dimensional Requirements, is
73 amended to read as follows:

74
75 e. Building Area and Dimensions – Retail

76 1. The total floor area of retail business uses within a single building shall not
77 exceed 8,000 square feet.

78 2. In buildings with more than 8,000 square feet of building area retail business
79 use (not including the area for stocking and warehousing) is limited to no more than
80 8,000 square feet of floor area.

81 ~~3. No retail business use, no wholesale business use, and no building the main use~~
82 ~~of which is retail business or wholesale business that is made nonconforming by this~~
83 ~~chapter may be expanded or enlarged in any manner beyond the size and intensity that~~
84 ~~existed on September 26, 2006.~~

85
86 Section 6. Homer City Code 21.22.110, Traffic Requirements, is amended to read as
87 follows:

88
89 21.22.110 Traffic Requirements. A conditional use permit is required for every use that:

90 **a. Is estimated to generate more than 100 vehicle trips during any hour of the day**
91 **calculated utilizing the Trip Generation Handbook, Institute of Transportation Engineers,**
92 **9th edition;**

93 **b. Is estimated to generate more than 500 vehicle trips per day calculated utilizing**
94 **the Trip Generation Handbook, Institute of Transportation Engineers, 9th edition;**

95 **c. Is estimated to generate an increase in the traffic to more than 100 vehicle trips**
96 **during any hour of the day due to a change in land use or intensity of use; or**

97 **d. Is expected to generate traffic that will detract from the safety of, or degrade by**
98 **one level of service, the highway, road, street, alley or intersection** ~~is estimated or expected to~~
99 ~~generate traffic in excess of the criteria contained in HCC § 21.18.060.~~

100
101 Section 7. Homer City Code 21.24.060, Traffic Requirements, is amended to read as
102 follows:

103
104 21.24.060 Traffic Requirements. A conditional use permit is required for every use that:

105 **a. Is estimated to generate more than 100 vehicle trips during any hour of the day**
106 **calculated utilizing the Trip Generation Handbook, Institute of Transportation Engineers,**
107 **9th edition;**

108 **b. Is estimated to generate more than 500 vehicle trips per day calculated utilizing**
109 **the Trip Generation Handbook, Institute of Transportation Engineers, 9th edition;**

110 **c. Is estimated to generate an increase in the traffic to more than 100 vehicle trips**
111 **during any hour of the day due to a change in land use or intensity of use; or**

112 **d. Is expected to generate traffic that will detract from the safety of, or degrade by**
113 **one level of service, the highway, road, street, alley or intersection** ~~is estimated or expected to~~
114 ~~generate traffic in excess of the criteria contained in HCC § 21.18.060.~~

115
116 Section 8. Homer City Code 21.26.060, Traffic Requirements, is amended to read as
117 follows:

118
119 21.26.060 Traffic Requirements. A conditional use permit is required for every use that:

120 **a. Is estimated to generate more than 100 vehicle trips during any hour of the day**
121 **calculated utilizing the Trip Generation Handbook, Institute of Transportation Engineers,**
122 **9th edition;**

123 **b. Is estimated to generate more than 500 vehicle trips per day calculated utilizing**
124 **the Trip Generation Handbook, Institute of Transportation Engineers, 9th edition;**

125 **c. Is estimated to generate an increase in the traffic to more than 100 vehicle trips**
126 **during any hour of the day due to a change in land use or intensity of use; or**

127 **d. Is expected to generate traffic that will detract from the safety of, or degrade by**
128 **one level of service, the highway, road, street, alley or intersection** ~~is estimated or expected to~~
129 ~~generate traffic in excess of the criteria contained in HCC § 21.18.060.~~

130
131 Section 9. Homer City Code 21.27.060, Traffic Requirements, is amended to read as
132 follows:

133
134 21.27.060 Traffic Requirements. A conditional use permit is required for every use that:

135 a. Is estimated to generate more than 100 vehicle trips during any hour of the day based
136 ~~on the proposed land use and density, or~~ calculated utilizing the Trip Generation Handbook,
137 Institute of Transportation Engineers, **9th** ~~(current~~ edition);

138 b. Is estimated to generate more than 500 vehicle trips per day ~~based on the proposed~~
139 ~~land use and density, or~~ calculated utilizing the Trip Generation Handbook, Institute of
140 Transportation Engineers, **9th** ~~(current~~ edition);

141 c. Is estimated to generate an increase in the traffic to more than 100 vehicle trips during
142 any hour of the day due to a change in land use or intensity of use; **or**

143 d. Is expected to generate traffic that will detract from the safety of, or degrade by one
144 level of service, the highway, road, street, alley or intersection.

145
146 Section 10. Homer City Code 21.28.060, Traffic Requirements, is amended to read as
147 follows:

148
149 21.28.060 Traffic Requirements. A conditional use permit is required for every use that:

150 **a. Is estimated to generate more than 100 vehicle trips during any hour of the day**
151 **calculated utilizing the Trip Generation Handbook, Institute of Transportation Engineers,**
152 **9th edition;**

153 **b. Is estimated to generate more than 500 vehicle trips per day calculated utilizing**
154 **the Trip Generation Handbook, Institute of Transportation Engineers, 9th edition;**

155 **c. Is estimated to generate an increase in the traffic to more than 100 vehicle trips**
156 **during any hour of the day due to a change in land use or intensity of use; or**

157 **d. Is expected to generate traffic that will detract from the safety of, or degrade by**
158 **one level of service, the highway, road, street, alley or intersection** ~~is estimated or expected to~~
159 ~~generate traffic in excess of the criteria contained in HCC § 21.18.060.~~

160
161 Section 11. Homer City Code 21.30.060, Traffic Requirements, is amended to read as
162 follows:

163
164 21.30.060 Traffic Requirements. A conditional use permit is required for every use that:

165 **a. Is estimated to generate more than 100 vehicle trips during any hour of the day**
166 **calculated utilizing the Trip Generation Handbook, Institute of Transportation Engineers,**
167 **9th edition;**

168 **b. Is estimated to generate more than 500 vehicle trips per day calculated utilizing**
169 **the Trip Generation Handbook, Institute of Transportation Engineers, 9th edition;**

170 **c. Is estimated to generate an increase in the traffic to more than 100 vehicle trips**
171 **during any hour of the day due to a change in land use or intensity of use; or**

172 **d. Is expected to generate traffic that will detract from the safety of, or degrade by**
173 **one level of service, the highway, road, street, alley or intersection** ~~is estimated or expected to~~
174 ~~generate traffic in excess of the criteria contained in HCC § 21.18.060.~~

175
176 Section 12. Homer City Code 21.50.010, Site development standards – general, is
177 amended to read as follows:

178

179 21.50.010 Site development standards – general. a. All development in all zoning districts
180 must comply with minimal site development standards. There are various levels of standards set
181 forth in this chapter.

182 b. The level of site development standards required is specified in the applicable zoning
183 district regulations. ~~If applicable zoning district regulations do not specify any level of standards,~~
184 ~~then level one standards apply.~~

185
186 Section 13. The first paragraph of Homer City Code 21.50.020, Site development
187 standards – level one, is amended to read as follows:

188
189 21.50.020 Site development standards – level one. This section establishes level one site
190 development standards. ~~Level one site development standards apply in all zoning districts, unless~~
191 ~~otherwise provided by another provision of the zoning code.~~

192
193 Section 14. The first paragraph of Homer City Code 21.50.030, Site development
194 standards – level two, is amended to read as follows:

195
196 21.50.030 Site development standards – level two. This section establishes level two site
197 development standards. ~~Level two standards apply when specified by the applicable zoning~~
198 ~~district regulations or by another provision of the code.~~

199
200 Section 15. The first paragraph of Homer City Code 21.50.040, Site Development
201 standards - Level three, is amended to read as follows:

202
203 21.50.040 Site Development standards - Level three. This section establishes level three
204 site development standards. ~~Level three standards apply when specified by the applicable zoning~~
205 ~~district regulations or by another provision of the code.~~

206
207 Section 16. Subsection (b) of Homer City Code 21.50.120, Fences – Conditional fence
208 permit, is amended to read as follows:

209
210 b. Prior to granting such a permit, the applicant must demonstrate and the Planning
211 Commission must find that:

212 1. The issuance of such a permit is reasonably necessary, by reason of unusual or
213 special circumstances or conditions relating to the property, for the preservation of
214 valuable property rights for full use and enjoyment of the property;

215 2. The fence will not create a safety hazard for pedestrians or vehicular traffic;

216 3. ~~The appearance of the fence is compatible with the design and appearance of~~
217 ~~other existing buildings and structures within the neighborhood;~~

218 34. The fence is a planned architectural feature designed to avoid dominating the
219 site or overwhelming adjacent properties and structures;

220 45. The orientation and location of the fence is in proper relation to the physical
221 characteristics of the site and the surrounding neighborhood;

222 56. The fence will be of sound construction.
223

224 Section 17. Subsection (b) of Homer City Code 21.52.060, Commercial, noncommercial
225 and industrial PUDs, is amended to read as follows:

226
227 b. A planned unit development that includes commercial, noncommercial or industrial
228 uses shall comply with the following requirements and conditions:

- 229 1. The PUD site shall have direct access to an arterial or collector street.
230 2. Utilities, roads and other essential services must be constructed, installed and
231 available for the immediate use of occupants of the PUD.
232 3. The PUD shall be developed with a unified architectural treatment **in exterior**
233 **building materials, colors and design features.**

234
235 Section 18. Homer City Code 21.57.210, Building and Aesthetics, is amended to read as
236 follows:

237
238 21.57.210 Building and Aesthetics. This section sets minimum requirements to help
239 create an aesthetically attractive facade by reducing the perceived mass of large buildings,
240 creating structures in scale with existing development, and creating a pedestrian friendly
241 environment, while recognizing that buildings for certain uses may not be able to fully achieve
242 these goals. In such instances, the Commission may allow increased landscaping and proper
243 siting may be utilized to mitigate the perceived mass and visual impacts of the large building.

244 a. If a building facade exceeds 60 feet in length, it shall be divided into smaller elements
245 by jogging the wall in or out a minimum of four feet for at least ten feet in length, or by adding
246 an element such as a porch, recessed entry, bay window, projecting trellis or similar substantial
247 architectural feature at intervals so that no continuous wall plane is more than 60 feet in length.

248 b. The portion of the building within public view shall incorporate human-scale elements
249 such as windows, arcades, lower roof overhangs, awnings, or architectural features.

250 c. The design shall provide architectural features that contribute to visual interest at the
251 pedestrian scale and reduce the massive scale effect by breaking up the building wall, front, side,
252 or rear, with color, texture change, and repeating wall offsets, reveals, or projecting ribs.

253 the massive scale of large buildings. Parapet walls shall be architecturally treated to
254 avoid a plain monotonous style.

255 e. Entryways shall be designed to orient customers and ~~to be add aesthetically pleasing~~
256 ~~character to buildings by providing inviting customer entrances that are protected from the~~
257 ~~weather. Each entrance shall be clearly defined and highly visible.~~

258 f. The buildings shall have exterior building materials and colors that are ~~aesthetically~~
259 ~~pleasing and compatible~~ **in** ~~with the overall development plan. Construction material shall~~
260 ~~provide color, texture and scale.~~

261 g. Public Spaces. No less than five percent of the floor area shall be dedicated to interior
262 or exterior public spaces.

263
264 Section 19. This Ordinance is of a permanent and general character and shall be included
265 in the City Code.

266

267 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this
268 ____ day of ____ 2013.

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CITY OF HOMER

MARY E. WYTHE, MAYOR

277 ATTEST:
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JO JOHNSON, CMC, CITY CLERK

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AYES:
NOES:
ABSTAIN:
ABSENT:

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First Reading:
Public Reading:
Second Reading:
Effective Date:

294
295
296

Reviewed and approved as to form:

297
298
299

Walt Wrede, City Manager

Thomas F. Klinkner, City Attorney

300
301
302

Date: _____

Date: _____

MEMORANDUM 13-106

TO: RICK ABBOUD
CITY PLANNER
CITY OF HOMER

FROM: THOMAS F. KLINKNER

RE: TECHNICAL CORRECTIONS TO HCC TITLE 21

FILE NO.: 506,742.563

DATE: JUNE 4, 2013

I have prepared a draft ordinance that makes technical corrections to Homer City Code Title 21 in response to the legal review by Code Publishing. This follows the ordinance that I prepared in early May that made technical corrections to the remainder of the Code based on the Code Publishing legal review. I have addressed Title 21 separately, because amendments to Title 21 are subject to Planning Department and Planning Commission review before they are presented to the Council. The following memorandum addresses each item in the legal review regarding Title 21 in the order in which it appears in the legal review, a copy of which accompanies this memorandum, indicating where the recommended change appears in the ordinance, or explaining why the ordinance does not include the recommended change.

1. Zoning Code and Level One Site Development Standards. The regulations for each zoning district specify the level of site development standards that applies in the district. HCC 21.50.010(b) also states that, “[t]he level of site development standards required is specified in the applicable zoning district regulations.” Thus, as the legal review points out, additional statements in HCC 21.50.010 – 21.50.040 regarding the application of site development standards in zoning districts are redundant. Sections 12 through 15 of the ordinance eliminate these redundant references.

2. Adoption by Reference. The legal review questions the appropriateness of referring in the Code to the ITE “Trip Generation Handbook [] (current edition),” because it has the effect of delegating to the ITE, a private organization, the setting of standards under the City’s zoning regulations. The legal review suggests substituting a reference to the “Trip Generation Handbook, second edition,” which it identifies as the current edition of this document. However, on the ITE website I find a reference to a “Trip Generation Handbook, 9th edition.”

Sections 2 through 4 and 6 through 11 of the ordinance adopt a reference to the ITE "Trip Generation Handbook, 9th edition" in each zoning district that refers to this publication. These sections also adopt a uniform format for traffic requirements in each zoning district where they appear. If it turns out that the reference to a 9th edition is not correct, please substitute in the ordinance the correct current edition number.

3. **HCC 21.02.010.** Item 41 in the legal review questions whether the years of adoption of elements of the comprehensive plan in HCC 21.02.010 are current. I understand that all of the years of adoption in HCC 21.02.010 are current, so I have not included any amendment of this section in the ordinance. If my understanding is incorrect, please let me know.

4. **HCC 21.10.030.** Item 42 in the legal review points out that the City zoning map that appears on the City's website is dated April 4, 2012. You also pointed out that the Planning Department now refers to an official zoning map that is maintained in electronic, rather than paper, form. Section 1 of the ordinance amends HCC 21.10.030 to make these changes.

5. **HCC 21.22.040(e)(3).** Item 46 in the legal review suggests that the use of the term "intensity" in this provision is unclear. In my opinion, this provision adds nothing to the general nonconforming use standards in HCC 21.61.040, which provides in specific terms that a nonconforming use may not be enlarged or increased. Therefore Section 5 of the ordinance strikes this provision.

6. **HCC 21.41.040.** Item 49 in the legal review questions whether the September 25, 2009 date for the Flood Insurance Study is correct. Because it appears that this date is correct, the ordinance does not amend this section. If a different date is correct, please let me know.

7. **HCC 21.50.120(b)(3).** Item 50 in the legal review questions whether the current language in HCC 21.50.120(b)(3) is enforceable. I believe that the remaining provisions of HCC 21.50.120(b) provide adequate standards for conditional fence permits, so Section 16 of the ordinance strikes this provision.

8. **HCC 21.52.060(b)(3).** Item 51 in the legal review questions whether the current language in HCC 21.52.060(b)(3) is enforceable. Section 17 of the ordinance adds more specific standards to this provision.

9. **HCC 21.54.250.** Item 52 in the legal review suggests that the nuisance standard in this section should be made more quantitative. My review of other codes with more quantitative standards indicates that those standards should be adopted only after more thorough study than I can undertake in preparing this technical correction ordinance. Therefore, the ordinance does not amend this section.

10. **HCC 21.57.210.** Item 53 in the legal review questions whether the current language in HCC 21.57.210(e) and (f) is enforceable. Section 18 of the ordinance revises these subsections to provide more specific standards.

11. HCC 21.59.010. Item 54 in the legal review suggests that the nuisance standard in this section should be made more quantitative. It is my opinion that more quantitative standards should be adopted only after more thorough study than I can undertake in preparing this technical correction ordinance. Therefore, the ordinance does not amend this section.

TFK/TFK

cc: Walt Wrede
Jo Johnson

March 13, 2013

Jo Johnson, City Clerk
City of Homer
491 East Pioneer Ave.
Homer, AK 99603

Dear Ms. Johnson:

Attached you will find our legal analysis of the Homer City Code for your review. The code has been thoroughly reviewed for state and federal constitutional issues and apparent conflicts by our legal team. On the following pages, you may approve any recommended action steps and/or address questions. As you review our findings, you will notice that there is a column provided to the right of each comment. You may use this space for any personal notations and for any questions that you may have.

Our attorney has recommended items that need immediate action in order to bring the code into legal compliance, and, where possible, has recommended amending language for this purpose. Other changes that require legal drafting or a major revision by counsel are also indicated. A single "clean up" ordinance may be useful for all such recommended changes. Other recommendations that are not legally required are optional and may be made at any time. We have flagged all such items for consideration.

Please note that our legal team's analysis is not provided as legal practice advice to the municipality. As codifiers, we are, by definition, prohibited from making substantive non-editorial changes. Our report is not provided as legal advice on municipal issues, but as a reference tool to assist the municipality in analyzing the code's currency.

Thank you for your assistance in these matters. Please do not hesitate to contact us if you have any questions.

Sincerely,



Josh Clarridge, Editor
Code Publishing, Inc.

Enclosure: legal analysis



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www.codepublishing.com

Homer, AK Legal Review

General Comments

Whenever a comment is made to "See [heading]," it refers to this section.

Animals and the Infraction System

Title 20 divides animal-related penalties into an infraction system, the fees for which are listed in HCC 20.32.020. As a technical word, "infraction" carries no meaning in Alaska municipal law apart from a few traffic offenses; AS 29.25.070 describes violations as the only category of municipal-specific offenses. It appears the City is using the word "infraction" not as a separate offense but as a descriptor of five types of violations that carry lesser fines than most other violations. If so, that is fine, but the City should be aware that "infraction" has a meaning in HCC Title 20 that is specific to HCC Title 20.

Although this is not urgent, if and when the City revises HCC Title 20, it should consider changing the letter classification of its infraction system. HCC 20.32.020 describes the infraction fees as:

Class A	\$25
Class B	\$50
Class C	\$100
Class D	\$100-\$300
Class E	(General Penalty, i.e., maximum \$300)

This classification is the reverse of most codes. For example, AS 12.55.035(b)(2) through (4) lists the maximum fines for a person convicted of a felony as:

Class A	\$250,000
Class B	\$125,000
Class C	\$50,000

Although HCC Title 20 is perfectly acceptable from the standpoint of a citizen's ability to look up the law and find definite answers, its classification system is "backwards" compared to most systems using letters to classify levels of offense. To that end, considering a revision of this system at some point may be beneficial.

Zoning Code and Level One Site Development Standards

HCC 21.50.020 lists level one standards as being the default for "all zoning districts, unless otherwise provided." Districts with level one standards have specific code sections that specify that standard (see HCC 21.12.050 and 21.14.050). This redundancy is not a specific problem, and the theory might be to cover bases with the default provision, but the City should be aware of the redundancy.

Adoption by Reference

HCC Title 21 frequently refers to the “Trip Generation Handbook, Institute of Transportation Engineers (current edition).” In terms of legislative authority, there is a difference between adopting another branch of government’s law or rule as amended (for example, an Alaska statute’s definition or the current plumbing code) and adopting a third party’s conclusions (for example, the Institute of Transportation Engineers). In the latter case, the City is improperly delegating its power, because it is giving it out of the government and into a private entity.

