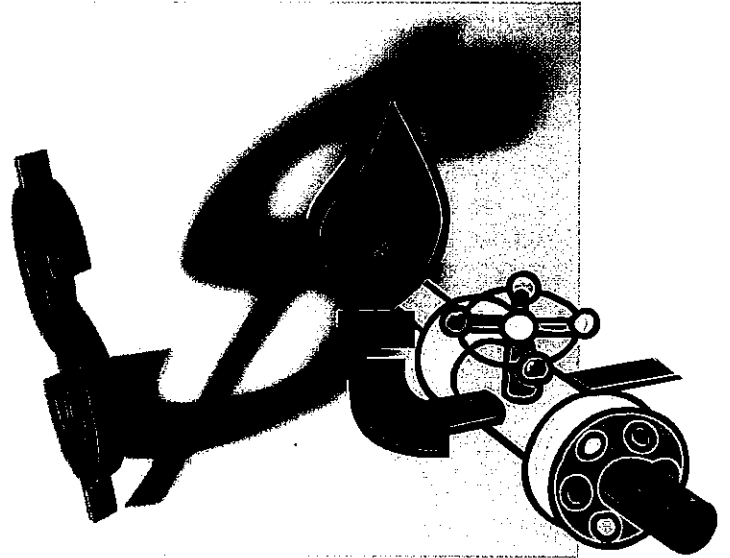


City Council
February 25, 2013
Monday



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



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

Produced and
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February-March 2013

Monday 25 th	CITY COUNCIL Committee of the Whole 5:00 p.m. Regular Meeting 6:00 p.m.
Wednesday 27 th	PORT AND HARBOR ADVISORY COMMISSION Regular Meeting 5:00 p.m.
Tuesday 5 th	ECONOMIC DEVELOPMENT ADVISORY COMMISSION Regular Meeting 6:00 p.m. WATER SEWER RATE TASK FORCE Worksession 5:30 p.m.
Wednesday 6 th	HOMER ADVISORY PLANNING COMMISSION Worksession 5:30 p.m., Regular Meeting 6:30 p.m.
Thursday 7 th	KAREN HORNADAY PARK COMMITTEE Regular Meeting 5:30 p.m.
Monday 11 th	CITY COUNCIL Worksession 4:00 p.m. 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 the exception of December 6:30 p.m.
Planning Commission 1st and 3rd Wednesday 6:30 p.m.
Port and Harbor Advisory Commission 4th Wednesday 5 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 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://clerk.ci.homer.ak.us> for home page access, Clerk's email address is: clerk@ci.homer.ak.us
Clerk's office phone number: direct line 235-3130, other number 235-8121 x2226.

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



COMMITTEE OF THE WHOLE
5:00 P.M. MONDAY
FEBRUARY 25, 2013

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

COMMITTEE OF THE WHOLE AGENDA

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

Councilmember Howard has requested telephonic participation.

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

3. CONSENT AGENDA

4. REGULAR MEETING AGENDA

4. COMMENTS OF THE AUDIENCE

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

Next Regular Meeting is Monday, March 11, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
AGENDA APPROVAL

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



REGULAR MEETING
6:00 P.M. MONDAY
FEBRUARY 25, 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

REGULAR MEETING AGENDA

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

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

Councilmember Howard has requested telephonic participation.

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

2. AGENDA APPROVAL

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

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

4. RECONSIDERATION

5. CONSENT AGENDA

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

- A. Homer City Council unapproved Special and Regular meeting minutes of February 11, 2013. City Clerk. Recommend adoption. Page 11
- B. **Memorandum 13-029**, from Mayor, Re: Appointment of Merry Maxwell to the Economic Development Advisory Commission. Page 33

- C. **Memorandum 13-032**, From City Manager Wrede Re: Tract 1-A, Fishing Hole Subdivision #2
Page 37
- D. **Resolution 13-021**, A Resolution of the City of Homer, Alaska, Approving Seasonal Day Use Parking at the Homer Educations and Recreation Center Parking Lot and authorizing the City Manager to work with the state for signage as needed. City Manager.
Page 39
Memorandum 13-031 From Community Economic Development Coordinator and Planning Technician as backup.
Page 41
- E. **Resolution 13-022**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Seek Proposals for Analysis of the Economic Impacts of the Drill Rig. Mayor/Burgess.
Page 53

6. VISITORS

- A. **Esther Hammerschlag**, Homer Prevention Project, 10 minutes. Page 55

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 13-03(S)**, An Ordinance of the City Council of Homer, Alaska Authorizing the City to Issue a Natural Gas Distribution Special Assessment Bond in the Principal Amount of not to Exceed \$12,700,000 to Finance the Design and Construction of Natural Gas Distribution Improvements in the City, Fixing Certain Details of Such Bond and

Authorizing its Sale; and Repealing HCC Chapter 17.08. City Manager. Introduction January 28, 2013, Public Hearings February 11 and 25, 2013, and Second Reading February 25, 2013. Page 61

Memorandum 13-030 from City Manager as backup. Page 73

Ordinance 13-03, An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue a Natural Gas Distribution Special Assessment Bond in the Principal Amount of Not to Exceed \$12,700,000 to Finance the Design and Construction of Natural Gas Distribution Improvements in the City, Fixing Certain Details of Such Bond and Authorizing Its Sale; and Repealing HCC Chapter 17.08. City Manager. Introduction January 28, 2013, Public Hearings February 11 and 25, 2013, and Second Reading February 25, 2013. Page 85

- B. **Ordinance 13-04**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a 2012 Emergency Management Performance Grant from the State Division of Homeland Security and Emergency Management in the Amount of \$5,000 for an Update to the Emergency Operations Plan and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Fire Chief. Introduction February 11, 2013, Public Hearing and Second Reading February 25, 2013. Page 107

- C. **Ordinance 13-05**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2013 Operating Budget by Appropriating \$10,500 from the General Fund for Emergency Relief to Pay Immediate Dislocation Expenses Incurred by the Tenants of Three Structures Affected by Sewer System Surcharges Caused by Extreme Weather on January 12 Through 14, 2013. City Manager. Introduction February 11, 2013, Public Hearing and Second Reading February 25, 2013. Page 141

Memorandum 13-019 from City Manager as backup. Page 147

9. **ORDINANCE(S)**

10. **CITY MANAGER'S REPORT**

- A. City Manager's Report Page 149
- B. Bid Report Page 159
- C. Games Report
- D. Records Inventory Report
- E. Other

11. CITY ATTORNEY REPORT

Page 161

12. COMMITTEE REPORT

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

13. PENDING BUSINESS

- A. **Resolution 13-017(S)**, A Resolution of the City Council of Homer, Alaska, Approving a Contribution in Aid of Construction Agreement (CIAC) Between the City of Homer and Enstar Natural Gas Company for Construction of Improvements Within the Homer Natural Gas Distribution System Special Assessment District, in an Amount Not to Exceed \$12.7 Million **\$12,160,632**. City Manager. (Postponed from February 11, 2013)

Page 163

Resolution 13-017, A Resolution of the City Council of Homer, Alaska, Approving a Contribution in Aid of Construction Agreement (CIAC) Between the City of Homer and Enstar Natural Gas Company for Construction of Improvements Within the Homer Natural Gas Distribution System Special Assessment District, in an Amount Not to Exceed \$12.7 Million. City Manager. (Postponed from February 11, 2013)

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14. NEW BUSINESS

15. RESOLUTIONS

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, March 11, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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

RECONSIDERATION

CONSENT AGENDA

Session 13-04 a Special Meeting of the Homer City Council was called to order on February 11, 2013 at 4:01 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, DOLMA, LEWIS, ROBERTS, ZAK

ABSENT: HOWARD (excused)

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER

Councilmember Howard has requested excusal.

Mayor Wythe declared Councilmember Howard's absence as excused. There was no objection from the Council.

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

Mayor Wythe called for a motion for the approval of the agenda.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Chip Duggan, city resident, commented on the lack of communication he received from the City on the insurance determination for the sewer back-up. He read that it was determined to be an act of God. He thanked Council for the \$3,500 although it is not near what he has expended.

City Manager Wrede apologized to Mr. Duggan. He was called for jury duty and the insurance company had said they would call the people.

PENDING BUSINESS

- A. **Memorandum 13-009**, From City Clerk Re: Request for Executive Session Pursuant to AS 44.62.310 (a-c)(2), Matters, Subjects that Tend to Prejudice the Reputation and Character of any Person, Provided the Person May Request a Public Discussion (City Manager Wrede Annual Performance Evaluation/Employment Contract).

- B. **Memorandum 13-010**, From City Clerk Re: Request for Executive Session Pursuant to AS 44.62.310 (a-c)(1) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Public Entity (Special Corps of Engineers Permit Modification Application for the Ocean Drive Loop Seawall).

LEWIS/ROBERTS - SO MOVED.

Mayor Wythe called for a motion for the approval of the recommendations of Memorandums 13-009 for City Manager Wrede Annual Performance Evaluation/Employment Contract and 13-010 for Special Corps of Engineers Permit Modification Application for the Ocean Drive Loop Seawall.

City Manager Wrede requested his evaluation be conducted in the Executive Session.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

- A. **Memorandum 13-028**, From City Clerk Re: Request for Executive Session Pursuant to AS 44.62.310 (a-c)(1) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Public Entity (A Legal Briefing and Report on Insurance Company Investigation into the January 12-13 Sewer System Back-Ups into Three Homes).

Mayor Wythe called for a motion for the approval of the recommendations of Memorandum 13-028 for a Legal Briefing and Report on Insurance Company Investigation into the January 12-13 Sewer System Back-Ups into Three Homes.

BURGESS/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ROBERTS/LEWIS – MOVED TO ADJOURN TO EXECUTIVE SESSION.

There was no discussion.

VOTE: YES. ROBERTS, DOLMA, ZAK, BURGESS LEWIS

Motion carried.

Council recessed to Executive Session at 4:12 p.m. and reconvened the Special Meeting at 4:58 p.m.

Mayor Pro Tempore Roberts stated Council spoke with the attorneys regarding the two issues on the Executive Session and advised them on how to proceed on the Corps of Engineers issue and the sewer issue. Council concluded contract negotiations with the City Manager and extended his contract for two years with no changes in the contract.

COMMENTS OF THE AUDIENCE

There were no comments of the audience.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 4:59 p.m. The next Regular Meeting is Monday, February 25, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

JO JOHNSON, CMC, CITY CLERK

Approved: _____

Session 13-05 a Regular Meeting of the Homer City Council was called to order on February 11, 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, DOLMA, HOWARD (telephonic),
LEWIS, ROBERTS, ZAK

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER
CITY PLANNER ABBOD
COMMUNITY & ECONOMIC DEVELOPMENT
COORDINATOR KOESTER
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Councilmember Howard has requested telephonic participation.

Mayor Wythe called for a motion to allow Councilmember Howard to participate by telephone.

BURGESS/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Council met for a Special Meeting from 4:01 p.m. to 4:59 p.m. to hear Executive Session matters: City Manager Wrede Annual Performance Evaluation/Employment Contract; Special Corps of Engineers Permit Modification Application for the Ocean Drive Loop Seawall; and a Legal Briefing and Report on Insurance Company Investigation into the January 12-13 Sewer System Back-Ups into Three Homes. Council met as a Committee of the Whole from 5:04 p.m. to 5:37 p.m. to discuss Kachemak Bay Water Trail – Trail Head, Communities of Distinction, Consent Agenda, and Regular Meeting Agenda items.

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

AGENDA APPROVAL

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

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

PUBLIC HEARINGS - **Ordinance 13-02**, An Ordinance of the City Council of Homer, Alaska, Creating the City of Homer Natural Gas Distribution Special Assessment District, Approving the Improvement Plan for the District, and Authorizing the City Manager to Proceed with the Improvement. City Manager. Written public comments; **CITY MANAGER'S REPORT** - Lobbyist Report, February 8, 2013.

Consent agenda item E, Ordinance 13-05, was removed from the consent agenda and placed under Ordinances.

See discussion under Consent Agenda.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Larry Slone, city resident, commented on Ordinance 13-05 and expects the City to cover 100% of the expenses.

Kevin Hogan commented on Ordinance 13-05 and the need for Council to follow the constitution.

Tricia Lillibridge asked Council to consider the Wooden Boat Society proposal for one place for all water groups.

Tricia Caron supports Dave Seaman's proposal for the Wooden Boat Society.

Clint Lillibridge supports the proposal for the Wooden Boat Society.

Kevin Walker, Homer resident, supports the Wooden Boat Society and the trail head locations.

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 Special and Regular Meeting minutes of January 28, 2013. City Clerk. Recommend adoption.
- B. **Memorandum 13-023**, from Deputy City Clerk, Re: Liquor License Renewals for Land's End, Kachemak Bowl, Rum Locker, The Grog Shop, Two Sister's Bakery, and Fresh Catch Café.
- C. **Memorandum 13-024**, from Mayor, Re: Appointment of Adele Groning to the Public Arts Committee and Naomi Klouda to the Library Advisory Board.

- D. **Ordinance 13-04**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a 2012 Emergency Management Performance Grant from the State Division of Homeland Security and Emergency Management in the Amount of \$5,000 for an Update to the Emergency Operations Plan and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Fire Chief. Recommended dates: Introduction February 11, 2013, Public Hearing and Second Reading February 25, 2013.
- E. **Ordinance 13-05**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2013 Operating Budget by Appropriating \$10,500 from the General Fund for Emergency Relief to Pay Immediate Dislocation Expenses Incurred by the Tenants of Three Structures Affected by Sewer System Surcharges Caused by Extreme Weather on January 12 Through 14, 2013. City Manager. Recommended dates: Introduction February 11, 2013, Public Hearing and Second Reading February 25, 2013.

Item E. Ordinance 13-05 removed from the Consent Agenda and heard under Ordinances.

- F. **Resolution 13-014**, A Resolution of the City Council of Homer, Alaska, Approving the Purchase of a New 2013 Ford F-550 Plow/Sand Truck in the Amount of \$37,481 from Kendall Ford of Wasilla, Alaska, and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Recommend adoption.

Memorandum 13-026 from Public Works Superintendent as backup.

- G. **Resolution 13-015**, A Resolution of the City Council of Homer, Alaska, Approving the Purchase of a New 2013 8 Cubic Yard Sander/Calcium Spreader in the Amount of \$23,541.04 from Truckwell of Alaska of Anchorage, Alaska, and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Recommend adoption.

Memorandum 13-027 from Public Works Superintendent as backup.

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

BURGESS/LEWIS – SO MOVED.

Councilmember Zak requested pulling Ordinance 13-05 to have discussion.

ROBERTS/LEWIS - MOVED TO SUSPEND THE RULES AND GO BACK TO AGENDA APPROVAL.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ZAK/BURGESS – MOVED TO REMOVE ORDINANCE 13-05 FROM THE CONSENT AGENDA AND PUT IT UNDER ORDINANCES.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

ZAK/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VOTE: (consent agenda approval) YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

A. Dave Seaman, Wooden Boat Society

Dave Seaman, President of the Wooden Boat Society, reported their mission is to provide maritime related educational, historical, and cultural experiences to locals and tourists, society members and members of the general public, and to provide a nexus of maritime interest for themselves and other similar groups on the Homer Spit. He highlighted other northwest wooden boat festivals including Port Townsend, Seattle, British Columbia, and Port of Toledo. The Wooden Boat Society has similar events of the northwest communities. All activities are economic generators for the community. He urged Council to provide a piece of property for the Wooden Boat Society on the Spit, the closer to the water the better.

Dave Brann, Water Trail Association and Wooden Boat Society, reported the Wooden Boat Society, Yacht Club, and Water Trail Association are three of a kind and are a hand worth betting on. Add the Pier One Theatre and Fishing Hole and you have a full house. The cruise ship dock and Kachemak Bay oysters are a straight flush. He hopes Council bets on a winning hand.

B. Green Dot, Violence Prevention Through Bystander Intervention

Jessica Lawmaster, Haven House Executive Director, reported on the Green Dot national research based domestic violence prevention program. Homer has been identified as one of five

pilot communities for the state. Green Dot will benefit the entire community from young to old as bystanders to unsafe conditions. The program focuses on the three D's: Direct - directly intervene; Delegate - delegate to someone who is comfortable; Distract - creative ways to distract.

A broad range of organizations and individuals within the community are supportive, including law enforcement. Not one organization owns the program; it is a collaboration of the community. Haven House is a liaison coordinating the training to take place over the next year. Green Dot will train a variety of community members to be trainers. The State is paying for the large majority of travel costs, but the community is required to come up with \$7,000 over the next 2 ½ years. It is a small investment in a program that will be sustainable in the community. Additionally the program can include surrounding communities. The concept is Green Dot is the safe place. On a map every negative incidence will show up as a red dot. Soon green dots will overwhelm red dots.

Zoe Story, representing Kachemak Bay Family Planning Clinic and PHAT (Promoting Health Among Teens), asked for support and funding of Green Dot. The program teaches responsibility and respect skills. It will help us understand the seriousness of domestic violence situations that affect all ages.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

A. Mayor's Proclamation - Brother Asaiah Bates Day – February 14, 2013

Mayor Wythe announced the proclamation.

B. Borough Report

Bill Smith, Kenai Peninsula Borough Assemblyman, reported the Assembly delegation will go to Juneau tomorrow with their CIP list. Homer and Soldotna high school turfs are on the tier one priorities. Wide security cameras for the schools are also on the list. The Assembly modified the interest rate on a loan available to the City for the gas line; the interest rate will be negotiated. The Assembly has passed a resolution to ask the Legislature to look at expansion of the Medicaid program where people can be eligible if they are at the 100% of federal poverty level. Currently the guideline is 138% of the poverty level. The expansion of Medicaid will provide low income workers medical care. The State of Alaska has a contractor looking at the cost of Medicaid to the State. Expansion of the program will benefit both businesses and citizens. A number of other states have made the same decision.

C. Commissions/Board Reports:

1. Library Advisory Board
2. Homer Advisory Planning Commission
3. Economic Development Advisory Commission

4. Parks and Recreation Advisory Commission
5. Port and Harbor Advisory Commission

Mike Stockburger, Port and Harbor Advisory Commissioner, reported the commission discussed the new harbor office at their last meeting. They viewed the alternative study that looks at different options. It is the consensus the building should be new since the price tag on all three options is essentially the same. The location could be different if the building was new. A site at the other side of the street north of the Coast Guard building (Lot 20) would allow for more parking and a view of the harbor. When the East Harbor expansion takes place it would allow a view of both harbors. The price tag could be lowered by leaving the new bathroom/showers out of the facility. Work could be done on the old bathroom facility. City Planner Rick Abboud talked to the commission about rezoning a number of Spit lots changing them from Marine Commercial to Marine Industrial or Open Space Recreation. The commission agreed with all of his suggestions. Additionally, the commission discussed storm water, the abandoned boat policy, and supports the Wooden Boat Society's proposal.

D. Mayor Wythe's Comments for the Industry Outlook Forum

Mayor Wythe recused herself from the Public Hearings due to her conflict on gas line issues and passed the gavel to Mayor Pro Tempore Roberts.

PUBLIC HEARING(S)

- A. **Ordinance 13-01(A)(S)**, An Ordinance of the Homer City Council Amending HCC 17.04.190 to Provide for Deferral of Special Assessments for Low Income Residents. Burgess. Introduction and Public Hearing January 14, 2013, Substitute Introduction January 28, 2013, Public Hearing and Second Reading February 11, 2013.

Memorandum 13-016 from Planning Technician as backup.

Mayor Pro Tempore Roberts opened the public hearing. In the absence of public testimony Mayor Pro Tempore Roberts closed the public hearing.

Mayor Pro Tempore Roberts called for a motion for the adoption of Ordinance 13-01(A)(S) by reading of title only for second and final reading.

BURGESS/DOLMA - SO MOVED.

Councilmember Lewis asked City Attorney Klinkner if the annual family income were amended to 138% of poverty guidelines would another public hearing be required. City Attorney Klinkner advised the amendment would expand the guideline for deferrals therefore would not require another public hearing.

LEWIS/HOWARD - MOVED TO AMEND LINE 24 TO MAKE THE GUIDELINE AT 138% TO PUT IT IN LINE WITH MEDICAID.

Councilmember Burgess would support 125% to 130% poverty guidelines income for deferrals. People on a fixed income collecting social security or heating assistance may be people well off who still meet the poverty guidelines if they have a lot of children. He wants to make sure we are not setting the bar too high and asking the rest of the taxpayers to subsidize it.

Councilmember Lewis noted the Medicaid requirements are a low enough income. Providing the extra leeway will provide a little bit of a safety net.

Councilmember Zak commented we don't know the difference between the amount of people that would qualify for deferment at the 138% amount. It could be a significant number to impact other citizens. We don't know what the deferment would be and where it will be absorbed.

BURGESS/LEWIS - MOVED TO AMEND THE AMENDMENT TO 125% FROM 138%.

There was no discussion.

VOTE: (amendment to amendment) YES. ROBERTS, HOWARD, BURGESS, LEWIS
VOTE: NO. DOLMA, ZAK

Motion carried.

Councilmember Howard expressed her concerns as to where we will find these monies from the general fund.

Mayor Pro Tempore Roberts clarified the monies will be repaid to the City, it is just the interest costs that will accrue during deferment of the assessments.

VOTE: (amendment) YES. LEWIS, ROBERTS, HOWARD, BURGESS
VOTE: NO. DOLMA, ZAK

Motion carried.

VOTE: (main motion as amended) YES. BURGESS, LEWIS, ROBERTS, HOWARD
VOTE: NO. DOLMA, ZAK

Motion carried.

- B. **Ordinance 13-02**, An Ordinance of the City Council of Homer, Alaska, Creating the City of Homer Natural Gas Distribution Special Assessment District, Approving the Improvement Plan for the District, and Authorizing the City Manager to Proceed with the Improvement. City Manager. Introduction January 28, 2013, Public Hearing and Second Reading February 11, 2013.

Memorandum 13-017 from Planning Technician as backup.

Memorandum 13-021 from City Attorney as backup.

Memorandum 13-022 from Clerical Assistant as backup.

Mayor Pro Tempore Roberts opened the public hearing.

Gloria Corey, city resident, commented that although gas will be a benefit to the City, it is cost prohibitive for her.

Ken Castner, city resident, opposes charging condominiums individually and will sort the legal issues out in court. It is discriminatory and he is not happy with city government.

Councilmember Lewis commented Ken owned an office building and changed them into condominiums. Mr. Castner answered it is his property and can sell it if he wants to. Condos are separate tax units; separate properties.

Councilmember Burgess acknowledged the financial benefits of creating condominiums. He asked how Council makes a rule that does not impose the costs to single family residences. Mr. Castner answered Council made a rule to assess each lot equally, with the exception of his.

Larry Slone, city resident, expressed his objection due to the significant number of people that feel it is the wrong way to go about the process of bringing natural gas to Homer.

Jessica Tenhoff, city resident, opposes the gas line as it has been rushed through and is not a fair vote.

David Duke, city resident and President of Baywatch Condominium Association, referenced the letter from the association asking the attorney to reconsider his decision on condominium assessments.

Ray Kranich, city resident, opposes the gas line and giving ownership to a foreign, for profit, corporation. The \$1,290 connect fee will not apply to everyone in the project, only those that sign up and pay in 2013.

Amy Springer, city resident, objects to separate assessments on condominiums.

Thomas McDonough, city resident, supports gas in Homer and the many benefits it will provide. For him it is not a smart investment but he will pay anyway.

Richard Gustafson, city resident, advocates putting \$12M in tidal research that will be sustainable to the community. He objects to subsidizing Enstar.

Colleen Wagner, city resident, opposes the two assessments she will have. She cannot afford to pay and build a corporation's pipeline. She asked what the penalties will be if she doesn't pay the assessments.

Kevin Walker, Kachemak City resident, is supportive of alternative energy. Once built, they will supply free fuels.

James Donally questioned the process of the special assessment district. He believes the irregularity will be challenged and the City will lose; he cautioned the City about pressing the irregularity.

Mayor Pro Tempore Roberts closed the public hearing.

Mayor Pro Tempore Roberts called for a motion for the adoption of Ordinance 13-02 by reading of title only for second and final reading.

LEWIS/BURGESS – SO MOVED.

ZAK – MOVED TO AMEND THAT CONDO ASSOCIATIONS BE ASSESSED ONE GAS ASSESSMENT PER LOT.

Motion died for lack of second.

Councilmember Lewis commented Council needed to look at what is best for the City as a whole. Gas will be good for the City. He asked the City Attorney's opinion on how other cities may assess condominiums differently than we are doing.

City Attorney Klinkner advised Council has elected to assess on the basis of an equal assessment per parcel of property. Alaska law is very clear that a condominium unit is a separate parcel of real property. That settles the question of assessing condominiums separately. It is consistent with the overall scheme of assessing one parcel of property an equal assessment.

Councilmember Burgess commented a condominium is a real piece of real property. If we start moving away from assessments per property Council has been advised it is a more difficult legal defense if we require other parcel owners to subsidize condominiums. Council is trying to take the simplest, most equitable approach and nothing will be perfect for the entire town. Less than 15% of the lots within the district objected; historically for assessment districts it is a low objection rate.

Councilmember Burgess has been crunching numbers on alternative energy solutions. To meet our heating and electricity needs we would have to focus on base load power options. Those would be tidal or geo-thermal sources. Tidal is 5 to 10 years out to meet the base needs of the current 7.1 megawatts required. Geo-thermal resources are on the other side of the inlet. The

estimate to meet the base load, which includes generating electricity to meet our heating needs, is \$70M. The development on the well side of infrastructure is 6 to 8 years. He has repeatedly invited people who believe in alternative energy to contact him.

Councilmember Burgess addressed the build out of infrastructure. If you built a house and were 1,000 feet from the utility line HEA wouldn't build out the line for free on the promise you would hook up. HEA will require you to put the line in the ground; you can finance through HEA over many years. You are paying to put infrastructure in that HEA owns. Very rarely do you have any utility company put infrastructure in the ground. The consumer pays one way or the other. The City is not trying to go in the natural gas business; we are trying to extend financing that Enstar is not willing to. For the vast majority of people it will be a financial benefit. Currently our energy costs are comparable to Fairbanks, considering the heating differential. As to pressure from outside sources, he wishes Enstar had come forward and offered him tons of money to bring this resolution forward. On the contrary, Enstar has been difficult to have come to bat. Natural gas is a huge boon to the community. We want to do what is best for the majority of the people.

Councilmember Howard stated her concerns. Will the gas be flowing when the installation is complete? Is the contract with Enstar secure enough to protect all of us? How do we pay for the exempted properties? Can we handle the debt load?

Councilmember Dolma commented the final assessment rolls have not been made and there is still time for changes. He agreed with comments of Councilmember Burgess. He has talked with dozens of people and not a single person that will have a one year payback has come here to complain. He understands folks that don't have a great payback. For the City as a whole, in nearly every scenario he can think of it is the most fair.

Councilmember Zak brought the amendment forward for the condo owners for fairness. If we recognize something that does not feel right we should make a change. There is not a lot of clarity between hotels and condos besides the definition of ownership. It is not fair and reasonable for condos. He would like to see the City at a community level come up to say it is wrong instead of the condo owners going to court. It is not over until the assessment rolls are passed; there may be some corrections.

Mayor Pro Tempore Roberts asked the City Attorney the ramifications if a property owner decided not to make an assessment payment.

City Attorney Klinkner advised special assessments are secured by liens on the property assessed that are prior to other liens on the property, with the exception of property tax liens. If the property owner fails to pay their assessment, the property will be put on the foreclosure list just as for delinquent tax properties and foreclosed in the same manner.

Councilmember Burgess commented on the gas supply. We have been hearing the demand may exceed the supply in the next 2 to 4 years. We are currently burning fuel oil that doesn't come from in-state. Fuel oil gets refined and comes up here on tanker vessels. From an economic standpoint what is more cost effective, fuel oil or natural gas? Are we betting in the future what

will be more expensive? There are lots of demands on diesel fuel, lots of different ways in seeing the cost of fuel going up. It is difficult to see natural gas exceed the cost of fuel oil. There is a difference in supply of local natural gas and natural gas overall.

Telephone connection was lost with Councilmember Howard. Mayor Pro Tempore Roberts called for a recess at 7:52 p.m. and reconvened the meeting at 7:57 p.m. Telephone connection was reestablished with Councilmember Howard.

VOTE: YES. HOWARD, BURGESS, LEWIS, ROBERTS, DOLMA, ZAK

Motion carried.

- C. **Ordinance 13-03**, An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue a Natural Gas Distribution Special Assessment Bond in the Principal Amount of Not to Exceed \$12,700,000 to Finance the Design and Construction of Natural Gas Distribution Improvements in the City, Fixing Certain Details of Such Bond and Authorizing Its Sale; and Repealing HCC Chapter 17.08. City Manager. Introduction January 28, 2013, Public Hearing and Second Reading February 11, 2013.

Mayor Pro Tempore Roberts opened the public hearing. In the absence of public testimony Mayor Pro Tempore Roberts closed the public hearing.

City Manager Wrede advised Council discussed the ordinance at the Committee of the Whole. Postponement was requested as we are not yet ready. A committee is reviewing RFPs for the financing at this time.

ZAK/DOLMA – MOVED TO POSTPONE TO THE NEXT REGULARLY SCHEDULED COUNCIL MEETING.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Pro Tempore Roberts passed the gavel back to Mayor Wythe.

ORDINANCE(S)

- A. **Ordinance 13-05**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2013 Operating Budget by Appropriating \$10,500 from the General Fund for Emergency Relief to Pay Immediate Dislocation Expenses Incurred by the Tenants of Three Structures Affected by Sewer System Surcharges Caused by Extreme Weather on January 12 Through 14, 2013. City Manager. Recommended dates: Introduction February 11, 2013, Public Hearing and Second Reading February 25, 2013.

Mayor Wythe called for a motion for the adoption of Ordinance 13-05 for introduction and first reading by reading of title only.

LEWIS/ROBERTS – SO MOVED.

Councilmember Burgess requested City Attorney Klinkner address the concerns Mr. Hogan raised about retroactive approval of an action.

City Attorney Klinkner advised Mr. Hogan referred to this as “Ex post facto” legislation. That is not an accurate characterization of what Council is being asked to do. That term relates to criminal conduct. Retroactive legislation outside of the Ex post facto is permissible and allowed and only otherwise considered a problem if it affects vested rights and takes away from somebody something they already had. The retroactive ratification of what the City Manager did in issuing these grants is appropriate as part and parcel of the appropriation to fund them.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CITY MANAGER’S REPORT

A. City Manager’s Report

I regret that I did not have the time to prepare a written report for this meeting. I have been selected as a juror for a trial and have been in court since January 30th. The City Manager’s Report will be verbal at this meeting.

1. Memorandum 13-025 from Port and Harbor Director re: New Harbormaster’s Office Study & Recommendations.
2. Lobbyist Report of February 8, 2013

City Manager Wrede reported he is actively talking to Legislators about re-appropriating the \$2M for the intersection to the port and harbor building and the fire station. Fish and Game has funds to redo the load and launch ramp and they are handling all the preconstruction activities. We will be involved when they select a contractor. They are looking at changing the ramp from five to six lanes. The City will be liable for 25% of the cost of construction.

The Homer Foundation quarterly reports are included.

City Attorney Klinkner reported on Ordinance 12-03. The usage of bonds is appropriate. Council will authorize the borrowing of money. Borrowing will be evidenced by a promissory note or a bond. A bond is more typically used in a municipal environment. The bond will look a lot more like a promissory note. It covers the principle amount being borrowed and states terms for repayment. Since we did not know the lender, the language is generic to be used whatever the lending situation turns out to be.

