

City Council
June 10, 2013
Monday



Worksession 4:00 p.m.

Committee of the Whole 5:00 p.m.

Regular Meeting 6:00 p.m.

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



Produced and distributed by the City Clerk's Office
June 5, 2013 - jj

June 2013

Monday 10 th	CITY COUNCIL Worksession 4:00 p.m., Committee of the Whole 5:00 p.m., and Regular Meeting 6:00 p.m.
Tuesday 11 th	ECONOMIC DEVELOPMENT ADVISORY COMMISSION Regular Meeting 6:00 p.m.
Thursday 13 th	PUBLIC ARTS COMMITTEE/PARKS AND RECREATION ADVISORY COMMISSION Special Meeting 4:00 p.m.
Wednesday 19 th	PLANNING COMMISSION Worksession 5:30 p.m. and Regular Meeting 6:30 p.m.
Thursday 20 th	PERMANENT FUND COMMITTEE Special Meeting 5:15 p.m. PARKS AND RECREATION ADVISORY COMMISSION Regular Meeting 5:30 p.m.
Monday 24 th	CITY COUNCIL Committee of the Whole 5:00 p.m. and Regular Meeting 6:00 p.m.

Regular Meeting Schedule

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

MAYOR AND CITY COUNCILMEMBERS AND TERMS

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

City Manager, Walt Wrede
City Attorney, Thomas Klinkner

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

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



WORKSESSION
4:00 P.M. MONDAY
JUNE 10, 2013

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

WORKSESSION AGENDA

1. **CALL TO ORDER, 4:00 P.M.**
2. **AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
3. **Water and Sewer Rates** *Page 91*
4. **COMMENTS OF THE AUDIENCE**
5. **ADJOURNMENT NO LATER THAN 4:50 P.M.**
Next Regular Meeting is Monday, June 24, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Thursday, June 27, 2013 at 5:15 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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



COMMITTEE OF THE WHOLE
5:00 P.M. MONDAY
JUNE 10, 2013

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

COMMITTEE OF THE WHOLE AGENDA

- 1. CALL TO ORDER, 5:00 P.M.**
- 2. AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
- 3. CONSENT AGENDA**
- 4. REGULAR MEETING AGENDA**
- 5. COMMENTS OF THE AUDIENCE**
- 6. ADJOURNMENT NO LATER THAN 5:50 P.M.**
Next Regular Meeting is Monday, June 24, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Thursday, June 27, 2013 at 5:15 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
AGENDA APPROVAL



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

REGULAR MEETING AGENDA

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

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

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

2. AGENDA APPROVAL

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

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

4. RECONSIDERATION

5. CONSENT AGENDA

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

- A. Homer City Council unapproved Regular Meeting Minutes of May 28, 2013. City Clerk. Recommend adoption. *Page 23*
- B. **Memorandum 13-078**, from Mayor, Re: Appointment of Katie Koester to the Kenai Peninsula Economic Development District. *Page 35*

- C. **Memorandum 13-079**, from Mayor, Re: Recommendation for the Reappointment of Rick Foster to the Kenai Peninsula Borough Planning Commission. *Page 37*
 - D. **Memorandum 13-080**, from Mayor, Re: Reappointment of Franco Venuti to the Homer Advisory Planning Commission. *Page 43*
 - E. **Resolution 13-057**, A Resolution of the Homer City Council Declaring that the City of Homer is Officially a Purple Heart City. Mayor. Recommend adoption. *Page 47*
 - F. **Resolution 13-058**, A Resolution of the City Council of Homer, Alaska, Approving and Accepting the Renewal of the Special Services Contract for FY 2014 with the Alaska Department of Public Safety in the Amount of \$36,000.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Recommend adoption. *Page 57*
- Memorandum 13-081 from Police Chief as backup. *Page 61*
- G. **Resolution 13-059**, A Resolution of the Homer City Council Establishing a Port and Harbor Building Task Force and Specifying a Scope of Work. Mayor. Recommend adoption. *Page 63*

6. VISITORS

- A. Brianna Allen, Old Town’s Development Vision, 10 minutes. *Page 65*

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 13-19**, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$396,000 from the General Reserve, \$54,000 from the Harbor Reserve, \$48,000 from the Sewer Reserve, and \$28,000 from the Water Reserve Funds. City Manager/Public Works Director. Introduction May 28, 2013, Public Hearing and Second Reading June 10, 2013. *Page 79*

Memorandum 13-077 from Public Works Director as backup. *Page 83*

- Ordinance 13-19(S)**, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$540,000 from Various City Reserve Funds. City Manager/Public Works Director. *Page 85*

Memorandum 13-083 from Public Works Director as backup. *Page 87*

- B. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. *Page 91*

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

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9. ORDINANCE(S)

10. CITY MANAGER’S REPORT

- A. City Manager’s Report *Page 151*
1. May & June Employee Anniversaries *Page 153*
 2. Bond Sale Amortization Schedule *Page 155*
 3. Memorandum 13-082 from Personnel Director, Re: Kenai Peninsula Borough Healthcare Meetings *Page 157*
 4. Memorandum 13-084 from Community and Economic Development Coordinator, Re: Tidal Energy Incubator Project Update *Page 159*
- B. Bid Report *Page 169*

11. CITY ATTORNEY REPORT

12. COMMITTEE REPORT

- A. Public Arts Committee
- B. Transportation Advisory Committee

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

13. PENDING BUSINESS

- A. **Ordinance 13-06**, An Ordinance of the Homer City Council, Amending HCC 3.12.020 Permanent Fund Contributions, and HCC 3.12.060 Expenditures of Income, to Provide that Five Percent of Income from the Homer Permanent Fund Income Sub-Fund is Available to be Appropriated for Grants to The Homer Foundation for the Benefit of the Community. City Clerk/Permanent Fund Committee. Introduction March 11, 2013, Referred to Committee, Public Hearing and Second Reading April 22, 2013, Postponed to June 10, 2013. *Page 177*

- B. **Resolution 13-056**, A Resolution of the City Council of Homer, Alaska, Amending the Land Allocation Plan to Make Approximately 10,000 Square Feet in the NW Corner of Lot 2, Tract 1-A, Fishing Hole Subdivision Available for Lease to Qualified Non-Profit Organizations, Establishing the Parameters for Such an Offering, and Authorizing the City Manager to Proceed With a Request for Proposals. City Council. (Postponed from May 28, 2013.) *Page 189*

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

Page 191

Memorandum 13-032 from City Manager as backup.

Page 193

Memorandum 13-069 from City Planner as backup.

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14. NEW BUSINESS

15. RESOLUTIONS

- A. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. *Page 91*

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

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

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

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

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

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Memorandum 13-069 from City Planner as backup.

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- 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, June 24, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Thursday, June 27, 2013 at 5:15 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PUBLIC COMMENTS
UPON MATTERS
ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA

Session 13-12, a Regular Meeting of the Homer City Council was called to order on May 28, 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, LEWIS,
ROBERTS, ZAK

STAFF: CITY MANAGER WREDE
CITY CLERK JOHNSON
ACCOUNTING SUPERVISOR MOORE
COMMUNITY AND ECONOMIC
DEVELOPMENT COORDINATOR KOESTER
FINANCE DIRECTOR LI
FIRE CHIEF PAINTER
IT MANAGER POOLOS
LIBRARY DIRECTOR DIXON

Council met for a Worksession from 4:01 p.m. to 4:52 p.m. to discuss Water and Sewer Rates. From 5:00 p.m. to 5:59 p.m. Council met as a Committee of the Whole to hear about the Diamond Creek Recreational Area Plan. Other agenda items included Resolution 13-056, 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 amended to include the following changes:

CONSENT AGENDA - Ordinance 13-19, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$396,000 from the General Reserve, \$54,000 from the Harbor Reserve, \$48,000 from the Sewer Reserve, and \$28,000 from the Water Reserve Funds. City Manager/Public Works Director. Memorandum 13-077 from Public Works Director as backup.
PUBLIC HEARINGS - Resolution 13-048, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. Written public comments.
RESOLUTIONS - Resolution 13-056, A Resolution of the City Council of Homer, Alaska, Amending the Land Allocation Plan to Make Approximately 10,000 Square Feet in the NW Corner of Lot 2, Tract 1-A, Fishing Hole Subdivision Available for Lease to Qualified Non-Profit Organizations, Establishing the Parameters for Such an Offering, and Authorizing the City Manager to Proceed With a Request for Proposals. City Council. Written public comments.

Mayor Wythe called for a motion to approve the agenda.

LEWIS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

John Szajkowski, Ocean Drive Loop resident, commented on Resolution 13-049. He distributed a table showing what was gained from the 2012 tax year. The table indicates the Borough collected \$24,659 in comparison to the \$19,000 City Manager Wrede sent out. An inequity amongst property owners has taxes that range from \$40 a foot to 55¢ a foot for the same protection and repair maintenance from the City.

Dave Seaman, city resident and Wooden Boat Society, commented on Resolution 13-056. He told Council they have a 5013C application in and a grant writer has identified grants. They have a business plan underway, membership support, and are working on a program for boat building for kids. The Alaska Maritime Institute wants to teach marine safety training.

Tricia Carin, city resident, spoke on Resolution 13-056. She owns the largest wooden boat in the harbor. She supports granting a piece of land for a building to the Wooden Boat Society. They can educate citizens and tourists on historic maritime traditions and keep the maritime history alive.

Clinton Lillibridge, city resident, commented on Resolution 13-056. He is a wooden boat enthusiast and moved here because of things like the Wooden Boat Society, trails, and the Yacht Club. It is an important economic engine year round and the property of all of the people.

Lindianne Sarno, city resident, Wooden Boat Society, and member of the Economic Development Advisory Commission, commented on Resolution 13-056. She supports the 10,000 sq. ft. space for the Wooden Boat Society. It will get people interested in changing their vocations and will give young people experiences on the water.

Dave Brann, city resident, commented on Resolution 13-056. The Wooden Boat Society purchased six wooden boat kits to give to the Big Brothers Big Sisters program. They provided three kits to folks in Seldovia to extend their reach. It leads to interest in the marine trades.

Robert Archibald, city resident, commented on Resolution 13-056. There is a huge lack of seafaring people in the marine trade. You have to start out young or go to maritime school. It is well worth the effort the Wooden Boat Society is making.

RECONSIDERATION

CONSENT AGENDA

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

- A. Homer City Council unapproved Regular meeting minutes of May 13, 2013. City Clerk. Recommend adoption.

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

Memorandum 13-077 from Public Works Director as backup.

- C. **Resolution 13-049**, A Resolution of the City Council of Homer, Alaska, Establishing a 2013 Mil Rate of 9.962541 Mills for the Ocean Drive Loop Special Service District. City Manager. Recommend adoption.

Memorandum 13-072 from City Manager as backup.

- D. **Resolution 13-050**, A Resolution of the Homer City Council Establishing the Property Tax Mil Levy Rate at 4.5 for 2013. City Manager. Recommend adoption.

- E. **Resolution 13-051**, A Resolution of the Homer City Council Approving and Adopting the Updated City of Homer Emergency Operations Plan. City Manager/Fire Chief. Recommend adoption.

- F. **Resolution 13-052**, A Resolution of the Homer City Council Dedicating a Ball Field at Jack Gist Park in Memory of Paula Setterquist. City Clerk/Parks and Recreation Advisory Commission. Recommend adoption.

Memorandum 13-075 from Parks and Recreation Advisory Commission as backup.

- G. **Resolution 13-053**, A Resolution of the Homer City Council Approving a Plaque at Karen Hornaday Park Recognizing Mae Harrington for her Donation of the Land for the Park. City Clerk/Parks and Recreation Advisory Commission. Recommend adoption.

Memorandum 13-076 from Parks and Recreation Advisory Commission as backup.

- H. **Resolution 13-054**, A Resolution of the City Council of Homer, Alaska, Authorizing the City Manager to Enter Into Lease Negotiations with Alaskan Coastal Freight, LLC for a Five Year Lease on a 100 Foot by 220 Foot Piece of Land on the South End of Lot 13, Homer Spit Subdivision No. 2. City Manager. Recommend adoption.

Memorandum 13-074 from Lease Committee as backup.

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

HOWARD/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

A. Diamond Creek Recreational Area Plan, Homer Soil and Water District

Todd Schroeder, Homer Soil and Water District, provided an overview of the Diamond Creek Recreational Area Plan. The area is 273 acres northwest of Homer that is dedicated as park land.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

A. **Mayor's Proclamation** - Mary Epperson Day – June 6

Mayor Wythe read the proclamation.

B. Borough Report

C. Commissions/Board Reports:

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

Dave Brann, Parks and Recreation Advisory Commissioner, provided a report on the commission's projects:

- A campground host is still being sought for the Karen Hornaday Park.
- DOT issued a permit for three bicycle warning signs on Kachemak Drive.
- The commission voiced support for the ball field dedication at Jack Gist Park and plaque at Karen Hornaday Park.
- The Commission approved a request to move the water trail to the corner by the Fishing Hole.

- There is ongoing discussion about the pavilion at Karen Hornaday Park and how it will work.
- Responsibilities at Karen Hornaday Park need to be defined, including safety issues.
- Parks Day will be in August at Ben Walters Park. The Rotary Club will be recognized for their work there and Adopt-a-Park will be promoted. The park now has a path to the dock, the ramp is much better, drainage is improved, the posts are straightened, and flower barrels were donated.
- The commission made recommendations after their park walk-through: Bayview Park - future plans for accessible play equipment and paved path; Jeffery Park – needs a sign identifying it as a park.

5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

- A. **Ordinance 13-17(S)**, An Ordinance of the City of Homer, Alaska, Making Technical Corrections to the Homer City Code Before its Republication by Code Publishing, Inc. City Clerk. Introduction May 13, 2013, Public Hearing and Second Reading May 28, 2013.

Memorandum 13-061 from City Attorney as backup.

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 13-17(S) by reading of title only for second and final reading.

HOWARD/LEWIS – SO MOVED.

Councilmember Howard thanked the City Attorney and City Clerk for the detailed scrutiny of the code that this process requires. It is important so when we adopt one ordinance it is not in conflict with our code or state or federal regulations.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 13-18**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Commercial Vessel Passenger Tax Program Pass Through Grant from the Kenai Peninsula Borough for FY 2012 in the Amount of \$21,710.00, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Introduction May 13, 2013, Public Hearing and Second Reading May 28, 2013.

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 13-18 by reading of title only for second and final reading.

LEWIS/DOLMA – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- C. **Resolution 13-048**, A Resolution of the Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. Public Hearings May 28 and June 10, 2013.
Memorandum 13-073 from Water and Sewer Rate Task Force as backup.

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

ORDINANCE(S)

CITY MANAGER'S REPORT

A. City Manager's Report

1. Pier One Lot: At the last meeting there was a workshop to discuss a revised and updated concept plan for the large tract the Pier One Theatre is located on. One of the lingering issues was whether to make a small, 10,000 square foot section of that parcel available for lease. There was general agreement that this agenda should contain a resolution that would get the issue on the table for further discussion and possible action. I drafted a resolution for Council consideration however, when reviewing my notes, I found that I was not clear about Council intent on two specific issues. The first issue was whether Council intended for this offering to be exclusively for non-profits. I wrote the resolution as though that was Council's intent, however, Rick and Jo recalled it differently. It was their interpretation that Council wanted to leave it open for business and for profit proposals also. Second, there was some uncertainty about the 30% discount for non-profits that was discussed. I took it to mean that non-profits would have to pay rent that was within 30% of market value. Rick and Councilmember Lewis took it to mean that non-profits got a 30% discount or a credit when comparing proposals. So, these are issues that the Council will want to address when the resolution is on the table.
2. Health Insurance Broker: The City health insurance broker will be in Homer the week of June 24 to meet with some of his other Homer clients, including the South Peninsula Hospital. We would like him to meet with the Council sometime soon to discuss a variety of issues including implementation of the national health care law, plan costs and utilization, cost projections moving forward, and ideas for containing costs. He could come to the Council meeting on June 24 however, we thought there might be too much to

talk about in a one hour work session. But we could make it work. He would also be available on one of the other days during the week, especially Tuesday or Wednesday. This might be attractive because we could focus on one issue and not be limited to an hour. We would like to know Council's thoughts on that.

3. Capital Budget: By the time you read this, you will probably be aware that the Governor signed the Capital Budget on the 21st. He did not veto any Homer projects. So, this means that we can start this year on the harbor projects and the Skyline Fire station. The sale of **Homer's harbor bonds** also occurred this week. Closing on the bond sale is next month in Seattle.
4. Northern Economics Contract: This week I signed a contract with Northern Economics so that they can begin work on the port and harbor rate study and the analysis of the economic impacts of having the endeavor Drill Rig moored at the Deep Water Dock. We will keep you up to date on how that project is going.
5. New Bathrooms: This week I also signed a construction contract with Steiner's Construction to build the new restrooms that were included in the \$6 Million Cruise ship head tax grant. You will recall that two of those restrooms are located on Pioneer Ave., something that tourists and business owners have been asking for years. This, along with the new RV parking lot designations will hopefully be a real assist to the downtown businesses.
6. DWD Fenders: The new Deep Water Dock fenders are now installed. This was a big project and a substantial improvement to the dock. Jay Brandt was the contractor. This project accounted for about \$ 2 Million of the \$6 Million cruise ship grant. It is fortunate that the new fenders were in place in time for the first cruise ship landing this year. These fenders will provide much better protection for both the dock and the vessels mooring there and will really improve conditions in bad weather.
7. Spit Trail and Harbor Trail: Portions of these projects are all out to bid separately. For example, PW has bid paving, boardwalk replacement, restrooms construction, and shoreline protection separately for obvious reasons. Some of this work will happen this summer. Boardwalk replacement will likely occur after Memorial day to minimize disruption during the busy summer season. Carey can provide more detail on these projects if Council wishes.
8. Strategic Planning: Several meetings ago I provided a memorandum about strategic planning which included some suggested action items. Step one was mostly a staff endeavor and included a list and status of all projects underway and pending, a draft mission statement, and a report on all City plans, including goals achieved, goals outstanding, and recommendations on priorities. The departments are getting ready to do this. The Mayor's vision was that strategic planning should happen concurrently with CIP development. At the last meeting when Council discussed the new, accelerated CIP schedule, this was mentioned and I think the general sentiment was that we should do this next year and that timing was an issue this year (not enough of it). This could use a little more discussion.
9. HERC Building: Since the Boys and Girls Club is ceasing operations temporarily at the end of the school year, this building will be basically vacant and placed on warm status until we get additional information and come up with a course of action. The building is being used on occasion by the new City employees responsible for permitting, locating, and inspecting the placement of the gas lines. In the meantime, I often receive inquiries

about renting the building. The most recent was from DOT/PF and Quality Asphalt Paving, the contractor that got the Sterling Highway repaving contract. They wanted about 1,500 square feet of office space and lots of parking. This one was attractive because it was short term (4 months), they were willing to pay market rates, and it would help a fellow government agency manage a big project that benefits Homer. But I have consistently told everyone no due to Fire Marshall issues, budget limitations, and the fact that the Council has not authorized any new leases there. Please let me know if you disagree with this decision.

10. New Finance Director Arrives: The first day of work for the new Finance Director, Zhiyong (John) Li will be May 28, the day of the Council meeting. He will be here just in time to get immersed in the water and sewer rate discussion. Lucky John. I warned him about this in the interest of full disclosure! Hope you will help me welcome John to Homer.
11. The Economy: We are starting to see some indirect and anecdotal information that would suggest that there might be an uptick in the economy. Hotels, B&Bs, charter operators, and tour guides have indicated that reservations are generally up. Also, in addition to all of the construction we have been talking about, there might be an improvement in the housing market. Rick reports that he approved zoning permits for four new homes in one day alone last week. Hopefully, these indicators signal a trend.
12. Alaska Business Monthly Article: This magazine is about to publish an article on Homer and natural gas. There is great interest in this around the state and within the business community. The reporter interviewed me and she also spoke with various folks at Enstar and local businesses.