The solution to this is to adopt a specific edition of third-party manuals in the code, amending the code with new manual editions when desired. The current edition of the Trip Generation Handbook, according to www.ite.org, is the second edition. Every reference to “current edition” of the Trip Generation Handbook in the HCC needs an ordinance amending it to “second edition.”

Homer, AK		Action
Legal Review – Attorney Findings		
Title 1		
1.	<p>*1.70.010 Created; Membership. The Public Arts Committee is established in subsection (a) of this section as having five members. HCC 1.70.020(a) says that committee member terms start in alternate years, three terms in one year and four in the next year, i.e., seven members. If the committee is five members, HCC 1.70.020(a) should be amended by ordinance, changing “four” to “two” in the description of alternating terms; if the committee is seven members, HCC 1.70.010 should be amended by ordinance to say “seven members” instead of “five members.” Recommendation: Does the City wish to address this issue prior to republication?</p> <p><i>*In the proof copy, this section will be renumbered as HCC 2.60.010.</i></p>	
2.	<p>HCC 1.70.010(a) states that “All members of the Public Arts Committee may have a demonstrated interest and familiarity with arts and culture, either through professional practice or volunteer work.” The use of “may” sounds like it is giving permission. The apparently intended word is “should.” Recommendation: Although not urgent, the next housekeeping ordinance should amend this section to clarify meaning.</p>	
Title 2		
No Comments		
Title 3		
3.	<p>3.01.025 Deposit of money. “All money collected by departments of the City shall be deposited with the Finance Director/Treasurer within three working days after collection, for amounts less than \$100, deposit Friday by 10:00 A.M.” Everything after the word “collection” appears to be attempting an exception to the three working days rule for all money. What that exception states is unclear. Are all amounts under \$100 to be deposited by 10:00 A.M. on the Friday of the week that money was collected? (This would be longer than three working days for money collected on Monday and shorter for money collected, e.g., at 9:00 A.M. on Friday.) Is the money to be deposited on Friday but before 10:00 A.M., or is any time in the week before Friday at 10:00 okay? Any of these answers should be fine, but only one of them is City policy, and the ordinance should be amended to state the policy clearly. Recommendation:</p>	

	Does the City wish to amend this section by ordinance prior to republication?	
4.	3.05.005 Budget Assumptions. This section asks the City Manager to come up with “preliminary budget assumptions” by a deadline. Every other City Manager project related to the budget is for “the next fiscal year” or “the ensuing fiscal year.” The budget assumptions have no such clause. For the sake of uniformity and clarity, the City Manager’s budget assumption project should be specified as dealing with the next fiscal year. Recommendation: Although this is not urgent, the next housekeeping ordinance should amend this section.	
5.	3.16.080 Local Bidder Preference. This section has a footnote regarding its review in April 2003. This should be safe to delete. Recommendation: Shall we delete this footnote?	
	Title 4	
	No Comments	
	Title 5	
6.	5.16.100 Overhead charge, civil penalties. Subsection (b) of this section says that subsequent nuisances past the first will bear a civil penalty of “fifty percent of the cost of abatement or \$500, whichever is more.” It is not clear that this section intends to be limited by the maximum civil penalty of \$1,000 as established by HCC 1.16.020 and AS 29.25.070(b). Although those laws govern this section regardless, this section would be much clearer if language such as “pursuant to HCC 1.16.020” were added after “whichever is more.” Recommendation: Does the City wish to clarify this section by amending ordinance prior to republication?	
7.	5.38.060 Violations and penalties. Violations of Chapter 5.38 HCC regarding bird feeding are punishable by a fine of \$5-\$50 on the first conviction and \$25-\$200 on subsequent convictions, as well as “the cost of prosecution.” The cost of prosecution seems to be more like a fine than the actual cost of nuisance abatement, so challenges to this section likely would view paying for prosecution as an additional fine for violation. If the cost of prosecution would combine with the fine to a sum of over \$1,000, it would be over the maximum violation amount prescribed by HCC 1.16.010 and AS 29.25.070(a). Although it seems unlikely that prosecuting bird feeding would add up to nearly \$1,000, this section would be much clearer if language such as “pursuant to HCC 1.16.010” were added at the start of the section, prior to “Any person violating...” Recommendation: Does the City wish to clarify this section by amending ordinance prior to republication?	

	Title 6	
8.	6.08.010 Flight to avoid arrest. This section criminalizes intentional evasion of an officer's "request or command to stop." The catchline implies that this request or command to stop is during an arrest attempt. But since catchlines are not part of the substantive law (HCC 1.04.040), this section currently applies to every request or command to stop, even as law officers constitutionally require at least reasonable suspicion before detaining a citizen. <i>Waring v. State</i> , 670 P.2d 357 (Alaska, 1983) (quoting and applying <i>Florida v. Royer</i> , 460 U.S. 491 (1983)). Recommendation: If this section is only about avoiding arrest, as the non-binding catchline implies, then it should be amended by ordinance to say so; read as broadly as it is written, it is unconstitutional. Changing the phrasing to "No person shall avoid or attempt to avoid arrest by intentionally evading a law officer..." would be acceptable.	
9.	6.12.010 Definitions. Subsection (a) of this section defines controlled substances and related terms by AS 17.10 and 17.12. The court's list of "logically relevant factors" references these sections as well. Both have been repealed and replaced by portions of AS 11.71 and 17.30. See, for example, AS 11.71.900(4) for the new definition of controlled substances. As these are new laws rather than renumberings, adopting their definitions will require an amendment by ordinance. Recommendation: Does the City wish to address this issue prior to republication?	
10.	6.12.020 Sale of drug paraphernalia unlawful. See comment for HCC 6.12.010 regarding Alaska's current drug laws. Recommendation: Does the City wish to address this issue prior to republication?	
	Title 7	
11.	7.04.023 State schedule of minor traffic offenses and bail forfeiture – Adopted. This section references the Rules Governing the Administration of All Courts. The current name for this set of rules is the Alaska Rules of Administration. Recommendation: Shall we update this reference?	
12.	7.06.100 Penalty and Fine Schedule. The footnote for subsection (c) of this section mandates vehicle compliance by April 28, 2004. Assuming no legal actions are still pending on this section, the footnote may safely be deleted. Recommendation: Although it is not urgent, the next housekeeping ordinance should delete this footnote.	
13.	7.08.020 Stopping or parking – Where prohibited. This section references HCC 7.12.005(a) for the definition of a City arterial. That section no longer exists. There is a definition of an arterial in HCC 11.04.030 and another one in HCC 21.03.040, but if these are new	

	HCC sections rather than renumberings, for either definition to apply here, the City will need to adopt the definition in HCC 11.04.030 or 21.03.040 as the definition in HCC 7.08.020 by an amending ordinance. Recommendation: Does the City wish to address this issue prior to republication?	
14.	7.08.060 Violation – Penalty. This section adopts Rule 43.1 of the Alaska Rules of Administration “for violation of 13 AAC 2.340 through 13.AAC 02.337.” As this adoption is listed in the City Code as going backwards, from 2.340, 2.337, it is unclear what is meant to be adopted. If either or both citations are typographical errors, we can correct them; otherwise, an ordinance will need to amend this section to those sections of Rule 43.1 that the City means to adopt. Recommendation: Does the City wish to address this issue prior to republication?	
15.	7.20.030 Use of snowmachines. Subsection (h) of this section references snowmachine registration in AS 5.30.010. AS 5.30.010 is repealed; the current law is AS 28.39. As this is a new law rather than renumbering of an old one, the City will need to amend this section by ordinance. Recommendation: Does the City wish to amend by ordinance prior to republication?	
	Title 8	
16.	Chapter 8.04 Alcoholic Beverage Licenses. The chapter footnote cites “A.S. 04.15.0780” regarding municipal authority on alcohol. The current law is AS 4.21.210. As this is a new law rather than renumbering the old one, adopting this in the footnote requires an amending ordinance. Recommendation: Does the City wish to amend by ordinance prior to republication?	
17.	The footnote also cites municipal protest laws at “A.S. 04.10.270.” The current law is AS 4.11.480. As this is a new law rather than renumbering the old one, adopting this in the footnote requires an amending ordinance. Recommendation: Does the City wish to amend by ordinance prior to republication?	
18.	8.08.040 Referral – Fees. The listed fee for a 60-day transient merchant’s license is \$330. The size of the fee is large enough that courts might consider it a confiscatory taking under due process law and overturn the code section. The license fee is 6.6 times the cost of an Alaska business license (\$50) and 13.2 times the amount of an annual transient merchant’s license in Kenai (\$25). If this law were challenged, the City likely would have to justify the disparity. (The City’s website states that the City “does not have any of its own business license or registration requirements.” http://www.cityofhomer-ak.gov/economicdevelopment/frequently-asked-questions) A license amount more in line with other licenses would keep this law from getting overturned. Recommendation:	

	Does the City wish to address this issue prior to republication?	
19.	8.11.010 Applicable state law incorporated. This section references AS 17 and 18 as governing mobile food services. 18 AAC 31.600 <i>et seq.</i> is also on point as regulations particular to mobile food services. The law governs regardless of what HCC 8.11.010 says, but it might be helpful to include 18 AAC 31.600 <i>et seq.</i> in the code. Recommendation: Although it is not urgent, the next housekeeping ordinance might wish to include this reference.	
20.	8.11.050 License – Application – Referral – Fees. See comment for HCC 8.08.040. The disparity between the \$390 annual fee here and the business license and surrounding towns is not as extreme as the transient merchant fee (Kenai, for example, charges \$120 rather than \$390), but a court challenge still might view this as excessive. Recommendation: Does the City wish to address this section prior to republication?	
	Title 9	
21.	9.16.100 Exemptions. Subsection (a) of this section announces a seasonal exemption on nonprepared food items commencing January 1, 2009. Absent pending legal action or something similar, “Commencing January 1, 2009” may safely be deleted. Recommendation: Although it is not urgent, the next housekeeping ordinance may delete the start date on this exemption.	
	Title 10	
	No Comments	
	Title 11	
22.	11.04.030 Definitions. Subsection (h) of this section lists the Design Criteria Manual as a document from April 1985. HCC 11.04.058 lists this document as having been revised in February 1987, while HCC 11.20.030(f) says this was readopted in April 1987. There might not be an updated version of this manual, but if there is, an amending ordinance should specify the new edition. Recommendation: No action is required if there is no updated edition, but the City should be advised of the document date.	
23.	Subsection (k) of this section lists the Drainage Management Plan as documents from 1979 and 1982. See previous comment and recommendation for HCC 11.04.030.	
24.	Subsection (q) of this section lists the Non-Motorized Transportation and Trail Plan as a document from 2004. See previous comment and recommendation for HCC 11.04.030.	
25.	11.04.058 Design Criteria Manual – Adopted. This section	

	<p>somewhat duplicates HCC 11.04.030 in discussing the Design Criteria Manual. See previous comment and recommendation for HCC 11.04.030.</p>	
26.	<p>11.12.010 Street and house numbering plan adopted. This section references a map from 1975. See previous comment and recommendation for HCC 11.04.030.</p>	
27.	<p>11.20.030 Definitions. Subsection (f) of this section references the Design Criteria Manual from 1985 and readopted April 1987. See previous comment and recommendation for HCC 11.04.030. Also, if the listed edition is current, HCC 11.04.030(h), 11.04.058, and 11.20.030(f) should be phrased to clearly reference the same edition of the document; this must be done by an amending ordinance.</p>	
	Title 12	
	No Comments	
	Title 13	
28.	<p>Many sections in this title reference AASHTO, ASTM, AWS or AWWA, and other standards for materials. Recommendation: The City may wish to check those references to see if they are still desired for City use.</p>	
	Title 14	
29.	<p>14.04.020 Connection – Required. Subsection (b) of this section gives itself a start date of October 1, 1973. Absent pending litigation or similar issues, these references may safely be deleted. Recommendation: Although this is not urgent, the next housekeeping ordinance may wish to delete the 1973 references.</p>	
30.	<p>14.05.115 Definitions. The definition of “discharge” references “section 307(b), (c), or (d) of the Act.” This is codified as 33 U.S.C. 1317(b), (c), or (d). Although unessential, citizens are more likely to find the relevant passage if provided with the U.S.C. citation. As this is a different numbering, we can change it with permission. Recommendation: Shall we change “section 307” to “33 U.S.C. 1317”?</p>	
31.	<p>14.05.215 IWAN required for significant industrial users. This section gives itself a start date of July 24, 1990. Absent pending litigation or similar issues, this reference may safely be deleted. Recommendation: Although this is not urgent, the next housekeeping ordinance may wish to delete the 1990 reference.</p>	
32.	<p>14.05.220 Application for industrial wastewater acceptance. Subsection (b)(2) of this section requires SIUs to file their SIC number via the 1972 SIC manual. The current edition of industrial</p>	

	<p>codes is the 2012 North American Industry Classification System (NAICS); the last SIC manual edition was 1987. Should the City decide after review that it wishes to adopt the 2012 NAICS manual, it will need to amend subsection (b)(2) of this section.</p> <p>Recommendation: Does the City wish to address this issue prior to republication?</p>	
33.	<p>14.05.315 Reporting requirements – General. Subsection (e) of this section references reporting requirements of 43 CFR section 403.12. Based on HCC 14.05.320’s correct reference, the reference to 43 CFR 403.12 appears to mean 40 CFR 403.12. If the City confirms this as a typographical error, we can make the correction.</p> <p>Recommendation: Shall we make this correction?</p>	
	Title 15	
	No Comments	
	Title 16	
	(Reserved)	
	Title 17	
34.	<p>Chapter 17.04 Special Assessment Districts. The note accompanying Chapter 17.04 HCC says that Chapter 17 was “repealed via Ordinance 12-15 April 10, 2012.” This appears to mean “repealed and replaced” rather than simply repealed (if it was repealed without replacement, HCC Title 17 should be removed from the code). Based on the ordinances listed in Chapter 17.04 HCC and other sections, the note appears to refer only to Chapter 17.04 HCC. Upon confirmation of the City, this note should be changed to say “Chapter 17.04 HCC repealed and replaced” rather than “Chapter 17 repealed.” As this is a note and not substantive law, we can change it.</p> <p>Recommendation: Shall we make this change?</p>	
	Title 18	
35.	<p>18.20.010, 18.20.015. These two sections discuss abandoned vehicles. HCC 18.20.010 defines an “abandoned vehicle” as “any vehicle...discarded, left unattended, standing or parked upon or within 10 feet of the traveled portion of a highway or street, in excess of 48 hours.” HCC 18.20.015(a) prohibits “the parking, storing or leaving of any abandoned vehicle upon any public or private property within the City for any period of time in excess of periods specified in 18.20.010(b).” HCC 18.20.015(c) gives exceptions to the section’s applicability.</p>	

	<p>The wording of these sections is not as tight as it needs to be to preserve individual property rights, due to the “parked...within 10 feet” clause. As the definition of “abandoned vehicle” in HCC 18.20.010 is worded, a functioning car parked on the street end of its driveway over a weekend for any reason would be an abandoned vehicle, as the end of the driveway is almost certainly “within 10 feet of the traveled portion of a highway or street.” If the car owner had nowhere to drive over a weekend, or a winter storm snowed the car in, the car would be abandoned and therefore a public nuisance by law.</p> <p>To fix this issue, the definition of “abandoned vehicle” in HCC 18.20.010 that involves vehicles “within 10 feet” should specify that it does not mean a car in a driveway. The easiest way to accomplish this is to change “street, in excess of 48 hours” to “street (excluding a driveway) in excess of 48 hours”. If the City has accepted parking areas similar to driveways, it should mention them in the exclusion as well. Recommendation: Does the City wish to address this issue prior to republication?</p>	
36.	<p>18.28.080 Herring spawn covenant. This section refers to AS 16.10.160, which is repealed. Alaska herring policy is now in AS 16.10.170 through 16.10.175, but none of it mentions restrictive covenants. There seems to be no specific authority to enact herring spawn covenants; as such, this section should be repealed. Recommendation: Does the City wish to repeal this section by ordinance prior to republication?</p>	
	<p>Title 19</p>	
37.	<p>Chapter 19.08 Campgrounds. The footnote listing statutory authority refers to a repealed statute, AS 29.48.030(15) (the entirety of AS 29.48 is repealed). The City does not have to include an AS reference at all; therefore, the best course of action seems to be deletion of the sentence. This will require an amending ordinance. Recommendation: Does the City wish to amend this section by ordinance prior to republication?</p>	
38.	<p>19.08.070 Certain acts prohibited. Subsection (b) of this section, prohibiting “unnecessary or unusual noise,” is too vague to be enforceable, as no camper can know what noises are a problem until they are charged with a violation. A better approach is to give specific decibel thresholds when measured from a distance. Although there are other approaches that give specifics, the City is already using this approach for motor vehicle noise levels to good effect (HCC 7.06.010(e)(1) through (3)). In any event, this section needs replacing with specific types or levels of noises to inform the public</p>	

	what constitutes a violation of this section. Recommendation: Does the City wish to address this issue prior to republication?	
	Title 20	
39.	20.08.030 Nuisance animals. Subsection (a) of this section, prohibiting owners permitting animals to make “repeated or continued noise” in a manner that “annoy[s] another person,” is too vague to be enforceable, as no owner can know what noises are a problem until they are charged with a violation. A more specific and enforceable approach might include periods of time, e.g., “one hour sustained noise, or three hours’ total noise over three consecutive days.” There are many specific approaches that can work, but whatever they are must put animal owners on notice as to what they must prevent. Recommendation: Does the City wish to address this issue by ordinance prior to republication?	
40.	Subsection (b) of this section says that “The owner of any animal shall not permit the same to defecate, dig upon or injure private or public property or a public thoroughfare.” As written, this makes no exception for the animal defecating, digging upon, or injuring its owner’s property, which presumably is not meant to be an offense. Inserting “belonging to another person” between “public property” and “or a public thoroughfare” would correct the issue. To do so would require an amending ordinance. Recommendation: Does the City wish to amend this section by ordinance prior to republication?	
	Title 21	
41.	21.02.010 Comprehensive Plan – Adoption. Subsection (b) of this section lists several documents with various years of editions. There might not be updated versions of these documents, but if there are, an amending ordinance should specify the new editions. Recommendation: No action is required if there are no updated editions, but the City should be advised of the document dates.	
42.	21.10.030 Zoning map. Subsection (a) of this section says the current Homer Zoning Map is dated September 28, 1982. The map on the Homer website is dated April 4, 2012, but has yet to be adopted in the City Code. Assuming the 2012 map replaced the 1982 map, an amending ordinance should adopt the April 4, 2012, map officially. Recommendation: Does the City wish to address this issue prior to republication?	
43.	21.16.060 Traffic requirements. See “Adoption by Reference.” Recommendation: Does the City wish to amend by ordinance prior to republication?	
44.	21.18.060 Traffic Requirements. See “Adoption by Reference.” Recommendation: Does the City wish to amend by ordinance prior	

	to republication?	
45.	21.20.100 Traffic Standards. See “Adoption by Reference.” Recommendation: Does the City wish to amend by ordinance prior to republication?	
46.	21.22.040 Dimensional requirements. Subsection (e)(3) of this section notes that nonconforming use may not “be expanded or enlarged in any manner beyond the size and intensity that existed on September 26, 2006.” The word “intensity” has no specifics attached to it, e.g., vehicular traffic or noise/light emission, and while that is acceptable, it is also the sort of word that can draw the City into lengthy legal battles with a property owner interpreting “intensity” differently. Recommendation: No action is required, but the City may wish to make an administrative interpretation or amend this ordinance to give specifics regarding intensity.	
47.	21.27.060 Traffic Requirements. See “Adoption by Reference.” Recommendation: Does the City wish to amend by ordinance prior to republication?	
48.	21.30.030 Conditional uses and structures. See “Adoption by Reference.” Recommendation: Does the City wish to amend by ordinance prior to republication?	
49.	21.41.040 Basis for establishing flood hazard areas. The listed date of the Flood Insurance Study is September 25, 2009. If there is an updated study, it should be referenced here. Recommendation: Does the City wish to update this reference?	
50.	21.50.120 Fences – Conditional fence permit. The requirement in subsection (b)(3) of this section that fence appearance “is compatible with the design and appearance of other existing buildings and structures within the neighborhood,” is too vague to be enforceable, as there are no guidelines and/or specifics as to what is or is not compatible. An ordinance amending this section is required to give fence builders an idea of what will make a permit granted or denied. Normally, pure aesthetic choices are insufficient grounds for permit denial; something else must be present to enforce this provision. Recommendation: Does the City wish to address this issue prior to republication?	
51.	21.52.060 Commercial, noncommercial and industrial PUDs. Subsection (b)(3) of this section requires PUDS to “be developed with a unified architectural treatment.” Similar phrasing appears in other city codes, but there does not appear to a standard definition for the term. As such, unless the City is aware of a specific definition that avoids being about pure aesthetics (see comments for HCC 21.50.120), this should be clarified by ordinance. Recommendation: Action is not as urgent on this section as it is with HCC 21.50.120, but the City may wish to add specifics if it cannot articulate to a resident what the term means apart from aesthetic considerations.	
52.	21.54.250 Noise. This section states that “Noise emanating from a	

	recreational vehicle park and its occupants shall not unreasonably disturb or interfere with the peace, comfort and repose of persons with ordinary sensibilities.” Although this is acceptable, it is ripe for a lengthy legal challenge due to lack of specifics. Recommendation: Specifying decibel levels, such as in HCC 7.06.010(e)(1) through (3), would cut off the uncertainty in this section, but no action is required.	
53.	21.57.210 Building and Aesthetics. See comments on HCC 21.50.120 regarding terms like “aesthetically pleasing” and “compatible.” These are too vague to be enforceable for the reasons stated in that comment. Recommendation: Does the City wish to address this issue prior to republication?	
54.	21.59.010 Nuisances. Subsection (d) of this section prohibits “objectionable heat or glare that unreasonably annoys or disturbs a person of ordinary sensibilities beyond the lot line of the site.” Although this is acceptable, it is ripe for a lengthy legal challenge due to lack of specifics. Recommendation: Specifying light output levels in lumens or a similar unit would cut off the uncertainty in this section, but no action is required.	
	Title 22	
55.	22.10.030 Definitions. Subsection (a) of this section lists the Non-Motorized Transportation and Trail Plan as a document from 2004. See comment and recommendation for HCC 21.02.010.	
56.	22.10.055 Underground utilities. Subsection (b) of this section requires several types of cables to be worked on by April 14, 1987. Absent ongoing litigation or similar concerns, this passage can be safely reworded to exclude this mandate. Recommendation: Although this is not urgent, the next housekeeping ordinance may condense this section to currently relevant parts.	

