

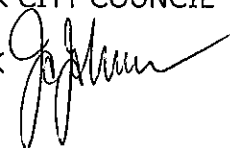
# Office of the City Clerk

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



491 E. Pioneer Avenue  
Homer, Alaska 99603  
(907) 235-3130  
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## **M E M O R A N D U M – AGENDA CHANGES/SUPPLEMENTAL PACKET**

TO: MAYOR HORNADAY AND HOMER CITY COUNCIL  
FROM: JO JOHNSON, CMC, CITY CLERK   
DATE: MARCH 27, 2012  
SUBJECT: AGENDA CHANGES AND SUPPLEMENTAL PACKET

### **VISITORS**

**Representative Seaton**, Legislative Update, 10 minutes (will Skype)

### **ORDINANCES**

**Ordinance 12-16**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2012 Operating Budget by Appropriating and Transferring \$86,000 from the General Fund Balance to the Utility Fund, Water Operating Account, and Appropriating and Transferring \$86,000 from the General Fund Balance to the Utility Fund, Sewer Operating Account, to Compensate for the Reduction of Water and Sewer Customer Charges by Resolution 12-025. Mayor.

Written public comment

Page 1

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

Kachemak City written comments on natural gas pipeline

Page 15

Memorandum from Employee Committee, re: Worksession on Employee Health Benefits

Page 19

Letter from employee, re: Artwork within City Hall

Page 20

Memorandum from Personnel Director, re: Kenai Peninsula Borough Health Care Meetings

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**PENDING BUSINESS**

**Ordinance 12-01(S)(A)**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 21.60.040, Definitions; Homer City Code 21.60.060, Signs Allowed on Private Property With and Without Permits; Homer City Code 21.60.070, Permits Required; Homer City Code 21.60.080 Design, Construction, and Maintenance; Homer City Code 21.60.090, Signs in the Public Right-Of-Way; **Homer City Code 21.60.095, Electoral Signs**; Homer City Code 21.60.100, Signs Exempt from Regulation Under this Chapter; Homer City Code 21.60.110 Signs Prohibited Under this Chapter; Homer City Code 21.60.130, Temporary Signs-Private Property; Homer City Code 21.60.150, Time of Compliance-Nonconforming Signs and Signs Without Permits; and Homer City Code 21.60.170, Enforcement and Remedies; and ~~Repealing Homer City Code 21.60.095, Electoral Signs~~; Homer City Code 21.60.120, General Permit Procedures; Homer City Code 21.60.140, Temporary Signs-Public Rights-Of-Way; and Homer City Code 21.60.160, Violations; Regarding the Regulation of Signs. Planning/City Attorney.

HAPC minutes of March 7, 2012 as backup

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Attorney Klinkner comments on Ordinance 12-01(S)(A)

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**RECOMMENDATION:**

Voice consensus to changes under Agenda Approval.

Fiscal Note: N/A



**Jo Johnson**

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**From:** Larry Slone [renots11@yahoo.com]  
**Sent:** Wednesday, March 21, 2012 8:31 PM  
**To:** Department Clerk  
**Subject:** sewer water rate changes, Mar 27th

please put in Mar 27th Council packet, if possible

To: Mayor  
Homer City Councilmembers  
City Manager

From: Larry Slone, city resident

Ref: March 27th Regular Council Meeting  
Changing City sewer and water rates - Special Revenue Fund

Ordinance 11-94S (the recent implementation of water/sewer rates for multiplex users) is exacerbating an already flawed rate structure. It provides no real significant additional revenue that I can discern, but does shift an additional cost burden upon low-end consumers of city water.

I suggest that, for the interum, ordinance 11-94S be rescinded and rates be reset to the previous schedule. While also not entirely fair to low-end consumers, at least under that rate-regime the mid-range water consumers were paying close to their "fairshare".

The previous rate schedule has, and should, fund the budget and preclude the need to shift funds, specifically the \$172,000 per proposed Ordinance 12-16, from the general reserve into the Special Revenue Fund.

By "fairshare" I mean a set price for each gallon of metered water consumed by a particular use. A user would pay proportionally for what they use, no more no less. The rate per gallon would be set to a rate, about .0285 per gallon of water, that would fund the entire water/sewer (Special Revenue Fund) budget for 3.4 million for fy 2012.

But "fairshare" is for possible future consideration.

Also attached, for context, iare portions of a copy of my recent article sent to Homer News:

Letter to Homer News

I keep saying that I'll pay my fair share, but there's a limit to my patience and

gullibility. Reviewing recent bills tells me that my tri-plex's water and sewer costs, before taxes, have been 150% higher (\$175 vs. \$ 72) than what I think is my fairshare.

By "fairshare" I mean proportional cost for water; you pay for what you use. Notwithstanding the city council's recent honest but futile effort to balance the water and sewer budget, the rate structure is essentially a shell game where costs over the years have apparently been shifted back and forth within the various user groups.

