

City Council
August 12, 2013
Monday



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

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

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August 2013

Monday 12 th	CITY COUNCIL Worksession 4:00 p.m., Committee of the Whole 5:00 p.m., and Regular Meeting 6:00 p.m.
Thursday 15 th	PARKS AND RECREATION ADVISORY COMMISSION Regular Meeting 5:30 p.m.
Saturday 17 th	CITY COUNCIL Worksession 9:00 a.m. to 5:00 p.m.
Tuesday 20 th	TRANSPORTATION ADVISORY COMMITTEE Regular Meeting 5:30 p.m.
Wednesday 21 st	PLANNING COMMISSION Worksession 5:30 p.m. and Regular Meeting 6:30 p.m.
Monday 26 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
AUGUST 12, 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. **2014-2019 CAPITAL IMPROVEMENT PLAN & FY 2015 LEGISLATIVE REQUESTS**

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Memorandums 13-114 and 13-115 from Community and Economic Development Coordinator as backup.

Page 7 & 9
4. **COMMENTS OF THE AUDIENCE**
5. **ADJOURNMENT NO LATER THAN 4:50 P.M.**

Next Regular Meeting is Monday, August 26, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Saturday, August 17, 2013 from 9:00 a.m. to 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



City of Homer

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Administration

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Homer, Alaska 99603

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Memorandum 13-114

TO: Mayor Wythe and Homer City Council
THROUGH: Walt Wrede, City Manager
FROM: Katie Koester, Community and Economic Development Coordinator
DATE: August 6, 2013
SUBJECT: Capital Improvement Plan Re-vamp

The purpose of this memo is to set some ground work for proposed changes to the 2013 Capital Improvement Plan (CIP). Mayor Wythe has initiated a 'revamp' to the process to make it more reflective of long term planning. Some proposed changes to the CIP are:

- Limiting the Legislative Request to 5 projects** (versus the 15 it has been in recent years).
- Limiting the Legislative Request to City of Homer projects.** There is a place on the CIP for projects submitted by other organizations that fulfills the public process requirement for projects set by the Legislature. Resolutions of support are also an effective way to show City of Homer support for a project.
- Incorporating projects that are included in the various City of Homer plans into the CIP.** A good example of this is Karen Hornaday Park Improvements; they are part of the Karen Hornaday Park Master Plan.
- Consider downstream maintenance and operation expenses.** An example would be considering the cost to maintain and clean an additional restroom when it makes it to the Legislative Request (or 'short list').
- Make the CIP a mid to long range planning document** by prioritizing projects that the City of Homer is committed to regardless of other/state support.

There is no council member ranking sheet in the packet. Instead of filling out the ranking sheet and turning it in for compilation at the next meeting, Council will participate in a day long work session on Saturday, August 17 to re-vamp the CIP process and the criteria Council uses for prioritizing and selecting projects. At that meeting Council will be presented with additional projects pulled from City plans. The goal is to come away from the August 17th work session with a Legislative Request, recommendations for new projects to be added to the CIP, and recommendations for projects to be deleted. The new draft CIP and proposed Legislative Request will come before Council for a Public Hearing on August 26. Please keep this goal in mind as you carefully review the 2013 Draft CIP between now and August 17.



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Memorandum 13-115

TO: Mayor Wythe and Homer City Council
THROUGH: Walt Wrede, City Manager
FROM: Katie Koester, Community and Economic Development Coordinator
DATE: August 6, 2013
SUBJECT: 2014-2019 CIP; FY 2015 Legislative Request

The City of Homer Capital Improvement Plan for 2014-2019 is ready in draft form for your review. A few notes:

- Seven new projects have been proposed for inclusion in the CIP. These projects will not be included in the CIP without first being approved by Council.
 - Two new City of Homer projects have been proposed:
 - **South Peninsula Fire Arms Training Facility** – Homer Police Department. This project was added to the CIP in 2000 and became a long range project in 2009. A fire arms facility is included in the project description for a new Public Safety Building (current CIP project).
 - **IT Server Virtualization and WMAN Improvements** – Homer IT Department.
 - Five new projects have been requested by non-city organizations:
 - **Site Evaluation & Planning for Hillside Reinforcement** – South Peninsula Hospital
 - **Natural Gas Conversion** – Homer Senior Citizens
 - **Homer High School Turf Field** – Submitted field advocacy group, KPB project
 - **Ohlson Mountain Rope Tow Safety Equipment Upgrade** – Kachemak Ski Club
 - **Kachemak Shellfish Hatchery** – Kachemak Shellfish Growers Association
- Five projects that were in the 2011-2016 CIP have been deleted from this draft:

PROJECT:	REASON:
Harbor Improvement Revenue Bond Projects	Funded 50% from the state Harbor Grant Program and 50% bond.
Port and Harbor Building	Funded through a re-appropriation of Main Street Intersection funds.
Skyline Fire Station	Funded through a re-appropriation of Main Street Intersection funds.
Harbor Entrance Erosion Control	Funded through Cruise Ship Vessel Passenger Tax

	funds.
System 2 Potable Water Upgrade	Funded as Port of Harbor Improvement Revenue Bond Projects.

- Many project descriptions have been updated throughout the CIP with new information regarding estimated cost, scope, progress to date, etc. Look for the red box in the lower corner of the page indicating the update applied.
- Recommendations from City Boards and Commissions (in priority order). Boards and Commissions were notified that the City Council may be shortening their legislative request list and that they may want to consider doing the same for their recommendations to Council.
 - Planning Commission:
 1. Water Storage/ Distribution Improvements
 2. Homer Intersection Improvements
 3. Barge Mooring Facility
 4. Main Street Reconstruction/Intersection
 5. Karen Hornaday Park Improvements, Phase 2
 - Parks and Recreation Commission:
 1. Karen Hornaday Park Improvements, Phase 2
 2. Mariner Park Restroom
 3. Jack Gist Park Improvements, Phase 2
 - Library Advisory Board:
 1. Firefighting Enhancement – Aerial Truck
 2. Water Storage/ Distribution Improvements
 3. Homer Education and Recreation Center
 4. Pratt Museum New Facility and Site Redesign
 - Economic Development Commission:
 1. Marine Ways Large Vessel Haulout Facility
 2. Deep Water/Cruise Ship Dock Expansion
 3. Kachemak Drive Rehabilitation/ Pathway
 4. Main Street Reconstruction/ Intersection
 5. Firefighting Enhancement – Aerial Truck
 - Port and Harbor Commission:
 1. Deep Water Dock/ Cruise Ship Dock Expansion
 2. East Boat Harbor
 3. Harbor Sheet Pile Loading Dock
 4. HH Float Improvements
 5. System 4 Vessel Mooring Float System
 - The Transportation Advisory Committee was not able to meet during the CIP review time frame.

Assigning points to each ranking by the 5 commissions gives an aggregate top 5. For commissions who chose less than 5 projects, their remaining unused points were distributed equally among the projects they chose. This did not affect which projects were chosen for the top 5, it did however distinguishing between ties:

○ **The aggregate top 5 ranking for CIP projects are as follows:**

1. Water Storage/ Distribution Improvements – 9.25
2. Deep Water Dock/ Cruise Ship Dock Expansion - 9
3. Karen Hornaday Park Improvements, Phase 2 – 6.67
4. Firefighting Enhancement – Aerial Truck – 6.25
5. Marine Ways Large Vessel Haulout Facility – 5

- Assigning priority terms: Each City of Homer project is labeled as either Level 1 Priority (highest), Level 2 Priority, or Level 3 Priority. (State transportation projects and projects submitted by non-profits have not been given priority labels).

In the end, the Council, in consultation with the City Manager, must weigh all the factors to determine the priority level for each project.

Factors to take into account when prioritizing projects:

Will the project correct a problem that poses a clear danger to human health and safety?

Will the project significantly enhance City revenues or prevent significant financial loss?

Is the project widely supported within the community?

Has the project already been partially funded?

Is it likely that the project will be funded only if it is identified as being of highest priority?

Has the project been in the CIP for a long time?

Is the project specifically recommended in other City of Homer long-range plans?

Is the project strongly supported by one or more City advisory bodies?

- Remaining Steps in 2014-2019 Capital Improvement Planning Process:

1)The Council will hold an all-day worksession on August 17 to discuss re-vamping the CIP process.

(come to the worksession with ideas on what projects you want to select for the Legislative Request, include in the CIP, and delete from the CIP).

2)The public hearing for the CIP is scheduled for the August 26 City Council meeting.

3)Adoption of the CIP and the FY 2013 Legislative Request is scheduled for the September 9 Council meeting.

EVERYTHING YOU ALWAYS WANTED TO KNOW ABOUT THE CITY OF HOMER CAPITAL IMPROVEMENT PLAN

by Anne Marie Holen, City of Homer Special Projects Coordinator

Q: What is a CIP?

A: CIP stands for Capital Improvement Plan. It is a multi-year document that lays out community priorities for capital projects, including (for each one) a project description, rationale for why it's needed (benefits to the community), description of progress to date (money raised, plans drawn up, etc.), and estimated total cost. For City of Homer projects, additional information is provided on the timeline for completion.

NOTE: A Capital Improvement Plan is not a funding request. From the City's standpoint, it is a plan. From the standpoint of a non-profit organization, it is a mechanism to raise awareness of a needed project and increase chances of funding from various sources. Nominating a project for inclusion in the CIP should not be thought of as a request for City funding.

Q: What is a capital project?

A: A capital project is a major, non-recurring budget item that results in a fixed asset (like a building, road, parcel of land, or major piece of equipment) with a useful life of at least two years. Designing and building a new library is a capital project. Planning and implementing an after-school reading program is not a capital project. Most of the projects in the City of Homer CIP are City projects, but some are community projects spearheaded by a non-profit organization (e.g., Pratt Museum) or state or federal agency (e.g., Alaska DOT or Kachemak Bay Research Reserve). City of Homer CIP projects must have an estimated cost of at least \$50,000. Those from non-profit organizations must have an estimated cost of at least \$25,000.

Q: Newspaper articles often refer to the CIP as a "wish list." Is that accurate? If so, what's the point of writing up a "wish list"?

A: That's not entirely accurate. In 2007, the Homer City Council undertook an overhaul of the CIP to eliminate projects that were unlikely to be undertaken in the next six years. This makes the CIP less of a "wish list" and more of an actual plan, at least for City projects.

There are several reasons to maintain a CIP, even when it seems like little progress is being made in accomplishing projects: 1) It helps focus attention on community needs. 2) It helps groups raise money for projects if the sponsor can say that the project has been identified as a community priority in the CIP. 3) Typically a project must be included in the CIP to be eligible for a state legislative appropriation.

Q: What is the process for developing the Capital Improvement Plan?

A: CIP development is a multi-step process that starts around June 1 of each year and ends in November.

Step 1 is to develop the schedule. The schedule must be approved by the City Council.

Step 2 is to publicize the CIP process and invite project nominations from community organizations.

Step 3 is to send a copy of the current CIP to all the City department heads and the City Manager and ask for recommendations for new projects, projects that should be deleted, or changes to existing projects.

Step 4 is to make sure that all the City advisory bodies have a chance to weigh in. They are encouraged to name their “top 5” projects, and that information is passed on to the City Council. They can also suggest new projects, changes to existing projects, or any other recommendations related to the CIP.

During this time, I will start working on a new draft CIP, to be constantly updated throughout the process. NOTE: The document is a DRAFT until it is approved by the City Council. Proposed new projects are kept separate until they are approved by Council.

The City Council typically holds a work session to discuss the CIP and also a public hearing at a regular City Council meeting. Members of the public are encouraged to attend and testify. The City Council will view the CIP as a whole and will also work to identify legislative priorities (a subset of the CIP) for special attention during the coming year.

Step 5 is to finalize the CIP as per City Council approval, and make 30 bound copies. These should be ready to distribute before the end of November. The CIP is also put on the City website.

Q: Are the “legislative priorities” the same as the CIP?

A: No, they are a subset of the CIP. The full CIP might contain 50 projects. All of them have been approved by the City Council and can be considered community priorities. However, the City Council also develops a “short list” of projects on which the City will focus particular attention during the upcoming legislative session. (The goal is to get at least partial funding for a project included in the state capital budget.) The “short list” and the “legislative priorities list” are the same thing.

The state budget process begins with a proposed budget submitted by the Governor in December. The legislature takes the Governor’s budget and works it over starting in mid-January. The House and Senate must both agree on a budget before it is finally passed in mid-April. (NOTE: The “operating budget” is different than the “capital budget.”)

The City’s “short list” may have 10-15 projects on it. An attempt is made to include some less expensive projects along with big expensive ones. Most if not all of the projects on the short list will be City of Homer projects (e.g., for roads, harbor improvements, water and sewer upgrades, etc.) Project descriptions are put in special “packets” tailored specifically to legislators and state commissioners. Typically, the Mayor and one or two City Council members will make one or more trips to Juneau to advocate for funding for these projects. Other groups (e.g., hospital, college, non-profit representatives) also lobby for their favorite CIP projects.

Q: Does the City seek federal funding for CIP projects also?

A: Yes. All three members of the Alaska congressional delegation require local governments and other groups to submit funding requests in February of each year. Typically the City of Homer will select 3-6 projects for which we seek federal funding. In recent years, the City has received partial funding for Deep

Water Dock expansion and for the proposed East Boat Harbor. With the moratorium on federal “earmarks” announced in early 2011, chances of receiving federal funding for a project have diminished substantially.

Q: What advice do you have for a community member who wants to see a particular project included in the CIP?

A: • Keep in mind that if a proposal comes from one of the following, it is automatically forwarded to the City Council for consideration: 1) A City department head, 2) a City advisory body, 3) the Mayor or individual City Council member, 4) a non-profit organization or state/federal government agency. If you can sell your idea to one or more of those, and that person or group gives it to me, I will draft a project description to take to the City Council. NOTE: Ask for a Project Nomination Form to use for this purpose.

- Take advantage of opportunities to express support for one or more projects anytime the CIP is on a Council meeting agenda. If you testify earlier in the process, Council members will have more time to consider what you say before making their final decisions. The CIP will be on the Council agenda at least three times: For introduction, public hearing, and final vote. Check with the Clerk’s Office regarding the dates. You can also communicate with City Council members individually.

Further advice: If you are seeking funding for your project through the state legislature, talk to our local state representative (currently Paul Seaton) about that process.

Q: Once a project is approved for inclusion in the CIP, what can I do to make sure it doesn’t just languish there?

A: • Keep your eyes on the prize. If you are with a community group or advisory body, develop a long-range plan and base your CIP request on that plan. Limit your request to one or two items and then keep your attention and energies focused on that goal.

Be realistic in your expectations. Many projects require multiple sources of funding over a period of years. Project success starts with a vision, then a well-developed funding plan, then focused implementation of that plan.

- Finally, I have to say this: If you think the City should be providing more programs, services, facilities, etc. for the people of Homer and providing more support to non-profit organizations, remember that almost all the money at the City’s disposal comes from sales and property tax revenues. Tax collection is nothing more than a tool for pooling our resources to buy the things the community wants and needs. Shopping locally helps maintain a healthy revenue stream from sales taxes.

The City can (and does) apply for grants to fund capital projects, but those funders almost always require the City to cover some of the costs with local funds. There is no free lunch.

Project (From 2013 CIP)	Year Added	Note
Bridge Creek Watershed Land Acquisition	2000	Staff recommends moving to long range projects.
Public Safety Building*	2000	In 2000 the fire arms facility was on the CIP, 2001 a new fire station was added, 2002 a new police station. All became long range projects in 2009 until returning as a joint facility in 2013.
Deep Water/Cruise Ship Dock Expansion, P.2	2000	
Land Acquisition for New Roads	2001	
Karen Hornaday Park Improvements, P.2	2001	From 2001-2007 the project was just ball fields. In 2013 the project transitioned to Phase 2 as many improvements have recently been funded for the park.
Heath Street - Pioneer to Anderson	2002	In 2005 this project changed from 'Pioneer to Fairview' to 'Pioneer to Anderson.'
East Boat Harbor	2004	
Town Center Infrastructure	2005	
Ben Walters Park Improvements, P.2	2006	Became 'Phase 2' in 2009.
Alternative Water Source	2006	From 2006-2008 the project included Water Treatment Plan Upgrade.
Jack Gist Improvements, P.2	2006	Recent improvements to the park changed the project in 2013 to 'Phase 2.'
Mariner Park Restroom	2003	From 2003 - 2006 the project was listed with Public Restrooms- Homer spit.
Firefighting Enhancement - Aerial Truck	2007	
Fire Engine 4 and Tanker 2 Refurbishment*	2008	In 2012, Tanker 2 was added to the project.
Brush/Wildland Firefighting Truck*	2009	
Water Storage/ Distribution Improvements*	2009	
Horizon Loop Trail, P.1 Conceptual/Feasibility	2011	Staff recommends moving to long range projects.
Homer Spit Dredged Material Beneficial Use	2011	
Barge Mooring Facility*	2012	
Marine Ways Large Vessel Haulout Facility*	2012	
Harbor Sheet Pile Loading Dock	2012	
HH Float Improvements	2012	
Ice Plant Upgrade	2012	
Truck Loading Upgrades at Fish Dock	2012	
Homer Education and Recreation Center*	2013	2000-2003 "Homer Community Recreation Facility" on the CIP referred to Ice Rink.
Baycrest Overlook Gateway Park*	2013	
Fire Cart Replacement	2013	In 2012 P&H did a needs review, adding a number of P&H projects to the 2013 CIP.
System 4 Vessel Mooring Float System	2013	
Ramp 5 Restroom	2003	Part of Public Restrooms on Spit until became own project in 2013.
Ramp 8 Restroom	2013	
Public Market Design and Financing Plan	2013	Staff recommendation is to remove this from CIP because of lack of public support.

Project (From 2013 CIP)	Year Added	Note
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Funded in 2013

Harbor Entrance Erosion Control	2000	
Port and Harbor Building	2001	
Skyline Fire Station	2003	
Harbor Improvement Revenue Bond Projects	2006	From 2006-2008 this project only included float replacement.
System 2 Potable Water Upgrade	2013	

State Projects

Pioneer Avenue Upgrade	2001	From 2001 - 2004 the request was for 'Pioneer Avenue Repave.'
Kachemak Drive Rehabilitation/Pathway*	2001	From 2001-2003 this project was just "Kachemak Drive Separated Pathway"
Homer Intersection Improvements	2006	
Main Street Reconstruction/Intersection Imp.	2006	
Sterling Highway Realignment <P 150-157	2007	
Alaska Maritime Academy	2010	This project is evolving to a vocational center (KPC).
Sterling Highway Reconstruction- AP to Baycrest	2010	
Alaska Maritime Academy	2011	
Ocean Drive Reconstruct w/ Turning Lane	2012	

Current Long Range Projects^

Fairview- Main St. to E. End Rd.	2000	In 2000 Design & Construction was on CIP. In 2002 project became Main to E. End.
East Trunk/Belgua Lake Trail System	2000	In 2000 Beluga Lake Walking & Bike Trail was on the CIP. In 2003 E. Trunk Trail was added.
Homer Greenhouse	2000	
Spit Water Line Replacement, P.4	2000	
W. Hill Water Transmission Main & Storage Tank	2002	From 2002-2004 the project was to E. and W. Hill. In 2007 the storage tank was added.
Public Restrooms, Homer Spit	2003	A restroom at the base of Kachemak Drive (Spit Trail) was added in 2007.
Homer Coastal Trail	2004	
Beach Access from Crittenden and Main	2007	
Homer Conference Center	2007	
Public Works Complex	2007	From 2000 - 2007 the project "public works equipment shed" was on the CIP
Fairview- Main St. To W. Hill Rd.	2008	

*On the 2013 Legislative Request

^The category 'Long Range Projects' did not exist until the 2009 CIP. All projects prior to 2009 were on the main CIP list.

City of Homer Capital Improvement Plan 2014-2019



This aerial shot of the Homer Harbor shows a Port town hard at work with the Alaska State Ferry Vessel *Tustumena* in port, the jack-up rig *Endeavor* at the Deep Water Dock and boats coming and going through the mouth of the harbor.

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City of Homer

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February 14, 2013

To The Honorable Mayor and Homer City Council:

This document presents the City of Homer 2013 through 2018 Capital Improvement Plan adopted by the Homer City Council on October 15, 2012. The CIP provides information on capital projects identified as priorities for the Homer community. Descriptions of City projects include cost and schedule information and a designation of Priority Level 1 (highest), 2, or 3. Projects to be undertaken by the State of Alaska and other non-City organizations are included in the CIP in separate sections. An overview of the financial assumptions can be found in the Appendix.

This year the CIP has been restructured to help the reader easily find individual projects or types of projects. "Part 1 Top 15 Legislative Request for 2012" represents the top priorities of the City of Homer. "Part 2 Mid-Range Projects" are projects the City would like to see funded in the next five years. "Part 3 Long Range Projects" represent long term capital project planning goals of the City. Long-range projects are listed in the body of the document but should not be considered as true CIP projects.

The projects included in the City of Homer's 2013-2018 CIP were compiled with input from the public, area-wide agencies, and City staff as well as various advisory commissions serving the City of Homer.

It is the City of Homer's intent to update the CIP annually to ensure the long-range capital improvement planning stays current as well as to determine annual legislative priorities and assist with budget development. Your assistance in the effort is much appreciated.

Sincerely,

Walt Wrede
City Manager

Update with new letter from CM.
Include any changes decided on
from CIP 're-vamp'

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Update accordingly



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Update accordingly



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Update accordingly



Funded Projects from 2010-2017 CIP List

The City of Homer is pleased to note that funding to complete the following projects has been identified or procured:

- Harbor Improvement Revenue Bond Projects
- Port and Harbor Building
- Skyline Fire Station
- Harbor Entrance Erosion Control
- System 2 Potable Water Upgrade

DRAFT



Introduction: The Capital Improvement Program

A capital improvement plan (CIP) is a long-term guide for capital project expenditures. The CIP includes a list of capital projects a community envisions for the future, and a plan that integrates timing of expenditures with the City's annual budget. The program identifies ways projects will benefit the community. The CIP also indicates the priorities assigned to different projects and presents a target construction schedule.

A carefully prepared capital improvement plan has many uses. It can assist a community to:

- Anticipate community needs in advance, before needs become critical.
- Rank capital improvements needs so the most important projects are given consideration for funding before projects not as urgently needed.
- Plan for maintenance and operations costs so expenses are budgeted in advance and projects communities cannot afford to operate are avoided.
- Provide a written description and justification for projects submitted for state funding so the legislature, governor, and appropriate agencies have the information necessary to make decisions about funding capital projects.
- Provide the basis for capital projects as part of the annual budget.

A capital improvement project is one that warrants special attention in the municipal budget. Normally, public funds are not expended if the project is not listed in the CIP. A capital expenditure should be a major, nonrecurring budget item that results in a fixed asset with an anticipated life of at least two years. Projects eligible for inclusion in the City of Homer CIP have a lower cost limit of \$50,000 for City projects and \$25,000 for those proposed by non-profit organizations. Projects proposed by non-profit organizations and other non-City groups may be included in the CIP with City Council approval, but such inclusion does not indicate that the City intends to provide funding for the project.

The municipality's capital improvement plan is prepared in accordance with a planning schedule, usually adopted by City Council at the onset of the CIP process. A copy of the City of Homer CIP schedule appears in the appendix of this document.

The number of years over which capital projects are scheduled is called the capital programming period. The City of Homer's capital programming period coincides with the State's, which is a six year period. The CIP is updated annually, since only some of the projects are funded and completed each year.

A capital improvement plan is not complete without public input. The public should be involved throughout the CIP process, including the nomination and adoption stages of the process. The City of Homer solicits input from City advisory bodies, advertises for public input during the CIP public hearing, and invites the public to participate throughout the entire process.

The City's capital improvement program integrates the City's annual budget with planning for larger projects that meet community goals. The CIP program involves in which the City Council, with technical support from the administration, and ideas and suggestions from the public, compiles a viable way to implement goals for the community.

Determining project priorities: City of Homer CIP projects are assigned a priority level of 1, 2, or 3, with 1 being the highest priority. To determine priority, the Council considers such questions as:

- Will the project correct a problem that poses a clear danger to human health and safety?
- Will the project significantly enhance City revenues or prevent significant financial loss?
- Is the project widely supported within the community?
- Has the project already been partially funded?
- Is it likely that the project will be funded only if it is identified as being of highest priority?
- Has the project been in the CIP for a long time?
- Is the project specifically recommended in other City of Homer long-range plans?
- Is the project strongly supported by one or more City advisory bodies?

Once the overall CIP list is finalized, the City Council names a subset of projects that will be the focus of efforts to obtain state and/or federal funding in the coming year. The overall CIP and the legislative priority list are approved by resolution.

Integration of the CIP with Comprehensive Plan Goals

Each project listed in the CIP document has been evaluated for consistency with the City's goals as outlined in the Comprehensive Plan. The following goals were taken into account in project evaluation:

Land Use: Guide the amount and location of Homer's growth to increase the supply and diversity of housing, protect important environmental resources and community character, reduce sprawl by encouraging infill, make efficient use of infrastructure, support a healthy local economy, and help reduce global impacts including limiting greenhouse gas emissions.

Transportation: Address future transportation needs while considering land use, economics, and aesthetics, and increase community connectivity for vehicles, pedestrians, and cyclists.

Public Service & Facilities: Provide public services and facilities that meet current needs while planning for the future. Develop strategies to work with community partners that provide beneficial community services outside of the scope of City government.

Parks, Recreation & Culture: Encourage a wide range of health-promoting recreation services and facilities, provide ready access to open space, parks, and recreation, and take pride in supporting the arts.

Economic Vitality: Promote strength and continued growth of Homer's economic industries including marine trades, commercial fishing, tourism, education, arts, and culture. Preserve quality of life while supporting the creation of more year-round living wage jobs.

Energy: Promote energy conservation, wise use of environmental resources, and development of renewable energy through the actions of local government as well as the private sector.

Homer Spit: Manage the land and other resources of the Spit to accommodate its natural processes, while allowing fishing, tourism, other marine-related development, and open space/recreational uses.

Town Center: Create a community focal point to provide for business development, instill a greater sense of pride in the downtown area, enhance mobility for all forms of transportation, and contribute to a higher quality of life.

DRAFT

City of Homer State Legislative Request FY 2014 Capital Budget



Ramp 3 gets dangerously steep at low tide, as this picture of visitors inching their way cautiously down the ramp depicts. The City of Homer's number one priority this year is to fund the State of Alaska Harbor Facility Grant Program, which includes funding for replacing Ramp 3 with an ADA compliant Ramp.

City of Homer
491 E. Pioneer Avenue
Homer, Alaska 99603
907-235-8121

Update with new graphic



Legislative Request FY2014

**City of Homer FY 2014 State Legislative Priorities list
approved by the Homer City Council
via Resolution 13-018**

- 1. Harbor Improvement Revenue Bond Project - \$4,206,000**
- 2. Port and Harbor Building - \$2,689,641**
- 3. Skyline Fire Station - \$410,400**
- 4. Pratt Museum New Facility and Site Redesign -\$2,800,000**
- 5. Homer Education and Recreation Center - \$9,000,000**
- 6. Harbor Entrance Erosion Control - \$2,512,800**
- 7. Fire Engine 4 and Tanker 2 Refurbishment - \$315,000**
- 8. Public Safety Building - \$13,050,000**
- 9. Barge Mooring Facility - \$360,000**
- 10. Kachemak Drive Rehabilitation/Pathway - \$20,000,000**
- 11. Brush/Wildland Firefighting Truck - \$108,000**
- 12. Marine Ways Large Vessel Haulout Facility - \$2,700,000**
- 13. Baycrest Overlook Gateway Project - \$230,400**
- 14. Water Storage/Distribution Improvements - \$3,510,000**

DRAFT

**Replace with new Legislative
Request from Sept. 2013 Resolu-
tion.**



1. Harbor Improvement Revenue Bond Projects

Project Description & Benefit: This project will accomplish three significant harbor improvement projects (in order of importance):

- **Ramp 3 Gangway and Approach:** will replace the existing Ramp 3 which dates back to the mid-1960s. This ramp is the steepest ramp in the harbor and difficult to use during very low tides. At 100 feet long, the new ramp will be less steep and therefore ADA compliant. It will be constructed of aluminum and covered by an awning to keep it snow and ice-free for year-round access. The existing Ramp 3 approach, a long narrow wooden structure in poor condition, will also be replaced. Cost: \$795,000.
- **Upgrade System 5 – Vessel Shore Power and Water:** will provide System 5, the large vessel float system in the Homer Harbor, with additional power pedestals and a year-round fresh water supply to meet the needs of the large vessel fleet and attract new vessels to be home-ported in Homer. Cost: \$971,000.
- **Harbor Float Replacement:** will replace some of the oldest and most badly damaged floats in the harbor. These floats are plagued by worn and irregular walking surfaces, bull rails in need of replacement, ice damage to pilings, and broken sidewalls with exposed flotation. A total of 1,706 linear feet will be replaced: A Float, connecting E-J; J Float, R Float, and S Float. Cost: \$6,783,000.