Penalty Reference Guide

This is a list of Homer penalties and fines for all penalties other than the general penalty, should the City wish to update any of them. Currently, the maximum fines for each level of offense by state law are:

Violation: \$1,000

Civil Penalties: \$1,000

AS 29.25.070(a) and (b) cover municipality violations. AS 12.55.035 covers misdemeanors for the state and gives no guidance to municipalities, but the City Code rarely assigns misdemeanors, and those that are assigned are within limits for state punishment.

Homer currently has no set maximum for violations. Unlisted violation penalties are \$300, and Homer adopts the maximum for civil penalties. (HCC 1.16.010 and 1.16.020.)

Highlighted items have issues with their penalties. These issues are elucidated in the legal review comments, except for HCC Title 20. For HCC Title 20, see "Animals and the Infraction System" under General Comments.

Code	Subject Matter	Type If Listed	Max Fine in \$
1.79.070	Ethics Violation (HCC 1.18)	Civil Penalty	1,000
5.05.040	Smoking	Fine	25
5.06.060	Nuclear Waste	Fine	500
5.16.100	Nuisance Abatement	Civil Penalty	300, then 500
5.28.030	Discharge of Firearms	Fine	300
5.30.030	Hunting and Trapping	Fine	300
5.34.030	Summer Aircraft Landings	Fine	300
5.38.060	Bird Feeding	Fine	5-50, then 25-200, plus cost of prosecution
5.40.020	Bear Attraction	Fine	250-500 (Intent), or 50-300 (No intent)
6.16.020	Excessive Police Response	Fine	250
7.06.010(b)	Muffler Not Working Properly	Fine	500
7.06.010(c)	Muffler Modified/Excessive Noise	Fine	500
7.06.010(d)	Muffler Removed/Inoperative	Fine	500
7.06.010(e)	Noisy Vehicle (First Conviction)	Fine	100
7.06.010(e)	Noisy Vehicle (Second Conviction)	Fine	200
7.06.010(e)	Noisy Vehicle (Third Conviction)	Fine	300
7.06.010(e)	Sale of Noisy Vehicle (First)	Fine	100
7.06.010(e)	Sale of Noisy Vehicle (Second)	Fine	200
7.06.010(e)	Sale of Noisy Vehicle (Third)	Fine	300
7.08.045	Handicapped Parking	Fine	100

7.24.010	Drugs/Driving (First)	Fine	300 (min.)
7.24.010	Drugs/Driving (Second)	Fine	500 (min.)
10.08.110	Violation of 10.08.100(a-d)	Fine	1,000
10.08.110	Violation of 10.08.100(e-f) (First)	Fine	100
10.08.110	Violation of 10.08.100(e-f) (Second)	Fine	200
10.08.110	Violation of 10.08.100(e-f) (Third)	Fine	300
10.08.110	Violation of 10.08.100(e-f) (Fourth+)	Fine	1,000
10.08.220	Violation of 10.08.200-210 (First)	Fine	100
10.08.220	Violation of 10.08.200-210 (Second)	Fine	200
10.08.220	Violation of 10.08.200-210 (Third)	Fine	300
10.08.220	Violation of 10.08.200-210 (Fourth+)	Fine	1,000
14.05.435	Violation of 14.05	Civil Penalty	1,000
14.05.440	Violation of 14.05 (Criminal Penalty)	Misdemeanor	1,000
19.16.040	Vehicles on Homer Spit Beach (First)	Fine	25
19.16.040	Vehicles on Homer Spit Beach (Second)	Fine	250
19.16.040	Vehicles on Homer Spit Beach (Third+)	Fine	499
20.08.010	Dog at Large (First)	Violation (A)	25
20.08.010	Dog at Large (Second)	Violation (B)	50
20.08.010	Dog at Large (Third)	Violation (C)	100
20.08.010	Dog at Large (Fourth+)	Violation (D)	100-300
20.08.030	Nuisance Animals (First)	Violation (A)	25
20.08.030	Nuisance Animals (Second)	Violation (B)	50
20.08.030	Nuisance Animals (Third)	Violation (C)	100
20.08.030	Nuisance Animals (Fourth+)	Violation (D)	100-300
20.08.040	Cruelty to Animals	Violation (E)	1,000 (max.)
20.08.070	Keeping Large Animals (First)	Violation (A)	25
20.08.070	Keeping Large Animals (Second+)	Violation (E)	1,000 (max.)
20.08.080	Failure to Confine Female Dog in Heat	Violation (B)	50
20.08.090	Abandonment of Animals	Violation (B)	50
20.08.100	Maintenance and Sanitation	Violation (B)	50
20.08.110	Animal/Vehicle Accident	Violation (B)	50
20.12.010	Unlicensed Dogs	Violation (A)	25
20.12.020	Failure to Display Dog Tag	Violation (A)	25
20.20.010	Permitting Animals to Bite	Violation (C)	100
20.20.020	Killing/Maiming Biting Animals	Violation (E)	1,000 (max.)
20.20.030	Vicious Animal	Violation (D)	100-300
20.24.020	Interference with Title 20 Officer	Violation (D)	100-300
20.24.030	Unauthorized Removal of Animals	Violation (D)	100-300
20.24.040	Tampering with City Live Traps	Violation (D)	100-300
20.24.050	Removal of Quarantined Animals	Violation (D)	100-300
20.24.060	False Information Re: Title 20	Violation (C)	100

20.28.030	Failure to Pay Kennel License Fee	Infraction (B)	50
21.90.100	Title 21 Violation (When No Fine Listed on Bail Forfeiture Schedule)	Fine	75-300

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-28

An Ordinance of the City of Homer, Amending Homer City Code Chapter 11.12, Street and House Numbering, to Establish Standards and Procedures for the Naming and Renaming of Streets.

Sponsor: Burgess

1. City Council Regular Meeting July 22, 2013 Introduction

1 CITY OF HOMER
2 HOMER, ALASKA

Burgess

3
4 ORDINANCE 13-28

5
6 AN ORDINANCE OF THE CITY OF HOMER, ALASKA,
7 AMENDING HOMER CITY CODE CHAPTER 11.12, STREET
8 AND HOUSE NUMBERING, TO ESTABLISH STANDARDS
9 AND PROCEDURES FOR ASSIGNING STREET ADDRESSES
10 AND NAMING AND RENAMING STREETS.

11
12 THE CITY OF HOMER HEREBY ORDAINS:

13
14 Section 1. The name of Homer City Code Chapter 11.12, Street and House Numbering,
15 is amended to read, "Assignment of Street Addresses and Street Naming."

16
17 Section 2. Homer City Code 11.12.010, Street and house numbering plan adopted, is
18 amended to read as follows:

19
20 11.12.010 Street address assignment and house numbering plan adopted. A **plan for**
21 **assigning street addresses in** ~~numbering system of streets and buildings for the City of Homer,~~
22 Alaska, dated January 8, 1975, **and amended August 13, 1979,** as prepared by the Homer
23 Advisory Planning Commission is adopted. The plan is to be kept on file in the office of the City
24 Clerk, **and is subject to amendment by council resolution.**

25
26 Section 3. Homer City Code 11.12.020, Assignment of numbers, is amended to read as
27 follows:

28
29 11.12.020 Assignment of street addresses numbers. It shall be the responsibility of the
30 **City Planner** ~~Director of Public works to assign street addresses issue specific numbers to~~
31 specific **locations** ~~buildings,~~ in accordance with the plan adopted by reference in this chapter.
32 Upon **the assignment of a street address, the City Planner shall notify the owner of the**
33 **property to which the address has been assigned of the address** ~~designating such building~~
34 ~~numbers the property owner shall be notified of that number and the~~ **requirements in HCC**
35 **11.12.030 for the posting of the address on the property** ~~date by which the number shall be~~
36 ~~placed on the building. Property owners shall be given sixty days in which to place numbers on~~
37 ~~buildings.~~ **The City shall keep a record of such street address assignments which may**
38 **include a map.**

39
40 Section 4. Homer City Code 11.12.030, Duty of property owner, is amended to read as
41 follows:

42
43 11.12.030 Duty of property owner. It is the duty of **each property owner within 60 days**
44 **after notice of the assignment of a street address to the property** ~~all owners to post the street~~
45 **address or addresses assigned to the property in** ~~number their properties by posting address~~
46 ~~numbers that are Arabic numerals; a minimum of 4 inches (102 mm) high with a minimum~~

47 stroke of 0.5 inch (12.7 mm) in a color contrasting with the background in such manner and
48 location as to be plainly visible from the street.

49

50 Section 5. Homer City Code 11.12.040, Duties of subdividers--Designation of rights-of-
51 way, is repealed.

52

53 Section 6. Homer City Code 11.12.040, Street names, is enacted to read as follows:

54

55 11.12.040 Street names. a. A street name shall comply with National Emergency
56 Number Association ("NENA") standards

57 b. In addition to complying with NENA standards, a street name shall comply with the
58 following requirements.

59 1. Except as provided in (3) of this subsection:

60 a. A street name shall not duplicate the name of any existing street in the
61 city. For this purpose, the use of a different street type designation does not avoid
62 duplication of an existing street name.

63 b. A letter or number shall not be used as a street name.

64 2. A newly created street or right-of-way that extends or has the same alignment
65 as an existing named street shall have the same name as the existing named street.

66 3. No street name shall sound similar to an existing street name in the city.

67 4. No street name may include a directional designation.

68 5. A street name shall not exceed 17 characters, including the standard
69 abbreviation for the street type designation.

70 6. The type of a street shall be designated using the following standards:

71 a. "Street" shall designate a right-of-way running north and south.

72 b. "Avenue" shall designate a right-of-way running east and west.

73 c. "Drive" shall designate a right-of-way running southeast to northwest, at
74 an angle of approximately forty-five degrees to an avenue or street.

75 d. "Lane" shall designate a right-of-way running southwest to northeast, at
76 an angle of approximately forty-five degrees to an avenue or street.

77 e. "Place" shall designate a right-of-way running north and south that does
78 not exceed one thousand four hundred feet in length.

79 f. "Way" shall designate a right-of-way running east and west that does
80 not exceed one thousand four hundred feet in length.

81 g. "Circle" shall designate a right-of-way running north and south that
82 ends in a cul-de-sac and that that does not exceed one thousand four hundred feet
83 in length.

84 h. "Court" shall designate a right-of-way running east and west that ends
85 in a cul-de-sac and that that does not exceed one thousand four hundred feet in
86 length.

87 i. "Road" shall designate a major curving right-of-way.

88 c. The City Council may allow exceptions to the standards in (b) of this section where it
89 finds that the exception will not harm the public interest.

90

91 Section 7. Homer City Code 11.12.050, Maintenance of records, is repealed.

92

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AYES:
NOES:
ABSTAIN:
ABSENT:

First Reading:
Public Reading:
Second Reading:
Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-29

An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2014 in the Amount of \$6,600, with a Local Match of \$7,000 for Books and Library Materials, and Authorizing the City Manager to Execute the Appropriate Documents.

Sponsor: City Manager/Library Director

1. City Council Regular Meeting July 22, 2013 Introduction
 - a. Memorandum 13-099 from Library Director as backup
 - b. Alaska Public Library Assistance Grant Agreement FY2014
 - c. Budget Revision

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

3 City Manager/
4 Library Director

5 **ORDINANCE 13-29**
6

7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
8 ALASKA, ACCEPTING AND APPROPRIATING A STATE OF
9 ALASKA PUBLIC LIBRARY ASSISTANCE GRANT FOR FY
10 2014 IN THE AMOUNT OF \$6,600.00, WITH A LOCAL
11 MATCH OF \$7,000.00 FOR BOOKS AND LIBRARY
12 MATERIALS, AND AUTHORIZING THE CITY MANAGER
13 TO EXECUTE THE APPROPRIATE DOCUMENTS.
14

15 WHEREAS, The City submitted an application for the Alaska Public Library Assistance
16 Grant for books and library materials; and
17

18 WHEREAS, The State awarded the grant in the amount of \$6,600.00, requiring a local
19 match of \$7,000.00.
20

21 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
22

23 Section 1. The Homer City Council hereby accepts and appropriates a State of Alaska
24 Public Library Assistance Grant in the amount of \$6,600.00 with a local match of \$7,000.00 for
25 books and library materials as follows:
26

27 Revenue:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
100-030-4507	State of Alaska Public Library Assistance Grant	\$6,600.00

32 Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
100-146	Books and Library Materials	
	Local Match	\$7,000.00

37 Section 2. The City Manager is authorized to execute the appropriate documents.
38

39 Section 3. This is a budget amendment ordinance, is temporary in nature, and shall not be
40 codified.
41

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

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:
NO:
ABSENT:
ABSTAIN:

First Reading:
Public Hearing:
Second reading:
Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____



City of Homer

www.cityofhomer-ak.gov

Homer Public Library

500 Hazel Avenue
Homer, AK 99603

library@cityofhomer-ak.gov

(p) (907)-235-3180

(f) (907)-235-3136

MEMORANDUM 13-099

TO: MAYOR AND COUNCIL
THROUGH: WALT WREDE, CITY MANAGER
FROM: ANN DIXON, LIBRARY DIRECTOR
DATE: JULY 9, 2013
SUBJECT: ALASKA PUBLIC LIBRARY ASSISTANCE GRANT AWARD AND BUDGET REVISION

Each year the Homer Public Library applies for the Alaska Public Library Assistance Grant, a matching grant funded by the State of Alaska. As in past years, we were awarded the grant. When we applied for the grant, the amount offered and requested was \$7,000. However, the State Library, which administers the grant, has reduced that amount to \$6,600 because not enough money was appropriated to fully fund the grants. In that case, each grant to qualifying libraries is reduced proportionally.

The Homer Public Library is obligated to match at the original amount of \$7,000. The funds are intended to be spent on books and library materials. Our current book budget will meet the \$7,000 requirement.

I have revised the budget, as requested by the Alaska State Library. The agreement is ready to be approved and signed. It must be received by the State Library by September 1 in order to receive this year's award.

RECOMMENDATION: Approve Ordinance 13-29 accepting the Alaska Public Library Assistance Grant

Alaska Public Library Assistance Grant Agreement FY2014

This agreement made and entered into this eighteenth day of June 2013, by and between the **Alaska State Library**, hereafter referred to as the Grantor; and the **Homer Public Library**, hereafter referred to as the Grantee.

Whereas, the State of Alaska has appropriated funds for public library assistance; and whereas, the application of the Grantee for a grant for public library assistance has been approved. NOW THEREFORE, for and in consideration of the mutual covenants herein contained the parties hereto agree as follows:

The Grantor will agree to:

1. Furnish funds in the amount of **\$6,600**.
2. Provide advisory services in furtherance of the grant project.

The Grantee will agree to:

1. Expend local funds of at least **\$7,000** for project purposes. Funds may be expended only for public library purposes and must be clearly attributable to public library services and operations.
2. Provide at least the following services free to residents of the municipality or community:
 - Establish and maintain a collection of books and other materials for loan;
 - Provide access to interlibrary loans;
 - Provide reading or other educational programs for children; and
 - Provide reference information.
3. Abide by the conditions set forth in its application and approved by the Grantor, including:
 - The number and timing of open hours;
 - The existing and ongoing educational requirements for the library director.
4. Expend at least \$3,500 on library materials and online services for each outlet.
5. Have trained staff on duty in the library during the scheduled open hours.
6. Submit a Final Grant and Technology Report and Public Library Annual Report by September 1, 2014.
7. Maintain accurate records for auditing purposes.
8. Return any grant funds unexpended or unencumbered by June 30, 2014, and all funds for which there is no proper accounting.
9. Repay any portion of grant funds that have not actually been matched by local funds over the course of the grant period.
10. Receive prior approval from the Grantor for any line item change that exceeds 10% of the line item, except that no prior approval is required for:
 - Line item changes of less than \$100; or
 - Line item changes that add funds to library materials and online services.

The source of funding for this agreement is as follows:

State Sources

\$6,600

By accepting this award or agreement, the grantee may become subject to the audit requirements of State of Alaska Administrative code 2 AAC 45.010. As a result, the grantee may be required to provide for an audit and to permit independent auditors to have access to their records and financial statements. The grantee should consult with an independent auditor for assistance in determining audit requirements for each fiscal year.

The undersigned understands and agrees to the conditions of this agreement. Both signatures are required.