City Manager Wrede will write a memorandum to Council outlining the steps for leasing a parcel. Council will need to pass a resolution making the land available for lease. Currently the parcel identified by the Wooden Boat Society is not available for lease under the Land Allocation Plan. Instructions will then need to go to the Lease Committee; specifically if Council wants to RFP the parcel. Lease policies recommend each parcel go through the RFP process although Council can make an exception in this case if they think it is a good use of the property. We want to make sure everyone gets a fair chance of the parcel and other non profits are aware there is land available.

Councilmember Lewis mentioned House Bill 19, permanent registrations for vehicles over eight years old. It will probably take in 75% of the vehicles within city limits.

Senator Begich visited Homer yesterday and talked a lot about ports and harbors. He believes we do not spend enough time talking about ports and harbors statewide or nationally. With the number of ships that will be coming through in the next decades we need to focus on ports and harbors. The Deep Water Dock expansion and proposed East Boat Harbor were discussed. Senator Begich was very complimentary to us in our efforts, ideas, and maintenance and repairs. He discussed possible funding sources.

Mayor Wythe congratulated the city employees on their anniversary dates; there are seven employees contributing 71 years of service to the City of Homer.

Governor Parnell's letter outlining his 2014 capital budget includes \$4.2M for harbor improvement projects.

An economic analysis of the drilling rig could be done. It would include moorage, sales tax, property tax, payroll, hotels, and restaurants.

B. Bid Report

CITY ATTORNEY REPORT

City Attorney Klinkner will have a written report for January at Council's next meeting.

Councilmember Burgess said condominium owners have made it clear their interpretation of the special assessments law differs from Attorney Klinkner's. Condo owners have said there is chance of a suit against the City. He asked Attorney Klinkner how he would feel if we asked for a written opinion from an outside legal firm on how special assessments are levied on condominiums.

City Attorney Klinkner would welcome the opinion, and assumes it would be consistent with his. If not, we would need to know that. He suspects the cost should be under \$1,000. Although it may not forestall litigation, it may satisfy some people the matter has been resolved correctly.

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

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 13-016**, A Resolution of the City Council of Homer, Alaska, Authorizing the Allocation of \$3,554.79 for the Purposes of Implementing Green Dot in Homer. Mayor.

Mayor Wythe called for a motion for the adoption of Resolution 13-016 by reading of title only.

LEWIS/ROBERTS – SO MOVED.

Councilmember Howard expressed concern the Permanent Fund Committee has not weighed in on the allocation. She asked if the resolution could be delayed to March.

Mayor Wythe commented the PFC presented an ordinance for the allocation, but Council determines where the allocations go.

VOTE: YES. ZAK, HOWARD, BURGESS, LEWIS, ROBERTS, DOLMA

Motion carried.

- B. **Resolution 13-017**, A Resolution of the City Council of Homer, Alaska, Approving a Contribution in Aid of Construction Agreement (CIAC) Between the City of Homer and Enstar Natural Gas Company for Construction of Improvements Within the Homer Natural Gas Distribution System Special Assessment District, in an Amount Not to Exceed \$12.7 Million. City Manager.

Mayor Wythe declared her ongoing conflict on the gas line and passed the gavel to Pro Tempore Mayor Roberts.

Mayor Pro Tempore Roberts called for a motion for the adoption of Resolution 13-017 by reading of title only.

LEWIS/BURGESS - SO MOVED.

LEWIS/ZAK - MOVED TO POSTPONE RESOLUTION 13-017 TO FEBRUARY 25.

City Manager Wrede reported we do not have a contract with Enstar that is agreed upon, although it is very close. The contract will be ready in the next couple days and Council will be able to review it.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Pro Tempore Roberts passed the gavel back to Mayor Wythe.

- C. **Resolution 13-018**, A Resolution of the Homer City Council Amending the 2013-2018 Capital Improvement Plan to Delete the Homer Tidal Energy Incubator Project and Amend the Homer Education and Recreation Center Upgrades. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 13-018 by reading of title only.

LEWIS/ROBERTS – SO MOVED.

Council has given the Skyline Fire Station first priority. Kachemak Emergency Services Area is also asking for funding for a fire station. Representative Seaton has questions about the project in regard to overlapping and redundancy.

Council asked if there was a need to amend the projects on the CIP list. Community and Economic Development Coordinator Katie Koester advised it is not necessary to add a new project to the list since the Legislators give less attention to projects low on the list. On the other hand, if Council feels there is a pressing project that needs the attention of the Legislation they could add it.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- D. **Resolution 13-019**, A Resolution of the City Council of Homer, Alaska, Expressing Support for HB 35, an Act Creating a Low-Interest Loan Program for Homeowners Who Improve or Replace Their Home Heating Systems; and Providing for an Effective Date. Lewis/Zak/Burgess.

Mayor Wythe called for a motion for the adoption of Resolution 13-019 by reading of title only.

LEWIS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- E. **Resolution 13-020**, A Resolution of the City Council of Homer, Alaska, Designating a Corner of the Lot Between Freight Dock Road and the Nick Dudiak Fishing Lagoon on the Homer Spit as a Trail Head for the Kachemak Bay Water Trail. Mayor.

Mayor Wythe called for a motion for the adoption of Resolution 13-020 by reading of title only.

BURGESS/LEWIS – SO MOVED.

Councilmember Burgess commented on the necessity of the water trail head. The lot is owned by the Port and Harbor. If we wish to use it for recreational activities the Port and Harbor must be compensated for it.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Ken Castner, city resident, commented on the Permanent Fund proceeds, the Mayor's speech, using local resources, and the inadequate storm system. He asked if natural gas assessments were subject to sales taxes.

Dave Brann, city resident, thanked Council for approval of Resolution 12-020 and the Mayor for a good balanced speech on the economics of Homer.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner congratulated Walt on his ten years of service.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comment.

COMMENTS OF THE CITY MANAGER

City Manager Wrede had no comment.

COMMENTS OF THE MAYOR

Mayor Wythe congratulated Walt on his ten years and thanked him for signing on for another two years. It was a busy weekend with the Winter Carnival and Senator Begich in town. We had the privilege of a tour of the jack-up rig on the Spit. It was fun to see how they live and how things work. She reminded people if you have contact with our legislators it would be very beneficial for the State of Alaska as a whole to create a funding source for the development and improvement of ports and harbors throughout the state. Every port would benefit if we were able to bring new shipping into other areas outside the Anchorage bowl.

COMMENTS OF THE CITY COUNCIL

Councilmember Lewis congratulated Walt for a decade that has probably felt like a century on some days. He congratulated the co-op Homer Hockey team on a good winning season. Unfortunately they fell a little bit short at regions, but they put in a good show.

Councilmember Burgess commented he appreciated Walt's service and is happy to have him here. He spoke to those who do not like natural gas because it is not environmentally friendly. If they want to get real about bringing an alternative energy to Homer, call him or email him. Council's unanimous decision on the gas assessment district will help smooth things in moving forward.

Councilmember Dolma thanked everyone that came out either for or against something. He loves seeing the faces and appreciates everyone coming down.

Councilmember Zak commented there are a lot of great things happening here and he is optimistic for the future. We listen to people in the community and sometimes it is tough. Council, the Mayor, and the City Manager care deeply about the community. He wished the Mayor good luck in Juneau next week representing the CIP list. He is glad we are connected to the federal level too. Our future is the port and harbor and we are positioned in a good place.

Councilmember Roberts welcomed Dan Nelson, new Project Manager at Public Works. She referenced the AML legislative report in the packet. She likes the way they addressed the bills for Homer and suggested the lobbyist look at that model. The commentary was very helpful. She agrees with a second legal opinion on the condo assessments. At the Committee of the Whole we were presented with an idea of a \$19,000 movie to be made about Homer. We have some great video people here in Homer, one of them winning a big award in Fairbanks. They could make a five-minute video of Homer way better and cheaper than anyone.

Councilmember Howard congratulated Walt on his ten years of service. She thanked everyone for their patience with her. She has been gone longer than she planned and hopes to be back in Homer by March 15. She will require two more telephonic meetings.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:42 p.m. The next Regular Meeting is Monday, February 25, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

JO JOHNSON, CMC, CITY CLERK

Approved: _____



Office of the Mayor

Mary E. Wythe

Homer City Hall
491 E. Pioneer Avenue
Homer, Alaska 99603-7624

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

MEMORANDUM 13-029

TO: HOMER CITY COUNCIL

FROM: MARY E. WYTHE, MAYOR

DATE: FEBRUARY 20, 2013

SUBJECT: APPOINTMENT OF MERRY MAXWELL TO THE ECONOMIC DEVELOPMENT ADVISORY COMMISSION.

Merry Maxwell is appointed to the Economic Development Advisory Commission to fill the seat vacated by Micheal Neece. Her appointment will expire April 1, 2015.

RECOMMENDATION:

Confirm the appointments of Merry Maxwell to the Economic Development Advisory Commission.

Fiscal Note: N/A



CITY OF HOMER
COMMISSION, COMMITTEE, BOARD & TASK FORCE
APPLICATION FORM

FEB 19 2013 PM 03:55 RK
CITY CLERKS OFFICE
CITY OF HOMER
491 E. PIONEER AVENUE
HOMER, ALASKA 99603
PHONE 907-235-3130
FAX 907-235-3143

RECEIVED BY CLERK'S OFFICE

The information below provides some basic background for the Mayor and Council.
This information is public and will be included in the Council Information packet.

Name MERRY MAXWELL Date 2/19/2013
Physical Address 1085 CARRIAGE COURT City HOMER
Mailing Address SAME Zip Code 99603
Phone 907 299 6427 Work # 907 226 4675 Cell # 907 299 6427
Email Address merry-maxwell@fws.gov

NOTE: The above information will be published in the City Directory and within the City web pages if you are appointed by the Mayor and your appointment is confirmed by the City Council.

Please indicate the commission(s), committee(s), board or task force you are interested in:

Select	COMMISSION/COMMITTEE/BOARD.TASK FORCE	REGULAR MEETING SCHEDULE
<input type="checkbox"/>	ADVISORY PLANNING COMMISSION	1ST & 3RD WEDNESDAY OF THE MONTH AT 6:30 P.M. WORKSESSIONS AT 5:30 P.M.
<input checked="" type="checkbox"/>	ECONOMIC DEVELOPMENT ADVISORY COMMISSION	2ND TUESDAY OF THE MONTH AT 6:00 P.M.
<input type="checkbox"/>	LIBRARY ADVISORY BOARD	1ST TUESDAY OF THE MONTH AT 5:00 P.M.
<input type="checkbox"/>	PARKS & RECREATION ADVISORY COMMISSION	3RD THURSDAY OF THE MONTH AT 5:30 P.M.
<input type="checkbox"/>	PORT & HARBOR ADVISORY COMMISSION	4TH WEDNESDAY - JANUARY TO APRIL & SEPTEMBER TO DECEMBER AT 5:00 P.M. 4TH WEDNESDAY - MAY - AUGUST AT 6:00 P.M.
<input type="checkbox"/>	PUBLIC ARTS COMMITTEE	QUARTERLY - 2ND THURSDAY OF THE MONTH AT 5:00 P.M.
<input type="checkbox"/>	TRANSPORTATION ADVISORY COMMITTEE	3RD TUESDAY OF THE MONTH AT 5:30 P.M.
<input type="checkbox"/>	PERMANENT FUND COMMITTEE	QUARTERLY - 2ND THURSDAY OF THE MONTH AT 5:15 P.M.
<input type="checkbox"/>	LEASE COMMITTEE	QUARTERLY - 2ND THURSDAY OF THE MONTH AT 3:00 P.M.
<input type="checkbox"/>	OTHER - PLEASE ENTER THE COMMITTEE/TASK FORCE	

I have been a resident of the City for ☐ mos. ☒ yrs I have been a resident of the area for ☐ mos. ☐ yrs.

I am presently employed as:

List any special training, education or background you have which is related to your choice of commission, committee, board or task force:

Have you ever served on a similar commission, committee, board or task force?

If so when and where?

When are you available for meetings? ☐ Weekly ☒ Monthly ☒ Bi-Monthly

I am interested in serving on the above because:

Do you currently belong to any organizations specifically related to the area of your choice(s) you wish to serve on?

☒ Yes ☐ No

If yes, please list organizations:

Questions regarding the Homer Advisory Planning Commission:

Have you ever developed real property, other than your personal residence?

If yes, briefly describe the development:

Questions regarding the Port & Harbor Advisory Commission:

Do you use the Homer Port and/ or Harbor on a regular basis?

If yes, is you use primarily: ☐ Commercial ☐ Recreational ☐ Both

Please include any additional information that may assist the Mayor in his decision:

When you have completed the form please review all the information and then click on the print button.

MEMORANDUM 13-032

TO: Mayor Wythe and Homer City Council

FROM: Walt Wrede

DATE: February 20, 2013

SUBJECT: TRACT 1-A, Fishing Hole Subdivision # 2

At the last meeting on February 11, the Council heard a presentation from the Wooden Boat Society about its desire to lease land on Tract 1-A, sometimes referred to as the Pier One Lot. Several Council members inquired about what the proper steps and process would be for it to formally consider a lease proposal on this property. It was agreed that I would provide a memorandum outlining the steps and recommending a course of action.

There are several steps Council should take in order to stay consistent with the provisions contained in the Code, the Lease Policies, and the Land Allocation Plan:

1. Make the Land Available for Lease: Every year the Council revises and approves the Land Allocation Plan. An important part of this process is establishing which City parcels are available for lease. With the exception of the Pier One lease, Tract 1-A is currently not available for lease. Council could make it available by passing a Resolution amending the Land Allocation Plan. As part of the resolution approval process, Council should also consider 1) How much land to make available for lease, 2) the location 3) whether it is only available to non-profits that meet zoning and other land use regulation requirements, and 4) Whether to make the property available to Wooden Boat Society exclusively or RFP it as preferred by the Lease Policies.
2. Forward Instructions to the Lease Committee. The instructions would include information about the land now available for lease, and depending upon what Council decides, the instructions could include requesting recommendations about exclusive use, direction to issue an RFP, and direction to develop a new set of evaluation criteria specific to non-profits.
3. Follow the Process: Regardless of whether the City chooses to go with an RFP or an exclusive opportunity to lease for the Wooden Boat Society, there is a formal process to follow already established in the Lease Policies. For example, the RFP, proposal, review, and recommendation to Council process is well established. Similarly, if the Council wishes to go "sole source" so to speak, without the benefit of an RFP, it must make and adopt findings about why it is in the public interest to do so. The Lease Committee is required to make recommendations to Council in that circumstance also.

RECOMMENDATION: The first step is to consider whether to make the property, or a portion of it, available for lease. This involves amending the Land Allocation Plan. The City Clerk reminded me that Council is scheduled to have a workshop on the Land Allocation Plan with the affected Commissions in late March. That would be the perfect time to discuss this and get input from the Commissions at the

same time. The Council could take action if it chooses when it amends and approves the Land Allocation Plan at the following meeting. I would recommend deferring action until that time.

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 13-021

A RESOLUTION OF THE CITY COUNCIL OF HOMER,
ALASKA, APPROVING SEASONAL DAY USE PARKING AT
THE HOMER EDUCATION AND RECREATION CENTER
PARKING LOT AND AUTHORIZING THE CITY MANAGER
TO WORK WITH THE STATE FOR SIGNAGE AS NEEDED.

WHEREAS, The Homer Comprehensive Economic Development Strategy (CEDS) identifies the need to "Provide parking for RVs in downtown Homer with signage to make it easy for drivers to locate the parking"; and

WHEREAS, The Comprehensive Plan Implementation Strategies include "Support Pioneer Avenue/Downtown business and other year-round businesses"; and

WHEREAS, Resolution 12-041 prioritizes elements of Homer's CEDS, and designates Downtown Vitalization as a strategy to improve economic growth in Homer; and

WHEREAS, A working group made up of a Planning staff member, an EDC member, a Chamber member, and an Old Towne representative, has explored options for providing RV day-use parking in Downtown and Old Towne Homer for the 2013 tourist season; and

WHEREAS, Two sites have been identified to serve the RV day use parking need. The Chamber of Commerce parking area, because it provides sidewalks to Old Town and the Homer Recreation and Education Center (HERC) parking because it provides sidewalks to downtown; and

WHEREAS, RV parking would be available from the second weekend in May until Labor Day from 8 a.m. until 9 p.m., would be advertised on the Homer map published by the Homer News, and other appropriate publications; and

WHEREAS, Both the Sterling Highway and Pioneer Avenue are State maintained roads and Planning staff will work to get "RV Day Parking" signs permitted; and

WHEREAS, The City's existing insurance covers all the City's actions. With appropriate signs, the risks appear to be minimal.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council approves a seasonal day use parking area at the Homer Education and Recreation Center parking lot and authorizing the City Manager to pursue to work with the state for the needed sign permits.

PASSED AND ADOPTED by the City Council of Homer, Alaska this 25th day of February, 2013.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK



**CITY OF HOMER
CITY HALL**

MEMORANDUM 13-031

To: Mayor Wythe and Homer City Council
Through: Walt Wrede, City Manager
From: Katie Koester, Community and Economic Development Coordinator
Dotti Harness-Foster, Planning Technician
Date: February 20, 2013
Re: Seasonal day-use RV parking at the HERC building

EDC Commissioner Ross, Karin Marks (Chamber member), Brianna Allen representing Old Town, Katie Koester and myself met on December 14th and on February 6th to explore options for providing **RV day-use parking in Downtown Homer** for the 2013 tourist season.

The "RV group" identified two sites. Both provide sidewalks to Downtown and Old Town Homer. First, the Chamber parking area will serve the Old Town businesses; second, the Homer Education and Recreation Center (HERC) parking area will serve the business district along Pioneer Avenue.

RV parking would be for the summer only (second weekend in May to Labor Day), from 8am to 9pm. It would be advertised on the Homer map that is published by the Homer news and other appropriate publications. The deadline for the map additions is the end of February.

This project aligns with Homer's Development and Economic Plans to "Provide parking for RVs in downtown Homer with signage to make it easy for drivers to locate the parking" as written in the 2011 Homer Comprehensive Economic Development Strategy (CEDS). Implementation strategies for Homer's Comprehensive Plan include "Support Pioneer Avenue/Downtown business and other year-round businesses. Effort should be made in the future to have more tourists visit downtown Homer to support year round businesses." Resolution 12-041, which prioritizes elements of Homer's CEDS, designates "Downtown vitalization" as one of many strategies to improve economic growth in Homer.

The RV group discussed potential problems and has researched solutions. The RV group welcomes any guidance in addressing perceived potential problems. Starting small, as in two sites, will allow us to easily monitor and resolve problems that may arise. If successful, additional parking areas could be explored for the 2014 season.

Signs: Both the Sterling Highway and Pioneer Avenue are State maintained roads, but the State does not install tourist directional signs. Therefore, a volunteer with business interests may install the signs on the existing posts. The estimated cost of the signs and the State permit is approximately \$750. This includes five direction signs: three on the Sterling Highway, Pioneer Avenue and Ohlson Road, plus two signs in the parking areas “RV Angle Parking 8a-9p” “Park at your own risk; Not responsible for lost or stolen items.” “No littering” and “BYOB Bring Your Own Bag.”

Keeping the HERC parking area litter free: RV’s have trash receptacles, so the need to provide trash receptacles in the parking area may not be necessary. A sign in the parking area will indicate “No littering.”

Insurance: The City’s existing liability insurance policy covers all of the City’s actions, so there is no additional insurance cost. Assessing the risks and deciding if the reward outweighs the risk is prudent. The City’s agent suggests signs in the parking area that warn travelers: “Park at your own risk; Not responsible for lost or stolen items.” Two of these signs are included in the proposed budget.

Advertising: If approved by City Council on Feb. 25th, both the Chamber and HERC site will be identified on the “Homer Map” which the Homer News publishes at no cost to the City.

Future goals: By intention the RV Group has started small, two sites. This gives us the opportunity to resolve issues on a small scale. If successful, the RV Group would like the business community to take the lead for the 2014 season and beyond.

Parking enforcement: On occasion, overnight RV parking happens in the larger lots in town. If necessary, the RV traveler is provided with information as to the location of RV camp grounds and the issue is resolved. Again, starting small will allow us to monitor this.

Budget (Signs): \$750.00



February 15, 2013

Walt Wrede
City Manager
Homer City Hall
491 East Pioneer Ave
Homer Alaska 99603

Dear Walt,

The Homer Chamber of Commerce & Visitor Center would like to lend its support to the idea of - and administration of - the Seasonal day-use RV parking at both the HERC building and the south end of our parking lot here at the Chamber/VIC.

The Chamber would be willing to help gain support (financial and otherwise) from the Pioneer Ave and Old Town businesses that would benefit most from this opportunity. We've discussed the possibility of asking businesses to donate \$20 each towards paying a maintenance person to check both lots as close to daily as feasible, and pick up all resulting litter. The Chamber would be willing to collect and hold those funds, hire the responsible person and pay them.

In addition, once the City has placed the signage in accepted positions the first year, we would have them taken down and store them for the following years, as well as take responsibility in the following years to put them back up in those exact spots.

We would ask that the City commit an officer who, in the course of their normal patrol, check each of the lots at night to be sure RV'ers are not using them for camping. In this way I can assure my campground owning members that we are NOT taking business from them.

We believe this to be a good idea that we can easily facilitate and should help support our downtown Pioneer Ave. and Old Town businesses.

Please feel free to let me know if you need clarification on any of these points.

Sincerely,

A handwritten signature in black ink, appearing to read "M. J. [unclear]".

Executive Director
Homer Chamber of Commerce & Visitor Center

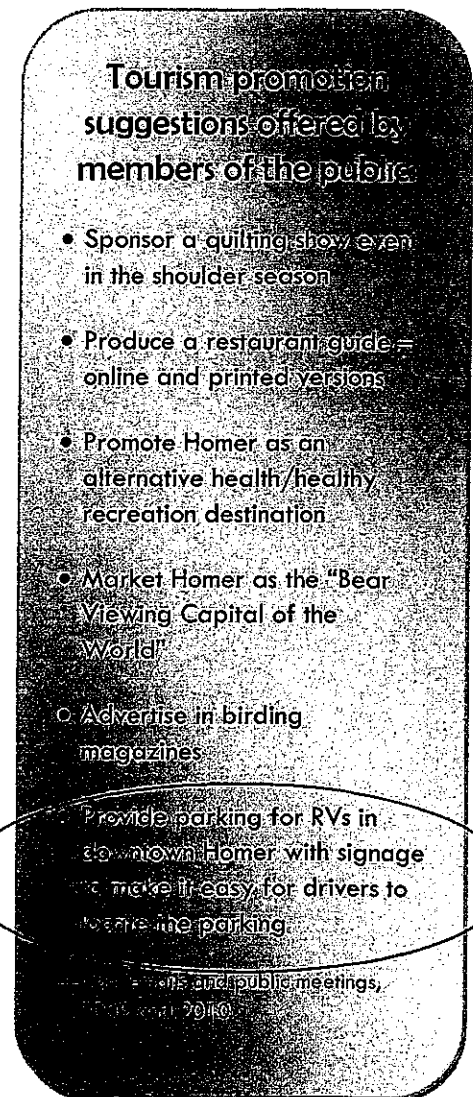
As mentioned previously, tourism falls in the category of a basic economic sector in that it brings new money into a community or region rather than simply circulating money. Homer businesses that benefit most directly from tourism are lodging (including many B&Bs); shops, galleries, and restaurants; charter fishing operations; and sightseeing/wildlife viewing/water taxi businesses. Wages paid to employees in these businesses in turn help support other businesses in town.

The Homer Comprehensive Plan, Economic Vitality chapter, provides a number of recommendations to strengthen Homer as a tourism destination. Three primary objectives are listed:

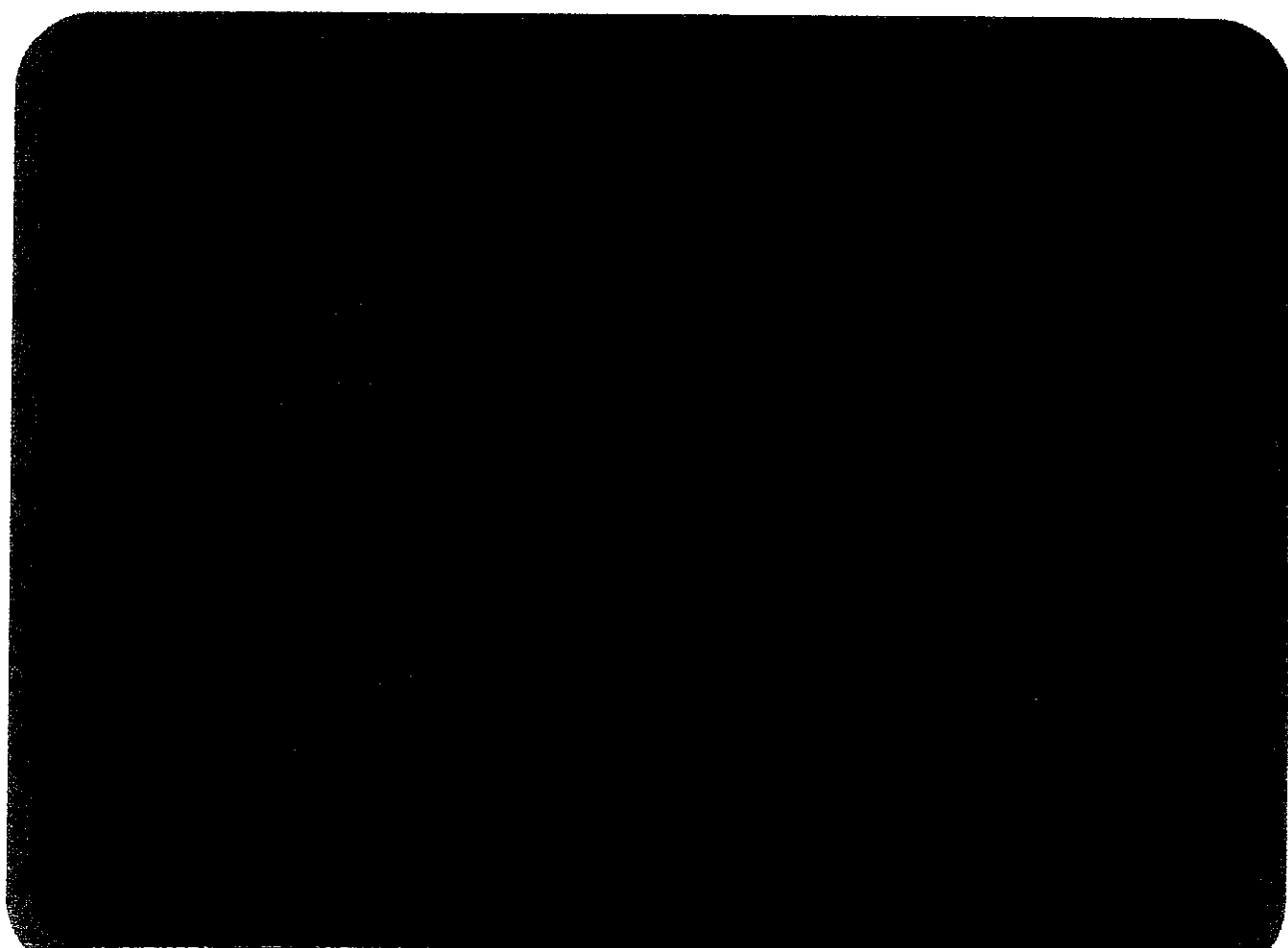
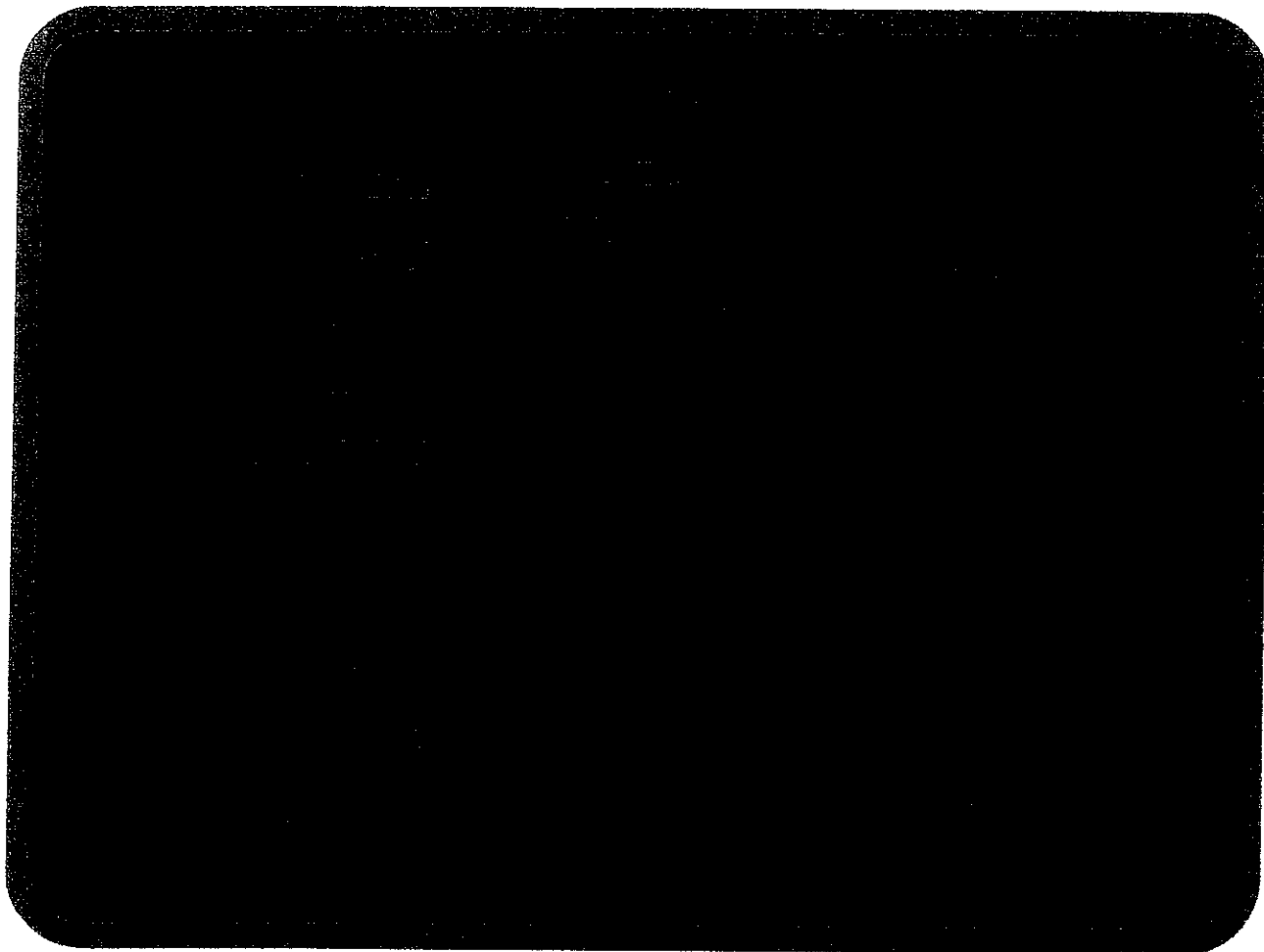
- A. Invest in local infrastructure, parks, and civic improvements that will serve locals as well as visitors by promoting longer stays, increased expenditures per person, and more repeat visitation as a form of economic development.
- B. Support efforts to improve community attractions, including Town Center, trails, and access to marine activities and the marine environment. Improve links between attractions.
- C. Increase the net benefits that tourism brings to Homer.