Plans & Progress: The City's application to the State of Alaska Harbor Facility Grant Program for FY2014 is ranked number one. Funding for the first two Harbor Facility Grant projects (Homer and Ketchikan) is in the FY2014 Capital Budget. Municipalities have to come up with 50% of the construction funds and 100% of the design funds for Harbor Facility Grant projects. A \$440,000 grant from the Denali Commission combined with \$277,000 in City funds is paying for the design and engineering of the three projects. Design and engineering contracts have been issued and this phase will be complete in April of 2013 to be ready for the 2013 construction season. Half of the construction funds will be secured through a Revenue Bond. Harbor rates were increased in 2012 to make future bond payments.

Total Project Cost: \$9,129,000

2012 (Design): \$717,000 (Denali Commission and City of Homer)

2013 - 2014 (Construction): \$8,412,000 (50% Harbor Facility Grant and 50% City of Homer Revenue Bonds)

State FY2014 State Request: \$4,206,000 through the State of Alaska Harbor Facility Grant Program

(54% Local Match: \$4,923,000)



Hole in damaged piling that needs replacing



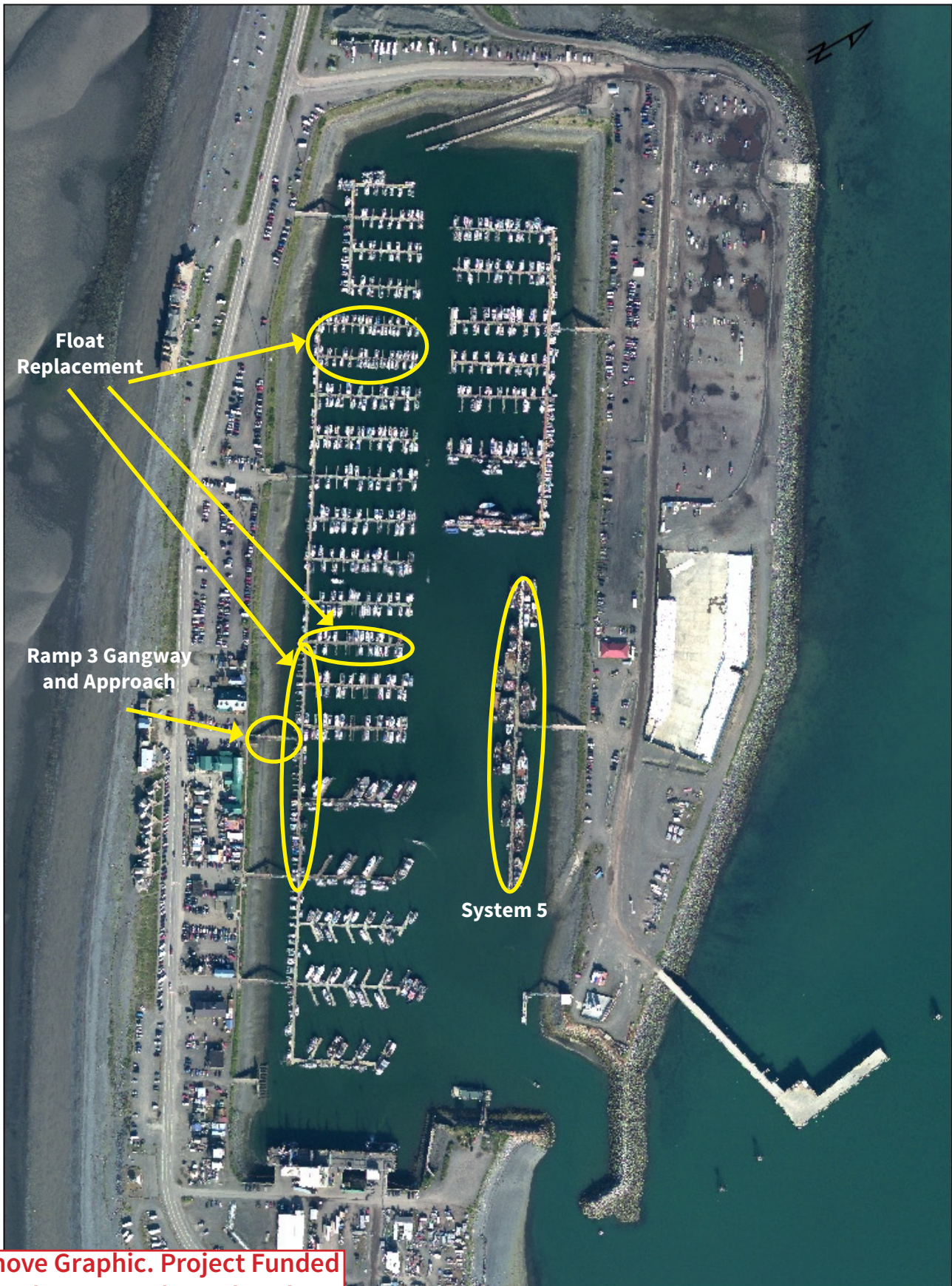
Exposed flotation on a damaged float.

See following page for project

Remove. Funded through state grant and COH bonds. On CIP since 2006.

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Remove Graphic. Project Funded through grant and COH bonds.



2. Port & Harbor Building

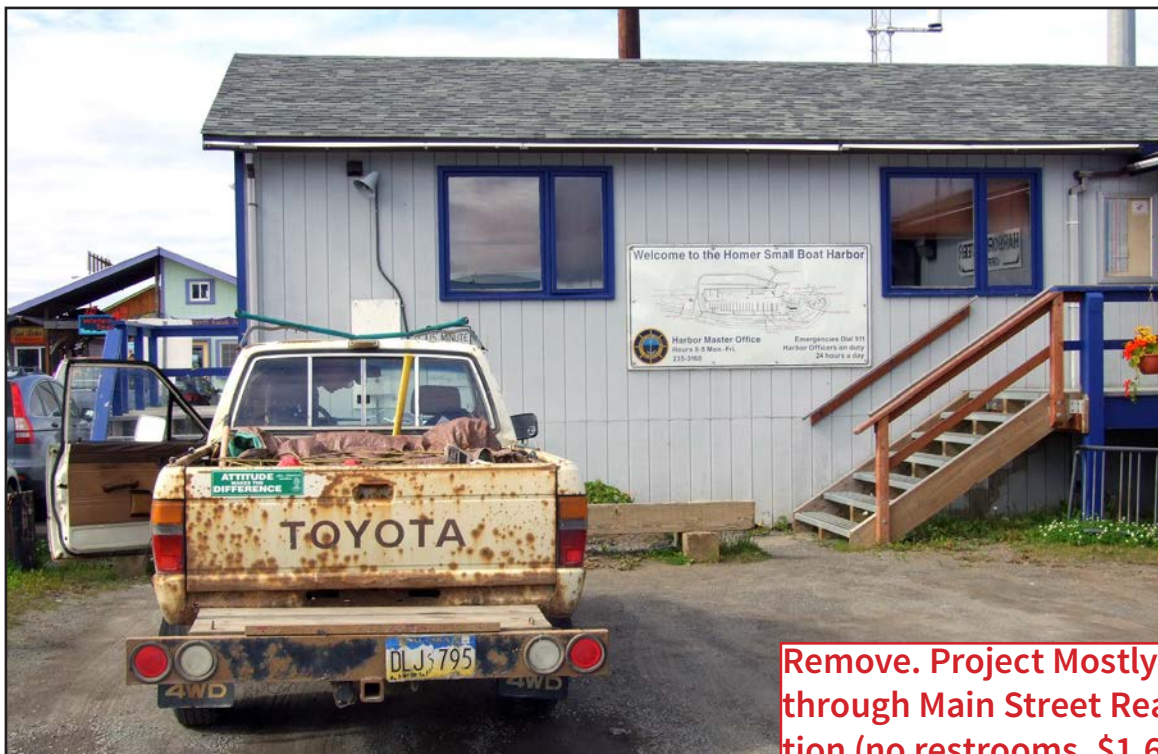
Project Description & Benefit: This project will replace the existing Port and Harbor building (Harbormaster's Office) constructed in 1983. The building is substandard with electrical, lighting, and heating deficiencies, and does not meet codes for occupancy as an office building. The structure is three buildings that have been cobbled together over the years, including an old restroom turned office space. The building is difficult to heat. Thin walls and a substandard building envelope let the howling winter winds seep through. The wiring is old and a safety hazard; the building has caught fire twice.

A new Port and Harbor building will give Harbor employees a safe place to work and allow adequate space for offices and meetings with the public. A second story observatory will facilitate observation of the harbor allowing officers to better identify issues in the harbor. The new building will meet current building code and be energy efficient, saving the City on utility costs. The new Port and Harbor building can include public restrooms. This would allow the City to tear down the old inefficient restrooms adjacent to the current structure that require constant maintenance.

Plans & Progress: A new port and harbor building has been on the City of Homer Capital Improvement Plan for many years. Nelson Engineering was hired by the City to perform an office alternatives analysis and come up with a preliminary design and cost estimate. The analysis shows new construction as the most cost effective alternative. However, retrofitting an existing structure may still be an option if the purchase price allows sufficient renovation funds in the project budget.

Total Project Cost: \$2,988,490
2013 (Design): \$298,849
2014-2015 (Construction): \$2,689,641

FY2014 State Request: \$2,689,641
(10% City of Homer Match: \$298,849)



Remove. Project Mostly funded through Main Street Reappropriation (no restrooms. \$1.6m figure used). On CIP since 2001.



3. Skyline Fire Station

Project Description & Benefit: This project, which is included in the Transition Plan for annexation, will build a satellite substation on Skyline Drive to provide fire protection to the area of Homer annexed in 2002. The substation will provide warm storage for structure and wildfire response equipment (engine/tanker, ambulance, and brush truck) in order to deliver quicker response to City residents on top of the bluff above Homer along East Skyline Drive.

The Skyline Fire Station will improve the City's ISO rating, lower insurance rates for property owners on the bluff, improve response times, and provide storage for equipment the Homer Volunteer Fire Department (HVFD) currently cannot operate in the winter because of lack of warm storage. A Fire Station on Skyline Drive has been a priority of the City of Homer and residents since annexation and will enhance HVFD's ability to respond year-round to fire incidents. An additional benefit of the station will be to assist Kachemak Emergency Service Area, who has jurisdiction of the surrounding area, in responding to emergencies.

Plans & Progress: The facility is intended to be a low budget solution. Plans call for utilizing an existing foundation/concrete slab at the water treatment plant site, and installing an insulated pre-engineered metal building with minimal office space/maximum equipment storage bay area. The facility consists of a 2000 sq. ft. (50' x 40') building with three equipment bays. Electric, telephone, and water and sewer are already available at the site. Gravel access currently exists to the proposed site.

Total Project Cost: \$456,000

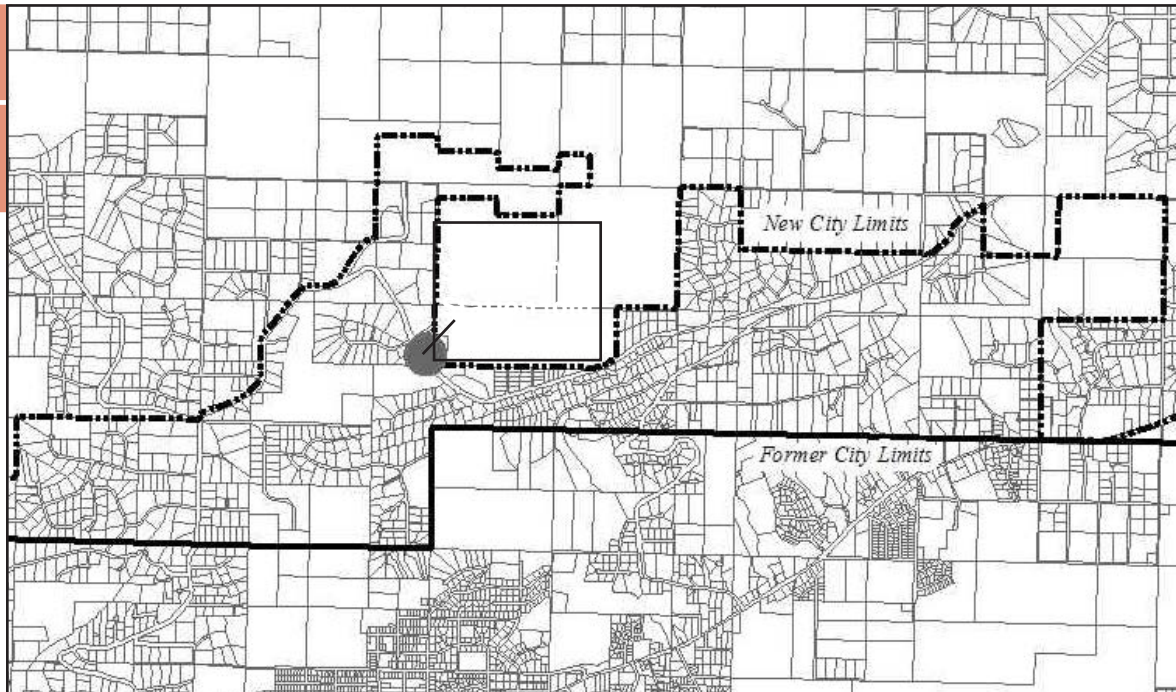
2013 (Engineering and Design): \$45,600

2014 (Construction): \$387,600

2015 (Inspection): \$22,800

FY2014 State Request: \$410,400

(10% City of Homer Match: \$45,600)



Remove. Funded through Main Street Reappropriation. On CIP since 2003.



Pratt Museum New Facility and Site Redesign

Project Description & Benefit: The national award-winning Pratt Museum preserves the stories of the Kachemak Bay region and provides a gathering place for people to learn and be inspired by this region and its place in the world. The Pratt's exhibits, education programs, and collections seek to foster self-reflection and dialogue among the Museum's community and visitors. Each year, the Pratt serves 30,000 visitors and engages more than 4,000 young and adult learners in its programs. One of only six accredited museums in Alaska, the Pratt is consistently viewed as one of Alaska's most important cultural institutions and as a leader among small museums across the country.

Today the Pratt Museum exists in a structure that does not meet the Museum or the community's needs. The existing 10,500 square foot building is more than 44 years old, and the building's galleries, collections storage, public meeting, and education spaces do not support the Pratt's goals or embrace current opportunities. The Pratt is now working with its community on a project to better serve the community and visitors long into the future, through the construction of a new facility and redesign of the Pratt's 9.8 acres. Benefits of this project will include: 1) improved education programs and exhibits; 2) creation of a community learning space to promote education and community dialogue; 3) an expanded trail system and outdoor exhibits; 4) the ability to serve larger visitor and school groups; 5) greater representation at the Museum of the region's diverse cultural groups; 6) the ability to care for growing collections, including community archives and stories; and 7) full disability accessibility. The Planning Phase was the Fall of 2007 to December 2010. The Design Phase started in January 2011 and will be complete in July 2014. Construction is scheduled to begin July 2014 and conclude by June 2016. The total budget of this project is \$9.5 million.

Plans & Progress: Nearly a decade of thorough organizational evaluation, professional assessment, and community dialogue has led the Pratt Museum Board of Directors and staff to the decision to embark on an ambitious capital project and carry out a comprehensive redesign of the Pratt's property. A fundraising feasibility study was conducted in 2009 in tandem with the development of draft architectural and site concepts. Additionally, the McDowell Group conducted an analysis of the economic impact of the Pratt's operations and construction project on the local community, finding that the Museum generates substantial economic activity in the region. Now in the Design Phase, the Pratt has secured cash and pledges that represent 22% of the project budget and has laid the groundwork for the successful completion of this project through the following critical steps:

- The Pratt has gathered diverse community and stakeholder input through public meetings, surveys, and other means to guide the Planning Phase and will continue to gather input throughout the Design Phase;
- With leadership from the Patrons of the Pratt Society, 9.8 acres of urban green space have been acquired in the heart of Homer, which the Museum now owns debt-free;
- The Pratt participated in the Rasmuson Foundation's prestigious "Pre-Development Program," which provided more than \$70,000 in in-kind planning services, resulting in substantial Planning Phase cost savings;
- The Museum has recruited community leaders for the capital campaign who represent the Pratt's multiple disciplines in the arts, sciences, and humanities;
- The Pratt has kicked off Phase II community input planning and research for the Master Exhibit Plan permanent exhibit renovations to be installed in the new building; and
- The Museum has secured \$2.4 million (25% of project total) in cash and pledges.
- The Pratt is on schedule with the Design Phase, which will be completed by July 2014.
- The first part of the site work, an upgrade and expansion of the trail system, was completed in 2012.

Total Project Cost: \$9,500,000

Preconstruction: \$1,000,000

Construction: \$8,500,000

Schedule:

Planning: 2010

Design: 2014

Construction: 2016



**Updated. Received \$250,000
in FY14 Capital Budget.**



5. Homer Education and Recreation Center

Project Description & Benefit: There is an outstanding need in Homer for an education and recreation center that can serve as a gathering place for the community, a headquarters for the City of Homer Community Recreation program, an indoor location for sport and activities and a home for youth programs such as the Homer Boys and Girls Club. The uses for such a center with gym, classroom, office and meeting space are endless: community classes could be taught, public meetings and gatherings could be held, and indoor sport clubs could use the space, among many other uses. The Homer City Council is exploring various means for meeting this need. Potential solutions include upgrading an existing building or building a new facility.

The City owns the “old middle school,” a two-story 18,000 square foot structure centrally located on the corner of Pioneer Avenue and the Sterling Highway built in 1956. Due to age and disrepair, the building is an expensive facility to heat and maintain. Though this building currently carries the title of Homer Education and Recreation Center, it is unusable as such in its current condition. Substantial structural, weatherization, access and code upgrades would be necessary to make it a functional public space. Other buildings in the community could also be candidates for retrofitting.

The other option the Council has explored is building a new facility. By starting from scratch the City may be able to meet the needs of the community and satisfy all safety and code requirements more economically. This project would construct an education and recreation center by either retrofitting an existing structure or building a new facility.

Plans & Progress: The City contracted an architect to analyze necessary improvements to bring the “old middle school” up to code. The preliminary report indicates it may be prohibitively expensive to bring this building up to standard.

Total Project Cost: \$10,000,000

2013 (Design): \$1,500,000

2014 (Construction): \$8,500,000

FY 2014 State Request: \$9,000,000

(10% City of Homer Match: \$1,000,000)



Hold: Update project as more information comes forward about community and council desired use for building. On CIP since 20013

The “old middle school,” pictured above, needs major upgrades to serve the community as an education and recreation center.



6. Harbor Entrance Erosion Control

Project Description & Benefit: The entrance to Homer's small boat harbor is under steady assault from wave action, putting infrastructure at risk from erosion. In 1995, Icicle Seafoods and the City of Homer worked together to build a log cribbing revetment structure on the City property where Icicle Seafood was located. Although this project stopped the immediate erosion threat, it was built as a temporary measure until funding could be obtained to build a rock revetment. Since it was built, the log cribbing has been hammered by waves and is steadily disintegrating.

Other leased City property in jeopardy includes petroleum pipelines at the Petro Marine site. Pipelines to Petro Marine's tank farm are located in the bluff line area just outside the entrance to Homer Harbor. A continued lack of shore protection in this area will lead to the facilities having to be abandoned or pipelines rerouted at considerable expense.

Homer Harbor is the home port to commercial and recreational fishing fleets of more than 1,500 vessels and is an integral part of the local economy. The fuel storage facility is a vital part of refueling operations within the harbor. Erosion control is needed to protect the harbor for fishermen, tourists, and other users.

Plans & Progress: This project will construct a rock revetment to replace the badly damaged and disintegrating log cribbing that was installed as a temporary erosion control measure in 1995. Riprap revetment would extend 935 feet from the jetty entrance of the harbor to the existing revetment near the Homer Ferry Terminal, providing critical shore/infrastructure protection.

Total Project Cost: \$2,792,000

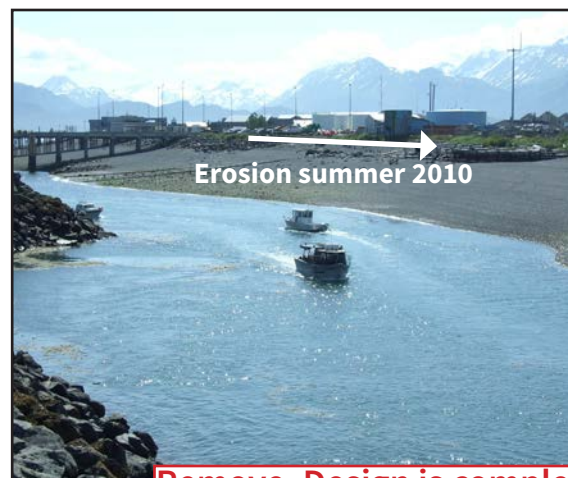
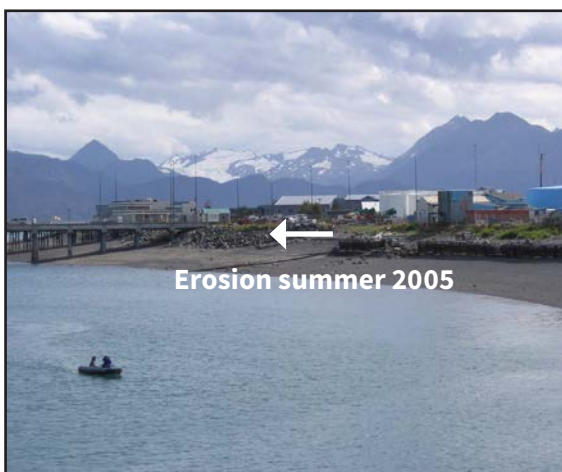
2013 (Design): \$216,000

2014-2015 (Construction): \$2,576,000

FY2014 State Request: \$2,512,800

(10% City of Homer Match: \$279,200)

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Remove. Design is complete. Project will be done in conjunction with spit trail improvements to protect that infrastructure. On CIP since 2000.



7. Fire Engine 4 and Tanker 2 Refurbishment

Project Description & Benefit: This project will refurbish two major pieces of equipment used by the Homer Volunteer Fire Department: Fire Engine 4 and Tanker 2.

With the addition of a new fire engine to the Homer Volunteer Fire Department fleet in fall 2008, Fire Engine 4 can now serve as a reserve engine if it is refurbished with a rebuilt pump, engine and driveline overhaul, and body and paint work. The refurbished truck could be housed in the proposed Skyline Fire Station. A reserve fire engine would help Homer qualify for an improved ISO rating, benefitting all households through reduced homeowner insurance costs.

Cost: \$150,000 **Schedule:** 2013

The Homer Volunteer Fire Department's Tanker 2 is an E-One Pumper Tanker purchased in 1989. The maintenance schedule for Tanker 2 calls for refurbishment or retirement after 20 years, which means Tanker 2 is overdue for an overhaul. A new tanker-pumper would cost in the range of \$800,000. A Level 2 refurbishment would be far less expensive and will improve safety and extend the useful life of the tanker. Refurbishment would include inspection and repair if needed of the fire pump, vehicle engine and other systems; upgrade obsolete lighting systems to convert to LED systems; redesign and upgrade of the portable water tank compartment; replacement of corroded plumbing and valves; upgrade of the interior compartment for safety; and repair and repainting of the body.

Cost: \$200,000 **Schedule:** 2015

Total Project Cost: \$350,000

FY2015 State Funding Request: \$315,000

(10% City of Homer Match): \$35,000



Fire Engine 4



Tanker 2

Keep. Still a need. No significant updates. On CIP since 2008. Tanker 2 added in 2012.



8. Public Safety Building

Project Description & Benefit: The Fire and Police Stations have been on the City of Homer Capital Improvement Plan independently for years. Both buildings are from the early 80s and in need of replacement. They suffer from a series of inadequacies such as lack of office, storage and training space and health and safety violations from inadequate ventilation.

A joint public safety building will create a central location for emergency response. It will allow the departments to work better together for the safety of the Homer residents. It will take advantage of shared spaces such as training rooms, a physical fitness area, a kitchen and break room, an entry with public restrooms, and a vehicle bay for washing city vehicles.

The current fire hall does not have adequate equipment storage bays. This means expensive equipment has to be stored outside and exposed to the elements. In the winter, this equipment has to be winterized and decommissioned due to lack of heated garage space. The fire hall does not meet fire station design criteria with separated biohazard decontamination/ cleaning areas or separated storage areas for cleaning medical supplies. It also lacks adequate space to accommodate more than four overnight crew members. Space is needed for eight people to sleep in the station without disrupting normal operations.

The current police station has no area for evidence processing of large items, a crisis cell for special needs prisoners, or a proper juvenile holding area. Existing dispatch facilities are too small. The jail entry area, booking room, and jail offices are poorly designed. Both facilities are inefficiently designed and will be difficult to retrofit with natural gas. A new building will take advantage of efficient building practices and be plumbed for natural gas.

A joint public safety building will benefit the entire Homer area. The Homer Police Department provides 9-1-1 services for many of the communities on the southern Kenai Peninsula and area-wide dispatching and support services to a host of agencies. Agencies such as the Coast Guard and State Parks could benefit from the expanded training spaces.

Total Project Cost: \$14,500,000

2016 (Design): \$1,450,000

2017-2018 (Construction): \$12,400,000

2019 (Inspection): \$650,000

FY2015 State Request: \$13,050,000

(10% City of Homer Match: \$1,450,000)

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Homer Fire Hall in winter



Homer Police

Keep. No significant updates. Firearms training facility is a proposed new project. On CIP as separate projects since 2000.



9. Barge Mooring Facility

Project Description & Benefit: Constructing a barge mooring facility at Lot TR 1A (east of the Nick Dudiak Fishing Lagoon) will meet the growing freight needs of existing Homer businesses and attract additional large vessel business. The mooring facility will consist of a row of piles driven perpendicular to the beach that extend down through the tidal area in conjunction with a stern anchoring system and bollards above the high water line. This proposed improvement will provide secure moorings for vessels that cannot currently be accommodated within the harbor's basin due to lack of space. The project is a response to requests from vessel owners/managers seeking safe moorage and uplands haulout area for large industrial freight barges.

Total Project Cost (2014): \$540,000

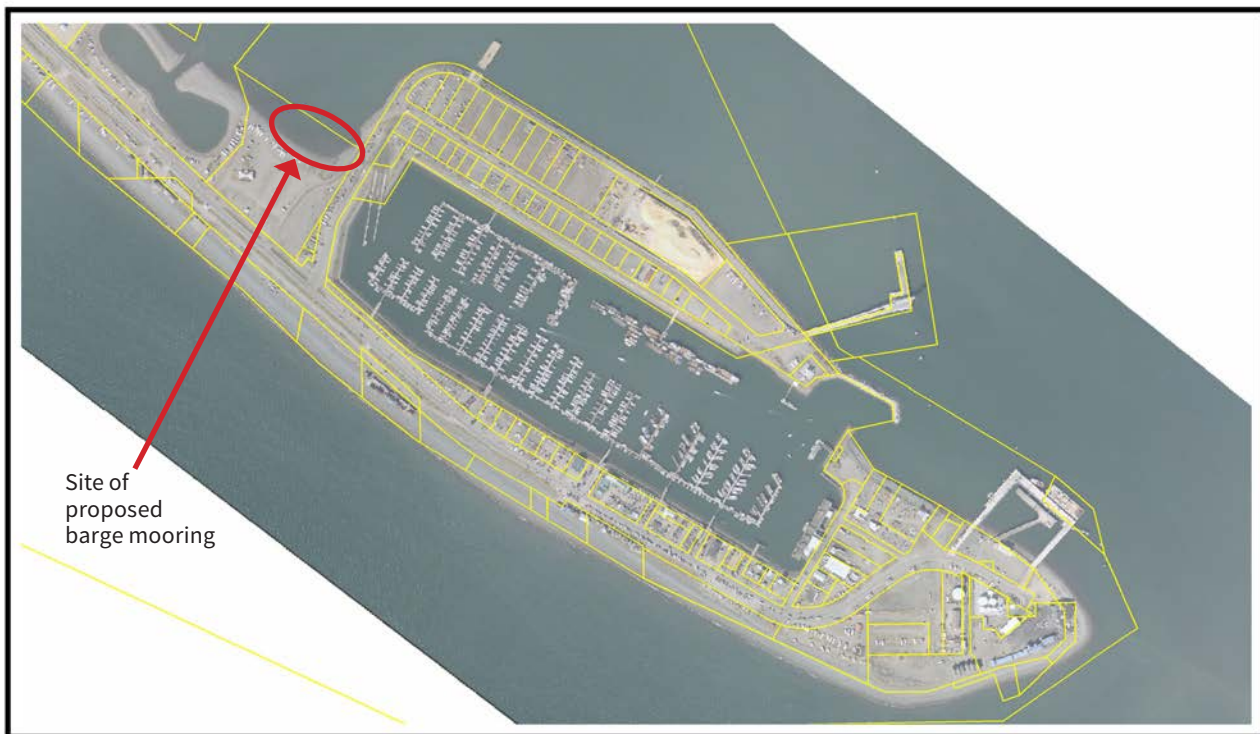
Design and Engineering (2013): \$54,000

Construction (2014): \$486,000

FY2015 State Request: \$486,000

(10% City of Homer Match: \$48,600)

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Keep. P&H has many letters of interest for project. Cost estimate updated in 2013. On CIP since 2012.