For the Library

For the Legal Entity

Signature

Signature

Title

Date

Title

Date

**PLEASE MAKE A PHOTOCOPY OF THE SIGNED AGREEMENT FOR YOUR RECORDS
RETURN BY SEPTEMBER 1, 2013 TO: GRANTS ADMINISTRATOR, ALASKA STATE LIBRARY,
344 WEST THIRD AVENUE, SUITE 125, ANCHORAGE, AK 99501**

**PUBLIC LIBRARY ASSISTANCE GRANT FY2014
Budget Revision**

Budget Summary	Local Funds for Project	Grant Funds Requested	Total Project Budget
a. Personnel			
1. Salaries and Wages (Actual funds)	\$346,907	0	\$346,907
2. Value of volunteer labor		Not applicable	
3. Benefits	\$256,714	0	\$256,714
b. Collection (Library Materials)			
1. Books	33,000	\$6,600	39,600
2. Subscriptions	8,994	0	8,994
3. Audiovisuals	16,420	0	16,420
4. Online Services & Internet Service Provider (ISP Fees) (Expenditures up to \$500 total)	0	0	0
5. Microforms, Computer Software for Patron Use, Games and Toys	0	0	0
c. Other Expenditures			
1. Building Operations	97,235	0	97,235
2. Furniture, Equipment, & Computers	11,627	0	11,627
3. Travel	6,718	0	6,718
4. Supplies	9,825	0	9,825
5. Online Services & Internet Service Provider/ISP Fees (Expenditures beyond \$500 total)	21,200	0	21,200
6. Services	5,400	0	5,400
7. All Other Unreported Expenditures.	4,641	0	4,641
d. Total	\$818,681	\$6,600	\$825,281

As Amended for Library Name: HOMER PUBLIC LIBRARY

Ann Wilson
Signature

Date

Approved: _____
Date

For the Alaska State Library

Instructions:

1. The Alaska State Library must approve any change of more than 10% to any budget line on your original grant application. Please show the entire revised budget in the budget summary above.
2. Changes of less than \$100 to any line item or any change that adds funds to amounts budgeted for library materials (lines B1 through B5) do NOT need to be approved by the State Library, even if the change is more than 10%.
3. The librarian should sign this form, then fax it to 907-269-6580 or mail it to Alaska State Library, 344 West Third Avenue, Suite 125, Anchorage, AK 99501 or send a scanned copy to: *Patience.Frederiksen@alaska.gov*
4. The grants administrator at the Alaska State Library will sign this form and fax or mail it back to you.
5. Keep the signed copy of this budget revision with your original grant application.
6. Call 1-800-776-6566 if you have questions.

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-30

An Ordinance of the Homer City Council, Amending HCC 14.04.040, Sewer Rate Schedule, and HCC 14.08.080, Schedule of Rates--Rules and Regulations; to Provide that Sewer and Water Rate Schedule Changes Shall Take Effect as of the Date Set Forth by Resolution.

Sponsor: City Manager

1. City Council Regular Meeting July 22, 2013 Introduction
 - a. Memorandum 13-102 from City Clerk as backup

1 CITY OF HOMER
2 HOMER, ALASKA

City Manager

3
4 ORDINANCE 13-30

5
6 AN ORDINANCE OF THE HOMER CITY COUNCIL,
7 AMENDING HCC 14.04.040, SEWER RATE SCHEDULE, AND
8 HCC 14.08.080, SCHEDULE OF RATES--RULES AND
9 REGULATIONS; TO PROVIDE THAT SEWER AND WATER
10 RATE SCHEDULE CHANGES SHALL TAKE EFFECT AS OF
11 THE DATE SET FORTH BY RESOLUTION.
12

13 THE CITY OF HOMER HEREBY ORDAINS:

14
15 Section 1. Subsection (a) of HCC 14.04.040, Sewer Rate Schedule, is amended to read as
16 follows:
17

18 a. Sewer utility services shall be billed according to the schedule set forth by resolution of
19 the Homer City Council and shall be reviewed biennially commencing in 2011 and in each odd
20 calendar year thereafter, and amended, as necessary, to take effect **as of the date set forth by**
21 **resolution** ~~the first full month of service beginning after July 1, 2009.~~
22

23 Section 2. Subsection (a) of HCC 14.08.080 Schedule of Rates--Rules and Regulations,
24 is amended to read as follows:
25

26 a. Water utility services shall be billed according to the schedule set forth by Resolution
27 of the Homer City Council and shall be reviewed biennially on odd calendar years and amended,
28 as necessary, to take effect as of **the date set forth by resolution** with the first biennial review
29 to be in 2011. ~~The first billing cycle is to take effect following July 1.~~
30

31 Section 3. This Ordinance is of a permanent and general character and shall be included
32 in the City Code.
33

34 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this
35 ____ day of August 2013.
36

37 CITY OF HOMER

38
39
40 _____
41 MARY E. WYTHER, MAYOR

42 ATTEST:

43
44
45 _____
46 JO JOHNSON, CMC, CITY CLERK

- 47 AYES:
- 48 NOES:
- 49 ABSTAIN:
- 50 ABSENT:
- 51
- 52
- 53
- 54 First Reading:
- 55 Public Reading:
- 56 Second Reading:
- 57 Effective Date:

58
59
60 Reviewed and approved as to form:

61
62
63 _____
64 Walt Wrede, City Manager

65
66 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____



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 13-102

TO: MAYOR WYTHE AND CITY COUNCIL
FROM: JO JOHNSON, CITY CLERK
DATE: JULY 16, 2013
SUBJECT: SEWER AND WATER RATE SCHEDULE CHANGES

Council continues to review the water and sewer rate schedule for 2013 and has indicated the new rates will be effective January 1. Current city code indicates the first billing cycle is to take effect following July 1.

Ordinance 13-30 will correct this discrepancy, allowing the effective date of rate schedule changes to be set by resolution.

RECOMMENDATION:

Adopt Ordinance 13-30 to allow flexibility of the effective date for rate schedule changes.

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-31

An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget By Appropriating an Additional \$69,000 from the Water Reserve Fund for the Demolition of the Redwood Tank at the Water Treatment Plant.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting July 22, 2013 Introduction
 - a. Memorandum 13-101 from Public Works Director as backup
 - b. Resolution 12-062
 - c. Ordinance 13-10(S)

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 13-31**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
8 ALASKA, AMENDING THE 2013 OPERATING BUDGET BY
9 APPROPRIATING AN ADDITIONAL \$69,000 FROM THE
10 WATER RESERVE FUND FOR THE DEMOLITION OF THE
11 REDWOOD TANK AT THE WATER TREATMENT PLANT.
12

13 WHEREAS, The redwood tank was the first tank built on the water distribution system.
14 The 500,000 gallon tank was built in 1975 and is almost 40 years old; and
15

16 WHEREAS, The design/bid document preparation for the demolition project is funded
17 through an EPA grant (with City match); authorized by the Council (Resolution 12-062); and
18

19 WHEREAS, In April of this year, the City Council authorized the expenditure of \$45,000
20 (Ordinance 13-10(S)) for the demolition of the old redwood tank at the City's water treatment
21 plant using Water Reserve funds; and
22

23 WHEREAS, During the design of this project it was determined that the roof contains
24 asbestos. The cost of removing and disposing of this hazardous material is estimated to be
25 \$60,000. The engineer's estimate to complete the demolition of this tank is now \$114,000.
26

27 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
28

29 Section 1. The FY 2013 Operating Budget is hereby amended by appropriating an
30 additional \$69,000 from the Water Reserve fund for the demolition of the water treatment plant.
31

32 Expenditure (Previously Authorized):
33

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
256-378 (Water Reserve Fund)	WTP Redwood Tank Demolition	\$45,000

36
37 Expenditure (Authorized This Ordinance):
38

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
256-378 (Water Reserve Fund)	WTP Redwood Tank Demolition	\$69,000

40
41
42 Total Authorization for this Project: \$114,000
43

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

46 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of
47 August, 2013.

48
49
50
51
52

CITY OF HOMER

MARY E. WYTHER, MAYOR

54 ATTEST:

55
56
57

58 JO JOHNSON, CMC, CITY CLERK

59
60
61
62 YES:
63 NO:
64 ABSTAIN:
65 ABSENT:

66
67
68 First Reading:
69 Public Hearing:
70 Second Reading:
71 Effective Date:

72
73
74 Reviewed and approved as to form:

75
76

77 Walt Wrede, City Manager

Thomas F. Klinkner, City Attorney

78
79 Date: _____

Date: _____

80



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

MEMORANDUM 13-101

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: July 16, 2013
SUBJECT: **Water Treatment Plant Redwood Tank Removal Additional Demolition Funding Authorization**

In April of this year, the City Council authorized the expenditure of \$45,000 (Ordinance 13-10(S)) for the demolition of the old redwood tank at the City's water treatment plant using Water Reserve funds.

The design/bid document preparation for the demolition project is funded through an EPA grant (with City match); authorized by the Council (Resolution 12-062).

During the design of this project it was determined that the roof contains asbestos. The cost of removing and disposing of this hazardous material is estimated to be \$60,000. The engineer's estimate to complete the demolition of this tank is now \$114,000.

Public Works has re-evaluated the need to remove this tank, especially in light of the fact that a new satellite fire station is planned near this facility and water storage is needed to fill the tanker that will be stationed at the new fire station. Discussions with the Fire Chief resulted in the determination that the tanker volume is only 2000 gallons and a 500,000 gallon tank would not be needed; maintenance costs would be high. Public Works concludes that this tank is a liability and needs to be removed, even though the cost will be higher than originally anticipated.

Recommendations: The City Council pass an ordinance amending the 2013 operating budget authorizing additional funding for demolition of the redwood tank using Water Reserve Fund monies in the amount of \$69,000 (for a total of \$114,000).

Fiscal Note: 256-378 (Water Reserve Fund)

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager/
4 Public Works Director

5 RESOLUTION 12-062
6

7 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
8 ALASKA, AUTHORIZING THE CITY MANAGER TO
9 APPLY FOR AND ACCEPT SPECIAL ACT
10 APPROPRIATIONS PROJECT (SAAP) FUNDS IN THE
11 FORM OF A GRANT (45% MATCHING REQUIREMENT) IN
12 THE AMOUNT OF \$485,000 FOR THE PURPOSE OF
13 COMPLETING WATER DISTRIBUTION/STORAGE
14 IMPROVEMENT PROJECTS.
15

16 WHEREAS, The City has been identified as a recipient of a Special Act Appropriations
17 Project (SAAP) congressional appropriation for use is completing the design of drinking water
18 infrastructure projects; and
19

20 WHEREAS, The City has been offered a SAAP grant in the amount of \$485,000; and
21

22 WHEREAS, Public Works proposes to utilize these funds to complete the design of water
23 distribution/storage projects that reduce operation and maintenance costs (see Memorandum 12-
24 107).
25

26 WHEREAS, EPA is expected to determine that the project is eligible to be funded by the
27 SAAP grant.
28

29 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska,
30 authorizes the City Manager to make a formal EPA SAAP grant application and execute a grant
31 agreement for the completion of the design of drinking water distribution/storage improvement
32 projects in the amount of \$485,000, 45% of which will be matched with Homer Accelerated
33 Water and Sewer Program (HAWSP) funds.
34

35 PASSED AND ADOPTED by the Homer City Council this 25th day of June, 2012.
36

37 CITY OF HOMER

38
39 
40 JAMES C. HORNADAY, MAYOR

41 ATTEST:

42 
43
44 G. JOHNSON, CMC, CITY CLERK
45

46 Fiscal Note: N/A

CITY OF HOMER
HOMER, ALASKA

City Manager/Public
Works Director

ORDINANCE 13-10(S)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
ALASKA, AMENDING THE 2013 OPERATING BUDGET BY
APPROPRIATING UP TO \$45,000 FROM THE WATER
RESERVE FUND FOR THE DEMOLITION OF THE
REDWOOD TANK AT THE WATER TREATMENT PLANT.

WHEREAS, The 500,000 gallon redwood tank was the first tank built on the water
distribution system in 1975 and is almost 40 years old; and

WHEREAS, Since that time additional tanks have been constructed totaling an additional
1,250,000 gallons; and

WHEREAS, The redwood tank is becoming more difficult to maintain, and because of
the nature of wood construction, it is suspected to be a source of potential water quality
concerns; and

WHEREAS, An EPA grant is being utilized to develop bid documents for the demolition
of the tank and the demolition project is expected to be ready for bidding early this summer.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The FY 2013 Operating Budget is hereby amended by appropriating not more
than \$45,000 from the Water Reserve fund for the demolition of the redwood tank at the water
treatment plant.

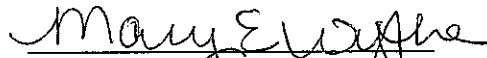
Expenditure:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
256-378 (Water Reserve Fund)	WTP Redwood Tank Demolition	\$45,000

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

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 22nd day of April,
2013.

CITY OF HOMER


MARY E. WYTHE, MAYOR

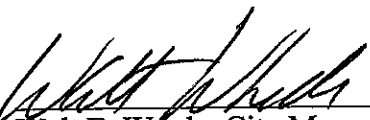
ATTEST:


JO JOHNSON, CMC, CITY CLERK

YES: 5
NO: 0
ABSTAIN: 0
ABSENT: 1

First Reading: 4/08/13
Public Hearing: 4/22/13
Second Reading: 4/22/13
Effective Date: 4/23/13

Reviewed and approved as to form:


Walt E. Wrede, City Manager

Date: 4/24/13


Thomas F. Klinkner, City Attorney

Date: 4-26-13

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 13-073

A RESOLUTION OF THE HOMER CITY COUNCIL
CONFIRMING THE APPOINTMENT OF ZHIYONG LI
AS TREASURER FOR CALENDAR YEAR 2013.

WHEREAS, Homer City Code §1.34.010 states that the Treasurer and Deputy Treasurer shall be appointed by and serve at the pleasure of the City Manager, that the Treasurer and Deputy Treasurer shall be confirmed by the Council annually during the first meeting in January and whenever the appointment becomes vacant or whenever the City Manager deems it appropriate to change the appointment; and

WHEREAS, On January 14, 2013 Council adopted Resolution 13-002 confirming the appointments of Regina Mauras as Treasurer and Laurie Moore as Deputy Treasurer; and

WHEREAS, Regina Mauras resigned from the position of Finance Director in March, 2013, vacating her position as Treasurer for the City of Homer; and

WHEREAS, Zhiyong Li was hired as Finance Director in May, 2013; and

WHEREAS, Pursuant to HCC §1.34.010, City Manager Walt Wrede hereby provides notice of the appointment of Zhiyong Li as Treasurer for Calendar Year 2013.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, confirms the appointment of Zhiyong Li as Treasurer for the Calendar Year 2013.

PASSED AND ADOPTED by the Homer City Council this 22nd day of July, 2013.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

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

City Clerk

3
4 **RESOLUTION 13-074**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
7 ALASKA, DESIGNATING SIGNATORIES OF CITY
8 ACCOUNTS AND SUPERSEDING ANY PREVIOUS
9 RESOLUTION SO DESIGNATING.

10
11 WHEREAS, Zhiyong Li was appointed as Treasurer via Resolution 13-073.

12
13 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that
14 the designated signatories, effective July 22, 2013 are as follows with the number of signatories
15 defined:

16
17 On the regular Wells Fargo Bank Alaska checking account #016030109 that the following are
18 the designated signatories for this account, with dual signatures required for checks over \$5,000;
19 on the investment accounts with Alaska Municipal League, First National Bank, Raymond James
20 Investment, Wells Fargo Bank Alaska, and other institutions, and for Department of
21 Administration Grants and other grants, one of the following authorized signatories or the dual
22 electronic authorization system is required for all transactions:

23
24 **MARY E. WYTHE, MAYOR**
25 **FRANCES ROBERTS, MAYOR PRO TEMPORE**
26 **WALT E. WREDE, CITY MANAGER**
27 **JO JOHNSON, ACTING CITY MANAGER/CITY CLERK**
28 **ZHIYONG LI, FINANCE DIRECTOR/TREASURER**

29
30 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 22nd day of July,
31 2013.

32
33 CITY OF HOMER

34
35
36
37 _____
38 MARY E. WYTHE, MAYOR

39
40
41
42 ATTEST:

43
44 _____
45 JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

- 43 • **Display of pornographic images in public view in the Library is prohibited and may**
44 **result in loss of library privileges and possible civil or criminal penalties.**
45
- 46 • The Library does not assume liability for damage to or loss of personal property, or for
47 any personal injury, which occurs as a result of the actions of the sponsors or participants
48 in meetings scheduled at the Library.
- 49 • **Homer Public Library facilities and ground may not be used for activities deemed**
50 **inappropriate by the Library Director.**
51
- 52 • Exceptions to the guidelines of this policy may be granted by special permission of the
53 Library Director.
54

55 **GROUP STUDY ROOM GUIDELINES**

- 56 • Group study rooms are available for use only when the Library is open to the general
57 public. Rooms are kept locked when not in use. Rules for use of the rooms must be
58 followed. Rules are posted in each room. Capacity of the rooms is 6 individuals, with up
59 to 8 individuals allowed on a case-by-case basis with permission from Library staff.
60
- 61 • Rooms are available on a first-come, first-served basis except when scheduled by Library
62 staff for governmental meetings, one-time educational uses such as proctoring tests, or to
63 accommodate unexpected conflicts in conference room use. Use is limited to a two-hour
64 period. Additional time may be granted if no other groups or individuals wish to use the
65 room.
66

67 **Use of Group Study Rooms by Individuals**

- 68 • Group study rooms are intended primarily for the use of small groups. Individuals
69 wishing a quiet study area should use the individual study nooks. If the study nooks do
70 not meet the needs of the individual, a group study room may be used with the
71 understanding that the individual may be asked to vacate the room to accommodate a
72 group.
73
- 74 • Individuals taking proctored examinations may use the group study rooms **by**
75 **appointment.** The Library's designated proctor will book rooms for this purpose.
76

77 **Identification:**

- 78 • One member of a group must agree to be responsible for the use of the room, and must
79 check in at the front desk. Staff will hold the responsible person's photo ID (or library
80 card if the individual does not have a driver's license or state ID card) while the group is
81 using the room, and will inspect the room for damage and make sure it is locked before
82 returning the ID or library card.

- 83 • Patrons taking proctored exams are not required to leave ID at the front desk.
84

85 **The person signing for a group study room is responsible for seeing that it is used in**
86 **accordance with the following rules and for any damage that might be done to the room or**
87 **its furnishings.**

- 88 • Capacity is not to exceed 6 persons without staff permission.
89 • No food is allowed. Bottled water only.
90 • Room is to remain unlocked while in use.
91 • Lights must be on.
92 • Furniture is not to be removed from nor added to the room.
93 • Noise levels should not be audible outside the room.
94 • No materials may be affixed to walls or other surfaces.
95 • Users must notify the front desk when finished.