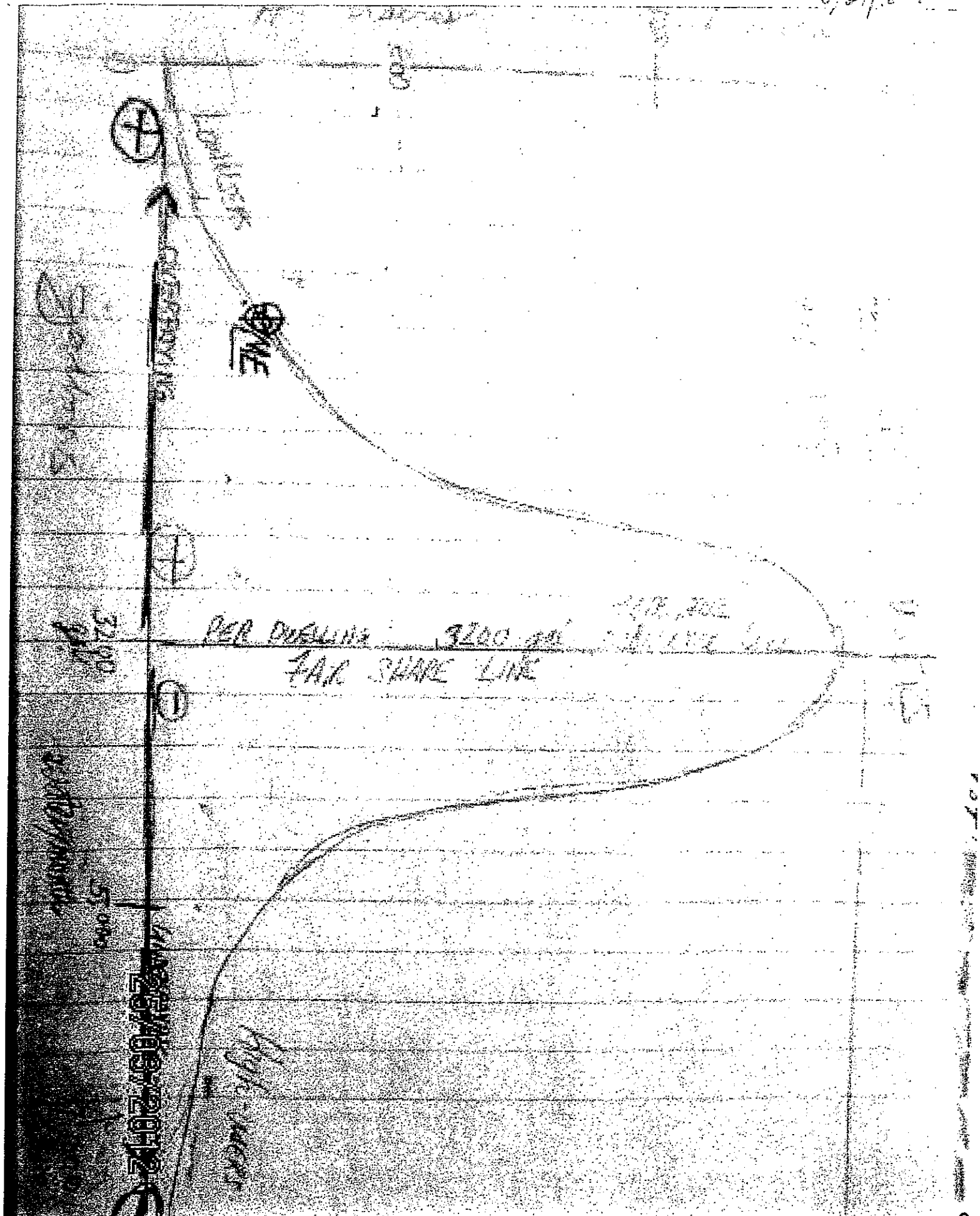
Who's the bad guy in this scenario? Certainly for single-family residences its the \$45 monthly sewer and water charge. This cost is a game-changer, depending on which side of the teeter-totter you're on. It's such a high percentage of the cost of low volume water-users that it easily skews, sometimes radically, their fairshare. This fixed cost is one of the ghosts in the machine, the unseen chains clanking in the misty background that raise your hackles in the dark of night, as it has raised mine

So, imagine this tetter-totter being ridden by the meter-users. Riding the center balance point, not subject to any motion, is the "average" user, using about 3,200 gallons per month. For this user water and sewer consumption is balanced out by his actual rate costs. But the average user is a bookkeeping fiction because virtually everyone else is in motion, alternating, over time, between high and low to maintain equality. Currently, due to the \$45 "bad guy" effect the people on one side of the tetter-totter, the high-enders - those using excessive quantities of water per meter, are riding high. Thats because their end is sparsely populated, the other residents having slid to the low-end. On that low end, jam-packed together and stuck to the ground screaming in frustration, is the mass of users who consume little water. Since all users must play the game the only way for the low-enders to rise is to empty their pockets of money by throwing it at the high-enders as a subsidy. Thus the high-enders get most of the water yet pay, proportionally, the least.

For the detail oriented here are some numbers ( all calculations are mine and exclude 7.5% city tax): Calculate your fairshare by simply multiplying your monthly water use by .0285. This includes sewer. Example: A single-family residence (2/3's of all meter users) using 1,000 gallons/month, your fairshare -  $1,000 \times .0285$  - is about \$28 vs. \$60 now. Use less, pay less; use more, pay more.

Now, consider a high-ender 4-plex extreme user, each unit averaging, in 2010, an incredible 24,000 gallons/month! Each apartment, previously incurring a \$588/month cost at the commercial rate, now, under the current regime, ordinance 11-94S, pays only \$390. But under fairshare it should be paying \$660 a month per apartment. In either case, commercial or 94S, it's being heavily subsidized by low-enders.