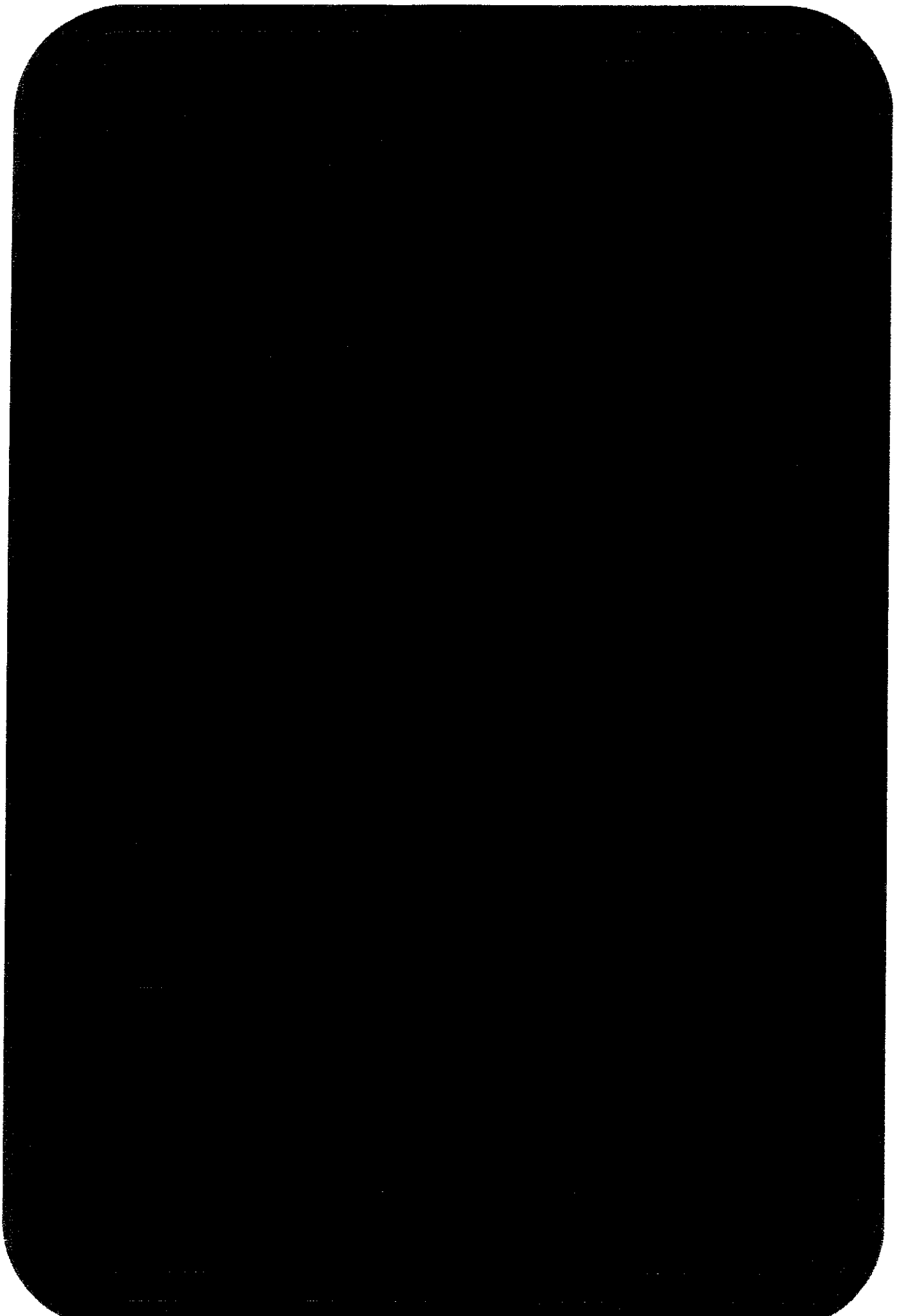
Fifteen separate implementation strategies are suggested to accomplish these objectives. Rather than repeat them here, we encourage readers of this economic development plan to read pages 8-7 through 8-10 of the Homer Comprehensive Plan. The discussion below will focus on one particular implementation strategy listed under Objective C. Strategy 6 is to "actively promote Homer to identified target markets, including Alaska residents, out-of-state independent travelers, and small group package tour travelers." One specific recommended action is that Homer "continue to explore the establishment of conference and convention capabilities in existing and/or new facilities."

In 2005, the City of Homer commissioned a feasibility study for a potential new conference center. The following table summarizes the findings:¹⁴



¹⁴ "Feasibility Study for a Potential New Conference Center in Homer, Alaska;" prepared by Conventions, Sports & Leisure International for the City of Homer, July 2005.





**CITY OF HOMER
HOMER, ALASKA**

Wythe

RESOLUTION 12-041

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, DESIGNATING COMMUNITY ECONOMIC DEVELOPMENT STRATEGY (CEDS) PRIORITIES AND REQUESTING THAT THE CITY ECONOMIC DEVELOPMENT ADVISORY COMMISSION REVIEW THESE PRIORITIES AND PROVIDE RECOMMENDATIONS REGARDING IMPLEMENTATION STRATEGIES INCLUDING TIMETABLES, RESPONSIBLE PARTIES, AND FUNDING.

WHEREAS, The Homer City Council recently adopted a Community Economic Development Strategy (CEDS); and

WHEREAS, Economic development and job creation is a Council priority and it would like to move forward with implementation of goals and objectives that are feasible and prudent at this time; and

WHEREAS, The Economic Development Advisory Commission's (EDC) work plan for this year includes reviewing the CEDS and making recommendations to the Council regarding implementation; and

WHEREAS, The City Council determined that it would be beneficial to review the document again itself and provide the EDC with a list of priorities that it would like the Commission to focus on; and

WHEREAS, Council members reviewed the CEDS and offered suggestions regarding priorities at a workshop on April 27, 2012.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby designates the following as CEDS priorities:

- Affordable Housing
- Voc-Tec or Marine Tech training and education
- Market Homer for High Tech Businesses
- Downtown Vitalization

- Expand Water and Sewer Distribution Systems and the Number of Customers
- Expand Shoulder Season Sports
- Promote Homer as an Agricultural Center

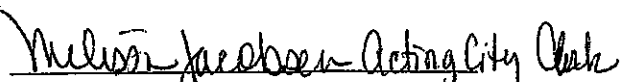
BE IT FURTHER RESOLVED that the Council requests that the EDC review these priorities and provide recommendation regarding implementation strategies including timetables, responsible parties, and funding sources.

PASSED AND ADOPTED by the Homer City Council this 14th day of May, 2012.

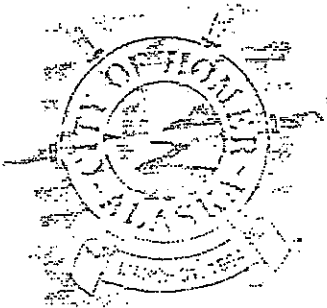
CITY OF HOMER


JAMES C. HORNADAY, MAYOR

ATTEST:


JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A



**CITY OF HOMER
HOMER, ALASKA**

Mayor/ Burgess

RESOLUTION 13-022

A RESOLUTION OF THE CITY COUNCIL OF HOMER,
ALASKA AUTHORIZING THE CITY MANAGER TO SEEK
PROPOSALS FOR ANALYSIS OF THE ECONOMIC IMPACTS
ASSOCIATED WITH THE PRESENCE OF THE DRILL RIG
ENDEAVOR AT THE DEEP WATER DOCK.

WHEREAS, The drill rig Endeavor has been moored at the Deep Water Dock for
approximately six months while repair, maintenance, inspection, and certification activities take
place; and

WHEREAS, The presence of the Endeavor has created an economic stimulus in the
community during what is normally a slow time of year; and

WHEREAS, The economic benefits associated with the Endeavor have included sales
taxes, moorage and other fees, contracts with local businesses, and employment for local
workers; and

WHEREAS, It would be beneficial to know and more fully understand the scope and
depth of the economic impacts associated with having the Endeavor here.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby
authorizes the City Manager to seek proposals for analysis of the economic impacts associated
with the presence of the drill rig Endeavor at the Deep Water Dock.

PASSED AND APPROVED BY THE HOMER CITY COUNCIL this 25th day of
February, 2013.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Estimated to be < than \$8,000

VISITORS

HOMER PREVENTION PROJECT:

Strategic Planning



The Homer Prevention Project conducted strategic planning from October, 2012 – January, 2013 to address underage drinking and adult heavy and binge drinking in the community. The strategic plan is based on the outcome of the needs assessment that was completed during the spring and summer of 2012 (available at www.homerpreventionproject.org).

The Homer Prevention Project has prioritized the following strategies for implementation:

- ▲ **Positive Community Norms Campaign**
- ▲ **PhotoVoice Project**
- ▲ **Targeted Information Dissemination**
- ▲ **Education and Skill Building Opportunities**
- ▲ **Support for Alternative Activities for Youth**

These five strategies will be implemented in the community over the coming year, and were selected from a broad array of strategies brainstormed by the project's Advisory Workgroup throughout 2012. The strategies were prioritized based on evidence of effectiveness, project timeline, level of community readiness to address the issues, and fit to the community.

In addition, 3 capacity building activities, targeted at ensuring long term project sustainability, will continue throughout the life of the project. These are:

- ▲ **Expanding and leveraging partnerships in the community**
- ▲ **Supporting increased data collection in the community**
- ▲ **Training and education opportunities for coalition members**

Download a copy of the complete needs assessment report and strategic plan at: www.homerpreventionproject.org

The needs assessment and strategic plan of the Homer Prevention Project were collaborative efforts that included representatives from the following groups and organizations: Alaska Family Violence Prevention Project, Alaska State Troopers, Big Brothers Big Sisters, CICADA, State Council on Domestic Violence and Sexual Assault, Division of Juvenile Justice, Frontier Community Services, South Peninsula Haven House, Homer District Court, Homer Police Department, Homer Public Health, Kachemak Bay Family Planning Clinic, Kenai Peninsula Borough School District, Kenai Peninsula Youth Court, MAPP of the Southern Kenai Peninsula, NOFAS Alaska, The REC Room, SVT Health and Wellness Center, South Peninsula Behavioral Health: The Center, South Peninsula Hospital, SPROUT, local alcohol retailers, and very importantly, local teens and parents

**ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS**

PUBLIC HEARING(S)

**CITY OF HOMER
PUBLIC HEARING NOTICE
CITY COUNCIL MEETING**

Ordinances 13-03, 13-04 & 13-05

A **public hearing** is scheduled for **Monday, February 25, 2013** during a Regular City Council Meeting. The meeting begins at 6:00 p.m. in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Ordinances 13-03, 13-04 & 13-05 internet address:
<http://www.cityofhomer-ak.gov/ordinances>

Ordinance 13-03, An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue a Natural Gas Distribution Special Assessment Bond in the Principal Amount of Not to Exceed \$12,700,000 to Finance the Design and Construction of Natural Gas Distribution Improvements in the City, Fixing Certain Details of Such Bond and Authorizing Its Sale; and Repealing HCC Chapter 17.08. City Manager.

Ordinance 13-04, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a 2012 Emergency Management Performance Grant from the State Division of Homeland Security and Emergency Management in the Amount of \$5,000 for an Update to the Emergency Operations Plan and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Fire Chief.

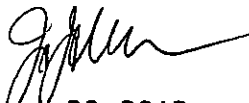
Ordinance 13-05, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2013 Operating Budget by Appropriating \$10,500 from the General Fund for Emergency Relief to Pay Immediate Dislocation Expenses Incurred by the Tenants of Three Structures Affected by Sewer System Surcharges Caused by Extreme Weather on January 12 Through 14, 2013. City Manager.



All interested persons are welcomed to attend and give testimony. Written testimony received by the Clerk's Office prior to the meeting will be provided to Council.

**** Copies of proposed Ordinances, in entirety, are available for review at Homer City Clerk's Office. Copies of the proposed Ordinances are available for review at City Hall, the Homer Public Library, the City of Homer Kiosks at City Clerk's Office, Captain's Coffee, Harbormaster's Office, and Redden Marine Supply of Homer and the City's homepage - <http://clerk.ci.homer.ak.us>. Contact the Clerk's Office at City Hall if you have any questions. 235-3130, Email: clerk@ci.homer.ak.us or fax 235-3143.**

Jo Johnson, CMC, City Clerk



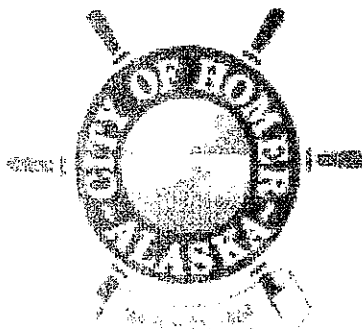
Publish: Homer Tribune: February 20, 2013

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 13-03, Authorizing the City to Issue a Natural Gas Distribution Special Assessment Bond in the Principal Amount of Not to Exceed \$12,700,000 to Finance the Design and Construction of Natural Gas Distribution Improvements in the City, Fixing Certain Details of Such Bond and Authorizing Its Sale; and Repealing HCC Chapter 17.08; Ordinance 13-04, Accepting and Appropriating a 2012 Emergency Management Performance Grant from the State Division of Homeland Security and Emergency Management in the Amount of \$5,000 for an Update to the Emergency Operations; Ordinance 13-05, Amending the FY 2013 Operating Budget by Appropriating \$10,500 from the General Fund for Emergency Relief to Pay Immediate Dislocation Expenses Incurred by the Tenants of Three Structures Affected by Sewer System Surcharges Caused by Extreme Weather on January 12 Through 14, 2013 at the City of Homer kiosks located at City Clerk's Office, Captain's Coffee Roasting Co., Harbormaster's Office and Redden Marine on February 22, 2013 and that the City Clerk posted same on City of Homer Homepage on February 15, 2013.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 15th day of February, 2013.

Renee Krause
Renee Krause, Deputy City Clerk I



ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-03

An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue a Natural Gas Distribution Special Assessment Bond in the Principal Amount of Not to Exceed \$12,700,000 to Finance the Design and Construction of Natural Gas Distribution Improvements in the City, Fixing Certain Details of Such Bond and Authorizing Its Sale; and Repealing HCC Chapter 17.08.

Sponsor: City Manager

1. City Council Regular Meeting January 28, 2013 Introduction
2. City Council Regular Meeting February 11, 2013 Public Hearing
 - a. Request for Proposals
3. City Council Regular Meeting February 25, 2013 Second Reading
 - a. Ordinance 13-03(S)
 - b. Memorandum 13-030 from City Manager as Backup

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 13-03(S)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AUTHORIZING THE CITY TO ISSUE A NATURAL GAS DISTRIBUTION SPECIAL ASSESSMENT BOND IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,700,000 TO FINANCE THE DESIGN AND CONSTRUCTION OF NATURAL GAS DISTRIBUTION IMPROVEMENTS IN THE CITY, FIXING CERTAIN DETAILS OF SUCH BOND AND AUTHORIZING ITS SALE; AND REPEALING HCC CHAPTER 17.08.

WHEREAS, On February 11, 2013, the Council adopted Ordinance 13-02 creating the City of Homer Natural Gas Distribution Special Assessment District ("District"), and authorizing the City Manager to proceed with the design and construction of a natural gas distribution system in the District (the "Improvement"), and negotiate for the sale of special assessment bonds or other financing for the construction of the Improvement for Council approval; and

WHEREAS, Interim financing for the Improvement is required in anticipation of the levying of special assessments against the real property in the District, and after the levying of the assessments, long-term financing for the Improvement will be required; and

WHEREAS, AS 29.46.130 and AS 29.46.140 authorize the City of Homer "City" respectively to issue notes to obtain interim financing for improvements in a special assessment district, and to issue bonds to obtain long-term financing for improvements in a special assessment district, in each case payable out of special assessments for the improvement, without voter approval; and

WHEREAS, the City has solicited proposals to purchase the bond and finance the Improvement, and has determined that the Kenai Peninsula Borough ("Lender") has submitted the best proposal; and

WHEREAS, the City Manager has negotiated a Loan Agreement between the Lender and the City, the form of which is now before this meeting, which provides for the Lender to purchase a bond to finance the Improvement on the terms and conditions set forth therein and in this Ordinance, and it is in the best interest of the City that the City sell the bond to the Lender under such terms and conditions; and

WHEREAS, Homer City Code Chapter 17.08, regarding special assessment bonds, contains terms that are obsolete and conflict with the terms of the financing authorized by this ordinance, and should be repealed.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

47
48 Section 1 – Definitions. In addition to the terms that are defined in the recitals above, the
49 following terms shall have the following meanings in this Ordinance:

50
51 "Bond Register" means the registration books maintained by the Registrar as Bond
52 registrar, which include the names and addresses of the owners or nominees of the owners of the
53 Bond.

54
55 "Bond" means the "Natural Gas Distribution Special Assessment Bond, 2013" of the
56 City, the issuance and sale of which are authorized herein.

57
58 "City" means the City of Homer, a municipal corporation of the State of Alaska,
59 organized as a first class city under Title 29 of the Alaska Statutes.

60
61 "Council" means the Council of the City of Homer, as the general legislative authority of
62 the City, as the same shall be duly and regularly constituted from time to time.

63
64 "District" means the Homer Natural Gas Distribution System Special Assessment District
65 created by Ordinance 13-02.

66
67 "ENSTAR" means ENSTAR Natural Gas Company, a division of Semco Energy, Inc., a
68 Michigan corporation.

69
70 "Guaranty Fund" means the fund of that name created by Section 15.

71
72 "Improvement" means the natural gas distribution system to be constructed in the
73 District.

74
75 "Lender" means the Kenai Peninsula Borough, a municipal corporation of the State of
76 Alaska, organized as a second class borough under Title 29 of the Alaska Statutes.

77
78 "Loan Agreement" means the Loan Agreement between the City and the Lender
79 concerning the Bond.

80
81 "Ordinance" means this Ordinance 13-03(S) of the City.

82
83 "Registered Owner" means the person named as the registered owner of a Bond in the
84 Bond Register. The Lender is the initial Registered Owner.

85
86 "Registrar" means the City Treasurer, or any successor that the City may appoint by
87 resolution.

88
89 "Reserve Fund" means the fund of that name created by Section 14.

90
91 "Sinking Fund" means the fund of that name created by Section 13.
92

93 "Special Assessments" means all special assessments to be levied against real property in
94 the District to pay the costs of the Improvement.
95

96 Section 2 – Authorization of Bond and Purpose of Issuance. For the purpose of providing
97 the funds necessary to pay the costs of designing and constructing the Improvement, to pay
98 interest on the Bond during the construction of the Improvement, the funding of the reserves
99 required herein, and to pay all costs incidental thereto and to the issuance of the Bond, the City
100 shall issue the Bond in a principal amount equal to the aggregate amount of the advances that the
101 Registered Owner makes to the City for such purposes, but not to exceed \$12,700,000.
102

103 Section 3 – Obligation of Bond. The Bond is a special obligation of the City and is
104 payable solely from assessments to be levied against the real property in the District for the
105 Improvement, and funds pledged for the payment of the Bond under this Ordinance. Said
106 assessments shall constitute a sinking fund for the payment of principal of and interest on the
107 Bond. Neither the faith and credit nor the taxing power of the City is pledged for the payment of
108 the Bond.
109

110 Section 4 – Description of Bond. The Bond shall be designated "City of Homer Natural
111 Gas Distribution Special Assessment Bond, 2013," shall be issued in fully registered form, and
112 shall be numbered in the manner and with such additional designation as the Registrar deems
113 necessary for purposes of identification, and may have endorsed thereon such legends or text as
114 may be necessary or appropriate to conform to the rules and regulations of any governmental
115 authority or any usage or requirement of law with respect thereto. The Bond shall be dated as of
116 its delivery date.
117

118 The Bond shall bear interest from its date at a rate of Four Percent (4.0%) per annum, and
119 shall be payable in ten equal annual installments of principal and interest, commencing on the 1st
120 day of January 2015 and continuing on January 1 of each year thereafter, until January 1, 2024,
121 when the remaining principal balance of the Bond, plus accrued interest, shall be due and
122 payable. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day
123 months.
124

125 Section 5 – Optional Redemption. The Bond shall be subject to optional redemption in
126 whole or in part at any time, at a redemption price equal to the principal amount of the Bond to
127 be redeemed plus accrued interest to the date of redemption.
128

129 Section 6 – Notice of Redemption. Notice of any intended redemption of the Bond shall
130 be given not less than 10 nor more than 45 days prior to the date fixed for redemption by first
131 class mail to the Registered Owner of the Bond at its address as it appears on the Bond Register
132 on the day the notice is mailed. The requirements of this section shall be deemed to be complied

with when notice is mailed as herein provided, whether or not it is actually received by the Registered Owner. All official notices of redemption shall be dated and shall state the redemption date and the redemption price.

Section 7 – Form of Bond. The Bond shall be in substantially the following form, with such variations, omissions and insertions as may be required or permitted by this Ordinance:

UNITED STATES OF AMERICA
STATE OF ALASKA
CITY OF HOMER

No. _____ \$ _____

NATURAL GAS DISTRIBUTION SPECIAL ASSESSMENT BOND, 2013

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Homer (the "City"), a municipal corporation of the State of Alaska, acknowledges itself indebted and for value received promises to pay (but only out of the sources mentioned herein) to the Registered Owner identified above, or its registered assigns, a principal amount equal to the aggregate amount of the advances that the Registered Owner makes to the City to pay the costs of designing and constructing the Improvement, to pay interest on the Bond during the construction of the Improvement, the funding of the reserves required herein, and to pay all costs incidental thereto and to the issuance of the Bond, but not to exceed Twelve Million Seven Hundred Thousand Dollars (\$12,700,000), together with accrued interest on the outstanding principal amount of this Bond at a rate of Four Percent (4.0%) per annum. This Bond is payable in one payment of interest only on the 1st day of January 2014 and ten equal annual installments of principal and interest, commencing on the 1st day of January 2015 and continuing on January 1 of each year thereafter, until January 1, 2024, when the remaining principal balance of the Bond, plus accrued interest, shall be due and payable. Both principal of and interest on this Bond shall be payable in any lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Installments of principal and interest on this Bond shall be paid at the office of the Registered Owner in Soldotna, Alaska, or at the option of the Registered Owner at the office of the Treasurer of the City in Homer, Alaska

This Bond is subject to prepayment by or on behalf of the City, in whole or in part, at any time without penalty, upon notice as provided in the Ordinance referred to below (the "Ordinance").

This Bond is issued pursuant to Chapter 46, Title 29 of the Alaska Statutes and Ordinance 13-03(S) of the City duly and regularly adopted February 25, 2013, for the purpose of providing funds to pay the costs of designing and constructing a natural gas distribution system (the "Improvement") in the City of Homer Natural Gas Distribution Special Assessment District, and is the single registered Bond entitled \$12,700,000 City of Homer Natural Gas Distribution Special Assessment Bond, 2013.

THIS BOND IS PAYABLE SOLELY FROM ASSESSMENTS TO BE LEVIED AGAINST THE REAL PROPERTY IN THE CITY OF HOMER NATURAL GAS DISTRIBUTION SPECIAL ASSESSMENT DISTRICT, AND FUNDS PLEDGED FOR THE PAYMENT OF THE BOND UNDER THE ORDINANCE, AND IS NOT A GENERAL OBLIGATION OF THE CITY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED FOR ITS REPAYMENT.

IT IS HEREBY CERTIFIED and declared that this Bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and the ordinances of the City of Homer, and that all acts, conditions and things required to happen, to be done and to be performed precedent to and on the issuance of this Bond have happened, been done and been performed.

IN WITNESS WHEREOF, the City of Homer, Alaska, has caused this Bond to be executed by the signature of its Mayor and attested by its Clerk under the seal of the City on this ____ day of March 2013.

CITY OF HOMER

Mayor

A T T E S T:

City Clerk

Section 8 – Execution. The Bond shall be executed in the name of the City by the signature of the Mayor, and its corporate seal shall be impressed or otherwise reproduced thereon and attested by the signature of the City Clerk. The execution of the Bond on behalf of the City by persons who at the time of the execution are duly authorized to hold the proper offices shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the Bond or shall not have held office on the date of the Bond.

219
220 Section 9 – Payment of Principal and Interest. The Bond shall be payable in lawful
221 money of the United States of America which at the time of payment is legal tender for the
222 payment of public and private debts. Installments of principal and interest on the Bond shall be
223 payable on the due date in immediately available funds at the office of the Registered Owner in
224 Soldotna, Alaska, or at another location specified at the option of the Registered Owner;
225 provided that the final installment of the principal of the Bond, plus accrued interest, shall be
226 payable upon presentation and surrender of the Bond by the Registered Owner at the office of the
227 Registered Owner in Soldotna, Alaska.

228
229 Section 10 – Registration.

230
231 (a) Bond Register. The Bond shall be issued only in registered form as to both
232 principal and interest. The Registrar shall keep, or cause to be kept, a Bond Register at its
233 principal office. The Treasurer of the City is hereby appointed as Registrar and paying agent for
234 the Bond.

235
236 (b) Registered Ownership. The City and the Registrar, each in its discretion, may
237 deem and treat the Registered Owner of the Bond as the absolute owner thereof for all purposes,
238 and neither the City nor the Registrar shall be affected by any notice to the contrary. Payment of
239 the Bond shall be made only as described in Section 9, but such registration may be transferred
240 as herein provided. All such payments made as described in Section 9 shall satisfy and discharge
241 the liability of the City upon the Bond to the extent of the amount or amounts so paid.

242
243 (c) Transfer or Exchange of Registered Ownership. The registered ownership of the
244 Bond may be transferred or exchanged, but no transfer of the Bond shall be valid unless it is
245 surrendered to the Registrar with the assignment form appearing on such Bond duly executed by
246 the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory
247 to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond and shall
248 cause to be executed and delivered, without charge to the Registered Owner or transferee, a new
249 Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and
250 interest rate and for the same aggregate principal amount, naming as Registered Owner the
251 person or persons listed as the assignee on the assignment form appearing on the surrendered and
252 canceled Bond. The Bond may be surrendered to the Registrar and exchanged, without charge,
253 for an equal aggregate principal amount of Bonds of the same date, maturity, and interest rate.
254 The Registrar shall not be obligated to transfer or exchange the Bond following any notice of
255 redemption.

256
257 Section 11 – Lost Stolen, Destroyed or Mutilated Bond. Upon surrender to the Registrar
258 of a mutilated Bond, the City shall execute and deliver a new Bond of like maturity and principal
259 amount. Upon filing with the Registrar of evidence satisfactory to the City that a Bond has been
260 destroyed, stolen or lost and of the ownership thereof, and upon furnishing the City with
261 indemnity satisfactory to it, the City shall execute and deliver a new Bond of like maturity and

principal amount. The person requesting the execution and delivery of a new Bond under this section shall comply with such other reasonable regulations as the City may prescribe and pay such expenses as the City may incur in connection therewith.

Section 12 – Application of Bond Proceeds. The proceeds of the sale of the Bond shall be applied to pay the costs of designing and constructing the Improvement, including the funding of the reserves required herein, and to pay all costs incidental thereto and to the issuance of the Bond, including without limitation the costs of the Lender as provided in the Loan Agreement, and shall be deposited in the appropriate funds or accounts of the City for such purposes.

Section 13 – Sinking Fund. A special fund of the City designated the "City of Homer Natural Gas Distribution Special Assessment Bond Sinking Fund" is hereby created for the purpose of paying and securing the payment of the Bond. The Sinking Fund shall be held separate and apart from all other funds and accounts of the City and shall be a trust fund for the Registered Owner of the Bond. Payments of principal and interest on assessments levied for the Improvement in the District shall be deposited in the Sinking Fund. Amounts in the Sinking Fund shall be used to pay principal and interest on the Bond, and are hereby pledged for that purpose.

Section 14 – Reserve Fund.

(a) A special fund of the City designated the "City of Homer Natural Gas Distribution Special Assessment Bond Reserve Fund" is hereby created for the purpose of paying and securing the payment of the Bond, and is hereby pledged for that purpose. The Reserve Fund shall be held separate and apart from all other funds and accounts of the City and shall be a trust fund for the Registered Owner of the Bond. There shall be paid into the Reserve Fund:

(1) That part of the proceeds of the Bond which is designated for deposit in the Reserve Fund by the Loan Agreement; and

(2) All monies received from ENSTAR as refunds of main extension advances or free main allowance arising out of new customers connecting to the Improvement; and

(3) Any Sinking Fund and Guaranty Fund balances remaining after the discharge of the Bond.

(b) Until the Bond has been discharged, the funds in the Reserve Fund may be used only to pay the difference between the amount of principal and interest due on the Bond and the amount in the Sinking Fund that is available to pay that principal and interest; provided, if the Finance Director determines that the amount of funds available in the Reserve Fund exceeds the amount of the next annual installment of principal and interest due on the Bond, the Finance Director may apply such excess to a prepayment of the Bond.

(c) At such time as the Finance Director determines that the sum of the amounts in the Reserve Fund, the Guaranty Fund and the Sinking Fund equals or exceeds the amount required to (i) discharge the Bond, (ii) pay all refunds of assessments required upon discharge of the Bond, and (iii) pay any other amounts that may be owing on the Bond, the Finance Director shall cause such payment to be made and the Bond to be discharged.

Section 15 – Guaranty Fund. A special fund of the City designated the "City of Homer Natural Gas Distribution Special Assessment Bond Guaranty Fund" is hereby created for the purpose of paying and securing the payment of the Bonds, and is hereby pledged for that purpose. The Guaranty Fund shall be held separate and apart from all other funds and accounts of the City and shall be a trust fund for the Registered Owner of the Bonds. The Council annually shall appropriate to the Guaranty Fund a sum the Council determines to be adequate, with all other available funds, to cover a deficiency in the funds available to pay principal and interest on the Bonds if the reason for the deficiency is nonpayment of assessments when due. Money received from actions taken against property for nonpayment of assessments levied in the District shall be credited to the Guaranty Fund. Amounts in the Guaranty Fund shall be used to pay principal and interest on the Bonds when other funds are not available for that purpose.

Section 16 – Amendatory and Supplemental Ordinances.

(a) The Council from time to time and at any time may adopt an Ordinance or Ordinances supplemental hereto, which Ordinance or Ordinances thereafter shall become a part of this Ordinance, for any one or more of the following purposes:

(1) To add to the covenants and agreements of the City in this Ordinance, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the City.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this Ordinance or in regard to matters or questions arising under this Ordinance as the Council may deem necessary or desirable and not inconsistent with this Ordinance and which shall not adversely affect the interests of the Registered Owner of the Bond.

Any such supplemental Ordinance may be adopted without the consent of the Registered Owner of the Bond, notwithstanding any of the provisions of subsection (b) of this section.

(b) With the consent of the Registered Owners of not less than 60 percent in aggregate principal amount of the Bond at the time outstanding, the Council may adopt an Ordinance or Ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental Ordinance; provided, however, that no such supplemental Ordinance shall:

(1) Extend the due date of any principal installment payable under the Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Registered Owners of all of the Bond so affected; or

(2) Reduce the aforesaid percentage of Registered Owners of the Bond required to approve any such supplemental Ordinance without the consent of the Registered Owners of all of the Bond then outstanding.

(3) Remove the pledge and lien of this Ordinance on assessments to be levied against the real property in the District, and funds pledged for the payment of the Bond under this Ordinance.

It shall not be necessary for the consent of the Registered Owner of the Bond under this subsection (b) to approve the particular form of any proposed supplemental Ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

(c) Upon the adoption of any supplemental Ordinance pursuant to the provisions of this section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and the Registered Owner of the Bond shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendment, and all the terms and conditions of any such supplemental Ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

(d) Any Bond executed and delivered after the adoption of any supplemental Ordinance pursuant to this section may bear a notation as to any matter provided for in the supplemental Ordinance, and if the supplemental Ordinance shall so provide, a new Bond so modified as to conform, in the opinion of the Council, to any modification of this Ordinance contained in any such supplemental Ordinance may be prepared by the City and delivered without cost to the Registered Owner of the Bond then outstanding, upon surrender for cancellation of such Bond in an equal aggregate principal amount.