96 Violation of any of the above rules is grounds for the entire group's forfeiture of use of the room.
97

98 **CONFERENCE ROOM AND VIDEO CONFERENCE GUIDELINES**

99 The conference room and video conference equipment are intended to further the Library's
100 mission through enriching lives and encouraging informational, educational, and cultural
101 activities. When library activities are not occupying the conference room, other groups may use
102 it during open hours for lawful, noncommercial purposes.
103

- 104
- 105 • Library use of the conference room takes precedence. Meetings that interfere with normal
106 Library functions are not permitted.
- 107
- 108 • **Use of the conference room must be scheduled in advance.**
- 109
- 110 • All meetings, programs and video conferences during hours when the Library is open to
111 the general public will be free and open to the public. Exceptions will be made to allow
112 employment interviews that require teleconference or videoconference equipment.
113
- 114 • Conference room capacity of 46 people may not be exceeded.
115

116 • **Meetings must end 15 minutes before other scheduled meetings and before the**
117 **Library closes.**

118
119 • The Library reserves the right, with 24 hour notice, to cancel permission to use the
120 conference room or to provide a substitute room, if available.
121

122 **Refreshments**

123 A small refreshment preparation area with sink is available in the Conference Room. There
124 are neither cooking facilities nor methods for keeping food heated or cooled. Users are
125 responsible for cleanup and for any damages incurred.
126

127 **Equipment**

- 128 • Internet-capable flat screen television monitor
- 129 • Projector screen and digital projector
- 130 • Laptop computers
- 131 • Teleconference equipment
- 132 • Videoconference equipment
- 133 • Two carousel slide projectors and extra carousels (also available for check out)
- 134 • Overhead projector (also available for check out)
- 135 • 16 mm movie projector (also available for check out)
- 136

137 The Library is not responsible for any damage to users' equipment. Library staff will explain the
138 proper use of Library equipment before it is operated by non-staff users.
139

140 Library ~~video conference~~ equipment may not be used in the following ways:

- 141
- 142 • Harassment of others
- 143 • Violation of Federal or State law
- 144 • Unauthorized duplication of protected software or licensing agreements
- 145 • Destruction, damage to, or unauthorized alteration of the Library's equipment
- 146 • Any unauthorized disclosure, use and dissemination of any personal identification
147 information regarding minors
- 148 • Accessing child pornography
- 149 • *Display of pornographic images in public view in the library is prohibited and may*
150 *result in loss of library privileges and possible civil or criminal penalties.*

151 **Conference Room and Video Conference Requests**

- 152 • Video conferences sponsored by the Library and by Friends of Homer Public Library
153 receive first priority.
154
- 155 • Groups interested in using the video conference equipment and/or the conference room
156 must first fill out a **Conference Room and Video Conference Application**, which will
157 designate the group member who assumes the duties of Responsible Party for the group.
158 It is advisable to reserve video conference equipment at least two weeks in advance to
159 insure availability.
160
- 161 • Conference room and video conference equipment use may be requested only by adults.
162 Persons under the age of 18 must be sponsored and supervised by an adult responsible for
163 the group.
164
- 165 • The Responsible Party agrees to ensure that Library policy will be followed and accepts
166 financial responsibility for any charges incurred by the group for damage caused to the
167 building or equipment beyond normal wear.
168
- 169 • A reservation is not confirmed until the application has been approved by the Library
170 Director or the librarian in charge.
171

172 **User Responsibilities**

- 173 • The Responsible Party must check in with staff before and after a meeting and is
174 responsible for reasonable care of the videoconference equipment, the conference room,
175 and any other equipment used.
176 .
- 177 • The Responsible Party agrees to ensure that equipment is used according to library
178 guidelines, as demonstrated by library staff.
179
- 180 • Library staff must be notified in advance of cancellations. Failure to notify Library staff
181 in advance may disqualify the user from future use of the room.
182
- 183 • The Responsible Party agrees to ensure that the room is cleaned up and returned to its
184 pre-use condition, including furniture arrangement.
185
- 186 • In order to avoid damage, only materials approved by Library staff may be affixed to
187 walls or other surfaces.
188
- 189 • Abuse of equipment or failure to follow library rules on conference room and video
190 conference equipment use may be grounds for denial of permission for further use.

191 Videos and films may be used for public programs and in scheduled private meetings but must
192 have public performance rights.

193

194 **USE OF SPACES OTHER THAN GROUP STUDY ROOMS AND CONFERENCE**
195 **ROOM**

196

197 **During Library Hours**

198 Use of spaces in the Library other than group study rooms and the conference room for group
199 activities during hours when the Library is open to the general public must be approved by the
200 Library Director as compatible with Library operations and use of the Library by other patrons.

201

202 **Outside Library Hours**

203 Spaces in the Library other than group study rooms and the conference room may be used for
204 events and meetings during hours when the Library is not open to the general public on a limited
205 basis by reservation and for a fee. All after-hours events must be approved in advance by the
206 Library Director and supervised by Library staff or other supervisors approved by the Library
207 Director. Scheduling of after-hours events is dependent upon availability of an individual
208 approved to supervise. See the **After-Hours Facility Use Agreement** for fees and the conditions
209 of use.

210

211 The fee for use may be waived at the discretion of the Library Director on a case-by-case basis
212 for non-profit groups that provide significant support to the Library or Friends of the Homer
213 Public Library.

214

215 An After-Hours Facility Use Agreement must be approved by the Library Director.

216

217 NOW, THEREFORE, BE IT RESOLVED that the City Council hereby amends the
218 Homer Public Library Facility Use Policy to reflect the recommendations of the Library
219 Advisory Board.

220

221 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 22nd day of July,
222 2013.

223

224

CITY OF HOMER

225

226

227

MARY E. WYTHER, MAYOR

228

229

230

231

232

233 ATTEST:
234
235
236 _____
237 JO JOHNSON, CMC, CITY CLERK
238
239 Fiscal Note: N/A
240



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

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Homer, Alaska 99603

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(p) 907-235-3130

(f) 907-235-3143

Memorandum 13-100

TO: MAYOR WYTHER AND CITY COUNCIL
THROUGH: RENEE KRAUSE, CMC, DEPUTY CITY CLERK
FROM: LIBRARY ADVISORY BOARD
DATE: MAY 22, 2013
SUBJECT: RECOMMENDATION TO APPROVE THE FACILITY USE POLICY

At the regular meeting May 7, 2013 the Library Advisory Board discussed the proposed Facility Use Policy.

Below is the excerpt from the minutes of that meeting with the recommendation to approve the policy.

A. Review and Approve Final Draft of Facility Use Policy

The Board spoke favorably about the final draft. Library Director Dixon reported the City Attorney commented they are within the rights to prohibit patrons to view pornographic material on their equipment, so she is okay with that clause. They briefly discussed the issue and Mrs. Dixon said they will try to continue to handle it with good public relations and remind equipment users to be thoughtful about what is being viewed.

GROESBECK/KLOUDA MOVE TO APPROVE THE FACILITY USE POLICY AS PRESENTED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

There was brief discussion about definitions, point was raised that they had discussed it previously and felt that keeping the Library Director as the final authority was most appropriate.

LIBRARY ADVISORY BOARD
REGULAR MEETING
FEBRUARY 5, 2013

Session 13-01 a Regular Meeting of the Library Advisory Board was called to order on February 5, 2013 at 5:03 pm by Chair Eileen Faulkner at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: BOARDMEMBERS GROESBECK, FLETCHER, FAULKNER, AND STROBEL

TELEPHONIC: BOARDMEMBER GORDON

STAFF: LIBRARY DIRECTOR ANN DIXON
DEPUTY CITY CLERK RENEE KRAUSE

APPROVAL OF THE AGENDA

GROESBECK/FLETCHER – MOVED TO APPROVE THE AGENDA.

Chair Faulkner requested to add Facilities Report to the agenda. There was a brief discussion on adding this as a subtopic under the Facilities Use Policy for this meeting only for discussion. The agenda has been published so no new items should be added to agenda but since there is a Facility item under Pending business it will fit under that item this time.

The amended agenda was approved by consensus of the Board.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

There was no audience present.

RECONSIDERATION

There were no items for reconsideration.

APPROVAL OF THE MINUTES *(Minutes are approved during regular meetings only)*

A. Meeting Minutes for the Regular Meeting on November 6, 2012

Chair Faulkner requested approval of the minutes.

GROESBECK/FLETCHER - MOVED TO APPROVE THE MINUTES AS AMENDED.

Ms. Dixon provided the correct spelling for Heather Lende on page 2 of the minutes under the Director's Report. Boardmember Fletcher requested clarification on page 3 of the minutes, item F. Budget & Statistics report, line 144. She stated that the way it was written was confusing. Ms. Krause will change the fifth word from "she" to "Ms. Faulkner" for clarity.

The minutes were approved as amended by consensus of the Board.

VISITORS

There were no visitors scheduled.

STAFF & COUNCIL/COMMITTEE REPORTS/ AND BOROUGH REPORTS

A. Friends Report

Ms. Dixon reported that the Friends have been primarily occupied with the Big Read; they have ordered new shelving for the DVD collection.

B. Next Friends Meeting – February 13, 2013 at 6:00 P.M. Library Conference Room

Chair Faulkner noted that no Board member will be in attendance at the next Friends meeting. Ms. Dixon stated she would be there and could provide a brief report.

C. Director's Report January & February 2013 and Monthly Statistics

Ms. Dixon distributed the statistics. Ms. Dixon commented on the rise in attendance for January. She stated that the reason may possibly be the Big Read and other events but was not positive. Ms. Dixon explained the Statistics and what each item was for the benefit of the newest member. It was noted that the attendance of school classes was down. Ms. Dixon said that the visits to the schools by Claudia were in the new section under Outreach.

Ms. Dixon continued by explaining the grant received and what Claudia does on Friday's plus the outreach performed by Sue Gibson for the seniors. Ms. Dixon also informed Boardmembers that the revenue collected and reported under Fines, Fees and Copies, approximately half was for fines and fees collected.

Chair Faulkner commented that for the most part they are only increasing in each category.

Mr. Strobel inquired about the music downloads and if that was just not publicized and used often.

Ms. Dixon elaborated on the success of the Robot construction. The event was booked and the kids really liked it a lot. The 60's Bash was well attended and they had 60's food. She provided clarification on the type of food from the sixties. Another cool thing was the Story Project which is part of the Big Read. They are looking for older residents to record their stories. KBBI will be assisting with the recording.

The Library will be closing on March 4 and 5th due to required staff training for the new system which is being installed. There is a remote training on February 27 and 28th with four days of live in person training for March 4-7. The go live date is scheduled for March 28, 2013. Staff has been busy mapping the policies and procedures into the new software system. The training is in different components and not all staff will be getting all the components.

The Library staff is considering increasing the general check out limit from 12 to 15 and with the new system they will be able to accept credit cards and run them through the city system and transactions must be \$10.00 or more. So they will need to raise the blocking limits. This will make some patrons very happy. The next new informational item is staff will be able to group cards, some families have several cards and they will be able to see them as a whole but still maintain confidentiality requirements.

Mr. Gordon complimented Ms. Dixon on how well this Library was being operated.

E. Landscape Committee Report – Tamara Fletcher

Ms. Fletcher reported that during the last meeting she learned that the spelling of Canarygrass was all one word so she requested the minutes to reflect that spelling.

Ms. Fletcher proceeded to explain the purpose of the Landscape Committee and that they meet six times a year towards the end of each month. Next month she is hoping to have a master gardener as a guest speaker.

The committee will meet on February 28, 2013 at Noon at the Library.

Chair Faulkner added some historical information for Mr. Strobel.

Mr. Gordon asked for clarification on the status of Reed Canarygrass as a perennial.

F. Budget & Statistics Report – Phil Gordon

Mr. Gordon tipped his hat to Ms. Krause for providing such exceptional and complete information for the presentation. He stated that the statistics continue to show that Homer has a deficit compared to other neighboring cities.

Ms. Fletcher suggested presenting a quarterly report to the Council to begin educating them using the information such as the computer usage. She suggested March as a stated point. Mr. Gordon suggested the presentation that was going to be used in December. Mr. Strobel recommended the Board viewing the presentation first. Chair requested the presentation to be added to agenda and requested that the statistical information for Talkeetna be added since this city was previously included in information during the previous years.

There was no further discussion.

H. Children's Art/ Art Report – Eileen Faulkner

Chair Faulkner provided a brief report that no new art has been presented for display. She reminded the Board that her term will be ending soon and they do need a Board member to take on the children's art. Chair Faulkner briefly provided a history of the art for the newest member Mr. Strobel. In response to Mr. Groesbeck noted that the Art component was in the Board's bylaws. It was noted that a Board member initiates the contact with the schools.

A brief discussion ensued on reissuing an invitation to the area schools and early learning facilities and even the schools located in the Russian villages.

Chair Faulkner reminded them that they will need a Children's Art person in April.

PUBLIC HEARING

There were no items for public hearing.

PENDING BUSINESS

There were no items for discussion.

NEW BUSINESS

- A. Discussion and Review of the Proposed Facility Use Policy
 - a. Facilities Report by David Groesbeck

Chair Faulkner introduced the item for discussion.

Ms. Dixon noted the old policies in the packet. She stated that there were so many changes that they did not do the usual procedures of strike out and bold print. She encouraged comment from the Board.

Ms. Fletcher requested on page one line 40 after the word "basis" could they insert "at the discretion of the Library Director" and questioned whether they should add under Refreshments, line 80, "or cooled."
Ms. Dixon noted those changes could be made.

Ms. Dixon also felt that the fees portion should be removed since the policies must be approved by Council and if they changed the fees they would have to amend the policies. The Use Agreement does not need Council approval. The Fee Schedule is addressed annually. She would just include a statement to see the Facility Use Agreement for fees and terms of use.

Mr. Gordon inquired if there is a definition of pornographic materials. He does not need to see it or know it but not having may cause problems and he was wondering if the city attorney would have this in case of problems. Ms. Fletcher expounded on Mr. Gordon's concern regarding the City Attorney approving this statement. Mr. Groesbeck requested clarification that they will need the proposed policy on pornographic materials reviewed by the attorney. Ms. Dixon stated that she believed there were actually no changes in the statement. She would double check that this was just carried over from a previous policy.

Chair Faulkner explained the process regarding staff drafting the policy, the Board reviews and comments and then it is submitted for Council Approval.

Ms. Dixon noted a small change in that normally they do not allow the exchange of monies in the Library. Patrons actually had to go out to the parking lot. However they do recognize that there are some occasions when it would be okay such as a class put on by triple A or AARP.

Ms. Krause confirmed that the Policy once approved by the Board will be presented to Council for approval.

Ms. Dixon brought up the video conferencing policy and "open and free to the public" normally a requirement for anyone using the facility and video conferencing equipment is required to have it open to the public. The exception being made is for employment interviews. So far they have had one interview conducted.

The Board agreed that the exception to the policy standards was acceptable.

a. Facilities Report by David Groesbeck

Mr. Groesbeck apologized for the pagination for some reason this was changed when he emailed the report to the Clerk. He also clarified that his report does not contain any item or concern that would fall under general maintenance. His report included the following items:

HVAC

Three factors need to be considered in any discussion of climate control. They are: heating, cooling and indoor air quality. The library has a complex HVAC system that was designed to manage all three needs. However, because of the unpredictability of weather and usage, the system does not always operate at peak efficiency. Staff needs to monitor both building temperatures and air-quality to ensure that the HVAC system is working at peak efficiency. Furthermore, there are specific areas where the climate control system and the architectural design conspire to create problem areas. One notable example is the office area that houses the Friends of the Library staff. During the winter months, this area is cold and redolent with drafts. Another area that has been identified by staff is the entrance area. While the entry has radiant heat in the floor, the vestibule area is open below the ceiling. There is a need to further explore solutions to heat loss as well as reducing the intrusion of cold air in this area.

Building Design and Structure

The extensive use of glass accounts for approximately 60% of conductive heat loss of the walls and about 40% of the entire building's conductive heat loss. This extensive use of glazing is problematic both in the summer when we have extended daylight hours; and in the winter when we have a paucity of sunlight. There is a need to install window treatments in strategic areas to reduce heat loss during the winter months. Hotspots in the summer are normally mitigated with shade and ventilation controlled by the staff. The heat loss during the winter does need to be addressed if we are serious about conservation.

While I am not knowledgeable about building methods and construction in arctic climates, the cold spots in the building such as in the Friends area suggest that more could be done with weather stripping or insulation.

Building Environment

Excessive noise has been repeatedly identified as a detractor to this environment. The entry area and accompanying hallway act like an echo chamber that amplifies noise and pushes it into the reading room. While libraries are no longer silent, the noise level here can often disrupt concentration and disturb patrons. Both staff and patrons have recommended that the library consider sound-dampening measures in the entrance area.

Safety and security

The parking lot has been a problem area for a number of years now. Public Works took some proactive measures to reduce ice buildup in the handicapped parking area. City staff has lowered plow tolerances to reduce snow buildup. There is still a problem with ice in areas that are frequented by children and the elderly. There is a need to reconfigure the parking lot to improve drainage and minimize the accumulation of water and ice. This is a liability issue for the Library and the City.

Traffic flow in the library parking lot is, at times, dangerous. Cars often speed through the parking lot from Heath Street to Safeway. It is recommended that the city install speed bumps in the parking lot to discourage reckless driving. There is a need for crosswalks at the trail head that crosses the parking lot and on Heath Street. Pedestrian crossing signs need to be prominently posted to protect the people who are coming from the post office or from the center of town.

The introduction of the natural gas pipeline into the city, coupled with the challenges of diminishing resources provides an opportunity for the LAB and library staff to address many of the facilities needs of the library. It is recommended that a first step would be for the Board to encourage the Library Director and a LAB representative to meet with city staff to develop an action plan with an accompanying timeline. This would provide a concrete plan that would be measurable and that could be monitored by the Board.

It was noted that the savings that was anticipated with the tweaks to the system was not realized since the cost went up. It was questioned if the system can be converted to gas when that comes through; Ms. Dixon believes that the overall room temperatures have improved. There have been no complaints regarding stuffiness. She did note that it would be good to address the issue of using any savings realized with the conversion to gas on the other needs of the building and that this should be prioritized.

Chair Faulkner recommended providing a clean copy of the report to the City Manager.

B. Welcome to New Board Member Matt Strobel

Chair Faulkner welcomed Mr. Strobel and asked him to provide a little bit about himself.

Mr. Strobel stated he was looking forward to his service on the Board and he accesses the Library quite a bit and he feels that he should carry on the civic service started by his in-laws.

The Board members welcomed him to the LAB.

Ms. Dixon inquired if there were any other applicants for the Board.

INFORMATIONAL MATERIALS

A. Approved Budget 2013

LIBRARY ADVISORY BOARD
REGULAR MEETING
FEBRUARY 5, 2013

Ms. Fletcher inquired about the line item in the budget no. 5209 Grounds Maintenance. It seemed that it once had a budget then it did not. Ms. Dixon stated she could not remember quite what it was used for; she confirmed that the minimal amount in janitorial covered some supplies but most items under this category was covered by Mike Riley's budget. Ms. Fletcher opined that the snow removal budget was healthy.

COMMENTS OF THE AUDIENCE

There was no audience present.

COMMENTS OF THE CITY STAFF

Ms. Dixon wanted to thank everyone for serving on the Board. The reason the Library is a wonderful place is because of all the volunteers in the community. It would be half the place it currently is.

Ms. Krause had no comments.

COMMENTS OF THE COUNCILMEMBER *(If one is assigned)*

There was no councilmember present.

COMMENTS OF THE CHAIR

Chair Faulkner had no additional comments.

COMMENTS FROM THE BOARD

Ms. Fletcher welcomed Matt to the Board.

Mr. Gordon and Mr. Groesbeck had no comments.

ADJOURNMENT

There being no further business to come before the Chair Faulkner adjourned the meeting at 6:50 p.m. The next Regular Meeting is scheduled for March 5, 2013 at 5:00 pm at City Hall Upstairs Conference Room 491 E. Pioneer Avenue, Homer, Alaska.

Renee Krause, CMC, Deputy City Clerk I

Approved: _____

Session 13-03 a Regular Meeting of the Library Advisory Board was called to order by Acting Chair Gordon at 5:00 p.m. on May 7, 2013 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: BOARD MEMBERS GROESBECK, KLOUDA, GORDON, STROBEL

STAFF: LIBRARY DIRECTOR DIXON
DEPUTY CITY CLERK JACOBSEN

AGENDA APPROVAL

GROESBECK/STROBEL MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

None

RECONSIDERATION

There was no reconsideration scheduled.

APPROVAL OF MINUTES

A. March 5, 2013 Regular Meeting Minutes

GROESBECK/KLOUDA MOVED TO APPROVE THE MINUTES.

There was brief discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VISITORS

STAFF AND COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

A. Friends Report

Library Director Dixon noted that most of the Friends information is included in her staff report.

B. Next Friends Meeting May 8, 2013 at 6 pm in the Library Conference Room

Board member Strobel commented that he would make an effort to attend the Friends meeting, however because of another commitment, he will likely arrive late.