City Manager Wrede introduced John Li, the new Finance Director.

The health insurance broker will be in town the week of June 24th. A Worksession was scheduled for Thursday, June 27th at 5:15 p.m. to meet with him.

The Governor's picnic is planned for July 25.

Council agreed to schedule several worksessions in July to form a strategic plan. The plan will be worked out prior to the CIP.

B. Bid Report

CITY ATTORNEY REPORT

COMMITTEE REPORT

A. Public Arts Committee

B. Transportation Advisory Committee

Francie Roberts, Chair of the Transportation Advisory Committee, reported they met recently and heard a presentation from Anna Bosun of DOT. The presentation was about how the highway safety improvement plan works in the state. It was very informative and the committee wondered if Council would be interested in hearing the information. There are several intersections they have focused on, including Main Street/Bypass intersection and East End Road. The committee had their annual review of the HART manual and had no suggested changes. They heard a report from the Kachemak Drive Path Association group on the trail.

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

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 13-055**, A Resolution of the Homer City Council Supporting the Diamond Creek Recreation Area Plan and Adopting the Plan as it Applies to City Owned Lands Acquired Through the Forest Legacy Program. City Manager.

Mayor Wythe called for a motion for the adoption of Resolution 13-055 by reading of title only.

LEWIS/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Mayor Wythe called for a motion for the adoption of Resolution 13-056 by reading of title only.

LEWIS/BURGESS - SO MOVED.

Councilmember Burgess requested that the lot be made available to a non profit through an RFP at a 30% discount over a for-profit or any other institution, but it had to be a maritime based nonprofit that had a real need to be at a maritime or water based location.

Per the Wooden Boat Society there is no real rush with their plans.

BURGESS/ROBERTS - MOVED TO POSTPONE TO THE NEXT REGULAR MEETING PENDING THOSE CHANGES AND DIRECT STAFF TO BRING A SUBSTITUTE RESOLUTION AND A CONCURRENT RESOLUTION TO CONSIDER BEGINNING THE PROCESS OF REPLATTING THE LOT AS PER COUNCIL'S DISCUSSION AT THE COMMITTEE OF THE WHOLE.

City Manager Wrede advised how the lot is used would be a policy call for the Council. They would need to look at zoning at what would be the best uses for those properties. A resolution to direct the City Manager to start the re-plat would be a good start to the process. We would hire a surveyor and the re-plat would go through the Planning Commission and to the Borough Planning Commission through the normal process.

Public comments earlier indicated the best use of the whole area could be recreational.

Councilmember Zak asked what the Port and Harbor paid for the lot. The purchase price information will be presented at the next meeting.

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

Motion carried.

COMMENTS OF THE AUDIENCE

Dave Brann, city resident, recognized West Homer Elementary School who recently built a trail behind the school. A huge amount of the work was done by volunteers in a short time.

Ken Castner, city resident, thanked Council for the proclamation for Mary Epperson. He commented on the gas line assessments that future subdivisions would be subject to additional assessments by the City for a utility the City does not own.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

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 thanked Council for managing the last meeting in her absence. Her trip was a happy and sad event.

COMMENTS OF THE CITY COUNCIL

Councilmember Howard welcomed the Mayor back and thanked Francie for her involvement in the Emergency Operations Plan. She likes the new location of the pavilion at Mariner Park. It may be the newest of wedding chapels for Homer. The water quality annual report is well done and very informative. She hopes folks read and appreciate the water and sewer system.

Councilmembers Lewis, Burgess, and Dolma had no comment.

Councilmember Zak appreciates Jon Faulkner sharing about the water and sewer rates. The allocation from the general fund is an interesting thought on how much to fund to the enterprise fund. It might answer questions for the system capabilities and inefficiencies. He appreciates the Wooden Boat Society and the members that came and shared ideas for the multiple uses for the Spit. The strategic plan will figure out why people like it here. It is not just about the economic dollar; there is value returned to the community by non profits. They are facing their own economic challenges with grant funding going away. The Senior Center asked that the City show support to them which is helpful when obtaining grants for funding. It is a sore subject to talk about non departments and non profits, but a little funding goes a long way.

Councilmember Roberts is glad to have the mayor back. She is glad Council passed the EOP. There were many people in the community that served on the committee to make the updates. It is an important plan to have and they went through it with a fine tooth comb. She supports the resolutions recognizing Paula Setterquist and Mae Harrington. They both gave a lot to the community. She is valiantly trying to use the iPad in lieu of paper. She asked that the files be named consistently and that the Clerk publish that.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 6:59 p.m. the next Regular Meeting is Monday, June 10, 2013 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 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: _____



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

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

MEMORANDUM 13-078

TO: HOMER CITY COUNCIL

FROM: MARY E. WYTHE, MAYOR

DATE: JUNE 3, 2013

SUBJECT: APPOINTMENT OF KATIE KOESTER TO THE KENAI PENINSULA
ECONOMIC DEVELOPMENT DISTRICT

Community and Economic Development Coordinator Katie Koester is appointed as Homer's representative to the Kenai Peninsula Economic Development District. Her appointment is for a three year term to replace Bryan Zak. Her term will expire December 31, 2015.

RECOMMENDATION:

Confirm the appointment of Katie Koester as Homer's representative on the KPEDD for a three year term to expire December 31, 2015.

Fiscal Note: Travel/Subsistence Expenses: 100.112.5236/5237 Economic Development.



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

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Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

MEMORANDUM 13-079

TO: HOMER CITY COUNCIL

FROM: MARY E. WYTHER, MAYOR

DATE: JUNE 3, 2013

SUBJECT: RECOMMENDATION FOR THE REAPPOINTMENT OF RICK FOSTER TO THE KENAI PENINSULA BOROUGH PLANNING COMMISSION

Appointments to the Kenai Peninsula Borough Planning Commission are made by the Borough Mayor. Commission members from a first class city are selected by the Borough Mayor from a list of recommendations made by City Council.

Advertisement for the Borough Planning Commission seat was made with no new applicants coming forward.

For the past six years Rick Foster has represented the City of Homer on the Kenai Peninsula Borough Planning Commission. Dr. Rick Foster has expressed his desire to seek reappointment to the seat. His experience and expertise in planning and ecology management are beneficial in representing the City of Homer.

I recommend the reappointment of Rick Foster as the City of Homer representative on the Kenai Peninsula Borough Planning Commission with a term to expire July 31, 2016.

RECOMMENDATION:

Confirm the recommendation for reappointment of Rick Foster as the City of Homer representative on the Kenai Peninsula Borough Planning Commission with a term to expire July 31, 2016.

*To the Honorable □ Beth Wyatt, Mayor Homer, Alaska and City Council Members
RE: Reappointment as Homer Representative to Kenai Peninsula Borough Planning
Commission*

Dear Mayor Wythe and Homer City Council Members:

I am interested in continuing to represent the City of Homer in the Kenai Peninsula Borough Planning Commission. I was informed that my term of service is up; I would like to continue serving.

As you may know, I have a few terms experience and was again elected Parliamentarian by the Commission members. I know I am most effective as a City representative because I have nine years experience as a Homer City Advisory Planning Commissioner and I can vote on *all* City issues without the requisite recusal at the KP Borough level—Borough attorneys have decided sitting city Planning Commissioners have theoretically already “made decisions” on platting and other issues while at their city’s meetings and therefore must recuse themselves.

Whenever possible, I bring my resource ecology, planning and management background to help me make science-based decisions. I feel honored having been able to represent the City of Homer for these past six years; I hope you will allow me another term.

Respectively yours,

Rick Foster, Ph.D.
Homer Representative
Kenai Peninsula Borough Planning Commission
PO Box 123
Homer, AK 99603



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

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 Date

Physical Address City

Mailing Address Zip Code

Phone Work # Cell #

Email Address

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 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 checked="" type="checkbox"/>	OTHER - PLEASE ENTER THE COMMITTEE/TASK FORCE	Homer Representative, KP Borough Planning Commission

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:

Ph.D. degree in Resource Ecology and Management, University of Alaska Fairbans;
Masters Degree in Community Development, University of California, Davis.
Three years contract employment with Tahoe Regional Planning Agency, Lake Tahoe, Nevada & California.
Parliamentarian; KPB Planning Commission.
Plat Committee Chair; KPB Planning Commission.

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.

[Print Form](#)



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

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Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

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MEMORANDUM 13-080

TO: HOMER CITY COUNCIL

FROM: MARY E. WYTHE, MAYOR

DATE: JUNE 3, 2013

SUBJECT: REAPPOINTMENT OF FRANCO VENUTI TO THE HOMER ADVISORY
PLANNING COMMISSION

Franco Venuti is reappointed to the Homer Advisory Planning Commission for a three-year term to expire July 1, 2016.

RECOMMENDATION:

Confirm the reappointment of Franco Venuti to the Homer Advisory Planning Commission.

Fiscal Note: N/A

Jo Johnson

From: Melissa Jacobsen
Sent: Friday, May 31, 2013 8:04 AM
To: Jo Johnson
Subject: FW: Planning Commission Term Expiration

From: Franco Venuti [<mailto:fcvenuti@gmail.com>]
Sent: Thursday, May 30, 2013 5:00 PM
To: Melissa Jacobsen
Subject: Re: Planning Commission Term Expiration

Hi Mellisa - I would like to retain my seat on the commission - Franco

Sent from my iPhone

On May 30, 2013, at 4:41 PM, "Melissa Jacobsen" <MJacobsen@ci.homer.ak.us> wrote:

Hi Franco,

I wanted to let you know that your term on the Planning Commission expires on July 1st. Please let me know whether or not you want to be reappointed for another term no later than June 12th, so we can have your reappointment confirmed or advertise for another open seat.

Thank you! Melissa

*Melissa Jacobsen, CMC
Deputy City Clerk
City of Homer, Alaska
907-435-3107*

[City of Homer City Clerk's Office](#)

PUBLIC RECORDS LAW DISCLOSURE: Most e-mails from or to this address will be available for public inspection under Alaska public records law.

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

3 Mayor

4 **RESOLUTION 13-057**

5
6 A RESOLUTION OF THE HOMER CITY COUNCIL
7 DECLARING THAT THE CITY OF HOMER IS OFFICIALLY
8 A PURPLE HEART CITY.
9

10 WHEREAS, The people of Homer, Alaska, have a great admiration and the utmost
11 gratitude for all the men and women who have selflessly served their country, state, and the City
12 of Homer in the Armed Forces; and
13

14 WHEREAS, Veterans have paid the high price of freedom by leaving their families and
15 communities and placing themselves in harm's way for the good of all; and
16

17 WHEREAS, The contributions and sacrifices of the men and women from the State of
18 Alaska, and the City of Homer, who served in the Armed Forces have been vital in maintaining
19 the freedoms and the way of life enjoyed by our citizens; and
20

21 WHEREAS, Many men and women in uniform have given their lives, have been
22 physically wounded, or mentally changed while serving in the Armed Forces; and
23

24 WHEREAS, Many citizens of our city have earned the Purple Heart Medal as a result of
25 being wounded while engaged in combat with an enemy force, recognized as a singularly
26 meritorious act of essential service; and
27

28 WHEREAS, The City recognizes and honors the service and sacrifices of our Nation's
29 men and women in uniform who have been changed, wounded, or killed by the enemy while
30 serving to protect the freedoms enjoyed by all Americans.
31

32 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby declares
33 that the City of Homer is officially a Purple Heart City.
34

35 PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2013.
36

37 CITY OF HOMER
38

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40 _____
41 MARY E. WYTHER, MAYOR

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ATTEST:

MELISSA JACOBSEN, CMC
ACTING CITY CLERK

Fiscal Note: N/A



Military Order of the Purple Heart

Matanuska-Susitna Chapter 663
PO Box 877844
Wasilla, AK 99687

MAY - 6 2013

April 29, 2013

Dear Mayor,

The journey continues. Chapter 663 is actively working toward passage of our Purple Heart Resolution in Alaska's cities, boroughs, outlying communities and Tribal Councils.

Chartered by Congress in 1958, The Military Order of the Purple Heart is composed of military men and women who received the Purple Heart Medal for wounds suffered in combat. Although our membership is restricted to the combat wounded, we support all veterans and their families with a myriad of nation-wide programs by Chapters and National Service Officers.

Chapter 663's focus is to honor those men and women who have lived, or continue to live in the Alaska Greatland.

Passage of this resolution has been completed so far in the following Alaska communities:

- City of Wasilla, AK
- City of Palmer, AK
- City of Houston, AK
- City of Soldotna, AK
- City of Kenai, AK
- Matanuska-Susitna Borough

The State of Alaska is now recognized as the 5th 'Purple Heart State' behind:

- California
- Ohio
- Kentucky
- South Carolina
- (Alabama - pending)

Enclosed are copies of the city resolutions, including the one for Wasilla, the first Alaskan city to be recognized in Alaska. Wasilla's Honorable Mayor Verne Rupright, in concert with the Wasilla City Council unanimously approved this distinction while the Viet Nam Memorial Traveling Wall was on display in Wasilla.

If your community approves this resolution, we would greatly appreciate copy of the signed resolution for Chapter 663 records.

Warmest regards to you and our fellow Alaskans in your fair city,

Ken Ross
Chapter Commander
MOPH Mat-Su Chapter 663

By: Administration
Adopted: June 11, 2012
Vote: Harris, Holler, Katkus, Sullivan-Leonard, Wall and Woodruff in favor.

**CITY OF WASILLA
RESOLUTION SERIAL NO. 12-17**

A RESOLUTION OF THE WASILLA CITY COUNCIL DECLARING THAT THE CITY OF WASILLA IS OFFICIALLY A PURPLE HEART CITY.

WHEREAS, the people of Wasilla Alaska have a great admiration and the utmost gratitude for all the men and women who have selflessly served their country, state and the City of Wasilla in the Armed Forces; and

WHEREAS, Veterans have paid the high price of freedom by leaving their families and communities and placing themselves in harm's way for the good of all; and

WHEREAS, the contributions and sacrifices of the men and women from the State of Alaska, and the City of Wasilla, who served in the Armed Forces have been vital in maintaining the freedoms and the way of life enjoyed by our citizens; and

WHEREAS, many men and women in uniform have given their lives, have been physically wounded, or mentally changed while serving in the Armed Forces; and

WHEREAS, many citizens of our City have earned the Purple Heart Medal as a result of being wounded while engaged in combat with an enemy force, recognized as a singularly meritorious act of essential service; and


× WHEREAS, the City recognizes and honors the service and sacrifices of our Nation's men and women in uniform who have been changed, wounded or killed by the enemy while serving to protect the freedoms enjoyed by all Americans.

NOW, THEREFORE, BE IT RESOLVED, that the Wasilla City Council and Mayor declares that the City of Wasilla is officially a Purple Heart City.

ADOPTED by the Wasilla City Council on June 11, 2012.


VERNE E. RUPRIGHT, Mayor

ATTEST:


KRISTIE SMITHERS, MMC, City Clerk

[SEAL]

Sponsored by: Mayor DeVilbiss
Adopted: 06/28/12

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 12-074**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING
THE NAMING OF THE MATANUSKA-SUSITNA BOROUGH A PURPLE HEART BOROUGH.

WHEREAS, the people of the Matanuska-Susitna Borough have a great admiration and the utmost gratitude for all the men and women who have selflessly served their country, state and the Borough in the Armed Forces; and

WHEREAS, Veterans have paid the high price of freedom by leaving their families and communities and placing themselves in harm's way for the good of all; and

WHEREAS, the contributions and sacrifices of the men and women from the State of Alaska, and the Matanuska-Susitna Borough, who served in the Armed Forces have been vital in maintaining the freedoms and the way of life enjoyed by our citizens; and

WHEREAS, many men and women in uniform have given their lives, have been physically wounded, or mentally changed while serving in the Armed Forces; and

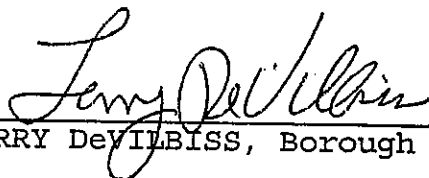
WHEREAS, many citizens of our Borough have earned the Purple Heart Medal as a result of being wounded while engaged in combat with an enemy force, recognized as a singularly meritorious act of essential service; and

WHEREAS, the Borough recognizes and honors the service and sacrifices of our Nation's men and women in uniform who have been

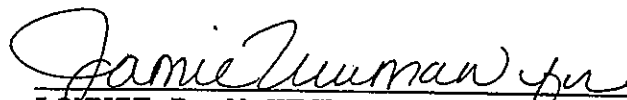
changed, wounded or killed by the enemy while serving to protect the freedoms enjoyed by all Americans.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough supports the request to name the Matanuska-Susitna Borough a Purple Heart Borough.

ADOPTED by the Matanuska-Susitna Borough Assembly this 28 day of June, 2012.


LARRY DEWITT, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Keogh, Woods, Arvin, Colligan, Salmon, Colver, and Halter

**STATE OF ALASKA
THE LEGISLATURE**

2013

Source
HCR 2

**Legislative
Resolve No.**
4



Proclaiming the state as a Purple Heart State to honor the service and sacrifice of our nation's men and women in uniform wounded or killed by the enemy while serving to protect the freedom enjoyed by all Americans.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the people of the state have great admiration for and the utmost gratitude toward the men and women who have selflessly served their country and this state in the armed forces; and

WHEREAS veterans have paid the high price of freedom by leaving their families and communities and placing themselves in harm's way for the good of all; and

WHEREAS the contributions and sacrifices of the men and women of the state who have served in the armed forces have been vital in maintaining the freedoms and way of life enjoyed by the citizens of the state; and

WHEREAS many men and women have given their lives while serving in the armed forces; and

WHEREAS many citizens of our state have earned the Purple Heart Medal as a result

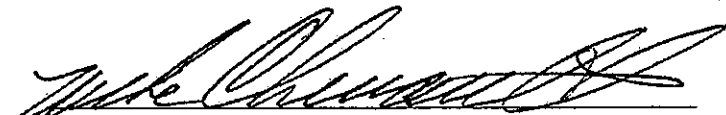
of having been wounded while engaged in combat with an enemy force, which is recognized as a singularly meritorious act of essential service;

BE IT RESOLVED that the Alaska State Legislature proclaims the state as a Purple Heart State to honor the service and sacrifice of our nation's men and women in uniform wounded or killed by the enemy while serving to protect the freedom enjoyed by all Americans.


AUTHENTICATION

The following officers of the Legislature certify that the attached enrolled resolution, HCR 2, consisting of 2 pages, was passed in conformity with the requirements of the constitution and laws of the State of Alaska and the Uniform Rules of the Legislature.