May 1970  
3/27/0 R



ST

# RESIDUAL WATER RATS

-1020 units

Residual 1020  
1020 - 1020 = 0

23.1 mm/yr

RAIL

2000 units

+

1

+

1

2500 units

1020

1020

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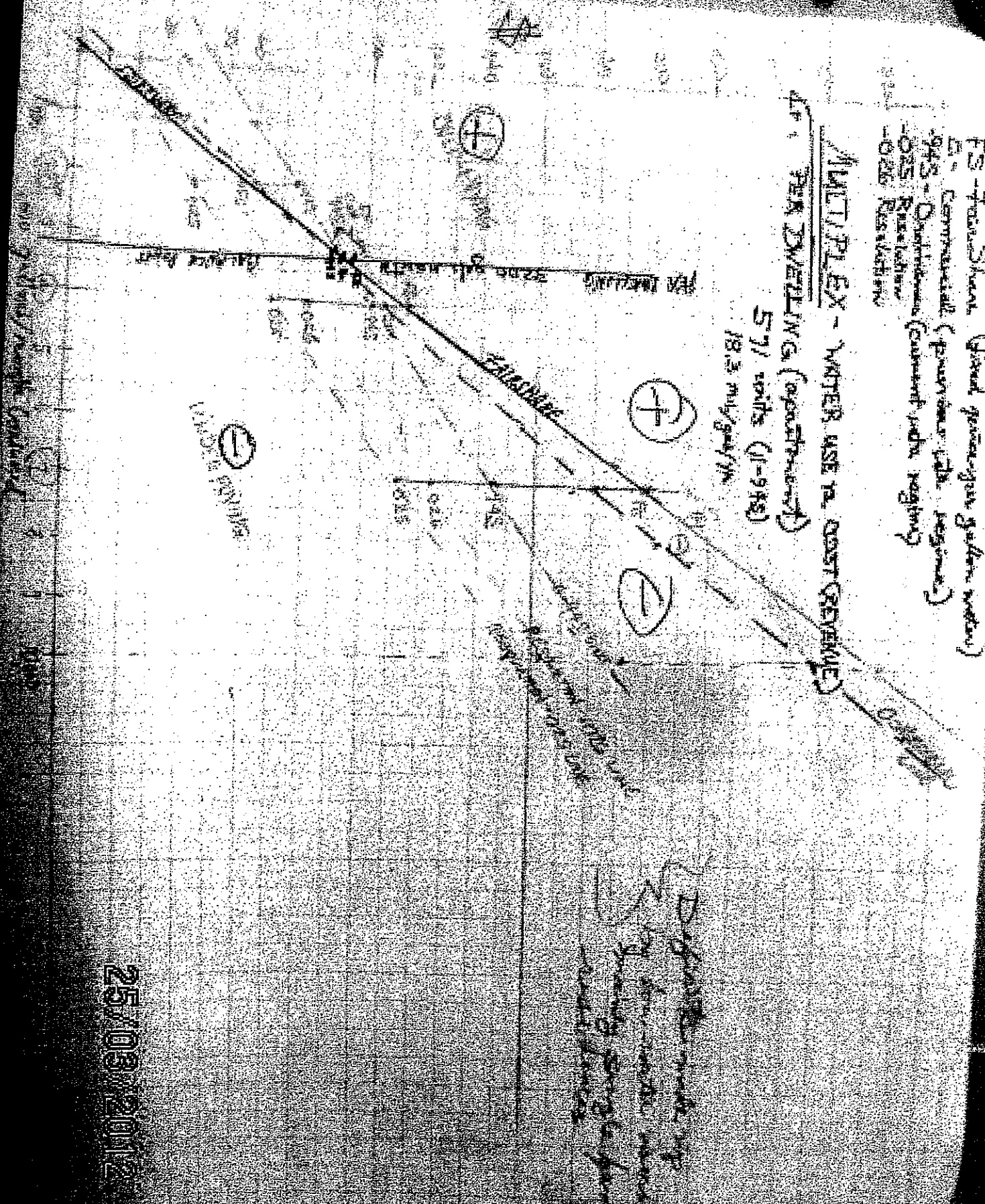
FS - Fair Share (Good price-per gallon water)  
 E - Commercial (powerhouse etc. regime)  
 -945 - Daphnia (current water regime)  
 -025 - Reservoir  
 -026 - Reservoir

MULTI PLEX - WATER USE & COST (REVENUE)

47 - PER DWELLING (apartment)

571 units (1-945)

18.3 mly/gal/yr



25/03/2012

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25/03/2012

PREVIOUS RATES

(2010 - REFERENCE YEAR)

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10000 x 1.5 = 15000  
10000 x 1.2 = 12000  
10000 x 1.1 = 11000  
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10000 x 0.9 = 9000  
10000 x 0.8 = 8000  
10000 x 0.7 = 7000  
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10000 x 0.5 = 5000  
10000 x 0.4 = 4000  
10000 x 0.3 = 3000  
10000 x 0.2 = 2000  
10000 x 0.1 = 1000  
10000 x 0.0 = 0

254

120 - 900

1033

1000

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11062

25/03/2012

White

945 3.53

White

$$10 \times 1591 \times 25 \times 12 = 4776$$

$$10 \times 1591 \times 20 \times 12 = 3912$$

$$10 \times 1591 \times 25 \times 12 = 4776$$

$$104 \times 104 \times 12 = 1248$$

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51720

25.03.2012



Principal Agency Revenue Change  
 Revised Rate to 94S Rates

MP2  
 Rate to 94S

Revenue Change Multiplier  $\frac{100}{94.3}$

$\frac{100}{94.3}$   
 $\frac{100}{94.3}$

Pre Water - CW

Pre Sewer - CS

Rate - 36K  $121 \times 25 \times 12$   
 Fee - 209K  $18 \times 11 \times 12$   
 175K

Rate - 29K  $121 \times 25 \times 12$   
 Fee - 231  $18 \times 11 \times 12$   
 260K

503K

94S Water - RW

94S Sewer - RS

Rate - 171K  $571 \times 25 \times 12$   
 Fee - 81  $18 \times 11 \times 12$   
 257K

Rate - 137K  $571 \times 25 \times 12$   
 Fee - 182  $18 \times 11 \times 12$   
 320K

316K

Total Revenue  
 94S

Water  
 Rate/Rate

Rate - 36K  $121 \times 25 \times 12$   
 Fee - 209K  $18 \times 11 \times 12$   
 175K

Rate - 29K  $121 \times 25 \times 12$   
 Fee - 231  $18 \times 11 \times 12$   
 260K

25/03/2012



March 22, 2012



Honorable Mayor and City Council

491 East Pioneer Avenue

Homer, Alaska 99603

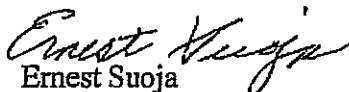
Dear Honorable Mayor and City Council:

I am writing to express my outrage with the amount that our water and sewer rates have increased. We are a non-profit 501c3 corporation providing services to our senior citizens to keep them in our community. Our senior housing and services targets low income individuals; therefore, we do not charge market rates for what we provide.

We do not receive funding from the City of Homer; whereas, many cities have senior services as part of city government or at least help fund non-profits for seniors. Most often even the Homer Foundation Grants are not in alignment with our needs. We respectfully request a non-profit senior waiver for all water and sewer charges. At the very least our entire organization should be classified residential with single service fees charged per building.

Much of our funding is restricted, therefore our agency would not be able to absorb these additional service fees and continue to offer existing services let alone expand to meet growing needs.

Please review attachments to see what we represent now and our future needs and trends.

  
Ernest Suoja

President, Homer Senior Citizens, Inc. Board of Directors



HOMER SENIOR CITIZENS PROGRAMS AND SERVICES  
3935 Svedlund St, Homer AK

45 Independent Living Apartments-235-7655

For ages 55 and older  
One and two bedroom

Congregate Meals at the Senior Center on Weekdays-235-7655

Subsidized meal program for those 60 years and older the suggested donation is \$5.00. For those under age 60 it is a \$9.00 fee.