10. Kachemak Drive Rehabilitation/Pathway

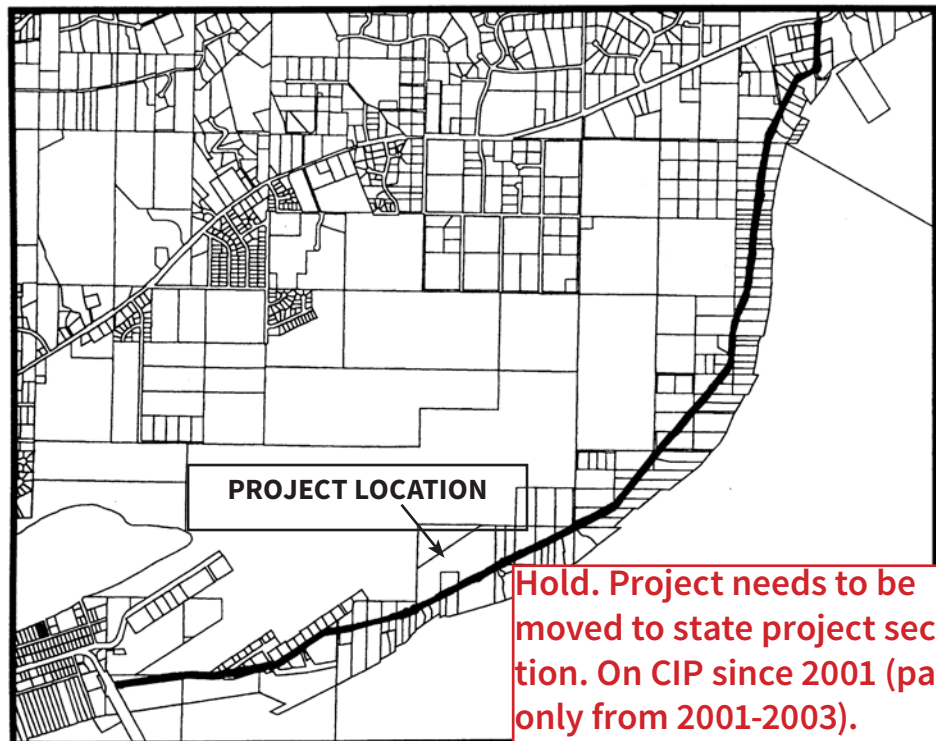
Project Description & Benefit: Kachemak Drive connects Homer Harbor with Homer's industrial boat yards, serves drivers as a connector from the Homer Spit to East End Road, has a residential community, and serves as an alternate route to the airport. Truck, boat trailer, residential and commuter traffic are often heavy, with an approximate daily traffic of 1,500 vehicles. Bicyclists, pedestrians and occasional moms with strollers use Kachemak Drive to connect to the Spit, Ocean Drive, and East End Road bike paths. Kachemak Drive has narrow to non-existent shoulders, forcing cyclists to the left of the fog line. Motorists typically slow down behind bicyclists, wait until there is no oncoming traffic, then pass by crossing the center line. This procedure is dangerous to motorists and cyclists, especially on the hill leading up from the base of the Spit to the airport, where visibility is low. Bicycle traffic has increased in the past couple of years due to the advent of wide-tire winter bicycles and Homer's increasing popularity as a bicycle friendly town. Construction of a separated pathway along East End Road will increase recreational and commuter bicycle and pedestrian traffic on Kachemak Drive and will improve driver, bicycle, and pedestrian safety.

The road also needs rehabilitation which includes raising the embankment, resurfacing, widening the road, and drainage improvements. Because of the significant right-of-way acquisition involved, the project will take several years to complete.

Plans & Progress: The Kachemak Drive Path Committee has worked for two years to define and narrow options, survey public opinion, proposed a route for a separated path and present the packet to the Parks and Recreation Commission and Transportation Advisory Committees. The City has appropriated \$20,000 to have the proposed route surveyed, starting at the intersection of Homer Spit Road and Kachemak Drive, which includes a steep and dangerous hill. This will most likely be a multi-year project, done in phases. Sections of the proposed trail run on existing electrical, water and sewer easements.

Total Project Cost: \$20,000,000
Separated Pathway: \$4,000,000
Road Rehabilitation: \$16,000,000

FY2014 State Request: \$20,000,000





11. Brush/Wildland Firefighting Truck

Project Description & Benefit: The Homer Volunteer Fire Department (HVFD) is in need of a new brush truck to replace the Ford F-350 which has been in use since 1990.

The Department's existing brush truck is a former utility vehicle that was converted to a brush unit in-house by adding a manufactured tank and portable pump as well as a home-built tool storage compartment. A mechanical assessment of the existing truck found it to be severely deficient due to age-related wear and lack of capacity to handle the weight of firefighting equipment. A new Ford F-450/550 4x4 with wildland pump unit, tank, and tool compartments will provide critical and reliable service in a variety of fire situations.

Although HVFD uses the term "brush truck," in reality the truck is kept in service year-round to provide some level of fire protection to areas that crews are unable to access with traditional large fire apparatus due to poor road conditions during winter and break-up. The smaller truck can often access the scene and provide initial attack of a structure fire before firefighters can set up long hose lays or otherwise access the site by traditional means, if at all.

Total Project Cost (2015): \$120,000

FY2015 State Request: \$108,000

(10% City of Homer Match: \$12,000)



Keep. Still a need. No significant updates. On CIP since 2009.



12. Marine Ways Large Vessel Haulout Facility

Project Description & Benefit: This project will construct a “marine ways” ramp by which large vessels (over 70 tons) can be pulled from the water on rails and dry-docked for maintenance, inspection, and repairs utilizing the existing 5-acre concrete pad at Lot 12. Currently there are no private facilities in Homer capable of hauling out vessels of this size. With construction of the marine ways facility, the Port of Homer would also be able to serve large freight barges that require inspections in order to be Coast Guard certified for their trade.

Plans & Progress: Since the wood chip business that formerly used Lot 12 left Homer, the lot and its concrete pad have been under utilized. Construction of the Marine Ways facility will accomplish a project that has been discussed for years and capitalize on the marine trades skill set that already exists in Homer. It is estimated that the facility would eventually support at least 50 full-time, long-term jobs.

Total Project Cost (2015): \$3,000,000

FY2015 State Request: \$2,700,000

(10% City of Homer Match: \$300,000)



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Keep. Still a need. No significant updates. On CIP{ since 2012.



13. Baycrest Overlook Gateway Project

Project Description & Benefit: The Homer Public Arts Committee has designated the Baycrest Hill Overlook as one of the major elements of the Gateway Project, which entails enhancing visitor and resident experiences at the entrances to Homer. The other Gateways are the Homer Airport and the Homer Port.

Everyone who has driven to Homer remembers the first time they came around the corner on the Sterling Highway and saw the breathtaking panorama of Kachemak Bay. For many that was the same moment they made the decision to become part of this diverse, eclectic, and energetic community. In the 1990's visionaries at Alaska Department of Transportation and Public Facilities constructed the current pullout during the Sterling Highway reconstruction effort. However, the current site does not adequately meet the goals of the Gateway Program.

Improving the landscaping and comfort of Baycrest Overlook will inspire locals and visitors and enhance this phenomenal setting. Interpretive signage will tell the story of Homer and the surrounding communities and highlight the phenomenal natural resources of Kachemak Bay. Improvements to the overlook will spur economic development, welcoming everyone and encouraging commerce and trade in a community dedicated to unique and natural quality of life experiences.

Plans & Progress: The first Gateway Project was undertaken in 2009. A collaborative effort with the City of Homer Public Arts Committee, City of Homer Airport Manager, City of Homer Public Works Director, Alaska State Parks, National Park Service, Kachemak Research Reserve and U.S. Fish and Wildlife created a beautiful diorama highlighting the wealth of public and private resources available to everyone who comes to Kachemak Bay.

This group plus representatives from Alaska Department of Fish and Game, Alaska Department of Transportation, Pratt Museum, Homer Chamber of Commerce, Kachemak Bay Conservation Society and Homer Garden Club have come together to work on the Baycrest Overlook Gateway Project.

Six thousand dollars for design from State and the City of Homer was spent in 2013 to produce the Baycrest Overlook Interpretive Plan. The Plan included design, development, and locations for welcome and interpretive signage and was officially adopted by Council in 2013. Public Arts Committee meetings on the project are ongoing and a public comment meeting was held on September 18, 2012.

The project will consist of three phases:

1. Interpretive signage, benches and picnic areas
2. Enhanced landscaping
3. New restrooms and paving upgrades.

Total Project Cost: \$256,000

2012 (Design): \$6,000

2013 (Construction): \$250,000

Signage/Benches: \$100,000

Landscaping: \$75,000;

Restrooms and Paving: \$75,000

FY2014 State Request: \$230,400

(10% City of Homer Match: \$25,600)



Keep. Updated with Public Arts Committee work (design and adoption of plan) On CIP since 2013.



14. Water Storage/Distribution Improvements

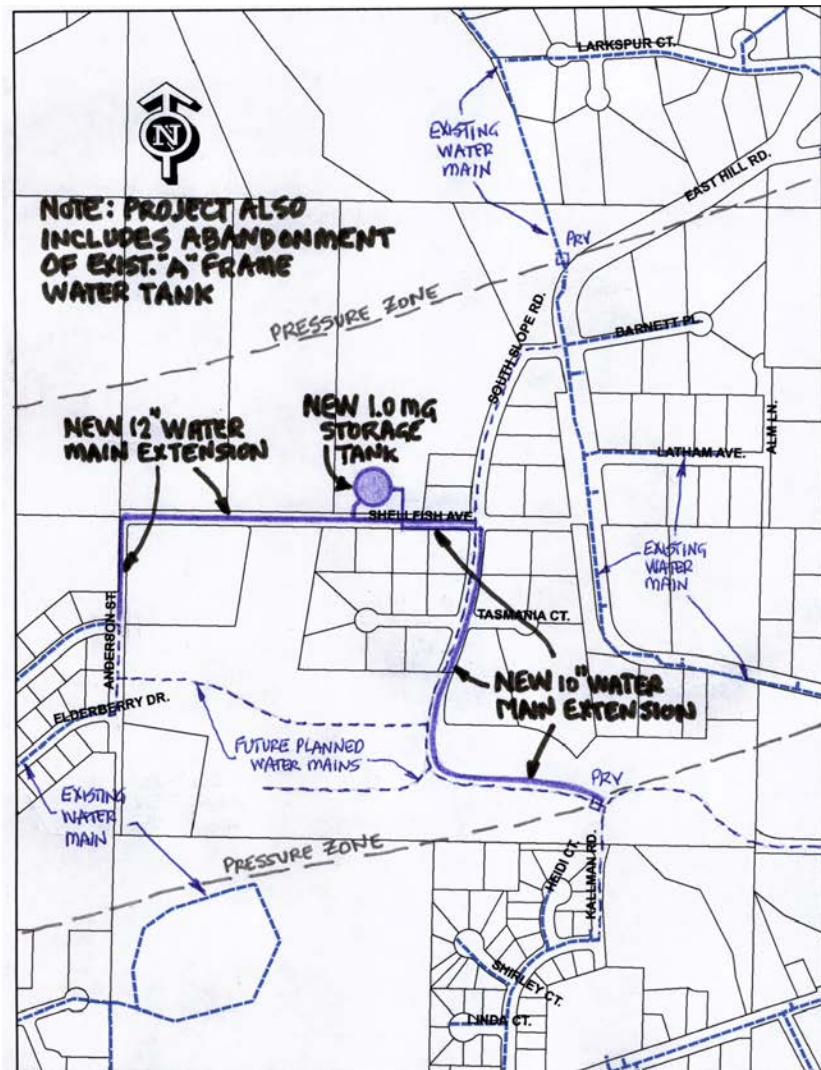
Project Description & Benefit: This project will design and construct improvements that will increase water storage, improve water system distribution, drinking water quality/public health, and treatment plant and water transmission effectiveness.

The project consists of the installation of an underground 1.0 MG water storage tank; 2,000 linear feet of 12-inch distribution main (connecting two isolated parts of town); the installation of 2,000 linear feet of water main between the new tank and the water system; and the abandonment of an existing, functionally obsolete (+50 years old), steel water tank.

Plans & Progress: The need for this project has been documented in the Homer Water & Sewer Master Plan (2006). The City received a \$390,000 Special Appropriation Project grant for the design phase of the project in 2012 from the Environmental Protection Agency. Design will be complete in 2014

Total Project Cost: \$3,900,000
 2014 (Design, funding secured): \$390,000
 2016-2017 (Construction): \$3,510,000

FY2015 State Request: \$3,510,000
 (10% Local Match: \$390,000)



Keep. Design is currently underway and will be complete in 2014. On CIP since 2009.



Mid-Range Projects

Part 2: Mid-Range Projects

- **Local Roads**
- **Parks and Recreation**
- **Port and Harbor**
- **Public Facilities**
- **Public Safety**

Update accordingly



Local Roads

- **Heath Street - Pioneer to Anderson**
- **Land Acquisition for New Roads**
- **Town Center Infrastructure**

Need to update entire section with a viable local roads package. Take a critical look at this for August 17 work session. For example, should Fairview be on this list?



Heath Street - Pioneer to Anderson

Project Description & Benefit: This project provides for the design and construction of a connection from East End Road to Anderson Street. The project will address concerns raised by Alaska Department of Transportation and Public Facilities (ADOT&PF) regarding the Heath Street/Pioneer and Lake Street/Pioneer intersections and will provide access from East End Road past Homer High School to a developing residential area north of the high school. The City of Homer will work with ADOT&PF engineers to determine the best route (extension of Heath Street vs. extension of Lake Street) to provide safer and more effective circulation, improve emergency access to and from the high school, provide for pedestrian access from the high school to a hillside trail system, and reduce congestion at existing intersections.

Plans & Progress: The improvement is recommended in the 2005 Homer Area Transportation Plan and would implement recommendations of the 2005 Homer Intersections Planning Study (ADOT&PF). The City of Homer has agreed to fund 50% of the project.

Total Project Cost: \$4,500,000

Schedule:

2017 (Design): \$500,000

2019 (Construction): \$4,000,000

Priority Level: 3



On CIP since 2002. Proposed alignment problematic because of existing utilities.



Land Acquisition for New Roads

Project Description & Benefit: This project will help meet current and future transportation needs by acquiring specific land parcels and rights-of-way to extend five local roads: It will improve traffic flow in Homer by providing an alternative east to west corridor.

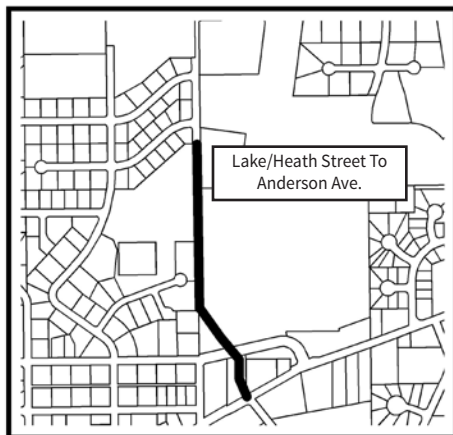
- Lake/Heath Street to Anderson Avenue
- Bartlett Street extension south and east to Main Street
- Poopdeck Street extension north to Pioneer Avenue
- Early Spring Street extension north to East End Road
- Waddell Way extension west to Heath Street

Plans & Progress: All four road projects are recommended in the 2005 Homer Area Transportation Plan.

Total Project Cost: \$2,000,000

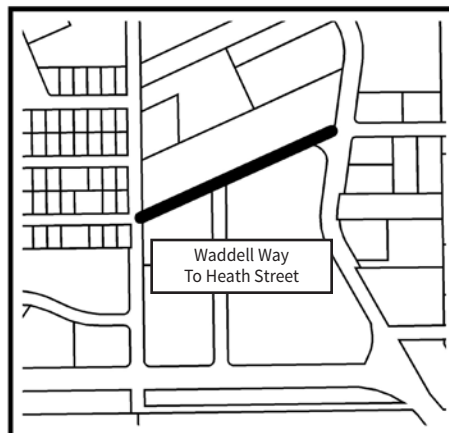
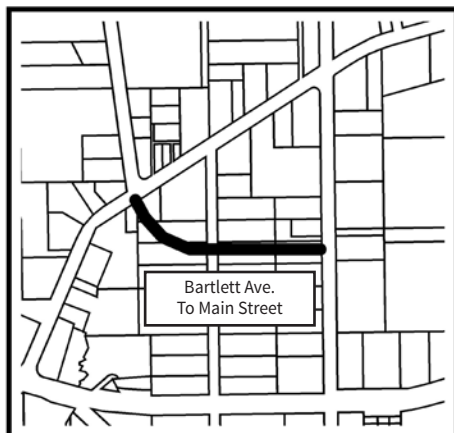
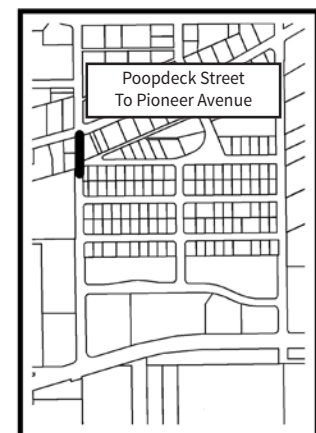
Schedule: 2014-2016

Priority Level: 1



Different alignment

Long term?



On CIP since 2007. Needs revising as roads package.



Town Center Infrastructure

Project Description & Benefit: In the Central Business District between Pioneer Avenue and the Sterling Highway and between Main Street and Poopdeck lie approximately 30 acres of undeveloped land, providing a unique opportunity to develop an attractive and lively downtown district in the heart of Homer. The Homer Comprehensive Plan, Town Center Development Plan, and Comprehensive Economic Development Strategy all call for careful development of Town Center. Establishing infrastructure is an important step in attracting further investment that will make Town Center a success.

The Town Center Infrastructure Project will begin Phase 1 development of Town Center, as described in the April 2006 Town Center Development Plan. This planning should be carried out in conjunction with an overall master plan for Town Center that will also identify areas for commercial development, public space, and parks. It could coincide with the Farmers Market project proposed for Town Center.

Specifically, the project will establish routes and acquire rights-of-way for roads, trails, and sidewalks; identify and carry out needed land exchanges between property owners; and develop the first trails through Town Center along with primary roadways with sidewalks, crosswalks, and utilities.

Plans & Progress: The Homer Town Center Project began in 1998 (as the Town Square Project) with a goal “to envision and create, through inclusive community planning, an area within the Central Business District of Homer that will be a magnet for the community, provide for business development, instill a greater sense of pride in the downtown area, make Homer more pedestrian-friendly, and contribute to a higher quality of life.” The Town Center Development Plan was adopted by the City Council in 2006 as part of Homer’s Comprehensive Plan.

Total Project Cost: \$2,250,000

Schedule:

2015 (Design): \$250,000

2016 Construction: \$2,000,000

Priority Level: 1



Incorporate into broader roads package? On CIP since 2005.

East-west and north-south road connections combined with trails, sidewalks, and parking in Town Center will set the stage for development of an economically vibrant and attractive downtown district in the heart of Homer.



Parks and Recreation

- **Ben Walters Park Improvements, Phase 2**
- **Horizon Loop Trail, Phase 1: Feasibility and Conceptual Design**
- **Jack Gist Park Improvements, Phase 2**
- **Karen Hornaday Park Improvements, Phase 2**
- **Mariner Park Restroom**

Update accordingly



Ben Walters Park Improvements, Phase 2

Project Description & Benefit: Ben Walters Park comprises 2.5 acres on the shore of Beluga Lake, near the intersection of Lake Street and the Sterling Highway. With its central location, proximity to McDonalds restaurant, and access to the lake for winter and summer recreation, it is one of Homer's most frequently visited parks. Phase 2 will enlarge the parking area and renovate the picnic shelter that has become worn with heavy use over the years.

Plans & Progress: Phase 1 of the park improvement project, to replace the dock, was completed in 2009. Since then the Kachemak Bay Rotary Club has adopted the park under the City of Homer's Adopt-a-Park Program. They have made improvements such as painting the restrooms, installing a bench, resetting the posts and tending flower beds in the summer months.

Total Project Cost: \$250,000

Schedule: 2015

Priority Level: 2



Improvements are needed at Ben Walters Park, including enlarging the parking lot and renovating the shelter.

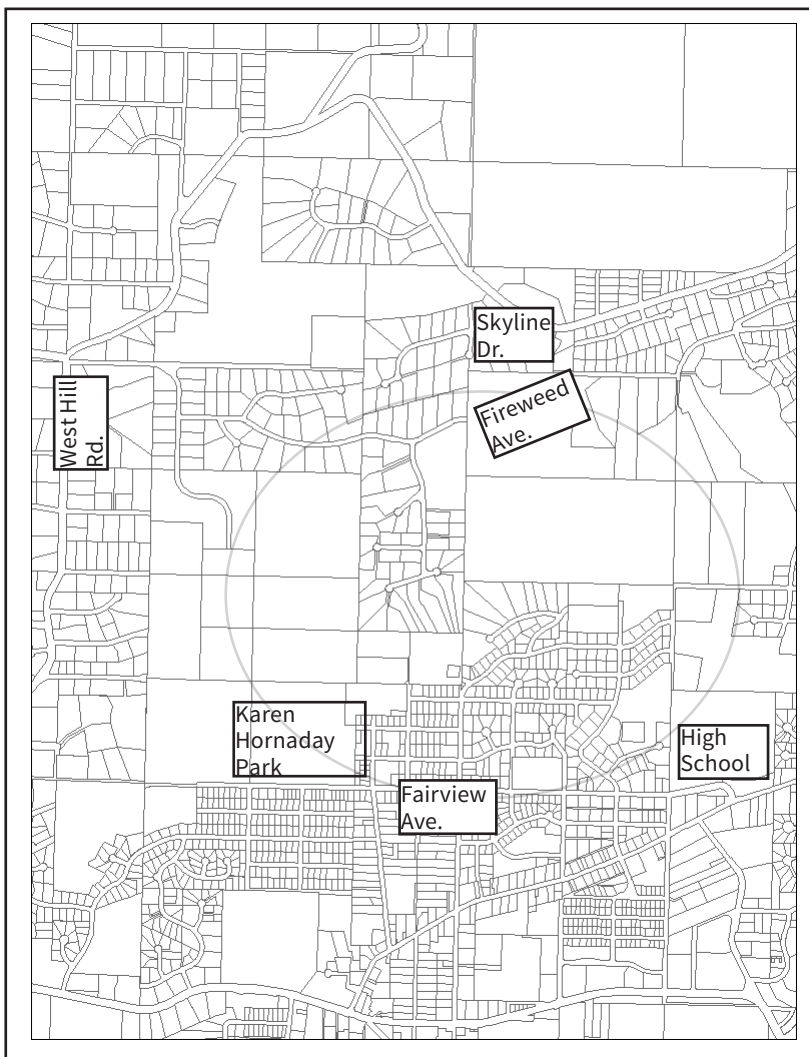
Keep. Only updates are from Rotary adopting park. Park improvements have been on CIP since 2006, became P.2 in 2009.



Horizon Loop Trail, Phase 1: Feasibility and Conceptual Design

Project Description & Benefit: The Homer Horizon Loop Trail is proposed as a 4 to 5 mile route that would run clockwise from Karen Hornaday Park up around the top of Woodard Creek Canyon, traverse the bluff eastward, and then drop down to Homer High School. The parking lots of Karen Hornaday Park and Homer High School would provide trailhead parking. Those wishing to complete the loop will easily be able to walk from the high school to Karen Hornaday Park or vice versa via Fairview Avenue. A later stage of trail development will connect the Horizon Loop Trail with the Homestead Trail at Bridge Creek Reservoir.

The trail will fill a need identified by trails advocates for more hiking opportunity on this side of the bay. Many Homer residents will be able to access the trail without having to drive at all, since it will begin and end in the most densely populated area of town, with additional access points on the upper part of the loop. The Homer Non-Motorized Transportation and Trail Plan notes the need for such a trail, which would provide both transportation and recreation benefits.



The oval above indicates the general area of the Horizon Loop Trail. It is not intended to indicate a proposed trail route.

The trail will also provide fitness benefits in that it will be long enough and steep enough to provide a good workout suitable for a wide range of children and adults. While beach walking in Homer is popular, it does not provide the same fitness benefits as a trail with a 600 foot elevation gain. In a 2-3 hour hike, trail users will improve cardiovascular health, build muscles, burn calories, and reap the mental health benefits of fresh air, spectacular views, and a sense of accomplishment. In a year-long assessment effort, the Southern Kenai Peninsula Communities Project, spearheaded by South Peninsula Hospital, identified “Healthy Lifestyle Choices” as its number 1 goal. The proposed Horizon Loop Trail will help meet that goal in the Homer community.

Phase 1 of the project will identify the routing options, begin discussions to establish necessary easements, and develop a preliminary design and cost estimate.

Total Project Cost: Staff time

Schedule: 2017

Priority Level: 3

Staff recommends move to long range section. On CIP since 2011.



Jack Gist Park Improvements, Phase 2

Project Description & Benefit: Jack Gist Park has been in development since 1998 on 12.4 acres of land donated to the City of Homer by a private landowner. As originally envisioned by the Jack Gist Recreational Park Association, this parcel was to be developed primarily for softball fields.

Cost: The proposed project will complete Phase 1 of Jack Gist Park by expanding the parking lot, constructing a concession stand/equipment storage building adjacent to the softball fields, and developing an irrigation system utilizing a stream on the property in conjunction with a cistern. Phase 3 will provide potable water (water main extension), construct a plumbed restroom, and develop soccer fields.

Plans & Progress: Phase 1 of this project was completed in 2011. In 2005-2006, a road was constructed to Jack Gist Park from East End Road, a 70-space gravel parking area was constructed, and three softball fields were constructed including fencing, dugouts, and backstops. In 2008, bleachers were installed at all three softball fields. In 2009, three infields were resurfaced. In 2010, with volunteer help, topsoil was spread and seeded on two fields and the parking area was improved and expanded. In 2011, drainage work was completed on the outside perimeter (right and left field lines) of the third ball field, material was imported to improve the infield, and the outfield was improved with topsoil and seeding.

Total Project Cost: \$155,000

Parking Lot Expansion: \$45,000

Concession Stand and Equipment Storage: \$75,000

Irrigation System: \$35,000

Schedule: 2013

Priority Level: 2



Keep. No significant updates. Jack Gist has been on CIP since 2006, however p.1 was completed in 2012 and p. 2 add to CIP in 2013.



Karen Hornaday Park Improvements, Phase 2

Project Description & Benefit: Homer's popular Karen Hornaday Park encompasses baseball fields, a day use/ picnic area, a playground, a campground, and a creek on almost 40 acres. It is also used to host community events such as the Highland Games and KBBI's Concert on the Lawn. The Karen Hornaday Park Master Plan, updated and approved in 2009, sets forth goals and objectives to be accomplished over a 10-year period. The Master Plan includes improvements to the ballfields, playground/ day use area, rehabilitation of Woodard creek including trail access, moving the road and improved parking, new restrooms, and campground improvements. Phase 1 projects have been completed or are scheduled to be completed by the end of 2012. Phase 2 consists of parking lot improvements, moving the road, a trail along Woodard Creek and a restroom. The road to access the park runs between the park and the parking lot, causing kids to have to cross in front of traffic to get to the park's attractions. The master plan proposes moving the road to the east and placing the improved gravel parking lots in between the road and the park. Woodard creek is one of the jewels of Karen Hornaday Park but gets little attention because there is no convenient way to access it. A trail along the creek would allow people to enjoy the city's only creek. One of the most common complaints of the park is the old restroom with crumbling cement and a leaking roof. A new restroom is in great demand from the parents, children and picnickers that frequent the park.

Plans & Progress: The Alaska Legislature appropriated \$250,000 for park improvements in FY 2011. This money together with City funds and fund raising by an independent group organized to make playground improvements (HoPP), has funded Phase 1 (drainage improvements, ballfield improvements, new playground, new day use area and northern parking lot improvements). The City has designated \$50,000 to help fund design and engineering for Phase 2. The City received a Land and Water Conservation Fund (LWCF) grant for campground and drainage improvements and the development of a new day use area between the two ball fields.

Total Project Cost: \$1,978,750

Schedule: 2014 - 2016

Priority Level: 2



Karen Hornaday Park was a construction site for one week during the Summer of 2012 when the community came together to build a state of the art play ground.