C. Directors Report March & April 2013 and Monthly Statistics

Library Director Dixon reviewed the monthly statistics that were provided as a laydown. There was brief discussion about fluctuation in the numbers in comparison to last year.

Library Director Dixon also reviewed the information included in her staff report. She elaborated about a work group she is on with Best Beginnings. They held a community event where they pulled together interest groups and organizations that have interest in early literacy. Her working group was tasked with considering a list of information about language and literacy. She was pleased that the library is already doing, or would be doing if they had more time, over half of the items on the listing. Best Beginnings has said one of their goals is to get a full time children's librarian for Homer. She thinks it will take some work because there isn't funding for the position right now, but it is an exciting prospect.

Acting Chair Gordon recognized Representative Seaton who arrived after the start of the meeting and invited him to speak if he had anything to share with the Board.

Representative Seaton commended the Board and recognized the importance of their work for the community. Regarding early literacy, he sponsored HB 90, which is for early testing for vitamin D in pregnant women in their second trimester. A study has shown there is four times the rate of language impairment of kids at age 5, if their mothers had low vitamin D in their second trimester.

D. Landscape Committee Report

Board member Klouda reported the committee received advice from gardener Rosemary Fitzpatrick to clean out the north garden and plant rose bushes. There was discussion of how to handle the iris. The committee agreed to phase them in settling on five rose bushes max. They need volunteers to help clean and plant, under the guidance of Brenda Adams. There was brief discussion about volunteer time bank opportunities and also working with volunteers through the Friends. Board member Klouda said the landscape committee won't be meeting through the summer and she should work with the Friends to try to wrap this up. Library Director Dixon said she can talk with the Friends as well.

E. Budget and Statistic

Acting Chair Gordon reviewed budget and statistic information relating to other libraries, focusing on the title collection, development and expenditures. He reviewed what other cities have spent on their collection development noting that since 2000 our spending is far less than Kenai, Kodiak, Palmer, Seward, and Soldotna, who in most cases, double Homer's spending. He thinks it should come to Council's attention what our superb staff and excellent facility have to work with in terms of material. He and Mr. Groesbeck will update a presentation to council for the Board to look at at their next meeting. They recognize a lot of the library's budget goes to the loan payment, but they want to focus on an education campaign to help Council and others see how the city lacks in collection improvements.

F. Children's Art

Library Director Dixon commented that former member Eileen Faulkner is still hanging children's art. It was previously suggested to set up a rotating art project with different schools, but Claudia Haines, who works with the children's programs pointed out that teachers are already pressed for art at the school. Mrs. Haines recommended that it might be worthwhile to participate in the Jubilee event each year and that she will work with some of the day cares she is involved with for children's art.

G. Facilities Report

Board member Groesbeck reported progress regarding vestibule. He is looking forward to and waiting to hear from staff.

PUBLIC HEARING

PENDING BUSINESS

A. Review and Approve Final Draft of Facility Use Policy

The Board spoke favorably about the final draft. Library Director Dixon reported the City Attorney commented they are within the rights to prohibit patrons to view pornographic material on their equipment, so she is okay with that clause. They briefly discussed the issue and Mrs. Dixon said they will try to continue to handle it with good public relations and remind equipment users to be thoughtful about what is being viewed.

GROESBECK/KLOUDA MOVE TO APPROVE THE FACILITY USE POLICY AS PRESENTED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

There was brief discussion about definitions, point was raised that they had discussed it previously and felt that keeping the Library Director as the final authority was most appropriate.

NEW BUSINESS

A. Election of Chair and Vice Chair

Acting Chair Gordon opened the floor to nominations for Chair.

Board member Klouda nominated Acting Chair Gordon, who respectfully declined the nomination.

Action Chair Gordon nominated Board member Groesbeck. There were no other nominations and Mr. Groesbeck was approved as Chair by consensus of the Board.

Chair Groesbeck assumed the gavel and opened the floor to nominations for Vice Chair.

LIBRARY ADVISORY BOARD
REGULAR MEETING
MAY 7, 2013

Board member Gordon nominated Board member Strobel for Vice Chair. There was brief discussion regarding the duties of Vice Chair.

There were no other nominations and Mr. Strobel was approved as Vice Chair by consensus of the Board.

INFORMATIONAL ITEMS

- A. Memorandum to Mayor and Council re: 2013 Land Allocation Plan from Planning Technician Engebretsen

COMMENTS OF THE AUDIENCE

None

COMMENTS OF CITY STAFF

Library Director Dixon thanked the group for participating and those serving as officers.

COMMENTS OF THE COUNCILMEMBER

COMMENTS OF THE CHAIR

Chair Groesbeck thanked the Board for their support and encouraged them to continue to recruit for additional board members.

COMMENTS OF THE BOARD

Board member Strobel said he is happy to be on the board because library is fantastic. In the beginning he wondered about their purpose, and he is getting a better understanding.

ADJOURN

There being no further business to come before the Board the meeting adjourned at 6:18 p.m. The next regular meeting is scheduled for Tuesday, June 4, 2013 at 5:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____

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

3 City Clerk/
4 Library Advisory Board

5
6 **RESOLUTION 13-076**
7

8 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
9 ALASKA, AMENDING THE FEE SCHEDULE FOR LIBRARY
10 FACILITY USE FEES.

11
12 WHEREAS, The Library Advisory Board reviewed the Library's Facility Use Policy and
13 made recommendations to initiate fees for usage of the rooms and building.

14
15 NOW, THEREFORE, BE IT RESOLVED that the City Council hereby amends the City
16 of Homer Fee Schedule as follows:

17
18 **LIBRARY FEES**

19
20 235-3180 (Amended: Ordinance 05-08; Resolution 12-006, 04-98(S)(A); 03-87; 99-19(A); 98-86;
21 97-87)

22
23 Closed - Sundays. Open - Mon, Wed, Fri and Sat from 10 a.m. to 6 p.m. Tues and Thurs from
24 10 a.m. - 8 p.m.

25
26 **Facility Use** **Fees for after-hours private use (including building supervision):**
27 **Conference Room \$50/hour**
28 **Reading Lounge \$50/hour**
29 **Children's Room \$50/hour**
30 **Entire facility, excluding staff work space -- \$300 Facility Use Fee**
31 **plus \$50/hour staff supervisor. \$300 damage/cleaning deposit.**

32
33 Library Cards Replacement cards \$5/issue
34 Temporary card \$10 non refundable
35 Temporary Family card \$50, \$40 refundable; limit of twelve items.
36 Refunds are issued the second check run of each month via check from
37 the City of Homer. Apply for refund through Library staff and provide
38 forwarding address. If the refund is not claimed within six months the
39 refund becomes a donation to the Library.

40
41 Overdue Items - 14 day circulation (except digital devices) \$0.15/day
42 (except digital devices) Maximum charge \$6.00
43
44 7 day and 1 day circulation - \$1.00/day
45 Digital Devices \$5.00/day
46 Interlibrary Loans- \$1.00/day
47 2nd overdue notice - \$1.00/notice
48
49 Bill notice - \$1.00/notice
50 Admin. Fee for Bills Sent to Collection Agency \$25.00
51

- 52 Photo copy \$.15/ea (letter size) and (legal size) per side
53 \$.25/ea (11"x17") per side
54 \$1 .00/ea color copies (letter size) and (legal size) per side
55 \$2.00/ea color copies (11"x17") per side
56
57 Interlibrary loan fee \$2 standard size books
58 \$.15 per page for photo copy
59 Priority Mail \$4.00
60 Microfilm/videos/CDS/Audios
61 Additional charges may be assessed and mailing costs may
62 exceed these amounts.
63 Replacement/Repair of items
64 Lost or damaged items: Replacement cost plus \$7.00 processing
65 fee per item
66 Lost or damaged cases, hang-up bags, etc.: Replacement cost or
67 \$2.00, whichever is greater
68
69 Lost map or inserts - \$10/item
70 Lost out-of print items - \$50/Alaskana
71 \$40/non fiction
72 \$35/fiction
73
74 Damaged Item - \$1.00/page
75 \$2.50/cover
76 Damaged beyond repair - Full bindery cost or full replacement cost plus \$7.00 processing
77 charge.
78
79 Improper Return of Digital Devices- \$25 fee if not returned to Front Desk staff
80
81 Please Note: To receive a refund on a lost item, patrons must return the item within sixty
82 days of lost status. Refunds of payment for items deemed valuable to the
83 collection and returned after the 60-day period may be made at the discretion of
84 the Director. No refunds will be given for digital devices.
85

86 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 22nd day of July,
87 2013.

CITY OF HOMER

MARY E. WYTHE, MAYOR

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94 ATTEST:

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98 JO JOHNSON, CMC, CITY CLERK
99

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

**CITY OF HOMER
HOMER, ALASKA**

Burgess/Roberts

RESOLUTION 13-077

A RESOLUTION OF THE CITY COUNCIL OF HOMER,
ALASKA, REQUESTING THE CITY MANAGER TO
PREPARE A PLAN REQUESTING THAT THE STATE FIRE
MARSHAL DELEGATE FIRE MARSHAL AUTHORITY TO
THE CITY OF HOMER FIRE CHIEF.

WHEREAS, The City of Homer has a full time Fire Chief; and

WHEREAS, Buildings constructed in the City of Homer need to be inspected by a Fire
Marshal; and

WHEREAS, There is no Fire Marshal located on the southern peninsula; and

WHEREAS, There is need in the community for a Fire Marshal.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska,
requests the City Manager to prepare a plan requesting that the State Fire Marshal delegate Fire
Marshal authority to the City of Homer Fire Chief.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 22nd day of July,
2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Administrative costs.

**CITY OF HOMER
HOMER, ALASKA**

Burgess/Roberts

RESOLUTION 13-078

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, MANDATING THE CITY MANAGER TO PROPOSE PROJECTS THAT UTILIZE THE FUNDS IN EXCESS OF \$3 MILLION DOLLARS IN THE HART FUND AND FUNDS IN EXCESS OF \$3 MILLION DOLLARS IN THE HAWSP FUND FOR CONSIDERATION OF THE HOMER CITY COUNCIL.

WHEREAS, The voters of the City of Homer established the HART (Homer Accelerated Roads and Trails Program) fund and the HAWSP (Homer Accelerated Water and Sewer Program) fund; and

WHEREAS, These funds accrue a predetermined portion of the sales taxes for the purpose of road improvement and sewer/water improvements; and

WHEREAS, When the balance of these funds exceed \$3 million dollars for the HART fund and \$3 million dollars for the HAWSP fund, this excess money sitting in the bank is not useful for the taxpayers; and

WHEREAS, The City of Homer administration knows of projects that need addressing; and

WHEREAS, The City Council of Homer has established a CIP project list; and

WHEREAS, The City Manager can propose projects to be considered with the excess funds; and

WHEREAS, The City Council of Homer can determine the best use of these excess funds.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, mandates the City Manager to propose projects that utilize the funds in excess of \$3 million dollars in the HART fund and funds in excess of \$3 million dollars in the HAWSP fund for consideration of the Homer City Council.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 22nd day of July, 2013.

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CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

**CITY OF HOMER
HOMER, ALASKA**

Roberts/ Burgess

RESOLUTION 13-079

A RESOLUTION OF THE CITY COUNCIL OF HOMER,
ALASKA, REQUIRING THE FINANCE DEPARTMENT TO
PROVIDE A QUARTERLY REPORT OF FINANCES OF THE
CITY OF HOMER.

WHEREAS, The Finance Department of the City of Homer keeps records of income and expenditures for the City of Homer; and

WHEREAS, The City Council of Homer, Alaska, is mandated with overseeing the finances of the City of Homer; and

WHEREAS, A quarterly snapshot of the financial condition is beneficial to seeing trends in expenditures and income; and

WHEREAS, A quarterly Balance Sheet should be included in the report; and

WHEREAS, Important income items that should be included in the report are quarterly sales tax reports and property tax income; and

WHEREAS, The Water and Sewer Fund and the Port and Harbor Fund need to be included in such reporting; and

WHEREAS, All Internal Service Funds such as the Health Care Fund and the Leave Fund need to be included in such reporting.

NOW, THEREFORE, BE IT RESOLVED the City Council of Homer, Alaska, requires the Finance Department to provide a quarterly report of finances of the City of Homer.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 22nd day of July, 2013.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

**CITY OF HOMER
HOMER, ALASKA**

Roberts/Burgess

RESOLUTION 13-080

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, REQUIRING INVITATIONS TO BID (ITB) AND REQUEST FOR PROPOSALS (RFP) PLANS AND SPECIFICATIONS WITH SEARCHABLE TEXT AND PLAN HOLDER'S LISTS TO BE POSTED ON THE CITY OF HOMER WEBSITE.

WHEREAS, The City of Homer commonly issues more than 75 Invitations to Bid and Request for Proposals (RFP) per year; and

WHEREAS, Many potential bidders have access to the Internet; and

WHEREAS, Bid documents can be easily converted into a PDF document format; and

WHEREAS, The standard for ITB's and RFP's has become for the bidder to access them via the Internet; and

WHEREAS, The City of Homer can maximize possible bidders by posting bid documents to the Internet; and

WHEREAS, Only interested bidders will attend the bidders' meeting.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, requires all Invitation to Bid and Request for Proposal plans and specifications with searchable text and plan holder's lists to be posted on the City of Homer website.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 22nd day of July, 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

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

3 City Manager/
4 Public Works Director

5 **RESOLUTION 13-081**

6
7 A RESOLUTION OF THE HOMER CITY COUNCIL
8 AWARDED THE CONTRACT FOR THE PURCHASE OF
9 CONCRETE SEPTIC TANKS TO THE FIRM OF CONSTEEL
10 CONCRETE COMPANY OF WASILLA, ALASKA, IN THE
11 AMOUNT OF \$31,920 AND AUTHORIZING THE CITY
12 MANAGER TO EXECUTE THE APPROPRIATE
13 DOCUMENTS.

14
15 WHEREAS, In accordance with the Procurement Policy, quotes were solicited from the
16 two firms that make concrete septic tanks in Alaska; and

17
18 WHEREAS, Quotes were due on June 6, 2013 and two were received; and

19
20 WHEREAS, Quotes were compared and the firm of Consteel Concrete Company was
21 determined to be the low responsive bidder and found to be qualified to complete the work; and

22
23 WHEREAS, This award is not final until written notification is received by the firm from
24 the City of Homer.

25
26 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska,
27 approves the contract award for the Purchase of Concrete Septic Tanks to the firm of Consteel
28 Concrete Company of Wasilla, Alaska, in the amount of \$31,920 and authorizes the City
29 Manager to execute the appropriate documents.

30
31 PASSED AND ADOPTED by the Homer City Council this 22nd day of July, 2013.

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33 CITY OF HOMER

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36 _____
37 MARY E. WYTHE, MAYOR

38
39 ATTEST:

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41
42 _____
43 JO JOHNSON, CMC, CITY CLERK

44
45 Fiscal Note: Inventory Account – 200-000-1417



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

MEMORANDUM 13-103

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: July 16, 2013
SUBJECT: **Purchase Septic Tanks for Kachemak City Recommendations - Funding Authorization**

Public Works needs to purchase additional concrete septic tanks for use in Kachemak City. Only one tank remains in inventory. The City provides these tanks to property owners in Kachemak City that connect to the unique VGES (small diameter) sewer collection system in Kachemak City. The tanks are purchase in bulk, placed in inventory, and are paid for by each property owner when a sewer permit is issued.

In the past, Public Works has advertised for the purchase of these tanks. Consteel Concrete Company has consistently had a lower price than the other four bidders. Since the last purchase, two of the bidders no longer make these tanks. Based on quote received from the remaining two bidders; Consteel Concrete Company can provide the tanks at the lowest price.

Purchase history with Consteel is as follows:

1998	10 tanks at \$1,245 each
2000	20 tanks at \$1,275 each
2002	16 tanks at \$1,275 each
2005	16 tanks at \$1,395 each

Current Low Quote:

2013	16 tanks at \$1,995 each
------	--------------------------

Recommendation: The City Council pass a resolution awarding the 2013 VGES Concrete Septic Tank Purchase to Consteel Concrete Company of Wasilla, Alaska, in the amount of \$31,920 and authorize the City Manager to execute the appropriate documents.

Fiscal Note: Inventory Account – 200-000-1417

VISITORS

ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS

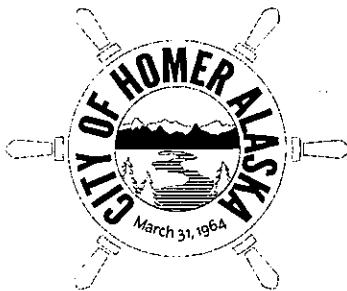
PUBLIC HEARING(S)

CLERK'S AFFIDAVIT OF POSTING

I, Renee Krause, Deputy City Clerk I for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for Ordinance 13-20, Accepting and Appropriating a Legislative Grant in the Amount of \$4,200,000 for Harbor Projects; Ordinance 13-21, Accepting and Appropriating a Legislative Grant in the Amount of \$2,000,000 for the Port and Harbor Office and Skyline Fire Station; Ordinance 13-22, 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; Ordinance 13-23, 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; and Ordinance 13-24, 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 were distributed at the City of Homer kiosks located at City Clerk's Office, Captain's Coffee Roasting Co., Harbormaster's Office and Redden Marine on July 12, 2013 and that the City Clerk posted same on City of Homer Homepage on July 10, 2013.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 12th day of July, 2013.

Renee Krause
Renee Krause, CMC, Deputy City Clerk I



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
2. City Council Regular Meeting July 22, 2013 Public Hearing and Second Reading
 - a. Ordinance 13-20(S)
 - b. Project Number & Budget Form

**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: _____

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

3 City Manager

4 **ORDINANCE 13-20(S)**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
7 ALASKA, ACCEPTING AND APPROPRIATING A
8 LEGISLATIVE GRANT IN THE AMOUNT OF \$4,200,000 FOR
9 HARBOR PROJECTS.

10
11 WHEREAS, The City has been awarded a Legislative Grant in the amount of \$4,200,000
12 through the Municipal Harbor Matching Grant Program; and

13
14 WHEREAS, It is in the City's best interest to accept and appropriate the grant.

15
16 NOW, THEREFORE, BE IT ORDAINED by the City of Homer:

17
18 Section 1. The Homer City Council hereby accepts and appropriates a Legislative Grant
19 in the amount of \$4,200,000 for harbor projects as follows:

20

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
<u>415-934</u>	<u>Municipal Harbor Matching</u> <u>Grant</u> Projects	\$4,200,000

21
22
23
24

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

27
28 ENACTED BY THE HOMER CITY COUNCIL this ___ day of _____,
29 2013.