Meals on Wheels-235-7655

For those 60 and older who are unable to prepare a meal.  
Sign up paperwork and a home visit to get started, suggested donation-\$5

Transportation Services-235-6502

Available to qualified individuals 55 years + or who are disabled and between ages 18-55. Reservations needed.

Friendship Center-235-2295

Adult day services program provides supervision and planned activities for part of a day or a full day to support the family caregiver. Includes snacks and a nutritious lunch. Transportation can be provided.

The Terrace- 235-6727

An assisted living community. One-bedroom apartments with 24 hour, 7 days a week professional staff for supportive, community housing. RN Oversight, activities, three meals a day plus snacks. Come take a tour.

Homer Senior Citizens is a community resource for all seniors and their families. We would be happy to show you our facilities and explain all our programs to help plan for your present and future needs. Life is a journey to be shared and enjoyed with others. Let us assist you.



## ACoA Senior Snapshot: Older Alaskans in 2011

Older Alaskans are a highly diverse group of individuals and while statistics do not capture their unique circumstances, information about their collective lives illustrates many of the issues of older Alaskans and their advocates.

The Alaska Commission on Aging has gathered a selection of data on older Alaskans providing a sketch of these residents and their well-being. In the ACoA Senior Snapshot: Older Alaskans in 2011, a number of data points substantiate the following observations:

- The number of seniors in Alaska continues to increase rapidly – from the 2009 projection to actual 2010 census data indicating a 6.8% increase statewide. The highest growth rate over this period was the Southcentral region which had an increase of 14.8%.
- Over the past decade, 2000 to 2010, the senior 60+ population has grown by 71.4%. Not only are baby boomers turning 60, many older Alaskans are choosing to stay in Alaska. The number of Alaskans 60 – 64 has grown to 35,938 in 2010 from 17,327 10 years ago, a 107.4% increase.
- Growing almost as fast is the 85-and-older cohort, whose members are frail, at risk for developing Alzheimer's disease and related dementias (ADRD), and are the most likely to depend on home- and community-based services, and long-term support services. The 85-and-older cohort went from a population of 2,634 in 2000 to 4,711 in 2010 representing an increase of 78.9%.
- Retired seniors as a whole contribute at least \$1.7 billion annually to Alaska's economy which includes their retirement income and home care spending. This source of income is one of the state's top economic sectors.
- The number of 65-and-older seniors receiving monthly cash supplemental payments from the Senior Benefits Program varies greatly by location from 11.2 percent in the North Slope region to 55.8 percent in the Bethel/Wade Hampton region. To qualify for this program, seniors must have incomes below the 175% of the federal poverty level for Alaska.
- The demand for affordable and accessible senior housing remains high. The Anchorage AHFC Housing voucher office their long wait list to new additions. There are currently 5,344 families on the statewide list. Some seniors continue to be on the list for many years and still have not been able to obtain the housing they need.
- The majority of Alaska Pioneer Home residents continue to require Level III care, the most advanced level of care, at 50.5 percent. This reality presents the Alaska Pioneer Homes with an on-going challenge because the mix of residents differs from the population they were originally designed to serve. However, one reason for this higher level of need is that people are entering the Homes at an advanced age with the average age of a resident on December 1, 2011 at 86.6 years old compared to 76 years old in 1998.
- The number of recipients served by the Division of Senior and Disabilities Services senior grant program continues to grow from 15,352 in FY2009, to 21,261 in FY2010, and 25,000 in FY2011. However, the cost per client per year has decreased from \$546 in FY2010 to \$491 in FY2011.

- Adult Protective Services and the Long-Term Care Ombudsman's Office are seeing a large increase in the number of senior abuse and neglect cases. Cases of senior abuse, neglect and exploitation may involve friends and family members, paid caregivers, telemarketers, and others. Reports to Adult Protective Services increased by 20% over the last fiscal year and has increased by 333% over the past six years. The Division of Senior and Disabilities Services attribute the increase in reports of harm from 2010 to 2011 to it policies requiring mandatory reporting by Home-Community-Based providers and associated education efforts.
- The number of complaints to the Long-Term Care Ombudsman increased 70% from FY2010 to FY2011. The Long-Term Care Ombudsman believes that the rise in complaints is related to diligent Department of Health and Social Services efforts for assisted living homes to submit critical incident reports (CIR) when residents are missing, injured, or deceased. The CIRs can lead to additional cases being opened when there is a concern that assisted living homes did not provide adequate supervision and care.
- Age-adjusted death rates for Alaskan seniors continue to decline for chronic lower respiratory diseases, cancer, heart disease and stroke and remain statistically lower than those of U.S. seniors as a whole. However, Alaskan seniors are more likely to die of behavioral health causes than U.S. seniors. Rates for senior suicide, other accidental deaths and drug-induced deaths continue to rise in Alaska relative to the same death rates for seniors as a whole.
- Falls continue to be the leading cause of fatal injuries of seniors ages 75 and older and the leading cause of non-fatal hospitalizations for seniors 60 and older. Between, 2005-2009, hospitals reported treating 3,356 cases of non-fatal falls, for Alaskans 65 and older, representing a 24 per cent increase in hospitalizations compared to the previous 5-year period (2000 – 2004) when 2,697 falls were reported.

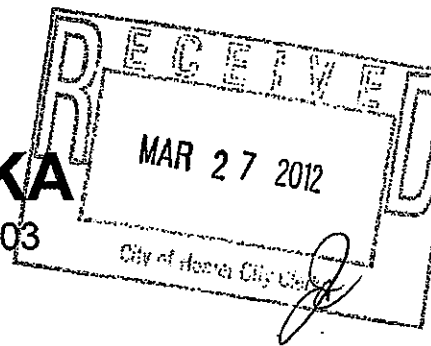
The information provided in this 2011 Senior Snapshot edition provides a glimpse of the unique Alaska senior generation and their well-being.

# KACHEMAK CITY, ALASKA

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

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

kachemak@xyz.net



March 26, 2012

Dear Homer City Council,

I am taking this opportunity to bring you up to speed on Kachemak City's progress toward the implementation of a natural gas distribution line in our joint project. At our last meeting we unanimously passed a resolution which will lead to an ordinance to form a local improvement district for natural gas distribution in Kachemak City.