Keep. KHP on CIP since 2001 with steady improvements. P. 2 completed in 2012.



Mariner Park Restroom

Project Description & Benefit: As one of Homer's most popular recreation areas, Mariner Park attracts campers, beach walkers, kite-flyers, Spit Trail users, birders, people with dogs, and others who come to enjoy the views and open-air recreation opportunities. This project will accomplish the most pressing need at Mariner Park: the construction of a plumbed restroom to better meet the needs of campers and beach walkers during the busy summer months.

Plans & Progress: Design costs for this project would be minimal as the City has standard public restroom plans engineered that can be easily modified for this location. Total Project Cost: \$330,000

Schedule: 2015

Priority Level: 2



The outhouses at Mariner Park campground get heavy use during the summer season.

Keep. Updated cost estimate. On CIP since 2003.



Port and Harbor

- **Deep Water/Cruise Ship Dock Expansion, Phase 1**
- **East Boat Harbor**
- **Fire Cart Replacement**
- **Harbor Sheet Pile Loading Dock**
- **HH Float Improvements**
- **Homer Spit Dredged Material Beneficial Use Project**
- **Ice Plant Upgrade**
- **System 2 Potable Water Upgrade**
- **System 4 Vessel Mooring Float System**
- **Truck Loading Facility Upgrades at Fish Dock**
- **Ramp 5 Restroom**
- **Ramp 8 Restroom**

Update accordingly.

Deep Water/Cruise Ship Dock Expansion, Phase 1

Project Description & Benefit: The City of Homer is in the process of completing major infrastructure improvements that will help position Homer as the economic and transportation hub of the Kenai Peninsula.

To provide a facility that can accommodate multiple industry groups and provide the greatest economic benefit to the area, upgrades to the Deep Water/Cruise Ship Dock are necessary. Phase 1 of the project will widen the existing dock to 88 feet, increase overall length to 744 feet, and widen and strengthen the existing trestle. Later phases will expand the dock further, add a terminal building and other upland improvements, and add a rail for a 100-foot gauge gantry crane.

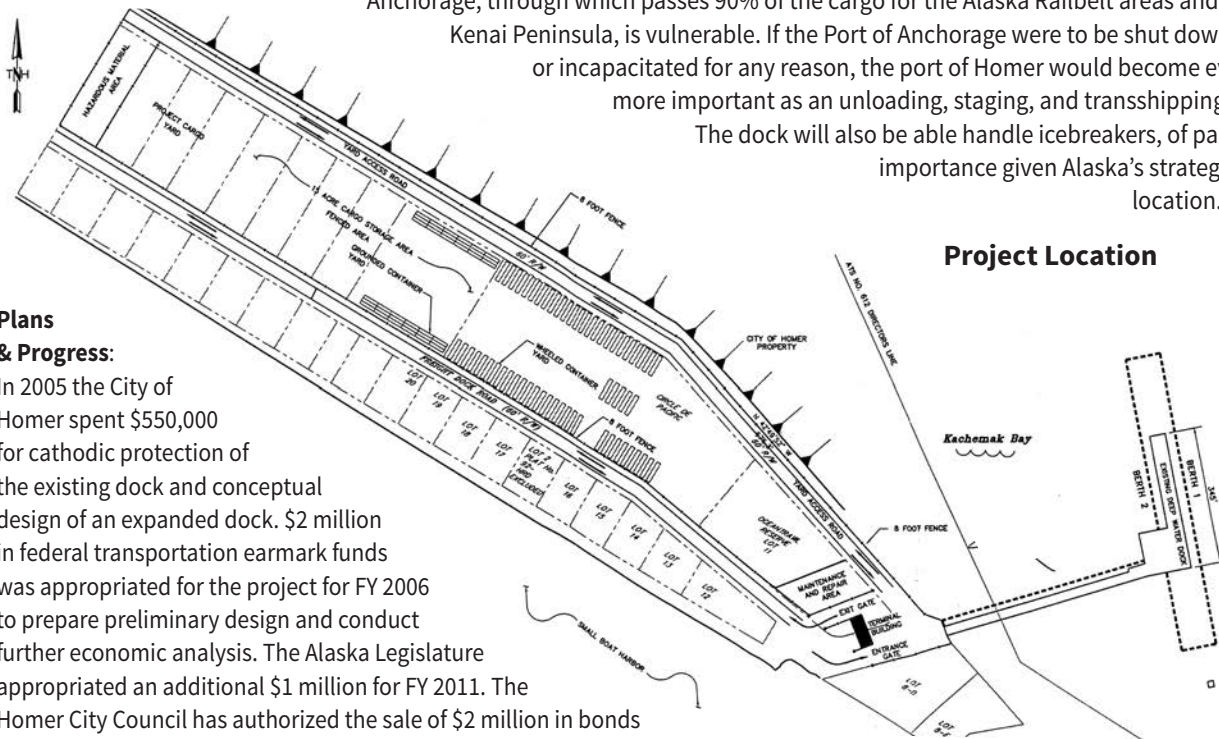
Resource Development Capabilities: The facility will provide staging for barged freight service to the Lake and Peninsula Borough via the Williamsport-Pile Bay Road or other facilities built to meet the need of future resource development. There is demand in the near term for modifications of the existing dock to accommodate long term mooring of large resource development vessels such as timber, mining and oil and gas barges.

Cargo Capabilities: The facility will be capable of handling containerized freight delivery to the Kenai Peninsula, thus reducing the cost of delivering materials and supplies to much of the Peninsula. The City has a 30-acre industrial site at the base of the dock which can support freight transfer operations and serve as a staging area for shipping to and from the Alaska Peninsula, Aleutians and Bristol Bay.

Visitor Industry Capabilities: The dock expansion will also enhance cruise ship-based tourism in Homer by providing moorage at the dock for two ships (a cruise ship and a smaller ship) at the same time, reducing scheduling conflicts.

Improvements to the dock will fulfill a contingency planning requirement under Homeland Security provisions. The Port of Anchorage, through which passes 90% of the cargo for the Alaska Railbelt areas and the Kenai Peninsula, is vulnerable. If the Port of Anchorage were to be shut down and/or incapacitated for any reason, the port of Homer would become even more important as an unloading, staging, and transshipping port.

The dock will also be able handle icebreakers, of particular importance given Alaska's strategic arctic location.



Plans

& Progress:

In 2005 the City of Homer spent \$550,000 for cathodic protection of the existing dock and conceptual design of an expanded dock. \$2 million in federal transportation earmark funds was appropriated for the project for FY 2006 to prepare preliminary design and conduct further economic analysis. The Alaska Legislature appropriated an additional \$1 million for FY 2011. The Homer City Council has authorized the sale of \$2 million in bonds to help fund the construction of this project. The City has initiated the feasibility study for this project

Keep. Project cost updated. Staff is working on TORA w/ DOT. Feasibility study will be advertised in 2013. On CIP since 2000.

Total Project Cost: \$35,000,000

Priority: 1

Schedule:

2013 (Feasibility): \$1,250,000

2015 (Preliminary Design): \$1,750,000

2015-2016 (Construction): \$26,000,000



East Boat Harbor

Project Description & Benefit: This project will construct a new harbor ranging in size from 11 to 15 acres. It would enhance harbor capabilities by:

- Accommodating the large commercial vessels (fishing vessels, workboats, landing craft, tugs, barges, etc.) that are currently congesting the harbor at System 4 and System 5 transient floats, rafting two and three abreast due to shortage of moorage space at the floats, thus overstressing the floats;
- Enabling Homer to accommodate and moor the additional 40 to 60 large commercial vessels that potentially would use Homer Harbor as a home port but which have in the past been turned away due to lack of space;
- Providing a long-term solution to mooring problems the USCGC Hickory experiences on Pioneer Dock during the northeasterly storm surges and to the security problem faced by both the USCG cutters home-ported at Homer. These vessels are unable to maintain an adequate security zone around their current moorings in the existing small boat harbor (USCGC Roanoke Island) and on the Pioneer Dock west trestle (USCGC Hickory).

The Port of Homer and Homer Small Boat Harbor are regional facilities serving and supporting the northern Gulf of Alaska, Prince William Sound, Cook Inlet, and Kachemak Bay and are also a “place of refuge” for Gulf of Alaska, Cook Inlet, and Kennedy Entrance marine traffic in event of severe weather or machinery malfunctions.



Several conceptual designs have been proposed for a new Homer boat harbor. This one would add a new basin with its own entrance adjacent to the existing Small Boat Harbor.

The proposed new harbor basin will be dredged to minus 20 feet Mean Lower Low Water (MLLW) to accommodate large commercial vessels so they will not touch bottom on the lowest tides of the year (minus 5.6 feet). It will need to be dredged to minus 22 feet MLLW in the entrance channel, fairway, and one side of the basin to accommodate the USCGC *Hickory* at the proposed Coast Guard float. The new basin will provide the security zone and private moorings for the U.S. Coast Guard vessels at one side and will accommodate the large, deep draft commercial vessels at the other side.

Plans & Progress: The Army Corps of Engineers completed a reconnaissance study in 2004 that indicated a federal interest in having a new harbor in Homer; however, subsequent analysis found that the cost/benefit ratio was too low for the Corps to recommend the project. The City of Homer has requested a technical report from the Corps and is seeking funding from other sources.

Total Project Cost: \$100,620,000

Schedule:

2015 (Design and Permitting): \$1,520,000

2016 (Breakwater Construction and Dredging): \$78,500,000

2017-201 (Inner Harbor Improvements): \$20,600,000

Priority Level: 2

Keep. Still a need. Best chance at funding is through federal delegation. On CIP since 2004.



Fire Cart Replacement

Project Description & Benefit: The Homer Harbor is outfitted with nine custom motorized fire carts that have been very effective in helping the Homer Volunteer Fire Department fight marine fires. These full response fire carts act as mini mobile fire hydrants and are capable of delivering AFFF foam to two attack lines at the same time. Unfortunately, the carts are over 20 years old and even though they are maintained with monthly and annual check-ups, the main components (engines and pumps) are aging and it is becoming increasingly challenging for our maintenance staff to keep this critical equipment in ready status. Many are failing due to the harsh marine environment. Because of the age of the equipment, replacement parts are hard to come by and have to be imported from the United Kingdom.

Efficient and effective fire fighting capability is essential to the operations of the harbor. On multiple occasions the ability of the Homer Volunteer Fire Department to quickly respond with the marine fire carts has saved vessels and prevented the spreading of fire in the small boat harbor. Going without fire fighting capability at the harbor is not an option.

This project would purchase the pieces necessary to assemble nine new fire carts. Because of the special conditions in Alaska - harsh weather, extreme tides and the size of vessels - there is no pre-made fire cart that meet needs of the Homer Harbor. The City will purchase nine pumps and carts and assemble the fire carts using pieces that can be salvaged from the existing fire carts (foam tank, foam metering system and attack line valve system). The Harbor Maintenance Shop is currently working on a prototype using the

Total Project Cost: \$225,000

Schedule: 2016

Priority Level: 1



Keep. P&H is working on a prototype to get a better cost estimate. On CIP since 2013.

Nine mobile fire carts are stored in heated sheds around the harbor. The carts are over 20 years old and finicky to operate.



Harbor Sheet Pile Loading Dock

Project Description & Benefit: This project will construct a sheet pile loading pier between the existing barge ramp and the fuel dock on the east side of the Small Boat Harbor. It is estimated that the dock will be 225 feet long and dredged to -17 feet. This dock would be used to transfer heavy loads by crane onto barges and landing crafts. It would also serve as mooring for large shallow-draft vessels that are now mooring on the System 5 float. The project will stimulate the shipping and freight sectors of the local economy, creating jobs and providing revenues for Port & Harbor operations.

This project was first identified as a need at the time the State of Alaska transferred ownership of the harbor to the City of Homer in 1999. However, it was dropped from the TORA harbor improvement project list because it was not a repair or replacement item but rather a completely new facility.

Total Project Cost: \$800,000

Schedule: 2014

Priority: 2



Keep. No significant updates. On CIP since 2012.



HH Float Improvements

Project Description & Benefit: The HH Float in the Homer Small Boat Harbor was part of the original harbor construction in 1964 and is in very poor condition. This project will replace HH with a new float system that provides 50-foot stalls on one side (same as existing HH float) and 60-foot stalls on the other side. The 60-foot stalls would also be extra wide to accommodate wider specialty fishing vessels (e.g., 58-foot super longliners) and pleasure craft that are appearing with increased frequency in the harbor. Deeper dredging will likely be required to accommodate the deeper-draft vessels.

It can be expected that the larger stalls will help attract additional boats and encourage them to home-port in Homer, thus increasing Port & Harbor revenues. The new float will be equipped with modern amenities; e.g., shore power and water. Stall fees for the wide-berth stalls will reflect the increased size and amenities.

Total Project Cost: \$3,000,000

Schedule: 2016

Priority: 2



Keep. No significant updates. On CIP since 2012.



Homer Spit Dredged Material Beneficial Use Project

Project Description & Benefit: The purpose of this project is to dispose of dredged material from the entrance of the Small Boat Harbor and the Pioneer Dock berth in a beneficial manner. The material will be used to replenish eroded material along the beaches of the Spit and create additional parking pads on the Spit. The beach replenishment points would be at Mariner Park (replenishing beaches on the west side of the Spit) and just north of the Fishing Lagoon (replenishing beaches on the east side of the Spit). The new parking pads would be created at two locations: one between the Seafarer's Memorial and the east end of the nearby boardwalk complex, and the other between the west end of the same boardwalk and the next boardwalk to the west. The material will be placed on the beaches as part of the Army Corps of Engineers' dredging/disposal operations. (Hauling costs would be supplemented by Harbor Funds when hauling to Mariner Park). Material incorporated into the parking pads will be placed as part of the Corps' dredging/disposal operations; additional City funds will be required to spread, cap and place riprap along the beach where fill is placed near or in the tidal zone. A Corps permit will be needed to accomplish this work.

Schedule: The beach replenishment work would be completed over a ten year period; the parking pads would be constructed over a three year period. Beneficial use of dredged material would begin in 2012 and be completed by 2021.

Total Project Cost: \$980,000

Schedule:

2014 (Design and Inspection): \$90,000

2014: \$10,000 (Spread available material in upland parking pad areas)

2015-16: \$880,000 (Compact material: 20,000; Instal riprap: \$675,000; Gravel cap: \$95,000; Contingency \$90,000)

Priority Level: 2



The Homer Spit has been shaped over the years by nature as well as human intervention. (2008 NOAA photo)

Keep. No significant updates. On CIP since 2011.



Ice Plant Upgrade

Project Description & Benefit: The ice plant at the Fish Dock is a critical component of the overall Port and Harbor enterprise, providing more than 3,500 tons of flake ice each year to preserve the quality of more than 20 million pounds of salmon, halibut, sablefish, and pacific cod landed at the Port of Homer. Built in 1983, the ice plant is in serious need of an upgrade to increase efficiency and reduce operating costs. This project will replace six of the seven old compressors within the ice plant with two new state-of-the-art high efficiency refrigeration compressors.

Total Project Cost: \$500,000

Schedule: 2014

Priority: 2



Four of the Ice Plant's aging compressors are shown here.

Keep. P&H is looking at potential grant opportunities for this project. On CIP since 2012.



System 2 Potable Water Upgrade

Project Description & Benefit: This concrete moorage facility is accessed by Ramp 5. It is made up of 90 twenty four foot stalls, 19 twenty foot stalls and 260 linear feet of transient moorage. System 2 is currently not being used to full capacity because of the overall lack of services that support that location. Access to potable water will allow the harbor to better serve customers and will increase sales in annual moorage at our System 2 facility.

Total Project Cost: \$36,400

Schedule: 2015

Priority Level: 1



Water valves hooked up to City water, such as the one on the left, would be installed at regular intervals along System 2 (below).



Remove. This project will be complete with the harbor float replacement project funded through the grant/bond. On CIP since 2013.



System 4 Vessel Mooring Float System

Project Description & Benefit: System 4 is made up mostly of floats that were relocated from the original harbor of 1964. In the 2002 Transfer of Responsibility Agreement (TORA) project, System 4 was completed by moving the old floats into place. Within two years it was filled to maximum capacity. Although we live in a recycle and reuse age, these floats are over 20 years beyond their engineered life expectancy and are showing their age.

This project can be done in phases starting with HH and JJ floats.

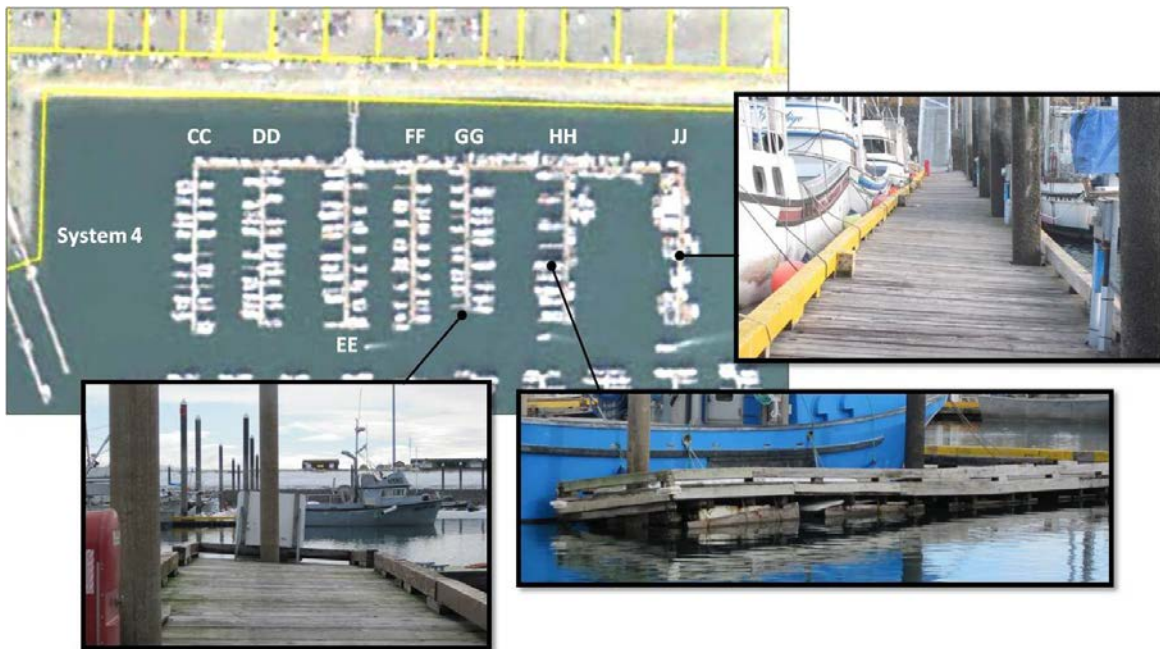
Total Project Cost: \$6,600,000

Schedule:

2015 (Design): \$600,000

2016-2019 (Construction): \$6,000,000

Priority Level: 2



Keep. P&H maintenance is attending a float reconditioning seminar and P&H may consider recondition vs. replacement for this project. On CIP since 2013.



Truck Loading Facility Upgrades at Fish Dock

Project Description & Benefit: Approximately 22 million pounds of fish are landed at the Homer Fish Dock each year and loaded onto trucks. The resulting truck, fork lift, and human traffic creates considerable congestion as fish buyers jockey for space to set up portable loading ramps. Lack of adequate drainage in the area creates further problems as the vehicles must maneuver in soft and often muddy conditions.

This project will construct a loading dock to facilitate the loading of fish onto trucks. In addition, it will provide for paving of Lot 12-B and other improvements to address the drainage problems that impact the area now.

Total Project Cost: \$300,000

Schedule: 2016

Priority: 1



Currently at the Fish Dock, fish buyers have to contend with a muddy lot and lack of a loading dock to facilitate the transfer of fish to trucks.

Keep. No significant updates. On CIP since 2012.



Ramp 5 Restroom

Project Description & Benefit: Ramp 5 is located at the southwest corner of the harbor at Freight Dock and Homer Spit Road and serves float System 2. This system provides moorage space for as much as 3,951 linear feet of moorage, including 81 reserved stall lessees. Currently, restroom service for these vessels and the City-maintained campground across the highway is an outhouse facility capable of occupying only two people at a time.

Plans & Progress: Design costs for this project would be minimal as the City has standard public restroom plans engineered that can be easily modified for this location.

Total Project Cost: \$295,000

Schedule: 2015

Priority Level: 2



The outhouse at Ramp 5 is often the first time out of state visitors use an outhouse.

Keep. Updated cost estimate to reflect value of restroom design City has from recent restroom projects. On CIP since 2003. Part of Public Restrooms on Spit project until listed as separate project in 2013.



Ramp 8 Restroom

Project Description & Benefit: Ramp 8 serves System 5, the large vessel mooring system. Presently Ramp 8 restroom is an outhouse facility capable of occupying only two people at a time. Vessel crews have come to the Harbormaster's office with complaints of this lack of basic service. Potable water, adequate shore power, and even basic restroom facilities are expected in a modern competitive harbor such as the Homer Small Boat Harbor.

Plans & Progress: Design costs for this project would be minimal as the City has standard public restroom plans engineered that can be easily modified for this location.

Total Project Cost: \$295,000

Schedule: 2014

Priority Level: 3



This outhouse sees heavy use from crews of large vessels moored at Ramp 8.

Keep. Updated cost estimate to reflect value of restroom design City has from recent restroom projects. On CIP since 2013.



Public Facilities

- **Public Market Design and Financing Plan**

Update accordingly.



Public Market Design and Financing Plan

Project Description & Benefit: This project will facilitate implementation of a recommendation in the City's Comprehensive Economic Development Strategy discussed in both the "Agriculture" and "Downtown Vitalization" sections. It is also consistent with the goals of the Homer Town Center Development Plan and the Climate Action Plan. Specifically, the project will provide a permanent, weather-protected venue for the Homer Farmers Market in Town Center. In conjunction with Town Center infrastructure development (a separate capital improvement project aimed at providing initial road/trail access and utilities), the project will kick off development in the Town Center district, providing immediate benefits to downtown Homer and serving as a catalyst for further development.

Although the term "Farmers Market" is used here, many communities use the term "Public Market" to refer to year-round venues where market-goers can find a variety of locally crafted products in addition to local produce, seafood, and the like. The Pike Street Public Market in Seattle is a particularly famous example. Farmers Markets/Public Markets have seen a huge increase in popularity in recent years, creating a strong draw for locals and visitors alike and providing a low-cost venue for a variety of small local businesses. A study funded by the Ford Foundation in 2002 found that "public markets function as incubators for small businesses and training grounds for independent entrepreneurs. Low start-up costs make it easy for vendors to finance their new businesses, often without the aid of lending institutions. And the spin-off benefits for nearby businesses are huge, according to Project for Public Spaces research, since 60 percent of market customers also visit neighborhood stores on the same days."

Currently, the Homer Farmers Market operates as an open-air market on private land, with no guarantee of future access to the property. Features of a permanent public market in Town Center would include 1) a weather-proof structure with an open marketplace feel and room for at least 100 vendors; 2) site design to facilitate loading/unloading of goods and ease of access for customers; 3) exterior landscaping and public art features to enhance the overall attractiveness of the area; and 4) signage to attract and direct potential market-goers from Pioneer Avenue, Main Street, and the Sterling Highway.

Total Project Cost: \$60,000 (Engineering, design, and construction costs to be determined.)

Schedule: 2013-2015

Priority Level: 2



The Farmers Market in Olympia, Washington, located at the edge of Olympia's downtown, is a gathering place for local, small-scale farmers, merchants, and artists and a popular destination for locals and visitors. Nearby businesses benefit from the popularity of the Farmers Market. The market is open Thursday through Sunday April-October and weekends in November

Move to long-range. At this point there is little support for the project within the farming community. On CIP since 2013.



Public Safety

- **Firefighting Enhancement - Aerial Truck**

Update accordingly.



Firefighting Enhancement - Aerial Truck

Project Description & Benefit: This project will greatly enhance the City of Homer's firefighting capability with a modern aerial truck. As Homer continues to grow and the size and complexity of buildings increases it is no longer safe or practical to fight fire from the ground or off of ground ladders. (The Homer Volunteer Fire Department's tallest ground ladder is only 35 feet.) Large footprint and tall buildings (two stories or more) often require the use of elevated hose streams to fight fire effectively. HVFD has no ability to provide for elevated hose streams except off of ground ladders, which severely limits the application of water and endangers the lives of firefighters. Aerial apparatus allow for the application of water to the interior of a building without placing firefighters in immediate danger. They also allow for the rescue of persons that become trapped in upper stories or on rooftops by fire or other incidents that impede the use of interior stairways.

An added benefit of the new truck will be more favorable insurance rates for the City of Homer, as determined by community fire protection classification surveys. Since the 1995 ISO survey, several large buildings were constructed in Homer, including West Homer Elementary School, the Islands and Ocean Visitor Center, the Homer Ice Rink, and the South Peninsula Hospital Expansion. New development in Town Center will add to the list of structures that would benefit from enhanced firefighting capability. An ISO review conducted in September 2007 resulted in an increase in the Property Protection Classification (PPC) rating from a 3 to a 5, meaning that Homer homeowners now face increased fire insurance premiums. The ISO review clearly indicates the need for an aerial truck, which can more adequately respond to fires in buildings of three stories or greater, buildings over 35 feet tall at the eaves, and those that may require 3,500 gallons per minute to effectively fight the fire.

Total Project Cost: \$800,000

Schedule: 2014

Priority Level: 1



Keep. Still a need. On CIP since 2007.



Utilities

- **Alternative Water Source**
- **Bridge Creek Watershed Land Acquisition**

Update accordingly.



Alternative Water Source

New Water Source: Currently Homer's sole water source is the Bridge Creek Reservoir. Population growth within the city, increased demands for City water from residents outside city limits, increasing numbers of tourists and summer residents, and climate change that has reduced surface water availability are all factors in the need for a new water source to augment the existing reservoir.



Clean drinking water is essential for public health and providing clean water is one of the core functions of government.

The City has been proactive in addressing the looming water problem by commissioning a new Water and Sewer Master Plan. Based on projected population growth, the plan recommends that Homer develop a new water source; utilizing, for example, an existing stream such as Twitter Creek, Diamond Creek, or Fritz Creek. Planning and design for this project needs to begin as soon as possible.

Total Project Cost: \$16,750,000

Schedule:

2013 (Feasibility Study): \$750,000

2016 (Design and Permitting): \$1,000,000

2020 (Construction): \$15,000,000

Priority Level: 2

Move to long-range. Growth has not been as quick as expected allowing this project. On CIP since 2006.



Bridge Creek Watershed Land Acquisition

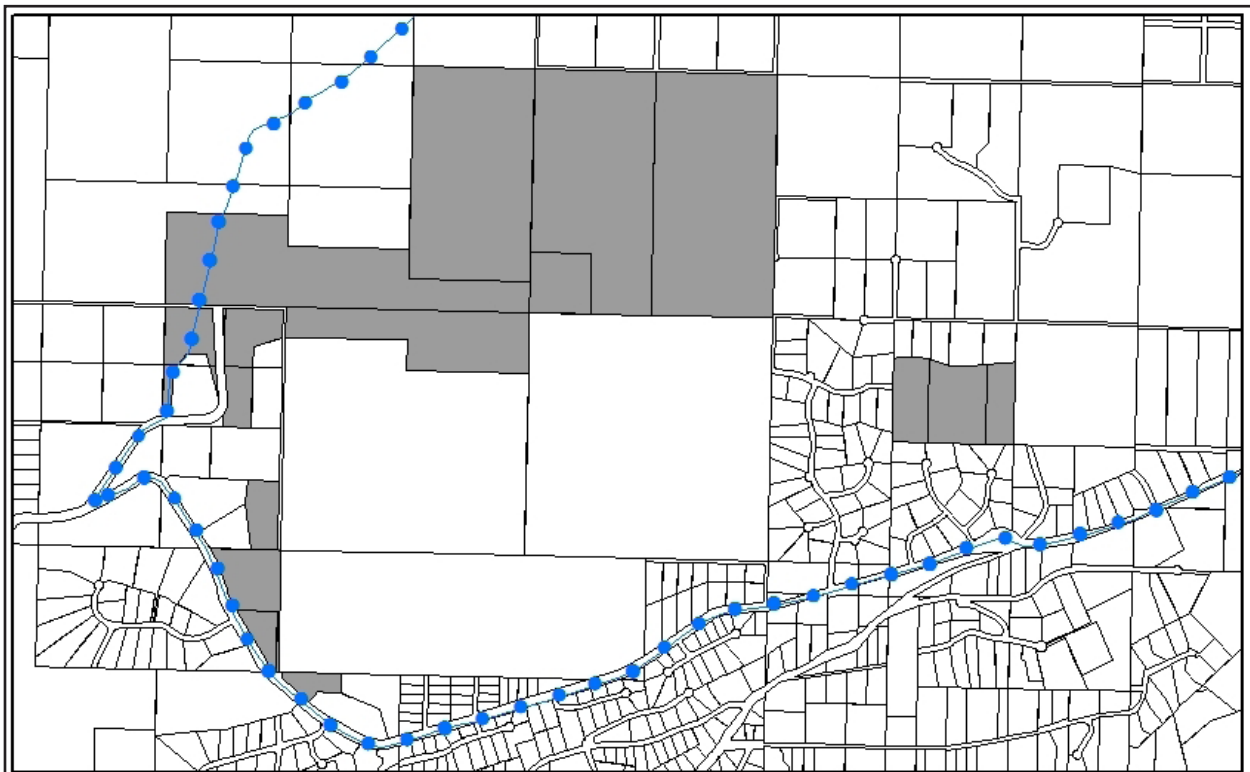
Project Description & Benefit: Currently, the Bridge Creek watershed is the sole source of water for Homer. To protect the watershed from development that could threaten the water supply and to ensure the availability of land for possible future expansion of water treatment operations within the watershed, the City seeks to acquire additional acreage and/or utilize conservation easements to restrict development that is incompatible with clean water.