Section 17 – Sale of Bond; Loan Agreement. The Bond shall be sold at negotiated sale to the Lender as provided in the Loan Agreement. The City Manager is hereby authorized to execute the Loan Agreement, in substantially the form presented at this meeting, but with such changes, modifications, additions and deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said document now before this meeting, and from and after the execution and delivery of said document, the City Manager hereby is authorized, empowered and directed to do all acts and

things and to execute all documents as may be necessary to carry out and comply with the provisions of the Loan Agreement as executed..

Section 18 – Authority of Officers. The City Manager, the acting City Manager, the Clerk and the acting Clerk are, and each of them hereby is, authorized and directed to do and perform all things and determine all matters not determined by this Ordinance, to the end that the City may carry out its obligations under the Bond and this Ordinance.

Section 19 – Miscellaneous. No recourse shall be had for the payment of the principal of or the interest on the Bond or for any claim based thereon or on this Ordinance against any member of the Council or officer of the City or any person executing the Bond.

Section 20 – Ordinance a Contract with Registered Owner. In consideration of the purchase and acceptance of the Bond by those who shall own the same from time to time, the provisions of this Ordinance shall constitute a contract with the Registered Owners of each Bond, and the obligations of the City under this Ordinance shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bond.

Section 21 – Severability. If any one or more of the provisions of this Ordinance shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bond.

Section 22 – Repeal of HCC 17.08. HCC Chapter 17.08 is repealed.

Section 23 – Codification. Section 22 of this Ordinance is of a permanent and general character and shall be included in the City Code. The remainder of this Ordinance is not permanent in nature, and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 25th day of February 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt E. Wrede, City Manager

Thomas F. Klinkner, City Attorney

Date: _____

Date: _____

MEMORANDUM 13-030

TO: Mayor Wythe and Homer City Council
FROM: Walt Wrede
DATE: February 19, 2013
SUBJECT: Loan Agreement / Natural Gas Distribution System

Introduction / Background

The City of Homer and the Kenai Peninsula Borough have been in discussions since last summer about the possibility of the Borough providing the financing for the proposed natural gas distribution system within the City. The Borough offered attractive terms that met the needs of the City and a tentative agreement was reached late last year. Working with the Borough made sense for both parties on many levels and based upon the tentative terms and conditions, it was assumed that commercial lenders would not be competitive. The Borough Assembly has already adopted an ordinance which amends the Borough code to allow the Borough to loan money to the City.

During this process, it came to the City's attention that several commercial financial institutions were interested in providing financial services to the City for this project. Based upon preliminary discussions with those lenders, it became apparent that the lenders were motivated to offer attractive and competitive terms. The City decided it was in its interest to more fully explore all of the financing options available to it and proceeded to solicit proposals through a formal RFP process. Three proposals from Alaska banks were received. The Borough was not required to go through the formal RFP process for a variety of reasons including the provisions contained in HCC 3.16.060 (g) and the Alaska Constitution, Article X, Section 13.

A proposal review committee was formed which included Council members Roberts and Burgess, Kachemak City Mayor Phil Morris, Finance Director Regina Mauras, and City Clerk Jo Johnson. The first committee meeting was on February 8th. At that time, the committee reviewed and ranked the proposals pursuant to the RFP selection criteria and selected the top proposal. I was asked to visit the top proposer and seek clarification on a few issues and negotiate the best terms possible. That meeting took place on February 13th. On the same day, I had contact with the Borough and provided the Mayor with an opportunity to clarify a few things with respect to fees and to amend and supplement his loan offer, which he did.

The committee met a second time on February 8th to review and discuss the results of my meetings with the top proposer and the Borough. The committee unanimously concluded that it was in the City's best interest to work with the Borough because it offered the best terms and conditions and because there were many social and economic benefits associated with doing so. The committee voted unanimously to recommend that the City Council enter into a loan agreement with the Borough.

Why the Borough?

There are a number of advantages for both governments if the City worked with the Borough on financing construction of the gas distribution system. This is a classic win-win scenario. From the City's perspective, the Borough is offering the lowest interest rate (4% fixed) and the lowest fees (less than \$10,000, no financing or loan servicing charges). It is also offering a repayment schedule that is very attractive and well suited to the City's financial capacity and the specific circumstances surrounding this special assessment district. (principle payments deferred until 2015). This allows the City to pass along a good interest rate to property owners in the special assessment district. It also provides the City with financial flexibility and defers most of its cash flow and repayment exposure until 2015 when assessment revenue begins to accrue.

From the Borough perspective, it is able to earn a significantly higher return on its investments than it is now; a benefit for all Borough residents. In addition, by financing the construction of the distribution system at attractive terms, the Borough is insuring that it will quickly receive the benefits of much lower heating costs at the hospital, all four schools, the Borough office building, and the maintenance shop. This is a significant budget savings for all Borough residents.

Finally, from a broader perspective, there are tangible social, economic, and policy advantages associated with the Borough loaning money for this project. We are essentially taking taxpayer's money and reinvesting it right back into two Borough communities. This is a good investment in the health, safety, and economic vitality of the Southern Peninsula and there is a good return on the investment for all Borough residents. We appreciate the Borough's willingness to do this and its forward thinking approach to the welfare of its residents and communities.

RECOMMENDATION: Approve Ordinance 13-03

LOAN AGREEMENT

This LOAN AGREEMENT ("Loan Agreement"), dated as of March __, 2013, is made by and between the KENAI PENINSULA BOROUGH ("Lender"), an Alaska municipal corporation, and the CITY OF HOMER ("Borrower"), an Alaska municipal corporation.

R E C I T A L S

WHEREAS, by Ordinance 13-02, adopted February 11, 2013, the Borrower created the City of Homer Natural Gas Distribution Special Assessment District ("District") to finance the design and construction of natural gas distribution improvements ("Improvement") in the City of Homer; and

WHEREAS, interim financing for the Improvement is required in anticipation of the levying of special assessments against the real property in the District, and after the levying of the assessments, long-term financing for the Improvement will be required; and

WHEREAS, AS 29.46.130 and AS 29.46.140 respectively authorize the Borrower to issue notes to obtain interim financing for improvements in a special assessment district, and to issue bonds to obtain long-term financing for improvements in a special assessment district, in each case payable out of special assessments for the improvement, without voter approval; and

WHEREAS, by Ordinance 13-03(S), adopted February 25, 2013, the Borrower authorized the issuance of a Natural Gas Distribution Special Assessment Bond ("Bond") in the principal amount of not to exceed \$12,700,000, and the execution and delivery of this Loan Agreement; and

WHEREAS, Homer City Code 3.16.060(g) provides that the City may enter into "interagency agreements" without competitive bidding, and Alaska Constitution art. X, sec. 13, provides that agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government unless otherwise provided by law or charter; and

WHEREAS, Kenai Peninsula Borough Code 5.10.040(A)(14) authorizes the Lender to invest in one loan of up to \$12,700,000 to the Borrower for the construction of a natural gas utility special assessment district, bearing interest at a negotiated rate; and

WHEREAS, the Borrower desires to borrow the sum of \$12,700,000 from the Lender for the purposes of obtaining the funds necessary to (i) pay the cost of constructing the Improvement, (ii) provide for interest on the borrowed amount during the construction of the Improvement, and (iii) pay expenses incurred in the financing and in the administration of the District

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto covenant and agree as follows:

ARTICLE I
Definitions and Interpretation

Section 1.01 Definitions. When used in this Loan Agreement:

"Advance" means a single advance of funds from the Lender to the Borrower under this Loan Agreement.

"Bond" means the City of Homer Natural Gas Distribution Special Assessment Bond, 2013.

"Borrower" means the City of Homer, a municipal corporation of the State of Alaska, organized as a first class city under Title 29 of the Alaska Statutes.

"Business Day" means any day which is not a Saturday, Sunday or other day on which commercial banks in the State are authorized or required by law to be closed.

"District" means the Homer Natural Gas Distribution System Special Assessment District created by Ordinance 13-02.

"Event of Default" means any of the events described in Section 5.01 of this Loan Agreement.

"Guaranty Fund" means the fund of that name created by Section 15 of City of Homer Ordinance 13-03(S).

"Improvement" means the natural gas distribution system to be constructed in the District.

"Loan" means the loan made by the Lender to the Borrower pursuant to this Loan Agreement.

"Loan Agreement" means this Loan Agreement, dated March __, 2013, by and between the Lender and the Borrower, including any supplements or amendments thereto made in conformity herewith.

"Reserve Fund" means the fund of that name created by Section 14 of City of Homer Ordinance 13-03(S).

"State" means the State of Alaska.

Section 1.02 Interpretation.

(a) Unless the context requires otherwise, all references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of

this Loan Agreement as such Articles, Sections or subdivisions may be amended from time to time.

(b) The captions or headings of Articles and Sections in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Loan Agreement.

Section 1.03 Governing Law; Venue. This Loan Agreement is governed by and shall be construed in accordance with the laws of the State and shall be liberally construed so as to carry out the purposes hereof. Except as otherwise required by applicable law, any action under this Loan Agreement shall be brought in the trial courts of the State for the Third Judicial District at Kenai.

ARTICLE II Representations and Warranties

Section 2.01 Representations and Warranties of the Borrower. The Borrower hereby represents and warrants as follows:

(a) The Borrower (1) is a first class city organized and existing under the laws of the State; (2) has full power and authority to enter into this Loan Agreement and to issue and deliver the Bond; and (3) has duly authorized the execution and delivery of this Loan Agreement and the Bond by proper action. This Loan Agreement and the Bond constitute valid and legally binding obligations of the Borrower, enforceable in accordance with their respective terms, except to the extent the enforceability hereof and thereof may be limited by bankruptcy, insolvency, reorganization or other laws affecting the rights of creditors generally and subject to the availability of equitable remedies.

(b) Neither (1) the Borrower's execution and delivery of this Loan Agreement or the Bond, nor (2) the Borrower's consummation of the transactions contemplated thereby and hereby, nor (3) the Borrower's fulfillment of or compliance with the terms and conditions thereof and hereof conflicts with, violates or results in a material breach of any of the terms, conditions or provisions of any agreement, instrument, statute, governmental rule or regulation, court order, judgment or decree to which the Borrower is now a party or to which it is subject, or constitutes a material default under any of the foregoing which has not been waived or consented to in writing by the appropriate party or parties.

(c) There is no litigation pending or, to the best of the Borrower's knowledge, threatened against the Borrower affecting its ability to accomplish the purposes of the Loan or the performance of its obligations under the Loan Agreement or the Bond.

(d) No consent, approval, authorization or order of any governmental body is required to be obtained by the Borrower for (1) the execution and delivery of this Loan Agreement or the Bond, (2) the fulfillment of and compliance with the provisions hereof and thereof, or (3) the accomplishment of the purposes of the Loan, except such as have been obtained

(e) By official action of the Borrower prior to or concurrently with the date hereof, the Council of the Borrower has duly authorized all necessary action to be taken by it for (i) the creation of the District and the authorization for the Borrower to proceed with the Improvement; (ii) the adoption of Borrower Ordinance 13-03(S) and the issuance and sale of the Bond; (iii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in the Bond and this Loan Agreement; and (iv) any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Borrower in order to carry out, give effect to, and consummate the transactions described herein.

ARTICLE III

Loan to Borrower; Loan Payments

Section 3.01 Loan to Borrower. The Lender hereby lends to the Borrower a principal amount equal to the aggregate amount of the Advances that the Lender makes to the Borrower to pay the costs of designing and constructing the Improvement, to pay interest on the Bond during the construction of the Improvement, the funding of the reserves required herein, and to pay all costs incidental thereto and to the issuance of the Bond, but not to exceed \$12,700,000. Upon the execution of this Agreement, the Borrower shall execute and deliver to the Lender a special assessment bond in the form authorized by City of Homer Ordinance 13-03(S) payable to the order of the Lender for the maximum principal amount of the Loan. The Borrower shall give the Lender at least three full business days' notice of each proposed Advance hereunder. No such Advances shall be made after the earlier of (i) November 1, 2014 (provided that the parties may agree in writing to extend this term for up to three additional 12-month periods); and (ii) the occurrence of an Event of Default.

Section 3.02 Payment of Principal and Interest. Borrower shall pay the principal amount of the Loan together with interest on each Advance from the date of the Advance at the rate of Four Percent (4.00%) per annum, in one payment of interest only on the 1st day of January 2014 and ten equal annual installments of principal and interest, commencing January 1, 2015 and on each January 1 thereafter until January 1, 2024, when the remaining principal balance of the Loan, plus accrued interest, shall be due and payable. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on the Loan shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Installments of principal and interest on the Loan shall be payable on the due date in immediately available funds at the principal office of the Lender in Soldotna, Alaska, or at another location specified at the option of the Lender, Alaska; provided that the final installment of the principal of the Loan, plus accrued interest, shall be payable upon presentation and surrender of the Bond by the Registered Owner at the office of the Registered Owner in Soldotna, Alaska.

Section 3.03 Prepayment. The Borrower may prepay the outstanding principal of the Loan in whole or in part at any time in an amount equal to the principal amount of the Loan to be prepaid plus interest accrued thereon to the date of prepayment. The Borrower shall give the Lender notice of any intended prepayment of the Loan not less than 10 nor more than 45 days prior to the date fixed for prepayment.

Section 3.04 Obligations of the Borrower Hereunder. The Loan is a special obligation of the Borrower and is payable solely from assessments to be levied against the real property in the District for the Improvement, and funds pledged for the payment of the Bond under City of Homer Ordinance 13-03(S). Said assessments shall constitute a sinking fund for the payment of principal of and interest on the Loan. Neither the faith and credit nor the taxing power of the Borrower is pledged for the payment of the Loan.

Section 3.05 Conditions for Advances. The Lender's obligation to make each Advance under this Loan Agreement shall be subject to the following conditions:

(a) The representations and warranties of the Borrower contained in Section 2.01 hereof shall be true, complete and correct in all respects on the date of the Advance as if made on the date of the Advance.

(b) At the time of the Advance, all official action of the Borrower relating to the Bond and this Loan Agreement shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented since the date hereof except as shall have been agreed to in writing by the Lender.

(c) On or before the date of the first Advance, the Lender shall have received the approving opinion of counsel for the Borrower to the effect that (i) the Borrower is duly created and validly exists as a municipal corporation of the State of Alaska, with the corporate power to adopt Ordinance 13-03(S) and execute and deliver this Loan Agreement, and authorize and issue the Bond; (ii) the Bond has been duly authorized and issued in accordance with the provisions of the Constitution and laws of the State of Alaska and Ordinance 13-03(S), and constitutes a valid, binding special obligation of the Borrower as provided in Ordinance 13-03(S), enforceable in accordance with its terms, payable solely from the sources described in Ordinance 13-03(S); Ordinance 13-03(S) creates a valid, duly perfected first priority lien upon the funds created therein subject to no prior lien; and (iv) this Loan Agreement has been duly authorized, executed and delivered by, and constitutes a binding agreement in accordance with its terms of, the Borrower, except to the extent the enforceability hereof may be limited by bankruptcy, insolvency, reorganization or other laws affecting the rights of creditors generally and subject to the availability of equitable remedies.

(d) From the proceeds of the first Advance, the Borrower shall deposit the sum of \$1,270,000 (the "Reserve Requirement") in the Reserve Fund, and at the time of each subsequent Advance, the amount on deposit in the Reserve Fund shall not be less than the Reserve Requirement.

ARTICLE IV

Other Covenants and Agreements of the Borrower

Section 4.01 Compliance with Laws, Etc. The Borrower shall throughout the term of this Loan Agreement comply, in all material respects, with all applicable laws, rules, regulations and orders, where noncompliance with which would impair the Borrower's ability to perform its obligations hereunder.

Section 4.02 Levy and Collection of Assessments. On or before October 1, 2014, the Borrower shall levy special assessments on all property in the District for the cost of the Improvement. The amount of each special assessment shall be not less than an amount equal to the sum of all Advances under this Loan Agreement, divided by the number of parcels of real property in the District. The special assessments shall be payable in a lump sum, without interest, on or before December 1, 2014, or in ten equal installments of principal and interest, commencing on or before the 1st day of December 2014 and continuing on the each anniversary of the first payment date, until the ninth anniversary of the first payment date, when the remaining principal balance of the special assessment, plus accrued interest, shall be due and payable. Special assessments payable in installments shall bear interest from the date of their levy at a rate not less than four percent (4.0%) per annum.

Section 4.03 Books and Records. The Borrower will at all times keep proper books of account in a manner satisfactory to the Lender. The Borrower will furnish to the Lender within 120 days after the end of the Borrower's fiscal year, a statement for the fiscal year showing (i) the aggregate amount of special assessments and special assessment installments received by the Borrower; (ii) the balances in the Reserve Fund and the Guaranty Fund at the end of the fiscal year; (iii) the number of parcels of real property in the District that are delinquent in the payment of special assessments or special assessment installments; and (iv) the number of parcels of real property in the District on which special assessment liens were foreclosed, and the amount of proceeds of the foreclosures.

Section 4.04 Costs of Lender. On or before the date of the first Advance hereunder, the Borrower shall pay the costs actually incurred by Lender in the negotiation of the terms of the Loan and this Loan Agreement, including the fees and costs of Lender's counsel, in an amount not exceeding \$10,000, which payment may be made from the such first Advance. Borrower shall not be obligated to pay any other fee or charge to Lender in connection with the making or servicing of the Loan.

ARTICLE V

Events of Default; Remedies

Section 5.01 Events of Default. Any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure of the Borrower to pay or cause to be paid, when due, any installment of principal or interest on the Loan to the Lender.

(b) Any failure on the part of the Borrower to perform or observe the other duties, provisions or obligations required of it pursuant to this Loan Agreement, if such failure shall have continued for a period of 30 days after written notice thereof has been delivered to the Borrower by the Lender, unless the Lender has determined that the Borrower is then taking steps reasonably calculated to cure such failure.

(c) The inaccuracy of any representation or warranty heretofore or hereafter made in writing by or on behalf of the Borrower in this Loan Agreement, the Bond or any related instruments or certificates as of the date hereof, if such inaccuracy shall have continued for a period of 30 days after written notice thereof has been given to the Borrower by the Lender, demanding that such representation or warranty be made true and correct, unless the Lender has determined that the Borrower is then taking steps reasonably calculated to cure such inaccuracy.

Section 5.02 Remedies on Default. Upon the occurrence of any Event of Default, the Lender may take any one or more of the following steps:

(a) Declare the principal of the Loan to be immediately due and payable, whereupon that portion of the principal of the Loan thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable;

(b) Apply any amount in the Reserve Fund or the Guaranty Fund to satisfy any deficiency in the payment of principal or interest due on the Bond.

(c) Enforce payment of principal, interest and costs of collection in a civil action in the same manner and with the same effect as actions for the foreclosure of mortgages on real property against all property on which assessments are in default.

(d) The Lender may have access to and inspect, examine and make copies of the books and records and any and all accounts and data of the Borrower related to the levy, collection and application of assessments for the Improvement in the District.

(e) The Lender may proceed to protect and enforce its rights in equity or at law, either in mandamus or for the specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy.

Section 5.03 No Remedy Exclusive. No remedy conferred upon or reserved to the Lender by this Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute, and the Lender shall be free to pursue, at the same time, each and every remedy, at law or in equity, which it may have under this Loan Agreement, or otherwise.

Section 5.04 No Implied Waiver. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. For the Lender to exercise any remedy, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

ARTICLE VI Miscellaneous

Section 6.01 Notices. All notices required to be given under this Loan Agreement shall be given in writing, and shall be effective when actually delivered or two days after their deposit with a nationally recognized overnight courier or in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given, as follows:

To the Lender: Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, Alaska 99669
Attn: Mayor

To the Borrower: City of Homer
491 E. Pioneer Avenue
Homer, Alaska 99603
Attn: City Manager

Any party may change its address for notices under this Loan Agreement by written notice to the other party, specifying that the purpose of the notice is to change the party's address.

Section 6.02 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Lender, the Borrower and their respective successors and assigns.

Section 6.03 Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 6.04 Amendments. This Loan Agreement, together with the Bond, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Loan Agreement. No alteration of or amendment to this Loan Agreement shall be effective unless given in writing and signed by the party or parties sought to be changed or bound by the alteration or amendment.

Section 6.05 Waiver of Breach. No waiver of any breach of any covenant or agreement herein contained shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the nondefaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

Section 6.06 All Obligations Due on Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Loan Agreement, shall be a day which is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Loan Agreement.

Section 6.07 Parties Interested Herein. Nothing in this Loan Agreement, express or implied, is intended or shall be construed to confer upon or to give to any person, other than the Lender or the Borrower, any right, remedy or claim under or by reason of this Loan Agreement. The covenants, stipulations and agreements in this Loan Agreement contained are and shall be for the sole and exclusive benefit of the Lender, the Borrower and their successors and assigns.

Section 6.08 Time of Essence. Time shall be of the essence of this Loan Agreement.

Section 6.09 Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Lender and the Borrower have caused his Loan Agreement to be executed in their respective names all by their duly authorized officers, as of the date first set forth above.

LENDER: KENAI PENINSULA BOROUGH

By: _____
Mike Navarre, Mayor

ATTEST:

Johni Blankenship, Borough Clerk

BORROWER: CITY OF HOMER

By: _____
Walt Wrede, City Manager

ATTEST:

Jo Johnson, City Clerk

**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 13-03

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA AUTHORIZING THE CITY TO ISSUE A NATURAL GAS DISTRIBUTION SPECIAL ASSESSMENT BOND IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,700,000 TO FINANCE THE DESIGN AND CONSTRUCTION OF NATURAL GAS DISTRIBUTION IMPROVEMENTS IN THE CITY, FIXING CERTAIN DETAILS OF SUCH BOND AND AUTHORIZING ITS SALE; AND REPEALING HCC CHAPTER 17.08.

WHEREAS, On January 28, 2013, the Council adopted Ordinance 13-___ creating the City of Homer Natural Gas Distribution Special Assessment District ("District"), and authorizing the City Manager to proceed with the design and construction of a natural gas distribution system in the District (the "Improvement"), and negotiate for the sale of special assessment bonds or other financing for the construction of the Improvement for Council approval; and

WHEREAS, Interim financing for the Improvement is required in anticipation of the levying of special assessments against the real property in the District, and after the levying of the assessments, long-term financing for the Improvement will be required; and

WHEREAS, AS 29.46.130 and AS 29.46.140 authorize the City of Homer "City" respectively to issue notes to obtain interim financing for improvements in a special assessment district, and to issue bonds to obtain long-term financing for improvements in a special assessment district, in each case payable out of special assessments for the improvement, without voter approval; and

WHEREAS, The City has solicited proposals to purchase the bond and finance the Improvement, and has determined that _____ ("Lender") has submitted the best proposal in response to this solicitation; and

WHEREAS, The City Manager has negotiated a Loan Agreement between the Lender and the City, the form of which is now before this meeting, which provides for the Lender to purchase a bond to finance the Improvement on the terms and conditions set forth therein and in this Ordinance, and it is in the best interest of the City that the City sell the bond to the Lender under such terms and conditions.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1 - Definitions. In addition to the terms that are defined in the recitals above, the following terms shall have the following meanings in this Ordinance:

"Bond Register" means the registration books maintained by the Registrar as Bond registrar, which include the names and addresses of the owners or nominees of the owners of the Bond.

"Bond" means the "Natural Gas Distribution Special Assessment Bond, 2013" of the City, the issuance and sale of which are authorized herein.

"City" means the City of Homer, a municipal corporation of the State of Alaska, organized as a first class city under Title 29 of the Alaska Statutes.

"Council" means the Council of the City of Homer, as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

"ENSTAR" means ENSTAR Natural Gas Company, a division of Semco Energy, Inc., a Michigan corporation.

"Guaranty Fund" means the fund of that name created by Section 15.

"Lender" means _____.

"Loan Agreement" means the Loan Agreement between the City and the Lender concerning the Bond.

"Ordinance" means this Ordinance 13-03 of the City.

"Registered Owner" means the person named as the registered owner of a Bond in the Bond Register. The Lender is the initial Registered Owner.

"Registrar" means the City Treasurer, or any successor that the City may appoint by resolution.

"Reserve Fund" means the fund of that name created by Section 14.

"Sinking Fund" means the fund of that name created by Section 13.

"Special Assessments" means all special assessments to be levied against real property in the District to pay the costs of the Improvement.

Section 2 - Authorization of Bond and Purpose of Issuance. For the purpose of providing the funds necessary to pay the costs of designing and constructing the Improvements, the funding of the reserves required herein, and to pay all costs incidental thereto and to the issuance of the Bond, the City shall issue the Bond in a principal amount equal to the aggregate amount of the

advances that the Registered Owner makes to the City for such purposes, but not to exceed \$12,700,000.

Section 3 - Obligation of Bond. The Bond is a special obligation of the District and is payable solely from assessments to be levied against the real property in the District for the Improvement, and funds pledged for the payment of the Bond under this Ordinance. Said assessments shall constitute a sinking fund for the payment of principal of and interest on the Bond. Neither the faith and credit nor the taxing power of the City is pledged for the payment of the Bond.

Section 4 - Description of Bond. The Bond shall be designated "City of Homer Natural Gas Distribution Special Assessment Bond, 2013," shall be issued in fully registered form, and shall be numbered in the manner and with such additional designation as the Registrar deems necessary for purposes of identification, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto. The Bond shall be dated as of its delivery date.

The Bond shall bear interest from its date at a rate of Four and One-Half percent (4.5%) per annum, and shall be payable in _____ equal annual installments of principal and interest, commencing on the 1st day of _____ 2015 and continuing on _____ 1 of each year thereafter, until _____ 1, 20____, when the remaining principal balance of the Bond, plus accrued interest, shall be due and payable. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Section 5 - Optional Redemption. The Bond shall be subject to optional redemption in whole or in part at any time, at a redemption price equal to the principal amount of the Bond to be redeemed plus accrued interest to the date of redemption.

Section 6 - Notice of Redemption. Notice of any intended redemption of the Bond shall be given not less than 10 nor more than 45 days prior to the date fixed for redemption by first class mail to the Registered Owner of the Bond at its address as it appears on the Bond Register on the day the notice is mailed. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the Registered Owner. All official notices of redemption shall be dated and shall state the redemption date and the redemption price.

Section 7 - Form of Bond. The Bond shall be in substantially the following form, with such variations, omissions and insertions as may be required or permitted by this Ordinance:

UNITED STATES OF AMERICA
STATE OF ALASKA
CITY OF HOMER

No. _____ \$ _____

NATURAL GAS DISTRIBUTION SPECIAL ASSESSMENT BOND, 2013

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Homer (the "City"), a municipal corporation of the State of Alaska, acknowledges itself indebted and for value received promises to pay (but only out of the sources mentioned herein) to the Registered Owner identified above, or its registered assigns, a principal amount equal to the aggregate amount of the advances that the Registered Owner makes to the City to pay the costs of designing and constructing the Improvement (hereinafter defined), including the funding of the reserves required herein, and to pay all costs incidental thereto and to the issuance of the Bond, but not to exceed \$12,700,000 together with accrued interest on the outstanding principal amount of this Bond at a rate of _____ Percent (____%) per annum. This Bond is payable in _____ equal annual installments of principal and interest, commencing on the 1st day of _____ 2015 and continuing on _____ 1 of each year thereafter, until _____ 1, 20____, when the remaining principal balance of the Bond, plus accrued interest, shall be due and payable. Both principal of and interest on this Bond shall be payable in any lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Installments of principal and interest on this Bond shall be paid at the office of the Registered Owner in _____, Alaska, or at the option of the Registered Owner at the office of the Treasurer of the City in Homer, Alaska

This Bond is subject to prepayment by or on behalf of the City, in whole or in part, at any time without penalty, upon notice as provided in the Ordinance referred to below (the "Ordinance").

This Bond is issued pursuant to Chapter 46, Title 29 of the Alaska Statutes and Ordinance 13-03 of the City duly and regularly adopted February _____, 2013, for the purpose of providing funds to pay the costs of designing and constructing of a natural gas distribution system (the "Improvement") in the City of Homer Natural Gas Distribution Special Assessment District, and is the single registered Bond entitled \$12,700,000 City of Homer Natural Gas Distribution Special Assessment Bond, 2013.

THIS BOND IS PAYABLE SOLELY FROM ASSESSMENTS TO BE LEVIED AGAINST THE REAL PROPERTY IN THE CITY OF HOMER NATURAL GAS DISTRIBUTION SPECIAL ASSESSMENT DISTRICT, AND FUNDS PLEDGED FOR THE PAYMENT OF THE BOND UNDER THE ORDINANCE, AND IS NOT A GENERAL OBLIGATION OF THE CITY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED FOR ITS REPAYMENT.

IT IS HEREBY CERTIFIED and declared that this Bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and the ordinances of the City of Homer, and that all acts, conditions and things required to happen, to be done and to be performed precedent to and on the issuance of this Bond have happened, been done and been performed.

IN WITNESS WHEREOF, the City of Homer, Alaska, has caused this Bond to be executed by the signature of its Mayor and attested by its Clerk under the seal of the City on this _____ day of _____ 2013.

CITY OF HOMER

Mayor

A T T E S T:

City Clerk

Section 8 - Execution. The Bond shall be executed in the name of the City by the signature of the Mayor, and its corporate seal shall be impressed or otherwise reproduced thereon and attested by the signature of the City Clerk. The execution of the Bond on behalf of the City by persons who at the time of the execution are duly authorized to hold the proper offices shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the Bond or shall not have held office on the date of the Bond.

Section 9 - Payment of Principal and Interest. The Bond shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Installments of principal and interest on the Bond shall be paid at the office of the Registered Owner in _____, Alaska, or at the option of the Registered Owner at the office of the Registrar in Homer, Alaska; provided that the final

installment of the principal of the Bond, plus accrued interest, shall be payable upon presentation and surrender of the Bond by the Registered Owner at the principal office of the Registrar.

Section 10 - Registration.

(a) Bond Register. The Bond shall be issued only in registered form as to both principal and interest. The Registrar shall keep, or cause to be kept, a Bond Register at its principal office. The Treasurer of the City is hereby appointed as Registrar and paying agent for the Bond.

(b) Registered Ownership. The City and the Registrar, each in its discretion, may deem and treat the Registered Owner of the Bond as the absolute owner thereof for all purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary. Payment of the Bond shall be made only as described in Section 9, but such registration may be transferred as herein provided. All such payments made as described in Section 9 shall satisfy and discharge the liability of the City upon the Bond to the extent of the amount or amounts so paid.

(c) Transfer or Exchange of Registered Ownership. The registered ownership of the Bond may be transferred or exchanged, but no transfer of the Bond shall be valid unless it is surrendered to the Registrar with the assignment form appearing on such Bonds duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond and shall cause to be executed and delivered, without charge to the Registered Owner or transferee, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered and canceled Bond. The Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity, and interest rate. The Registrar shall not be obligated to transfer or exchange the Bond following any notice of redemption.

Section 11 - Lost Stolen, Destroyed or Mutilated Bond. Upon surrender to the Registrar of a mutilated Bond, the City shall execute and deliver a new Bond of like maturity and principal amount. Upon filing with the Registrar of evidence satisfactory to the City that a Bond has been destroyed, stolen or lost and of the ownership thereof, and upon furnishing the City with indemnity satisfactory to it, the City shall execute and deliver a new Bond of like maturity and principal amount. The person requesting the execution and delivery of a new Bond under this section shall comply with such other reasonable regulations as the City may prescribe and pay such expenses as the City may incur in connection therewith.