After several false starts we have returned to an assessment district format where each lot will be assessed an equal amount with the ability to pay the assessment up front or over a ten year period, at the rate of about \$700. per year. We have had three public meetings where this plan was discussed with four more scheduled. So far response has been overwhelmingly favorable, even among those who personally don't plan to access the improvement. Rarely have we seen such a universally positive response and it is refreshing as a public body to have an issue so beneficial to the whole community gain overwhelming support.

In closing I would like you to consider this scenario. If I were a manufacturer of horse shoes, the best horse shoes in the State of Alaska, and I came to you as a council to ban the use of cars in the City as it would negatively affect my business, what would you say? You would undoubtedly dismiss my request out of hand. To say that this gas line proposal is anti-business when in fact it is just the opposite is absurd. A natural gas trunk line complete with a local distribution system is the single most important economic development issue our communities have faced in the 38 years I have been here.

All of us need to pull together to accomplish the goal of cleaner, affordable, reliable energy. Kachemak City is moving forward with all deliberate speed on this project. We hope we can count on you to join us this evening in giving the project your unqualified support.

Sincerely

Philemon D. Morris  
Mayor

**CITY OF KACHEMAK  
RESOLUTION 2012-01**

A RESOLUTION THE KACHEMAK CITY COUNCIL INITIATING A LOCAL IMPROVEMENT DISTRICT PROPOSAL TO PROVIDE A NATURAL GAS DISTRIBUTION SYSTEM IN THE CITY, AUTHORIZING THE CITY TO PREPARE A PROPOSED IMPROVEMENT PLAN, AND SETTING A PUBLIC HEARING ON THE IMPROVEMENT PLAN FOR JULY 11, 2012.

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WHEREAS, the City of Kachemak ("City") and others are seeking financing for the construction of a natural gas transmission line from Anchor Point to the City; and

WHEREAS, AS 29.46.010(a)(2) authorizes the City Council to initiate a proposal for an improvement in a local improvement district; and

WHEREAS, the City Council deems it necessary and in the best interest of the City and its residents to initiate a proposal for a natural gas distribution system in the City in a local improvement district, to provide natural gas utility service to properties in the City upon the completion of the natural gas transmission line; and

WHEREAS, AS 29.46.030(b) provides for the City to develop a proposed improvement plan if the City approves an improvement proposal; and

WHEREAS, AS 29.46.030(c) provides for the City Council to schedule a public hearing on the improvement plan, and to notify the record owners of property in the proposed local improvement district of the public hearing and the opportunity to object to the improvement plan.

NOW THEREFORE, BE IT RESOLVED by the City of Kachemak:

Section 1. Initiation of improvement proposal. The City Council hereby initiates a proposal for a natural gas distribution system in the City in a local improvement district, to provide natural gas utility service to properties in the City upon the completion of a natural gas transmission line from Anchor Point to the City.

Section 2. Improvement plan. The Mayor is authorized to develop an improvement plan for the improvement described in Section 1.

Section 3. Public hearing; time for objections. The City shall hold a public hearing on the improvement plan on July 11, 2012 at 7:00 pm at the Kachemak Community Center. A record owner of property in the proposed local improvement district may file a written objection to the improvement plan with the City Clerk on or before June 19, 2012. Notice of the public hearing on the improvement plan and the period during which objections may be filed shall be published once week for four

consecutive weeks in a newspaper of general circulation in the City, and mailed to each record owner of property in the proposed local improvement district. A record owner of property is a person identified as an owner of the property in the current records of the Kenai Peninsula Borough Assessor.

Section 4. Effective date. This resolution shall become effective upon passage and approval.

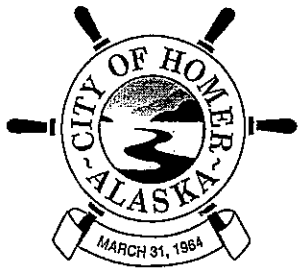
ADOPTED by the Kachemak City Council on March 14, 2012.

  
PHILEMON MORRIS, Mayor

ATTEST:

  
HELYN SCHOEPKE, City Clerk





# City of Homer

## Port / Harbor

4350 Homer Spit Road  
Homer, Alaska 99603-8005

Telephone (907) 235-3160  
Fax (907) 235-3152  
E-mail [Port@ci.homer.ak.us](mailto:Port@ci.homer.ak.us)  
Web Site <http://port.ci.homer.ak.us>

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## MEMO

**DATE:** March 23, 2012

**TO:** Walt Wrede

**CC:** Andrea Petersen, Bryan Hawkins

**FROM:** Matt Clarke

**RE:** Employee Committee

The members of the employee committee would like to thank the Homer City Council for including our participation in the special work session regarding employee health benefits, presented by Jeff Paxton, on Monday, March 19<sup>th</sup>.

Our committee meets weekly for purpose of analyzing issues relevant to employee benefits, researching ideas for improving employee health and productivity, managing costs, and planning for the future.

We welcome future opportunities to correspond with the Homer City Council.

February 4, 2012

Dear Sir/Madam,

I appreciate the service you willingly provide to the city of Homer and the time that you give of yourselves to do so.

I am writing to ask you to reconsider the recent decision of art placement by the public arts committee in the City Hall building. Homer City Hall is in essence a representation of our city and its people.

First and foremost I would like you to review the decision to place Japanese dolls and Japanese banners with unreadable Japanese writing behind the front reception desk of the Homer City Hall. I do not believe that it is an appropriate representation of our community or its residence. Additionally it could be considered offensive to some members of our community who have little understanding to the sister cities. When the public arts committee toured this area I expressed my thoughts and concerns regarding this issue and was told they would keep it in mind.

With all due respect to the public arts committee and to you I realize there was not an abundance of Homer/Alaskan art to work with. There are multiple other Alaskan pieces that are being placed throughout the Homer City Hall that could be switched out with the ones I am writing to you about.

This could also have been a great time to invite the public, as we are considered an arts town, to offer their own Alaskan pieces of art for consideration of placement.

I do wish to thank you for the ability to decorate my immediate area with my personal items!

Thank you for your consideration of my concerns, I look forward to hearing from you!