PLANS & PROGRESS: Since 2003, the City of Homer has acquired approximately 270 acres in the Bridge Creek watershed.

Total Project Cost: \$1,000,000

Schedule: 2013 - 2018

Priority Level: 2



Shading indicates the property already owned by the City of Homer within the Bridge Creek watershed.

Move to long-range section. On CIP since 2000.



State Projects

The City of Homer supports the following state projects which, if completed, will bring significant benefits to Homer residents

Transportation projects within City limits:

- **Homer Intersection Improvements**
- **Main Street Reconstruction/Intersection**
- **Ocean Drive Reconstruction with Turn Lane**
- **Pioneer Avenue Upgrade**

Transportation projects outside City limits:

- **Sterling Highway Reconstruction, Anchor Point to Baycrest Hill**
- **Sterling Highway Realignment, MP 150-15**

Non-transportation projects:

- **Alaska Maritime Academy**

Update accordingly.



Homer Intersection Improvements

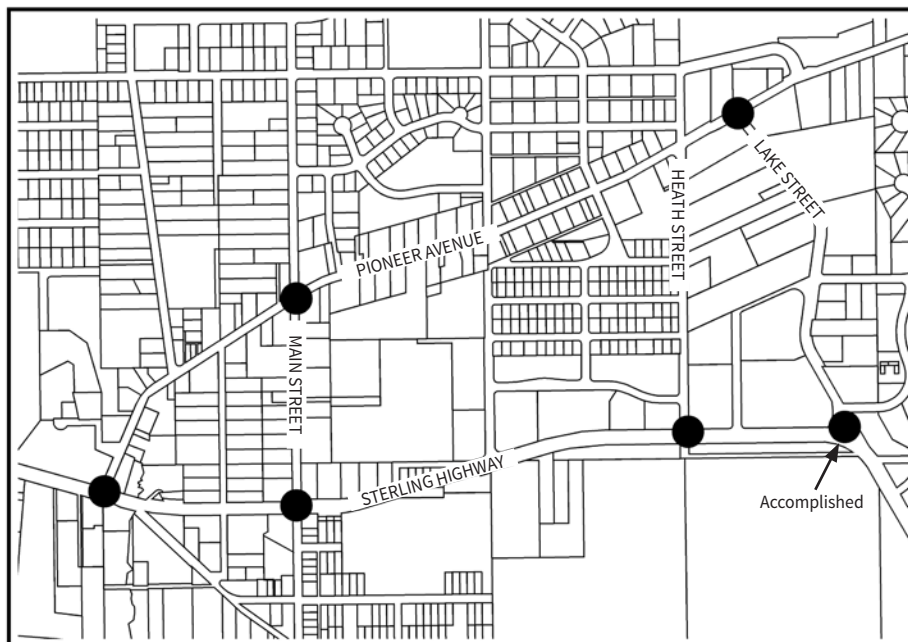
Project Description & Benefit: This project will implement recommendations of the 2005 Homer Intersections Planning Study commissioned by the Alaska Department of Transportation and Public Facilities. The study, which focused on 12 intersections, involved traffic forecasts and analysis of intersection safety, intersection options, and pedestrian needs. The benefit of the project will be to enhance traffic safety and quality of driving and pedestrian experiences for residents and visitors, particularly as the community continues to grow.

The study notes that for the intersections that need roundabouts or traffic signals, either option will function well; however, “the Alaska Department of Transportation and Public Facilities supports the development of modern roundabouts at these locations because of the good operational performance of roundabouts, superior safety performance, and reduced maintenance.”

Problem intersections and recommended improvements noted in the study but not yet funded are as follows:

- Sterling Highway and Heath Street - Roundabout or traffic signal
- Sterling Highway and Main Street - Roundabout or traffic signal (This project has been partially funded.)
- Pioneer Ave. and Lake Street/East End Road - Roundabout or traffic signal
- Sterling Highway and Pioneer Ave. - Roundabout or traffic signal
- Pioneer Avenue and Main Street - Roundabout or traffic signal

Plans & Progress: State of Alaska DOT/PF has obtained \$2.8 million to make safety improvements to Main Street Intersection which is scheduled for construction in 2015..



Alaska DOT/PF has recommended roundabouts or traffic signals at six central Homer intersections, to be accomplished as soon as possible. A traffic signal was installed at the Lake Street/Sterling intersection in 2005.

Updated to reflect Main Street Intersection improvements scheduled for 2015. On CIP since 2006.



Main Street Reconstruction

Project Description & Benefit: This project will provide curb and gutter, sidewalks, storm drainage, and paving for Main Street from Pioneer Avenue to Bunnell Street.

Homer's Main Street is a primary north-south corridor running from Bayview Avenue (near the hospital) to Ohlson Lane (near Bishop's Beach). In the process, it connects Homer's primary downtown street, Pioneer Avenue, with the Sterling Highway and provides the most direct access to the Old Town district. It also provides the western border to Homer's undeveloped Town Center district.

Despite its proximity to the hospital, businesses, and residential neighborhoods, Main Street has no sidewalks, making pedestrian travel unpleasant and hazardous. Sidewalks on this busy street will enhance the quality of life for residents and visitors alike and provide economic benefits to local businesses and the community as a whole.

Plans & Progress: Main Street is a City street from Pioneer Avenue northward, and a State street from Pioneer Avenue south. The Homer Non-Motorized Transportation and Trail Plan, adopted by the City Council in 2004, calls for construction of sidewalks on both sides of Main Street to provide a safe means for pedestrians to travel between Old Town and Pioneer Avenue, and stresses that this should be regarded as a "near term improvement" to be accomplished in the next two years. The Homer City Council passed Resolution 06-70 in June 2006 requesting that Alaska Department of Transportation and Public Facilities (DOT/PF) "rebuild and upgrade Main Street from Pioneer Avenue to Bunnell Avenue as soon as possible in exchange for the City assuming ultimate ownership, maintenance, and operations responsibility."

State of Alaska DOT/PF has obtained \$2.8 million to make safety improvements to Main Street Intersection. However, DOT/PF estimates indicate that this is not enough to cover both the intersection improvement and reconstruction of the entire section from Pioneer Avenue to Bunnell Street.

A group of Old Town residents and business owners received an ArtPlace grant to enhance the walkability, safety and attractiveness of the area. Part of their project is working with the City and the State on low cost traffic calming measures on Main Street such as cross walks, pedestrian signs, and speed limit reductions.



A mother pushes a stroller along Main Street between the Sterling Highway and Bunnell Street, while another pedestrian walks on the other side of the road.

Updated to reflect Main Street Intersection improvements scheduled for 2015 & Old Town community work. Project now only reconstruction. On CIP since 2006



Ocean Drive Reconstruction with Turn Lane

Project Description & Benefit: This project will improve traffic flow on Ocean Drive and reduce risks to drivers, bicyclists, and pedestrians by creating a center turn lane, providing well-marked crosswalks, and constructing a separated bike path. The project will also enhance the appearance of the Ocean Drive corridor by moving utilities underground and providing some landscaping and other amenities.

Ocean Drive, which is a segment of the Sterling Highway (a state road) connecting Lake Street with the Homer Spit Road, sees a great deal of traffic, particularly in the summer, and has become a source of concern for drivers, bicyclists, pedestrians, and tour bus operators.

Currently, a bicycle lane runs on the south side of Ocean Drive. However, it is common for cars and trucks to use the bicycle lane to get around vehicles which have stopped in the east-bound traffic lane in order to make a left turn. Some frustrated drivers swing around at fairly high speeds, presenting a significant risk to bicyclists and pedestrians who may be using the bike lane.

In recent years, the Homer Farmers Market has become a popular attraction on the south side of Ocean Drive during the summer season, contributing to traffic congestion in the area. In addition, Homer is seeing more cruise ship activity which also translates into more traffic on Ocean Drive. All of these factors have led to increased risk of accidents.

Plans & Progress: The City of Homer recommends that this project be added to the Statewide Transportation Improvement Program and completed as soon as possible.



Looking east on Ocean Drive near the Farmers Market on a relatively quiet day.

Move to long-range. Project requires traffic studies to substantiate need. On CIP since 2012.

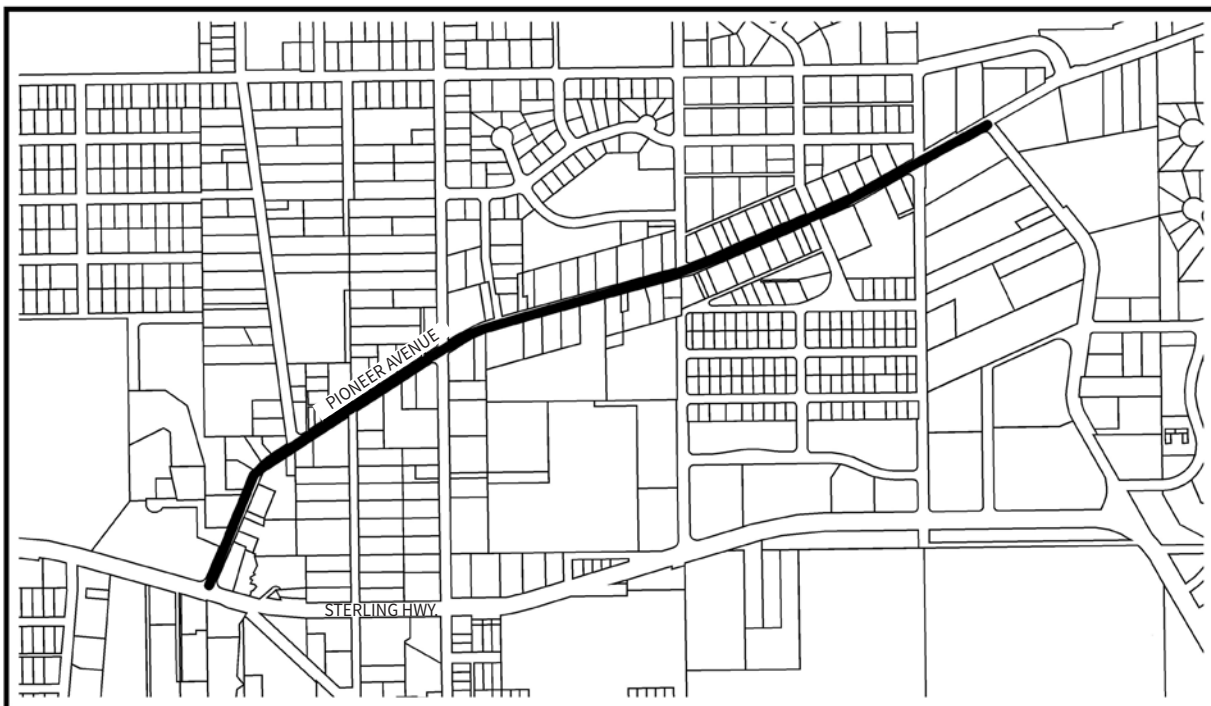


Pioneer Avenue Upgrade

Project Description & Benefit: "Complete streets" are defined as streets which are designed and operated to enable safe access for all users: pedestrians, bicyclists, and motorists. Pioneer Avenue is a mile-long arterial road in the part of Homer typically thought of as "downtown." However, in its current form, Pioneer Avenue does not function well as a downtown street. While the posted speed limit is 25 mph, wide lanes and lack of traffic calming features encourage drivers to go much faster. Using a bicycle on a sidewalk in a business district is against state law, but the practice is tolerated on Pioneer Avenue because it is generally acknowledged that the street is unsafe for cyclists. Crosswalks are few and far-between (five total) and many drivers fail to notice pedestrians in time to stop when pedestrians are waiting to cross. Some east-west crossings are particularly long and intimidating (e.g., at Main Street and Heath Street). For all these reasons, walking is not very popular along Pioneer Avenue, to the detriment of downtown businesses.

The Pioneer Avenue Complete Street Project will encourage non-motorized transportation by narrowing the driving lanes, adding distinct bicycle lanes and additional well-marked crosswalks, and incorporating other traffic calming features to further slow traffic and improve pedestrian and bicycle safety. Landscaping and appropriate "downtown" lighting will also be included in the project. It will be most cost effective to complete this work in conjunction with Pioneer Avenue Intersection safety improvements recommended in the 2005 Homer Intersections Planning Study (ADOT).

Plans & Progress: The project Pioneer Avenue Rehabilitation is included in the 2012-2015 Alaska Statewide Transportation Improvement Program.



Keep. No new updates. Need to keep pressure on DOT for project to advance on STIP. On CIP since 2011.



Sterling Highway Realignment MP 150-157

Project Description & Benefit: The Sterling Highway is a vital transportation corridor serving most of the communities on the Kenai Peninsula, including Homer at the southern terminus, and is the only road connecting these communities to the larger North American road system. The vast majority of people and goods routed in and out of Homer utilize the Sterling Highway as compared to air or water transportation.

This project will protect the Sterling Highway from erosion that is threatening the highway north of Anchor Point. Completion of the project will involve re-routing the highway away from areas that are eroding, utilizing existing road right-of-way as much as possible. The Alaska Department of Transportation has noted that the first effort needed is for reconnaissance study to evaluate alternatives and quantify costs.

Plans & Progress: The project “Sterling Highway Erosion Response MP 150-157” is included in the 2012-2015 Statewide Transportation Improvement Program (STIP).



As seen in this aerial image, the eroding edge of the bluff is now only 30 feet away from the Sterling Highway at a section just north of Anchor Point.

Keep. No significant updates. On CIP since 2007.



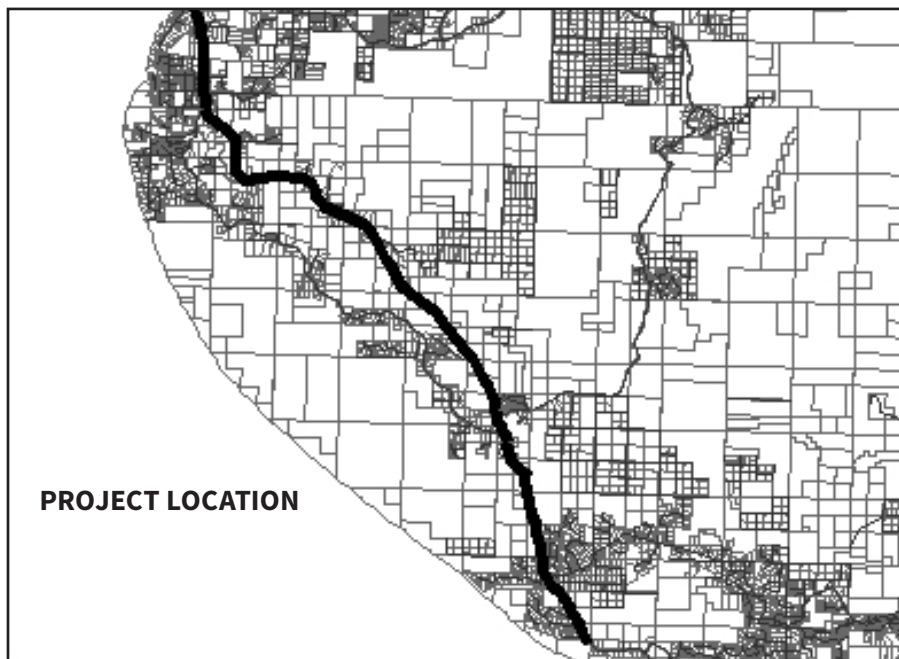
Sterling Highway Reconstruction Anchor Point to Baycrest Hill

Project Description & Benefit: This project will reconstruct 12 miles of the Sterling Highway between Anchor Point (MP 157) and the top of Baycrest Hill in Homer (MP 169) to address severe safety issues resulting from curves, hills, and blind spots on the existing road. The project has been identified as a high priority of the Kenai Peninsula Borough.

Many major side road intersections, gravel hauling operations, and school bus stops contribute to dangerous conditions on the 12-mile section of highway, which has been the scene of several serious accidents, many with fatalities, over the past several years. Continued population growth has led to more subdivisions with intersecting roads and more traffic on the highway, exacerbating the problem. School buses must stop in some locations with blind corners and hills.

The project calls for construction of an improved 2-lane highway paralleling the alignment of the existing highway. The reconstructed highway will be designed to allow two additional lanes to be added at a future date.

Plans & Progress: This project (“Sterling Highway: MP 157-169 Rehabilitation - Anchor Point to Baycrest Hill”) is included in the 2012-2015 Alaska Statewide Transportation Improvement Program (STIP). Two and a half million dollars was included in the FY2013 capital budget for design and right of way phases of this project. Total costs are expected to exceed \$36 million; consequently, the project may be constructed in phases.



**Keep. No significant updates. On
CIP since 2010.**



Alaska Maritime Academy

Project Description & Benefit: This project will establish an accredited maritime academy providing quality post-secondary education primarily focused on marine related programs for developing career-oriented skills relating to engineering, ship operations, marine science, maritime management, and small vessel design and operation. The academy would provide both classroom and hands-on training, taking advantage of Homer's existing marine trades industry cluster and opportunities for time onboard vessels in port and at sea.

The federal Maritime Administration provides training vessels and other support to state maritime academies. Currently there are six academies in the U.S.; none in Alaska. Alaska Statute Sec. 44.99.006 specifies that the governor may enter into an agreement with the Federal Maritime Administration to provide for an Alaska Maritime Academy.

Plans And Progress: The Homer City Council approved Resolution 10-22(A) requesting that Alaska's governor select Homer as the site of an Alaska Maritime Academy and specifying that a citizens task force be established to facilitate the effort to develop a maritime academy here. A possible location for the academy would be the Homer Education and Recreation Center ("Old Intermediate School") now owned by the City of Homer.



Maritime academies utilize both classroom and hands-on training. The training ship for the Great Lakes Maritime Academy in Traverse City, Michigan is shown in the background of this photo.

Staff recommends remove. On CIP since 2011.



Projects Submitted by Other Organizations

The City of Homer supports the following projects for which local non-profit organizations are seeking funding and recognizes them as being of significant value to the Homer community:

- **Cottonwood Horse Park**
- **Haven House Sustainability/Energy Efficiency Projects**
- **Rogers Loop Trailhead Land Acquisition**
- **Visitor Information Center Parking Lot**

Update accordingly. Lots of interest has been generated this year from nonprofits and other organizations so expect a lot of new project requests in this category.



Cottonwood Horse Park

Project Description And Benefit: Kachemak Bay Equestrian Association (KBEA) is seeking capital acquisition funds to complete the purchase of Cottonwood Horse Park located near Jack Gist Park in Homer.

Development of Cottonwood Horse Park began in 2006, when KBEA secured 501(c)3 status and constructed an arena on 3.29 acres of land acquired through a purchase agreement. During the first five summer seasons events at the horse park drew more than 1,200 participants and 2,000 spectators.

The Horse Park fulfills a goal identified in past Homer recreation plans. This multi-use park is used for horse shows, clinics, riding lessons, picnics, dog walking, a preschool outdoor adventure club and horse camps. KBEA partnered with the local chapter of Connecting Children with Nature to develop a mud wallow. Also, the community celebrated Estuary Day with a BioBlitz on the property to identify all the organisms in the local park environment.

In 2006 the City of Homer acquired, through donation, .89 acres of land adjacent to the proposed horse park and has stipulated that the property be used for parks/recreation or green space. City of Homer Resolution 06-116 expresses the intent of the City to donate the property to KBEA. KBEA is now seeking to raise the remaining funds needed to acquire full title to the existing property.

Plans and Progress: As of June 2013, KBEA has raised \$180,00 towards land purchase and approximately \$175,000 in donations of cash, goods, and services towards the development of the park's infrastructure and facilities. Initial development of the property has included a 130 x 200 foot arena, a round pen, horse pens, handicapped accessible restrooms, installation of water, a mud wallow, two cabins, and a place for children to play. KBEA has been awarded grants from Rasmuson Foundation, Homer Electric Association, American Seafoods Company, Homer Foundation and the 2012 Alaska State Legislature that have allowed completion of the parking lot, an upgrade to the restrooms, construction of benches and tables, and installation of electricity. Grants were received from Jansen Foundation towards purchase of the land.

KBEA has sponsored numerous revenue-generating events including cowboy cabarets, chili cook-offs, garage sales, horse shows, pony club camps, lessons, clinics, and cowboy races.

The organization has a business plan and continues to fundraise.

Total project cost: \$317,000

Funding already secured: \$297,000

Amount needed to complete land purchase: \$20,000

KBEA has continued to fundraise and work on paying off land and making improvements to the park.



A rider negotiates an obstacle in the Cowboy Race 2010.



Haven House Sustainability/ Energy Efficiency Projects

Project Description & Benefit: South Peninsula Haven House is a 24-hour staffed shelter with a mission to support and empower people impacted by domestic violence and sexual assault. As part of the area's comprehensive public safety network, Haven House operates a 10-bed shelter and child advocacy center and has responded to community crisis needs by expanding services. This increased service demand has occurred while the shelter faces dramatic increases in the cost of fuel and utilities.

The proposed project seeks to enhance sustainability and reduce costs at Haven House through replacement/repair of the existing roof, including updated the attic insulation; and modification of the current entry way and replacement of entry way doors with more heat-efficient models. This modification will also increase the security of the property and safety of the residents.

These projects will build on sustainability programs that have already been undertaken at Haven House. These include an internal recycling program, replacement of old inefficient plumbing fixtures and windows, and the addition of a greenhouse.

Total Project Cost: \$26,000

Roof Replacement/Repair and Attic Insulation: \$18,000

Entry Way Modifications: \$8,000



No update received as of 8-6



Rogers Loop Trailhead Land Acquisition

Project Description and Benefit: This project will provide a parking/staging area at the Rogers Loop trailhead, greatly improving access to the Baycrest Ski Trails maintained by the Kachemak Nordic Ski Club (KNSC). The trailhead is also used to access the Homestead summer hiking trails in the Homer Demonstration Forest.

KNSC hopes to purchase land on Rogers Loop Road. The property would be developed to provide trailhead parking and space for equipment storage and outhouses.

Currently the only parking on the popular Roger's Loop trailhead is on the shoulder of Rogers Loop Road. The limited parking creates problems even for typical everyday use by skiers and hikers and makes the trailhead impractical as an access point for ski events or ski team practice.

In addition to winter use, the property would provide summer parking for the Homestead hiking trail, the nature trail boardwalk, and arboretum trails maintained by the Home Soil and Water Conservation District. Community members of all ages and abilities use the Baycrest/Homestead Trail system, as do visitors to Homer.

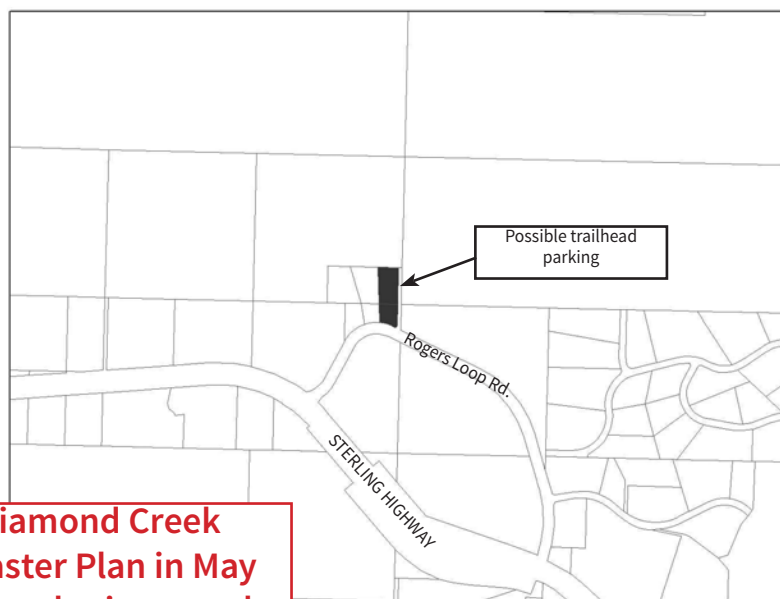
In recent years, Kachemak Nordic Ski Club and Kachemak Heritage Land Trust have undertaken successful campaigns to acquire property in the Baycrest/Diamond Creek area. The City of Homer has ultimately accepted ownership of these parcels for the benefit of the entire community. It is KNSC's intent to transfer ownership of the Rogers Loop property to the City of Homer as well

Plans and Progress: KNSC board members have met with the landowners and discussed purchase of a parcel adjacent to the section line that leads to the public land. The KNSC board has approved the concept of purchasing land for parking and trail access on Rogers Loop. Board members have presented the information to interested parties and stakeholders such as the City of Homer, Kachemak Heritage Land Trust, Soil and Water Conservation District, and Kenai Peninsula Borough representatives. The board has designated \$1,500 for a fundraising/grant writing effort.

Total Project Cost: \$250,000

Purchase Land: \$50,000

Improvements: \$200,000



City adopted Diamond Creek Master Plan Master Plan in May that includes developing a parking lot at Rogers Loop.



Visitor Information Center Beautification Phase 1: Parking Lot

Project Description & Benefit: The Homer Chamber of Commerce (HCOC) is seeking funds to pave the HCOC Visitor Information Center parking lot as part of a phased Beautification Project.

This project will enhance development of the City's new Scenic Gateway Overlay District and has further potential to tie in with proposed Town Center development. The funds requested will be used to pave the parking lot, add ditches and culverts for drainage, stripe the lot for parking spaces, and add signage to deter pass-through traffic from the Sterling Highway to Bunnell Street.

Paving the Visitor Information Center parking lot will improve the appearance of the area, allow better access for the influx of visitors during the summer season and at year-round Chamber events, ensure handicap accessibility, and provide improved overflow parking for neighboring businesses. In addition, it will help address health and safety issues related to poor air quality, speeding vehicles, and pebbles kicked up by cars cutting through the parking lot between the Sterling Highway and Bunnell Street.

First impressions are what visitors to a community use to judge that area. One of the first places visitors come to when they drive into Homer is the

Homer Chamber of Commerce Visitor Information Center. Approximately 150,000 people visit Homer every year. Attracting new businesses and families to our community—while also maintaining community pride for existing residents—is one of the key missions of the Homer Chamber of Commerce. An attractive Visitor Information Center, parking area, and surrounding grounds should be regarded as an important asset benefiting the entire community.

Other phases of the Visitor Information Center Beautification Project include adding a deck and rest area. A final phase will develop the parcel located between the Chamber building and Bunnell Street.

Plans & Progress: The HCOC has completed excavation, grading, and backfill at a cost of \$40,000 raised specifically for this project. In 2012 the landscaping and gardens were installed at the very low cost of approximately \$10,000! We were able to do this only because of literally hundreds of hours of community volunteers!

Total Project Cost: \$200,000

Funding Requested for Paving Parking Lot: \$85,000



At various times of year, the Visitor Information Center parking lot is plagued by dirt, dust, mud, and potholes – sometimes all at once.

No update received as of 8-6



Capital Improvement Long-Range Projects

DRAFT

Part 3: Capital Improvement Long-Range Projects Local Roads

- **Parks and Recreation**
- **Public Facilities**
- **Public Safety**
- **Utilities**

Update accordingly



Capital Improvement Long-Range Projects

The following projects have been identified as long-range capital needs but have not been included in the 2012-2017 Capital Improvement Plan because it is not anticipated that they will be undertaken within the 6-year period covered by the CIP. As existing CIP projects are funded or as other circumstances change, projects in the long-range list may be moved to the 6-year CIP.

Local Roads

Fairview Avenue – Main Street to East End Road: This project provides for the design and construction of Fairview Avenue from Main Street to East End Road. The road is approximately 3,000 linear feet and the project will include paving, water and sewer mains, stub-outs, storm drains, and a sidewalk or trail. The project extends from the intersection of Main Street to the Homer High School and finally to East End Road and will provide an alternative to Pioneer Avenue for collector street access east/west across town. This roadway would benefit the entire community by reducing congestion on Pioneer Avenue, the major through-town road, and would provide a second means of access to the high school. It would also allow for development of areas not currently serviced by municipal water and sewer.