Section 12 - Application of Bond Proceeds. The proceeds of the sale of the Bond shall be applied to pay the costs of designing and constructing the Improvement, including the funding of

the reserves required herein, and to pay all costs incidental thereto and to the issuance of the Bond, and shall be deposited in the appropriate funds or accounts of the City for such purposes.

Section 13 – Sinking Fund. A special fund of the City designated the "City of Homer Natural Gas Distribution Special Assessment Bond Sinking Fund" is hereby created for the purpose of paying and securing the payment of the Bond. The Sinking Fund shall be held separate and apart from all other funds and accounts of the City and shall be a trust fund for the Registered Owner of the Bond. Payments of principal and interest on assessments levied for the Improvement in the District shall be deposited in the Sinking Fund. Amounts in the Sinking Fund shall be used to pay principal and interest on the Bond, and are hereby pledged for that purpose.

Section 14 – Reserve Fund.

(a) A special fund of the City designated the "City of Homer Natural Gas Distribution Special Assessment Bond Reserve Fund" is hereby created for the purpose of paying and securing the payment of the Bond. The Reserve Fund shall be held separate and apart from all other funds and accounts of the City and shall be a trust fund for the Registered Owner of the Bond. There shall be paid into the Reserve Fund:

(1) That part of the proceeds of the Bond which is designated for deposit in the Reserve Fund by the City Manager; and

(2) All monies received from ENSTAR as refunds of main extension advances or free main allowance arising out of new customers connecting to the Improvement; and

(3) Any Sinking Fund and Guaranty Fund balances remaining after the discharge of the Bond.

(b) Until the Bond has been discharged, the funds in the Reserve Fund may be used only to pay the difference between the amount of principal and interest due on the Bond and the amount in the Sinking Fund that is available to pay that principal and interest; provided, if the Finance Director determines that the amount of funds available in the Reserve Fund exceeds the amount of the next annual installment of principal and interest due on the Bond, the Finance Director may apply such excess to a prepayment of the Bond.

(c) At such time as the Finance Director determines that the sum of the amounts in the Reserve Fund, the Guaranty Fund and the Sinking Fund equals or exceeds the amount required to (i) discharge the Bond, (ii) pay all refunds of assessments required upon discharge of the Bond, and (iii) pay any other amounts that may be owing on the Bond, the Finance Director shall cause such payment to be made and the Bond to be discharged.

294 Section 15 – Guaranty Fund. A special fund of the City designated the "City of Homer
295 Natural Gas Distribution Special Assessment Bond Guaranty Fund" is hereby created for the
296 purpose of paying and securing the payment of the Bonds. The Guaranty Fund shall be held
297 separate and apart from all other funds and accounts of the City and shall be a trust fund for the
298 Registered Owner of the Bonds. The Council annually shall appropriate to the Guaranty Fund a
299 sum the Council determines to be adequate, with all other available funds, to cover a deficiency
300 in the funds available to pay principal and interest on the Bonds if the reason for the deficiency is
301 nonpayment of assessments when due. Money received from actions taken against property for
302 nonpayment of assessments levied in the District shall be credited to the Guaranty Fund.
303 Amounts in the Guaranty Fund shall be used to pay principal and interest on the Bonds when
304 other funds are not available for that purpose.

305
306 Section 16 - Amendatory and Supplemental Ordinances.

307
308 (a) The Council from time to time and at any time may adopt an Ordinance or
309 Ordinances supplemental hereto, which Ordinance or Ordinances thereafter shall become a part
310 of this Ordinance, for any one or more of the following purposes:

311
312 (1) To add to the covenants and agreements of the City in this Ordinance,
313 other covenants and agreements thereafter to be observed, or to surrender any right or
314 power herein reserved to or conferred upon the City.

315
316 (2) To make such provisions for the purpose of curing any ambiguities or of
317 curing, correcting or supplementing any defective provision contained in this Ordinance
318 or in regard to matters or questions arising under this Ordinance as the Council may deem
319 necessary or desirable and not inconsistent with this Ordinance and which shall not
320 adversely affect the interests of the Registered Owner of the Bond.

321
322 Any such supplemental Ordinance may be adopted without the consent of the Registered
323 Owner of the Bond, notwithstanding any of the provisions of subsection (b) of this section.

324
325 (b) With the consent of the Registered Owners of not less than 60 percent in
326 aggregate principal amount of the Bond at the time outstanding, the Council may adopt an
327 Ordinance or Ordinances supplemental hereto for the purpose of adding any provisions to or
328 changing in any manner or eliminating any of the provisions of this Ordinance or of any
329 supplemental Ordinance; provided, however, that no such supplemental Ordinance shall:

330
331 (1) Extend the due date of any principal installment payable under the Bond,
332 or reduce the rate of interest thereon, or extend the time of payments of interest from their
333 due date, or reduce the amount of the principal thereof, or reduce any premium payable
334 on the redemption thereof, without the consent of the Registered Owners of all of the
335 Bond so affected; or

(2) Reduce the aforesaid percentage of Registered Owners of the Bond required to approve any such supplemental Ordinance without the consent of the Registered Owners of all of the Bond then outstanding.

(3) Remove the pledge and lien of this Ordinance on assessments to be levied against the real property in the District, and funds pledged for the payment of the Bonds under this Ordinance.

It shall not be necessary for the consent of the Registered Owner of the Bond under this subsection (b) to approve the particular form of any proposed supplemental Ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

(c) Upon the adoption of any supplemental Ordinance pursuant to the provisions of this section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and the Registered Owner of the Bond shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendment, and all the terms and conditions of any such supplemental Ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

(d) Any Bond executed and delivered after the adoption of any supplemental Ordinance pursuant to this section may bear a notation as to any matter provided for in the supplemental Ordinance, and if the supplemental Ordinance shall so provide, a new Bond so modified as to conform, in the opinion of the Council, to any modification of this Ordinance contained in any such supplemental Ordinance may be prepared by the City and delivered without cost to the Registered Owner of the Bond then outstanding, upon surrender for cancellation of such Bond in an equal aggregate principal amount.

Section 17 - Sale of Bond; Loan Agreement. The Bond shall be sold at negotiated sale to the Lender as provided in the Loan Agreement. The City Manager is hereby authorized to execute the Loan Agreement, in substantially the form presented at this meeting.

Section 18 - Authority of Officers. The City Manager, the acting City Manager, the Clerk and the acting Clerk are, and each of them hereby is, authorized and directed to do and perform all things and determine all matters not determined by this Ordinance, to the end that the City may carry out its obligations under the Bond and this Ordinance.

Section 19 - Miscellaneous. No recourse shall be had for the payment of the principal of or the interest on the Bond or for any claim based thereon or on this Ordinance against any member of the Council or officer of the City or any person executing the Bond.

Section 20 - Ordinance a Contract with Registered Owner. In consideration of the purchase and acceptance of the Bond by those who shall own the same from time to time, the

provisions of this Ordinance shall constitute a contract with the Registered Owners of each Bond, and the obligations of the City under this Ordinance shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bond.

Section 21 - Severability. If any one or more of the provisions of this Ordinance shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bond.

Section 22 – Repeal of HCC 17.08. HCC Chapter 17.08 is repealed.

Section 23 – Codification. Section 22 of this Ordinance is of a permanent and general character and shall be included in the City Code. The remainder of this Ordinance is not permanent in nature, and shall not be codified.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

420 Reviewed and approved as to form:

421

422

423 Walt E. Wrede, City Manager

424

425

426 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

JAN 18 2013 AM 10:19

**REQUEST FOR PROPOSALS
CITY OF HOMER, ALASKA
CAPITAL PROJECT FINANCING FOR NATURAL GAS DISTRIBUTION SYSTEM**

Proposals to provide capital project financing for the construction of the proposed natural gas distribution systems within the municipal boundaries of the City of Homer and Kachemak City will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska. The closing time and date for submittal of proposals is 4:00 p.m. on February 6, 2013. The time of receipt will be determined by the City Clerk's time stamp. Proposers are required to be on the Plan Holder's List to have their proposals evaluated by the selection committee.

For Proposal Specifications and Evaluation criteria contact:

City of Homer
City Clerk
491 E. Pioneer Ave.
Homer, Alaska, 99603
(907)235-3130

The City of Homer is seeking proposals from qualified financial institutions to provide capital project financing for construction of the proposed natural gas distribution systems within the municipal boundaries of Homer and Kachemak City. After construction, the infrastructure financed by the loan will be owned and operated by Enstar Natural Gas Co. The two cities request separate but bundled loan agreements. Both Cities are establishing Special Assessment Districts and property assessments will be pledged to repay the debt. The City of Homer requests authorization to borrow up to \$12.7 Million. Kachemak City seeks authorization to borrow up to \$1.1 Million. It is hoped that financing could be finalized and approved no later than mid-February 2013. Construction contracts are scheduled to be awarded shortly thereafter.

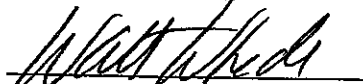
Please direct all questions regarding this RFP to either:

Walt Wrede, City Manager
Regina Mauras, Finance Director
City of Homer
491 E. Pioneer Avenue
Homer, Alaska 99603
907-235-8121 ex. 2222

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

Dated this 18th day of January, 2013.

CITY OF HOMER


Walt Wrede, City Manager

Homer News-January 24th
Anchorage Daily News-January 20
Homer tribune January 30th
Account: 151-798-5227

**REQUEST FOR PROPOSALS
INSTRUCTIONS FOR PROPOSERS**

FOR

CAPITAL PROJECT FINANCING / NATURAL GAS DISTRIBUTION SYSTEM

CITY OF HOMER, ALASKA

**CITY OF HOMER
491 E. Pioneer Avenue
Homer, Alaska 99603**

January 2013

INSTRUCTIONS FOR PROPOSERS

The City of Homer is seeking proposals from qualified financial and lending institutions to provide capital project financing for construction of the proposed natural gas distribution systems within the municipal boundaries of Homer and Kachemak City. After construction, the infrastructure to be financed will be owned and operated by Enstar Natural Gas Company. The two cities request separate but bundled loan agreements. Both Cities are establishing Special Assessment Districts and property assessments will be pledged to repay the debt. The City of Homer requests authorization to borrow up to \$12.7 Million. Kachemak City seeks authorization to borrow up to \$1.1 Million. It is anticipated that the financing for the projects can be finalized and approved no later than mid February, 2013. Construction contracts are scheduled to be awarded shortly thereafter.

The following subjects are discussed in this Request for Proposals to assist you in preparing your submittal.

- 1.0 Introduction
- 2.0 Project Description / Special Financing Considerations
- 3.0 Schedule
- 4.0 Selection and Award Process
- 5.0 Proposal Format/Submittals
- 6.0 Evaluation Criteria
- 7.0 Remedies
- 8.0 Additional Information

The City reserves the right to accept or reject any or all proposals, to waive irregularities or informalities in the proposals, and to award a contract or contracts to the respondent that best meets the City's needs. Please direct questions regarding this proposal to Regina Mauras, Director of Finance, City of Homer, (907)235-8121.

1.0 INTRODUCTION

The City of Homer (the City) will be accepting proposals from qualified financial and lending institutions to finance construction of the proposed natural gas distribution systems within the boundaries of Homer and Kachemak City. The City of Homer intends to award this contract utilizing a competitive negotiation process pursuant to HCC 3.16.110 entitled "Procurement". Separate loan agreements and separate approvals by the Homer City Council and the Kachemak City Council will be required.

The highest ranked proposer(s) will be invited to negotiate a loan agreement(s) and later to provide financing for the project(s). If the parties cannot reach a loan agreement(s) the negotiations will be terminated and the City reserves the right to begin negotiations with the next highest ranked proposer(s). The City reserves the right to select multiple lenders if required to meet the objectives of the City. Relevant provisions of this RFP and a successful proposal may be incorporated as a part of the loan agreement and/or bond documents. All costs incurred by financial institutions choosing to participate in this RFP process shall be borne by the proposing lender.

2.0 PROJECT DESCRIPTION / SPECIAL FINANCING CONSIDERATIONS

The City of Homer has obtained a Legislative Grant to construct a natural gas trunk line from Anchor Point, through downtown Homer, and on the eastern boundary of Kachemak City; a distance of approximately 22 miles. The estimated project cost is \$10.6 Million. \$8.1 Million will be paid for by the grant and the remaining \$2.5 Million will be collected over time via a \$1.00 per mcf tariff adjustment applied to customer gas bills. The trunk line is a low pressure pipe which customers can tap into. So, in addition to transporting gas into the Homer area, it will also serve as part of the distribution system in both cities. Financing for the trunk line is not part of this request for proposals. In Homer, the trunk line accounts for approximately 25% of the total project cost of building out the entire distribution system. Enstar Natural Gas Company has begun pre-construction activities. Construction of the trunk line is expected to begin in February 2013 and be completed by the fall of this year.

The Cities of Homer and Kachemak City are seeking financing for construction of the rest of the gas distribution system. In Homer, this is approximately 73 miles of pipe at an estimated, not to exceed cost of \$12.7 Million. The project will be completed in two phases over two years. Phase I will include the downtown core and is projected to start in the spring of this year (2013). Phase 2 will include the

residential bluff area, the commercial area on the East side of town, and the Homer Spit. The City is in the process of establishing a special assessment district and assessments will be levied on benefitted properties. Assessment payments would be pledged to repay the loan / bonds. The estimated assessment per lot is \$3,200. The City has proposed a repayment period of 10 years and it would levy the same interest rate it receives from the lender. The circumstances are somewhat similar in Kachemak City and proposers can discuss specifics directly with Mayor Morris at 907-235-8897.

There are several special financing considerations specific to this project that the City of Homer wishes to see addressed in the proposals. First, the Homer City Code requires that property assessments for special assessment districts cannot be levied until projects are complete. Since this is a two year project, it is anticipated that revenues to repay the loan will not start coming in until early 2015, or thereabouts. The City will find it difficult to identify funds to make principle and interest payments in the interim between the start of construction and the time assessments are levied. Second, the City will not need to borrow or draw down all of the money at once. It is likely that approximately \$6 Million will be needed in 2013. The project could be delayed for a variety of reasons and we won't know the actual project costs until the project is completed. Therefore, it would be beneficial to be able draw down the money as needed. Third, the City is seeking authorization to borrow up to \$12.7 Million. That is the upper limit of what the City would need since it expects to enter into a not to exceed contract with Enstar. However, it is probable that the amount needed will be less than that amount for a variety of reasons. For example, the amount the City pays Enstar to construct the system will be based upon "actual costs". Therefore, we won't know the amount needed until the bids come in. Fourth, if the City finances the distribution system, it will receive substantial free main allowance payments over the years as customers hook up to the system. The estimate for this is about \$1.6 Million over 10 years. For this reason and the fact that many property owners will pay their assessment in full rather than financing, it is likely the City will pay the loan off early. Fifth, the City will need a term of 12 years or more since properties will not be assessed until 2015 and the construction schedule could slip. Finally, the city will need a fixed interest rate over the term of the loan because it is obligated to inform property owners exactly what their assessments will be, including interest.

3.0 SCHEDULE

Following is the schedule for the proposal/selection process. This schedule is subject to change by the City as deemed necessary.

- | | |
|---------|--|
| 1/24/13 | Publication announcing the Request for Proposals (RFP) |
| 2/1/13 | Deadline for Questions |
| 2/06/13 | Proposals are due. Proposals must be received and date/time stamped not later than 4:00 p.m. |
| 2/11/13 | Final selection complete (successful and unsuccessful firms are notified). |

4.0 SELECTION AND AWARD PROCESS

The process for the selection of the lender and the negotiation and approval of the loan agreement(s) is anticipated to be as follows:

Qualified firms interested in providing financing for the City may submit a proposal in accordance with the submittal requirements set forth in Section 5 of these instructions.

Proposals will be evaluated by a proposal review committee and interviews will be conducted at its discretion. Negotiations will be conducted by the City Manager and the Committee. Final approval rests with the City Council.

Proposers will be required to submit a listing of all fees and special loan requirements.

The City will enter into contract negotiations with the highest ranked firm or firms. If an agreement is successfully negotiated with the lender, the parties will sign the loan/bond documents upon approval by the respective City Council(s).

Whenever the City determines, in its sole judgment, that it is unlikely to reach agreement with or it is otherwise in the City's interests to terminate negotiations with the highest ranked lender, the City may

cancel the negotiations and, may start to negotiate with the next highest ranked lender(s). Should the City choose to cancel the negotiations, such cancellation will be effective upon receipt of written notification to the firm.

No Pre-Proposal Conference: There will be no pre-proposal conference. Questions regarding this RFP or the services requested in it, will be accepted either in writing or verbally at the above address, on or before February 1, 2013. Responses to all questions submitted will be communicated in writing to all potential proposers on the plan holder's list by close of business, February 4, 2013.

5.0 PROPOSAL FORMAT/ SUBMITTALS

Every respondent to these instructions must reply to each of the items set forth below in a clear and concise manner. Responses must be in the same order as listed below. While attention to specific requests for information is required, brevity is preferred. All proposals shall be single bound in 8 1/2" x 11" format; seven (7) copies are required. The submittals shall be organized in a manner that will enable the selection panel to quickly access pertinent information. In consideration of the reviewer's time, every effort should be made to avoid duplicating the information presented in the submittals.

Submit copies of the proposal by mail or messenger, no later than 4:00 p.m., February 6, 2013 to:

City of Homer
Office of the City Clerk
491 E. Pioneer Avenue
Homer, Alaska 99603

The following information should be included in the proposal:

5.1 Letter of Interest: Provide a brief letter of interest that may contain information that does not appear elsewhere in the submittal. At a minimum, the letter should identify the project for which the proposal has been prepared, briefly state the firm's understanding of the financial services to be provided, and make a positive commitment to providing those services.

5.2 Provide the name, title, address, and phone number of the person or persons who are authorized to sign loan documents and make representations on behalf of the lender.

5.3 Provide the name and contact information of the person or team of people who will be the primary contact, service the loan, and provide customer service once an agreement is approved.

5.4 Provide a description of all programs or services your institution offers to finance capital projects for municipal governments. What is special about these programs and sets them apart? Keep in mind that the financed infrastructure will be owned and operated by a private firm, Enstar Natural Gas Company.

5.5 Experience: describe your company's depth of experience in financial municipal capital projects and your portfolio of public sector investments.

5.6 References: Provide references from Municipalities in which your company has invested in capital projects. Municipalities in Alaska would be of particular interest.

5.7 Fees: Describe all fees and costs that would be associated with the issuance of loan documents and / or bonds and with servicing the loan for the life of the repayment schedule.

5.8 Framework of Loan Agreement: Provide a basic outline of your financing proposal including at a minimum, interest rate, collateral, proposed amortization schedule, access to funds, and other terms and conditions.

5.9. Provide a sample loan agreement commonly used for a loan of this type.

5.10 Timeline for Approval: Provide an estimated timeline for loan approval.

6.0 EVALUATION CRITERIA

The proposals will be initially evaluated and scored as follows:

Proposal Responsiveness	(up to)	10 Points
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Programs / Services Available		10 points
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Experience / Public Sector Portfolio	35 points
Proposed Loan Terms and Conditions	35 points
Other Considerations	10 points

7.0 REMEDIES

7.1 Limitation of Remedies

(a) If an administrative appeal to a court of law is sustained as set out below, the protester's damages shall be limited to the recovery of its reasonable costs of preparing a written response to these Instructions. The City shall in no event be responsible for any costs of any kind whatsoever incurred in connection with an interview or with the presenting or negotiating any aspect of a proposed contract or awarded contract with the City, nor for any other costs including, but not limited to, attorneys' fees associated with any protest, appeal, or judicial review of solicitations or awards, or cancellations relating to the contract by the City.

(b) By signing and submitting a proposal in response to this Instruction, the Proposer agrees to be bound to the limitations of remedies as set forth in this Section and expressly waives claims to all costs and fees incurred with the exception of its said Instruction preparation costs as set out immediately above.

8.0 ADDITIONAL INFORMATION

Proposers may obtain additional information regarding the finances of the City or any other relevant matter by contacting the Finance Director at the address and number above. The City Operating Budget and Audits can be viewed on-line at <http://www.cityofhomer-ak.gov/finance>

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-04

An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a 2012 Emergency Management Performance Grant from the State Division of Homeland Security and Emergency Management in the Amount of \$5,000 for an Update to the Emergency Operations Plan and Authorizing the City Manager to Execute the Appropriate Documents.

Sponsor: City Manager/Fire Chief

1. City Council Regular Meeting February 11, 2013 Introduction
 - a. Emergency Management Performance Grant Program – Local Grant Guidance
 - b. Letter of Award
 - c. Grant Documents
2. City Council Regular Meeting February 25, 2013 Public Hearing and Second Reading

CITY OF HOMER
HOMER, ALASKA

City Manager/Fire Chief

ORDINANCE 13-04

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, ACCEPTING AND APPROPRIATING A 2012 EMERGENCY MANAGEMENT PERFORMANCE GRANT FROM THE STATE DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT IN THE AMOUNT OF \$5,000 FOR AN UPDATE TO THE EMERGENCY OPERATIONS PLAN AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, The Homer Volunteer Fire Department has received an Emergency Management Performance Grant from the State Division of Homeland Security and Emergency Management; and

WHEREAS, The grant is awarded in the efforts to sustain and enhance all-hazards emergency management capabilities; and

WHEREAS, The grant is in the amount of \$5,000 and will be used for the update of the Emergency Operations Plan.

NOW, THEREFORE, the City of Homer Ordains:

Section 1. That the City Council hereby accepts and appropriates a 2012 Emergency Management Performance Grant from the State Division of Homeland Security and Emergency Management as follows and hereby authorizes the City Manager or his designee to execute the appropriate documents:

Revenue:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
151-736	2012 Emergency Management Performance Grant	\$5,000

Expenditure:

<u>Account No.</u>		
151-736	Updates to the Emergency Operations Plan	\$5,000

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

PASSED AND ENACTED by the Homer City Council this ____ day of _____, 2013.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Introduction:

Public Hearing:

Second Reading:

Effective Date:

Ayes:

Noes:

Abstain:

Absent:

Reviewed and approved as to form:

Walt E. Wrede City Manager

Thomas F. Klinkner, City Attorney

Date: _____

Date: _____

Fiscal Note: Fiscal information included in body of Ordinance.

Emergency
Management
Performance
Grant
(EMPG)
Program

Federal Fiscal Year

2012

Local Grant Guidance

State of Alaska
Department of Military
and Veteran Affairs
Division of Homeland
Security and Emergency
Management

2012 EMPG Application DUE by 11:59 P.M., Friday, June 29, 2012

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KEY CHANGES IN 2012 EMPG LOCAL JURISDICTION APPLICATION AND GUIDANCE

The Federal Fiscal Year (FFY) 2012 Emergency Management Performance Grant (EMPG) continues the Federal Emergency Management Agency's (FEMA) and the Alaska Division of Homeland Security and Emergency Management's (DHS&EM) efforts to sustain and enhance all-hazards emergency management capabilities. Emergency management must be able to coordinate in the context of natural and man-made hazards, as well as technological events, that threaten the security of the homeland and the safety and wellbeing of citizens. The State of Alaska directs that EMPG Program funds will be used to support emergency management staff salaries.

Several items have been expanded on or added in the 2012 local jurisdiction EMPG Program application and guidance.

- The 2012 EMPG performance period will be twelve months, beginning July, 1, 2012 and ending June 30, 2013. Awards will be retroactive to July 1 if needed.
- The required application documents have been simplified. Jurisdictions now only need to complete and submit the Request for EMPG Funds and Work Plan. This document combines the previous application and cover sheet, staffing pattern document, and the Annual Work Plan.
- The Quarterly Narrative Progress Report form is not personalized to individual jurisdiction Work Plan tasks. Narrative Report forms will allow jurisdictions to report on all Work Plan tasks, if needed. Revised Narrative Progress Report forms will be available before the first reporting requirement for the 2012 EMPG. Use of outdated forms will not be accepted and may delay timely reimbursements.

EMPG 2012 Special Conditions

- Emergency Management Performance Grant mid-year expenditures review by DHS&EM following the 2012 second quarter. Jurisdictions may be required to provide a spending plan to DHS&EM.
- Update jurisdiction's Logistics Capability Assessment LCA (previously called Gap Analysis Document) to be completed by December 31, 2012. THE LCA will be used towards the State of Alaska Threat and Hazard Identification and Risk Assessment (THIRA).
- Develop a local jurisdiction multi-year Training and Exercise Plan (TEP) to be submitted to DHS&EM at the Training and Exercise Plan Workshop (TEPW).
- Participate in the state multi-year Training and Exercise Plan Workshop (TEPW) to be held in conjunction with DHS&EM's spring Bi-Annual Preparedness Conference.
- Jurisdictions must complete the FEMA Independent Study Professional Development Series (PDS) by June 28, 2013.

EMPG 2012 Grant Assurances

- Updated metric assessments in the NIMS Compliance Assistance Support Tool (NIMSCAST) by September 30th of each year to show on-going progress and achievement for NIMS implementation

STATE OF ALASKA
DIVISION OF HOMELAND SECURITY AND EMERGENCY
MANAGEMENT EMERGENCY MANAGEMENT PERFORMANCE GRANT
PROGRAM

INTRODUCTION

The Emergency Management Performance Grant (EMPG) Program provides federal funding to assist states and local governments in developing and carrying out emergency management programs. States submit annual applications that include a statement of work and proposed budget to the Federal Emergency Management Agency (FEMA) for funding to match state and local appropriations for emergency management programs. States receive EMPG funding from FEMA and, in turn, pass EMPG Program funding to local governments to reimburse them for emergency management personnel expenses. State of Alaska leaders recognize both state and local governments must work to protect their citizens by developing comprehensive, risk-based, all-hazards emergency management programs. Emergency management must be able to coordinate in the context of natural and man-made hazards, as well as technological events, that threaten the security of the homeland and the safety and well-being of citizens. An all-hazards approach to preparedness including the development of a comprehensive program of planning, training, and exercises, sets the stage for an effective and consistent response to any threatened or actual disaster or emergency, regardless of the cause.

As part of the FY 2012 EMPG Program, FEMA has identified overarching priorities:

- **Advancing “Whole Community” Security and Emergency Management.** “Whole Community” fosters a national emergency management approach and considers all aspects of a community to effectively prepare for, protect against, respond to, recover from, and mitigate against any terrorist attack or natural disaster.
- **Implementation of Presidential Policy Directive (PPD)-8.** These activities include continued development and sustainment of core capabilities needed to close gaps and strengthen the State of Alaska’s preparedness

Federal Program Requirements:

Guidelines from the FEMA Grant Programs Directorate (GPD) make the following stipulations concerning the use of monies received under the EMPG Program.

Funds may be used for a range of emergency management planning activities including activities and costs related to the Emergency Management Accreditation Program (EMAP) process (state and/or local.). The EMPG Program shall be used for emergency management programs to accomplish the following initiatives:

- **Emergency Management Organization Program.** Programs must continue to fund all necessary aspects of the emergency management program that support day-to-day preparedness, response, and recovery activities, including mitigation efforts.
- **National Preparedness Goal (NPG) and National Incident Management System (NIMS)** Emergency management programs must update and/or modify their operational plans, training, and exercise activities, as necessary, to achieve conformance with the NPG and the NIMS implementation guidelines, coordinating structures, processes, and protocols, as required. As with FFY 2011 EMPG Program funding, federal departments and agencies are mandating applicants certify current NIMS requirements have been met to be eligible for Preparedness Grant funding. This must be done through jurisdiction input into the web-based National Incident Management System Compliance Assistance and Support Tool (NIMSCAST.) For more information on NIMS compliance consult <http://www.fema.gov/emergency/nims>.
- **Logistics Capability Assessment (LCA)** (previously called Gap Analysis Document) The specific focus of this effort is on debris removal, interim housing, sheltering, commodity distribution, medical

needs, fuel, evacuation, and communications. State and local jurisdictions should also continue to focus on addressing state-specific planning issues identified through the 2006 Nationwide Plan Review.

- **Multi-year Training and Exercise Plan (TEP) and multi-year Training and Exercise Plan Workshop (TEPW)** The multi-year TEP provides a roadmap to accomplish the priorities described in the Homeland Security Strategy. Engaging the Whole Community in training and exercises allows all partners to evaluate and improve upon their level of preparedness. States and Urban Areas are required to conduct an annual Training and Exercise Plan Workshop (TEPW). All grantees and sub-grantees are required to develop a multi-year TEP and update it annually.
- **Mitigation Plans** Mitigation is the effort to reduce loss of life and property by lessening the impact of disasters. This is achieved through risk analysis, which results in information that provides a foundation for mitigation activities that reduce risk, and flood insurance that protects financial investment.
- **Emergency Management/Operations Plans** A plan, usually developed in accord with guidance contained in the Guide for the Development of State and Local Emergency Operations Plans, Comprehensive Preparedness Guide 101 Version 2 (CPG 101 V2), and other similar guides. The emergency operations plan clearly and concisely describe a jurisdiction's emergency organization, its means of coordination with other jurisdictions, and its approach to protecting people and property from disasters and emergencies caused by any of the hazards to which the community is particularly vulnerable. It assigns functional responsibilities to the elements of the emergency organization, and details tasks to be carried out at times and places projected as accurately as permitted by the nature of each situation addressed. Emergency operations plans are multi-hazard, functional plans that treat emergency management activities generically. They have a basic section that provides generally applicable information without reference to any particular hazard. They also address the unique aspects of individual disasters in hazard-specific appendixes.
- **Continuity of Operations (COOP)/Continuity of Government (COG)** COOP/COG planning is the fundamental responsibility of local jurisdictions that performs essential functions. In order to conduct necessary emergency operations, recovery actions, and other key essential functions during a large-scale or catastrophic event, the jurisdiction must have effective COOP plans in place to support continued operations. COOP efforts also provide the foundational basis for COG programs, such as succession planning, which are designed to ensure the continued existence of not only leadership, but also an enduring constitutional government.
- **Whole Community Engagement/Planning** As a concept, Whole Community is a means by which residents, emergency management practitioners, organizational and community leaders, and government officials can collectively understand and assess the needs of their respective communities and determine the best ways to organize and strengthen their assets, capacities, and interests. By doing so, a more effective path to societal security and resilience is built. In a sense, Whole Community is a philosophical approach on how to think about conducting emergency management. There are many different kinds of communities, including communities of place, interest, belief, and circumstance, which can exist both geographically and virtually (e.g., online forums). A Whole Community approach attempts to engage the full capacity of the private and nonprofit sectors, including businesses, faith-based and disability organizations, and the general public, in conjunction with the participation of local, tribal, state, territorial, and federal governmental partners. This engagement means different things to different groups. In an all-hazards environment, individuals and institutions will make different decisions on how to prepare for and respond to threats and hazards; therefore, a community's level of preparedness will vary. The challenge for those engaged in emergency management is to understand how to work with the diversity of groups and organizations and the policies and practices that emerge from them in an effort to improve the ability of local residents to prevent, protect against, mitigate, respond to, and recover from any type of threat or hazard effectively. Below identifies the three principles of Whole Community engagement:
 - Understand and meet the actual needs of the Whole Community. Community engagement can lead to a deeper understanding of the unique and diverse needs of a population, including its demographics, values, norms, community structures, networks, and relationships. The more we know about our communities, the better we can understand their real-life safety and sustaining needs and their motivations to participate in emergency management-related activities prior to an event.
 - Engage and empower all parts of the community. Engaging the Whole Community and

empowering local action will better position stakeholders to plan for and meet the actual needs of a community and strengthen the local capacity to deal with the consequences of all threats and hazards. This requires all members of the community to be part of the emergency management team, which should include diverse community members, social and community service groups and institutions, faith-based and disability groups, academia, professional associations, and the private and nonprofit sectors, while including government agencies who may not traditionally have been directly involved in emergency management. When the community is engaged in an authentic dialogue, it becomes empowered to identify its needs and the existing resources that may be used to address them.