Juli Swisher

Customer Service / Cashier  
City of Homer Alaska  
Cell 299-1130  
Work 235-6794 Ext 1






**CITY OF HOMER  
CITY HALL  
PERSONNEL OFFICE**

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Homer, Alaska 99603

Telephone (907) 235-8121 ext 2225  
Fax (907) 235-3148  
E-mail [personnel@cityofhomer-ak.gov](mailto:personnel@cityofhomer-ak.gov)

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**TO:** MAYOR HORNADAY AND CITY COUNCIL  
**THRU:** Walt Wrede, City Manager  
**FROM:** Andrea Petersen, Personnel Director   
**DATE:** March 19, 2012  
**RE:** Kenai Peninsula Borough Health Care Meetings

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Last June the City of Homer began participating in discussions with the KPB, KPBSD, Central Peninsula Hospital, South Peninsula Hospital, the City of Kenai, the City of Soldotna and the City of Seward pertaining to health care costs. The goal was to identify each entity's current health care cost, and identify alternatives that may be available to reduce overall health care costs to subscribers and their employees.

On March 13, 2012 the KPB Assembly approved an ordinance appropriating \$200,000 to hire a consultant to assist the Borough in determining the best course of action to pursue, in regard to minimizing health care costs.

At a prior meeting, it was agreed that if the above mentioned ordinance successfully passed, KPB would hire a consultant to gather data from each entity in order to analyze varying health care costs. Once the data is collected and analyzed, the groups will meet again in order to explore viable options for achieving reduction in health care costs.

**Enc:** Kenai Peninsula Borough Ordinance 2011-19-70  
Memorandum dated February 2, 2012 from Mayor Navarre

Introduced by:	Mayor
Date:	02/14/12
Hearing:	03/13/12
Action:	Enacted
Vote:	8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2011-19-70**

**AN ORDINANCE APPROPRIATING \$200,000 TO HIRE A CONSULTANT TO ASSIST  
THE BOROUGH IN DETERMINING THE COURSE OF ACTION TO PURSUE  
REGARDING CURTAILING HEALTH CARE COSTS**

- WHEREAS,** beginning in June, 2011 the borough administration began meeting with representatives from the school district, the cities, Central Peninsula Hospital and South Peninsula Hospital to identify each entity's current health care costs and explore alternatives that may be available to reduce these costs for the participants and potentially other groups in the Kenai Peninsula; and
- WHEREAS,** one option being explored by this group is forming a health care coalition which the entities may join as members, that would negotiate with providers using the increased numbers of employees as leverage to negotiate better health care rates; and
- WHEREAS,** the borough spends in excess of \$18,660 per employee and the school district spends approximately \$17,436 per employee per year for health care; and
- WHEREAS,** the rising cost of health care is also driving up the cost of Public Employees Retirement System (PERS), the Teachers Retirement System (TRS), and costs incurred in the private sector; and
- WHEREAS,** as the owner of two hospitals the borough is also keenly interested in tracking changes in the healthcare industry from the provider's perspective and in anticipating changes needed to prepare for national health care reform measures; and
- WHEREAS,** establishing one or more mechanisms for reducing health care costs for all Kenai Peninsula Borough residents would be a significant benefit for all; and
- WHEREAS,** the field is complex and dynamic, and independent expertise is needed by the borough to help it identify potential options to reduce health care costs and take steps to implement selected options; and
- WHEREAS,** it is anticipated that expertise will be needed in several areas, including knowledge of legal changes in the health care industry for providers and patients, programs that have been tried or considered throughout the nation, preferred

mechanisms for implementation and financing preferred options, and other areas in the health care and insurance industries; and

**WHEREAS,** considering that potentially millions of dollars per year are at stake it is in the best interest of the borough and its residents to appropriate funds to retain expert assistance in attempting to reduce health care costs and prepare for upcoming legal changes;

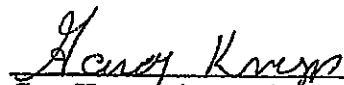
**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** The sum of \$200,000 is hereby appropriated from the General Fund fund balance to account no. 100.94910.12HCC.43011, contract services, to be used for the purpose of hiring one or more independent consultants to assist the borough and the health care working group to advise the working group, research, and evaluate options available for reducing health care costs for these entities and their employees, and potentially assist in implementing one or more of the options subject to assembly approval.

**SECTION 2.** This appropriation is project length in nature and does not lapse at the end of any fiscal year.

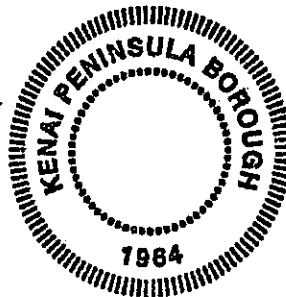
**SECTION 3.** That this ordinance takes effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 13TH DAY OF MARCH, 2012.**

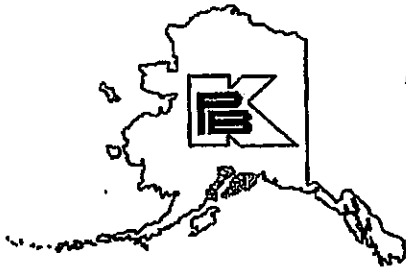
  
\_\_\_\_\_  
Gary Knopp, Assembly President

ATTEST:

  
\_\_\_\_\_  
Johni Blankenship, Borough Clerk



Yes: Haggerty, Johnson, McClure, Murphy, Smalley, Smith, Tauriainen, Knopp  
No: None  
Absent: Pierce



## **KENAI PENINSULA BOROUGH**

144 North Binkley Street • Soldotna, Alaska 99669-7520

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**MIKE NAVARRE**  
**BOROUGH MAYOR**

### **MEMORANDUM**

**TO:** Gary Knopp, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** Mike Navarre, Mayor *mn*

**DATE:** February 2, 2012

**SUBJECT:** Ordinance 2011-19-<sup>10</sup>, appropriating \$200,000 to hire consultants to assist the borough in determining the course of action to pursue regarding curtailing health care costs

The cost of health care has risen dramatically within the last 11 years. Currently the borough spends in excess of \$18,660 per employee for health care as compared to \$6,055 in FY2000. The school district currently spends approximately \$17,436 per employee on an annual basis for health care and these expenses are anticipated to continue increasing. The combined cost of health care for employees of the KPB and KPBSD is in excess of \$23 million annually. Additionally, the rising cost of health care is increasing the borough and school district's liability for PERS and TRS as a result of the unanticipated escalation of health care costs in those systems. The private sector is similarly faced with dramatically increased health care costs that show no sign of declining.