This improvement is recommended by the 2005 Homer Area Transportation Plan. Necessary right of way has already been dedicated by the Kenai Peninsula Borough across the High School property.

Cost: \$1.75 million **Priority Level** 3

Fairview Avenue – Main Street to West Hill Road: This project provides for the design and construction of Fairview Avenue from Main Street to West Hill Road. The road is approximately 4,200 linear feet and the project will include paving, water and sewer mains, stub-outs, storm drains, and a sidewalk or trail. Along with the Fairview to East End Road project, this project will benefit the entire community by providing an alternative to Pioneer Avenue for collector street access east/west across town, thereby reducing congestion on Pioneer Avenue and developing alternative access for emergency vehicle response. The need for the road extension has increased markedly with the development of three major residential subdivisions in the area.

This improvement is recommended in the 2005 Homer Area Transportation Plan.

Cost: \$3 million **Priority Level** 3

Parks And Recreation

Beach Access from Crittenden and Main: This project will provide residents and visitors with coastal view stations and access to the beach at the southern ends of Crittenden Street and Main Street, utilizing City-owned land. The project will enhance connectivity in Homer's developing trails and park system, providing additional points of access so that beachgoers can walk onto the beach at one point and off at another, on a loop through Old Town, Town Center, etc. For those not physically able to walk all the way to the beach, platforms near the roads will provide nice views and benches on which to relax. Interpretive signage could provide information on Homer history, beach formation, and other topics.

Improvements at Crittenden Street will consist of stairs with landings (designed to protect against erosion) constructed from the top of the bluff to approximately halfway down the slope. From there, a narrow, meandering pathway will continue to the beach.

The Main Street beach access point is envisioned to have a small parking area, a viewing platform with a bench, and stairs with landings.

Cost: \$250,000 **Priority Level** 3

DRAFT



Capital Improvement Long-Range Projects

East Trunk/Beluga Lake Trail System: This project will create two connecting trails:

- The Beluga Lake Trail will partially encircle Beluga Lake with a raised platform trail that includes a wildlife observation site. The trail will connect neighborhoods and business districts on the north and south sides of the lake.
- The East Trunk Trail will provide a wide gravel pathway from Ben Walters Park east along the City sewer easement, along the north side of Beluga Lake (connecting with the Beluga Lake Trail), and eventually reaching East End Road near Kachemak City.

The completed trail system will connect Paul Banks Elementary School, the Meadowood Subdivision, and other subdivisions and residential areas to Ben Walters Park. It will additionally provide hiking, biking, and wildlife viewing opportunities around Beluga Lake. In addition, it will provide an important non-motorized transportation route.

The Beluga Lake Trail and a trail connection to Paul Banks Elementary School and East End Road are included in the 2004 City of Homer Non-Motorized Transportation and Trail Plan.

Cost: Beluga Lake Trail—\$1.5 M East Trunk Trail—\$2 M Priority Level 3

Homer Coastal Trail: Homer's coastal environment provides enormous scenic and recreational opportunities for area residents and visitors and has helped attract world-class educational and research facilities, such as those incorporated in the new Islands and Ocean Visitor Center. With trail development in the area from Mariner Park to Bishop's Beach, the potential exists for even greater access to and appreciation of this unique resource, by individuals of all ages and physical abilities.

The 1.3 mile Homer Coastal Trail would be completed in three phases. Phase 1 will be to install riprap revetment and construct a paved asphalt pedestrian trail along the top of the new Ocean Bluff seawall, providing a route along this previously difficult to access section of the coast. Phase 2 will involve construction of a bridge over Beluga Slough and a boardwalk trail through the intertidal zone west to Bishop's Beach. Phase 3 will provide a boardwalk trail from the seawall to Mariner Park. The new trail will connect with the existing Beluga Slough trail and Homer Spit Trail. It will be enjoyed by hundreds of visitors and residents each year, contributing to quality of life and economic development.

Cost: Phase 1—\$2.5 million Phase 2—\$1.2 million Phase 3—\$1.5 million Priority Level 3

Jack Gist Park Improvements, Phases 3: Jack Gist Park has been in development since 1998 on 12.4 acres of land donated to the City of Homer by a private landowner. As originally envisioned by the Jack Gist Recreational Park Association, this parcel was to be developed primarily for softball fields. The long-term goal is to acquire adjacent properties that will provide space for soccer fields. Phase 3 development will construct a plumbed restroom at the park. Phase 3 will be to develop soccer fields.

Cost: \$400,000 Priority Level 3

Karen Hornaday Park Improvements, Phase 3: Phase 3 park improvements will include building a concession stand, shed, and new restroom; landscaping and signage, and revegetating Woodard Creek Cost: \$860,000 Priority Level 2

Mariner Park Improvements: This project will provide significant improvements to Mariner Park as called for in the park's master plan: Construct a bike trail from the "Lighthouse Village" to Mariner Park (\$325,000); expand the park and move the vehicle entrance to the north (\$175,000); Construct a pavilion, additional campsites, and interpretive kiosk (\$150,000); and improve the appearance of the park with landscaping (\$75,000).

Total: \$725,000 Priority Level 3



Capital Improvement Long-Range Projects

Public Restrooms – Homer Spit: With increased activity on the Homer Spit, including the popular Homer Spit Trail, the need for restroom facilities has also increased. Restrooms are needed in the following locations, in priority order. (Note: It is anticipated that a new restroom in the vicinity of the Fish Dock will be constructed in 2013. Restrooms for Mariner Park and End of the Road Park are addressed elsewhere.)

- The restroom at Ramp 2 is in poor condition and needs to be replaced. If a new Port & Harbor building is constructed, it could include a restroom (possibly with showers) to replace the Ramp 2 restroom.
- A restroom is needed at the trailhead parking area on Kachemak Drive. The parking area is at the intersection of the Ocean Drive bike route and the Homer Spit trail; thus the restroom will benefit users of both trails. The City of Homer is planning to expand the trailhead parking lot for the Spit Trail to increase parking capacity and create room for the proposed restroom facility.

Cost: \$400,000 each; \$1.2 M total

Priority Level 2 for Ramp 2; Level 3 for Ramp 5 and Spit trailhead

PUBLIC FACILITIES

Homer Conference Center: Homer is a popular visitor destination and the visitor industry is a critical component of the local economy. However, millions more dollars might be spent in Homer if a meeting facility large enough to attract conferences with several hundred participants was available. Currently, Homer has no facility capable of providing meeting space for groups of more than 180 people.

Homer's reputation as an arts community will help attract meetings and audiences if a facility exists to accommodate and showcase these events. The conference center, featuring banquet/ballroom space and flexible meeting space, will fill this need. If the facility is located in Homer's developing Town Center, other area businesses would also benefit from the increased number of visitors attending meetings at the conference center.

A conference center will increase Homer's ability to compete with other communities in that important niche of the visitor industry, and will also provide a venue for meetings and cultural events hosted by local organizations, such as the Kachemak Bay Writers Conference and Shorebird Festival events.

In partnership with the Homer Chamber of Commerce, the City of Homer commissioned a conference center feasibility study completed in summer 2005. The study predicts moderate demand from outside groups for a conference center in Homer. The Conference Center Feasibility Study Steering Committee made a formal recommendation that the City support efforts to encourage the construction of a conference center in Homer's Town Center. In August 2005, the Homer City Council passed Resolution 05-86(A) which recommends further consideration and authorizes the City Manager to pursue ideas and discussions that will increase the likelihood of a conference center being built in Homer.

Cost: \$5 million

Priority Level 3

Public Works Complex: The City of Homer Public Works complex on the Sterling Highway was constructed in phases from 1974-1986 (except for the recently completed large equipment storage shed). In 1980, Homer's population was 2,209. Since that time, the population has grown more than 150%, with a corresponding increase in roads, water/sewer lines, and other construction activity that requires employee and equipment time. The existing facility is no longer adequate to meet these needs and the problem will become more acute with continued growth.

A new Public Works complex will include the following:

- Increased office space to provide adequate room for employee work areas, files, supplies, and equipment storage
- Adequate space for Parks Division and Engineering staff and equipment
- A waiting area for the public, contractors, etc.
- A conference room that doesn't double as the employee break room



Capital Improvement Long-Range Projects

- A break room with adequate seating, storage, and locker space
- A laundry room
- A garage for the motor pool large enough to accommodate more than one or two projects at a time
- Improvements in ventilation throughout the facility and wiring for computer technology

Cost: Design—\$500,000

Construction—\$4.5 M

Priority Level 2

Homer Greenhouse: Homer's growth in population and area, the importance of tourism to the local economy, and increased community requests for beautification illustrate the need for a new greenhouse capable of producing 100,000 plants annually. In addition to spring planting, the greenhouse can be used to grow hanging baskets for the Central Business District; poinsettias, etc. for the winter holiday season; and shrubs and trees for revegetation and park improvements. The library grounds and Town Center development will further increase the need for summer annuals planting. The greenhouse could also serve as a community resource for meetings, weddings, winter visits, etc.

The greenhouse is envisioned to be 100 x 40 feet in size and will include radiant floor heat, automated lighting, ventilation, and watering equipment. It will be constructed utilizing double-walled poly sheet product to maximize energy efficiency and operational costs. The facility will be operated by the Parks Division of Public Works for the benefit of the community. The greenhouse could possibly be constructed in conjunction with a Farmers Market facility in Town Center.

Cost: \$400,000

Priority Level 3

PUBLIC SAFETY

South Peninsula Firearms Training Facility: This project will provide a multi-agency training facility for law enforcement on the lower Kenai Peninsula. Beneficiaries will include the Homer Police Department, local units of the Alaska State Troopers, Alaska State Parks, and various federal law enforcement agencies. Properly managed, the facility could also be used by local gun clubs and sporting groups. The facility, which will include a modern indoor shooting range, will provide a proper and safe environment for firearms training. It will enable local law enforcement personnel to conduct training at any time of day, year-round, regardless of weather.

A conceptual design for a 6-lane indoor shooting range was prepared for the City of Homer in 1996. Note: This project is proposed in conjunction with a new Police/Fire Hall complex in the mid-range CIP projects.

Cost: \$1,000,000

Priority Level 3

**Request submitted this year to
move project to mid-range**

UTILITIES

Spit Water Line Replacement – Phase 4: The existing Homer Spit water line is 30 years old and is constructed of 10-inch cast iron. In recent years it has experienced an increasing number of leaks due to corrosion. The condition has been aggravated by development on the Spit resulting in increased load from fill material on an already strained system. Phase 4 of this project consists of construction of approximately 1,500 linear feet of water main to the end of the Spit. Replacement of the Homer Spit waterline will ensure an uninterrupted water supply for public health, fire/life safety needs, and expanding economic activities on the Spit.

Cost: \$400,000

Priority Level 3



Capital Improvement Long-Range Projects

West Hill Water Transmission Main and Water Storage Tank: Currently, water from the Skyline treatment plant is delivered to Homer via two transmission mains. One main (12-inch) is located along East Hill Road and delivers water to the east side of town. The other (8-inch) runs directly down to the center of town. A third transmission main is needed to deliver water to the west side of town, provide water to the upper West Hill area, and provide backup support to the two existing transmission mains. A new water storage facility is also needed to meet the demands of a rapidly growing community.

The addition of a third water transmission main has been identified in comprehensive water planning documents for over 20 years.

Cost: Design—\$500,000 Construction—\$4.5 M Priority Level 2

Update with projects moved from mid-range to long-range:
-Public Market: Design and Financing Plan
-Bridge Creek Watershed Land Acquisition
-Ocean Drive Reconstruct with Turn Lane

DRAFT



Capital Improvement Appendices

Part 4: Capital Improvement Appendices

- **CIP Development Schedule**
- **Resolution 12-087**
- **City of Homer Financing Assumptions**

DRAFT

Update accordingly



Capital Improvement Appendices

CITY OF HOMER 2014-2019 CAPITAL IMPROVEMENT PLANNING PROCESS FY 2014 LEGISLATIVE REQUEST DEVELOPMENT SCHEDULE

ACTION	TIME FRAME
City Council approval of schedule	May 13, 2013
Solicit new/revised project information from City departments, local agencies and non-profits	May 14
Input for new draft requested by	June 14
Prepare and distribute draft CIP to City advisory groups for review and input	(Meeting dates): Planning Commission June 19, July 17
	Parks and Recreation Commission June 20, July 18
	Port and Harbor Commission June 26, July 24
	Library Advisory Board July 2
	Economic Development Commission June 11, July 9
	Transportation Advisory Committee No meeting in time frame.
Administrative review and compilation	July 25 - August 7
City Council worksession to review proposed projects	August 12
Public Hearing on CIP/Legislative request	August 26
Adoption of resolutions by City Council	September 9
Administration compilation of CIP	September 10 – September 30
Administration forwards requests for Governor's Budget (Local Election)	October 1
Distribution of CIP and State Legislative Request	October 2013 & January 2014
Compilation/distribution of Federal Request	February 2014

DRAFT

Updated with 2013 schedule



Capital Improvement Appendices

CITY OF HOMER HOMER, ALASKA

City Manager

RESOLUTION 13-018

A RESOLUTION OF THE HOMER CITY COUNCIL
AMENDING THE 2013-2018 CAPITAL IMPROVEMENT
PLAN TO DELETE THE HOMER TIDAL ENERGY
INCUBATOR PROJECT AND AMEND THE HOMER
EDUCATION AND RECREATION CENTER UPGRADES.

WHEREAS, On October 15, 2012 the City Council of the City of Homer adopted Resolution 12-087(S) adopting the 2013-2018 Capital Improvement Plan and establishing capital project legislative priorities for FY 2014; and

WHEREAS, Subsequent to the adoption of Resolution 12-087(S) the City Council funded the Homer Tidal Energy Incubator Project via Ordinance 12-51(A) in the amount of \$100,000 through a reimbursable grant; and

WHEREAS, The Homer Tidal Energy Incubator Project can be deleted from the FY 2014 State Legislative Request because it has been funded; and

WHEREAS, Subsequent to the adoption of Resolution 12-087(S) new information has become available about the cost of upgrading the current Homer Education and Recreation Center to current code standards; and

WHEREAS, It may be more cost effective to build a new facility or upgrade a different building than the current Homer Education and Recreation Center building; and

WHEREAS, This project should be amended to read Homer Education and Recreation Center to include the possibility of upgrading an existing building or new construction.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby amends the Capital Improvement Plan by deleting the Homer Tidal Energy Incubator Project.

BE IT FURTHER RESOLVED that the Homer City Council hereby amends the 2013-2018 Capital Improvement Plan by deleting the term "Upgrades" after Homer Education and Recreation Center.

BE IT FURTHER RESOLVED that the following capital improvement projects are now identified as priorities for the FY 2014 State Legislative Request:

1. Harbor Improvement Revenue Bond Projects
2. Port and Harbor Building
3. Skyline Fire Station
4. Pratt Museum New Facility and Site Redesign
5. Homer Education and Recreation Center
6. Harbor Entrance Erosion Control

Update with new Resolution



Capital Improvement Appendices

Page 2 of 2
RESOLUTION 13-018
CITY OF HOMER

- 49 7. Fire Engine 4 and Tanker 2 Refurbishment
- 50 8. Public Safety Building
- 51 9. Barge Mooring Facility
- 52 10. Kachemak Drive Rehabilitation/Pathway
- 53 11. Brush/Wildland Firefighting Truck
- 54 12. Marine Ways Large Vessel Haulout Facility
- 55 13. Baycrest Overlook Gateway Project
- 56 14. Water Storage/Distribution Improvements

57
58 PASSED AND ADOPTED by the Homer City Council this 11th day of February, 2013.

59
60 CITY OF HOMER

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63 MARY E. WYTHE, MAYOR

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65 ATTEST:

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68 JO JOHNSON, CMC, CITY CLERK

69
70 Fiscal Note: N/A

71

DRAFT

Update with new Resolution



Capital Improvement Appendices

CITY OF HOMER HOMER, ALASKA

Mayor/City Council

RESOLUTION 12-087(S)

A RESOLUTION OF THE HOMER CITY COUNCIL ADOPTING THE
2013-2018 CAPITAL IMPROVEMENT PLAN AND ESTABLISHING
CAPITAL PROJECT LEGISLATIVE PRIORITIES FOR FISCAL YEAR
2014.

WHEREAS, A duly published hearing was held on September 24, 2012 in order to obtain
public comments on capital improvement projects and legislative priorities; and

WHEREAS, It is the intent of the City Council to provide the Governor, the State
Legislature, State agencies, the Alaska Congressional Delegation, and other potential funding
sources with adequate information regarding the City's capital project funding needs.

NOW, THEREFORE BE IT RESOLVED by the City Council of Homer, Alaska, that the
"City of Homer Capital Improvement Plan 2013-2018" is hereby adopted as the official 6-year
capital improvement plan for the City of Homer.

BE IT FURTHER RESOLVED that the following capital improvement projects are
identified as priorities for the FY 2014 State Legislative Request:

1. Harbor Improvement Revenue Bond Projects
2. Port and Harbor Building
3. Skyline Fire Station
4. Pratt Museum New Facility and Site Redesign
5. Homer Education and Recreation Center Upgrades
6. Homer Tidal Energy Incubator Project
7. Harbor Entrance Erosion Control
8. Fire Engine 4 and Tanker 2 Refurbishment
9. Public Safety Building
10. Barge Mooring Facility
11. Kachemak Drive Rehabilitation/Pathway
12. Brush/Wildland Firefighting Truck
13. Marine Ways Large Vessel Haulout Facility
14. Baycrest Overlook Gateway Project
15. Water Storage/Distribution Improvements

BE IT FURTHER RESOLVED that projects for the FY 2014 Federal Legislative Request
will be selected from this list.

BE IT FINALLY RESOLVED that the City Manager is hereby instructed to advise
appropriate State and Federal representatives and personnel of the City's FY 2014 capital project
priorities and take appropriate steps to provide necessary background information.

Update accordingly




Capital Improvement Appendices

Page 2 of 2
RESOLUTION 12-087 (S)
CITY OF HOMER

PASSED AND ADOPTED by a duly constituted quorum of the City Council for the City of
Homer on this 15th day of October, 2012.

CITY OF HOMER


MARY E. WYTHE, MAYOR

ATTEST


JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

DRAFT

Update accordingly



Capital Improvement Appendices

City of Homer Financing Assumptions: Capital Improvement Program

Implementation of the City of Homer Capital Improvement Plan requires utilization of various financing mechanisms. Financing mechanisms available to the City of Homer include:

- Federal grants or loans
- State grants or loans
- General obligation bonds
- Limited obligation bonds
- Revenue bonds
- Special assessment bonds

• Bank loans

• Pay as you go

- Private sector development agreements
- Property owner contributions
- Lease or lease-purchase agreements

The use of any of the financing mechanisms listed above must be based upon the financial capability of the City as well as the specific capital improvement project. In this regard, financing the CIP should take into consideration the following assumptions:

1. The six-mill property tax limitation precludes utilizing General Fund operating revenue to fund major capital improvements. Available revenue should be utilized to fund operation and maintenance activities.
2. The operating revenue of enterprise funds (Port & Harbor, Water & Sewer) will be limited and as such, currently only fund operation and maintenance activities.
3. The utilization of Federal and State grants will continue to be significant funding mechanisms. Grants will be pursued whenever possible.
4. The 1½ percent sales tax approved by voters of Homer for debt service and CIP projects is dedicated at ¾ percent to sewer treatment plant debt retirement, with the remaining balance to be used in water and sewer system improvement projects, and ¾ percent to the Homer Accelerated Roads and Trails (HART) Program.
5. The HART Program will require property owner contributions of \$30 per front foot for road reconstruction, with an additional \$17 per front foot for paving.
6. The Accelerated Water and Sewer Program will require substantial property owner contributions through improvement districts/assessment funding, set currently at 75 percent.
7. The private sector will be encouraged to finance, construct, and operate certain nonessential capital improvements (e.g., overslope development).
8. The utilization of bonds will be determined on a project-by-project basis.
9. The lease and/or lease-purchase of capital improvements will be determined on a project-by-project basis.



Proposed New Projects Table of Contents

1. IT Server Virtualization and WMAN Improvements - City of Homer IT Department
2. South Peninsula Fire Arms Training Facility - City of Homer Police Department
3. Site Evaluation & Planning for Hillside Reinforcement – South Peninsula Hospital
4. Natural Gas Conversion – Homer Senior Citizens
5. Homer High School Turf Field – Submitted field advocacy group, KPB project
6. Ohlson Mountain Rope Tow Safety Equipment Upgrade – Kachemak Ski Club
7. Kachemak Shellfish Hatchery – Kachemak Shellfish Growers Association

PROPOSED NEW PROJECT - DRAFT



IT Server Virtualization and WMAN Improvements

Project Description & Benefit: Every transaction performed by City employees in the course of daily duties flow through IT servers and Wireless Metropolitan Area Network (WMAN). The City's servers are on average 6.5 years old. Some parts of the City's WMAN are over 5 years old. This project will economically replace the aging servers through virtualization and consolidation. The City's WMAN will also be upgraded and brought to a consistent hardware platform improving throughput, reliability and security.

Plans & Progress: As computers have gotten faster, often times the smallest server available provides more processor, memory, and network bandwidth (compute resources) than a single server needs. Server Virtualization and Consolidation is the use of software to divide a server into many logical work units. These work units, a virtual server, can be dynamically created as workload and work process demand. These virtual servers allow for increased redundancy, more complete utilization of compute resources, can be backed up more efficiently, and moved/mirrored to a Disaster Recovery Site.

The City has realized significant savings through the replacement of "leased lines" with wireless radio links. The City's WMAN was built over time with several different radio vendors and standards. In most cases the wireless links make use of "unlicensed" radio frequencies. This means that the City does not have exclusive access to these frequencies and is susceptible to interference from Wireless ISPs and other end users of WLAN equipment and access points. As the idea of a City WMAN is now proven, it is time to make the investment into "licensed microwave" for the City WMAN. This will improve WMAN performance and security. The improved performance will allow the city to realize the full benefits of server virtualization. The improved security is becoming a requirement for some departments due to State and Federal mandates.

Total Project Cost: \$285,000

Priority Level: 1

Schedule: 2014/2015



PROPOSED NEW PROJECT - DRAFT



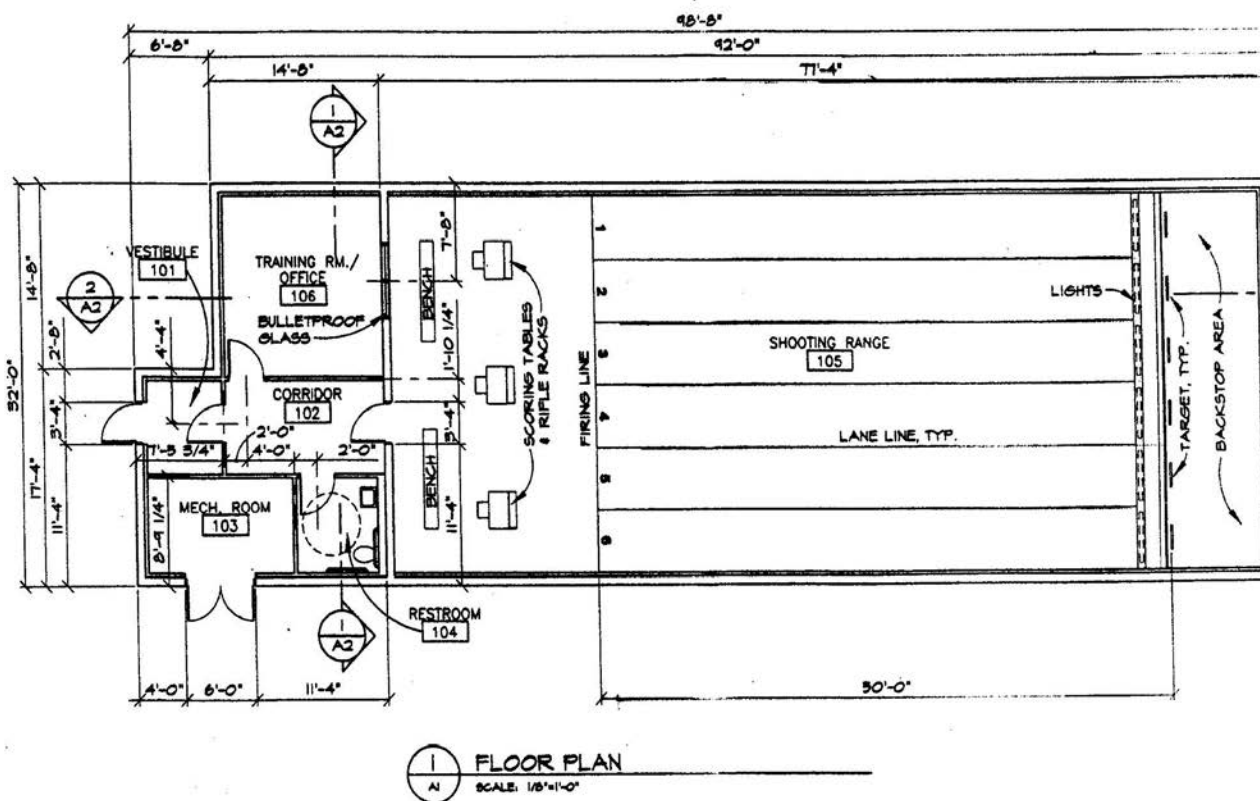
South Peninsula Fire Arms Training Facility

Project Description & Benefit: This project will provide a multi-agency training facility for law enforcement on the lower Kenai Peninsula. Beneficiaries will include the Homer Police Department, local units of the Alaska State Troopers, Alaska State Parks, and various federal law enforcement agencies. Properly managed, the facility could also be used by local gun clubs and sporting groups. The facility, which will include a modern indoor shooting range, will provide a proper and safe environment for firearms training. It will enable local law enforcement personnel to conduct training at any time of day, year-round, regardless of weather.

Total Project Cost: \$750,000 (2005 number)

Schedule:

Priority Level:



PROPOSED NEW PROJECT - DRAFT



Homer Senior Citizens Natural Gas Conversion

Project Description & Benefit: This project would convert the Homer Senior Center (HSC) facilities to natural gas. The project budget includes City of Homer Special Assessment costs, service line and meter costs from Enstar, converting boilers on 6 structures and gas ranges and dryers in senior housing units.

HSC has been the sole non-profit senior services provider for Homer for the past 39 years. HSC relies upon grants, private donations and fees for service to meet budget. With budgets tight and the economy still in recovery, private donations are not at the same level. Expenditures increase annually, while revenue continues to remain at the same level and in some cases declines.

Converting to natural gas as a supplemental energy source will reduce our cost for heating oil. This will save the Center as well as the 85 seniors who pay for electric heating at this time. Currently HSC expends over \$100,000 in fuel oil. With natural gas HSC will save \$37,000 annually according to projections. HSC will save approximately \$10,000 annually due to the replaced appliances. The combined savings represents approximately \$35,000 annually, equating to one full-time employee.

Total Project Cost: \$504,898

Schedule:

Preconstruction: 2013

Construction: 2014



Homer Senior Citizen's main building.

PROPOSED NEW PROJECT - DRAFT



South Peninsula Hospital Site Evaluation & Planning for Hillside Reinforcement

Plans and Progress: South Peninsula Hospital sits on a very steep hillside, with all parking lots and outbuildings being terraced down from the main hospital building. Both the lot the hospital sits on and the lot behind it continue with a very steep elevation incline. The buffer is only 12 feet behind the building cut into the hillside before the terrain continues with the steep incline for as far as 300 yards. The remaining hillside has thick vegetation and is not utilized or developed in anyway at this time.

The facility has had numerous additions and structural work completed in the last ten years which may have impacted and affect the stability of the hillside. The hillside runs continuous from the entrance of parking the entire length of the building and beyond. No part of the main hospital building is out of the risk zone for damages from hillside erosion and sloughing.

A site evaluation is necessary to establish the current condition of the hillside, and make any recommendations to secure it from further erosion and sloughing. Such evaluation would include a survey, soils testing, geologic hazard assessment and mitigation report, landslide evaluation, earthquake assessment and recommendations for options to minimize risk to the facility. The recommended options would include cost estimates.

Plans and Progress: The estimated cost of such a study, evaluation and report is \$100,000. This could include work by the Army Corp of Engineers, and/or a private engineering firm.

Total Project Cost: \$100,000

Schedule: 2014





Kenai Peninsula Borough Homer High School Turf Field

Project Description & Benefit: The competitive athletic field at Homer High School would benefit greatly by being upgraded to artificial turf. An artificial turf field would enable the school district community to use the facility for a greater portion of the year by allowing use earlier in the spring, and later in the fall than is currently possible. Additionally, artificial turf fields are able to handle a significantly greater amount of use than natural turf fields without risking damage. Upgrading the existing grass field with synthetic field entails removing the existing sod, excavating and back-filling with structural fill, installing a membrane and drainage tile, and installing the turf field with sand and rubber infill.