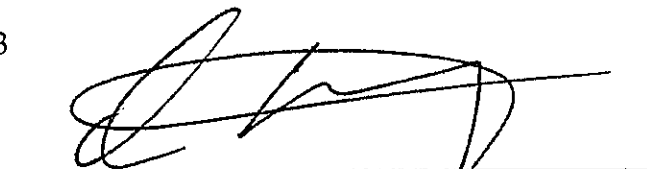
Passed by the House March 11, 2013


Mike Chenault, Speaker of the House

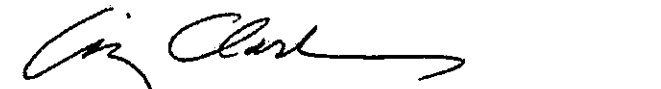
ATTEST:


Suzi Lowell, Chief Clerk of the House

Passed by the Senate March 21, 2013


Charlie Huggins, President of the Senate

ATTEST:


Liz Clark, Secretary of the Senate

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

City Manager/Police Chief

5
6 **RESOLUTION 13-058**
7

8 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
9 ALASKA, APPROVING AND ACCEPTING THE RENEWAL
10 OF THE SPECIAL SERVICES CONTRACT FOR FY 2014
11 WITH THE ALASKA DEPARTMENT OF PUBLIC SAFETY IN
12 THE AMOUNT OF \$36,000.00 AND AUTHORIZING THE
13 CITY MANAGER TO EXECUTE THE APPROPRIATE
14 DOCUMENTS.
15

16 WHEREAS, The Alaska Department of Public Safety, State Troopers Special Services
17 Contract pays the City for the provision of services related to assistance in the efficient conduct
18 of the Alaska Department of Public Safety business within the general geographic region of the
19 City of Homer; and
20

21 WHEREAS, Services provided include pre-arraignment prisoner care and access to and
22 utilization of professional facilities and equipment instrumental to the overall efficient and
23 effective operation of law enforcement and emergency response component; and
24

25 WHEREAS, The Special Services Contract is an annually budgeted revenue in the
26 amount of \$36,000.00 to be paid in four payments of \$9,000.00; and
27

28 WHEREAS, The Alaska Department of Public Safety has requested renewal of the
29 contract for a one year period from July 1, 2013 through June 30, 2014.
30

31 NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Homer,
32 Alaska, hereby approves and accepts the renewal of the Special Services Contract for the FY
33 2014 with the Alaska Department of Public Safety in the amount of \$36,000.00 and authorizes
34 the City Manager to execute the appropriate documents.
35

36 PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2013.
37

38 CITY OF HOMER
39

40
41
42 _____
43 MARY E. WYTHE, MAYOR

44 ATTEST:
45

46 _____
47 MELISSA JACOBSEN, CMC
48 ACTING CITY CLERK
49

50 Fiscal Impact: Revenues of \$36,000.00 budgeted in 100.030.4505.

**ALASKA DEPARTMENT OF PUBLIC SAFETY
CONTRACT FOR SPECIAL SERVICES**

July 1, 2013 to June 30, 2014

The parties. The parties to this contract are the Alaska Department of Public Safety (hereinafter referred to as the "Department") and the City of Homer (hereinafter referred to as the "City").

Sole Agreement. The City and the Department undertake this contract under the terms set forth below. This contract is the sole agreement between the parties relating to special services, and there are no other agreements, express or implied.

Effective Date/Termination/Amendments. This contract is effective July 1, 2013 and continues in force until June 30, 2014; except that it may be terminated by either party upon thirty (30) days written notification to the other. This agreement may be amended by written agreement of the parties.

1. The Department will pay the City for services provided in accordance with, and under the terms of, this contract. Payments will be made quarterly in the amount of \$9,000.00, for a total of \$36,000.00. Payment for services provided under this contract will be made in four annual payments in the amount of and covering the periods indicated below:

Period Covered	Amount	Payment Process Can Be Initiated
07/01/13 – 09/30/13	\$9,000.00	10/01/13
10/01/13 – 12/31/13	\$9,000.00	01/01/14
01/01/14 – 03/31/14	\$9,000.00	04/01/14
04/01/14 – 06/30/14	\$9,000.00	06/01/14
12 Month Total	\$36,000.00	

2. The City will provide and perform the services specified in this contract to the satisfaction of the Department, in support of Department personnel and operations.

SPECIFIC PROVISIONS

3. The City will:
 - a. permit limited but continued access to and utilization of professional facilities and equipment instrumental to the overall efficient and effective operation of law enforcement and emergency response component (i.e. squad room, temporary work desk, kitchen, weight and exercise room, locker room, interview rooms, evidence processing room and equipment, intoximeter, video and training material, and other general building facilities).

**ALASKA DEPARTMENT OF PUBLIC SAFETY
CONTRACT FOR SPECIAL SERVICES**

July 1, 2013 to June 30, 2014

- b. provide continued transport and security of prisoners from the Homer Jail to Homer Court for hearings and arraignments; persons remanded to custody by the Court from Homer Court to Homer Jail; persons in custody prior to arraignment; and persons committed under Title 47 to the South Peninsula Hospital in Homer.

IN WITNESS OF THIS AGREEMENT, the undersigned duly authorized officers have subscribed their names on behalf of the Department and the City respectively.

For the City of Homer:

For the Department of Public Safety:

By _____

By _____

Printed Name _____

Printed Name _____

Official Title _____

Official Title _____

Date _____

Date _____



CITY OF HOMER

POLICE DEPARTMENT

4060 HEATH STREET HOMER, AK 99603-7609

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

MEMORANDUM 13-081

DATE: May 30th, 2013
TO: Walt Wrede, City Manager
FROM: Mark Robl, Chief of Police
SUBJECT: FY 2014 Special Services Contract Renewal

The State Troopers have requested that we renew the special services contract we have with them. I recommend we obtain council approval to renew this contract.

We have had a special services contract with the state for over 25 years. The contract reimburses us for allowing troopers to use our facilities and equipment as needed. It also pays us for transporting state prisoners to and from arraignments and for housing their title 47 detainees. The state proposes to renew the contract at the existing rate of \$36,000 annually. I feel that this very fair compensation for the services we provide to them.

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

Mayor

5
6 **RESOLUTION 13-059**

7
8 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
9 ALASKA, ESTABLISHING A PORT AND HARBOR
10 BUILDING TASK FORCE AND SPECIFYING A SCOPE OF
11 WORK.
12

13 WHEREAS, The majority of the funding necessary for construction of a new Port and
14 Harbor office building has been secured by the re-appropriation of a legislative grant and the
15 remaining local match will be appropriated from the Port and Harbor reserve account; and
16

17 WHEREAS, It is recommended that a Port and Harbor Building Task Force be formed
18 and that a specific scope of work and timeframe be established; and
19

20 WHEREAS, The Port and Harbor Building Task Force shall be comprised of two
21 Councilmembers, one Port and Harbor Advisory Commissioner, and two staff members; and
22

23 WHEREAS, The scope of work includes acting as a sounding board for the architect or
24 design / construction team, reviewing the project scope of work and related budgets, and making
25 recommendations to the Council on same; and
26

27 WHEREAS, The task force will begin its work in October 2013 and remain in force until
28 construction on the Port and Harbor office is completed.
29

30 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby
31 establishes the Port and Harbor Building Task Force comprised of two Councilmembers, one
32 Port and Harbor Advisory Commissioner, and two staff members.
33

34 BE IT FURTHER RESOLVED that the Task Force shall be advisory to the Council and
35 the Scope of Work shall include seeking comment from interested parties and the general public,
36 reviewing existing documents, helping to develop the request for proposals, reviewing and
37 scoring construction proposals and/or bids, acting as a sounding board for the architect or
38 design/construction team, reviewing the project scope of work and budget, and making
39 recommendations to the Council on same.
40

41 BE IT FURTHER RESOLVED that the work of the Task Force shall be complete, and
42 the body dissolved when construction is completed on the Port and Harbor office.
43

44 PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2013.
45

46 CITY OF HOMER
47

48
49
50 _____
51 MARY E. WYTHE, MAYOR
52

53 ATTEST:

54

55

56

57 _____
MELISSA JACOBSEN, CMC

58 ACTING CITY CLERK

59

60 Fiscal Note: NA

61

VISITORS

Old Town is an ArtPlace!

Old Town neighbors, businesses and residents have been gathering monthly since September, 2012 to identify issues and opportunities for improvement of Old Town. Our concerns are safety, walkability, traffic control, aesthetics and communal stewardship of a gateway, historic neighborhood now in a renaissance of growth with burgeoning traffic and popularity. A non-profit dedicated to community stewardship through the arts, Bunnell Street Arts Center has hosted these meetings and recently received grants to cultivate creative placemaking in Old Town. At our June 10th presentation for the City Council, we will introduce Old Town neighbors' concerns and proposals for how the City can help us steward safe, healthy recreation and commerce in Old Town with enhancements such as paving, signage and speed bumps. These improvements will set the stage for the addition of amenities funded by Bunnell and Old Town neighbors to improve aesthetics and vibrancy in this popular, historic district.

Bunnell Street Arts Center has received \$150,000 from ArtPlace, a national initiative of nine private foundations and banks, to cultivate creative placemaking in Old Town. Bunnell aims to do this with Old Town AIR, an Artist In Residence program for visiting artists to galvanize the community around Homer's Old Town neighborhood through the creation and presentation of new work that activates the Old Town neighborhood by linking Old Town People's Garden, Bishop's Beach and Islands and Ocean Visitor Center through signage, sculpture, murals, trails, ephemeral events and performances.

Opportunities for Old Town Neighbors: Bunnell will use our grants and fundraising and volunteer organizing efforts to match the investment of Old Town Neighbors. We are asking for sites for art, easements for walking trails, and locations amenities such as planters, benches and signage. We can offer edible landscaping, sculpture, seating, signage, lighting... Any ideas suggested for private property will be approved by property owners before proceeding.

Opportunities for Artists: Old Town AIR presents opportunities for artists to promote walkability, traffic calming, shared valued, aesthetics, and stewardship through art with artist-led installations along Bunnell Street such as, but not limited to:

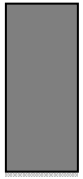
- Murals and Street painting
- Landscape design for Old Town
- Permanent public art
- Ephemeral events such as dance, installation, performance
- Poetry on the Trail on the trail to Islands and Ocean
- Amenities such as benches, signage, planters
- We welcome your ideas!

Bunnell has \$50,000 to award for public art installations and amenities in any approved media to include materials, consultation and/or installation costs. Funding is available for a diverse range of projects. Anyone interested is encouraged to contact staff at the Bunnell Street Arts Center if you have questions.

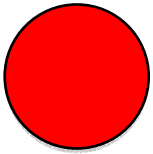
In order to promote an environment more conducive to creative vibrancy, the following are collaborative proposals made by property owners, business owners, employees and frequent users of Old Town. These proposals advocate a safer, more walkable place for all to access Old Town, by considering traffic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

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

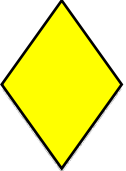
Current Old Town Walkability



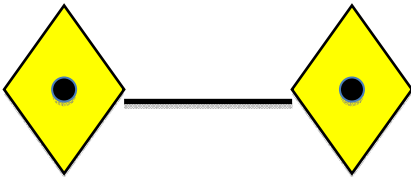
25 Speed Limit



Stop



Not a Thru Way



Crosswalk



Yield to Crosswalk



Dirt



Undeveloped Path



Green Way Path


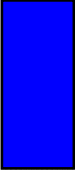
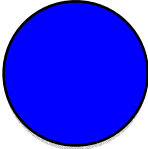
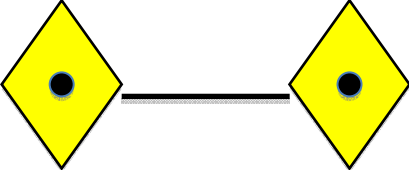

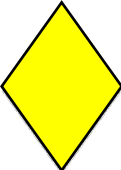
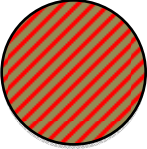





Painted Crosswalk



Trolley Stop

Proposed Old Town Walkability Plan

-  15 Speed Limit
-  Pedestrian Walkway
-  Recreational Usage
-  Crosswalk
-  Share the Road
-  Not a Thru Way
-  Natural Vehicle Barrier
-  Removable Speed Bump
-  Painted Crosswalk
-  Pedestrian and Biker Path

ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS

PUBLIC HEARING(S)

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

Ordinance 13-19 and Resolution 13-048

A **public hearing** is scheduled for **Monday, June 10, 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 13-19 internet address:
<http://www.cityofhomer-ak.gov/ordinances>

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

Resolution 13-048 internet address:
<http://www.cityofhomer-ak.gov/resolutions>

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



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 News: June 6, 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 13-19, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$396,000 from the General Reserve, \$54,000 from the Harbor Reserve, \$48,000 from the Sewer Reserve, and \$28,000 from the Water Reserve Funds and Resolution 13-048, Amending the City of Homer fee Schedule Under Water and Sewer Fees at the City of Homer kiosks located at City Clerk's Office, Captain's Coffee Roasting Co., Harbormaster's Office and Redden Marine on May 31, 2013 and that the City Clerk posted same on City of Homer Homepage on May 30, 2013.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 31st day of May, 2013.


Renee Krause, CMC, Deputy City Clerk I



ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-19

An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$396,000 from the General Reserve, \$54,000 from the Harbor Reserve, \$48,000 from the Sewer Reserve, and \$28,000 from the Water Reserve Funds.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting May 28, 2013 Introduction
2. City Council Regular Meeting June 10, 2013 Public Hearing and Second Reading
 - a. Substitute Ordinance 13-19(S)
 - b. Memorandums 13-077 and 13-083 from Public Works Director as backup

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 13-19**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
8 ALASKA, AMENDING THE 2013 OPERATING BUDGET TO
9 PROVIDE FOR NATURAL GAS CONVERSIONS TO CITY
10 BUILDINGS BY APPROPRIATING \$396,000 FROM THE
11 GENERAL RESERVE, \$54,000 FROM THE HARBOR RESERVE,
12 \$48,000 FROM THE SEWER RESERVE, AND \$28,000 FROM
13 THE WATER RESERVE FUNDS.

14
15 WHEREAS, Natural gas will be available to City facilities over the next two years; and

16
17 WHEREAS, Significant costs savings can be gained by converting City facilities to natural
18 gas; and

19
20 WHEREAS, Costs associated with this conversion includes the main line assessments,
21 installation of service lines and meters, design and installation of heating system conversions, and
22 abandonment of above and below ground heating fuel tanks; and

23
24 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

25
26 Section 1. The FY 2013 Operating Budget is hereby amended by appropriating \$396,000
27 from the General Reserve fund for the conversion to natural gas of the Library, City Hall, Fire
28 Department, Police department, HERC 1 and 2, Airport Terminal, and five Spit restrooms.

29
30 Section 2. The FY 2013 Operating Budget is hereby amended by appropriating \$54,000
31 from the Harbor Reserve fund for conversion to natural gas of the port maintenance facility, the
32 waste oil building and the ice house.

33
34 Section 3. The FY 2013 Operating Budget is hereby amended by appropriating \$48,000
35 from the Sewer Reserve fund for the conversion to natural gas of the sewer treatment plant and the
36 sewer treatment plant office.

37
38 Section 4. The FY 2013 Operating Budget is hereby amended by appropriating \$28,000
39 from the Water Reserve fund for the conversion to natural gas of the water treatment plant and the
40 water treatment plant shop.

47 Expenditure:

48			
49	<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
50	156-375(General Reserve Fund)	General Fund Building Gas Conversion	\$396,000
51	456-380 (Harbor Reserve Fund)	Harbor Fund Building Gas Conversion	\$ 54,000
52	256-379 (Sewer Reserve Fund)	Sewer Fund Building Gas Conversion	\$ 48,000
53	256-378 (Water Reserve Fund)	Water Fund Building Gas Conversion	\$ 28,000

54

55 Section 5. This is a budget amendment ordinance, is not permanent in nature, and shall not
56 be codified.

57

58 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 10th day of June, 2013.

59

60 CITY OF HOMER

61

62

63

64

MARY E. WYTHE, MAYOR

65

66 ATTEST:

67

68

69

70 _____
JO JOHNSON, CMC, CITY CLERK

71

72

73 AYES:

74 NOES:

75 ABSTAIN:

76 ABSENT:

77

78

79 First Reading:

80 Public Reading:

81 Second Reading:

82 Effective Date:

83

84

85 Reviewed and approved as to form:

86

87

88

89 _____
Walt Wrede, City Manager

City Attorney

90

91 Date: _____

Date: _____

92



CITY OF HOMER
PUBLIC WORKS
3575 HEATH STREET HOMER, AK 99603

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

MEMORANDUM 13-077

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: May 24, 2013
RE: **Conversion of City Facilities to Natural Gas
Recommendations for Funding Authorization**

Public Works is preparing to convert City facilities to natural gas over the next two years. Not all of our buildings will have access to natural gas this year. Service applications must be received by Enstar before July 1 if we want a guarantee of service installation this year. The costs associated with service line installations will increase next season. Public Works and the Administration are attempting to make service applications for all City facilities at one time this year.

Public Works has engaged a mechanical engineer to assist in estimating costs associated with natural gas conversions and is working with Enstar to determine service line alignments and meter locations at each facility. After inspecting all facilities, Public Works has estimated the rough order of magnitude cost to complete the work (including main line assessments, installation of service lines and meters, design and installation of heating system conversions, and abandonment of above and below ground heating fuel tanks). These costs (see attached) have been incorporated into the budget ordinance offered up for first reading. Before the second reading of the budget authorization ordinance, firm cost estimates are expected from the mechanical engineer.

Currently, the budget does not include converting the Harbormaster's Office (due to be replaced in the near future), but does include converting the two HERC buildings and the Fish Dock Ice House. An analysis of the payback period of these conversions may remove these facilities from the list of buildings slated for conversion to natural gas.

Public Works costs are higher than others because the boiler will need to be replaced; The Fire Department is high because it is being converted from electric heat; and the Airport terminal and the Sewer treatment plant are high because the cost includes abandonment of an underground fuel tank.

After the gas conversion budget has been approved by the City Council, Public Works will contract with the mechanical engineer to prepare drawings and specifications for required work, submit applications for gas service installations to Enstar, and competitively bid the building conversion work.

Recommendations: The City Council pass an ordinance authorizing a budget for the conversion of City buildings to natural gas and authorize the City Manager to execute all appropriate documents.

**Etsimated Cost to Convert to Natural Gas
City Facilities**

Building	Main Line Assessment Cost	Service Line From Main to Meter Cost	Building Conversion Cost	Abandon Exist. Fuel Tank Cost	Total Cost to Convert Building to Natural Gas
General Fund Buildings					
Public Works	\$3,283	\$7,500	\$22,000	\$7,500	\$40,283
Animal Shelter	\$3,283	\$3,000	\$5,000	\$5,000	\$16,283
Library	\$3,283	\$3,500	\$5,500	\$7,500	\$19,783
City Hall	\$3,283	\$3,000	\$5,000	\$5,000	\$16,283
Fire Dept	\$3,283	\$2,500	\$85,000	\$0	\$90,783
Police Dept	\$3,283	\$3,000	\$8,000	\$5,000	\$19,283
HERC 1	\$3,283	\$5,500	\$9,500	\$10,000	\$28,283
HERC 2	\$3,283	\$3,000	\$3,500	\$4,500	\$14,283
Airport Terminal	\$3,283	\$4,500	\$6,500	\$21,000	\$35,283
Restroom - Ramp 4	\$3,283	\$3,000	\$2,000	\$750	\$9,033
Restroom - Ramp 6	\$3,283	\$3,000	\$2,000	\$750	\$9,033
Restroom - Load and Launch	\$3,283	\$1,500	\$2,000	\$750	\$7,533
Restroom - Ramp 2	\$3,283	\$2,000	\$2,500	\$3,000	\$10,783
Harbor Fund Buildings					
Fish Dock Ice House	\$3,283	\$2,500	\$13,000	\$0	\$18,783
Port Maintenance Facility	\$3,283	\$3,500	\$4,500	\$7,500	\$18,783
Waste Oil Building	\$3,283	\$1,500	\$1,500	\$0	\$6,283
Sewer Fund Buildings					
Sewer Treatment Plant	\$3,283	\$8,500	\$5,000	\$15,000	\$31,783
Sewer Treatment Plant Office	\$3,283	\$2,000	\$1,000	\$500	\$6,783
Water Fund Buildings					
Water Treatment Plant	\$3,283	\$6,000	\$7,500	\$0	\$16,783
Water Treatment Plant Shop	\$3,283	\$1,500	\$1,000	\$500	\$6,283

Total Cost Construction \$422,410
Total Engineering (10%) \$42,241
Contingency (15%) \$61,418
Total Conversion Cost \$526,000

General Fund	\$396,000
Harbor Fund	\$54,000
Water Fund	\$28,000
Sewer Fund	\$48,000

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 13-19(S)**
6

7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
8 ALASKA, AMENDING THE 2013 OPERATING BUDGET TO
9 PROVIDE FOR NATURAL GAS CONVERSIONS TO CITY
10 BUILDINGS BY APPROPRIATING \$540,000 FROM VARIOUS
11 CITY RESERVE FUNDS.