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31 CITY OF HOMER

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35 _____
36 MARY E. WYTHE, MAYOR

37 ATTEST:

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39 _____
40 JO JOHNSON, CMC, CITY CLERK

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YES:
NO:
ABSENT:
ABSTAIN:

First Reading:
Public Hearing:
Second reading:
Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

CITY OF HOMER
PROJECT NUMBER & BUDGET FORM

This section to be completed by Finance

Special Project Number 415-934 Date 7-17-2013
 GL Activity Task Number _____

Project Name: Municipal Harbor Matching Grant Projects
 Activity Task Name: _____
 Project Start Date: _____ Project End Date: _____

Project Description:

PROJECT BUDGET

Funding Source Detail(s):	Amounts
_____	_____
_____	_____
_____	_____
_____	_____
	\$ -

Expense Details

Codes	Expense Description	Amounts
	FTE - Wages & Benefits	_____
5202	Materials	_____
5210	Professional Services	_____
	Project Management	_____
	Inspection	_____
5212	Engr / Arch / Design	_____
5216	Postage / Freight	_____
5227	Advertising	_____
5261	Construction	_____
5262	Contingency	_____
5901	c/o Equipment, Furnishing >\$1,000	_____
5903	c/o Buildings & Improve >\$1,000	_____
	Budget Totals	-

TOTAL PROJECT BUDGET	\$ -
-----------------------------	-------------

Other Comments:

Approvals

Requesting Department/Project Manager	Date
Finance Department	Date
City Manager	Date

Resolution : _____ Ordinance: _____

This section to be completed by Finance

Project Number/Budget Scanned & E-mailed to:
 City Clerk: _____ Date & Initial _____ Requesting Dept: _____ Date & Initial _____
 _____ Date & Initial _____ Date & Initial _____
 Scanned to "Y" drive: _____

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
2. City Council Regular Meeting July 22, 2013 Public Hearing and Second Reading
 - a. Ordinance 13-21(S)
 - b. Project Number & Budget Form

**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:

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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: _____

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

3 City Manager

4 **ORDINANCE 13-21(S)**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
7 ALASKA, ACCEPTING AND APPROPRIATING A
8 LEGISLATIVE GRANT IN THE AMOUNT OF \$2,000,000 FOR
9 THE **NEW** PORT AND HARBOR OFFICE AND SKYLINE
10 **DRIVE** FIRE STATION.
11

12 WHEREAS, The City has been awarded a Legislative Grant in the amount of \$2,000,000;
13 and
14

15 WHEREAS, This grant is a re-appropriation of funds the City received for improvements
16 at the Sterling Highway and Main Street Intersection; and
17

18 WHEREAS, It is in the City's best interest to accept and appropriate the grant.
19

20 NOW, THEREFORE, BE IT ORDAINED by the City of Homer:
21

22 Section 1. The Homer City Council hereby accepts and appropriates a Legislative Grant
23 in the amount of \$2,000,000 for the **New** Port and Harbor Office and Skyline **Drive** Fire Station
24 as follows:
25

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
<u>415-935</u>	<u>New</u> Port and Harbor Office	\$2,000,000
<u>151-936</u>	& Skyline <u>Drive</u> Fire Station	

26
27
28
29

30 Section 2. This ordinance is a budget amendment only, is not of a permanent nature, and
31 shall not be codified.
32

33 ENACTED BY THE HOMER CITY COUNCIL this ___ day of _____,
34 2013.
35

36 CITY OF HOMER
37

38
39 _____
40 MARY E. WYTHER, MAYOR

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ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSENT:

ABSTAIN:

First Reading:

Public Hearing:

Second reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

CITY OF HOMER
PROJECT NUMBER & BUDGET FORM

This section to be completed by Finance

Special Project Number	<u>415-935</u>	Date	<u>7-17-2013</u>
GL Activity Task Number	_____		

Project Name:	<u>New Port & Harbor office</u>		
Activity Task Name:	_____		
Project Start Date:	_____	Project End Date:	_____

Project Description:	_____ _____ _____		
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PROJECT BUDGET

Funding Source Detail(s):	Amounts		
_____	_____		
_____	_____		
_____	_____		
_____	_____		
	<table border="1"> <tr> <td>\$</td> <td align="right">-</td> </tr> </table>	\$	-
\$	-		

Expense Details

Codes	Expense Description	Amounts		
	FTE - Wages & Benefits	_____		
5202	Materials	_____		
5210	Professional Services	_____		
	Project Management	_____		
	Inspection	_____		
5212	Engr / Arch / Design	_____		
5216	Postage / Freight	_____		
5227	Advertising	_____		
5261	Construction	_____		
5262	Contingency	_____		
5901	c/o Equipment, Furnishing >\$1,000	_____		
5903	c/o Buildings & Improve >\$1,000	_____		
	Budget Totals	<table border="1"> <tr> <td>-</td> </tr> </table>	-	
-				
TOTAL PROJECT BUDGET		<table border="1"> <tr> <td>\$</td> <td align="right">-</td> </tr> </table>	\$	-
\$	-			

Other Comments:	_____ _____ _____		
-----------------	-------------------------	--	--

Approvals

Requesting Department/Project Manager	_____	Date	_____
Finance Department	_____	Date	_____
City Manager	_____	Date	_____

Resolution :	_____	Ordinance:	_____
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This section to be completed by Finance

Project Number/Budget Scanned & E-mailed to:			
City Clerk:	_____	Requesting Dept:	_____
	Date & Initial		Date & Initial
	_____		_____
	Date & Initial		Date & Initial
	_____		_____
Scanned to "Y" drive:	_____		

CITY OF HOMER
PROJECT NUMBER & BUDGET FORM

This section to be completed by Finance

Special Project Number	<u>151-936</u>	Date	<u>7-17-2013</u>
GL Activity Task Number	_____		

Project Name:	<u>Skyline Drive Fire Station</u>		
Activity Task Name:	_____		
Project Start Date:	_____	Project End Date:	_____

Project Description:	_____ _____ _____		
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PROJECT BUDGET

Funding Source Detail(s):	Amounts		
_____	_____		
_____	_____		
_____	_____		
_____	_____		
	<table border="1"> <tr> <td>\$</td> <td align="right">-</td> </tr> </table>	\$	-
\$	-		

Expense Details

Codes	Expense Description	Amounts		
	FTE - Wages & Benefits	_____		
5202	Materials	_____		
5210	Professional Services	_____		
	Project Management	_____		
	Inspection	_____		
5212	Engr / Arch / Design	_____		
5216	Postage / Freight	_____		
5227	Advertising	_____		
5261	Construction	_____		
5262	Contingency	_____		
5901	c/o Equipment, Furnishing >\$1,000	_____		
5903	c/o Buildings & Improve >\$1,000	_____		
	Budget Totals	<table border="1"> <tr> <td></td> <td align="right">-</td> </tr> </table>		-
	-			

TOTAL PROJECT BUDGET	<table border="1"> <tr> <td>\$</td> <td align="right">-</td> </tr> </table>	\$	-
\$	-		

Other Comments:	_____ _____ _____		
-----------------	-------------------------	--	--

Approvals

Requesting Department/Project Manager	_____	Date	_____
Finance Department	_____	Date	_____
City Manager	_____	Date	_____

Resolution :	_____	Ordinance:	_____
--------------	-------	------------	-------

This section to be completed by Finance

Project Number/Budget Scanned & E-mailed to:			
City Clerk:	_____	Requesting Dept:	_____
	Date & Initial		Date & Initial
	_____		_____
	Date & Initial		Date & Initial
	_____		_____
Scanned to "Y" drive:	_____		

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
2. City Council Regular Meeting July 22, 2013 Public Hearing and Second Reading
 - a. Memorandum 13-097 from City Clerk as backup

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>
43 100-100-5990	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>
47 806-375-4992	Homer Permanent Fund	\$181,087.16

48

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.

54

CITY OF HOMER

55

56

57

58

MARY E. WYTHE, 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: _____



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 13-097

TO: MAYOR WYTHER AND CITY COUNCIL

FROM: JO JOHNSON, CITY CLERK

DATE: JUNE 24, 2013

SUBJECT: ORDINANCES 13-22, 13-23, 13-24 AND RESOLUTION 13-072

In the Supplemental Packet are Ordinances 13-22, 13-23, and 13-24 that now have account numbers and correct account names.

Resolution 13-072 is included in the Supplemental Packet, citing the correct section of Chapter 18.30 in the fourth whereas.

All of these corrections are made under the City Clerk's revisor authority.

RECOMMENDATION:

Informational only.

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

#BWBJDD
 #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
2. City Council Regular Meeting July 22, 2013 Public Hearing and Second Reading
 - a. Memorandum 13-097 from City Clerk as backup

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>
400-604-5990	Tariff Fees / Drill Rig Endeavor	\$576,815.53

36 Deposit / Transfer To:

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
456-380-4992	Homer Permanent Fund	\$576,815.53



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 13-097

TO: MAYOR WYTHER AND CITY COUNCIL

FROM: JO JOHNSON, CITY CLERK

DATE: JUNE 24, 2013

SUBJECT: ORDINANCES 13-22, 13-23, 13-24 AND RESOLUTION 13-072

In the Supplemental Packet are Ordinances 13-22, 13-23, and 13-24 that now have account numbers and correct account names.

Resolution 13-072 is included in the Supplemental Packet, citing the correct section of Chapter 18.30 in the fourth whereas.

All of these corrections are made under the City Clerk's revisor authority.

RECOMMENDATION:

Informational only.

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
2. City Council Regular Meeting July 22, 2013 Public Hearing and Second Reading
 - a. Proposals for Old Town
 - b. Memorandum 13-097 from City Clerk as backup

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
44

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

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>
165-375	Trail and Trailhead Access/ HART Trails	\$68,800

57

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
160-375	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

CITY OF HOMER

71

72

73

74

MARY E. WYTHE, MAYOR

75

76 ATTEST:

77

78

79

JO JOHNSON, CMC, CITY CLERK

80

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



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

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Homer, Alaska 99603

clerk@cityofhomer-ak.gov

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MEMORANDUM 13-097

TO: MAYOR WYTHER AND CITY COUNCIL

FROM: JO JOHNSON, CITY CLERK

DATE: JUNE 24, 2013

SUBJECT: ORDINANCES 13-22, 13-23, 13-24 AND RESOLUTION 13-072

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All of these corrections are made under the City Clerk's revisor authority.

RECOMMENDATION:

Informational only.

**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)**

ORDINANCE(S)

CITY MANAGER'S REPORT



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 x2222

(f) 907-235-3148

MANAGER'S REPORT

July 22, 2013

TO: MAYOR WYTHE / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Port and Harbor Bond Sale. We are currently reviewing a detailed a legal guidance paper provided by Tom Klinkner which addresses how bond proceeds may be invested and how they may be appropriated. The reserve funds held by New York Mellon Bank will definitely be invested. The bond proceeds will all likely be spent within 18 months so that limits investing opportunities somewhat.
2. Health Insurance Plan: At the last meeting, the Council heard a presentation by the City health insurance broker. In his report, Jeff detailed the current status of the plan, provided his perspective on future trends in the industry, and offered suggestions on how the plan could be amended to reduce expenditures. Part of his recommendation included a two tiered plan which Andrea and I have discussed with him at length. My plan on addressing the health insurance issue is as follows. First, we have asked Jeff to run a number of scenarios based upon baseline levels of City contributions. That will allow us to see how the benefit package will be impacted and what the implications are for the City budget under each scenario. We should have the results of that work soon. Second, we plan to reconvene the Employee Committee to discuss proposed plan modifications and to visit each department to speak directly with the employees. The goal is to get employee input and to make sure every employee understands how important this issue is from a budget perspective. The goal is to have plan modifications in place by mid September so that the Council will have budget numbers in front of them when it received the draft FY 2014 Budget and can review the City contribution to health care as part of the normal budget approval process. Finally, I intend to bring a mid-year budget amendment ordinance to the Council at the first meeting in August. Among other things, this ordinance will contain funds to make up the deficit that occurred in Fiscal year 2012 and the projected deficit in 2013. The depleted Reserve Fund will be addressed in the 2014 budget proposal.
3. Dispatch: The Police Department continues to have serious problems recruiting and retaining dispatchers. This follows a nationwide trend however, it causes concern on many levels. We continue to review the options available to us and we may want to address this issue again with the Council in the near future.
4. HERC Building: The Boys and Girls Club has ceased operations for now and my understanding is that they are in negotiations with the School District to see about locating the program in one of the school buildings; likely the middle school. As you know, some Community Recreation programs are held in the HERC gym because of limited space and time at the High School. It is time to produce the Community Rec.

class schedule for fall and winter. Users of these programs have approached me wanting to know if the building will be available for Community Schools programs this fall and winter. My response has been that we still have the Fire Marshall questions to contend with and that it will be difficult, absent new revenues, to justify keeping the building open and heated for just a couple of programs. More on that later. Council should anticipate getting inquires about this. These programs are really popular and provide significant benefits to the community.

5. Legal Issues: In the last two weeks the City received excellent news on two pending court cases. First, the Court ruled in favor of the City in the F/V Albert case. The Albert was a derelict vessel that was “warehoused” in the harbor for many years. The owner was basically uncooperative and ran up a large tally of delinquent bills. Extensive efforts to negotiate and settle the case were ultimately unsuccessful. Court was the last and best option. The City prevailed and was awarded attorney’s fees and costs that could exceed \$30,000. This week the judge ruled in favor of the City in the Tony Neal case. Council has been briefed on this case before so I won’t go into the details. The bottom line is that the Court found that the City is not obligated to plow snow on Beluga Lake for ice skating. Last week the City filed a complaint in court against Grant Aviation. Grant broke its lease without prior notice. It owed the City a significant amount of back rent when it left and over a year remained on the term of the lease. Damages continue to accumulate. Efforts to contact Grant and to resolve this matter have been unsuccessful. The company has been unresponsive which has been disappointing. Finally the City continues to try and negotiate settlement agreements with Matt Shadle and Mike Kennedy regarding zoning complaints that are pending in court. The court dates on both have been extended several times while negotiations are taking place. Oral arguments regarding the City’s request for summary judgment on the complaint filed by Ken Castner over the gas SAD took place several weeks ago. The judge requested additional information which has been provided by the parties.
6. Drill Rigs: The City has been approached by Buccaneer and by Furie, owner of a different drilling rig operating in the Inlet, about using the Deep Water Dock in future years if necessary. We understand that Buccaneer intends to be drilling all winter this year but wants to know if the dock is available if repairs or maintenance are necessary. It is not clear at this time exactly what Furie’s plans may be. I bring this to your attention so that if Council has any concerns about rigs mooring at the dock, it can let us know. We know that this is an issue of great interest in the community. The administration has taken the position that as long as there are no environmental, health, safety or other concerns that would justify denying access, the City is open for commerce. That is our position unless we hear different from Council. Several weeks ago we received a copy of the report prepared by URS Alaska LLC entitled Endeavor-Spirit of Independence - Final Benthic Survey Report for Buccaneer Alaska Operations, LLC. The report was requested by both Fish and Game and the City to look at the impacts to the sea bottom, to other mooring vessels, and to habitat as a result of the rig “soft pinning” its legs at the dock. Both pre-departure and post-departure surveys were conducted. The report concluded that the disturbance to the seafloor should have no effect on other vessels attempting to moor, that the remaining depressions would filling in quickly, and “no long term effects to the benthic habitat or fauna would be expected from this transitory disturbance.”
7. Adopt-A-Park: The Parks and Recreation Advisory Commission has designated August 17 as Parks Day. One of the things they want to do is highlight the Adopt-A-Park Program which was established by the Council several years ago. In particular, they want to thank the Kachemak Bay Rotary Club for all of the work it has done, and intends to do at Ben Walters Park. This work includes, but is not limited to, scraping and painting the bathrooms, purchase and installation of a bench near the floating docks, regular litter pick-up, donations of flowers, potting soil, flower barrels, repairing and replace the posts

along the driveway, and drainage work and rehabbing the trail to the docks. The Rotary Club deserves recognition and thanks for adopting this park and putting so many of its time and resources into making improvements there.

8. Economic Studies Underway: Northern Economics is hard at work looking at the economic impacts associated with the Drilling Rig being moored at the Deep Water Dock this past winter. They are also conducting the port and harbor rate study. We have been providing input and information to them and getting regular progress reports. Please let us know if you would like a verbal update.
9. Gas Lines: So far, things appear to be going pretty well with the gas lines. According to Enstar, they are still on schedule to have the Hospital and the High connected to gas by the end of July. I believe the contractors are doing a terrific job and so far, we have not experienced the disruption and traffic and property impacts that were anticipated.
10. Governor's Picnic: Plans and preparations for the Governor's Picnic are moving along rapidly. Fund raising for the picnic has been very successful and the overall plan sounds very good. Katie can give you a full update at the meeting if you wish. Updates can also be provided on the other associated events that day like the ribbon cutting ceremony at the hospital and the project tours and meetings with Commissioners.
11. Airport Terminal Revenues: We are experiencing a significant decline in revenues at the airport terminal which makes that facility less self supporting than we would like it to be. During the past year, the number of rental car concessions has been reduced from 3 to 1. As you know, Grant Aviation has departed and Fed Ex recently confirmed that it intends to move to a larger space at a nearby hanger when its lease expires next month. We will be working to attract new businesses where possible.
12. Strategic Plan: It looks like Saturday, August 17 has been selected as the day for strategic planning. I believe the Mayor intends for this workshop to be narrowly focused upon the CIP List. Julie from planning has agreed to facilitate the meeting so that I am free to participate directly. I expect that we will meet with the Mayor soon to discuss an agenda and develop a plan for using the time productively.
13. CIP Schedule: The Council recently approved a schedule for adopting the next CIP List. The schedule contains a work session on August 12 to review proposed projects. Subsequent to that, the Council scheduled an all day planning session on the CIP List for August 17. This might seem to make the August 12 workshop either premature or unnecessary. We gave some thought to recommending cancelling it. However, we now think it should remain. That time could be used to familiarize Council with the projects that have been completed, the ones underway, and the new ones proposed. It would be good background information to have going into the planning session on the 17th, which will be more likely focused upon the process of developing a CIP list. Lets us know if you disagree.

ATTACHMENTS

1. July Employee Anniversaries
2. Letter to DOT/PF re: Tree Cutting and end of runway
3. Capital Project Status Report



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 x2222

(f) 907-235-3148

Memorandum

TO: MAYOR WYTHE AND CITY COUNCIL
FROM: Walt Wrede
DATE: July 17, 2013
SUBJECT: July Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Joanne Perret,	Finance	24	Years
John Wythe,	Public Works	22	Years
Lori Sorrows,	Finance	14	Years
Brian McCarthy,	Port & Harbor	14	Years
Dan Olsen,	Public Works	12	Years
Julie Engebretsen,	Planning	11	Years
Ed Stading,	Police	8	Years
Julie Swisher,	Finance	5	Years
Dave Welty,	Public Works	5	Years
Rick Abboud,	Planning	5	Years
Jacob Tesch,	Public Works	2	Years
David Bernard,	Library	2	Years
Jayne Probst,	Police	1	Year



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July 8, 2013

Mr. Kevin Jones
Airport Manager
2336 Kachemak Drive
Homer, AK. 99603

SUBJECT: Authorization to Remove Trees on City Land Adjacent to Airport

Dear Mr. Jones:

I am writing in response to DOT/PF's request for permission to remove trees on City owned land adjacent to the airport. The City has completed its review of your request and concluded that this work, as proposed, is in the best interest of the community and the airport. Therefore, please consider this correspondence to be a permit and authorization to remove trees from City property that interfere with, or will within the next ten years interfere with, the western approach glide slope of the Homer Airport runway. The authorized cutting area is depicted on the attached map.

The City understands that without this work, the FAA has mandated that no aircraft will be allowed to use this approach after dark. Removal of these trees is a life and safety issue that potentially affects the entire community. The City understands further, that the trees will be removed under the supervision of Forest Service crews as part of a training exercise and that the cutting of trees will be conducted by hand. Underbrush will be left undisturbed, stumps will remain in place, and as little disturbance of the surface vegetative mat as possible will occur. To minimize disturbance and the potential for erosion, fallen trees will not be removed.

Permission to proceed is granted with the following conditions and stipulations:

1. The work will take place using the procedures described above.
2. Trees that fall across the existing trail located at the bottom of the slope shall be cut so that they are at least 10 feet from the trail.
3. DOT/PF is responsible for any state or federal regulatory or environmental permits that might be applicable (to protect critical habitat, wetlands, etc.)
4. The public shall be given notice of firewood cutting opportunities if that can be reasonably accommodated.

The City appreciates DOT/PF's concern about safety at the airport. Coincidentally, that very section of Kachemak Drive, adjacent to the hill, is probably one of the most dangerous stretches of road in Homer for pedestrians and bicyclists. A separated bike path, on either side of the road, in that location, would greatly enhance public safety. The City would appreciate the opportunity to discuss that further with you or the appropriate person in the Department.