- Strengthen what works well in communities on a daily basis. A Whole Community approach to building community resilience requires finding ways to support and strengthen the institutions, assets, and networks that already work well in communities and are working to address issues that are important to community members on a daily basis. Existing structures and relationships that are present in the daily lives of individuals, families, businesses, and organizations before an incident occurs can be leveraged and empowered to act effectively during and after a disaster strikes.
- **Resource Management Planning** Emergency management and incident response activities require carefully managed resources (personnel, teams, facilities, equipment, and/or supplies) to meet incident needs. Utilization of the standardized resource management concepts such as typing, inventorying, organizing, and tracking will facilitate the dispatch, deployment, and recovery of resources before, during, and after an incident. Resource management should be flexible and scalable in order to support any incident and be adaptable to changes. Efficient and effective deployment of resources requires that resource management concepts and principles be used in all phases of emergency management and incident response.
- **Evacuation Planning** Evacuation planning encompasses not only the movement of people, but also alert/warnings and crisis communications, the ability to care for those people and the ability to plan for re-entry. While levels of planning for this focus area will vary greatly depending on the jurisdiction, it should be noted that urban areas should have detailed plans to address issues associated with this focus.
- **Pre-Disaster Recovery Planning** Pre-disaster recovery planning enables local jurisdictions to effectively direct recovery activities and expedite a unified recovery effort. Pre-disaster plans provide a common platform to guide recovery decisions and activities. When done in conjunction with local and regional comprehensive and community development, pre-disaster planning helps to identify recovery priorities, incorporate hazard mitigation strategies in the wake of a disaster and articulate post-disaster options. By integrating and coordinating planning initiatives, a community further increases local resilience. In addition to the general elements of the pre-disaster planning process, there are also elements specific to the various participants in the process. The responsibility of preparing for disaster recovery begins with the individual and builds to the larger responsibility of the community and local government. Community planning efforts are supported by voluntary, faith-based and community organizations; businesses; and local, state, tribal and federal governments.
- **Recovery Planning** Those capabilities necessary to assist communities affected by an incident to recover effectively, including, but not limited to, rebuilding infrastructure systems; providing adequate interim and long-term housing for survivors; restoring health, social, and community services; promoting economic development; and restoring natural and cultural resources.

All costs under these categories must be eligible under OMB Circular No. A-87, Cost Principles for State, Local, and Indian Tribal Governments, located at http://www.whitehouse.gov/omb/circulars_a087_2004/.

The State of Alaska Requirements:

The State of Alaska's EMPG Program imposes requirements to mirror or supplement federal guidance.

In Alaska, EMPG Program funds strengthen local government efforts by providing direct financial support for local community staff engaged in emergency management planning. The goals of such planning are to coordinate, integrate, and encourage the improvement, development, and sustainment of mitigation, preparedness, response, and recovery capabilities for all-hazards. In addition, funds provided under the EMPG

Program may, and should, be used to support local staff who contributes to terrorism consequence management preparedness. The International Association of Emergency Managers (IAEM) defines emergency management as, "the managerial function charged with creating the framework within which communities reduce vulnerability to hazards and cope with disasters." **The State of Alaska directs that EMPG Program funds will be used to support emergency management staff salaries.**

Communities are expected to develop emergency management systems that build partnerships between government, business, volunteer, community organizations, and Local Emergency Planning Committees (LEPC.)

ELIGIBILITY and SELECTION CRITERIA

Requirements:

This is an invitation-only grant. Participation is based upon the ability to meet certain criterion and upon the historical participation in emergency management related programs. Under the EMPG Program participants must:

- Designate an emergency manager or emergency management coordinator from among the paid jurisdiction staff. This person will be the focal point to local emergency planning and response, and will be the local project manager for the EMPG Program grant. Federal EMPG funds cannot replace (supplant) funds that have been locally appropriated for the same purpose.
- Submit an EMPG Program application with the required attachments, including the Annual Work Plan that outlines planned emergency management activities to be conducted during the grant performance period which is **July 1, 2012 through June 30, 2013.**
- If previously a recipient of EMPG Program funding the applicant must have successfully completed all prior requirements and reports.

Funding Levels:

Funding to jurisdictions applying for the EMPG Program will be based on the following criteria:

- The level of development of the local emergency management agency (e.g., is the emergency manager/coordinator full-time, part-time, or assigned as an extra duty to an existing staff position.)
- The ability of the community to implement an emergency management program (e.g., organizational structure, fiscal controls, staffing levels, performance history, and experienced personnel.)
- The size of the population that could potentially be affected by a major disaster.

Funding Goals:

Program funding goals for FFY 2012 are listed below.

- The emergency manager/coordinator position is an additional assigned duty, a part-time position or a full-time position.
- The community successfully completes all reports identified under the EMPG Program on time.
- The community provides public education and/or information on disaster preparedness.
- The community develops and maintains up-to-date emergency plans.
- The community will prepare and approve such ordinances as are required to ensure local compliance with the NPG and the NIMS.
- The community conducts or participates in and reports all-hazard based exercises utilizing the State of Alaska, Division of Homeland Security and Emergency Management (DHS&EM) Exercise After Action Report/Improvement Plan (AAR/IP) (form available at <http://ready.alaska.gov/homelandsecurity/exercise/exercise.htm>.)
- Emergency management staff and key elected officials participate in ongoing all-hazard training. The designated emergency manager/coordinator shall complete two courses on the NIMS yearly. The emergency manager/coordinator and other emergency staff shall participate in ongoing all-hazards training. The emergency manager/coordinator shall complete at minimum, FEMA

- Independent Study (IS) courses IS 100.b, 200.b, IS 700.a and IS 800.b.
- The emergency manager/coordinator shall attend two (2) DHS&EM Bi-Annual Preparedness Conferences or other DHS&EM sponsored training or outreach events (other events as approved.)

Anticipated FFY 2012 EMPG Funding Levels:

Anticipated FFY 2012 EMPG funding levels will be based on available grant funds and feasibility of the jurisdiction to expend the funding. DHS&EM will attempt to provide similar funding levels allocated in FFY 2011. When completing the EMPG application, please indicate on the Application Coversheet the funding amount needed for the emergency manager/coordinator position and can be met with the required local match, described below.

These federal funds require an equivalent, dollar to dollar, local match. For example, if the grant award is for \$10,000.00 the local jurisdiction must be able to provide a hard-match of \$10,000.00.

Match activities must be emergency management activities. Finance and administrative activities associated with administering the grant, such as filing reports or processing EMPG salaries cannot be used as local match or charged to the grant for reimbursement with federal funds.

Hard-Match:

A hard-match is a cash contribution from the local government. The hard match must be in the form of staff salaries and benefits or other personnel expenditures.

Since the EMPG Program is funded with federal funds, funds from other federal programs may not be used to fulfill the match requirement, with the exception of Community Development Block Grant funds. State funding from the Local Emergency Planning Committee (LEPC) Grant is not eligible as local match to EMPG.

Local jurisdictions are encouraged to report all eligible emergency management program costs. Additional expenditures are used to justify requests for an increase in funding from the federal program on your behalf.

BASIC EMPG EMERGENCY MANAGEMENT PROGRAM REQUIREMENTS

Jurisdictions receiving EMPG Program funds are required to carry out all tasks identified and submitted in the in the Annual Work Plan. In addition, all participants are required to submit quarterly progress reports describing achievements toward the quarterly goals identified in the Work Plan and any other emergency management program activities, as well as providing detailed financial accounting of program expenditures.

Failure to comply with EMPG Program requirements may result in reduction of annual funding and possible reduction in the current year's award allocation.

Note:

Participation in exercises and completing ongoing training are integral components of an emergency management program. While these activities are no longer required to be explicitly identified on the Annual Work Plan for the 2012 EMPG, emergency management programs within EMPG jurisdictions are expected to complete exercises and training tasks.

2012 EMPG Special Conditions:

EMPG Mid-Year Grant Review

Upon completion of the 2012 EMPG second quarter grant cycle, DHS&EM will perform a mid-year grant review. Upon completion of the mid-year grant review may require a detail spending plan identifying how the jurisdiction will expend the remaining funds.

Update Logistics Capability Assessment (LCA) (previously called Gap Analysis Document)

DHS&EM's Logistics Capability Assessment was established to assist local jurisdictions in finding potential gaps that may hinder their ability to provide life safety essentials during any type of catastrophic event. During the 2011 EMPG, jurisdictions completed the Gap Analysis Qualitative Document. This document is now called the Logistics Capability Assessment (LCA). Jurisdictions must continue to evaluate their responses to the Communications, Goods, Services, and Transportation questions in the document during the 2012 EMPG. Update of this document should be completed by December 31, 2012, and is a grant assurance. For more information the LCA, contact the DHS&EM Planning Section.

Develop a multi-year Training and Exercise Plan (TEP) and participate in State of Alaska Multi-Year Training and Exercise Plan Workshop (TEPW)

The multi-year TEP provides a roadmap to accomplish the priorities described in the Homeland Security Strategy. Engaging the Whole Community in training and exercises allows all partners to evaluate and improve upon their level of preparedness. Local jurisdictions must develop a Multi-Year Training and Exercise Plan (TEP) and submit the TEP to DHS&EM at the state TEPW scheduled to be held in conjunction with spring 2013 Bi-Annual Preparedness Conference. The DHS&EM Preparedness Section will provide guidance and a template for the TEP. Development of a local jurisdiction Multi-year TEP and participation in the state TEPW are grant special condition.

Emergency management programs funded through the EMPG should conduct or participate in exercises on a regular basis. Jurisdictions should coordinate with DHS&EM prior to conducting an exercise. Following any local all-hazard exercises the State of Alaska, DHS&EM Exercise After Action Report/Improvement Plan (AAR/IP) to the DHS&EM exercise officer with the next quarterly progress report, if not sooner. The current reporting form is available on the DHS&EM grants website at <http://ready.alaska.gov/homelandsecurity/exercise/exercise.htm>. Updated versions may also be requested from the DHS&EM exercise officer. For more information, please contact the DHS&EM Preparedness Section at (907) 428-7000.

Communities that experience a state or federally declared disaster event during the grant performance period shall be considered to have satisfied this requirement and a DHS&EM AAR/IP is submitted for the disaster.

Jurisdictions must complete the FEMA ISP Professional Development Series (PDS)

The following FEMA Professional Development Series IS on-line* Emergency Management Institute (EMI) Training Courses must be completed by EMPG funded personnel by June 28, 2013:

IS 120.a	An Introduction to Exercise
IS 230.b	Fundamentals of Emergency Management
IS 235.b	Emergency Planning
IS 240.a	Leadership & Influence
IS 241.a	Decision Making and Problem Solving
IS 242.a	Effective Communication
IS 244.a	Developing and Managing Volunteers

Emergency management coordinators, assistant coordinators, and other staff members whose salary is supported by EMPG Program funding and who work 50 percent or more of their time in emergency management duties should complete two training courses from the list below yearly, unless they have previously completed all identified courses. Training should be documented in quarterly progress reports and kept in local jurisdiction records. Other jurisdiction staff members and local elected officials are also encouraged to complete these courses. For more information, please contact the DHS&EM Preparedness Section at (907) 428-7000.

Independent Study (IS) on-line* Emergency Management Institute (EMI) NIMS Training Courses should be completed by EMPG funded personnel:

IS 100.b	Introduction to the Incident Command System (ICS)
IS 200.b	ICS for Single Resources and Initial Action Incidents
IS 700.a	National Incident Management System (NIMS), An Introduction
IS 800.b	National Response Framework, An Introduction

The following IS classes are recommended for EMPG funded personnel by DHS&EM:

IS 1	Emergency Manager: An Orientation to the Position
IS 208.a	State Disaster Management
IS 271	Anticipating Hazardous Weather and Community Risk
IS 288	Role of Voluntary Agencies in Emergency Management
IS 393.a	Introduction to Hazard Mitigation
IS 546.12	Continuity of Operations (COOP) Awareness Course
IS 547.a	Introduction to Continuity of Operations (COOP)
IS 701.a	NIMS Multiagency Coordination Systems
IS 706	NIMS Intrastate Mutual Aid – An Introduction

On-line training courses listed can be found at <http://training.fema.gov/IS/crslist.asp>.

Education Alternatives: The following are acceptable alternatives to IS courses:

- Any resident EMI course or similar course. EMI is operated by FEMA and located in Emmetsburg, Maryland
- An Incident Command System (ICS) course of at least 16 classroom hours taught by a local, state, federal agency, or commercial contractor, e.g. IS 300 (Intermediate ICS.)

Conduct or Participate in All-Hazard Exercises

Emergency management programs funded through the EMPG should conduct or participate in exercises on a regular basis. Jurisdictions should coordinate with DHS&EM prior to conducting an exercise. Following any local all-hazard exercises the State of Alaska, DHS&EM Exercise After Action Report/Improvement Plan (AAR/IP) should be completed and submitted to the DHS&EM exercise officer with the next quarterly progress report, if not sooner. The current reporting form is available on the DHS&EM grants website at <http://ready.alaska.gov/homelandsecurity/exercise/exercise.htm>. Updated versions may also be requested from the DHS&EM exercise officer. For more information, please contact the DHS&EM Preparedness Section at (907) 428-7000.

Communities that experience a state or federally declared disaster event during the grant performance period should report the event with an AAR/IP to count as an exercise.

2012 EMPG Grant Assurances:

Utilize the National Incident Management System Compliance Assistance Support Tool (NIMSCAST) to Document National Incident Management System (NIMS) Compliance

Completion of jurisdiction input into the National Incident Management System Compliance Assistance Support Tool (NIMSCAST) (<http://www.fema.gov/nimscast/index.jsp>) was implemented as a requirement on the FFY 2008 EMPG award. In FFY 2012, jurisdictions should continue to update and maintain their NIMSCAST information and work towards 100 percent NIMS compliance in all areas. A jurisdiction is considered NIMS compliant if they have adopted and implemented all FFY 2012 compliance activities, as determined by the NIMSCAST.

2012 EMPG Baseline Requirements:

Participate in DHS&EM Emergency Management Training and Outreach Programs

Support communication with other emergency managers/coordinators by:

- Required participation at the DHS&EM Bi-Annual Preparedness Conferences. These conferences are held in conjunction with meetings of the State Emergency Response Commission (SERC) and Local Emergency Planning Committee Association (LEPCA.)
 - October (dates to be determined), 2012 – Anchorage
 - April (dates to be determined), 2013 – Anchorage
- Attendance at other DHS&EM sponsored regional training and outreach activities may meet the above participation requirement. Contact the DHS&EM EMPG Program Project Manager for more information.

Improve Local and Regional Emergency Partnerships

In those jurisdictions where an organized LEPC is in operation, the jurisdiction emergency manager/coordinator shall be required to meet and coordinate with the LEPC. Additionally, all jurisdictions should seek opportunities to establish local and regional partnerships for emergency planning and response.

Submit a Program Application and Annual Work Plan

Submit the EMPG Program Application and Annual Work Plan to the DHS&EM Program Project Manager on or before 11:59 p.m., Friday, June 29, 2012.

Provide Quarterly Progress Reports

Progress reports are required to be submitted on a quarterly basis.

- Quarterly narrative reports are filed on the Narrative Progress Report form and describe the steps taken to complete tasks identified in the Annual Work Plan.
- Quarterly financial reports must be completed using the Financial Progress Report and Request for Reimbursement form and submitted along with back-up documentation detailing the allocation of EMPG Program funds.

(Check the DHS&EM grants website at <http://ready.alaska.gov/grants.htm> to obtain the most recent reporting forms.) Deadlines for submitting EMPG Quarterly Progress Reports are listed in quarterly reporting requirements.

IDENTIFY SPECIFIC GOALS IN ANNUAL WORK PLAN

The following examples are basic to any community emergency management program. The DHS&EM goal in listing these is to provide full credit for the work already being performed at the local level. For additional information refer to the Federal Program Requirements on page 5.

- **Mitigation Plans**
 - Conducting a hazard analysis and risk assessment prior to mitigation plan development
 - Developing/enhancing all-hazards mitigation plans
- **Emergency Management/ Operations Plans**
 - Modifying existing incident management and emergency operations plans aligning them with the guidelines of Comprehensive Preparedness Guide 101 Version 2 (CPG 101 V2)
 - Modifying existing incident management and emergency operations plans
 - Developing/enhancing comprehensive emergency management plans
 - Developing/enhancing large-scale and catastrophic event incident plans
- **Continuity of Operations (COOP)/Continuity of Government (COG)**
 - Developing/enhancing Continuity of Operation (COOP)/Continuity of Government (COG) plans
 - Developing/enhancing financial and administrative procedures for use before, during, and after disaster events in support of a comprehensive emergency management program
- **Whole Community Engagement/ Planning**
 - Developing/enhancing emergency management and operations plans to integrate citizen/volunteer and other non-governmental organization resources and participation
 - Provide training and other support as necessary to assist local jurisdictions to further develop preparedness through community, school, and private sector/business outreach
 - Build new partnerships to expand planning and citizen capabilities
 - Community-based planning to advance “whole community” security and emergency management
 - Public education and awareness on emergency management and preparedness
 - Planning to foster public-private sector partnerships
 - Brief civic groups and senior citizens on local hazards and family preparedness plans
 - Conduct awareness, individual response training, and evacuation drills in schools
 - Conduct workshops on the local Emergency Operations Plan (EOP) / Emergency Response

- Plan (ERP.)
 - Arrange for disaster preparedness and response information to be included in utility bills, or as inserts in the local newspaper
 - Publish emergency preparedness information in the local telephone directory
 - Prepare an emergency preparedness calendar for distribution throughout the community
 - Work with Local Emergency Planning Committee (LEPC) (where LEPC exists)
 - Public education and awareness
 - Develop or formalize agreements through letters or memorandums of understanding (MOU) to clarify mutual expectations, if existing, with local agencies or private organizations that can assist with emergency planning preparation, response, or recovery
 - Develop intra-state mutual aid agreements that encourage building partnerships across all levels of government, tribal organizations, non-governmental organizations, and private entities in neighboring jurisdictions
 - Program evaluations
- **Resource Management Planning**
 - Developing/enhancing logistics and resource management plans
 - Developing/enhancing volunteer and/or donations management plans
- **Evacuation Planning**
 - Developing/enhancing evacuation plans, including plans for: alerts/warning, crisis communications, pre-positioning of equipment for areas potentially impacted by mass evacuations sheltering, and re-entry.
- **Pre-Disaster Recovery Planning**
 - Disaster housing planning, such as creating/supporting a local disaster housing task force and developing/enhancing local disaster housing plans
 - Pre-event response/recovery/mitigation plans in coordination with State, local, and tribal governments
 - Developing/enhancing other response and recovery plans
- **Recovery Planning**
 - Developing/ enhancing long-term recovery plans
- **Training and Exercise**
 - Developing, updating, enhancing, or conducting exercise activities
 - Developing, updating, enhancing, or conducting training activities
- **Additional EMPG Program Related Activity** Any additional emergency management activities that are not identified in the 2012 work plan. For further details or prior approval of eligible of additional EMPG program related activity, contact DHS&EM project manager at (907)-428-7000
 - Additional EMPG program eligible activity(ies) described within the 2012 EMPG work plan.
- **Emergency Management Organization Program** Programs must continue to fund all necessary aspects of the emergency management program that support day-to-day preparedness, response, and recovery activities, including mitigation efforts.

QUARTERLY REPORTING REQUIREMENTS

All EMPG Program grant sub-recipients must file a two-part quarterly progress report for each reporting period. These two reports are a quarterly narrative report to document grant related activities undertaken by the jurisdiction during the reporting period, and, a quarterly financial report that documents requests for reimbursement and the expenditure of grant funds.

Mail the quarterly progress reports to the DHS&EM EMPG Grants Section in time to arrive by the due date. Post marked packets sent by the due date are accepted. Signed electronic or faxed copies with all supporting documentation are accepted. Jurisdictions are encouraged to send signed electronic reports.

Scheduled Reports Due	Jurisdiction Reporting Period	Narrative and Financial Progress Report Due Dates
1	07/01/2012 – 09/30/2012	10/20/2012
2	10/01/2012 – 12/31/2012	01/20/2013
3	01/01/2013 – 03/31/2013	04/20/2013
4	04/01/2013 – 06/30/2013	07/20/2013
Progress reports will be submitted to DHS&EM by the due date as specified in the above schedule. Should the grant period be extended for any reason, a modified report schedule will accompany the award amendment.		

Quarterly Narrative Progress Reports

Use the designated Narrative Progress Report forms to document all EMPG Program activities for each reporting period. Both the emergency manager/coordinator and the local signatory official or their delegates must sign the Narrative Progress Report.

Jurisdictions are expected to complete and report a proportionate amount of the overall set of tasks outlined in their approved Annual Work Plan during each quarter of the fiscal year.

Quarterly Financial Progress Reports

Quarterly financial reports shall consist of the following:

- The completed Financial Progress Report/Request for Reimbursement form. The chief financial officer and the project manager/coordinator or their delegates for the grant must sign this form.
- Supporting Documentation for Reimbursement. Supporting documentation must include source documents suitable for audit purposes, including, but not limited to:
 - Copies of payroll warrants; and
 - Payroll time sheets and leave registers; or
 - Payroll transaction reports certified by the chief financial officer; or
 - Completion of the Optional Financial Work Sheet for Identifying and Certifying Program Costs, available at <http://ready.alaska.gov/grants.htm> may be utilized in lieu of the above documentation for reimbursement of personnel costs and documentation of the local match.

Submit Quarterly Reports To:

Alaska Division of Homeland Security and Emergency Management
 ATTN: Grants Section
 PO Box 5750
 JBER, Alaska 99505-5750
 Fax: (907) 428-7009
 Phone: (907) 428-7000
 Toll Free Phone: 1-800-478-2337

All current grant reporting forms are located on the DHS&EM website <http://ready.alaska.gov/grants.htm>

INSTRUCTIONS FOR EMPG PROGRAM APPLICATION AND WORK PLAN

Guidance for EMPG Program Application

Applying for EMPG Program Funding

Jurisdictions apply to participate in the program by submitting a complete FFY 2012 EMPG application package. Preparing the application will necessitate drafting an Annual Work Plan, identifying goals for improving local emergency preparedness and response.

Required Contents of the EMPG Program Application Package

- Request for EMPG Funds
- Signatory Authority Form
- Work Plan

Signatures Required on EMPG Program Documents

Certain individuals, as identified on the Signatory Authority Form and on the grant award, must sign specified EMPG obligating documents (award, amendments, etc.) These officials are:

- Signatory Official: An individual who has been authorized by the governing body of the applicant jurisdiction or organization to apply for, accept, or decline grants on behalf of the organization. For local governments, this is typically the Mayor or City Manager.
- Chief Financial Officer: This should be the chief financial officer or treasurer of the applicant jurisdiction or organization. This is the person who will be contacted by the DHS&EM staff if questions arise regarding financial aspects of the grant.
- Project Manager: The project manager, usually, the emergency manager/coordinator is directly responsible for carrying out tasks outlined in the Annual Work Plan and is supported by grant funds. The project manager is the primary point of contact for DHS&EM for EMPG related matters.

Please see the included Signatory Authority Form instructions for more information on signatories and signatory delegations allowed on quarterly progress reports.

Submitting the EMPG Program Application Package

DHS&EM must receive applications by **11:59 p.m., Friday, June 29, 2012**. Signed copies can be emailed or faxed as working documents. Mail signed originals to the address below:

Alaska Division of Homeland Security and Emergency Management
ATTN: Grants Section
PO Box 5750
JBER, Alaska 99505-5750

Fax: (907) 428-7009
Phone: (907) 428-7000
Toll Free Phone: 1-800-478-2337

AWARD FUNDING and NOTIFICATIONS

DHS&EM will notify successful applicants of their EMPG Program award amount in an award letter accompanied by the obligating award document.

FFY 2012 funding awards will be made contingent upon satisfactory completion of deliverables funded in the current and prior years, to include timely submission of quarterly reports. The DHS&EM Director may reduce the baseline FFY 2012 funding award to a community that has not completed deliverables funded in the previous fiscal year(s.) Additionally, the DHS&EM will continue to monitor the performance of applicants who fail to submit a quarterly report by the due date and funding may be withheld for reoccurring poor performance. Monitoring of this grant by DHS&EM staff may include technical assistance, site visits, and desk audits.

ADDITIONAL INFORMATION

Summary of Allowable Costs

The following three grant circulars are relevant to participants in the EMPG Program depending on type of entity. In general state agencies, local governments, and tribal governments follow:

- A-87 for cost principles
- 44 CFR Part 13 for administrative requirements, and
- A-133 for audit requirements
- Circulars are located online at http://www.whitehouse.gov/omb/circulars_default/.
- CFR is available here: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?sid=ac07c0215f405f8631485b30a7928730&c=ecfr&tpl=%2Findex.tpl>

For the Emergency Management Performance Grant (EMPG) Program, the only allowable costs in the EMPG Program are those relating to necessary and essential state and local emergency management personnel expenses. Emergency Management is the managerial function charged with creating the framework within which communities reduce vulnerability to hazards and cope with disasters through coordination, integration, and encouragement of the improvement, development, and sustainment of mitigation, preparedness, response, and recovery capabilities for all-hazards. Funds provided under the EMPG Program may, and should, also be used to support local staffs who contribute to terrorism consequence management preparedness. Specifically, allowable personnel expenses would include:

Personnel Compensation and Benefits:

Request for Funds Personnel

Federal contributions for this category of expenses are limited to compensation and benefits paid to, or on behalf of, personnel whose paid positions are reported on the applicant's current EMPG Request for Funds and have an acceptable current position description that includes the specific emergency management duties and functions of the employee on file at DHS&EM or submitted as a supplement to the applicant's Request for Funds. EMPG funds may not be used to pay personnel costs of additional staffing for disaster operations.

Retirement Funds

The federal share of any payment to a retirement fund must be in a prorated amount apportioned on the basis of time worked in a position while it was federally assisted, and so reported on the Staffing Pattern. The cost must be related to a particular fiscal year and be charged only while that year's funds remain available.

Full-Time or Part-Time Status

Personnel will not be funded as full-time employees under EMPG Program unless they are performing emergency management program elements included and identified in an approved local statement of work, are required by such projects and their current job description to devote full-time to emergency management, and tasks are specifically included in the Annual Work Plan submission. EMPG Program funding is allowable in the case of an individual with a part-time position in an emergency management agency, while at the same time holding a separate part-time position in another department or in the private sector, provided the duties of the other position do not conflict with or impair the emergency management functions assigned to the individual.

Personnel of Other Agencies

Personnel compensation and benefits for an employee of a department of local government other than emergency management including persons serving as full-time or part-time local emergency program managers/coordinators, are allowable for federal contributions under the following conditions:

- The employee must be assigned on a regular, continuing basis to emergency management duties under the official personnel system of the particular local jurisdiction.

Elected Officials (full-time or part-time)

Salaries paid to persons who are full-time elected officials are not allowable costs for a federal contribution under the EMPG Program. Salaries of local emergency management employees who also hold a part-time elective office

by appointment to fill a vacancy may be allowable for a matching contribution under the EMPG Program. It must be demonstrated that the holding of such elective office does not conflict with or impair performance of the emergency management duties for which salaries are being paid. Time and attendance records must be kept to demonstrate that the costs charged to emergency management are in accord with time and effort spent on emergency management activities.

Grant Information and Assistance Contact Information

For further information and assistance:

Contact the DHS&EM EMPG Project Manager at (907) 428-7000, toll-free 800-478-2337

Annex A: Sample EMPG Performance Progress Report

Grantee Name City of Jones	State Grant Number 11EMPG-GR12223	DUNS 057539221	Reporting Period From Quarter One
		EIN 92-6000222	
Final Report: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		Report Frequency: Quarterly <input checked="" type="checkbox"/> Special <input type="checkbox"/>	
Certification I certify to the best of my knowledge and belief that this report is correct and complete for the performance of activities for the purposes set forth in the award documents.			
Typed or Printed Name of Project Manager Andy Jones		Telephone Number 907-428-7022	
Signature of Project Manager		Email Address Andy.jones@alaska.gov	
Typed or Printed Name of Signatory Official Kim Weibl		Telephone Number 907-428-7000	
Signature of Signatory Official		Email Address Kim.weibl@alaska.gov	
Date Report Submitted: 10/19/2012			
A. EMPG Special Conditions		Complete/In-Progress	
This is to identify special conditions for the grant. The grantee must comply with all special conditions. Each task, objective, or deliverable from the grant year will be eligible for quarterly payment awards.			
Emergency Management Performance Grant mid-year grant review (Review by DHS&EM staff following 2012 second quarter). Jurisdictions may be required to provide a spending plan to DHS&EM.		In-Progress	
Update jurisdiction's Logistics Capability Assessment (previously called Gap Analysis Document) to be completed by December 31, 2012. Jurisdiction's Logistics Capability Assessment will be used towards the State of Alaska Threat and Hazard Identification and Risk Assessment (THIRA).		Complete	
Participate in the state Multi-Year Training and Exercise Plan Workshop (TEPW) to be held in conjunction with DHS&EM's spring BI-Annual Preparedness Conference.		In-Progress	
Develop a local jurisdiction Multi-Year Training and Exercise Plan (TEP) to be submitted to DHS&EM at the Training and Exercise Plan Workshop (TEPW).		In-Progress	
Jurisdictions must complete the FEMA ISP Professional Development Series (PDS)		Complete	
All Staff have completed the FEMA ISP required courses LCA has been completed and submitted to DHS&EM project manager			
B. EMPG Grant Assurances		Complete/In-Progress	
Updated metric assessments in the NIMS Compliance Assistance Support Tool (NIMSCAST) by September 30th of each year to show on-going progress and achievement for NIMS implementation.		Complete	
Click here to enter additional comments.			
C. Progress Indicators			
Mitigation Plans		Insert Name	
Conducting a hazard analysis and risk assessment prior to mitigation plan development		Click here to enter name.	
		Click here to enter name.	
		Click here to enter name.	