12
13 WHEREAS, Natural gas will be available to City facilities over the next two years; and

14
15 WHEREAS, Significant costs savings can be gained by converting City facilities to natural
16 gas (see Memorandum 13-083); and

17
18 WHEREAS, Costs associated with this conversion include installation of service lines and
19 meters, design and installation of heating system conversions (boiler or burner replacement and
20 internal gas piping installation), and abandonment of above or below ground heating fuel tanks as
21 appropriate.

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

24
25 Section 1. The FY 2013 Operating Budget is hereby amended by appropriating \$404,060
26 from various General Reserve funds for the conversion to natural gas of the animal shelter, library,
27 city hall, fire department, police department, airport terminal, and 4 Spit restrooms.

28
29 Section 2. The FY 2013 Operating Budget is hereby amended by appropriating \$39,073
30 from the Harbor Reserve fund for conversion to natural gas of the port maintenance facility and the
31 waste oil building.

32
33 Section 3. The FY 2013 Operating Budget is hereby amended by appropriating \$48,461
34 from the Sewer Reserve fund for the conversion to natural gas of the sewer treatment plant and the
35 sewer treatment plant office.

36
37 Section 4. The FY 2013 Operating Budget is hereby amended by appropriating \$28,000
38 from the Water Reserve fund for the conversion to natural gas of the water treatment plant and the
39 water treatment plant shop.

40
41 Expenditures:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
156-370 (Animal Shelter Reserve)	Animal Shelter Building Gas Conversion	\$ 25,764
156-384 (City Hall Reserve)	City Hall Building Gas Conversion	\$ 19,482
156-385 (Parks/Recreation Reserve)	Spit Restrooms Gas Conversion	\$ 35,688

47	156-388 (Airport Reserve)	Airport Terminal Gas Conversion	\$ 20,084
48	156-390 (Library Reserve)	Library Building Gas Conversion	\$ 26,612
49	156-393 (Fire Reserve)	Fire Station Building Gas Conversion	\$198,082
50	156-394 (Police Reserve)	Police Station Building Gas Conversion	\$ 42,377
51	156-395 (Public Works Reserve)	Public Works Building Gas Conversion	\$ 35,971
52	456-380 (Harbor Reserve)	Harbor Fund Building Gas Conversion	\$ 39,073
53	256-379 (Sewer Reserve)	Sewer Fund Building Gas Conversion	\$ 48,461
54	256-378 (Water Reserve)	Water Fund Building Gas Conversion	<u>\$ 48,406</u>
55			
56		Total	\$540,000

57 Section 5. This is a budget amendment ordinance, is not permanent in nature, and shall not
58 be codified.

59
60 ENACTED BY THE CITY COUNCIL of Homer, Alaska, this 10th day of June, 2013.

61
62 CITY OF HOMER

63
64
65 _____
66 MARY E. WYTHER, MAYOR

67 ATTEST:

68
69 _____
70 MELISSA JACOBSEN, CMC
71 ACTING CITY CLERK

72
73 YES:

74 NO:

75 ABSTAIN:

76 ABSENT:

77
78
79 First Reading:

80 Public Hearing:

81 Second Reading:

82 Effective Date:

83
84 Reviewed and approved as to form:

85
86 _____
87 Walt Wrede, City Manager

85
86 _____
87 Thomas F. Klinkner, City Attorney

88
89 Date: _____

88
89 Date: _____



CITY OF HOMER
PUBLIC WORKS
3575 HEATH STREET HOMER, AK 99603

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

MEMORANDUM 13-083

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: June 5, 2013
RE: **Conversion of City Facilities to Natural Gas
Supplemental Recommendations for Funding Authorization**

Public Works is preparing to convert City facilities to natural gas over the next two years. Not all of our buildings will have access to natural gas this year. Service applications must be received by Enstar before July 1 if we want a guarantee of service installation this year. The costs associated with service line installations will increase next season. Public Works and the Administration are attempting to make service applications for all City facilities at one time this year.

Public Works has engaged a mechanical engineer to assist in estimating costs associated with natural gas conversions and is working with Enstar to determine service line alignments and meter locations at each facility. After inspecting all facilities, Public Works has estimated the rough order of magnitude cost to complete the work (including installation of service lines and meters, design and installation of heating system conversions, and abandonment of above and below ground heating fuel tanks). These costs (see attached) have been incorporated into the budget ordinance offered up for second reading.

Currently, the budget does not include converting the Harbormaster's Office (due to be replaced in the near future), or converting the two HERC buildings or the Fish Dock Ice House. An analysis of the payback period of HERC buildings and the Ice House indicate poor returns on the investment.

The budget does include funds for converting the Spit restrooms to natural gas. The payback periods are greater than most other City facilities (because of their relatively low energy usage), but the investment will pay off in a reasonable period of time. The Ramp 2 restroom will receive some additional scrutiny during final design to confirm the cost effectiveness of this conversion. Due to the long restroom payback periods, these conversions will be completed utilizing City staff to the extent possible.

The Fire Department costs are high and the payback period longer because it is being converted from electric heat. These costs presented include provisions for dual fuel usage (heating oil and gas) at the water and sewer treatment plants and the police and fire department buildings.

The payback period shown in the attached table is also high. Records of past fuel oil usage is suspect; additional investigation is needed to confirm effectiveness of conversion investment.

After the gas conversion budget has been approved by the City Council, Public Works will contract with the mechanical engineer to prepare drawings and specifications for required work, submit applications for gas service installations to Enstar, and competitively bid the building conversion work.

Recommendations: The City Council pass an ordinance authorizing a budget for the conversion of City buildings to natural gas and authorize the City Manager to execute all appropriate documents.

Estimated Payback Period
 Conversion of City Buildings to Natural Gas

Building	Total Cost to Convert	Annual Current Heating Fuel Usage (\$)	Expected Annual Future Gas Usage (\$)	Annual Savings (\$)	Payback Period (Yrs)
Public Works	\$35,971	\$12,407	\$4,591	\$7,816	4.6
Animal Shelter	\$25,764	\$18,707	\$6,922	\$11,785	2.2
Sewer Treatment Plant	\$40,918	\$31,494	\$11,653	\$19,841	2.1
Sewer Treatment Plant Office (Propane)	\$7,543	\$5,673	\$1,135	\$4,538	1.7
Library	\$26,612	\$34,064	\$12,604	\$21,460	1.2
City Hall	\$19,482	\$13,051	\$4,829	\$8,222	2.4
Fire Dept	\$198,082	\$32,000	\$11,840	\$20,160	9.8
Police Dept	\$42,377	\$4,746	\$1,756	\$2,990	14.2
Water Treatment Plant	\$48,406	\$23,879	\$8,835	\$15,044	3.2
Airport	\$20,084	\$35,399	\$13,098	\$22,301	0.9
Restroom - Ramp 4	\$9,282	\$2,173	\$804	\$1,369	6.8
Restroom - Ramp 6	\$9,282	\$3,953	\$1,463	\$2,490	3.7
Restroom - Load and Launch	\$9,282	\$2,697	\$998	\$1,699	5.5
Restroom - Ramp 2	\$7,842	\$1,313	\$486	\$827	9.5
Port Maintenance Facility	\$39,073	\$14,642	\$5,418	\$9,224	4.2

\$540,000

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

City Clerk

3
4 **RESOLUTION 13-048**

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

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

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

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

20 **WATER AND SEWER FEES:**
21

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

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

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

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

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

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

49 **SEWER FEES:**

50 Sewer Connection and Extension Permit Fee
51

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

54
 55 Sewer Rate Schedule.

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

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

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

66 *Customer classification definitions for determining water rates:

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

70
 71 Multi Family Residential – A building or lot occupied by more than one household; contained
 72 within one building or several building within one complex. Examples of multi family units
 73 include duplexes, four plexes and up, apartments, condominiums, co-housing projects, and
 74 multiple structures on one lot (where units are normally rented or occupied for longer than one
 75 month at a time). Examples of units not considered as multi family include hotels, motels,
 76 B&B's seasonal rooms/cabins (where units are routinely rented or occupied for less than one
 77 month at a time.)
 78

79 Commercial - Any user not defined as Residential.

80
 81 **Biological/Biochemical Oxygen Demand (BOD) Fee** – Fee applied to a customer who
 82 typically produces and discharges an effluent containing more organic matter than a
 83 typical residential or commercial customer. This includes but is not limited to
 84 Commercial/Institutional Kitchens, Car Washes, Hotels/Motels, Processing Facilities,
 85 Campgrounds/RV Parks, Laundromat, Service Stations.
 86

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

89
 90 Sewer system dischargers who are not water system users **and do not reside in a “lift station**
 91 **zone”** shall be charged at the rate of ~~\$54.90~~ **\$54.50**. Variable rate ~~\$34.90~~ **\$45.50** based on

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

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

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

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

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

122
 123 Seasonal Sewer Meter Fee is \$211.97.

124
 125 **WATER FEES:**

126 Water Connection Fee

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

130
 131 Water Rate Schedule.

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

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

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

139 customer charge.
 140

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

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

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

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

155 Commercial - Any user not defined as Residential.
 156

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

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

165
 166 Meter Size Deposits.
 167

<u>Size (inches)</u>	<u>Residential Users</u>	<u>Nonresidential Users</u>
5/8	\$75.00	\$220.00
3/4	\$80.00	\$230.00
1	\$90.00	\$250.00
1-1/2	\$115.00	\$310.00
2	\$150.00	\$370.00
3	\$220.00	\$525.00
4	\$310.00	\$730.00
6	\$520.00	\$1,225.00

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

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

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

183
184 CITY OF HOMER

185
186
187
188 MARY E. WYTHE, MAYOR

189 ATTEST:

190
191
192
193 JO JOHNSON, CMC, CITY CLERK

194
195 Fiscal Note: Revenue amounts not defined in CY2013 budget.



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

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Homer, Alaska 99603

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MEMORANDUM 13-073

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

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

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

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

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

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

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



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

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

The recommendations of the Task Force include:

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

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

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

Respectfully submitted,

HOMER WATER & SEWER TASK FORCE

Chair: Beth Wythe

Vice Chair: Beauregard Burgess

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

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

Report of the Water & Sewer Rate Task Force

4/8/2013

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

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INTRODUCTION:

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

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

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

CURRENT RATE STRUCTURE:

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

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

FAIR AND EQUITABLE RATES:

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

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

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

SYSTEM REQUIREMENTS:

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

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

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

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

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

DISPROPORTIONATE IMPACTS:

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

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

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

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

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

OPTIONS FOR DISTRIBUTING COSTS TO CAUSERS:

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

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

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

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

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

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

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

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

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

CRITERIA FOR EVALUATING THE SOLUTIONS:

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

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

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

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

OTHER CONSIDERATIONS:

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

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

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

CONCLUSIONS:

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

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

APPENDICES

Appendix A – Creation of the Task Force

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

Appendix B – City of Homer Water & Sewer Rates

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

Appendix C - Budgets

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

Appendix D – Classifications & Sample Invoices

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

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

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

Appendix F – Spit Surcharges

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

Appendix G – Public Written Comments

REFERENCES AND RESOURCES

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

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

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

City of Homer Water and Sewer Rate Study Draft Rate Model

April 5, 2013

PROPOSED SEWER RATES

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

High B.O.D Users

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

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

CITY OF HOMER, ALASKA

Utility Special Revenue Fund

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

Year Ended December 31, 2012

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

**CITY OF HOMER
2013 OPERATING BUDGET**

Water Reserves

256 - 378

Expenses thru 6/30/12

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

Expenditure Detail

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

**CITY OF HOMER
2013 OPERATING BUDGET**

Sewer Reserves

256 - 379

Expenses thru 6/30/12

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

Expenditure Detail

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

**City of Homer
2013 Operating Budget**

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

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

City of Homer
2013 Operating Budget

FUND 200 WATER
EXPENDITURE SUMMARY BY LINE ITEM

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

**City of Homer
2013 Operating Budget**

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

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

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

WATER / SEWER SPECIAL REVENUE

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

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

{SEGTITLE[F FUND]}

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

**CITY OF HOMER
2013 OPERATING BUDGET**

Water Reserves

256 - 378

Expenses thru 6/30/12

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

Expenditure Detail

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

**CITY OF HOMER
2013 OPERATING BUDGET**

Sewer Reserves

256 - 379

Expenses thru 6/30/12

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

Expenditure Detail

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

WATER AND SEWER FEES:

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

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

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

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

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

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

SEWER FEES:

Sewer Connection and Extension Permit Fee

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

Sewer Rate Schedule.

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

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

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

*-Customer classification definitions for determining water rates:

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

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

Commercial - Any user not defined as Residential.

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

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

Sewer System Dischargers Who Are Members of Kachemak City LID:

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

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

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

Seasonal Sewer Meter Fee is \$211.97.

WATER FEES:

Water Connection Fee

Single Family/Duplex \$300

Multi-Family/Commercial/Industrial \$375

Water Rate Schedule.

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

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

Bulk	\$25	\$0.01269	\$12.69
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Seasonal monthly water customer charge will be \$12.50 or one half off the regular monthly customer charge.

*-Customer classification definitions for determining water rates:

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

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

Commercial - Any user not defined as Residential.

Meter Size Deposits.

<u>Size (inches)</u>	<u>Residential Users</u>	<u>Nonresidential Users</u>
5/8	\$75.00	\$220.00
3/4	\$80.00	\$230.00
1	\$90.00	\$250.00
1-1/2	\$115.00	\$310.00
2	\$150.00	\$370.00
3	\$220.00	\$525.00
4	\$310.00	\$730.00
6	\$520.00	\$1,225.00

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

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

RESIDENTIAL HOLDING TANK FEES

(Resolution 02-23)

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

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

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

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

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

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

Jo Johnson

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

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

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

Jo Johnson

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

to: Homer City Council
for May 27th council meeting

from: Larry Slone

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

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

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

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

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

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

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

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

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

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

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

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

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

Larry Slone

KACHEMAK CITY, ALASKA

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

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

kachemak@xyz.net

April 29, 2013

Dear Walt and Homer City Council Members:

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

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

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

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

Sincerely,



Philemon D. Morris
Mayor.



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

Dear City Council:

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

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

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

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

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

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

Conservation & Savings

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

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

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

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

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

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

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

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

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

Operational Profitability

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

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

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

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

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

Administrative Overhead

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

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

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

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

Complexity, Disclosure, and Transparency

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

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

Closing Remarks

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

Sincerely,

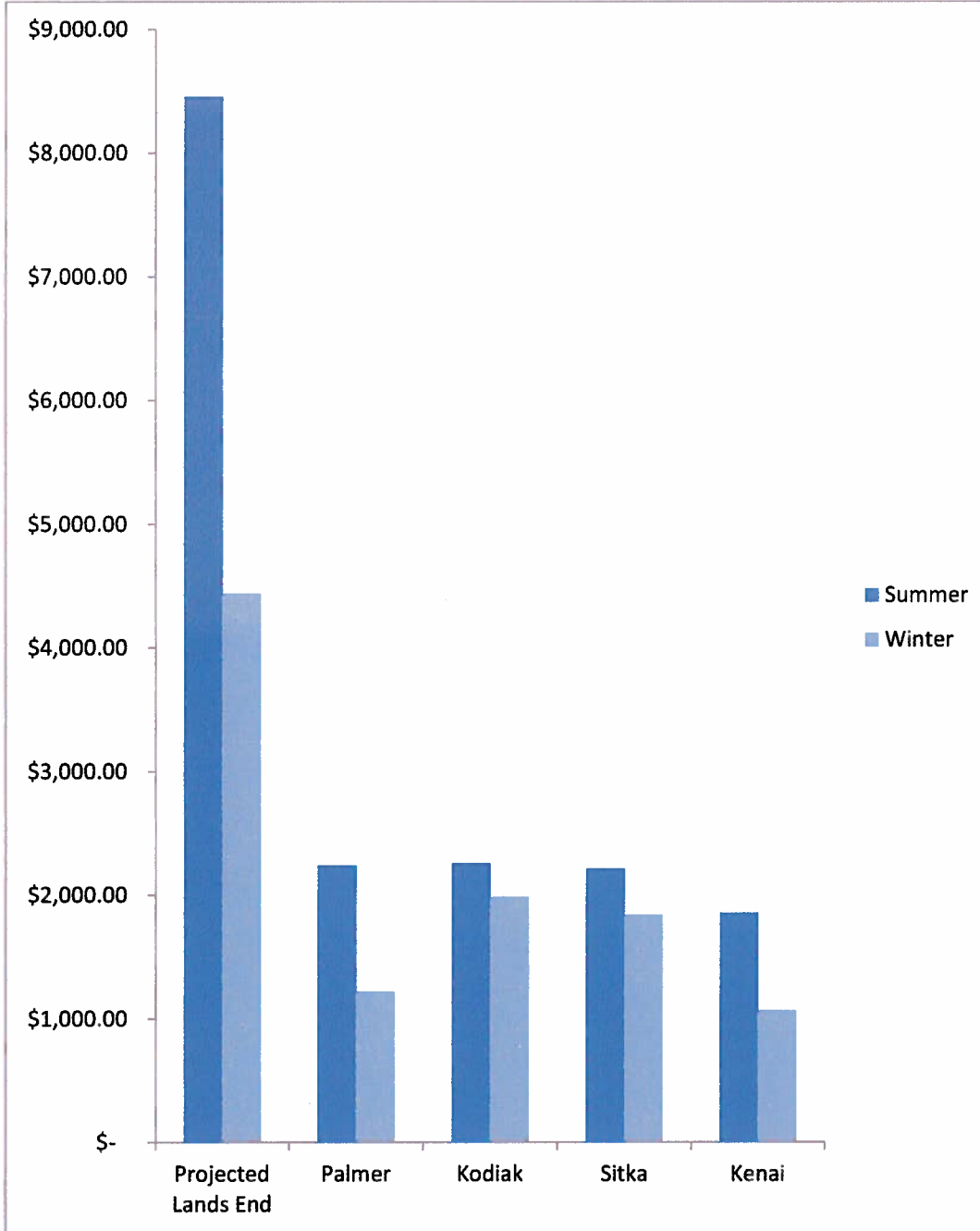


Josh Garvey – Land’s End Resort
907-299-4577

Exhibit A

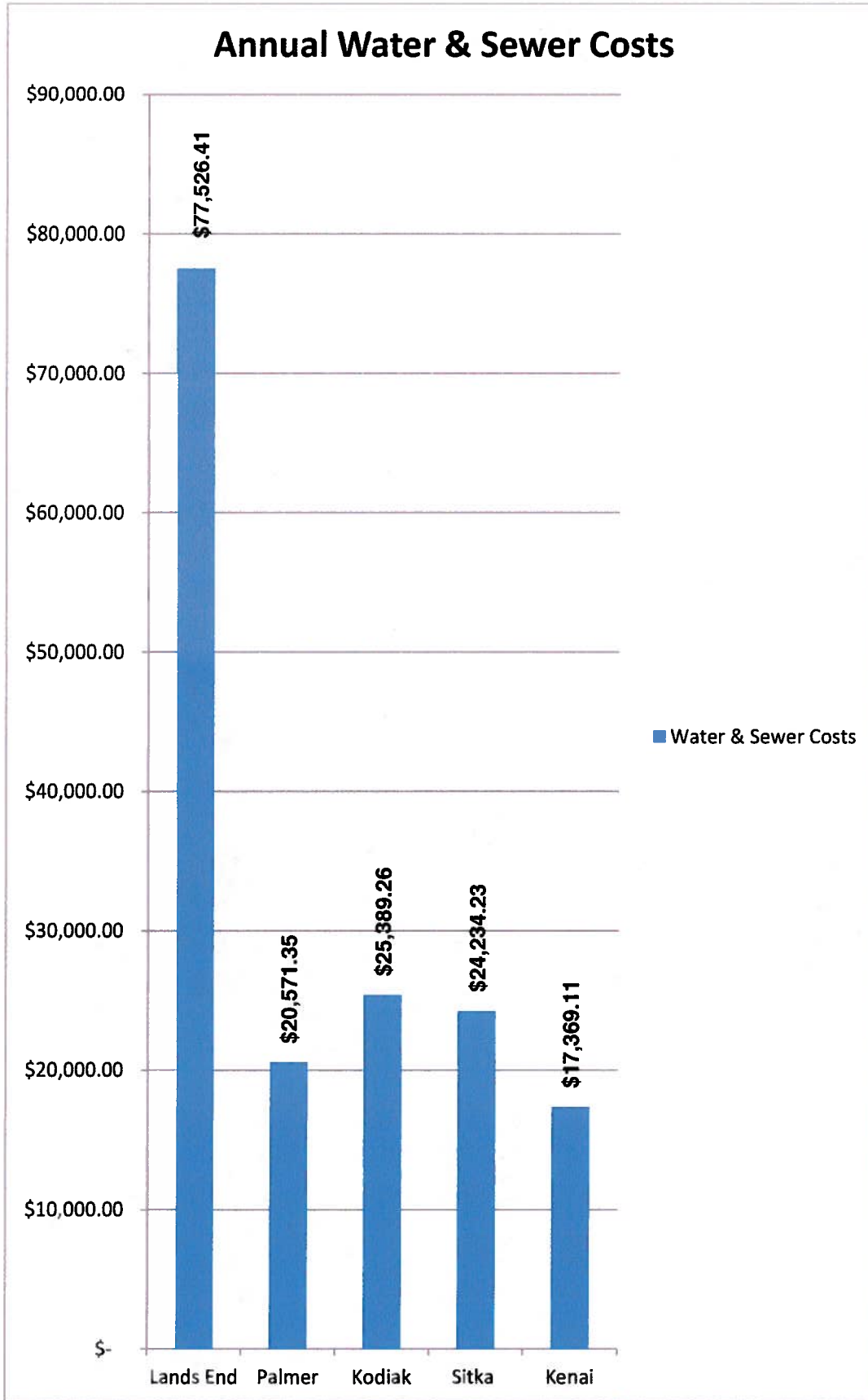
Water and Sewer Rates: A Comparative Study

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



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

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





June 4, 2013

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

Dear City Council:

Beware of the Rhetoric:

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

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

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

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

Is this really true? What are the facts?

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

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

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

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

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

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

Disproportionate Impacts:

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

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

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

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

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

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

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

Lack of Public Mandate

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

Arbitrary Excess Revenue Collection from High Volume Users

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

Homer Spit Pays Its Way

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

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

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

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

Executive Summary

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

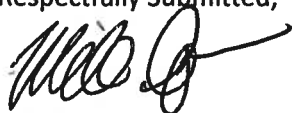
fraught with pitfalls, risk, and insufficient return. Making the correct decision to write-off a bad investment is often the most critical action a successful leader can take.

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

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

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

Respectfully Submitted,



Mike Dye,

Land's End Acquisition Corporation

907.399.8118

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

Dear City Council:

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

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

Executive Summary

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

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

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

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

History

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

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

Sustainability

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

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

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

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

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

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

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

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

More Time is Needed to Gather Facts:

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

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

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

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

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

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

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

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

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

ORDINANCE(S)

CITY MANAGER'S REPORT



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

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citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

MANAGER'S REPORT

June 10, 2013

TO: MAYOR WYTHE / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Port and Harbor Bond Sale: The port and harbor bonds were sold on Wall Street this week. The amortization schedule is attached for your information. We will sign all of the related paperwork when Holly is here on the 10th. The formal bond sale closing takes place in Seattle a little later this month.
2. Health Insurance Broker: We are now confirmed for a workshop with the City health insurance broker, Jeff Paxton for 5:15 PM on Thursday, June 27. Please mark your schedules.
3. Borough Health Insurance Initiative: At the last meeting, Council members asked questions about the status of the Borough health insurance discussions. I told Council that I would follow-up with a report at this meeting. Attached is a memorandum from the HR Director on this topic.
4. Dietzman v. City of Homer: This is the airport shooting case. After the jury verdict was in, the attorneys for the Plaintiffs filed a number of motions for a new trial. Oral arguments on these motions took place on Monday, June 3. After hearing oral argument from both sides, the judge ruled against all of the plaintiff motions. There will be no new trial. Appeal to a higher court is still possible. The judge has not yet ruled on attorney's fees.
5. Pier One Lot: At the last meeting, there was general discussion about subdividing this lot to separate marine industrial uses from recreational uses. There was also discussion about the idea that the Port and Harbor Enterprise Fund should be reimbursed if any of the land it purchased with its funds was to be used for recreational purposes. There was some question about exactly what purchased because lot lines have changed. Council requested more information. The Planning Department did a little more research on this topic. What they found after reviewing the files was that the Enterprise Fund purchased 16 acres for \$1.5 Million. The area purchased went beyond the current Tract 1-A and it included some, if not all of the current fishing hole location. The enterprise fund made an initial down payment of \$500,000 and financed the rest at 10% interest. There was discussion in the minutes about refinancing in order to save money for the Enterprise Fund. There is more research that could be done here but I believe the basic question has been answered. It is clear that the Enterprise Fund purchased the land that the Council is discussing subdividing and setting aside for recreational uses. Also, I am aware of a Resolution that the Council passed in 1983 or thereabouts which designates the fishing hole and Pier One building area for recreational uses. This resolution played a part in another land use discussion that occurred several years ago. I will try and locate that resolution before meeting time.
6. Water and Sewer Rates: The staff has been reviewing the recommendations of the task force to make sure we understand the philosophy, all of the assumptions, the origin of the numbers used, etc. We are testing the proposed model to see how it works with our current

software and whether the proposed rates do in fact generate the necessary revenue. John is presently working on inserting new updated numbers which would form the basis for a substitute resolution. In addition, we also looking at revising the fee schedule chart presentation so that it is easily understandable and preparing a comparison of the old rates versus the new so that customers can see how the proposed model would affect them. We plan on having drafts of this material available for the workshop. I would recommend putting final reading of the resolution off until June 24. I would also recommend that Council consider not implementing the new rates until January. The reasons for this can be discussed at the workshop.

ATTACHMENTS

1. May & June Employee Anniversaries
2. Bond Sale Amortization Schedule
3. Memorandum 13-082 from HR Director re: Borough Health Insurance Initiative
4. Memorandum 13-084 from Economic Development Coordinator re: Tidal Power Update



City of Homer

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Memorandum

TO: MAYOR WYTHE AND CITY COUNCIL
FROM: Walt Wrede
DATE: June 4, 2013
SUBJECT: May & June Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

May

Jo Earls,	Finance	14	Years
Mark Whaley,	Port & Harbor	8	Years
Don Huffnagle,	Port & Harbor	5	Years
Pike Ainsworth,	Port & Harbor	5	Years
Terry Felde,	Public Works	4	Years
Jeri Trail,	Police	2	Years
Ann Dixon,	Library	2	Years
Mercedes Harness,	Library	1	Year

June

Bob Painter,	Fire	22	Years
Laurie Moore,	Finance	17	Years
Steve Smith,	Police	11	Years
Levi Stradling,	Public Works	11	Years
Melissa Jacobsen,	Clerk's Office	9	Years
Mike Illg,	Community Rec	7	Years
Manfred Kirchner,	Public Works	1	Year
Mike Szocinski,	Public Works	1	Year

SOURCES AND USES OF FUNDS

Alasks Municipal Bond Bank Series 2013 Two Bonds
Alaska Municipal Bond Bank Series 2013 Two

Sources:	City of Ketchikan 2013 Two Loan	Ketchikan Public Utility Refunding of 2002 Bonds	Homer Boat Harbor Loan	Kodiak Island Borough 2013 Hospital Loan	Skagway General Obligation Loan	Total
Bond Proceeds:						
Par Amount	13,275,000.00	1,245,000.00	3,735,000.00	17,110,000.00	890,000.00	36,255,000.00
Net Premium/OID	1,811,406.20	19,617.15	494,506.25	1,707,319.60	118,063.65	4,150,912.85
	15,086,406.20	1,264,617.15	4,229,506.25	18,817,319.60	1,008,063.65	40,405,912.85
Other Sources of Funds:						
AMBB COI Grant	43,572.60		12,259.42	56,160.24	2,921.27	114,913.53
Homer DSRF Contribution			290,100.00			290,100.00
State Capital Grant				1,275,000.00		1,275,000.00
Borough Funding				85,000.00		85,000.00
Community Development Block Grant				90,000.00		90,000.00
	43,572.60		302,359.42	1,506,160.24	2,921.27	1,855,013.53
	15,129,978.80	1,264,617.15	4,531,865.67	20,323,479.84	1,010,984.92	42,260,926.38
Uses:						
Project Fund Deposits:						
Project Fund Deposit	13,938,125.00		4,200,000.00	18,500,000.00	1,000,000.00	37,638,125.00
Refunding Escrow Deposits:						
Cash Deposit		1,250,519.10				1,250,519.10
Other Fund Deposits:						
Ketchikan Debt Service Reserve Fund	1,061,875.00					1,061,875.00
Debt Service Reserve Fund			290,100.00	1,346,687.50		1,636,787.50
Capitalized Interest				336,909.38		336,909.38
	1,061,875.00		290,100.00	1,683,596.88		3,035,571.88
Cost of Issuance:						
AMBB Financial Advisor	12,815.47	1,201.90	3,605.71	16,517.72	859.20	35,000.00
AMBB Bond Counsel	14,646.26	1,373.60	4,120.81	18,877.40	981.93	40,000.00
AMBB Trustee	146.46	13.74	41.21	188.77	9.82	400.00
Moody's Rating	6,444.35	604.39	1,813.16	8,306.05	432.05	17,600.00
Fitch Rating	7,689.28	721.14	2,163.43	9,910.63	515.52	21,000.00
Miscellaneous	1,830.78	171.70	515.10	2,359.67	122.75	5,000.00
Borrower Bond Counsel	33,000.00	7,000.00	14,000.00	25,000.00	4,000.00	83,000.00
Borrower Financial Advisor	10,000.00					10,000.00
	86,572.60	11,086.47	26,259.42	81,160.24	6,921.27	212,000.00
Underwriter's Discount:						
Average Takedown	35,935.00	1,560.00	9,887.50	47,757.50	2,357.50	97,497.50
CUSIP	545.39	51.15	153.45	702.95	36.56	1,489.50
Bookrunning/i-deal	1,299.26	121.85	365.55	1,674.60	87.11	3,548.37
DTC	183.08	17.17	51.51	235.97	12.27	500.00
Day Loan	368.81	34.59	103.77	475.36	24.72	1,007.25
Underwriters' Counsel	3,295.41	309.06	927.18	4,247.41	220.94	9,000.00
Out-of-Pocket - Closing	1,098.47	103.02	309.06	1,415.80	73.65	3,000.00
	42,725.42	2,196.84	11,798.02	56,509.59	2,812.75	116,042.62
Other Uses of Funds:						
Additional Proceeds	680.78	814.74	3,708.23	2,213.13	1,250.90	8,667.78
	15,129,978.80	1,264,617.15	4,531,865.67	20,323,479.84	1,010,984.92	42,260,926.38

BOND DEBT SERVICE

Alasks Municipal Bond Bank Series 2013 Two Bonds
Homer Boat Harbor Loan

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2013			71,977.50	71,977.50	71,977.50
06/01/2014	130,000	2.000%	79,975.00	209,975.00	
12/01/2014			78,675.00	78,675.00	288,650.00
06/01/2015	130,000	2.000%	78,675.00	208,675.00	
12/01/2015			77,375.00	77,375.00	286,050.00
06/01/2016	135,000	2.000%	77,375.00	212,375.00	
12/01/2016			76,025.00	76,025.00	288,400.00
06/01/2017	140,000	3.000%	76,025.00	216,025.00	
12/01/2017			73,925.00	73,925.00	289,950.00
06/01/2018	140,000	3.000%	73,925.00	213,925.00	
12/01/2018			71,825.00	71,825.00	285,750.00
06/01/2019	145,000	3.000%	71,825.00	216,825.00	
12/01/2019			69,650.00	69,650.00	286,475.00
06/01/2020	150,000	4.000%	69,650.00	219,650.00	
12/01/2020			66,650.00	66,650.00	286,300.00
06/01/2021	160,000	4.000%	66,650.00	226,650.00	
12/01/2021			63,450.00	63,450.00	290,100.00
06/01/2022	165,000	4.000%	63,450.00	228,450.00	
12/01/2022			60,150.00	60,150.00	288,600.00
06/01/2023	170,000	4.000%	60,150.00	230,150.00	
12/01/2023			56,750.00	56,750.00	286,900.00
06/01/2024	180,000	5.000%	56,750.00	236,750.00	
12/01/2024			52,250.00	52,250.00	289,000.00
06/01/2025	190,000	5.000%	52,250.00	242,250.00	
12/01/2025			47,500.00	47,500.00	289,750.00
06/01/2026	200,000	5.000%	47,500.00	247,500.00	
12/01/2026			42,500.00	42,500.00	290,000.00
06/01/2027	210,000	5.000%	42,500.00	252,500.00	
12/01/2027			37,250.00	37,250.00	289,750.00
06/01/2028	220,000	5.000%	37,250.00	257,250.00	
12/01/2028			31,750.00	31,750.00	289,000.00
06/01/2029	230,000	5.000%	31,750.00	261,750.00	
12/01/2029			26,000.00	26,000.00	287,750.00
06/01/2030	240,000	5.000%	26,000.00	266,000.00	
12/01/2030			20,000.00	20,000.00	286,000.00
06/01/2031	255,000	5.000%	20,000.00	275,000.00	
12/01/2031			13,625.00	13,625.00	288,625.00
06/01/2032	265,000	5.000%	13,625.00	278,625.00	
12/01/2032			7,000.00	7,000.00	285,625.00
06/01/2033	280,000	5.000%	7,000.00	287,000.00	
12/01/2033					287,000.00
	3,735,000		2,096,652.50	5,831,652.50	5,831,652.50



City of Homer

www.cityofhomer-ak.gov

Human Resources

491 East Pioneer Avenue
Homer, Alaska 99603

personnel@cityofhomer-ak.gov

(p) 907-235-8121 x2225

(f) 907-235-3148

Memorandum 13-082

TO: MAYOR WYTHE AND CITY COUNCIL
THROUGH: Walt Wrede, City manager
FROM: Andrea Petersen, Personnel Director
DATE: June 4, 2013
SUBJECT: Kenai Peninsula Borough Healthcare Meetings

In June 2011, the former borough administration began holding meetings with representatives from the Kenai Peninsula School District, Central Peninsula Hospital, South Peninsula Hospital, and the cities of Kenai, Homer, Soldotna and Seward to consider what options may be available to reduce healthcare costs. Mayor Navarre and his administration continued this important project. However, through these meetings it was discovered that there are several barriers the group faced.

- Alaska Statute currently prevents public entities from financially joining forces to create a health insurance plan.
- Some entities are self-funded and others are fully-funded.
- Collective Bargaining Agreements among the majority of the above entities presents a negotiating challenge.
- The upper and lower peninsula have opposing views with regards to collaborating with local healthcare providers.

I spoke with Paul Ostrander, Mayor Navarre's Chief of Staff, regarding the future of meetings on health care consolidation. He stated that this is an important matter to the Mayor; however, other projects and priorities have prevented him from focusing on this one. I will be happy to update Mayor Wythe and City Council if there is renewed activity on healthcare consolidation.



City of Homer

www.cityofhomer-ak.gov

Administration

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Homer, Alaska 99603

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(f) 907-235-3148

Memorandum 13-084

TO: Mayor Wythe and City Council
THROUGH: Walt Wrede, City Manger
FROM: Katie Koester, Community and Economic Development Coordinator
DATE: June 5, 2013
SUBJECT: Tidal Energy Incubator Project Update

Background: A group of industry professionals and interested individuals have been exploring the idea of establishing a test center for tidal power at the Deep Water Dock. The vision is a station at the Homer Deep Water Dock with infrastructure for submerging and testing tidal power generation equipment that would be valuable in the relatively nascent field brining researchers, industry and economic development to Homer. Council authorized \$100,000 for this project in Ordinance 12-51(A) in the form of a reimbursable grant. City staff, in consultation with the tidal energy working group, determined that some baseline work needed to be done before a request for proposal could be issued. A group of University of Alaska students approached the City about doing some preliminary design work as part of their senior design project. The Council funded a site visit to Homer for the 7 students and Dr. Orson Smith in Resolution 13-013.

Update: The UAA students visited Homer on February 15, 2013. They completed their senior design project and presented it to faculty and colleagues on April 26, 2013. I have included excerpts from the 106 page report with this memo including the executive summary, summary of final design, conclusion and recommendations, project cost estimate summary and sketches. A copy of the full report and the power point can be found on the City's website at <http://www.cityofhomer-ak.gov/economicdevelopment/tidal-energy-incubator-project>

Next Steps: The tidal energy working group determined that three things needed to be accomplished as baseline work for the project before the idea of a reimbursable grant can be pursued: 1) a more clear picture of what the infrastructure would look (preliminary design from UAA students); 2) base line data specific to the area (velocity, turbidity and sediment samples) and 3) a market analysis to determine if there is a need for a tidal energy incubator in the field and if researchers and developers would find the Deep Water Dock and the test conditions it provides valuable.

The project is currently at step 2, gathering baseline data. Dr. Tom Ravens, a professor at UAA, submitted a proposal in December of 2012 to gather this data for approximately \$12,000 (attached). There was discussion about performing a more affordable surface velocity survey only since there is debate as to whether there is enough velocity to support power generation at the Deep Water Dock. However, even if the data collected on the surface showed

insufficient current, doubts would remain about subsurface conditions and likely prompt further analysis. Port and Harbor Director Hawkins determined that the data collected will be valuable to the City and Deep Water Dock users in addition to any application to the tidal energy incubator project.

Recommendation: Direct staff to work with the University of Alaska Anchorage on a proposed site assessment for the subsurface conditions at the Deep Water Dock and come back to Council with a resolution authorizing the work.

Enclosure:

Experts from Homer Tidal Power and Marine Instrument Test Station Design
Site assessment proposal from Dr. Ravens

Dec. 2, 2012

Site Assessment for the Homer Tidal Power Incubator Project

Overview:

Tom Ravens (Prof. of Civil Engineering at UAA, and Director of the UAA Fluid Mechanics and Hydrokinetics Lab) proposes to provide a Site Assessment for the Homer Tidal Power Incubator Project. Based on conversations and emails with Bob Smith and others, Dr. Ravens proposes the 5 Tasks below. Note, an additional task (not included below), would be a boat-based ADCP survey to study the spatial variation of velocity. That data would be interpreted making use of the ADCP measurements at the fixed point (Task 1 below). However, since boat-based ADCP measurements could be difficult in ice-covered seas, that task is not included in the current proposal.