Thanks for your time and consideration.

Sincerely,

CITY OF HOMER

Walt Wrede

City Manager

STATUS REPORT - CAPITAL PROJECTS

City of Homer - Public Works Department - July 2013

The following projects have been completed this year or are under construction:

Homer Natural Gas Trunk Line Extension – The gas trunk line from Anchor Point through Homer is more than 50% complete. The trunk line is expected to be complete this year.

Homer Natural Gas Main Extensions – The first year’s construction of the gas mains in the “core” area has begun. The work is progressing generally from west to east, with service lines being install as mains are being completed. All core area gas main are expected to be complete this year.

City Building Conversions to Natural Gas – Cost estimates and funding has been established by the City Council to convert key City facilities that will have access to natural gas this year. These facilities include the sewer treatment plant, public works, animal shelter, library, city hall, and airport terminal. Conversion should be completed this winter.

Deep Water Dock Fender Replacement – New heavy-duty fenders and floating camels were installed on the face of the Deep Water Dock by Jay-Brant General Contractors. This work is funded by cruise ship passenger head tax revenues.



Downtown Restrooms – Foundation work has begun on the restroom at the intersection of Pioneer Avenue and Bartlett Street. Construction on the restroom planned for WKFL Park will begin in the next few weeks. This work is funded by cruise ship passenger head tax revenues. The work is being completed by Steiner’s North Star Construction.

Spit Restrooms – The restroom at the approach to the Deep Water Dock has begun with the foundation and utility services complete. This facility will also include a guard shack and a shelter for cruise ship passengers. The foundation for a second restroom at the End of the Road Park is also underway. This work is funded by cruise ship passenger head tax revenues. The work is being completed by Steiner’s North Star Construction.



DWD Trail/Cruise Ship Bus Staging Area – The construction contract for this project has been awarded to North Star Paving and Construction. Work will start after Labor Day to minimize impacts to summer activities on the Spit. The Staging area will be paved this summer, with the trail being completed early next summer. This work is funded by cruise ship passenger head tax revenues.

Spit Trail Extension – The construction contract for this project has also been awarded to North Star Paving and Construction. Work will start after Labor Day to minimize impacts to summer activities on the Spit. The paving of the End of the Road Park parking improvements will be completed this summer, with the trail being completed early next summer. This work is funded by cruise ship passenger head tax revenues provided through ADOT.

Spit Trail Boardwalk Replacement Project – The construction contract for this project has been awarded to Puffin Electric. Work will start after Labor Day to minimize impacts to summer activities on the Spit. The improvements will be completed this summer. This work is funded by cruise ship passenger head tax revenues provided through ADOT.

STATUS REPORT - CAPITAL PROJECTS

Harbor Entrance Shore Protection Improvements – Bids for the construction of this project will be opened this month. Work will start after Labor Day to minimize impacts to summer activities on the Spit. This shore protection will solve shore erosion problem and allow for the Coal Point Trail to be constructed (providing access from the proposed Spit Trail to Coal Point Park. This work is funded by cruise ship passenger head tax revenues provided through ADOT.



City Beautification Project – The Parks and Recreation Department has again provided thousands of plants for City flower beds and local business barrels and planting areas. The crews at Parks and Recreation will also be planting 200 peony bushes around town - donated by a local commercial grower. Weeding and watering of these beds will continue throughout the summer.

2013 Street Repaving Project – Due to very wet weather at the end of the 2012 construction season, this project was postponed until this year. Various local streets were repaved, including portions of Soundview, Fish Dock Road, Ice Dock Road, Smokey Bay Way, Klondike Avenue, W. Fairview, town Heights Lane, Greatland Street, and FAA Drive.

Karen Hornaday Park Picnic Shelter Improvement – The last item of Phase I of the Karen Hornaday Park Improvements is the construction of a new picnic shelter. With the Help of the Karen Hornaday Park Committee, Public Works is bidding the construction of this facility. The shelter will be constructed after Labor Day.

Beluga Slough Trail Improvement – This project was constructed in 2012, the only remaining work is to install interpretive signing. The U.S. Fish and Wildlife Service is assisting in the design this signage and they should be installed before the end of the summer.



Small Boat Harbor System 5 Electrical Improvements – This project will be constructed this Fall. The project is funded 50% by State grant; 50% by City bond proceeds. The work will provide improved water and electrical service to the large commercial vessels that moor at this facility.

Small Boat Harbor Float Replacement – This project will be constructed next year. Design is almost complete; bidding will be initiated in August. The project is funded 50% by State grant; 50% by City bond proceeds. The work will provide improved floats in the Small Boat Harbor, including A, J, R, and S float replacement; and utility improvements.

Small Boat Harbor Ramp 3 Replacement – This project will be constructed next year. Design is almost complete; bidding will be initiated in August. The project is funded 50% by State grant; 50% by City bond proceeds. The work will consist of the removal of the existing approach trestle and ramp and construction of a new shorted trestle and longer covered ramp.

Crittenden Road/Waddell Street Paving Project – This project was approved by a majority of benefiting property owners. The work consists of improving road and drainage to Urban road standards. The project is funded by property owner assessments and contributions from the Homer Accelerated Road and Trail Program (HART)

STATUS REPORT - CAPITAL PROJECTS

Redwood Tank Demolition – Although the identification of asbestos in the roof of this facility has complicated its removal, this 40 year old wood tank is scheduled for demolition this year.

Sewer Treatment Plant Headworks Intake Screen Replacement – The original treatment plant headworks (screening and solids removal at the beginning of the sewer treatment process) is being upgraded to facilitate better treatment.

Library Vestibule Improvements – Improvements have been made to the library vestibule to reduce noise and increase energy efficiency at the library. The improvements included sealing the partition between the hallway and the arctic entry and creating soffits over the beams that extended through the partition.



The following projects are in the process of being designed:

- New Water Storage Tank
- Shellfish Water Main Extension
- Kachemak Drive (Phase III) Water Main Extension
- Homer Spit Cast Iron Water Main Replacement

The design of the following projects is anticipated to begin soon:

- New Harbormaster's Office Building
- New Satellite Fire Station at the Water Treatment Plant
- Feasibility Study – Deep Water Dock Expansion
- Homer Spit Barge Haul Out Facility
- Chip Pad Runoff Water Quality Improvements
- Old Town Pedestrian Improvements



City of Homer

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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: JULY 17, 2013

SUBJECT: BID REPORT

REQUEST FOR PROPOSALS FOR THE OPERATION AND MANAGEMENT OF THE HOMER ANIMAL SHELTER- Sealed proposals for Operation and Management of the Homer Animal Shelter will be received at the Office of the City Clerk, City Hall, City of Homer, 491 E. Pioneer Avenue, Homer, Alaska 99603, until 5:00 p.m., August 22, 2013. The time of receipt will be determined by the City Clerk's time stamp. Proposals received after the time fixed for the receipt shall not be considered.



City of Homer

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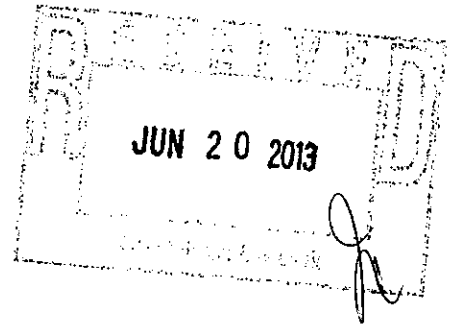
MEMORANDUM

TO: MAYOR WYTHE AND CITY COUNCIL
FROM: JO JOHNSON, CITY CLERK
DATE: JULY 16, 2013
SUBJECT: GAMES REPORT

The Alaska Marine Conservation Council (AMCC) obtained a Gaming Permit from the Alaska Department of Revenue. AMCC plans to hold a cash raffle this fall.

RECOMMENDATION:

Informational only.



June 18, 2013

City Clerk's Office
491 East Pioneer Avenue
Homer, AK 99603

To Whom It May Concern:

This letter is to inform you that the Alaska Marine Conservation Council (AMCC) is holding a cash raffle this fall with the drawing to be held Friday, November 1st in Homer, AK.

Enclosed please find two copies of AMCC's 2013 Gaming Permit for your files as required by State regulations. We will be selling tickets from our main office in Anchorage, as well as distributing tickets to our board members throughout the state who will sell tickets in their home communities including Homer.

Please do not hesitate to contact me at (907) 277-5357 should you have any questions.

Thank you.

Sincerely,

Samantha Baker
Communications & Outreach
sam@akmarine.org
Alaska Marine Conservation Council
PO Box 101145, Anchorage, AK 99510

Enclosures:
Copy of gaming permit

This permit must be posted in a conspicuous place at the location of the authorized activity.

ALASKA MARINE CONSERVATION COUNCIL
PO BOX 101145
ANCHORAGE AK 99510-1145

ALASKA DEPARTMENT OF REVENUE

Charitable Gaming Permit

Location Authorized: May. 8, 2013 through Dec. 31, 2013

Permit No
1820

Permittee

Alaska Marine Conservation Council
PO Box 101145
Anchorage AK 99510-1145

Authorized Games of Chance and Skill

Raffle or Lottery Effective 05/08/2013

Self-Directed Location:

ID#: 19493

Homer
Homer AK 99603

This qualified organization or municipality is authorized to conduct the listed games of chance and skill for the permit year. Gaming activities of this permittee must be conducted in accordance with AS 05.15. and 15 AAC 160. This permit is not transferable or assignable.

Jeff M Prather, Gaming Supervisor **05/08/2013**

Issued By

Issue Date

Caution: This does not permit you to do business in Alaska without complying with other State or US Laws.

This permit must be posted in a conspicuous place at the location of the authorized activity.

ALASKA MARINE CONSERVATION COUNCIL
PO BOX 101145
ANCHORAGE AK 99510-1145

ALASKA DEPARTMENT OF REVENUE

Charitable Gaming Permit

Location Authorized: May. 8, 2013 through Dec. 31, 2013

Permit No
1820

Permittee
Alaska Marine Conservation Council
PO Box 101145
Anchorage AK 99510-1145

Authorized Games of Chance and Skill
Raffle or Lottery Effective 05/08/2013

Self-Directed Location: **ID#: 19493**
Homer
Homer AK 99603

This qualified organization or municipality is authorized to conduct the listed games of chance and skill for the permit year. Gaming activities of this permittee must be conducted in accordance with AS 05.15. and 15 AAC 160. This permit is not transferable or assignable.

Jeff M Prather, Gaming Supervisor **05/08/2013**

Caution: This does not permit you to do business in Alaska without complying with other State or US Laws.

Issued By

Issue Date

CITY ATTORNEY REPORT

MEMORANDUM

TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: THOMAS F. KLINKNER

RE: CITY ATTORNEY REPORT FOR JUNE 2013

CLIENT: CITY OF HOMER

FILE NO.: 506,742.18

DATE: JULY 10, 2013

The following summarizes our activities as City Attorney during the month of June 2013.

City Council. Holly Wells attended the June 10, 2013 City Council meeting.

City Clerk. I advised the Permanent Fund Committee regarding errors in the allocation of amounts to Permanent Fund accounts, and drafted code amendments regarding the operation of the Permanent Fund. I drafted an opinion regarding a potential conflict of interest of Council member Burgess.

City Manager. I researched and drafted an opinion regarding testimony by a City official on a matter in which the official has a conflict of interest. We advised the City HR Director on two employee discipline matters.

Castner v. City of Homer. I attended oral argument on the parties' motions for summary judgment, and submitted supplemental briefing to the court on issues that the plaintiff raised for the first time at oral argument.

City of Homer v. Kennedy. We continued to work on a settlement agreement for this zoning enforcement action.

City of Homer v. Shadle. Holly Wells completed trial preparation in this zoning enforcement action, in the event that Mr. Shadle does not voluntarily correct the zoning violations on his property.

Planning Department. Holly Wells advised the Planning Commission regarding an application for conditional use for a heliport.

Police Department. We negotiated a resolution of a dispute regarding the Police Department's return of a laptop computer that was seized as evidence.

Harbor Revenue Bonds. I prepared for and attended the closing of this transaction in Seattle on June 19.

The Auction Block Company v. City of Homer. Holly Wells worked on the City's response to The Auction Block's exceptions to the Administrative Law Judge's decision in favor of the City.

I will be available to answer questions regarding these matters at the July 22, 2013 Council meeting.

cc: Walt Wrede
Jo Johnson

COMMITTEE REPORTS

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

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

3 City Clerk/
4 Public Works Director

5 **RESOLUTION 13-082**

6
7 A RESOLUTION OF THE HOMER CITY COUNCIL
8 AWARDED THE CONTRACT FOR THE HOMER SMALL
9 BOAT HARBOR SYSTEM 5 ELECTRICAL IMPROVEMENTS
10 TO THE LOWEST RESPONSIBLE BIDDER IN THE
11 AMOUNT OF THE LOW BID AND AUTHORIZING THE CITY
12 MANAGER TO EXECUTE THE APPROPRIATE
13 DOCUMENTS.

14
15 WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
16 advertised in the Homer News on July 13 and 20, 2013, the Peninsula Clarion on July 16, 2013,
17 sent to two in-state plans rooms, and posted on the Clerk's home page; and

18
19 WHEREAS, Bids were due on July 18, 2013 and _____ bids were received; and

20
21 WHEREAS, Bids were opened and the firm of _____ of
22 _____, _____, was determined to be the low responsive bidder
23 and found to be qualified to complete the work; and

24
25 WHEREAS, This award is not final until written notification is received by the firm from
26 the City of Homer.

27
28 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska,
29 approves the contract award for the Homer Small Boat Harbor System 5 Electrical
30 Improvements Project to the firm of _____ of _____,
31 _____, in the amount of \$_____ and authorizes the City Manager to
32 execute the appropriate documents.

33
34 PASSED AND ADOPTED by the Homer City Council this 22nd day of July, 2013.

35
36 CITY OF HOMER

37
38
39 _____
40 MARY E. WYTHER, MAYOR

41
42 ATTEST:

43
44
45 _____
46 JO JOHNSON, CMC, CITY CLERK

47
48 Fiscal Note: Homer Small Boat Harbor System 5 Electrical Improvements Project Acct. No.
49 415-920 (GLA#2).

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

3
4 City Clerk/
Public Works Director

5 **RESOLUTION 13-083**

6
7 A RESOLUTION OF THE HOMER CITY COUNCIL
8 AWARDED THE CONTRACT FOR THE HOMER SPIT
9 TRAIL SHORE PROTECTION PROJECT TO THE LOWEST
10 RESPONSIBLE BIDDER IN THE AMOUNT OF THE LOW BID
11 AND AUTHORIZING THE CITY MANAGER TO EXECUTE
12 THE APPROPRIATE DOCUMENTS.

13
14 WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
15 advertised in the Homer Tribune on July 3 and 10, 2013, sent to two in-state plans rooms, and
16 posted on the Clerk's home page; and

17
18 WHEREAS, Bids were due on July 18, 2013 and _____ bids were received; and

19
20 WHEREAS, Bids were opened and the firm of _____ of
21 _____, _____, was determined to be the low responsive bidder
22 and found to be qualified to complete the work; and

23
24 WHEREAS, This award is not final until written notification is received by the firm from
25 the City of Homer.

26
27 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska,
28 approves the contract award for the Homer Spit Trail Shore Protection Project to the firm of
29 _____ of _____, _____, in the amount of
30 \$ _____ and authorizes the City Manager to execute the appropriate documents.

31
32 PASSED AND ADOPTED by the Homer City Council this 22nd day of July, 2013.

33
34 CITY OF HOMER

35
36
37 _____
38 MARY E. WYTHER, MAYOR

39
40 ATTEST:

41
42
43 _____
44 JO JOHNSON, CMC, CITY CLERK

45
46 Fiscal Note: Homer Spit Trail Shore Protection Project Acct. No. 151-792.



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

MEMORANDUM 13-105

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: July 16, 2013
SUBJECT: **Sewer Manhole Repair/Erosion Protection
Construction Contract Award Recommendation**

Last winter, a sewer manhole near a creek became the source of serious inflow which caused the flooding of four homes and damaged the sewer treatment plant. The cause of this problem was the frost heaving of the upper manhole sections combined with high creek flows that eroded the bank, exposing the manhole to creek water. Cold early winter temperatures (with no snow cover) created deep frost penetration and unusually high frost heave potential in Homer last winter. Warm temperatures, rain and snow melt created unusually high creek flows in late December. Public Works has developed a plan to repair the manhole and prevent this unusual circumstance from happening again.

The repair consists of exposing the manhole's exterior, wrapping the exterior with a waterproof membrane, and providing a riprap slope between the creek and the manhole. This will minimize the potential for the manhole sections to frost jack (creating a smooth outer surface), making the manhole water-tight, and prevent future flood events to erode the bank and expose the manhole to creek flow.

This work is planned to be completed in August when creek flows are low. The culvert that was placed in the creek by Public Works crews to divert flows past the manhole during the event will be removed. A Corps of Engineer's permit will be required to work in and adjacent to the creek. Public Works is in the process of competitively bidding this repair work (in accordance with the City's Procurement Manual).

The City Council has previously authorized funds from the Sewer Reserve account for the repair of flood damage resulting from the event and for implementing mitigation measures (Ordinance 13-08) Fiscal Note: 256-379. If the cost of this work exceeds the previously authorized budget, additional City Council authorization will be acquired during the mid-year budget adjustment.

RECOMMENDATION: The City Council pass a resolution awarding the Meadow-Wood Place Subdivision Sanitary Sewer Manhole Repair Project to the low bidder in the amount of the low bid and authorized the City Manager to execute the appropriate documents.

Fiscal Note: 256-379 (Sewer Reserve Fund)

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**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 13-08

AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
ALASKA, AMENDING THE 2013 OPERATING BUDGET BY
APPROPRIATING UP TO \$110,000 FROM THE SEWER
RESERVE FUND FOR THE REPAIR OF FLOOD DAMAGE AT
THE WASTEWATER TREATMENT PLANT AND
IMPLEMENTING MITIGATION MEASURES.

WHEREAS, The wastewater treatment plant was damaged by an unprecedented flooding event on January 13, 2013 (see Memorandum 13-039); and

WHEREAS, The cost to repair the damage is expected to exceed \$100,000; and

WHEREAS, The City's insurance policy is expected to cover damage to the plant up to the deductible of \$100,000; and

WHEREAS, Public Works has identified improvements that will eliminate the potential for this type of event from happening again; the cost is expected to be no more than \$10,000 (see Memorandum 13-039).

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The FY 2013 Operating Budget is hereby amended by appropriating not more than \$100,000 from the Sewer Reserve fund for the repair of flood damage at the wastewater treatment plant (WWTP) that occurred on January 13, 2013.

Section 2. The FY 2013 Operating Budget is hereby amended by appropriating not more than \$10,000 from the Sewer Reserve fund for installation of improvements to eliminate future flood events similar that which occurred on January 13, 2013.

Expenditure:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
256-379 (Sewer Reserve Fund)	WWTP Flood Damage Repair	\$100,000
256-379 (Sewer Reserve Fund)	WWTP Flood Mitigation	\$ 10,000

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

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 8th day of April, 2013.

CITY OF HOMER

Mary E. Wythe
MARY E. WYTHE, MAYOR

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ATTEST:

Melissa Jacobson Acting City Clerk
JO JOHNSON, OMC, CITY CLERK

YES: 6
NO: 0
ABSTAIN: 0
ABSENT: 0

First Reading: 3/26/13
Public Hearing: 4/8/13
Second Reading: 4/8/13
Effective Date: 4/9/13

Reviewed and approved as to form:

Walt E. Wrede
Walt E. Wrede, City Manager

Date: 4/10/13

Thomas F. Klinkner, City Attorney

Date: _____

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