Click here to enter a detailed work summary.	
Developing/enhancing all-hazards mitigation plans	Andy Jones
	Tonya James
	Click here to enter name.
Working with the local LEPC to revise the community's LHMP	
Emergency Management/Operation Plans	
Modifying existing incident management and emergency operations plans aligning them with the guidelines of Comprehensive Preparedness Guide 101 Version 2 (CPG 101 V2)	Insert Name
	Kim Weibl
	Click here to enter name.
Revision to the community's EOP base plan. It is planned to complete to annexes each grant quarter. The base plan is currently under review by the SERC all-hazards plan review committee.	
Modifying existing incident management and emergency operations plans	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Developing/enhancing comprehensive emergency management plans	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Developing/enhancing large scale and catastrophic event incident plans	Andy Jones
	Click here to enter name.
	Click here to enter name.
Working on developing a catastrophic annex to the community's EOP	
Community/Administrative Plans	
Developing/enhancing Continuity of Operation (COOP)/Continuity of Government (COG) plans	Insert Name
	Kim Weibl
	Click here to enter name.
Developed a COOP planning team. Received the COOP planner's workshop from DHS&EM.	
Developing/enhancing financial and administrative procedures for use before, during, and after disaster events in support of a comprehensive emergency management program	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Whole Community Engagement/Planning	
Developing/enhancing emergency management and operations plans to integrate citizen/volunteer and other non-governmental organization resources and participation	Insert Name
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Provide training and other support as necessary to assist local jurisdictions to further develop preparedness through community, school, and private sector/business outreach	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Build new partnerships to expand planning and citizen capabilities	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Community-based planning to advance "whole community" security and emergency management	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Public education and awareness on emergency management and preparedness	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Attended the local LEPC meetings this quarter, gave two presentation one on survival kits, and the responder ready	

campaign	
Planning to foster public-private sector partnerships	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Brief civic groups and senior citizens on local hazards and family preparedness plans	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Conduct awareness, individual response training, and evacuation drills in schools	Andy Jones
	Click here to enter name.
	Click here to enter name.
Coordinated a school evacuation drill.	
Conduct workshops on the local Emergency Operations Plan (EOP)/ Emergency Response Plan (ERP)	Kim Weibl
	Click here to enter name.
	Click here to enter name.
Worked with DHS&EM to deliver a emergency planning workshop to the local LEPC	
Arrange for disaster preparedness and response information to be included in utility bills, or as inserts in the local newspaper	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Publish emergency preparedness information in the local telephone directory	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Prepare an emergency preparedness calendar for distribution throughout the community	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Work with Local Emergency Planning Committee (LEPC) (where LEPC exists)	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Public education and awareness	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Develop or formalize agreements through letters or memorandums of understanding (MOU) to clarify mutual expectations, if existing, with local agencies or private organizations that can assist with emergency planning preparation, response, or recovery	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Develop intra-state mutual aid agreements that encourage building partnerships across all levels of government, tribal organizations, non-governmental organizations, and private entities in neighboring jurisdictions	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Program evaluations	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Resource Management Planning	
Developing/enhancing logistics and resource management plans	Insert Name
	Andy Jones
	Tonya James
	Rachel Saxby

Working with law enforcement and the fire department to type the available resources within the community	
Developing/enhancing volunteer and/or donations management plans	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Evacuation Planning	Insert Name
Developing/enhancing evacuation plans, including plans for alerts/warning, crisis communications, pre-positioning of equipment for areas potentially impacted by mass evacuations sheltering, and re-entry.	Kim Weibl
	Click here to enter name.
	Click here to enter name.
Review and updating the old evacuation plan. Working with the transportation authority to identify transportation issues.	
Pre-Disaster Recovery Planning	Insert Name
Disaster housing planning, such as creating/supporting a local disaster housing task force and developing/enhancing local disaster housing plans	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Pre-event response/recovery/mitigation plans in coordination with State, local, and tribal governments	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Developing/enhancing other response and recovery plans	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Recovery Planning	Insert Name
Developing/enhancing long-term recovery plans	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	
Developing, updating, or enhancing exercise activities	Andy Jones
	Rachel Saxby
	Click here to enter name.
Performed a hazardous material table top exercise	
Developing, updating, or enhancing training activities	Andy Jones
	Click here to enter name.
	Click here to enter name.
Delivered ICS-100,200, and 800 to the local ELPC	
Additional EMPG Program Related Activity	Insert Name
Additional EMPG program eligible activity(ies) described below	Click here to enter name.
	Click here to enter name.
	Click here to enter name.
Click here to enter a detailed work summary.	



THE STATE
of ALASKA

GOVERNOR SEAN PARNELL

Department of Military and
Veterans Affairs

Division of Homeland Security &
Emergency Management

P.O. Box 5750
JBER, AK 99505-0800
Main: 907.428.7000
Fax: 907.428.7009
www.ready.alaska.gov

January 11, 2013

Mr. Walt Wrede, City Manager
City of Homer
491 East Pioneer Avenue
Homer, AK 99603

RE: 2012 Emergency Management Performance Grant, EMW-2012-EP-00028
State Grant Number: 12EMPG-GR35585

Dear Mr. Wrede:

The Division is pleased to award the City of Homer the amount of \$5,000.00 under the 2012 Emergency Management Performance Grant (EMPG). The performance period for this award is January 01, 2013 through June 30, 2013.

EMPG performance includes, but is not limited to, the following tasks:

- Accomplishment of projects identified in the jurisdiction's 2012 EMPG Work Plan.
- Review and update of the jurisdiction's Local Capability Assessment (LCA).
- Required attendance at the state's Multi-Year Training and Exercise Plan Workshop (TEPW), held in conjunction with the spring 2013 Bi-Annual Preparedness Conference. A pre-requisite for the workshop is development of a local jurisdiction Multi-Year Training and Exercise Plan (TEP).
- EMPG-funded personnel should make every attempt to participate in one exercise during the performance period. Exercises can be discussion-based; seminars, workshops, tabletops, games/operation simulations, or operations-based; drills, functional exercises, full scale exercises. DHS&EM sponsored opportunities will be available during the performance period. Real world events may not always count as exercise participation.
- Continued utilization of National Incident Management System Compliance Assistance Support Tool (NIMSCAST).
- EMPG funded personnel are required to complete the FEMA Independent Study Professional Development Series.
- Timely quarterly progress report submissions.
- Dollar-for-dollar, in-kind match.

EMPG funding allocations to local jurisdictions are a direct result of continued reporting on actual funds spent at the local level on emergency management activities. The Division encourages reporting all funds spent on emergency management activities even if they exceed the required match.

Attached are two pre-signed Obligor Award Documents. Please review the information for accuracy and review the Special Condition. Sign both sets of documents, keeping one copy for your records and return the other original within 30 days of receipt to:

State Administrative Agency (SAA) Point of Contact
PO Box 5750
JBER, AK 99505

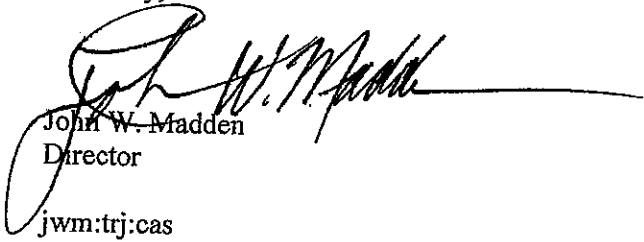
Mr. Wrede
January 11, 2013
Page 2 of 2

If the Obligating Award Document cannot be returned within 30 days due to local jurisdiction policies, a Notice of Intent to Accept Grant Award form and instructions is available for download on the Division's Grants website, <http://ready.alaska.gov/grants.htm>.

Please complete and return a Signatory Authority Form with the signed Obligating Award Document. The Signatory Authority Form is attached and available for download on the Division's Grants website.

The Division EMPG Project Manager, Tonya James, may be contacted directly at 907-428-7046, toll-free at 800-478-2337, or by email at tonya.james@alaska.gov if you have questions or need further assistance.

Sincerely,

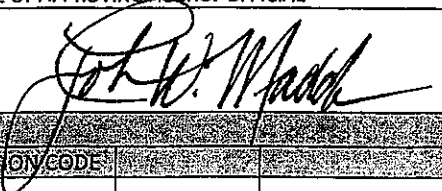
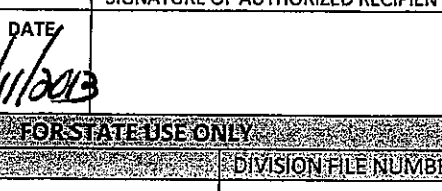


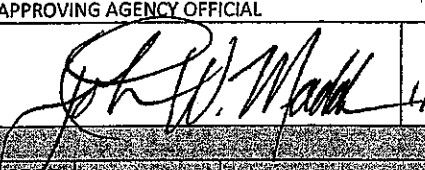
John W. Madden
Director

jwm:trj:cas

Enclosures: Obligating Document and Grant Terms and Conditions (2 Copies)
Project Budget Details Report
Signatory Authority Form

CC: Robert Painter, Jurisdiction Project Manager
Regina Mauras, Jurisdiction Chief Financial Officer

State of Alaska Division of Homeland Security and Emergency Management Under US Department of Homeland Security Federal Emergency Management Agency Grant Programs Directorate				Page 1 of 5	
				AWARD DATE	
				January 01, 2013	
				FEDERAL GRANT PROGRAM	
				2012 Emergency Management Performance Grant	
OBLIGATING AWARD DOCUMENT				AMENDMENT	
				FEDERAL GRANT NUMBER	
				EMW-2012-EP-00028	
RECIPIENT NAME AND ADDRESS (Including Zip Code)			PERFORMANCE PERIOD		GFDA
City of Homer 491 East Pioneer Avenue Homer, AK 99603			FROM	January 01, 2013	AWARD AMOUNT
			TO	June 30, 2013	\$5,000.00
			STATE GRANT NUMBER		12EMPG-GR35585
DUNS NUMBER		040171563		FUNDING ALLOCATION	
EIN		92-0030963		ORGANIZATION	\$5,000.00
METHOD OF PAYMENT		Electronic		PLANNING	EXERCISE
				TRAINING	EQUIPMENT
PURPOSE OF AWARD					
Total Awarded Amount: \$5,000.00 Federal Share, Organization Funds: \$5,000.00 Minimum Required Local Match, Organization Funds: \$5,000.00					
The attached Project Budget Details is the funding allocation. Grant program guidelines and federal, state, and local contracting and procurement compliance requirements apply.					
GRANT TERMS AND CONDITIONS			GRANT REQUIREMENTS, ASSURANCES AND AGREEMENTS (all previous Grant Requirements, Assurances and Agreements still apply)		
See Attached			The acceptance of a grant from the United States government creates a legal duty on the part of the grantee to use the funds or property made available in accordance with the conditions of the grant. [GAO Accounting Principles and Standards for Federal Agencies, Chapter 2, Section 16.8(c)]		
SPECIAL CONDITIONS (Grant funds cannot be expended until these conditions have been met. See Obligating Award for details)					
(A) The state will review expenditures at the end of the first quarter (01/31/2013-03/31/2013) to ensure funds are being adequately spent. If not, the state may deobligate some or all remaining funds. Second quarter funds will not be reimbursed until this condition is released. (B) The City of Homer must develop a local jurisdiction multi-year Training and Exercise Plan (TEP) to be submitted to DHS&EM at the Training and Exercise Plan Workshop (TEPW). (C) The City of Homer must participate in the state multi-year Training and Exercise Plan Workshop (TEPW) to be held in conjunction with DHS&EM's spring Bi-Annual Preparedness Conference. (D) The City of Homer must complete a Logistics Capability Assessment (LCA)(previously called Gap Analysis Document) by April 15, 2013. (E) The City of Homer staff funded by the 2012 Emergency Management Performance Grant must complete the FEMA Independent Study Program (ISP) Professional Development Series (PDS) by June 28, 2013.					
AGENCY INFORMATION					
ADDRESS	Division of Homeland Security and Emergency Management PO Box 5750 JBER, AK 99505-5750			WEBSITE	http://ready.alaska.gov
				EMAIL	mva.grants@alaska.gov
				PHONE	907-428-7000
				FAX	907-428-7009
AGENCY PROJECT MANAGER		PHONE	FAX	EMAIL	
Tonya James		907-428-7046	907-428-7009	tonya.james@alaska.gov	
AGENCY APPROVAL			RECIPIENT ACCEPTANCE		
NAME AND TITLE OF APPROVING AGENCY OFFICIAL			NAME AND TITLE OF AUTHORIZED RECIPIENT OFFICIAL		
John W. Madden, Director			Walt Wrede, City Manager		
SIGNATURE OF APPROVING AGENCY OFFICIAL			SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL		
		DATE			DATE
11/11/2013			11/11/2013		
FOR STATE USE ONLY					
CO-LOCATION CODE		DIVISION FILE NUMBER		DATE RETURNED	
9202042		1.6.9.15			

State of Alaska Division of Homeland Security and Emergency Management Under US Department of Homeland Security Federal Emergency Management Agency Grant Programs Directorate				Page 1 of 5	
				AWARD DATE	
				January 01, 2013	
				FEDERAL GRANT PROGRAM	
				2012 Emergency Management Performance Grant	
OBLIGATING AWARD DOCUMENT				AMENDMENT	
				FEDERAL GRANT NUMBER	
				EMW-2012-EP-00028	
RECIPIENT NAME AND ADDRESS (including Zip Code)		PERFORMANCE PERIOD		CFDA#	
City of Homer 491 East Pioneer Avenue Homer, AK 99603		FROM		January 01, 2013	
		TO		June 30, 2013	
		STATE GRANT NUMBER		12EMPG-GR35585	
DUNS NUMBER		040171563		FUNDING ALLOCATION	
EIN		92-0030963		AWARD AMOUNT	
METHOD OF PAYMENT		Electronic		\$5,000.00	
				ORGANIZATION	
				PLANNING	
PURPOSE OF AWARD		TRAINING		EXERCISE	
		EQUIPMENT			
Total Awarded Amount: \$5,000.00 Federal Share, Organization Funds: \$5,000.00 Minimum Required Local Match, Organization Funds: \$5,000.00					
The attached Project Budget Details is the funding allocation. Grant program guidelines and federal, state, and local contracting and procurement compliance requirements apply.					
GRANT TERMS AND CONDITIONS			GRANT REQUIREMENTS, ASSURANCES AND AGREEMENTS (all previous Grant Requirements, Assurances and Agreements still apply)		
See Attached			The acceptance of a grant from the United States government creates a legal duty on the part of the grantee to use the funds or property made available in accordance with the conditions of the grant. [GAO Accounting Principles and Standards for Federal Agencies, Chapter 2, Section 16.8(c)]		
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				FAX	
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AGENCY PROJECT MANAGER		PHONE		FAX	
Tonya James		907-428-7046		907-428-7009	
				EMAIL	
				tonya.james@alaska.gov	
AGENCY APPROVAL			RECIPIENT ACCEPTANCE		
NAME AND TITLE OF APPROVING AGENCY OFFICIAL			NAME AND TITLE OF AUTHORIZED RECIPIENT OFFICIAL		
John W. Madden, Director			Walt Wrede, City Manager		
SIGNATURE OF APPROVING AGENCY OFFICIAL			SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL		
			DATE		DATE
4/18/2013					
FOR STATE USE ONLY					
CO-LOCATION CODE		DIVISION FILE NUMBER		DATE RETURNED	
9202042		1.6.9.15			

Grant Terms and Conditions

The total allocation of the 2012 Emergency Management Performance Grant awarded to the State of Alaska Division of Homeland Security and Emergency Management (DHS&EM) is \$3,012,335.00 under *Federal Grant EMW-2012-EP-00028*, Catalog of Federal Domestic Assistance (CFDA) #97.042. The City of Homer has been awarded \$5,000.00, which shall be used to support organization activities essential to Emergency management and community preparedness. The performance period of this grant award is January 1, 2013 through June 30, 2013. The City of Homer **cannot sub-grant** any part of this award to any other entity or organization. All awards require confirmation within the first reporting quarter that expenditures supporting the organization staffing work plan will be made, or a request for de-obligation of funds must be submitted.

(A) Changes to Award: All change requests must be submitted in writing, or electronically to the DHS&EM project manager, accompanied by a narrative justification and budget/spending plan, for review and approval. Changes must be consistent with the organization category and federal grant guidelines. Requests for changes will be considered only if the reporting requirements are current and terms and conditions have been met at the time the request for the change is made. Changes in the staffing work plan, changes in key persons specified on the grant award, contractual services for activities central to the purposes of the award, requests for additional funding, change in the project manager/director, or release of special conditions may result in an amendment to this award. No category allocations are authorized, only de-obligation of funds.

(B) Reporting Requirements: The City of Homer shall submit timely quarterly Performance and Financial Progress Reports. Quarterly jurisdiction Performance and Financial Progress Report forms are located electronically at <http://ready.alaska.gov/grants.htm> and may be reproduced. Use of outdated forms will not be accepted and may delay timely reimbursements. The quarterly reports are due:

Number of Scheduled Report Due	Jurisdiction Performance Period	Performance and Financial Progress Report Due Dates
1	01/01/2013 – 3/31/2013	04/20/2013
2/Final	04/01/2013 – 06/30/2013	07/20/2013

Invoices with progress reports will be submitted to DHS&EM by the due date as specified in the above schedule. Should the grant period be extended for any reason, a modified report schedule will accompany the award amendment.

Quarterly Performance Progress Reports shall describe the status of the organization category expenditures; compare actual accomplishments to the objectives established for the reporting period in the organization timeline, report reasons for deviation, and justification for timeline adjustment requests. *Performance Progress Reports* must support the *Financial Progress Report*. Include any significant events or activities. Progress must be reported relative to identified organization activities and milestones stated in the jurisdiction's application. *Financial Progress Reports* shall describe the status of the funds; show encumbrances, and receipts of program income and cash or in-kind contributions to the project. The second quarter/*Final Performance Progress Report* is a summary report, evaluating organization expenditures staffing work plan activities and measuring performance against emergency management goals and objectives for the entire performance period, and is required in addition to the second quarter/*Final Financial Progress Report*. *After-Action Report/Improvement Plans* (AAR/IP) are required within 30 days of the conduct of an exercise.

(C) Reimbursements: Submit on the *Financial Progress Report* form. Reimbursement shall be based upon authorized and allowable salary expenditures consistent with narrative and grant guidelines, and submission of timely quarterly *Performance* and *Financial Progress Reports*. Payments may be withheld pending correction of deficiencies. Reimbursement of expenditures may be requested at any time within the performance period. Expenditures must be supported with source documentation (e.g. copies of certified payroll or time sheets, etc.)

Personnel Costs: Payroll reports signed and certified by the chief financial officer that capture the employee name, position, coded allocation to the project, amount paid, are acceptable or the submission of timesheets with name/wage/hours and cost allocation identified and copies of the corresponding pay warrants. Completion of the *Optional Financial Work Sheet for Identifying & Certifying Program Costs* Worksheet available at <http://ready.alaska.gov/grants.htm> may be submitted in lieu of the above documentation for reimbursement of personnel costs. Staff may not self-certify their own time and wages. The City of Homer shall retain all supporting payroll records including time and attendance records signed by the employee and supervisor and copies of warrants as per the Recordkeeping Requirements in Section E.

Grant Requirements, Assurances and Agreements

(A) The performance period for this grant award is **January 1, 2013 through June 30, 2013**. Monies may not be obligated outside of this time period. An obligation occurs when funds are encumbered, as with a purchase order. All obligated and encumbered funds must be liquidated within 45 days of the end of the performance period when the *Final Progress Reports* are due.

(B) The City of Homer shall be familiar with the requirements and restrictions of the 2012 Emergency Management Performance Grant Guidance and State Grant Guidelines. By signing this Obligating Award Document, the City of Homer certifies it has read, understood, and accepted these documents as binding.

(C) The signature of the signatory officials on this award certifies that all financial expenditures including all supporting documentation submitted for reimbursement, have been incurred by the jurisdiction, and are eligible and allowable expenditures consistent with the grant guidelines for this program. The City of Homer shall follow the financial management requirements imposed on them by DHS&EM, which must comply with the requirements the Grant Programs Directorate (GPD) imposed upon DHS&EM.

(D) The signature of the signatory officials on this award attests to the City of Homer's understanding, acceptance, and compliance with *Lobbying Prohibitions, Debarment and Suspension, Drug-free Workplace Regulations, Federal Debt Status, Hotel and Motel Safety Act of 1990, Non-Supplanting, Disadvantaged Business Requirement, The Government Performance and Results Act of 1993, Public Law 103-62, Animal Welfare Act of 1966, Clean Air Act of 1970 and Clean Water Act of 1977, National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973, Coastal Wetlands Planning, Protection, and Restoration Act of 1990, USA Patriot Act of 2001, Trafficking Victims Protection Act of 2000, and Fly America Act of 1974* and other applicable certifications and assurances. Federal funds will not be used to supplant state or local funds. Potential supplanting may be the subject of application and pre-award, post-award monitoring, and audit. Federal funds cannot be used as match for this program, only local funds.

(E) The City of Homer shall ensure the accounting system managing these grant funds are not commingled with funds from other federal, state, or local agencies, and each award is accounted for separately.

(F) The City of Homer shall comply with Federal Civil Rights Laws and Regulations: *Title VI of the Civil Rights Act of 1964 and 1968, Title IX of the Education Amendments of 1972, Age Discrimination Act of 1975, Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973*. The City of Homer will take reasonable steps to ensure Limited English Proficient (LEP) persons have meaningful access to its programs and activities. *Executive Order 13347 Individuals with Disabilities in Emergency Preparedness* requires government to support safety and security for individuals with disabilities in situations involving all-hazards disasters including earthquakes, tornadoes, fires, floods, hurricanes, and acts of terrorism.

(G) The responsibility of the City of Homer as the recipient of these federal funds to fully understand and comply with the requirements of (where applicable):

A. Administrative Requirements

-44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

-2 CFR Part 215, OMB Circular A-110 *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations* at www.whitehouse.gov/omb/circulars/index.html

B. Cost Principles

-2 CFR Part 225, OMB Circular A-87 *Cost Principles for State, Local and Indian Tribal Governments* at www.whitehouse.gov/omb/circulars/index.html

-2 CFR Part 220, OMB Circular A-21 *Cost Principles for Educational Institutions* at www.whitehouse.gov/omb/circulars/index.html

-2 CFR Part 230, OMB Circular A-122 *Cost Principles for Non-Profit Organizations* at www.whitehouse.gov/omb/circulars/index.html

-48 CFR Part 31.2, Federal Acquisition Regulations (FAR), Contract Cost Principles and Procedures, Contracts with Commercial Organizations

-OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations* at www.whitehouse.gov/omb/circulars/index.html

C. Audit Requirements and other Assessments

-Improper Payments Information Act (IPIA) of 2002, (Public Law 107-300)

D. Technology Requirements

-28 CFR Part 23, Criminal Intelligence System Operating Policies

E. Duplication of Benefits

-2 CFR Part 225, Basic Guidelines Section C.3(c)

Project Budget Details Report

2012 Emergency Management Performance Grant / EMPG

Homer, City of

Reported Category = ALL. Reported Revision = 0 of 0.

<u>PBD#</u>	<u>Expense Category</u>	<u>Solution Area</u>	<u>Discipline</u>	<u>Qty</u>	<u>Budgeted Cost</u>	<u>PBD# Amt Spent</u>	<u>PBD# Balance</u>
1	Plan.Org	Prog: Dev,Coord,Imp,Eval	EMA	State			
EHP	Item:				Federal	\$5,000.00	\$5,000.00
<input type="checkbox"/> EHP	Salary and Benefits for Emergency Manager						
Robert Painter, Director of Emergency Services							
Description							

Adjusted Grant Award

State

Federal **\$5,000.00**

Total Budgeted Allocated (Fed & State)

\$5,000.00

PBD Total Allocations:

State

Federal **\$5,000.00**

Total Expenses: State

Federal

Summary Balance: State

Federal

\$5,000.00

PBD Non-Budgeted Funds:

\$0.00

Signatory Authority Form

Grant Program:		DUNS#	
<u>Agreement Number</u>		<u>Date Prepared / Effective Date</u>	
Name of Applicant (Jurisdiction):			
Tax ID#:			
Signatory Information <i>Project Manager, Chief Financial Officer, and Signatory Official must be three (3) different individuals.</i>			
	<i>Primary Signatories: Grant Award/Amendments and Quarterly Grant Reports</i>	<i>Primary Delegations: Quarterly Financial and Narrative Grant Reports (only)</i>	<i>Secondary Delegations: Quarterly Financial and Narrative Grant Reports (only)</i>
Project Manager Name <i>Individual who will manage project</i>			
Project Manager Address City, State Zip			
Project Manager Telephone			
Project Manager Fax			
Project Manager Email			
Chief Financial Officer Name <i>Highest level financial officer, authorized to certify financial expenditures and records</i>			
Chief Financial Officer Address City, State Zip			
Chief Financial Officer Telephone			
Chief Financial Officer Fax			
Chief Financial Officer Email			
Signatory Official Name <i>Jurisdiction's Chief Executive Governing Official</i>			
Signatory Official Address City, State Zip			
Signatory Official Telephone			
Signatory Official Fax			
Signatory Official Email			
Signatures** <i>**Signature required by each of the above named individuals.</i>			
Project Manager			
	<i>Primary Signatory</i>	<i>Primary Delegate</i>	<i>Secondary Delegate</i>
Chief Financial Officer			
	<i>Primary Signatory</i>	<i>Primary Delegate</i>	<i>Secondary Delegate</i>
Signatory Official			
	<i>Primary Signatory</i>	<i>Primary Delegate</i>	<i>Secondary Delegate</i>

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-05

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2013 Operating Budget by Appropriating \$10,500 from the General Fund for Emergency Relief to Pay Immediate Dislocation Expenses Incurred by the Tenants of Three Structures Affected by Sewer System Surcharges Caused by Extreme Weather on January 12 Through 14, 2013.

Sponsor: City Manager

1. City Council Regular Meeting February 11, 2013 Introduction
 - a. Memorandum 13-019 from City Manager as backup
2. City Council Regular Meeting February 25, 2013

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
100.100.5232	Emergency Dislocation	\$10,500
	Expenses Relief	

Section 2. All actions taken by the City Manager regarding the disbursement of emergency relief described above before the effective date of this ordinance are hereby ratified and confirmed.

Section 3. This appropriation is intended strictly to provide funds for emergency relief to help occupants of the affected structures with immediate dislocation costs. The City expressly does not accept or admit liability for this incident as a result of this emergency procurement or the enactment of this budget amendment ordinance.

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

PASSED AND ENACTED by the Homer City Council this ____ day of _____, 2013.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Introduction:

Public Hearing:

Second Reading:

Effective Date:

Ayes:

Noes:

Abstain:

Absent:

81 Reviewed and approved as to form:

82

83

84 _____
Walt E. Wrede City Manager

Thomas F. Klinkner, City Attorney

85

86 Date: _____

Date: _____

87

88 Fiscal Note: Fiscal information included in body of Ordinance.

89

90

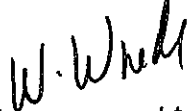
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MEMORANDUM

13-019

TO: Mayor Wythe and Homer City Council**CC:** Finance Department Procurement File**FROM:** Walt Wrede**DATE:** Emergency Procurement / \$10,500 / Sewer Back-Up Emergency Relief

Homer experienced extremely warm conditions and substantial rainfall over the weekend of January 11, 12, and 13. The National Weather Service issued a flood warning for the entire Kenai Peninsula. This unseasonably warm weather and consistent rain resulted in an unprecedented amount of storm water entering the sanitary sewer system and the sewerage treatment plant. The treatment plant received more storm water than it could handle (more than three times the normal daily throughput) and the result was that one main trunk line surcharged (backed up) for a period of time on several occasions. There were three houses in low lying areas of town that received substantial damage when raw sewage backed-up into them.

The City's insurance broker has been notified and is currently investigating the incident. In the meantime, the occupants of the three homes have been displaced and have experienced hardship. This has been a major inconvenience for them and they are forced to pay for things like cleaning, moving, relocation, rental deposits, food, replacement of personal items, and so on. I have determined that an emergency exists for these tenants and that an emergency appropriation is warranted and justified given these special circumstances. Therefore, I have authorized an expenditure of \$3,500 for each of the three tenants to provide emergency relief /assistance and help them with their immediate needs. The funds can be used as the recipients choose in order to best address their individual and specific circumstances.

I have taken this action pursuant to the authority contained in HCC 3.16.020 (A) entitled "Limitation on Manager's Authority." This section essentially states that the Manager cannot spend more than \$10,000 on a procurement without prior City Council approval unless the expenditure is already in the adopted budget. This action is also taken under the authority contained in the adopted Emergency Procurement Policy. This policy states that an emergency can be declared by the City Manager if there is an immediate need for supplies and services that affect the health and safety of any person or the preservation or protection of property. This appropriation is recommended by the Public Works Director with concurrence by the Finance Director, as required by the Policy.

This appropriation is unique because it involves the City's sanitary sewer system and an unusual weather event. No precedent is intended or established. Further, this appropriation is intended strictly as financial assistance to help the occupants of the affected structures with immediate dislocation costs. The City expressly does not accept or admit responsibility or liability for this incident as a result of this emergency procurement.

ORDINANCE(S)

CITY MANAGER'S REPORT

MANAGERS REPORT
February 25, 2013

TO: MAYOR WYTHE / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Finance Director Resignation: Finance Director Regina Mauras has accepted a job in Washington State and has tendered her resignation. Her last day at work will be March 8. She will make herself available after that if questions come up. We have started the recruitment process for this very important position. I would like to thank Regina for all of her dedication and hard work over the past seven years. She has contributed a lot to the City and its financial management. I would especially like to take note of the very significant improvements she made in the areas of internal controls and basic accounting practices. Regina was a real asset and she will be missed.
2. Damage at Water Treatment Plant: At recent meetings the Council was briefed on the extreme weather event that caused damage to the sewer collection system and to three structures in town. Understandably, most of the focus to date has been on the damage to the structures and the displaced tenants. However, there was also extensive damage to the sewer treatment plant itself. We did not realize the extent of the damage at the time but that is now becoming clear. The staff at the treatment plant has performed yeoman's work troubleshooting and making repairs to insure that the plant is functioning properly. Much of this work was done standing in knee deep sewage. Lots of overtime has been needed and these guys deserve a special thank you for keeping the community and Kachemak Bay protected from potential contamination. The bottom line though, is that the cost of repairs now exceeds \$100,000 and could continue to grow. We have not yet brought forward an appropriation ordinance because we did not fully understand the extent of the damage or ultimate cost for repairs and for health and safety reasons, we needed to move fast. At the time this was written, we were considering whether to file an insurance claim. The deductible for this policy is \$100,000. This insurance is for coverage of property damage to property owned by the City and differs from the coverage in place regarding the private structures.
3. Grant Aviation: As you probably heard by now, Grant Aviation is discontinuing service to Homer effective immediately. We are currently in the process of terminating their lease at the terminal and all of the normal steps that entails.
4. Transportation Committee Recommendations: Council recently asked the administration to look into acquiring the ROW that would be needed to push Waddell Way through to Heath St.; an important step in implementing the Transportation Plan. It has come to the City's attention that there is a potential buyer for the property (currently for sale) and PW and Planning have been working with the interested party to see if we can work out a plan that benefits all. There are a number of variables and considerations that come into play when

thinking about the best alignment for the proposed east-west corridor. Carey brought this issue to the Transportation Committee at their meeting on the 19th. The Committee gave it careful consideration and its recommendations are attached. We hope to talk about this in some detail at the Committee of the Whole.

5. Emergency Operations Plan Update: Chief Painter has hosted three meeting so far. The next meeting is scheduled for Thursday, February 21. The Emergency Operations Plan is a very important document and we appreciate the volunteers who are participating on the Committee.
6. Trip to Juneau: Next week the Mayor and Katie will travel to Juneau to visit legislators and members of the administration. We have developed a general work plan / agenda on issues to be addressed but any input the Council might have would be most welcome.
7. Harbor Projects; This week I hope to be able to start the harbor revenue bond application process with the Alaska Municipal Bond Bank. The goal is to have the financing in place close to the time the capital budget is approved so that we can keep to the proposed construction schedule.
8. Lillian Walli Estates: The Council requested by resolution that the City initiate the petition process for forming a road, water, and sewer special assessment district in Lillian Walli Estates. The Planning Department is working on that and is making good progress. Letters of interest went out to all property owners recently.
9. Port and Harbor Rate Study: The adopted budget contains funding for a Port and Harbor Rate Study. We are starting to focus attention on that issue and we should have more information for you soon.
10. Fiscal Impacts of the drill rig Endeavor: At the last meeting we discussed the possible benefits of commissioning a study of the economic impacts associated with the drill rig being moored in Homer. Several Council members expressed interest in doing this. This agenda contains a resolution on that topic sponsored by the Mayor and Council member Burgess to get the issue on the table.