Tasks:

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

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

Budget:

The total budget for the project is \$11,748. This includes salary for the PI (\$3004, ¼ month) and grad student (\$3480, 1 month). It also includes fringe benefits (\$1,274), travel costs (\$440), instrument maintenance (\$1000), field and lab supplies (\$200), and indirect costs (\$2350).

I would be happy to answer any questions.

Sincerely,

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

Tom Ravens, Ph.D.
Professor, Dept. of Civil Engineering
Director, UAA Fluid Mechanics and Hydrokinetics Lab
University of Alaska, Anchorage
(907) 786-1943
(907) 240-7217 (cell)
tmravens@uaa.alaska.edu

Executive Summary

The purpose of the Homer Tidal Power Incubator design project was to develop a design for a tidal generator and marine instrument test station. This project was initiated by the following groups: Homer Tidal Energy Incubator Working Group, Homer City Council members, tidal power proponents, local political leaders, and industry professionals. These groups met to discuss the potential of utilizing the Homer Deep Water Dock as a tidal generator testing station. This testing station would allow tidal generator manufacturers and researchers to test their designs under real world conditions. With the recommendation of Dr. Orson Smith, dean of the University Of Alaska Anchorage School Of Engineering, a group of senior engineering students were selected to develop a design for a tidal generator and marine instrument test station at the Homer Deep Water Dock. Following submission of an interim report detailing several alternative concepts for the design, a dock-mounted generator test station was selected by members of the Homer Tidal Energy Incubator Working Group. The dock-mounted generator test station design was then brought to 35% design completion by the UAA student design team.

The preliminary design encompasses the requirements of the initiating parties and explores several options to appeal to potential tidal generator and marine instrument developers. The selected design of the structural support would require additional connection reinforcement and construction of new decking, as well as provide a shelter for equipment and personnel. The cradle mechanism system for raising and lowering tidal generators will accommodate multiple design configurations. The test station will include an instrumentation system consisting of site monitoring, oceanographic, and electrical characteristic instrumentation that will be interfaced with a computer system and data logger.

A cost estimate of the 35% design, which includes the above mentioned features, is included in this report in Appendix A. The costs include \$212,269.94 for the electrical installation, \$109,200.00 for the structural installation, and \$205,124.60 for the rail and cradle system installation. With contingencies the total estimated cost estimate for the project is \$701,035.74.

Before the project continues to the next phase of development it is recommended that the following are completed: a site characterization to include a water velocity profile and geotechnical details at the project location, monitoring of the biological activity in the immediate area, and a complete site and structural inspection performed by a licensed Professional Engineer.

6. Summary of Final Design

The final design of the Homer Tidal Power and Marine Instrument Test Station encompasses all the requirements of the client and explore several options to appeal to potential tidal generator entrepreneurs and manufacturers.

The selected design of the structural support would require additional connection reinforcement and construction of new decking, as well as providing a shelter for equipment and personnel. The selected final rail system will consist of braced static channels on which the cradle mechanism would operate. The frame in which the prospective generator would sit spans approximately 22-feet. The cradle system has the potential for multiple device configurations either mounting from the upper or lower beams. The cradle system would be lowered and raised via a dual winch system.

The theoretical maximum output of a prospective tidal generator is below 4109-W, and is therefore in compliance with HEA's requirements. The electrical signals produced by tidal generators have many of the characteristics of wind turbines thus the design of this interconnection utilizes wind turbine interconnection technologies.

The instrumentation that would accompany the system includes a computer and a data-logger. Oceanographic instrumentation that is recommended to accompany the system is consisted of an acoustic Doppler current profiler, turbidity sensor, conductivity and temperature probe, hydrophone, and an underwater camera system with an underwater LED spotlight.

A cost estimate for the project was prepared and is attached at the end of the report in Appendix A. The cost estimate consisted of three separate estimates for the structural, cradle mechanism, and electrical components of the project. Each estimate includes the costs of labor, material, and any other required expenses. The cradle mechanism estimated cost is \$205,124.60, the structural estimated cost is \$109,200.00, and the electrical estimated cost is \$212,269.94 giving the base cost of \$526,594.54 for the project. An additional 12% was added for contingency in the design and 21% for contingency in construction. The project total comes to a total of \$701,035.74 in 2013 dollars.

7. Conclusion & Recommendations

A tidal power test station location at the Deep Water Dock at the City of Homer is an ideal location for entrepreneurs to test conceptual and preliminary generators and marine instruments. The preliminary design provided in this report and accompanying material seeks to provide the client with the capability to proceed with the completion of the design.

It is recommended that the City of Homer invest in completing a site characterization of the area around the Deep Water Dock. This report made a reasonable assumption of the water velocity of the area, but several factors may have a significant impact on this assumption. The site characterization should also include some consideration for monitoring biological activity in the local area. It is also recommended that a complete site and structural inspection be performed prior to proceeding with a final design.

Project Cost Estimate Summary

Item	Total
Electrical	\$212,269.94
Structural	\$ 109,200.00
Rail and Cradle System	\$205,624.60
Design Contingency	\$63,251.34
Construction Contingency	\$110,689.85
Total	\$701,035.74

Appendix B – Sketches

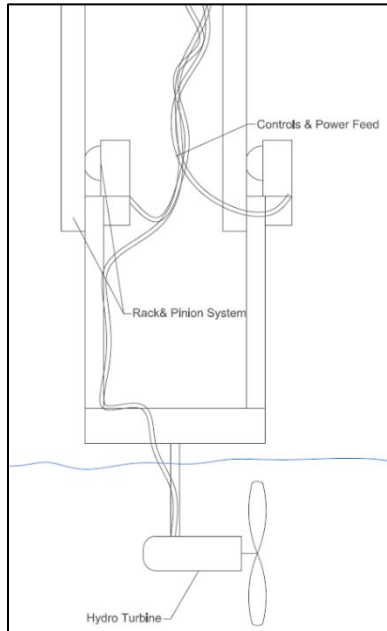


Figure B.1: Sketch of rack and pinion cradle system.

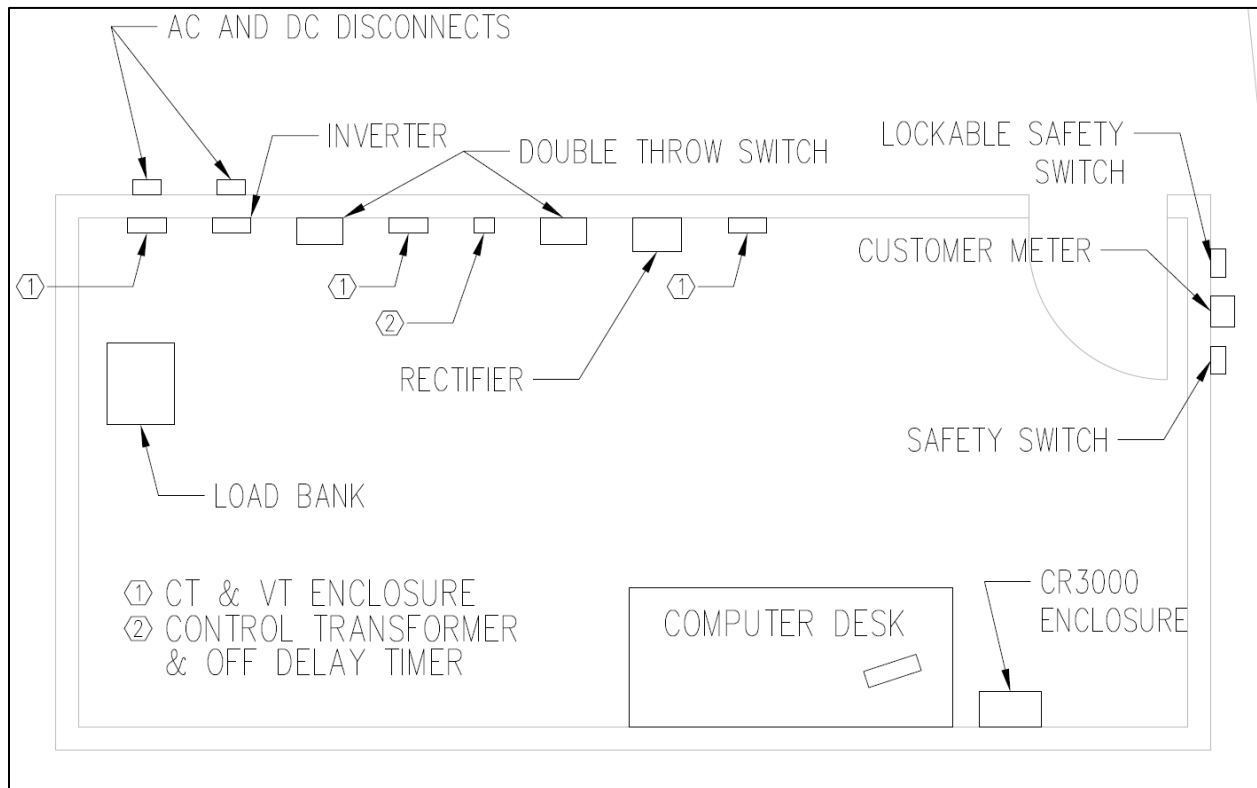


Figure B.2: Sketch of the lab facilities electrical layout.

Appendix C – Drawings



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum

TO: MAYOR AND CITY COUNCIL
FROM: JO JOHNSON, CITY CLERK
DATE: JUNE 4, 2013
SUBJECT: BID REPORT

Invitation to Bid Homer Spit Trail Shore Protection Project Sealed bids for the construction of the Homer Spit Trail Shore Protection Project will be received at the office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 3:00 PM, Thursday, June 20, 2013, at which time they will be publicly opened and read. The time of receipt will be determined by the City Clerk's time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered. Bidders are required to be on the plan holder's list to be considered responsive. To be on the Bidder's List (and to obtain bid documents) contact: City Clerk, 491 E. Pioneer Avenue, Homer, Alaska 99603, (907) 235-3130.

Invitation to Bid Homer Deep Water Dock & Spit Trail Extension Project Sealed bids for the construction of the Homer Deep Water Dock and Spit Trail Extension Project will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 2:00 PM, Thursday, June 20, 2013, at which time they will be publicly opened and read. The time of receipt will be determined by the City Clerk's time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered. Bidders are required to be on the plan holder's list to be considered responsive. To be on the Bidder's List (and to obtain bid documents) contact: City Clerk, 491 E. Pioneer Avenue, Homer, Alaska 99603 (907) 235-3130.

CITY ATTORNEY REPORT

COMMITTEE REPORTS

PENDING BUSINESS

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-06

An Ordinance of the Homer City Council, Amending HCC 3.12.020 Permanent Fund Contributions, and HCC 3.12.060 Expenditures of Income, to Provide that Five Percent of Income from the Homer Permanent Fund Income Sub-Fund is Available to be Appropriated for Grants to The Homer Foundation for the Benefit of the Community.

Sponsor: City Clerk/Permanent Fund Committee

1. City Council Regular Meeting March 11, 2013 Introduction
 - a. Memorandum 13-036 from Permanent Fund Committee as backup
 - b. Permanent Fund Committee Synopsis of February 14, 2013

2. City Council Regular Meeting April 22, 2013 Public Hearing and Second Reading
 - a. Memorandum 13-036 from Permanent Fund committee as backup
 - b. Permanent Fund Committee Synopsis of February 14, 2013
 - c. Email from City Attorney, Re: Ordinance 13-06

3. City Council Regular Meeting June 10, 2013 Second Reading
 - a. Memorandum 13-036 from Permanent Fund committee as backup
 - b. Permanent Fund Committee Synopsis of February 14, 2013
 - c. Email from City Attorney, Re: Ordinance 13-06

1 CITY OF HOMER
2 HOMER, ALASKA

3 City Clerk/
4 Permanent Fund Committee

5 ORDINANCE 13-06
6

7 AN ORDINANCE OF THE HOMER CITY COUNCIL,
8 AMENDING HCC 3.12.020 PERMANENT FUND
9 CONTRIBUTIONS, AND HCC 3.12.060 EXPENDITURES OF
10 INCOME, TO PROVIDE THAT FIVE PERCENT OF INCOME
11 FROM THE HOMER PERMANENT FUND INCOME SUB-
12 FUND IS AVAILABLE TO BE APPROPRIATED FOR
13 GRANTS TO THE HOMER FOUNDATION FOR THE
14 BENEFIT OF THE COMMUNITY.

15
16 THE CITY OF HOMER HEREBY ORDAINS:

17
18 Section 1. HCC 3.12.020, Contributions, is amended to read as follows:
19

20 3.12.020 Contributions. a. If monies from the distribution of the Exxon Valdez settlement
21 or other forms of “wind-fall” monies become available to the City, ~~95%~~ **100%** of such funds
22 shall be placed in the Homer Permanent Fund.

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

30 ~~e. The remaining five percent of Exxon Valdez settlement funds and other wind fall~~
31 ~~monies are available to be appropriated by the City Council for grants to the Homer Foundation~~
32 ~~or other local non-profit organizations for the benefit of the community.~~
33

34 Section 2. HCC 3.12.060, Expenditures of income, is amended to read as follows:
35

36 3.12.060 Expenditures of income. a. Expenditures of Permanent Fund income may be
37 made only as authorized in this chapter.

38 ~~b. The income from the income sub-fund may be appropriated by the City Council and be~~
39 ~~expended for general governmental purposes, including but not limited to ordinary operating~~
40 ~~expenses.~~ **Five percent of the income from the income sub-fund is available to be**
41 **appropriated by the City Council for grants to the Homer Foundation for the benefit of the**
42 **community. The remainder of the income from the income sub-fund may be appropriated**
43 **by the City Council and be expended for general governmental purposes, including but not**
44 **limited to ordinary operating expenses.**

45 c. The income from the growth sub-fund shall not be expended. It shall be added to the
46 principal of the growth sub-fund and reinvested.

47
48 Section 3. This Ordinance is of a permanent and general character and shall be included
49 in the City Code.

50
51 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this
52 ____ day of _____, 2013.

53
54
55 CITY OF HOMER

56
57
58
59 _____
60 MARY E. WYTHE, MAYOR

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

67
68
69
70
71
72 AYES:
73 NOES:
74 ABSTAIN:
75 ABSENT:

76
77
78
79 First Reading:
80 Public Reading:
81 Second Reading:
82 Effective Date:
83

84
85 Reviewed and approved as to form:
86

87
88 _____
89 Walt Wrede, City Manager

90
91 Date: _____
92

City Attorney
Date: _____

PENDING BUSINESS

NEW BUSINESS

- A. Review of Homer City Code 3.12 the Established Investment Policies of the Permanent Fund

The language in HCC 3.12.020(c) may need to be cleared up to exclude other local non-profit organizations and allocate to The Homer Foundation only. The current language reads five percent of funds are available for distribution. It should be interest on five percent of the funds.

MAURAS/ROBERTS – MOVED TO AMEND HCC 3.12.020(A) TO 100%; HCC 3.12.020(C) TO READ: FIVE PERCENT OF THE ELIGIBLE EARNINGS FROM THE PERMANENT FUND AND OTHER WINDFALL MONIES ARE AVAILABLE TO BE APPROPRIATED BY THE CITY COUNCIL FOR GRANTS TO THE HOMER FOUNDATION FOR THE BENEFIT OF THE COMMUNITY.

The five percent of the earnings that were to be distributed will go to The Homer Foundation. Windfall monies may or may not include earnings from the jack-up rig.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Recommendations will be forwarded to City Council by memorandum with an ordinance making the changes.

INFORMATIONAL MATERIALS

- A. U.S. Bank Reports for period ending December 31, 2012

COMMENTS OF THE AUDIENCE (3 MINUTE TIME LIMIT)

There were no comments of the audience.

COMMENTS OF THE CITY STAFF

There were no comments from the staff.

COMMENTS OF THE COUNCILMEMBER

Francie Roberts is glad to be on the committee as she has always been interested in what is done here.

COMMENTS OF THE CHAIR

Acting Chair Johnson stated she misses Barbara and will miss Regina.

Session 13-01 a Regular Meeting of the Permanent Fund Committee was called to order on February 14, 2013 at 5:17 p.m. by Acting Chair Jo Johnson at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMITTEE MEMBERS: FRANCIE ROBERTS, MATT NORTH, REGINA MAURAS, JO JOHNSON

ABSENT: BARBARA HOWARD (excused)

APPROVAL OF AGENDA

MAURAS/ROBERTS - MOVED TO APPROVE THE AGENDA AS PRESENTED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

There were no public comments.

APPROVAL OF MINUTES

A. Synopsis of Regular Meeting of November 8, 2012

MAURAS/NORTH - MOVED TO APPROVE THE MINUTES OF NOVEMBER 8TH.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

Regina Mauras reported the balances of the Permanent Fund ending December 31, 2012: Income - \$596,197 and Growth - \$1,052,951 for a Total of \$1,649,148. The amount excludes the recent allotment to Green Dot.

Another local investor expressed his concerns about how the investments were handled by U.S. Bank. Mrs. Mauras encouraged him to speak to the PFC if he had concerns.

PUBLIC HEARING

COMMENTS OF THE COMMISSION

Matt North commented if there are questions about the statements and the values of the bonds with large premiums we should have someone available to address how premiums work. He is happy to do that.

Francie Roberts requested a brief presentation by Matt North at the next meeting on bonds.

Regina Mauras commented U.S. Bank is to report to us sometime in the year. She has not yet heard from them. In her absence there may or may not be a Finance Director before the May meeting. She suggested an acting Finance Director sit in the seat since it is such a small body.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 5:32 p.m. The next Regular Meeting is scheduled for Thursday, May 9, 2013 at 5:15 p.m. in the Homer City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

Submitted by Jo Johnson

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 13-036

TO: MAYOR WYTHE AND CITY COUNCIL

FROM: JO JOHNSON, CMC, CITY CLERK & COMMITTEE MEMBER 

DATE: MARCH 5, 2013

SUBJECT: AMENDMENTS TO THE DISTRIBUTION PROVISIONS OF THE PERMANENT FUND

The Permanent Fund Committee is tasked with review of the established investment policies of the Permanent Fund each year. At their February meeting the committee made the review and recommended an amendment to the language for the five percent of funds allocated to non-profits.

The committee recommended clarifying the language of the five percent distribution of the eligible earnings from the income sub-fund. Additionally, they recommended The Homer Foundation be the sole recipient of those funds for distribution. The committee felt that distributing the eligible earnings solely to The Homer Foundation would be a better means of ensuring the funds were used for the benefit of the entire community.

RECOMMENDATION:

Adopt Ordinance 13-06 with the amendments as proposed by the Permanent Fund Committee.

Jo Johnson

From: Thomas Klinkner <tklinkner@BHB.com>
Sent: Friday, March 01, 2013 4:21 PM
To: Jo Johnson
Cc: Walt Wrede
Subject: RE: New Ordinance for March 11

Jo,

This ordinance may need to include further clarification of the permitted use of permanent fund monies. As amended, does HCC 3.12.020(c) authorize only the distribution of 5% of eligible earnings from the Permanent Fund, or does it also authorize the distribution of 5% of "other windfall monies"? If the former, the subsection would be clarified by the deletion of the phrase "other windfall monies."