In June 2011, the former borough administration began holding meetings with representatives from the school district, Central Peninsula Hospital, South Peninsula Hospital, and the cities of Kenai, Homer, Soldotna and Seward to consider what options may be available to reduce healthcare costs. My administration is continuing this important project. Independent expertise is now needed to assist the group in identifying potential mechanisms for reducing health care costs as well as identifying and comparing options and strategies to consider in addressing the rapid changes in national health care laws.

These funds are requested to hire outside experts in the health care and health insurance fields to assist in identifying and potentially implementing mechanisms to achieve these goals.

Another benefit of this appropriation is the ability to monitor the ever changing health care landscape with the goal of identifying opportunities and strategies to reduce health care costs to all KPB residents.

A study by the University of Alaska, Institute of Social and Economic Research included the following information on health care costs in Alaska:

- *Health-care spending for Alaskans reached about \$7.5 billion in 2010. For comparison, that's close to half the wellhead value of all the oil produced in Alaska that year. It's also roughly equal to half the wages Alaskans collected in 2010.*
- *The state's health-care spending has been rising fast, tripling since 1990 and jumping 40% just between 2005 and 2010—and at current trends it could double by 2020, reaching more than \$14 billion.*

I believe health care and associated issues are the biggest set of challenges facing our nation and our communities. We simply do not have adequate resources or expertise in house to address the many issues and changes in health care. We have a responsibility to face these coming challenges and to attempt to find the best solutions.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>100,27900 FB</u>
Amount	<u>\$200,000.00</u>
By: <u>CIBW</u> <u>C. Chapman</u>	Date: <u>2/2/12</u>



Session 12-03, a Regular Meeting of the Homer Advisory Planning Commission was called to order by Chair Minsch at 6:30 p.m. on March 7, 2012 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

**PRESENT:** COMMISSIONERS ERICKSON, HIGHLAND, MINSCH, SONNEBORN, VENUTI

**ABSENT:** COMMISSIONER BOS, DOLMA

**STAFF:** CITY PLANNER ABOUD  
DEPUTY CITY CLERK JACOBSEN

### **APPROVAL OF AGENDA**

The agenda was approved by consensus of the Commission.

### **PUBLIC COMMENT**

The public may speak to the Planning Commission regarding matters on the agenda that are not scheduled for public hearing or plat consideration. (3 minute time limit).

There were no public comments.

### **RECONSIDERATION**

### **ADOPTION OF CONSENT AGENDA**

All items on the consent agenda are considered routine and non-controversial by the Planning Commission and are approved in one motion. There will be no separate discussion of these items unless requested by a Planning Commissioner or someone from the public, in which case the item will be moved to the regular agenda and considered in normal sequence.

A. Approval of the February 15, 2012 minutes

The consent agenda was approved by consensus of the Commission.

### **PRESENTATIONS**

### **REPORTS**

A. Staff Report PL 12-11, City Planner's Report

City Planner Abboud reviewed his staff report and answered Commission questions regarding Fire Marshall information on the city website, bank stabilization, and the FEMA Flood maps.

### **PUBLIC HEARINGS**

Testimony limited to 3 minutes per speaker. The Commission conducts Public Hearings by hearing a staff report, presentation by the applicant, hearing public testimony and then acting on the Public Hearing items. The Commission may question the public. Once the public hearing is closed the Commission cannot hear additional comments on the topic. The applicant is not held to the 3 minute time limit.

### **PLAT CONSIDERATION**

### **PENDING BUSINESS**

HOMER ADVISORY PLANNING COMMISSION  
REGULAR MEETING MINUTES  
MARCH 7, 2012

A. Staff Report PL 12-10, Sign Ordinance

The Commission reviewed and discussed the sections of the staff report starting with electoral signs.

VENUTI/ERICKSON MOVED TO SEND ELECTORAL SIGNS BACK TO THE COUNCIL AT 32 SQUARE FEET.

There was brief discussion in opposition to the 32 square foot signs and others felt it wasn't worth the fight to keep it at 16 square feet.

VOTE: YES: MINSCH, VENUTI, ERICKSON  
NO: HIGHLAND, SONNEBORN

Motion failed.

VENUTI/ERICKSON MOVED SO SEND IT BACK TO COUNCIL WITH 24 SQUARE FOOT ALLOWANCE FOR POLITICAL SIGNS.

There was no discussion.

VOTE: YES: VENUTI, ERICKSON  
NO: HIGHLAND, SONNEBORN, MINSCH

Motion failed.

City Planner Abboud reviewed the section "Emphasis on Safety"

MINSCH/HIGHLAND MOVED TO ADD TO HIS SENTENCE "ADDITIONAL ENFORCEMENT IS WHAT IS NEEDED".

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

Discussion ensued regarding temporary signs.

ERICKSON/VENUTI MOVED THAT TEMPORARY COMMERCIAL SIGNS, SPEAKING SPECIFICALLY ABOUT SANDWICH BOARDS, ARE ALLOWED FOR 30 DAYS, ONCE A CALENDAR QUARTER BY SPECIAL PERMIT. THOSE NEEDING EXTENDED TIME WILL BE BY PERMIT ONLY FOR 30 DAYS ONCE A QUARTER, RENEWABLE WITH AN ESCALATING FEE. ALL TEMPORARY SIGNS WILL BE ALLOWED FROM THE TIME OF BUSINESS OPERATION WHEN STAFF IS ON SITE AND OPEN TO THE PUBLIC. NON COMPLIANCE SIGNS WILL BE COLLECTED AND RETURNED FOR A FEE TO COVER ADMINISTRATION'S COST.

There were brief statements of opposition.

VOTE: YES: ERICKSON, VENUTI



NO: SONNEBORN, MINSCH, HIGHLAND

Motion failed.

Chair Minsch commented they had discussion during their worksession about sending this back to Council to outline the Commission's perspective. Commissioner Highland agreed noting that it is important to express to Council if they want to change the policy, it will allow everyone to have a sandwich board, and questions if this is that what Council wants.

The other Commissioners brought up points about allowing temporary signs through permitting and enforcement.