The project will provide broad community benefit and address a safety hazard. An artificial turf field would protract the playing season for school and community soccer and football teams, as well as other user groups. It allows gym classes to get outdoors and provides an earlier start to outdoors play for our school sports teams. Homer has a very popular summer program for youth soccer, with 180 participating youths. Currently, the summer community soccer season is shortened by field closures that are required to allow the soil to dry. Closure is also required for field maintenance, including protection of newly planted grass seed. Artificial turf would not only afford earlier and later season use of the field. It will also create a community economic development opportunity by increasing the number of visiting summer soccer teams and the revenue they bring to Homer. There are also potential community health benefits offered by a turf field. Allowing field use between games by students and community addresses current data from DHSS that 36% of students in the KPBSD are overweight or obese. Additionally, depending on the type of artificial turf, there is evidence that impact absorption may be greater than for natural turf (grass), and it is certainly greater than gym floors where pre-season practices currently occur, thus reducing injury. The muddy and uneven field conditions are major safety hazards during the spring sports season, causing sprained ankles, often serious enough to keep players out of the game for weeks.

Plans & Progress: A related project, the Homer High School Track Renovation, was included in the 2012-2017 Homer CIP and was funded through a legislative appropriation of \$1,100,000 in FY 2013. Approximately \$150,000 from the track renovation project was expended to address field drainage in anticipation of the turf field project. With the drainage already in place for a turf field, a significant cost driver for the current project is eliminated. In addition to this major cost savings for the project, there is already a completed design study report, field application and cost estimate in place. The Kenai Peninsula Borough Capital Projects Director has expended considerable time and effort in preparing detailed study, design and engineering materials to support the project. The Borough has applied to the Department of Education and Early Development for bond reimbursement (70%), should the measure pass in Fall 2013. The City of Homer has also supported fundraising efforts through resolution 13-025. No project funds have been secured to date.

Total Project Cost: \$ \$1,991,737

Preconstruction: \$95,851

Construction: \$1,895,886

Schedule: 2014

PROPOSED NEW PROJECT - DRAFT



Kachemak Ski Club

Ohlson Mountain Rope Tow Safety Equipment Upgrade

Project Description & Benefit: The Kachemak Ski Club (non-profit operators of the Ohlson Mountain Rope Tow) needs winter safety equipment for the continued safe operation of its ski hill. The KSC ski tow is located over a quarter mile off the Ohlson Mountain Road. All skiers and volunteers must currently walk a snow covered right of way to access the base of the ski hill.

This project would purchase snow machine capable of evacuating an injured skier uphill to the parking lot (where local club first aid responders would transfer care to local EMS providers), as well as for use packing both the access right of way and the tow path of the rope tow itself. Both of the latter are weekly maintenance tasks that must be done to open the hill to the skiing public. A covered open sled capable of being towed by a snowmachine to evacuate an injured skier would be part of this initial purchase.

A four wheel drive ATV is the second major capital item in this request, which would be used for pre-season maintenance of the right of way path, brush clearing on the hill for hauling firewood to maintain the heating needs of the woodstove-equipped ski lodge.

The final phase of the project would include construction or purchase of secure covered storage for the protection of the purchased equipment from the elements as well as a grooming device to break up icy or rutted conditions on the access trail or ski hill itself.

Total Project Cost: \$30,000

Schedule: 2015



Map depicts the location of the Ohlson Mountain Rope Tow in relation to Ohlson Mountain Road.

PROPOSED NEW PROJECT - DRAFT



Kachemak Shellfish Growers Association Kachemak Shellfish Hatchery

Project Description and Benefit: For the last two years the Kachemak Shellfish Growers Association (KSGA) has assisted the growers of the area (Kachemak Shellfish Mariculture Association (KSMA), a co-op formed to market and distribute mussels and oysters) in efforts to build an experimental nursery in a small section of the existing Kachemak Mariculture Center on the Homer Spit for raising local oyster seed. KSMA has great difficulty getting healthy seed oysters from hatcheries in the Lower 48 because of ocean acidification, among other factors.

Even though KSMA operates on a very frugal budget, in January of 2013 the process of “setting seed” was attempted by two co-op employees at the Kachemak Mariculture Center. Staff had to monitor the bubbling algae beakers and tanks 7 days a week for 5 months straight to successfully set 1.3 million oyster seed. Experts in the field gave the experimental nursery only a 10% chance of success. However, thanks to the nutrient rich waters of Kachemak Bay and the dedication and expertise of Co-op staff the seed thrived at the Homer Spit facility. No other facility in Alaska has had this type of success.

KSMA members are hopeful that future sets will be successful, however additional funding is needed for the success of this project. KSMA has much of the equipment, including an expensive salt water well, but a bigger lab is needed. Any viable successful seed will be sold first to growers in Kachemak Bay. Excess seed can easily be sold to other growers in the state who are anxious for a reliable supplier.

The benefit of a thriving oyster farming industry in Homer is huge. Oyster production in Kachemak Bay is currently in its 21st year. Oysters have become a sparkling year-round addition to the seafood options available to residents and tourists in Homer. Every cooler of oyster delivered to the dock represents approximately \$150 to the grower. By the time the end user has received those oysters, the economic ripple effect becomes approximately \$725. Oysters clearly benefit the community and economy.

A local nursery can also provide a great learning lab for high school and university students who currently have to travel to the hatchery in Seward for their studies (the Seward hatchery hatches opilio crab, however the waters of Resurrection Bay are less conducive to oyster seed). A course in mariculture could easily be developed in conjunction with aspects of oyster seed development, culturing and marketing.

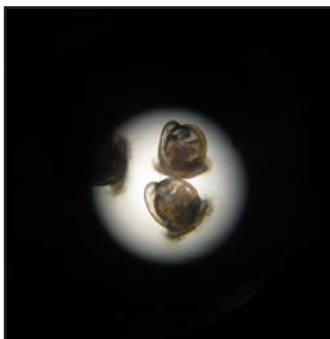
Plans and Progress: The design of a shellfish hatchery is boiler plate. KSMA’s Hatchery consultant has many designs from hatcheries he has assisted. Final design for the Homer Spit Facility would occur in conjunction with permitting.

Total Project Cost: \$300,000

Preconstruction: \$50,000

Construction: \$250,000

Schedule: 2014



Microscopic view of two teensy oysters who have developed their shells



One tank of four that grew algae to feed the 1.3 million oyster spat.

PROPOSED NEW PROJECT - DRAFT

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



COMMITTEE OF THE WHOLE
5:00 P.M. MONDAY
AUGUST 12, 2013

MAYOR BETH WYTHER
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. Budget Priorities for 2014**
- 5. REGULAR MEETING AGENDA**
- 6. COMMENTS OF THE AUDIENCE**
- 7. ADJOURNMENT NO LATER THAN 5:50 P.M.**
Next Regular Meeting is Monday, August 26, 2013 at 6:00 p.m. and Committee of the whole 5:00 p.m. A Worksession is scheduled for Saturday, August 17, 2013 from 9:00 a.m. to 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
AGENDA APPROVAL



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

REGULAR MEETING AGENDA

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

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

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

2. AGENDA APPROVAL

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

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

4. RECONSIDERATION

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 July 22, 2013. City Clerk. Recommend adoption.

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- B. **Memorandum 13-110**, from Mayor, Re: Appointment of Matthew Steffy to the Parks and Recreation Advisory Commission; Bob Hartley, David Lewis, Barbara Howard, Bryan Hawkins, and Lisa Ellington to the Port and Harbor Building Task Force.

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- C. **Memorandum 13-112**, from City Clerk, Re: November City Council Meeting Schedule.

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- D. **Memorandum 13-113**, from City Clerk, Re: Correction of Account No. on Ordinance 13-20(S).

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- E. **Ordinance 13-32**, An Ordinance of the City Council of Homer, Alaska, Amending HCC 21.41.030, Definitions, HCC 21.41.040, Basis for Establishing Flood Hazard Areas, HCC 21.41.200, Standards–All Flood Hazard Areas, and HCC 21.41.220, Standards–Where Base Flood Elevation Data is Provided, to Adopt the Flood Insurance Rate Maps Dated November 6, 2013, and Code Revisions Recommended by FEMA. Planning. Recommended dates: Introduction August 12, 2013, Public Hearing and Second Reading August 26, 2013.

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Memorandum 13-111 from City Planner as backup.

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- F. **Ordinance 13-33**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2013 Operating Budget to Provide for Necessary Mid-Year Adjustments by Appropriating and Transferring Funds From the General Fund, Water and Sewer, and Port and Harbor Reserve Funds to the Health Insurance Fund, and the Library, Fire Department, Information Technology, and Port and Harbor Budgets. City Manager/Finance Director. Recommended dates: Introduction August 12, 2013, Public Hearing and Second Reading August 26, 2013.

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Memorandum 13-116 from Personnel Director as backup.

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- G. **Ordinance 13-34**, An Ordinance of the City Council of Homer, Alaska, Authorizing the Purchase of Kenai Peninsula Borough Parcel No. 17702033 (Lot 18, Block 1, Barnett's South Slope Subdivision, Township 6S, Range 13W, Section 17, Seward Meridian), in the Amount of \$70,000 from the Water Reserve Fund for the Purpose of Providing a Site for a New Water Tank for the City Water Utility. City Manager/Public Works Director. Recommended dates: Introduction August 12, 2013, Public Hearing and Second Reading August 26, 2013.

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Memorandum 13-117 from Public Works Director as backup.

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6. **VISITORS**

7. **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS** **REPORT/COMMISSION**

- A. **Mayor's Recognition** – Homer Kachemak Bay Rotary Club - Ben Walters Park

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- B. Borough Report

- C. Commissions/Board Reports:

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

8. **PUBLIC HEARING(S)**

- A. **Resolution 13-048(S-2)(A-2)**, A Resolution of Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. *Page 215*

Memorandum 13-073 from Water and Sewer Rate Task Force as backup. *Page 223*

- B. **Resolution 13-078(S)(A)**, A Resolution of the City Council of Homer, Alaska, Directing the City Manager to Propose Projects that Utilize the Funds in Excess of \$3 Million Dollars in the HART Fund and Funds in Excess of \$3 Million Dollars in the HAWSP Fund for Consideration of the Homer City Council. Burgess/Roberts. Postponed from July 22, 2013 for a Public Hearing. *Page 311*

- C. **2014 Budget Priorities**

- D. **Ordinance 13-25**, An Ordinance of the Homer City Council, Amending HCC 3.10.130, Governance of Homer Permanent Fund Assets, HCC 3.12.020, Contributions, HCC 3.12.030 Allocation to Sub-Funds, HCC 3.12.060 Expenditures of Income and HCC

3.12.080, Expenditure of Principal; Enacting HCC 3.12.015, Definitions; and Repealing HCC 3.12.070, Loans from Income Sub-Fund; Regarding the Homer Permanent Fund. City Clerk/Permanent Fund Committee. Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 313*

Memorandum 13-098 from Permanent Fund Committee as backup. *Page 319*

- E. **Ordinance 13-26**, An Ordinance of the Homer City Council, Appropriating \$67,310.08 from the Homer Permanent Fund to the Homer Foundation City of Homer Endowment Fund. City Clerk/Permanent Fund Committee. Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 323*

Memorandum 13-098 from Permanent Fund Committee as backup. *Page 319*

- F. **Ordinance 13-27**, An Ordinance of the City Council of Homer, Alaska, Making Technical Corrections to Title 21 of the Homer City Code for its Republication by Code Publishing, Inc. Planning. Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 337*

Memorandum 13-106 from City Attorney as backup. *Page 347*
Memorandum 13-107 from City Planner as backup. *Page 351*

- G. **Ordinance 13-28(A)**, An Ordinance of the City of Homer, Amending Homer City Code Chapter 11.12, Street and House Numbering, to Establish Standards and Procedures for the Naming and Renaming of Streets. Burgess. Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 375*

- H. **Ordinance 13-29**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2014 in the Amount of \$6,600, with a Local Match of \$7,000 for Books and Library Materials, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Library Director. Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 381*

Memorandum 13-099 from Library Director as backup. *Page 385*

- I. **Ordinance 13-30**, An Ordinance of the Homer City Council, Amending HCC 14.04.040, Sewer Rate Schedule, and HCC 14.08.080, Schedule of Rates--Rules and Regulations; to Provide that Sewer and Water Rate Schedule Changes Shall Take Effect as of the Date Set Forth by Resolution. City Manager. Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 389*

Memorandum 13-102 from City Clerk as backup. *Page 393*

- J. **Ordinance 13-31**, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget By Appropriating an Additional \$69,000 from the Water Reserve Fund for the Demolition of the Redwood Tank at the Water Treatment Plant. City Manager/Public Works Director. Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013. *Page 395*

Memorandum 13-101 from Public Works Director as backup. *Page 399*

9. ORDINANCE(S)

10. CITY MANAGER'S REPORT

- A. City Manager's Report *Page 409*
- 1. August Employee Anniversaries *Page 411*
 - 2. Current City Capital Projects *Page 413*
 - 3. DOT/PF Capital Projects *Page 417*
- B. Bid Report *Page 443*

11. CITY ATTORNEY REPORT

- 1. July 2013 Report *Page 447*

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

14. NEW BUSINESS

15. RESOLUTIONS

- A. **Resolution 13-085**, A Resolution of the Homer City Council Awarding the Contract for the Redwood Water Storage Tank Demolition Project to the Lowest Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. *Page 457*

- B. **Resolution 13-086**, A Resolution of the Homer City Council Awarding the Contract for the Karen Hornaday Park Picnic Shelter Project to the Lowest Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. *Page 461*

16. COMMENTS OF THE AUDIENCE

17. COMMENTS OF THE CITY ATTORNEY

18. COMMENTS OF THE CITY CLERK

19. COMMENTS OF THE CITY MANAGER

20. COMMENTS OF THE MAYOR

21. COMMENTS OF THE CITY COUNCIL

22. ADJOURNMENT

Next Regular Meeting is Monday, August 26, 2013 at 6:00 p.m. and Committee of the Whole 5:00 p.m. A Worksession is scheduled for Saturday, August 17, 2013 from 9:00 a.m. to 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

RECONSIDERATION

CONSENT AGENDA

Session 13-15, a Regular Meeting of the Homer City Council was called to order on July 22, 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
CITY ATTORNEY KLINKNER
COMMUNITY AND ECONOMIC
DEVELOPMENT COORDINATOR KOESTER
FINANCE DIRECTOR LI
FIRE CHIEF PAINTER
IT MANAGER POOLOS
LIBRARY DIRECTOR DIXON
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

Council met for a Worksession from 4:00 p.m. to 4:45 to discuss Ordinances 13-25 and 13-26. From 5:00 p.m. to 5:46 p.m. Council met as a Committee of the Whole to discuss Resolution 13-079, 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 following changes were made to the agenda:

RECONSIDERATION - **Resolution 13-048(S)(A)**, A Resolution of Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk. Revenue Impact on the City of Kachemak and Meeting Minutes; Rate Calculations by Finance Director; Written public comments. **CONSENT AGENDA** - **Ordinance 13-27**, An Ordinance of the City Council of Homer, Alaska, Making Technical Corrections to Title 21 of the Homer City Code for its Republication by Code Publishing, Inc. Planning. Memorandum 13-107 from City Planner as backup. **Resolution 13-078(S)**, A Resolution of the City Council of Homer, Alaska, Mandating the City Manager to Propose Projects that Utilize the Funds in Excess of \$3 Million Dollars in the HART Fund and Funds in Excess of \$3 Million Dollars in the HAWSP Fund for Consideration of the Homer City Council. Burgess/Roberts. **Resolution 13-080(S)**, A Resolution

of the City Council of Homer, Alaska, Requiring Invitations to Bid (ITB) and Request for Proposals (RFP) Plans and Specifications with Searchable Text and Plan Holder's Lists to be Posted on the City of Homer Website **in a System Similar to That Utilized by the Kenai Peninsula Borough**. Roberts/Burgess. Examples of bid information for website. **RESOLUTIONS** - **Resolution 13-082(S)**, A Resolution of the Homer City Council Awarding the Contract for the **Homer Small Boat Harbor System** 5 Electrical Improvements to the Firm of Puffin Electric, Inc. of Homer, Alaska, in the Amount of \$477,778.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Memorandum 13-108 from Public Works Director as backup. **Resolution 13-083(S)**, A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Trail Shore Protection Project to the Firm of Alaska Marine Excavation, LLC of Anchor Point, Alaska, in the Amount of \$919,888.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director. Memorandum 13-109 from Public Works Director as backup. **Resolution 13-084**, A Resolution of the Homer City Council Awarding the Contract for Meadow-Wood Place Subdivision Sanitary Sewer Repair Project to the Lowest Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. Memorandum 13-105(S) from Public Works Director as backup.

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

LEWIS/BURGESS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Shelly Erickson, Homer resident and Homer Voice for Business, told Council business people are unwilling or afraid to speak to Council for fear of retaliation. Business owners work hard and have no time to run for office. They rely on elected officials to make decisions that will not destroy the economic stability of the town. She urged Council to listen to business owners and respect and treat them with the dignity they deserve.

Larry Slone, city resident, commented on Resolution 13-048(S)(A). The task force was the guiding principle to formulate a rate structure politically and cost mutual. Council's job is to take the document and to modify it to be functional. Make it simple. Mr. Slone referenced his document that suggested removing miniscule rates. The rate structure is based on equity and transparency.

Kevin Hogan, former city resident, told Council not to pass Resolution 13-078 without a public hearing. The voters voted on it; don't change the ground rules. He told Council not to adopt Resolution 13-048(S)(A) since the problem is not solved. He asked Council to consider the cost side instead of the revenue side. Staff is where the money is going; water and sewer rates are the highest in the state. An apology is in order for one councilmember that made personal attacks on a business.

Marilyn Hueper, Homer resident and business owner, voiced opposition against Resolution 13-048(S)(A). It would mean an increase for her. Because access and cost to water is prohibitive she is open to changing her business operations. Her biggest cost is laundry. She could co-op and create a laundry service outside of Homer.

Mike Warburton, Homer resident and business owner, commented on Resolution 13-048(S)(A). There is a skewed belief small businesses have a lot of money. People think that of him since he is remodeling his building on the highway, but every dollar came from the bank. His daughter attends an in-state college and he hasn't paid more than \$4,500 for a car in several years.

Paul Hueper, Homer resident and business owner, commented on Resolution 13-048(S)(A). His water and sewer rates are four to five times higher than other city's rates. It is taking future revenues out of people's pockets. He will have to raise his rates. Most businesses in Homer don't feel protected by the City. He suggested using the new windfall of \$750,000 to balance the fund.

Adrienne Sweeney, Homer resident and business owner, urged Council to vote no on Resolution 13-048(S)(A). Look for ways to reduce the budget. Fix leaks and instead of purchasing expensive equipment, hire local small businesses. Between 2008 and 2009 rates went up 100% for her. Small businesses work around the clock and don't collect a paycheck. They do a real service to the City by providing jobs and sales tax. Find ways to support local small businesses to help them create jobs and encourage young people to stay here.

Mike Dye, Homer resident, asked Council to turn down Resolution 13-048(S)(A). Look at the money from the Deep Water Dock to balance the current budget. He was told by two task force members Land's End bill will increase by \$70,000. The proposal is a faulty system; it is using two methodologies on two sides. Thirty business people have formed an organization to look at the issues more closely.

Phil Clay, Homer resident and apartment owner, had to increase rates to his tenants. He asked Council to vote against Resolution 13-048(S)(A). He suggested subcontracting some of the issues out, since where there is competition there are always lower rates.

Josh Garvey, Homer resident, supports Shelly Erickson. He asked to make a presentation on the proposed water and sewer rate level and was denied the opportunity. It is a broken rate model. He is aghast and enraged Council will be passing an unjust plan. Councilmember Burgess is trying to hide the fact Land's End will be paying 176% more for water and sewer. John Li shows 50% of customers will see another increase in water and sewer rates. Council needs to stop killing the community with big government costs; 100% of the people need to see a decrease.

RECONSIDERATION

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

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

Mayor Wythe called for a motion for the reconsideration of Resolution 13-048(S)(A).

BURGESS/DOLMA – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

CONSENT AGENDA

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

- A. Homer City Council unapproved Regular meeting minutes of June 24, 2013. City Clerk. Recommend adoption.
- B. **Memorandum 13-104**, from City Clerk, Re: 2014 Proposed Budget Schedule.
- C. **Ordinance 13-25**, An Ordinance of the Homer City Council, Amending HCC 3.10.130, Governance of Homer Permanent Fund Assets, HCC 3.12.020, Contributions, HCC 3.12.030 Allocation to Sub-Funds, HCC 3.12.060 Expenditures of Income and HCC 3.12.080, Expenditure of Principal; Enacting HCC 3.12.015, Definitions; and Repealing HCC 3.12.070, Loans from Income Sub-Fund; Regarding the Homer Permanent Fund.

City Clerk/Permanent Fund Committee. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-098 from Permanent Fund Committee as backup.

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

Memorandum 13-098 from Permanent Fund Committee as backup.

- E. **Ordinance 13-27**, An Ordinance of the City Council of Homer, Alaska, Making Technical Corrections to Title 21 of the Homer City Code for its Republication by Code Publishing, Inc. Planning. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-106 from City Attorney as backup.

Memorandum 13-107 from City Planner as backup.

- F. **Ordinance 13-28**, An Ordinance of the City of Homer, Amending Homer City Code Chapter 11.12, Street and House Numbering, to Establish Standards and Procedures for the Naming and Renaming of Streets. Burgess. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Moved to Ordinances.

- G. **Ordinance 13-29**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2014 in the Amount of \$6,600, with a Local Match of \$7,000 for Books and Library Materials, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Library Director. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-099 from Library Director as backup.

- H. **Ordinance 13-30**, An Ordinance of the Homer City Council, Amending HCC 14.04.040, Sewer Rate Schedule, and HCC 14.08.080, Schedule of Rates--Rules and Regulations; to Provide that Sewer and Water Rate Schedule Changes Shall Take Effect as of the Date Set Forth by Resolution. City Manager. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-102 from City Clerk as backup.

- I. **Ordinance 13-31**, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget By Appropriating an Additional \$69,000 from the Water

Reserve Fund for the Demolition of the Redwood Tank at the Water Treatment Plant. City Manager/Public Works Director. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Memorandum 13-101 from Public Works Director as backup.

- J. **Resolution 13-073**, A Resolution of the Homer City Council Confirming the Appointment of Zhiyong Li as Treasurer for Calendar Year 2013. City Manager. Recommend adoption.
- K. **Resolution 13-074**, A Resolution of the City Council of Homer, Alaska, Designating Signatories of City Accounts and Superseding Any Previous Resolution So Designating. City Clerk. Recommend adoption.
- L. **Resolution 13-075**, A Resolution of the Homer City Council Amending the Library Facility Use Policy. City Manager/Library Director. Recommend adoption.

Memorandum 13-100 from Library Advisory Board as backup.

- M. **Resolution 13-076**, A Resolution of the City Council of Homer, Alaska, Amending the Fee Schedule for Library Facility Use Fees. City Clerk/Library Advisory Board. Recommend adoption.
- N. **Resolution 13-077**, A Resolution of the City Council of Homer, Alaska, Requesting the City Manager to Prepare a Plan Requesting that the State Fire Marshal Delegate Fire Marshal Authority to the City of Homer Fire Chief. Burgess/Roberts. Recommend adoption.
- O. **Resolution 13-078**, A Resolution of the City Council of Homer, Alaska, Mandating the City Manager to Propose Projects that Utilize the Funds in Excess of \$3 Million Dollars in the HART Fund and Funds in Excess of \$3 Million Dollars in the HAWSP Fund for Consideration of the Homer City Council. Burgess/Roberts. Recommend adoption.

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

Moved to Resolutions.

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

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

Resolution 13-080(S), A Resolution of the City Council of Homer, Alaska, Requiring Invitations to Bid (ITB) and Request for Proposals (RFP) Plans and Specifications with Searchable Text and Plan Holder's Lists to be Posted on the City of Homer Website **in a System Similar to That Utilized by the Kenai Peninsula Borough**. Roberts/Burgess.

Moved to Resolutions.

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

Memorandum 13-103 from Public Works Director as backup.

Item F – Ordinance 13-28 was moved to Ordinances. Item O - Resolutions 13-078 and 13-078(S) and Item Q - Resolutions 13-080 and 13-080(S) were moved to Resolutions.

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

BURGESS/HOWARD – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

A. **Buccaneer Energy**

Mark Landt, Vice President of Land and Leasing, and Christina Anderson, the local point of contact for Buccaneer, presented their plans regarding the West Eagle drilling program east of McNeil Canyon. The site is 21 miles from Homer; 5.7 miles from McNeil Canyon School. Numerous permits are needed for the operation. Buccaneer will contract a local company to transport water to West Eagle. The well will require between 1,000 and 40,000 gallons per day. The well will operate 12 hr. shifts/24 hours per day.

In August the Glacier Drilling Rig will be moved to the West Eagle site. It will be trucked from Kenai to the location. Buccaneer will coordinate with DOT and the Borough for heavy load transport to the site. Their traffic will be heavier during the Glacier Rig mobilization and demobilization.

The well will be drilled up to 8,000 feet. There will be no fracking. They anticipate the drilling time will be 30 to 45 days, although they could be there for 60 days. The waste will go to permanent landfills; some will be injected in disposable wells in Kenai. There will be some local hire to man the office and facilitate crews. The crews are Alaska hires. Some support services are required, including a contractor to haul water.

Buccaneer reported on the Cosmopolitan Site offshore near Anchor Point. The Endeavour Drilling Rig was moved from Homer to the site after an eight-month stay at the Deep Water Dock.

Buccaneer maintains a local office at 412 East Pioneer Ave. and welcomes community input. Public meetings are scheduled in the upcoming days at Bidarka and McNeil Canyon School in the Library.

B. Pratt Museum, Update on the Exhibits and Education Program, Scott Bartlett, Curator of Exhibits and Ryjil Christianson, Director of Education

Director of Education Ryjil Christianson provided an overview of the Pratt Museum's lifelong learning program. The museum works closely with local educators and teachers to set up field trips. Pratt Play Dates for babies and toddlers are held in the winter. The Senior Outreach is held once a month with representatives visiting the Senior Center to provide a variety of topics of natural history. The Pratt offers student internships for both college and high school students. The Master Naturalist Workshop partners with Alaskan Coastal Studies, Kachemak Bay Research Reserve, and Kachemak Bay Campus to offer affordable training.

The Pratt values education and used grants to hire an outside evaluator to get details on the community's needs. They want to ensure every dollar that comes in goes out to the community.

There is a desire for more hands-on workshops for adults and kids. The new facility highlights community educational space.

Curator of Exhibits Scott Bartlett reported on the current special exhibit *Encounters Whales in Our Waters*. This exhibit grew out of a massive community effort to salvage and articulate a 39-ft. gray whale skeleton. Other exhibits include *Inspired by Place*, an Arctic exhibit. On the forest trail behind the museum is an exhibit *Facing the Elements*. This summer the Pratt is partnering with Seldovia Native Association to provide the Gull Island bird cam.

Design and planning for the new museum building includes space for permanent and special exhibits and improved installations. Outside the museum they will provide orientation and improved interpretation. In the lobby they will take advantage of the community room. Special exhibits will be in two rotating galleries featuring an art gallery. A display case will be used for small art.

Upcoming exhibits include *Beneath the Surface*, an exploration of the beauty and mystery of archeology. In October there will be the preview for the annual Ritz art auction. This year's theme is Moulin Rouge. In November they will host an exhibit from Kodiak, *When Crab was King*. Tamanta Katurlluta, gathering of a native tradition, will be at the Pratt over the Labor Day weekend. The biennial event grew out of native villages. The event will include the kayak landing on the Spit and an afternoon at the Pratt with demonstrations and storytelling. An evening performance of dance and culture will be at the Mariner Theatre and a picnic at Karen Hornaday Park.

Mayor Wythe called for a recess at 7:11 p.m. and reconvened the meeting at 7:19 p.m.

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORTS

REPORT/COMMISSION

- A. Borough Report
- B. Commissions/Board Reports:
 - 1. Library Advisory Board
 - 2. Homer Advisory Planning Commission
 - 3. Economic Development Advisory Commission
 - 4. Parks and Recreation Advisory Commission

5. Port and Harbor Advisory Commission

PUBLIC HEARING(S)

- A. **Ordinance 13-20**, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Legislative Grant in the Amount of \$4,200,000 for Harbor Projects. City Manager. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

Ordinance 13-20(S), An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a Legislative Grant in the Amount of \$4,200,000 for Harbor Projects. City Manager.

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

Mayor Wythe called for a motion to substitute Ordinance 13-20(S) for Ordinance 13-20.

LEWIS/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Wythe called for a motion for the adoption of Ordinance 13-20(S) by reading of title only for second and final reading.