It appears that HCC 3.12.020(c) originally was intended to address the disposition of the 5% of Exxon Valdez settlement and other windfall monies that were not deposited in the permanent fund. HCC 3.12.060(b) addressed the disposition of permanent fund earnings: "The income from the income sub-fund may be appropriated by the City Council and be expended for general governmental purposes, including but not limited to ordinary operating expenses." To clarify the relationship between the distribution of earnings that the amendment is intended to authorize, and the distribution of earnings that is addressed in HCC 3.12.060(b), I recommend considering the deletion of HCC 3.12.020(c) altogether, and addressing the disposition of earnings only in HCC 3.12.060(b), so that HCC 3.12.060(b) might read something like the following: "b. Five percent of the income from the income sub-fund is available to be appropriated by the City Council for grants to the Homer Foundation for the benefit of the community. The remainder of the income from the income sub-fund may be appropriated by the City Council and be expended for general governmental purposes, including but not limited to ordinary operating expenses." If the five percent of earnings was intended to be five percent of total permanent fund earnings (rather than 5% of income sub-fund earnings), then HCC 3.12.060(b) should provide for 8.3% of income from the income sub-fund to be appropriated to the Homer Foundation.

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From: Jo Johnson [<mailto:JJohnson@ci.homer.ak.us>]
Sent: Thursday, February 28, 2013 10:33 AM
To: Thomas Klinkner
Cc: Walt Wrede
Subject: New Ordinance for March 11

Hi Tom,
Included is a new ordinance for March 11th for the Permanent Fund. I have included the synopsis of the PFC that outlines the amendments. Please review and critique as needed.

Thank you,

Jo Johnson

City Clerk
City of Homer
491 E. Pioneer Ave.
Homer, AK 99603
907-235-3130 Fax 907-235-3143

PUBLIC RECORDS LAW DISCLOSURE: Most e-mails from or to this address will be available for public inspection under Alaska public records law.

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

3 City Council

4 **RESOLUTION 13-056**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
7 ALASKA, AMENDING THE LAND ALLOCATION PLAN TO
8 MAKE APPROXIMATELY 10,000 SQUARE FEET IN THE NW
9 CORNER OF LOT 2, TRACT 1-A, FISHING HOLE
10 SUBDIVISION AVAILABLE FOR LEASE TO QUALIFIED
11 NON-PROFIT ORGANIZATIONS, ESTABLISHING THE
12 PARAMETERS FOR SUCH AN OFFERING, AND
13 AUTHORIZING THE CITY MANAGER TO PROCEED WITH
14 A REQUEST FOR PROPOSALS.

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

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

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

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

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

38
39 WHEREAS, Step One in Memorandum 13-069 was to amend the Land Allocation Plan
40 to make the desired property available for lease; and

41 WHEREAS, The Council had a general discussion about making land available, what the
42 parameters should be for the successful applicant, and requested that a resolution be drafted for
43 the next meeting so that further discussion and action could be taken.
44

45 NOW, THEREFORE, BE IT RESOLVED that Homer City Council hereby amends the
46 Land Allocation Plan to make approximately 10,000 square feet in the NW corner of Lot 2,
47 Tract 1-A, Fishing Hole Subdivision available for lease to qualified non-profit organizations.
48

49 BE IT FURTHER RESOLVED that the parameters and stipulations to be included in the
50 Request for Proposals shall include:

- 51 • That the proposed use must be water related and water dependent
- 52 • That the proposed use must be consistent with the intent and requirements of the Marine
53 Industrial District
- 54 • That the parcel is being offered to a qualified non-profit
- 55 • That the proposal includes rent that is at least 60 percent of market value
- 56 • That the applicant demonstrates tangible social and economic benefits to the community
57 consistent with relevant selection criteria contained in the Lease Policies.
58

59 BE IT FURTHER RESOLVED that the City Manager is authorized to proceed with
60 issuing the request for proposals.
61

62 PASSED AND ADOPTED by the Homer City Council this 28th day of May, 2013.
63

64 CITY OF HOMER
65
66
67

68 MARY E. WYTHE, MAYOR
69

70 ATTEST:
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74 JO JOHNSON, CMC, CITY CLERK
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76 Fiscal Note: N/A
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**CITY OF HOMER
HOMER, ALASKA**

City Council

RESOLUTION 13-056(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE LAND ALLOCATION PLAN TO MAKE APPROXIMATELY 10,000 SQUARE FEET IN THE NW CORNER OF LOT 2, TRACT 1-A, FISHING HOLE SUBDIVISION AVAILABLE FOR LEASE ~~TO QUALIFIED NON-PROFIT ORGANIZATIONS~~, ESTABLISHING THE PARAMETERS FOR SUCH AN OFFERING, AND AUTHORIZING THE CITY MANAGER TO PROCEED WITH A REQUEST FOR PROPOSALS.

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

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

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

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

WHEREAS, The Council considered Memorandum 13-069 from the City Planner which addressed the new concept plan and the background for planning and Memorandum 13-032 from the City Manager regarding steps the Council needed to take if it wanted to make property available for lease on this parcel ~~for a non-profit that met certain criteria~~; and

WHEREAS, Step One in Memorandum 13-069 was to amend the Land Allocation Plan to make the desired property available for lease; and

41 WHEREAS, The Council had a general discussion about making land available, what the
42 parameters should be for the successful applicant, and requested that a resolution be drafted for
43 the next meeting so that further discussion and action could be taken.

44
45 NOW, THEREFORE, BE IT RESOLVED that **the** Homer City Council hereby amends
46 the Land Allocation Plan to make approximately 10,000 square feet in the NW corner of Lot 2,
47 Tract 1-A, Fishing Hole Subdivision available for lease ~~to qualified non-profit organizations.~~

48
49 BE IT FURTHER RESOLVED that the parameters and stipulations to be included in the
50 Request for Proposals shall include:

- 51 • That the proposed use must be water related and water dependent.
- 52 • That the proposed use must be consistent with the intent and requirements of the Marine
53 Industrial District.
- 54 • That the parcel is being offered to a **all** qualified **applicants including qualified** non-
55 profit **organizations.**
- 56 • **That qualified, responsive, and highly scored non-profit organizations will receive a**
57 **30% discount on lease rent. If their proposal contains a lease rate that is within 70**
58 **percent of competing proposals, they receive a preference.**
- 59 • ~~That the proposal includes rent that is at least 60 percent of market value~~
- 60 • That the applicant demonstrates tangible social and economic benefits to the community
61 consistent with relevant selection criteria contained in the Lease Policies.

62
63 BE IT FURTHER RESOLVED that the City Manager is authorized to proceed with
64 issuing the Request for Proposals.

65
66 PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2013.

67
68 CITY OF HOMER
69
70
71
72 _____
73 MARY E. WYTHE, MAYOR

74 ATTEST:
75
76
77 _____
78 MELISSA JACOBSEN, CMC
79 ACTING CITY CLERK

80
81 Fiscal Note: N/A
82

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

Planning & Zoning

491 East Pioneer Avenue
Homer, Alaska 99603-7645

Telephone (907) 235-3106
Fax (907) 235-3118
E-mail Planning@ci.homer.ak.us
Web Site www.cityofhomer-ak.gov

MEMORANDUM 13-069

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
THROUGH: WALT WREDE, CITY MANAGER
FROM: RICK ABOUD, CITY PLANNER
DATE: May 7, 2013
SUBJECT: Fishing Hole Campground Site Plan

Requested Action: Recommend Approval of the draft site plan for the campground, day use parking, and Kachemak Bay Water Trail kayak launch site.

Introduction

On April 24th, there was a workshop held on the Spit to discuss the kayak launch. One of the outcomes of the meeting was the City Administration and the Harbormaster agreed that a better spot for the kayak launch would be further up the Spit, near the Fishing Hole. Grouping all the recreational activities together made more sense in the long run. If a marine industrial use comes in, the original kayak launch may have to be moved. It seemed like a lot of effort when a better, long term solution was to move the launch.

Staff met with representative of the Kachemak Bay Water Trail to discuss the idea. There was agreement that this new location would be acceptable while recognizing some trade off in relation with their first choice. There was also a strong desire to keep this project on schedule. The water trail group would like to have a location locked in so they can pursue funding and construction, with the goal of completion in 2014.

The water trail folks have been fortunate to have the volunteer services of a landscape architect. Jonny Hayes PLA/ASLA/CPSI, of the Anchorage firm Bettisworth North Architects and Planners, volunteered his services and time to facilitate the workshop. Landscape Architects are like a civil engineer, and they are a registered licensed profession, with a stamp. They frequently work on site design; traffic flow, building location, architecture, drainage and landscaping etc. Mr. Hayes has also agreed to work on this new launch location. With the change in location of the kayak launch, the City recognized that the scope of work that Mr. Hayes volunteered to do had changed quite a bit. The Planning Department has some limited funds to pay for these changes to the plan outside the scope of the launch facility. Mr. Hayes is now waiting for direction before creating a comprehensive site plan, that will account for traffic flow and overall use of land between the fishing hole and Pier 1, including a potential wooden boat lease location. Our goal out of all this is not only to have a more permanent home for the kayak launch, but also a better flow for the whole property. This site plan will create a better park area around that portion of the Fishing Hole, plan for long term traffic flow, which will in turn preserve the main campground area for potential marine industrial use.

Another item that has changed is the Public Works Department has requested to move the camp ground office onto the site. The current location across the street is subject to a lot of storm damage. Due to beach erosion, significant damage to the build occurs regularly. It's a very small building, easy to move, and it will be cheaper for the taxpayers in the long run if it wasn't damaged by storms every year.

This draft site plan will be submitted to the Planning, Parks and Recreation and Port and Harbor Advisory Commissions for comments in May, concluding with a resolution from Council in June.

Analysis

The conceptual draft site plan is attached. Planning staff met with Parks maintenance Coordinator Otteson at the campground to come up with ideas and explore options. Right now the whole area is one big parking lot; kind of ugly and a lot of space is wasted. The parks area could be much more functional. The site plan is really reworking the existing space into a more functional, attractive layout.

The plan considers the following element:

- Revise circulation and layout for RV Campground to address potential future Marine industrial and other desired elements, as outlined below,
- Relocating the existing Offices for camp attendant + fee collection,
- Maintain Pier One Theater while improving access/parking as appropriate,
- Adding a designated 'Day Use Area' adjacent to the existing fishing area,
- Adding a multi-use 'Day Use Shelter' at the northeast edge of the fishing area,
- Adding a Kachemak Bay Water Trail Launch Site that includes non-motorized boat launch facilities, appropriate signage, etc.,
- Proposed site and approximate circulation for a 10,000 SF 'Wooden Boat Society Headquarters/Offices' along Homer Spit Road, and
- Connect to, and maintain, existing Day Use, Fish Cleaning Station and Campground Dump Station areas.

If the concept is found acceptable, I plan to seek comments of committees and commissions and present before the council for approval in June. Of course we are still looking for direction in regards to any lease proposal that might be considered as outlined by the City Manager.

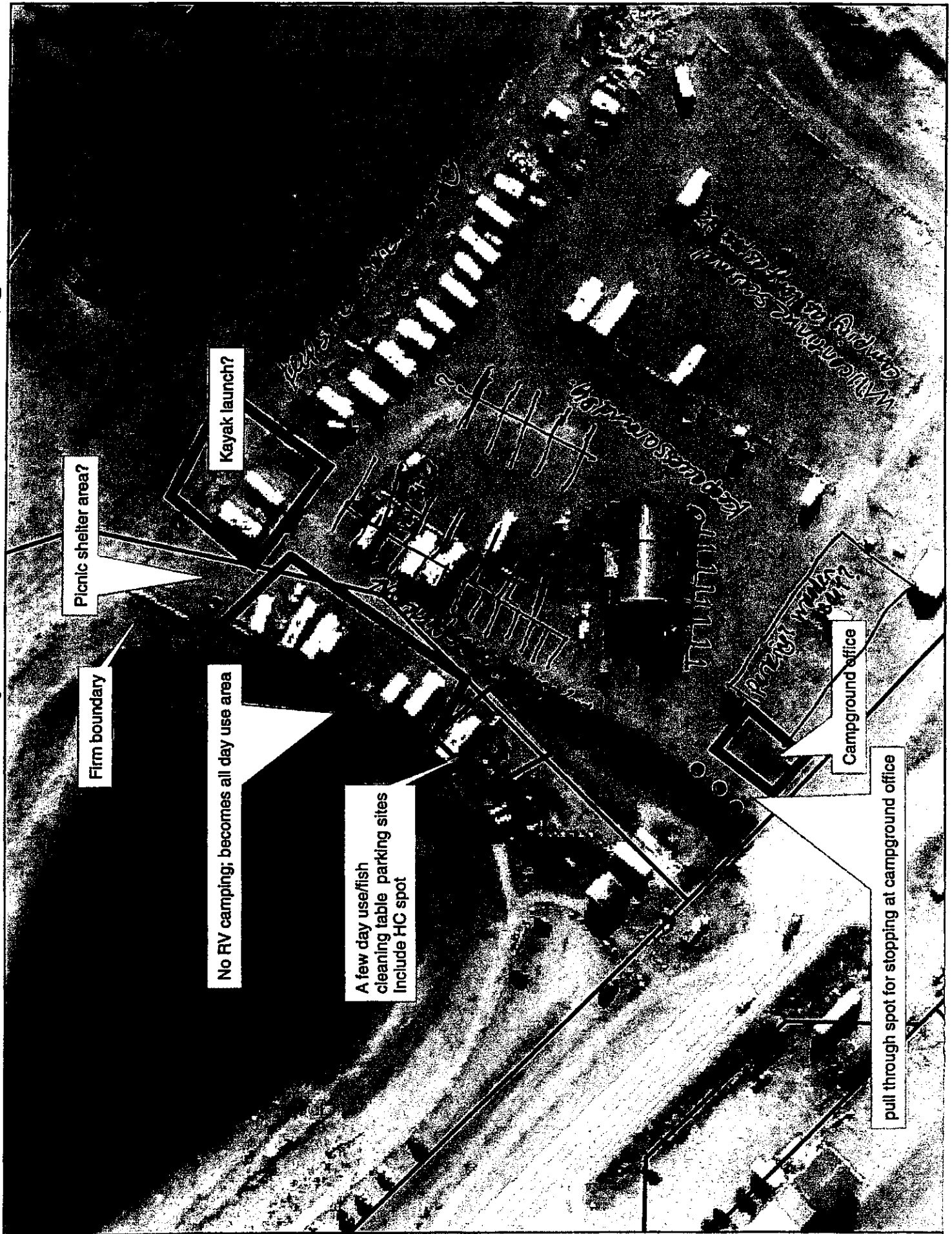
Recommendation:

Review information and provide comments and direction.

Attachments

1. SITE PLAN dated May 8, 2013

5-8-13 Draft Site Plan Concept



NEW BUSINESS

RESOLUTIONS

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 13-060

A RESOLUTION OF THE HOMER CITY COUNCIL
AWARDING THE CONTRACT FOR PRISONER MEALS AT
THE HOMER JAIL TO THE FIRM OF _____ OF
_____, _____, IN THE AMOUNT OF \$____
BREAKFAST, \$____ LUNCH, AND \$____ DINNER PER
DAY/PER INMATE WITH A DELIVERY FEE OF \$____ PER
TRIP AND AUTHORIZING THE CITY MANAGER TO
EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
advertised in the Homer Tribune on May 22 and 29, 2013 and posted on the Clerk's home page;
and

WHEREAS, Bids were due on June 6, 2013 and _____ bids were received; and

WHEREAS, Bids were opened and the firm of _____ was determined to be the
low responsive bidder and found to be qualified to complete the work; and

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

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska,
approves the contract award for Prisoner Meals at the Homer Jail to the firm of
_____ of _____, _____, in the amount of \$____
breakfast, \$____ lunch, and \$____ dinner per day/per inmate with a delivery fee of \$____
per trip and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

MELISSA JACOBSEN, CMC
ACTING CITY CLERK

Fiscal Note: Continuing monthly expenditures to account 100.164.5206 based on meals
provided.

**CITY OF HOMER
INVITATION TO BID**

MAY 13 2013

Sealed bids will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until Thursday, June 6, 2013 at 2:00 p.m., at which time they will be publicly opened and read in preparation of:

PRISONER MEALS - HOMER JAIL

This project consists of preparing three daily meals (breakfast, lunch, and dinner) for each prisoner. The number of prisoners varies daily from zero to eight. Meals must be available 365 days per year. All meals (except lunch) must be supplied in individual styrofoam or plastic containers, with plastic eating utensils, napkins and appropriate condiments.

All meals will normally be picked up by City personnel. Meal provider shall, however, be prepared to deliver meals on specific request when jail personnel cannot respond. Delivery is expected to be infrequent required and a delivery fee (which fee shall comprise as part of your bid) may be added to any order, which the provider is requested to deliver. (Exception: bidders outside of the limits of the City of Homer will have to deliver all meals to the jail).

All meals must be properly prepared in facilities licensed by the State of Alaska and inspected and approved for food service by the appropriate State Agencies. Evidence of current licensing and inspection must accompany all bids.

Complete bid packets and meal guidelines may be obtained without charge at the:

Office of the City Clerk
491 East Pioneer Avenue
Homer, Alaska 99603
235-3130

Further questions may also be directed to the Homer Police Department, Chief Mark Robl, at 235-3150.

Bids received after the time fixed for opening of the bids will not be considered. The time of receipt will be determined by the City Clerk's time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered. Bidders are required to be on the Plan Holder's List to be considered responsive.

The City reserves the right, when in its best interest, to reject or accept any or all bids and waive any informalities.

Dated this 13th day of May, 2013

City of Homer


Walt Wrede, City Manager

Publish: Homer Tribune: May 22 & 29, 2013

Acct. No. 100.160.5227

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 13-061

A RESOLUTION OF THE HOMER CITY COUNCIL
AWARDING THE CONTRACT FOR CRITTENDEN
DRIVE/WADDELL STREET (WEBBER SUBDIVISION)
ROAD RECONSTRUCTION AND PAVING IMPROVEMENTS
TO THE FIRM OF _____ OF _____,
_____, IN THE AMOUNT OF \$_____ AND
AUTHORIZING THE CITY MANAGER TO EXECUTE THE
APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was advertised in the Homer Tribune on May 8 and 15, 2013, in the Peninsula Clarion on May 12, 2013, sent to two in-state plans rooms, and posted on the Clerk's home page; and

WHEREAS, Bids were due on June 6, 2013 and _____ bids were received; and

WHEREAS, Bids were opened and the firm of _____ was determined to be the low responsive bidder and found to be qualified to complete the work; and

WHEREAS, This award is not final until written notification is received by the firm from the City of Homer; and

WHEREAS, This project includes Crittenden Drive Reconstruction and Paving Local Improvement District approved via Resolution 12-030 on April 9, 2012; and Webber Subdivision Road Reconstruction and Paving Special Assessment District approved via Resolution 13-044(S)(A) on May 13, 2013.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves the contract award for Crittenden Drive/Waddell Street (Webber Subdivision) Road Reconstruction and Paving Improvements to the firm of _____ of _____, _____, in the amount of \$_____ and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

47 ATTEST:

48

49

50

51 _____
MELISSA JACOBSEN, CMC

52 ACTING CITY CLERK

53

54 Fiscal Note: Acct. No. 160-774 – Waddell Street (Webber Subdivision) Estimated Project:
55 \$265,000, HART Share \$203,398.84, Property Owner Share \$61,601.16.

56 Crittenden Drive Estimated Project: \$492,390, HART Share \$431,159.34, Property Owner Share
57 \$61,230.66.

INVITATION TO BID
By the City of Homer, Alaska, for the
Crittenden Drive/Waddell Street Road Improvements

MAY - 1 2013

Sealed bids for the construction of the **Crittenden Drive/Waddell Street Road Improvements** project will be received at the office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 2:00 PM, Thursday, **June 6, 2013**, at which time they will be publicly opened and read. The time of receipt will be determined by the City Clerk's time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered. Bidders are required to be on the plan holder's list to be considered responsive. To be on the Bidder's List (and to obtain bid documents) contact: City Clerk, 491 E. Pioneer Avenue, Homer, Alaska 99603, (907) 235-3130.