ATTACHMENTS

1. Lobbyist Report
2. Memorandum re: Tract 1-A, Fishing Hole Subdivision # 2
3. Recommendations from the Transportation Committee re: Transportation Plan and Waddell Way



**CITY OF HOMER
PUBLIC WORKS**

3575 HEATH STREET HOMER, AK 99603

TELEPHONE (907)235-3170
FACSIMILE (907)235-3145

MEMORANDUM

TO: Walt Wrede, City Manager

FROM: Carey Meyer, Public Works Director *CSM*

DATE: February 20, 2013

RE: **Waddell Way Connection to Heath Street
Transportation Master Plan Alternative Recommendations**

The Transportation Advisory Committee (TAC) met on February 19. On the agenda was the issue of Waddell Way and how the proposed road connection between Lake Street and Heath Street should occur.

One of the major issues raised by the Transportation Master Plan (2005) was the need for a new east/west road corridor that would provide for the movement of vehicular and pedestrian traffic across the Central Business District. This new corridor would provide an alternative to the Sterling Highway and Pioneer Avenue arterial streets. Attached are the two alternative routes presented in the Plan - (Alternative A – using Grubstake Avenue and Alternative B – using Hazel Avenue).

The TAC, after extensive discussion, unanimously recommended that Alternative B be utilized. The implication of routing traffic thru the residential neighborhood along Grubstake was the main reason why Alternative A was not recommended. Acceptance of this recommendation by the City Council would establish the new corridor west of Heath Street.

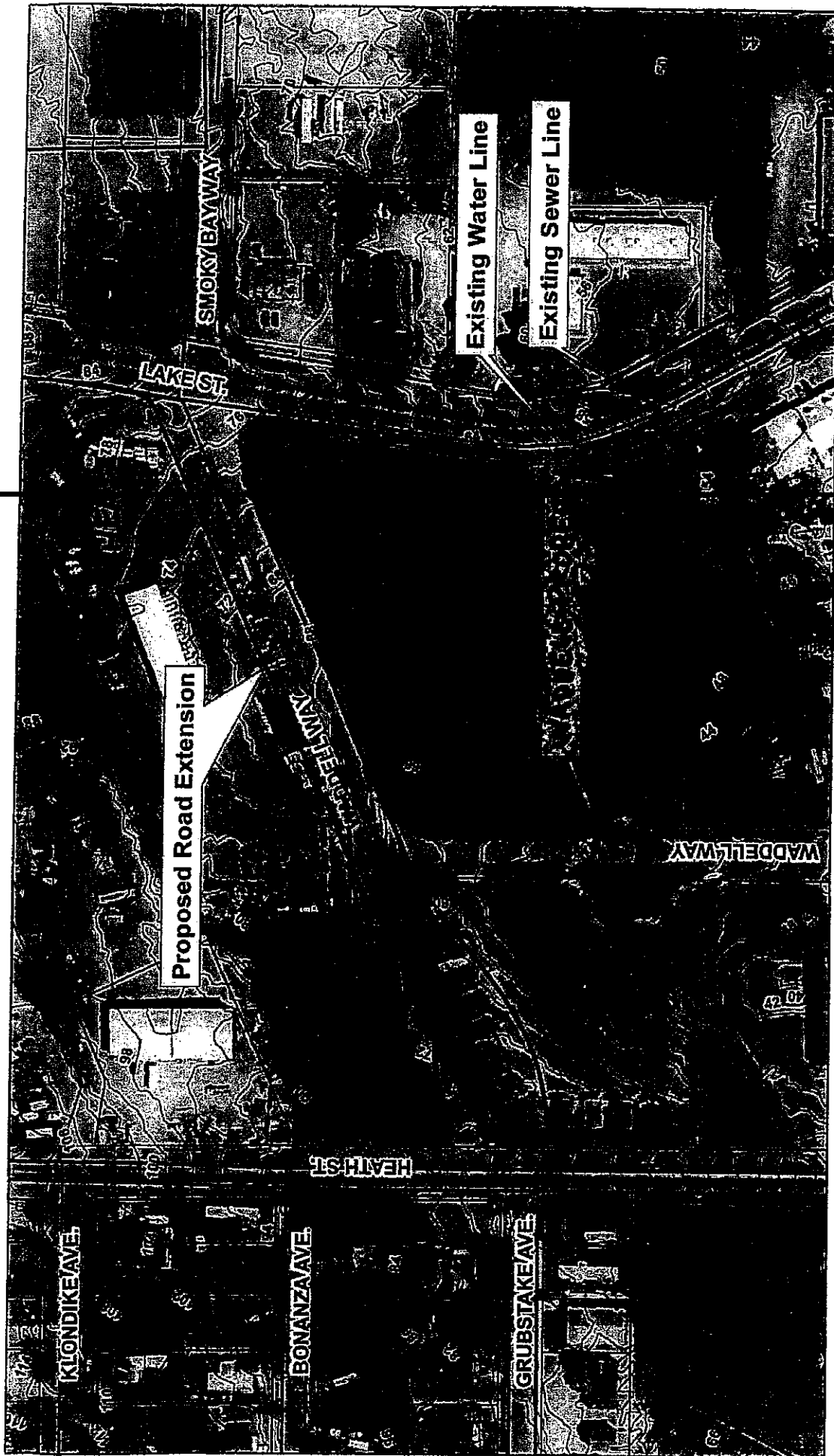
The Committee then discussed the advantages and disadvantages of several options regarding how the new corridor should be aligned east of Heath Street (in particular how Waddell Way should be connected to Heath Street). The attached map shows the alternatives considered).

The TAC voted to approve the Waddell Way connection at Bonanza Avenue.

Recommendations: The City discuss this alignment with Homer Electric Association (since property would need to be acquired from them) and prepare for Council action regarding acceptance of the TAC recommendations



**CENTRAL BUSINESS DISTRICT
ALTERNATE B**



Proposed Waddell Way Street Improvements Options



In Juneau:
 319 Seward Street, Ste. 11
 Juneau, AK 99801
 907.586.1977 p
 907.586.1061 f

In Fairbanks:
 3165 Riverview Drive
 Fairbanks, AK 99709
 907.474.9463 p
 907.479.9113 f

City of Homer

Lobbyist Report - Full Steam Ahead February 20, 2013

Overview

The Legislative pace picked up significantly over the past two weeks. The budget squeeze continues as House and Senate Finance Committee members press all Departments for both operating and capital budget funding justification. The House is tasked with passing FY14 Operating Budget, HB65, over to the Senate by the first week of March while the Senate's focus is on passing the Capital budget, SB18, on to the House two-three weeks prior to the end of the Session. It is interesting that ~~this arrangement between the House and Senate has stood the test of time for as long as anyone can recall.~~

In the words of more than one Legislator assigned to 'budget detail', everything is on the table. For the first time in many years, the Legislature is attempting to reduce both the Governor's operating and capital budget proposals. Legislative Finance Division works directly for the Legislature. They are tasked with providing analysis of the Governor's budgets including present and future impact. Legislative Finance has a track record of warning the Legislature of unsustainable budget creep. It now seems as though the Legislature is taking their advisement seriously.

While Legislative Finance Committees are knee deep in numbers, Resource Committees are drowning in oil and gas details. And the debate over oil taxes continues...for yet another year. Whether pro or con, most agree that it would be beneficial for the State to resolve this issue once and for all. It has its way of choking the air out of the building - and dragging all other priorities and issues with it.

Operating Budget (HB65)

Recent Capitol chatter suggests that the some House Finance members would like to see a \$400 million reduction in the Operating Budget over the next few years. House budget subcommittees are meeting continuously in their quest to restrain operating budget growth. House Finance Co-chair Austerman recently announced this schedule for budget wrap up:

March 1	Budget Subcommittee Close Outs
March 4-6	Public Testimony
March 6	Amendments due to Co-Chair Austerman
March 7 - 10	Legislative "Washington DC Energy Break" - No Session
March 11-12	Full House Finance Action on Amendments & Passage
March 13-14	House Operating Budget to House Floor - 2-3 day process

FY14 Capital Budget (SB18)

Senate Finance is grilling agency officials on all projects in the Governor's proposed capital budget. Initially the Governor estimated available remaining FY14 funds of \$500 million for Legislative projects. Since that time, Legislative Finance Division has identified only **\$200 - \$240million** in remaining available FY14 funds for the Legislature's priority projects. This is down from **\$1.2billion** in legislative projects added to the Governor's budget last year. Some Senators have hinted at modifications to the Governor's capital budget priorities in order to make room for Legislative priorities. A historical timeframe for the Senate's capital budget process follows:

February	Detailed Agency Review of Governor's Proposal Municipal, Non-Profit, Other - Capital Project Input - CAPSIS Legislative Delegation Meetings re: District Priorities Established Capital Budget Funding Target Agreement between Governor, Senate, House Leaders
March 15-21	Public Draft of Senate Finance Capital Budget Senate Finance public Hearings & Amendments

March 31	Senate Capital Budget passes to House
April 1	City of Homer to Juneau
April 1-15	House Capital Budget Amendments
April 15	90 Day Session Limit

Status of Legislation – Homer Bills of Interest

HB4, 'Bullet Line' legislation is stalled in House Resources while the committee reviews the oil tax legislation and while sponsors of the bill, Rep. Hawker & Chenault, work to address the Governor's concerns with the bill. The Governor has made it known that he will insist on substantive changes in order to get his support. Of particular to him is the lack of authority given to the Regulatory Commission of Alaska in approving tariffs and other issues. Negotiations with the Governor and House Leaders are ongoing. As written, HB 4 gives wide sweeping powers to the Alaska Gasline Development Corporation.

HB35 'Home Conversion Loans' moved from House Energy Committee last week and will be heard in House Finance this week, Feb. 21 @ 1:30pm. The bill has gained wide spread support. Rep. Wilson is in receipt of the City of Homer's resolution of support and is extremely appreciate. Anderson Group is meeting with committee members of the House Finance committee where the most critical issue remains; how to fund the program.

HB 30 'Performance Review' As part of the House Majorities recent announcement of their guiding principles, HB30 is one to watch. As mentioned previously, the House has established a goal to significantly reduce the operating budget. They believe this bill helps them do just that. It requires agencies to identify potential cuts equaling 10% of their budgets and identifying non essential programs in the agency's missions. Agencies were prioritized for review with DHSS and DEED topping the list in FY15 with the conclusion of the effort covering all Departments in 10 years. As history repeats itself, financial pressure on the State's budget rolls downhill resulting in questions and pressure on Municipal Revenue Sharing.

HB 40 'Farm Exemption'

Rep. Hughes bill passed the House last week by a vote of 30 – 3. It was immediately referred to only one committee where it is scheduled for hearing Feb. 21 @ 3:30 in Senate Community & Regional Affairs. As an optional program to municipalities, there is no state fiscal note and thus far the bill has avoided a Finance Committee referral where bills tend to get bogged down.

PRS/TRS Termination Cost Legislation

Legislative drafters have produced what is hoped to be a municipal consensus bill addressing this costly issue. Anderson Group's goal is to get this bill introduced yet this week. Time is of the essence. Delayed introduced is the result of extensive communications and consensus building amongst members of a municipality working group and the complexity of this issue.

Homer's Fly-In

We are looking forward to the City of Homer's arrival next week in Juneau. We have suggested a new pair of running shoes for Mayor Wythe and the City's trusted Legislative expert, Katie Koester. In addition to meetings with Homer's Delegation, Rep. Seaton & Senator Micciche, appointments have been scheduled with DOTPF Deputy Commissioner, the Governor's Chief of Staff Mike Nizich, Speaker Chenault, sponsors of Homer's priority Legislation, and general introductions with other key officials as time allows. Our focus will be capital budget priorities, key legislation, relationship building with key officials, and reporting on the status of Homer's gas distribution project and timeline.

Please don't hesitate to call on us at anytime should you have questions or concerns.

Linda 460-6767
Yuri 388-8611

Office of the City Clerk

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



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

MEMORANDUM - REPORT

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK
DATE: FEBRUARY 19, 2013
SUBJECT: BID REPORT

INVITATION TO BID FOR 2013 LIGHT VEHICLE PURCHASE Sealed bids will be received at the office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska 99603, until 2:00 p.m. March 1, 2013 at which time all bids will be publicly opened and read for:

2013 LIGHT VEHICLE PURCHASE

- (1) ½ Ton 4x4 Extended Cab Pick Up (Port & Harbor)
- (1) Expedition EL, SSV, 4 x 4 (HVFD)
- (1) Expedition, SSV, 4 x 4 (HPD)

CITY ATTORNEY REPORT

MEMORANDUM

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: THOMAS F. KLINKNER
RE: CITY ATTORNEY REPORT FOR JANUARY 2013
CLIENT: CITY OF HOMER
FILE NO.: 506,742.18
DATE: FEBRUARY 15, 2013

The following summarizes our activities as City Attorney during the month of January 2013.

City Council. I attended the January 14, 2013 City Council meeting.

City Clerk. Holly Wells drafted a new record retention policy. I advised the Council regarding a member's potential conflict of interest in sponsoring an appropriation to a nonprofit organization.

City Manager. I advised the City Manager and Council regarding legal issues related to the creation of the Natural Gas Distribution Special Assessment District, including the assessment of condominiums and objections to the formation of the district. I worked on code amendments regarding deferral of special assessments.

Seawall. I reviewed the Corps of Engineers decision on the City's application to amend its permit for the seawall, and advised the Council regarding the prospects for an appeal of the decision.

City of Homer v. Kennedy. Adam Cook continued to work on a settlement agreement address the condition of Mr. Kennedy's property in the future.

City of Homer v. Shadle. I attended a scheduling conference to set pretrial deadlines for this zoning enforcement action.

Neal v. City of Homer. I presented oral argument in support of the City's motion for summary judgment to dismiss Mr. Neal's action to require the City to plow Beluga Lake for ice skating.

The Auction Block Company v. City of Homer. Holly Wells and Adam Cook prepared the City's response to Auction Block's prehearing brief and proposed findings of fact, and engaged in other motion practice related to for Auction Block's claims before the Federal Maritime Commission.

I will be available to answer questions regarding these matters at the February 25, 2013 Council meeting.

cc: Walt Wrede
Jo Johnson

COMMITTEE REPORT(S)

PENDING BUSINESS

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Manager

4 RESOLUTION 13-017(S)
5

6 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
7 ALASKA, APPROVING A CONTRIBUTION IN AID OF
8 CONSTRUCTION AGREEMENT (CIAC) BETWEEN THE
9 CITY OF HOMER AND ENSTAR NATURAL GAS COMPANY
10 FOR CONSTRUCTION OF IMPROVEMENTS WITHIN THE
11 HOMER NATURAL GAS DISTRIBUTION SYSTEM SPECIAL
12 ASSESSMENT DISTRICT, IN AN AMOUNT NOT TO
13 EXCEED \$12.7 MILLION \$12,160,632.

14
15 WHEREAS, On July 23, 2012 the City Council adopted Resolution 12-069 initiating a
16 special assessment district for a natural gas distribution system within the City; and
17

18 WHEREAS, On September 24, 2012, the Council adopted Resolution 12-081 accepting
19 and approving the improvement plan submitted by the City Manager for the proposed natural gas
20 distribution system special assessment district; and
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22 WHEREAS, On February 11, 2013, the Homer City Council adopted Ordinance 13-02
23 which created the City of Homer Natural Gas Distribution System Special Assessment District
24 and authorized the City Manager to proceed with the improvement; and
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26 WHEREAS, Enstar Natural Gas Company is the only natural gas distribution public
27 utility that is authorized by the Regulatory Commission of Alaska to provide natural gas service
28 within the City of Homer, and it is appropriate for the City to contract with Enstar Natural Gas
29 Company for construction of a natural gas distribution system in the City on a sole source basis
30 under HCC 3.16.060(i); and
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32 WHEREAS, The City and Enstar Natural Gas Company have negotiated a Contribution
33 in Aid of Construction Agreement (CIAC) for construction of the natural gas distribution system
34 described in the adopted Improvement Plan, for a not to exceed amount of ~~\$12.7 Million~~
35 \$12,160,632.
36

37 NOW, THEREFORE, BE IT RESOLVED that the form and content of the CIAC
38 between the City and Enstar Natural Gas Company, a division of SEMCO Energy, Inc., a copy
39 of which is attached and incorporated herein, hereby are in all respects authorized, approved and
40 confirmed, and the City Manager hereby is authorized, empowered and directed to execute and

41 deliver the CIAC to Enstar Natural Gas Company on behalf of the City, in substantially the form
42 and content now before this meeting but with such changes, modifications, additions and
43 deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to
44 constitute conclusive evidence of approval of any and all changes, modifications, additions or
45 deletions therein from the form and content of said document now before this meeting, and from
46 and after the execution and delivery of said document, the City Manager hereby is authorized,
47 empowered and directed to do all acts and things and to execute all documents as may be
48 necessary to carry out and comply with the provisions of the CIAC as executed.

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50 PASSED AND ADOPTED by the Homer City Council this 25th day of February, 2013.

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52 CITY OF HOMER

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56 FRANCIE ROBERTS, MAYOR
57 PRO TEMPORE

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59 ATTEST:

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63 JO JOHNSON, CMC, CITY CLERK

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66 Fiscal Note: ~~\$12.7 Million~~ \$12,160,632 to be financed.

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 13-017

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING A CONTRIBUTION IN AID OF CONSTRUCTION AGREEMENT (CIAC) BETWEEN THE CITY OF HOMER AND ENSTAR NATURAL GAS COMPANY FOR CONSTRUCTION OF IMPROVEMENTS WITHIN THE HOMER NATURAL GAS DISTRIBUTION SYSTEM SPECIAL ASSESSMENT DISTRICT, IN AN AMOUNT NOT TO EXCEED \$12.7 MILLION.

WHEREAS, On July 23, 2012 the City Council adopted Resolution 12-069 initiating a special assessment district for a natural gas distribution system within the City; and

WHEREAS, On September 24, 2012, the Council adopted Resolution 12-081 accepting and approving the improvement plan submitted by the City Manager for the proposed natural gas distribution system special assessment district; and

WHEREAS, On February 11, 2013, the Homer City Council adopted Ordinance 13-02 which created the City of Homer Natural Gas Distribution System Special Assessment District and authorized the City Manager to proceed with the improvement; and

WHEREAS, Enstar Natural Gas Company is the only natural gas distribution public utility that is authorized by the Regulatory Commission of Alaska to provide natural gas service within the City of Homer, and it is appropriate for the City to contract with Enstar Natural Gas Company for construction of a natural gas distribution system in the City on a sole source basis under HCC 3.16.060(i); and

WHEREAS, The City and Enstar Natural Gas Company have negotiated a Contribution in Aid of Construction Agreement (CIAC) for construction of the natural gas distribution system described in the adopted Improvement Plan, for a not to exceed amount of \$12.7 Million.

NOW, THEREFORE, BE IT RESOLVED that the form and content of the CIAC between the City and Enstar Natural Gas Company, a division of SEMCO Energy, Inc., a copy of which is attached and incorporated herein, hereby are in all respects authorized, approved and confirmed, and the City Manager hereby is authorized, empowered and directed to execute and deliver the CIAC to Enstar Natural Gas Company on behalf of the City, in substantially the form

41 and content now before this meeting but with such changes, modifications, additions and
42 deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to
43 constitute conclusive evidence of approval of any and all changes, modifications, additions or
44 deletions therein from the form and content of said document now before this meeting, and from
45 and after the execution and delivery of said document, the City Manager hereby is authorized,
46 empowered and directed to do all acts and things and to execute all documents as may be
47 necessary to carry out and comply with the provisions of the CIAC as executed.

48
49 PASSED AND ADOPTED by the Homer City Council this 11th day of February, 2013.

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51 CITY OF HOMER

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55 MARY E. WYTHE, MAYOR

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57 ATTEST:

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61 JO JOHNSON, CMC, CITY CLERK

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64 Fiscal Note: \$12.7 Million to be financed.

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**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 12-069

A RESOLUTION OF THE CITY COUNCIL OF HOMER,
ALASKA, INITIATING A SPECIAL ASSESSMENT DISTRICT
TO PROVIDE A NATURAL GAS DISTRIBUTION SYSTEM IN
THE CITY, AND AUTHORIZING THE CITY MANAGER TO
PREPARE A PROPOSED IMPROVEMENT PLAN.

WHEREAS, The City of Homer ("City") has obtained financing for the construction of a natural gas transmission line from Anchor Point to the City; and

WHEREAS, HCC 17.04.040(a)(1) authorizes the City Council by a vote of not less than three fourths of its membership to initiate a special assessment district; and

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

WHEREAS, The Council finds that the natural gas distribution system will benefit equally all parcels of real property in the City that will receive access to natural gas service through the construction of the natural gas distribution system, and that all parcels so benefited should be assessed equally for the cost of the natural gas distribution system; and

WHEREAS, The Council finds that it would be most equitable, and consistent with the benefit conferred by the natural gas distribution system to credit grant funding for the natural gas transmission line in the City against the total cost of the natural gas distribution system in determining the amount to be assessed against each lot that will have access to natural gas service from the natural gas distribution system; and

WHEREAS, HCC 17.04.040(b) provides that upon the Council's initiation of a special assessment district the Clerk shall schedule a meeting of record owners of property in the proposed district, and refer the proposed district to the City Manager for the preparation of an improvement plan for the district.

NOW THEREFORE, BE IT RESOLVED:

Section 1. Initiation of special assessment district. As authorized by HCC 17.04.040(a)(1), the Council hereby initiates a special assessment district for a natural gas distribution system in the City, 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. Meeting of property owners; Improvement plan. The Clerk shall schedule a meeting of record owners of real property in the proposed district in accordance with HCC 17.04.040(b)(1), and refer the proposed district to the City Manager for the preparation of an improvement plan, as provided in HCC 17.04.040(b)(2).

Section 3. Effective date. This resolution shall become effective upon passage and approval.

PASSED AND ADOPTED by the Homer City Council this 23rd day of July, 2012.

CITY OF HOMER

James C. Hornaday
JAMES C. HORNADAY, MAYOR

ATTEST:

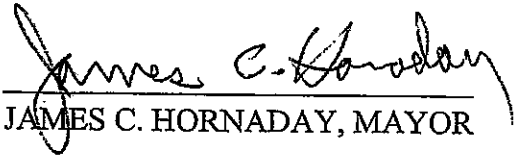
~~TO~~ JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

City Manager

PASSED AND ADOPTED by the Homer City Council this 24th day of September, 2012.

CITY OF HOMER


JAMES C. HORNADAY, MAYOR

ATTEST


JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

NATURAL GAS DISTRIBUTION SYSTEM

SPECIAL ASSESSMENT DISTRICT

IMPROVEMENT PLAN

September 24, 2012

Introduction

The Homer City Council recently adopted Resolution 12-069 which initiated the Natural Gas Distribution System Special Assessment District. The Homer City Code (HCC 17.04.040 (b) (2)) provides that after a resolution initiating a special assessment district is adopted, the City Manager must prepare an improvement plan for the district. This document constitutes the improvement plan for the proposed gas distribution system special assessment district and contains the information required by code.

Boundaries of the District

When the City Council adopted Resolution 12-069 initiating the District, the intent was to initiate one special assessment district that would cover the entire area within the City limits. However, this does not mean that every lot or parcel in the City will receive direct access to gas. This special assessment district is designed to provide financing for construction of gas mains in most City streets. The City Council subsequently adopted Resolution 12-076 which established exclusion criteria to assist in determining which properties would not be served directly by gas mains constructed through the assessment district and which properties would be served but not benefitted and therefore exempted from the assessment district.

The exact boundaries of the proposed assessment district are difficult to draw on a map because of the size, complexity, and special characteristics of this district. The boundaries of the district can better be articulated by a narrative definition. This special assessment district includes all lots or parcels that are directly benefitted by the proposed improvement. Directly benefitted is defined as properties that have frontage on a road which contains a gas main. Properties fronting the trunk line that was partially funded with a legislative grant are also included. A list of properties within the assessment district is contained in the Preliminary Assessment Roll which is attached as Exhibit A. The preliminary assessment roll does not contain properties that are served but exempt from assessment under Resolution 12-076. Finally, Exhibit B is a map which shows the location and extent of the gas main improvements to be constructed. Lots with direct frontage on the mains are included in the assessment district.

Design of the Improvements

Exhibit B illustrates the location and extent of the gas main improvements. The improvements consist of 73 miles of pipe plus the portion of the trunk line which runs through the City. Most of the main lines

are two inches in diameter. Some are four inches in diameter if the demand load justifies it. Some are four inches or larger in order to provide for anticipated future growth. The specific design and engineering specifications will be the responsibility of Enstar Natural Gas Company. The exact location of mains within City Rights of Way will be determined through the City permitting process. Construction permits will be approved and construction work in City roads will be inspected by the Department of Public Works. The build-out of this construction project is expected to take two construction seasons. Exhibit B is color coded to show Year I and Year II phases, beginning with the downtown core in Year I. If this Special Assessment District is approved by January 2013, construction on the distribution system in the downtown area could begin in 2013.

Cost Estimate

Enstar has provided a construction cost estimate of \$12,160,632 for constructing the improvement other than the trunk line in the City (1). This translates into \$31.55 per foot (2). In addition to the construction cost, the City will add an administrative fee (3) and direct construction costs (4) to the total to be assessed. Based upon the number of properties to be assessed (3,855), it is estimated that the construction cost (excluding the cost of the trunk line in the City) per lot is \$3,283.30 plus interest on the portion of the project that the City will finance (5). This assessment number is anticipated to be an upper end, conservative estimate. The cost per property may be reduced depending upon the interest rate and the actual construction costs. The cost per lot will also be reduced by the Free Main Allowance (6).

NOTES

1. This is a not to exceed construction contract number and is good for two construction seasons provided a construction contract is signed in 2013. The estimate is probably high due to the large numbers of unknowns and the complexity of the built environment in Homer. The actual amount the City pays will be based upon actual costs. The City will receive invoices and have the ability to audit construction accounts. If the bids and actual costs are lower than this estimate, the assessments will be adjusted downward.
2. This number is significantly higher than the published tariff for standard construction. The tariff permits costs above the published tariff rate for non standard construction conditions; which Homer has. Costs that exceed the tariff rate must be justified and the City will request a full accounting.
3. Adopted Fee Schedule for Special Assessment Districts. For projects \$500,000 and over: \$25,000 plus 2.5%. The fee is \$316,515 and covers work by multiple departments to support this assessment district.
4. Direct Construction Costs: Estimated to be \$180,000. To cover the cost of seasonal inspectors, utility locators, project management, and equipment.
5. Interest: The assessment per property is estimated to be \$3,283.30 plus interest on the portion of the project that the City will finance. The interest rate is estimated to be 4% at this time. The City will take whatever interest rate it receives from the lender and pass it on to the property owner. The City will make no money on interest.

6. The Free Main Allowance is a type of refund the City will receive when properties hook up to natural gas. The intent is to partially compensate the City for its investment in the infrastructure. Initial estimates are that the City will receive \$1.6 Million in refunds over 10 years. The free main allowance can be applied to the City's loan payments and therefore reduce assessments.

Financing

The City will pay Enstar Natural Gas Company to construct the distribution system. Enstar will construct, own, operate, and maintain the system and assume all liability. In order to pay for construction, the City will need to borrow \$12,160,632; the balance of the construction cost will be paid for from grant funds. This can be done a variety of ways including selling special assessment bonds, obtaining AIDEA loan guarantees for a commercial loan, selling revenue bonds through the Alaska Municipal Bond Bank, and borrowing money from the Kenai Peninsula Borough. The City will weigh all of the alternatives in an effort to obtain the best terms. The decision on where to obtain financing will likely be made in November or December. This improvement plan anticipates a ten year term.

Percentage of Improvement Cost to be Assessed Against Properties in the District

75% of the cost of the improvement, including administrative and direct costs will be assessed against properties in the District. 25% of the cost of the improvement will be paid from grant funds.

Method for Allocating the Assessed Cost for the Improvement Among the Properties in the District

Resolution 12-069 initiating the Special Assessment District stipulates that all properties in the District will be assessed equally regardless of frontage, square footage, or appraised value.

Time Period Over Which Assessments will be Financed

Ten Years

Preliminary Assessment Roll

See Exhibit A

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**CITY OF HOMER
HOMER, ALASKA**

City Manager

ORDINANCE 13-02

AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
ALASKA CREATING THE CITY OF HOMER NATURAL
GAS DISTRIBUTION SPECIAL ASSESSMENT DISTRICT,
APPROVING THE IMPROVEMENT PLAN FOR THE
DISTRICT, AND AUTHORIZING THE CITY MANAGER TO
PROCEED WITH THE IMPROVEMENT.

WHEREAS, On July 23, 2012 the Council adopted Resolution 12-069 initiating a special
assessment district for a natural gas distribution system in the City; and

WHEREAS, On September 24, 2012, the Council adopted Resolution 12-081 accepting
and approving the improvement plan submitted by the City Manager for the proposed natural gas
distribution system special assessment district; and

WHEREAS, Notice of a public hearing on the improvement plan has been published at
least twice in a newspaper of general circulation in the City, and mailed via certified mail to
every record owner of real property in the proposed district not less than 60 days before the
hearing; and

WHEREAS, The Council conducted public hearings on the improvement plan on January
14, and January 28, 2013; and

WHEREAS, Owners of real property that would bear 50 percent or more of the assessed
cost of the improvement did not file timely written objections to the improvement plan with the
City Clerk.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The natural gas distribution system in the City that is proposed in the
improvement plan will improve the public health, safety and welfare, and is necessary and of
benefit to the properties to be assessed.

Section 2. Owners of real property that would bear 50 percent or more of the assessed
cost of the improvement did not file timely written objections to the improvement plan with the
City Clerk

Section 3. There is hereby created the City of Homer Natural Gas Distribution Special
Assessment District ("District"). The improvement that is to be constructed in the District shall
be as described in the improvement plan and illustrated in Exhibit B to this ordinance. The
properties that are to be assessed for the improvement are described in Exhibit A to this
ordinance.

Section 4. The estimated cost of the improvement is \$16,875,551. Seventy-five percent (75%) of the cost of the improvement will be assessed against the properties in the District. The estimated amount of the assessments is \$3,283.30 per lot.

Section 5. The improvement shall be constructed in two phases. Phase I construction shall commence in 2013 and Phase II construction shall commence in 2014. The two phases are illustrated in Exhibit B to this resolution.

Section 6. The City Manager is authorized to proceed with the improvement, negotiate for the sale of a special assessment bond or other financing for the construction of the improvement for Council approval, and take such other actions that are necessary to accomplish the improvement in accordance with the improvement plan upon financing approval by the Council.

Section 7. Upon the completion of Phase II of the construction of the improvement, an amount equal to the actual total improvement cost not paid from grant funds, divided by the total number of properties within the District shall be assessed against each property within the District. The City Clerk shall prepare a final assessment roll assessing to each property in the District the amount determined under this section. The proposed assessment roll for the District shall be prepared and presented in accordance with HCC 17.04.070.

Section 8. The special assessments against properties in the District are liens on those properties and are prior and paramount to all liens except municipal real property tax liens and may be enforced as provided for the enforcement of municipal real property tax liens.

Section 9. This ordinance is not permanent in nature, and shall not be codified.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

84 ATTEST:

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88 JO JOHNSON, CMC, CITY CLERK

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90 YES:

91 NO:

92 ABSTAIN:

93 ABSENT:

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95 First Reading:

96 Public Hearing:

97 Second Reading:

98 Effective Date:

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100 Reviewed and approved as to form:

101
102
103
104 Walt E. Wrede, City Manager

Thomas F. Klinkner, City Attorney

105
106
107 Date: _____

Date: _____

NEW BUSINESS

RESOLUTION(S)

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