- We need to be careful not to tie the hands of staff so they can't work with people in the community.
- There are times people need a temporary sign for things like grand openings, change of location, new personnel, and so forth.
- There will still be issues with enforcement if the temporary signs are allowed.
- We have watched the signs grow over the last few years. If they are allowed they will show up all over town.
- Staff can provide the resources to deal with the signs, but the fallout of enforcement will have to be dealt with.
- This is not a solution to give people with permanent sandwich boards what they want; it is a case for a temporary sign if needed.

ERICKSON/HIGHLAND MOVED ON PAGE 28 LINE 361 TO GO BACK TO THE ORIGINAL LANGUAGE THAT TEMPORARY SIGNS ON PRIVATE PROPERTY SHALL BE, A FOR THE TERM AND B FOR THE NUMBER AND THAT THEY WILL BE ALLOWED BY PERMIT.

There was discussion that the renumbering will be addressed by staff. This goes back to the original language and adds that a permit is needed.

SONNEBORN/ERICKSON MOVED TO AMEND AND ADD DISPLAY SHALL BE DURING TIME OF BUSINESS OPERATION ONLY WHEN STAFF IS ON SITE AND OPEN TO THE PUBLIC.

Comments were made in opposition to the amendment because of temporary nature of the signs, people are not going to bring them in each night as it would be cumbersome to business owners or nonprofit organizations to do so.

VOTE: (Amendment) YES: SONNEBORN  
NO: VENUTI, MINSCH, HIGHLAND, ERICKSON

Motion failed.

There was discussion that 14 consecutive days out of 90 isn't necessary as the permit can be drawn up to specify what days a business intends to display their temporary sign.

VOTE (Main Motion): NON OBJECTION: UNANIMOUS CONSENT

City Planner Abboud commented on line 136 they added suspended sign back to definitions but need to add "means" in front of a sign is suspended.

MINSCH/HIGHLAND MOVED TO AMEND LINE 136 TO READ SUSPENDED SIGN MEANS A SIGN...

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

City Planner Abboud explained that Table 3 is missing two categories in the draft ordinance and also on the web, but they are included in the code book. He mentioned that it should come back as technical change through the attorney to be corrected. The Commission asked to see the table when it is corrected.

HIGHLAND/ERICKSON MOVED TO FORWARD THE SIGN CODE AS AMENDED TO CITY COUNCIL FOR ADOPTION.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

B. Staff Report PL 12-07, Land Allocation Plan

The Commission discussed the land allocation plan and the process for making recommendations.

Commissioner Minsch called for a brief recess to allow Commissioner Highland an opportunity to talk to staff regarding her recommendation.

HIGHLAND/VENUTI MOVED THEY RECOMMEND C7 AND C8 RECOMMENDED FOR FUTURE CONSIDERATION FOR CONSERVATION, C9 THE SOUTH SECTION OF LOT 13 AND 14 RECOMMENDED FOR FUTURE CONSIDERATION FOR CONSERVATION, E24 RECOMMENDED FOR FUTURE CONSIDERATION FOR CONSERVATION, AND E26 RECOMMENDED FOR FUTURE CONSIDERATION FOR CONSERVATION AND E35 BE DESIGNATED AS PARK.

There was discussion that in the mixed use area there is such a small amount of land to develop for business, there is concern that we don't want to tie our hands. There are enough hurdles to jump through to develop the land. Further comments were that the Commission doesn't have enough information to make these decisions.

Commissioner Highland commented that this is where she feels the future of Homer is going, there is a quandary with the lack of adequate land and the wetlands play an important part for the protection of Homer.

VOTE: YES: HIGHLAND  
NO: ERICKSON, SONNEBORN, VENUTI, MINSCH

Motion failed.

The Commission discussed if they wanted to proceed as they did last year with a memo stating they respectfully decline to participate. They asked to see their last memo at their next regular meeting.

#### **NEW BUSINESS**

#### **INFORMATIONAL MATERIALS**

- A. Memorandum 12-xx, RE: KPB Ordinance 2012-06

City Planner Abboud reviewed his memorandum regarding the Borough's ordinance.

- B. City Manager's Report dated January 23, 2012

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

Members of the audience may address the Commission on any subject. (3 minute time limit)

There were no audience comments.

#### **COMMENTS OF STAFF**

#### **COMMENTS OF THE COMMISSION**

Commissioner Venuti said he is amazed they got something resolved on the sandwich boards.

Commissioner Highland commented that she would still like the Commission to talk about the allocated land, but that's the way it goes. Getting through the sign ordinance, she agrees, is a small miracle.

Commissioner Erickson and Sonneborn had no comments.

Chair Minsch said the Commission understands Ms. Highlands's heart regarding the land and encouraged Ms. Highland to attend the Council land allocation plan meeting. Perhaps she will have comments on how to make the process work better.

#### **ADJOURN**

There being no further business to come before the Commission, the meeting adjourned at 9:00 p.m. The next regular meeting is scheduled for March 21, 2012 at 6:30 p.m. in the City Hall Cowles Council Chambers.

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MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

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



**Jo Johnson**

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**From:** Thomas Klinkner [tklinkner@BHB.com]  
**Sent:** Monday, March 26, 2012 5:25 PM  
**To:** Walt Wrede  
**Cc:** Rick Abboud; Jo Johnson  
**Subject:** Sign Code Amendments

Walt,

I have the following comments on Ordinance 12-01(S)(A) as it appears on the agenda for the March 27 Council meeting.

First are three drafting points:

1. Page 12, line360: amend to read, "Commercial. A temporary sign that bears a commercial message shall be limited..."
2. Page 13, line 417: the deadline for removing a nonconforming banner or temporary sign should be extended to a date after the effective date of the ordinance, for example, May 1, 2012.
3. Page 14, line 454. The effective date of the ordinance should be extended to a date after the date the ordinance is adopted, for example, May 1, 2012.

My last comment is one of policy. The restriction of the display of a temporary commercial sign to not more than 14 days in a 90 day period (page 12, line371) will be completely unenforceable. A more enforceable alternative limitation would be "14 days in a 90 day period, which days shall be designated on the sign permit."

Let me know if you have any questions.

**Thomas F. Klinkner** | Birch Horton Bittner & Cherot  
1127 W 7th Avenue | Anchorage, AK 99501  
Tel: (907) 276-1550 | Fax: (907) 276-3680  
Email: [tklinkner@bhb.com](mailto:tklinkner@bhb.com) | Website: [www.birchhorton.com](http://www.birchhorton.com)

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