The project is funded with City of Homer Accelerated Roads and Trails (HART) monies. The City's local bidders 5% preference requirements does apply; state prevailing wage rates will apply. The work includes, but is not limited to, the following:

Road excavation (5000 CY), classified road backfill (9000 CY), asphalt paving (600 tons), storm drain (750 LF), traffic markings, seeding/topsoil, signs, ditch grading, and other miscellaneous work required to improve 700 LF of Crittenden Drive and 1100 LF of Waddell Street.

Please direct all technical questions regarding this project to: Jan Jonker, City of Homer, Public Works Department, 3575 Heath Street, Homer, Alaska, 99603, (907) 235-3170

A pre-bid conference will be held on Thursday, ^{23,} ~~May 22,~~ **2013** at 2:00 PM at the City Council Chambers, City Hall, 491 Pioneer Ave., Homer, AK to answer any questions bidders may have.

Plans and specifications may be downloaded at no charge or hard copies can be obtained at the office of the City Clerk upon payment of \$150 per set (\$180 for overnight delivery). City of Homer Standard Construction Specifications 2011 Edition (containing general contract provisions) may be downloaded from the City's web site. All fees are non-refundable. The City of Homer reserves the right to accept or reject any or all bids, to waive irregularities or informalities in the bids, and to award the contract to the lowest responsive bidder.

DATED this 1st day of May, 2013.

CITY OF HOMER


Walt Wrede, City Manager

Homer Tribune – May 8, May 15, 2013
Peninsula Clarion – May 12, 2013

Fiscal Note: 160-774

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 13-044(S)(A)

A RESOLUTION OF THE HOMER CITY COUNCIL
AUTHORIZING THE FORMATION OF THE WEBBER
SUBDIVISION ROAD RECONSTRUCTION AND PAVING
SPECIAL ASSESSMENT DISTRICT AND AUTHORIZING
THE CITY MANAGER TO PROCEED WITH THE
PREPARATION AND CONSTRUCTION OF THE PROJECT.

WHEREAS, A petition was initiated by property owners within the Webber Subdivision to form a Road Reconstruction and Paving Special Assessment District; and

WHEREAS, The Webber Subdivision Road Reconstruction and Paving Special Assessment District boundary includes property fronting, predominately, Waddell Street and Waddell Road, located within Webber, Webber No. 7, Bluff Park No. 4 Harmon Porter Addition, and Bluff Park Harmon Porter 1997 Addition Subdivisions; and

WHEREAS, The estimated cost of the road reconstruction and paving improvements is \$265,000, with property owners paying \$30 per front foot for reconstruction and \$17 per front foot for paving; and

WHEREAS, Resolution 13-023(S) was adopted on March 11, 2013 noting the sufficiency of the petition and setting a public hearing date; and

WHEREAS, A public hearing was held on Monday, May 13, 2013 and there were two people testifying on the matter; and

WHEREAS, The objection deadline for written objections was May 10, 2013 and two written objections were received, totaling three parcels.

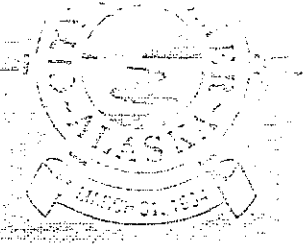
WHEREAS, Council finds that the petition is in proper form and bears sufficient signatures; and

WHEREAS, Council finds that the road improvement is necessary and of benefit to the properties within the Webber Subdivision.

NOW, THEREFORE, BE IT RESOLVED by the Homer City Council that the formation of the Webber Subdivision Road Reconstruction and Paving Special Assessment District is hereby authorized and that the City Manager is hereby authorized to proceed with the preparation and construction of the project.

PASSED AND ADOPTED by the Homer City Council this 13th day of May, 2013.

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CITY OF HOMER

Francie Roberts

FRANCIE ROBERTS, MAYOR PRO TEMPORE

ATTEST:

J. Johnson

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Project No: 160-774: Property owner share of road reconstruction is \$28,800.00 and \$32,801.16 for paving, for a total of \$61,601.16 for property owner share. Total front footage is 1,929.48. All other costs of the project are paid by the Homer Accelerated Roads and Trails Program that is funded by sales tax dollars.

CITY OF HOMER
HOMER, ALASKA

City Clerk

RESOLUTION 12-030

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AUTHORIZING THE FORMATION OF THE CRITTENDEN DRIVE ROAD RECONSTRUCTION AND PAVING IMPROVEMENT ASSESSMENT DISTRICT AND AUTHORIZING THE CITY MANAGER TO PROCEED WITH THE PREPARATION AND CONSTRUCTION OF THE RECONSTRUCTION AND PAVING PROJECT.

WHEREAS, The Crittenden Drive Reconstruction and Paving Improvement District boundary includes Webber Subdivision Lots 2, 3, 8-A1, 9, 10, 10-A, and Tract 1-A; and

WHEREAS, Resolution 11-108 was adopted on November 28, 2011 declaring Council's intent to create Crittenden Drive Road Reconstruction and Paving Improvement District and to set a public hearing date and objection period; and

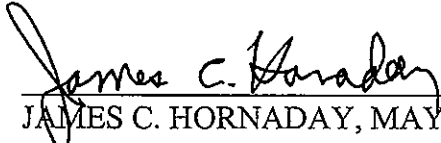
WHEREAS, A Public Hearing was held on Monday, February 13, 2012 and there were no people testifying on this matter; and

WHEREAS, The objection deadline for written protests was March 23, 2012 and no written objections were received.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the formation of the Crittenden Drive Road Reconstruction and Paving Improvement District is hereby authorized and that the City Manager is hereby authorized to proceed with the preparation and construction of said project.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 9th day of April, 2012.

CITY OF HOMER



JAMES C. HORNADAY, MAYOR

ATTEST:



JO JOHNSON, CMC, CITY CLERK

47 Fiscal Note: Project No: 160-774: Property owner share of road reconstruction is \$39,083.40 and
48 \$22,147.26 for paving, for a total of \$61,230.66 for property owner share. Total front footage is
49 1,302.78. All other costs of the project are paid by the Homer Accelerated Roads and Trails
50 Program that is funded by sales tax dollars.
51

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 13-062

A RESOLUTION OF THE HOMER CITY COUNCIL
AWARDING THE CONTRACT FOR THE HOMER SPIT
BOARDWALK REVITALIZATION PROJECT TO THE FIRM
OF _____ OF _____, _____ IN THE
AMOUNT OF \$ _____ AND AUTHORIZING THE
CITY MANAGER TO EXECUTE THE APPROPRIATE
DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was advertised in the Homer Tribune on May 15 and 22, 2013, in the Peninsula Clarion on May 19, 2013, sent to two in-state plans rooms, and posted on the Clerk's home page; and

WHEREAS, Bids were due on June 6, 2013 and _____ bids were received; and

WHEREAS, Bids were opened and the firm of _____ was determined to be the low responsive bidder and found to be qualified to complete the work; and

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

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves the contract award for the Homer Spit Boardwalk Revitalization Project to the firm of _____ of _____, _____, in the amount of \$ _____ and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2013.

CITY OF HOMER

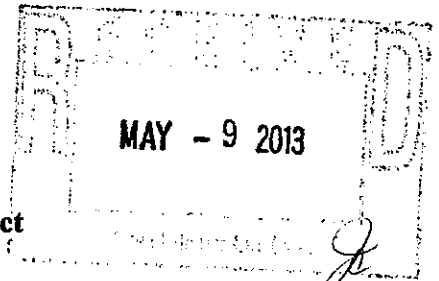
MARY E. WYTHER, MAYOR

ATTEST:

MELISSA JACOBSEN, CMC
ACTING CITY CLERK

Fiscal Note: Homer Spit Trail Project, Acct. No. 151-792.

INVITATION TO BID
By the City of Homer, Alaska, for the
Homer Spit Trail Boardwalk Revitalization Project



Sealed bids for the construction of the **Homer Spit Trail Boardwalk Revitalization Project** will be received at the office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 3:00 PM, Thursday, **June 6, 2013**, at which time they will be publicly opened and read. The time of receipt will be determined by the City Clerk's time stamp. Bids received after the time fixed for the receipt of the bids shall not be considered. Bidders are required to be on the plan holder's list to be considered responsive. To be on the Bidder's List (and to obtain bid documents) contact: City Clerk, 491 E. Pioneer Avenue, Homer, Alaska 99603, (907) 235-3130.

The project is funded with State of Alaska Cruise Ship Head Tax monies. The City's local bidders 5% preference requirements do not apply; state prevailing wage rates will apply. The work includes, but is not limited to, the following:

Remove 700 LF of 7' wide and construct 700 LF of 9' wide boardwalk and railing on the south side of the Homer Small Boat Harbor between ramps 1 and 3. This project will consist of architectural and structural improvements.

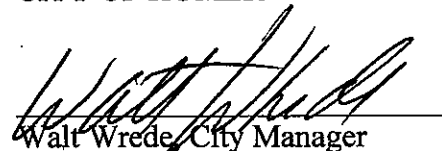
Please direct all technical questions regarding this project to: Dan Nelsen, City of Homer, Public Works Department, 3575 Heath Street, Homer, Alaska, 99603, (907) 435-3141

A mandatory pre-bid conference will be held on Wednesday, **May 29, 2013** at 2:00 PM at the Harbor Masters Office, 4350 Homer Spit Road., Homer, AK to answer any questions bidders may have.

Plans and specifications may be downloaded at no charge or hard copies can be obtained at the office of the City Clerk upon payment of \$220 per set (\$250 for overnight delivery). City of Homer Standard Construction Specifications 2011 Edition (containing general contract provisions) may be downloaded from the City's web site. All fees are non-refundable. The City of Homer reserves the right to accept or reject any or all bids, to waive irregularities or informalities in the bids, and to award the contract to the lowest responsive bidder.

DATED this 8th day of May, 2013.

CITY OF HOMER


Walt Wrede, City Manager

Homer Tribune – May 15 - May 22, 2013
Peninsula Clarion – May 19, 2013

Fiscal Note: 151-792

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

3 City Council

4 **RESOLUTION 13-063**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
7 ALASKA, DIRECTING THE CITY MANAGER TO BEGIN
8 THE PROCESS OF SUBDIVIDING LOT 2, TRACT 1-A,
9 FISHING HOLE SUBDIVISION.

10
11 WHEREAS, Lot 2, Tract 1-A, Fishing Hole Subdivision is a parcel which is very much
12 in demand by a variety of competing interest groups and current uses include a mix of recreation,
13 dredged material storage, the theatre, camping, and marine industrial activities; and

14
15 WHEREAS, A conceptual land use plan was presented to the Council by the Planning
16 Department several months ago and a revised concept plan was presented at a Worksession on
17 May 13 which was scheduled to further the discussion of the long term future of the parcel and
18 the on-going planning effort; and

19
20 WHEREAS, The revised concept plan included a new Water Trail launch site, relocating
21 the campground office, relocating and building a new picnic shelter, improving the day use
22 areas, extending trails, reconfiguring the campground and making more efficient use of available
23 space, and dividing and separating recreational uses from marine industrial uses; and

24
25 WHEREAS, The Council considered Memorandum 13-069 from the City Planner which
26 addressed the new concept plan and the background for planning; and

27
28 WHEREAS, The Council had a general discussion about the benefits of dividing this
29 parcel and separating marine industrial uses from recreational uses in order to promote safety and
30 the long term viability of both at this location; and

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32 WHEREAS, This discussion continued at the regular Council meeting on May 28, 2013
33 and the Council requested a resolution that would signal its intent and formally start the
34 subdivision process.

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36 NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes and
37 directs the City Manager to start the process of subdividing Lot 2, Tract 1-A, Fishing Hole
38 Subdivision.

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40 PASSED AND ADOPTED by the Homer City Council this 10th day of June, 2013.

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CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

MELISSA JACOBSEN, CMC
ACTING CITY CLERK

Fiscal Note: Lease revenues to be determined.



City of Homer

Planning & Zoning

491 East Pioneer Avenue
Homer, Alaska 99603-7645

Telephone (907) 235-3106
Fax (907) 235-3118
E-mail Planning@ci.homer.ak.us
Web Site www.cityofhomer-ak.gov

MEMORANDUM 13-069

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
THROUGH: WALT WREDE, CITY MANAGER
FROM: RICK ABOUD, CITY PLANNER
DATE: May 7, 2013
SUBJECT: Fishing Hole Campground Site Plan

Requested Action: Recommend Approval of the draft site plan for the campground, day use parking, and Kachemak Bay Water Trail kayak launch site.

Introduction

On April 24th, there was a workshop held on the Spit to discuss the kayak launch. One of the outcomes of the meeting was the City Administration and the Harbormaster agreed that a better spot for the kayak launch would be further up the Spit, near the Fishing Hole. Grouping all the recreational activities together made more sense in the long run. If a marine industrial use comes in, the original kayak launch may have to be moved. It seemed like a lot of effort when a better, long term solution was to move the launch.

Staff met with representative of the Kachemak Bay Water Trail to discuss the idea. There was agreement that this new location would be acceptable while recognizing some trade off in relation with their first choice. There was also a strong desire to keep this project on schedule. The water trail group would like to have a location locked in so they can pursue funding and construction, with the goal of completion in 2014.

The water trail folks have been fortunate to have the volunteer services of a landscape architect. Jonny Hayes PLA/ASLA/CPSI, of the Anchorage firm Bettisworth North Architects and Planners, volunteered his services and time to facilitate the workshop. Landscape Architects are like a civil engineer, and they are a registered licensed profession, with a stamp. They frequently work on site design; traffic flow, building location, architecture, drainage and landscaping etc. Mr. Hayes has also agreed to work on this new launch location. With the change in location of the kayak launch, the City recognized that the scope of work that Mr. Hayes volunteered to do had changed quite a bit. The Planning Department has some limited funds to pay for these changes to the plan outside the scope of the launch facility. Mr. Hayes is now waiting for direction before creating a comprehensive site plan, that will account for traffic flow and overall use of land between the fishing hole and Pier 1, including a potential wooden boat lease location. Our goal out of all this is not only to have a more permanent home for the kayak launch, but also a better flow for the whole property. This site plan will create a better park area around that portion of the Fishing Hole, plan for long term traffic flow, which will in turn preserve the main campground area for potential marine industrial use.

Another item that has changed is the Public Works Department has requested to move the camp ground office onto the site. The current location across the street is subject to a lot of storm damage. Due to beach erosion, significant damage to the build occurs regularly. It's a very small building, easy to move, and it will be cheaper for the taxpayers in the long run if it wasn't damaged by storms every year.

This draft site plan will be submitted to the Planning, Parks and Recreation and Port and Harbor Advisory Commissions for comments in May, concluding with a resolution from Council in June.

Analysis

The conceptual draft site plan is attached. Planning staff met with Parks maintenance Coordinator Otteson at the campground to come up with ideas and explore options. Right now the whole area is one big parking lot; kind of ugly and a lot of space is wasted. The parks area could be much more functional. The site plan is really reworking the existing space into a more functional, attractive layout.

The plan considers the following element:

- Revise circulation and layout for RV Campground to address potential future Marine industrial and other desired elements, as outlined below,
- Relocating the existing Offices for camp attendant + fee collection,
- Maintain Pier One Theater while improving access/parking as appropriate,
- Adding a designated 'Day Use Area' adjacent to the existing fishing area,
- Adding a multi-use 'Day Use Shelter' at the northeast edge of the fishing area,
- Adding a Kachemak Bay Water Trail Launch Site that includes non-motorized boat launch facilities, appropriate signage, etc.,
- Proposed site and approximate circulation for a 10,000 SF 'Wooden Boat Society Headquarters/Offices' along Homer Spit Road, and
- Connect to, and maintain, existing Day Use, Fish Cleaning Station and Campground Dump Station areas.

If the concept is found acceptable, I plan to seek comments of committees and commissions and present before the council for approval in June. Of course we are still looking for direction in regards to any lease proposal that might be considered as outlined by the City Manager.

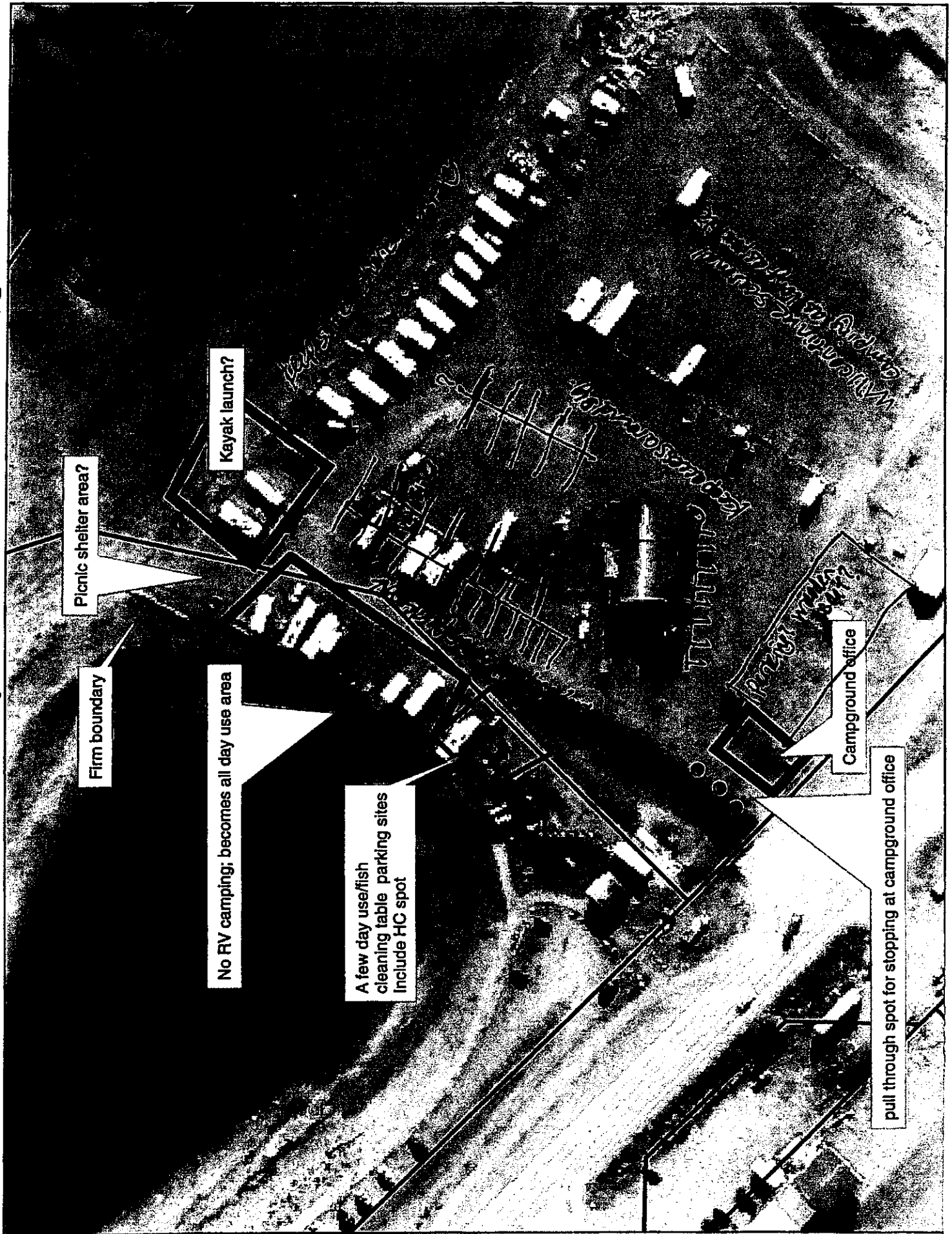
Recommendation:

Review information and provide comments and direction.

Attachments

1. SITE PLAN dated May 8, 2013

5-8-13 Draft Site Plan Concept



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