BURGESS/LEWIS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 13-21**, An Ordinance of the Homer City Council Accepting and Appropriating a Legislative Grant in the Amount of \$2,000,000 for the Port and Harbor

Office and Skyline Fire Station. City Manager. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

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

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

Mayor Wythe called for a motion to substitute Ordinance 13-21(S) for Ordinance 13-21.

LEWIS/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Wythe called for a motion for the adoption of Ordinance 13-20(S) by reading of title only for second and final reading.

LEWIS/BURGESS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

C. **Ordinance 13-22**, An Ordinance of the City Council of Homer, Alaska, Dedicating the Oil and Gas Property Tax Revenues to be Paid in 2013 by the Owners of the Drill Rig Endeavour (\$181,087.16) to the City of Homer Permanent Fund. Mayor. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

Memorandum 13-097 from City Clerk 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 13-22 by reading of title only for second and final reading.

ROBERTS/DOLMA – SO MOVED.

There was no discussion.

VOTE: YES. ROBERTS, DOLMA, HOWARD, BURGESS

VOTE: NO. ZAK, LEWIS

Motion carried.

D. **Ordinance 13-23**, An Ordinance of the City Council of Homer, Alaska, Dedicating and Transferring All Port Tariff Fees Generated by the Drill Rig Endeavor's Moorage at the Deep Water Dock in 2012 and 2013 (\$576,815.53) to the Port and Harbor Depreciation Reserve Fund. Mayor. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

Memorandum 13-097 from City Clerk 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 13-23 by reading of title only for second and final reading.

HOWARD/LEWIS - SO MOVED.

ROBERTS/HOWARD - MOVED TO AMEND LINE 38 TO PORT AND HARBOR DEPRECIATION RESERVE FUND.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

- E. **Ordinance 13-24**, An Ordinance of the City Council of Homer, Alaska Amending the FY 2013 Capital Budget by Appropriating \$98,500 From the Homer Accelerated Roads and Trails Program Fund (HART) for Road Improvements, Trail Construction, and Pedestrian Safety and Walkability Enhancements in Old Town. Lewis/Roberts. Introduction June 24, 2013, Public Hearing and Second Reading July 22, 2013.

Memorandum 13-097 from City Clerk as backup.

Mayor Wythe opened the public hearing.

Brianna Allen, city resident, thanked Council for bringing the ordinance forward. She would like to see an extension of another trail system in Old Town, keeping Charles Way closed to thru traffic.

Kimberlee McNett, city resident and Homer Cycling Club, supports the ordinance. It will welcome cyclists to a unique and beautiful part of town.

Flo Larson, city resident, commented that the Bunnell Art Center used to be the old general store and you can almost feel the history there. Pedestrian and cycling paths will make Homer more wonderful than it already is.

Adrienne Sweeney expressed support for the walkability and safety of Old Town. The small community in Old Town has an honored past.

Asia Freeman, city resident, thanked the City for helping develop and provide an exciting project. It is the result of over 20 years of support in small businesses, housing, and recreational activity in Old Town. Speed bumps are the most important thing to maintain in the ordinance.

Jake (Asia's son), likes the idea of improvements to Old Town. With cars, walkers, and bikers all together there needs to be more space in areas.

Charles Davis, city resident, is not opposed to improvements, even though he was not notified. Traffic problems are caused by non enforcement of parking on the street. Traffic jams are caused by people looking for Bishop's Beach. A sign at Main and Bunnell is needed so there is no question of how to get to the beach.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 13-24 by reading of title only for second and final reading.

BURGESS/ROBERTS - SO MOVED.

BURGESS/ZAK - MOVED TO AMEND LINE 35 AFTER "LOWER SPEED LIMIT" TO ADD "SEASONABLY REMOVABLE SPEED BUMPS".

Councilmember Roberts asked about the costs of adding removable speed bumps.

City Manager Wrede answered we did leave speed bumps out on purpose. We researched the costs and winter storage. There are a lot of neighborhoods that could use speed bumps. We wanted to wait until after the new signage, striping, pavement, and narrowing of roads to see if it works. We need to set up criteria when speed bumps are needed. They are generally not placed on dead end roads. It was left out of the ordinance since it would set a precedent. We have no good criteria to establish when they are justified. If more is needed, we can come back with speed bumps next year.

Councilmember Burgess suggested we work on the criteria as a winter project.

VOTE: (amendment) YES. ZAK, BURGESS

VOTE: NO. LEWIS, ROBERTS, DOLMA, HOWARD

Motion failed.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- A. **Ordinance 13-28**, An Ordinance of the City of Homer, Amending Homer City Code Chapter 11.12, Street and House Numbering, to Establish Standards and Procedures for the Naming and Renaming of Streets. Burgess. Recommended dates: Introduction July 22, 2013, Public Hearing and Second Reading August 12, 2013.

Mayor Wythe called for a motion for the adoption of Ordinance 13-28 for introduction and first reading by reading of title only.

BURGESS/ROBERTS – SO MOVED.

Councilmember Burgess commented naming or renaming of streets is not codified in code. The Planning Department is very busy and he wanted to make sure citizens had resources if needed. The ordinance is not designed to name or rename streets; it just outlines the process.

BURGESS/ROBERTS - MOVED TO ADD THE WHEREAS CLAUSES AS PROVIDED BY CITY PLANNER RICK ABBODD: WHEREAS, HOMER IS A FIRST CLASS CITY AND HAS A PLAN FOR ADOPTING STREET ADDRESSES; WHEREAS, THE PLANNING DEPARTMENT COORDINATES THE ADDRESSING OF PROPERTIES IN THE CITY OF HOMER; WHEREAS, STREET NAMES AND ADDRESSES SHALL COMPLY WITH THE NATIONAL EMERGENCY NUMBER ASSOCIATION; WHEREAS, THERE IS A NEED AND BENEFIT TO IMPROVING THE PROCESS OF NAMING STREETS; AND NOW, THEREFORE, THE CITY OF HOMER HEREBY ORDAINS.

There was no discussion.

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

Motion carried.

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

Motion carried.

CITY MANAGER'S REPORT

A. City Manager's Report

1. July Employee Anniversaries
 2. Letter to DOT/PF, Re: Tree Cutting and End of Runway
 3. Capital Project Status Report
-
1. Port and Harbor Bond Sale: We are currently reviewing a detailed a legal guidance paper provided by Tom Klinkner which addresses how bond proceeds may be invested and how they may be appropriated. The reserve funds held by New York Mellon Bank will definitely be invested. The bond proceeds will all likely be spent within 18 months so that limits investing opportunities somewhat.
 2. Health Insurance Plan: At the last meeting, the Council heard a presentation by the City health insurance broker. In his report, Jeff detailed the current status of the plan, provided his perspective on future trends in the industry, and offered suggestions on how the plan could be amended to reduce expenditures. Part of his recommendation included a two tiered plan which Andrea and I have discussed with him at length. My plan on addressing the health insurance issue is as follows. First, we have asked Jeff to run a number of scenarios based upon baseline levels of City contributions. That will allow us to see how the benefit package will be impacted and what the implications are for the City budget under each scenario. We should have the results of that work soon. Second, we plan to reconvene the Employee Committee to discuss proposed plan modifications and to visit each department to speak directly with the

employees. The goal is to get employee input and to make sure every employee understands how important this issue is from a budget perspective. The goal is to have plan modifications in place by mid September so that the Council will have budget numbers in front of them when it received the draft FY 2014 Budget and can review the City contribution to health care as part of the normal budget approval process. Finally, I intend to bring a mid-year budget amendment ordinance to the Council at the first meeting in August. Among other things, this ordinance will contain funds to make up the deficit that occurred in Fiscal year 2012 and the projected deficit in 2013. The depleted Reserve Fund will be addressed in the 2014 budget proposal.

3. Dispatch: The Police Department continues to have serious problems recruiting and retaining dispatchers. This follows a nationwide trend however, it causes concern on many levels. We continue to review the options available to us and we may want to address this issue again with the Council in the near future.
4. HERC Building: The Boys and Girls Club has ceased operations for now and my understanding is that they are in negotiations with the School District to see about locating the program in one of the school buildings; likely the middle school. As you know, some Community Recreation programs are held in the HERC gym because of limited space and time at the High School. It is time to produce the Community Rec. class schedule for fall and winter. Users of these programs have approached me wanting to know if the building will be available for Community Schools programs this fall and winter. My response has been that we still have the Fire Marshall questions to contend with and that it will be difficult, absent new revenues, to justify keeping the building open and heated for just a couple of programs. More on that later. Council should anticipate getting inquires about this. These programs are really popular and provide significant benefits to the community.
5. Legal Issues: In the last two weeks the City received excellent news on two pending court cases. First, the Court ruled in favor of the City in the F/V Albert case. The Albert was a derelict vessel that was “warehoused” in the harbor for many years. The owner was basically uncooperative and ran up a large tally of delinquent bills. Extensive efforts to negotiate and settle the case were ultimately unsuccessful. Court was the last and best option. The City prevailed and was awarded attorney’s fees and costs that could exceed \$30,000. This week the judge ruled in favor of the City in the Tony Neal case. Council has been briefed on this case before so I won’t go into the details. The bottom line is that the Court found that the City is not obligated to plow snow on Beluga Lake for ice skating. Last week the City filed a complaint in court against Grant Aviation. Grant broke its lease without prior notice. It owed the City a significant amount of back rent when it left and over a year remained on the term of the lease. Damages continue to accumulate. Efforts to contact Grant and to resolve this matter have been unsuccessful. The company has been unresponsive

which has been disappointing. Finally the City continues to try and negotiate settlement agreements with Matt Shadle and Mike Kennedy regarding zoning complaints that are pending in court. The court dates on both have been extended several times while negotiations are taking place. Oral arguments regarding the City's request for summary judgment on the complaint filed by Ken Castner over the gas SAD took place several weeks ago. The judge requested additional information which has been provided by the parties.

6. Drill Rigs: The City has been approached by Buccaneer and by Furie, owner of a different drilling rig operating in the Inlet, about using the Deep Water Dock in future years if necessary. We understand that Buccaneer intends to be drilling all winter this year but wants to know if the dock is available if repairs or maintenance are necessary. It is not clear at this time exactly what Furie's plans may be. I bring this to your attention so that if Council has any concerns about rigs mooring at the dock, it can let us know. We know that this is an issue of great interest in the community. The administration has taken the position that as long as there are no environmental, health, safety or other concerns that would justify denying access, the City is open for commerce. That is our position unless we hear different from Council. Several weeks ago we received a copy of the report prepared by URS Alaska LLC entitled Endeavor-Spirit of Independence - Final Benthic Survey Report for Buccaneer Alaska Operations, LLC. The report was requested by both Fish and Game and the City to look at the impacts to the sea bottom, to other mooring vessels, and to habitat as a result of the rig "soft pinning" its legs at the dock. Both pre-departure and post-departure surveys were conducted. The report concluded that the disturbance to the seafloor should have no effect on other vessels attempting to moor, that the remaining depressions would fill in quickly, and "no long term effects to the benthic habitat or fauna would be expected from this transitory disturbance."
7. Adopt-A-Park: The Parks and Recreation Advisory Commission has designated August 17 as Parks Day. One of the things they want to do is highlight the Adopt-A-Park Program which was established by the Council several years ago. In particular, they want to thank the Kachemak Bay Rotary Club for all of the work it has done, and intends to do at Ben Walters Park. This work includes, but is not limited to, scraping and painting the bathrooms, purchase and installation of a bench near the floating docks, regular litter pick-up, donations of flowers, potting soil, flower barrels, repairing and replace the posts along the driveway, and drainage work and rehabbing the trail to the docks. The Rotary Club deserves recognition and thanks for adopting this park and putting so many of its time and resources into making improvements there.
8. Economic Studies Underway: Northern Economics is hard at work looking at the economic impacts associated with the Drilling Rig being moored at the Deep Water Dock this past winter. They are also conducting the port and harbor rate study. We have been providing input and

information to them and getting regular progress reports. Please let us know if you would like a verbal update.

9. Gas Lines: So far, things appear to be going pretty well with the gas lines. According to Enstar, they are still on schedule to have the Hospital and the High connected to gas by the end of July. I believe the contractors are doing a terrific job and so far, we have not experienced the disruption and traffic and property impacts that were anticipated.
10. Governor's Picnic: Plans and preparations for the Governor's Picnic are moving along rapidly. Fund raising for the picnic has been very successful and the overall plan sounds very good. Katie can give you a full update at the meeting if you wish. Updates can also be provided on the other associated events that day like the ribbon cutting ceremony at the hospital and the project tours and meetings with Commissioners.
11. Airport Terminal Revenues: We are experiencing a significant decline in revenues at the airport terminal which makes that facility less self supporting than we would like it to be. During the past year, the number of rental car concessions has been reduced from 3 to 1. As you know, Grant Aviation has departed and Fed Ex recently confirmed that it intends to move to a larger space at a nearby hanger when its lease expires next month. We will be working to attract new businesses where possible.
12. Strategic Plan: It looks like Saturday, August 17 has been selected as the day for strategic planning. I believe the Mayor intends for this workshop to be narrowly focused upon the CIP List. Julie from planning has agreed to facilitate the meeting so that I am free to participate directly. I expect that we will meet with the Mayor soon to discuss an agenda and develop a plan for using the time productively.
13. CIP Schedule: The Council recently approved a schedule for adopting the next CIP List. The schedule contains a work session on August 12 to review proposed projects. Subsequent to that, the Council scheduled an all day planning session on the CIP List for August 17. This might seem to make the August 12 workshop either premature or unnecessary. We gave some thought to recommending cancelling it. However, we now think it should remain. That time could be used to familiarize Council with the projects that have been completed, the ones underway, and the new ones proposed. It would be good background information to have going into the planning session on the 17th, which will be more likely focused upon the process of developing a CIP list. Lets us know if you disagree.

City Manager Wrede commented on the email glitches last week and Council not receiving an invitation to tour Icicle's floating processor.

Administration has had meetings with Enstar, contractors, and DOT. The gas line project has made significant progress, is right on schedule, and is very close to budget. The trunk line is 68% complete; construction is on target to get the line out to Kachemak City by this fall. Both the hospital and high school could be supplied with gas the first week of August. Much of the

remaining work to be done is on the Anchor River. Enstar reported they have 1,000 meters already set. UTI, the contractor for the distribution system, is doing a terrific job. We were worrying about complaints of damage to property, but so far that has not happened. Instead we are receiving compliments. UTI is going out of their way to address concerns. By the first of August UTI expects all of the downtown area between East and West Hill along with Pioneer Avenue will be done. They are making good progress.

The Rotary Club has been volunteering at Ben Walters Park with their time and money. The Parks and Recreation Advisory Commission has Park Day scheduled for Saturday, August 17th. They will highlight the work done by the Rotary there.

Mayor Wythe noted the employee anniversaries, 13 employees celebrating 125 years of service.

Councilmember Lewis asked for an update on the Mike Kennedy case and Grant Air.

City Manager Wrede reported Grant Air walked away from their lease agreement with no prior notice. We are trying hard to get their attention about owing the City money, including back rent of \$20,000. We are trying hard to work with Mr. Kennedy to resolve the issue. The hope is that we don't have a court date.

Katie Koester reported on the Governor's Picnic scheduled for July 25th from 4:00 – 7:00 p.m. at Karen Hornaday Park. The City will be hosting the picnic with other community members. Best Beginnings Homer has been helping with the planning of the event over the last few months. Mrs. Koester thanked the community for their generosity of donations and volunteers. If the weather stays we will have a great turnout and a lot of fun. The event is meant to celebrate Homer. The Governor will be attending with most of his cabinet and the First Lady. It is a great opportunity to show them Homer.

Ten booths of state departments will be available to answer questions. Sparky of DNR Forestry will be there. There are nine booths for kids' activities. Good food, the ukulele band, and distinguished guests will be there. It is a huge community picnic with food, fun, and hopefully sunshine. Tents will be available for the picnic – rain or shine.

Councilmember Lewis asked about the FAA requirement of tree removal along Kachemak Drive.

City Manager Wrede answered healthy tall trees on Kachemak Drive between the hill up from the Spit road and parking lots will be removed. The FAA told DOT unless the trees are cut, flights will not be allowed to approach after dark. It is a health and safety issue due to flights. Most of the trees are on city land. DOT asked for permission to cut them and that was given

under certain conditions. The trees will be cut by hand and the stumps will be left to keep the soil in place. If the trees fall and cover the existing trails they will be cut back 10 ft. The Forest Service will supervise the operation and make public firewood available. The trees are healthy and alive and not everyone wants to see them cut. They are in the same location of the proposed path.

Included in the Manager's Report was a capital project status report. There are 21 ongoing capital projects with four beginning the design phase and another six to begin soon. In between the gas line and road improvements, a lot of work is going on.

B. Bid Report

C. Games Report

1. Alaska Marine Conservation Council

CITY ATTORNEY REPORT

A. City Attorney's Report for June 2013

City Attorney Klinkner reported a judgment was recovered against the derelict vessel *Albert* in the harbor. We will work on collecting the judgment from the vessel owner.

Ben Walters Park litigation was successfully concluded in the City's favor. The donor of the park land asserted that the City was obligated to plow Beluga Lake in the winter for ice skating as a condition of the donation. The court ruled against that, stating the document that the donor relied on was not part of the transaction because it was not approved by the Council. Attorney Klinkner thanked City Clerk Jo Johnson for marshaling the city records necessary to establish the case. The transaction began in 1981 and spanned through 1983.

An action has been filed against Grant Aviation for unpaid back rent, failure to remove their property from the terminal, and for future unpaid rent under the lease until February 2014.

Continued efforts are being made to resolve the zoning complaint against Mr. Kennedy.

A claim against Matt Shadle for an illegal gravel pit on the way into town on Sterling Highway is ongoing. We have moved for judgment. There has been no response from Mr. Shadle.

On the Ken Castner case pertaining to the method of assessments for condominiums for natural gas, arguments have been made. The court invited supplemental submissions on issues that arose in the oral argument. Submissions have been made and it is in the hands of the judge.

COMMITTEE REPORT

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

PENDING BUSINESS

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

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

Councilmember Burgess acknowledged the public testimony and will still operate under the assumption of a democracy. With easy access to factual information voters can make an informed decision. Business owners that spoke tonight will definitely see a rate increase. The current water and sewer rate schedule provides high quality drinking water and treats sewage effectively before entering Kachemak Bay. There are about 1,600 users on the high class, effective system. We are not like Anchorage with a high population that barely treats its effluent before it goes in the ocean. We are not like Kenai who plans to raise their rates to come into compliance with water and sewer quality standards.

To address this we need to add infill and customers to the system. How do we allocate the costs equitably against users? Current large volume users pay less per gallon than small volume users. The system costs the same until we make about two million gallons of water. The variable costs of operating the system are not proportional to the fixed costs. The rate model of the task force included local business people: Sharon Minsch, Ken Castner, Lloyd Moore, Bob Howard, Barbara Howard originally, Mayor Wythe, and himself. Ironically a lot of the people that could have offered input on small businesses weren't at the meetings.

As to the comment that he misrepresented someone or said that Land's End wanted to bribe someone, he questioned Land's End repeated motive for wanting an outside party to come in that

would have relied upon the same information as the task force did. We are now in the same boat where we can politicize the rate schedule or use the task force recommendations which is an apolitical rate model. It is an amicable rate model where a gallon water of water is a gallon of water and a gallon of poo is a gallon of poo. The task force decided rates would be determined by cost causer = cause payer. The task force decided to be specific with lift stations and BOD. It may not be in the interest of the business community to propagate that Homer is not business friendly, when Council socialized bringing natural gas to the entire city. We have to pay for water and sewer one way or other or pass it to the taxpayer. We either pass it and move forward with the basic principle or go back on what we decided to do and continue to politicize it, make bitter enemies, and back alley friends.

Councilmember Lewis agrees with a lot of what Councilmember Burgess said. In the comparison of Kenai's water with ours, we have a lot of standing water with a lot of poo in it that has to be treated. Everyone should pay the same for a gallon of water. Some entities will make out like a bandit and little ones may end up paying more. He has lived without water and sewer and doesn't care what it costs. He wants it, period.

Mayor Wythe advised Council that amendments should be made now so a public hearing can be held on August 12th.

Councilmember Zak referenced the Slone amendment (provided by citizen Larry Slone). There are measures in the resolution that are an administrative burden; they could reduce the current rate. Business owners talked about the costs of water to them and the concern if they would be able to create or keep employees. Business owners also said they don't have a lot of money. Some may have a 44% increase per gallon. When you hear about a \$70,000 burden placed on a business that is not a small increase. He would like to see the resolution voted down and start fresh. He doesn't feel the community was fairly represented by the task force. A couple members quit serving on the task force for a number of reasons. He won't vote for it; there are still issues with it. If we take the time we can keep the community together and come up with a solution. How can we bring down the costs of producing water? The existing rate schedule is better than the proposed.

Councilmember Burgess commented if we don't move forward we will continue with the current rate schedule. We can say we need to think about it more and need more community input. There has been a year's worth of consideration by the task force with six months of public comment. The high volume users object. Under the current proposed rate model 56% of the people will see a reduction of costs if their usage is the same. Before the task force decided to socialize the costs, 75% would see a reduction in costs. Two years ago apartment owners' rates were increased and we had a room full of people. We can subsidize and support businesses, but if we are doing it on the backs of the people who should gain from the economic benefit of having the business here,

it comes to diminishing returns. Let's be honest why we want to delay; this has been well hashed out.

Mayor Wythe commented she too sat on task force. When the idea of forming a task force for water and sewer rates was made, everything said it was a bad idea. If there was going to be a task force there should be some people on there that have no dog in the fight. She lives in the city, has four lots, pays sales and property taxes, has a road maintained by the Borough, and has no city water or sewer. Her return is the benefit received while in town. Most of the people in the city do not have water and sewer service. Other people that do not benefit from it should not be asked to subsidize it. There have been complaints that business people were not able to participate. When the task force was put together a certain number of people from the community could participate. She was there for almost every meeting. One member stepped off the committee within three months, citing he was outside of his league in understanding rate setting and the whole concept. The other one stepped off in December for health reasons.

Mayor Wythe thanked Land's End for advertisement as they managed to do something this committee tried to do for ten months. Although the information that provided is not exactly accurate, they were able to bring small businesses out to partake in the discussion. She has heard repeatedly businesses in the community don't want to step up for fear of retaliation. That's part of living in Homer. She has learned that 100% of what you are not willing to speak towards, your opinion will be totally brushed over. By stepping up and putting your name and your business in front of the Council you influence what is going on positively. By not participating, you are negatively impacting your business.

Mayor Wythe noted you are voting on a change in philosophy as to how water and sewer rates are set. In a commodity rate system everyone pays a fee. The task force tried to identify fees. The lift station is a huge swing. Finance Director John Li provided eight scenarios. These are all the things Council needs to think about, what philosophy is in the best interests of the community. She again asked for amendments today so people can speak to them in August.

ZAK/BURGESS - MOVED THAT THE AMENDMENTS OFFERED BY THE SLONE RECOMMENDATION ITEMS 1 - 9 BE ACCEPTED (Submitted July 22 as a laydown).

Items would include:

1. *Conservation: Approximately 1% reduction in revenue.*
2. *Remove \$5 Sprinkler fee.*
3. *Remove \$10 BOD fee.*
4. *Remove \$5/apartment fee.*
 - a. *Admin Service Fee: \$16/month per meter (\$315,000/year).*
5. *"Socialize" one-half (\$90,000) of Lift-Station fee to Sewer commodity fee adding*

- \$1/1000 to all users.*
6. *Kach City. 3,000 gallons per unit.
Basic sewer rate, plus the reduced lift rate of \$3.75/1000, plus \$7.75 pumping fee.*
 7. *Bulk. Basic water rate of \$11.95/1000 plus reduced Lift-Station rate of \$3.75/1000.*
 8. *Minimum \$16/month Service Fee all meter subscribers.*
 9. *Infrastructure Depreciation. Any additional depreciation contributions taken from General Fund.*

Councilmember Burgess commented on the proposed amendments:

1. A 6% to 7% reduction in use due to a commodity based system would be reasonable; it would likely be underfunded at 1%.
2. & 3. These are de minimis fees designed for tracking; he has no objection to Council getting rid of them.
4. Equates per user/per administrative costs. If you remove the \$5 apartment fee the City has to take more time in addressing 10 apartment owners.
5. If you are going to get rid of lift station costs, get rid of them completely. Everyone will pay to lift sewage.
6. Kachemak City – base it on what Homer uses. Do we want to be a full utility service to Kachemak City when we represent the concerns of the citizens of Homer? Keep in mind who votes for us and whose interest we represent.
7. Bulk water – there has to be some incentive to hooking up to the sewer system. If a truck can deliver my water cheaper than hooking up to city sewer, that will not encourage infilling.
9. Infrastructure depreciation shoves it under the rug. If the City can't support its infrastructure costs via its operating revenues, then the rest of us all get to pay to maintain the system that delivers water to a set number of users. If you are going to run a business the costs are accounted for and incorporated in the budget.

Councilmember Howard commented Slone put things into categories so we can go about them so we say this is our policy about certain things. We are policy makers and it is our job. If you want to get into playing with the numbers go get a job with the City. We keep flowing back into the operations side. Do you think everyone should pay for the small amount of users for the lift stations? The other comment made: transparency equals equity – that's what happened with the task force, albeit they are being highly chastised. The task force made sure they were transparent and to the best of our ability we had an equitable system for everyone.

VOTE: (amendment) YES. ZAK

VOTE: NO. BURGESS, LEWIS, ROBERTS, DOLMA, HOWARD

Motion failed.

BURGESS/LEWIS - MOVED TO AMEND THE RATE MODEL TO ELIMINATE THE DE MINIMIS FEES, SPECIFICALLY THE \$5 SPRINKLER FEE AND THE BOD FEES.

Councilmember Burgess asked that to compensate the minimal loss that the rate model per gallon be appropriately updated. It will be socialized to the commodity rate.

Finance Director John Li reported the BOD is \$6,000 and the sprinkler is \$1,200.

Councilmember Zak likes the attempt and hopes to find other ways to make other amendments. He expressed his concern about trying to piece it together now rather than taking a look at the whole system. We are setting policy so we will move forward; it concerns him of the policy we are making.

Councilmember Roberts supports eliminating the sprinkler fee after hearing the Fire Chief's comments at the Committee of the Whole. Sprinklers are a safety issue and people should not be discouraged from installing them in buildings.

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

Motion carried.

Mayor Wythe asked for discussion and consideration of the sewer only users that have no monthly service fee. Kachemak City has a \$5 fee for billing of the sewer. Should the multi-user fee be applied to Kachemak City for their sewer?

Finance Director Li confirmed there are about 20 other residents that do not have a sewer bill.

Councilmember Burgess commented for consistency if you have a sewer hookup it makes sense to pay an administrative fee.

ROBERTS/LEWIS - MOVED TO AMEND TO ADD A \$5 ADMINISTRATIVE FEE PER MONTH FOR ANY PERSON THAT ONLY GETS SEWER USAGE.

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

VOTE: NO. ZAK

Motion carried.

ROBERTS/LEWIS – MOVED TO AMEND TO ADJUST THE KACHEMAK CITY AVERAGE GALLONAGE RATE, NOT DOLLAR RATE, TO 3,000 GALLONS FROM 3,500 GALLONS.

City Manager Wrede called attention to the 20 people within the city that we do the same thing for. They are sewer only users and have that assumption for them too.

ROBERTS/LEWIS - MOVED TO AMEND THAT ALL SEWER ONLY USERS WOULD GET AN AVERAGE VOLUME OF 3,000 GALLONS PER MONTH.

Councilmember Roberts noted 3,000 gallons per month was the average amount City of Homer users were billed for.

Councilmember Dolma commented he would charge five cents a gallon for everything outside the city. If you want cheap water, move to Homer. Whether the average user only uses 10 gallons a month, he wants money. They did not elect him and he is not representing them. There are 20 residents in the city that he does not have a solution for.

Councilmember Burgess agreed with Councilmember Dolma. Kachemak City has it made with no sales tax or property tax on their water and sewer. He would like to represent the economic interest of Homer residents.

VOTE: (amendment) YES. LEWIS, ROBERTS

VOTE: NO. DOLMA, ZAK, HOWARD, BURGESS

Motion failed.

ROBERTS/DOLMA - MOVED TO POSTPONE RESOLUTION 13-048(S)(A) TO THE AUGUST 12TH MEETING FOR A PUBLIC HEARING AND CONSIDERATION OF THE COUNCIL.

Councilmember Howard commented we are making things better by the amendments in the resolution. More laydowns will come before Council before the next meeting. She advocates voting tonight, as we will continue until the cows come home.

Attorney Klinkner confirmed the need to postpone for a further public hearing for the benefit of those adversely affected by the rates. Some of the adjustments are favorable to some and not favorable to others.

VOTE: (postponement) YES. ROBERTS, DOLMA, ZAK, HOWARD, BURGESS

VOTE: NO. LEWIS

Motion carried.

NEW BUSINESS

RESOLUTIONS

- A. **Resolution 13-082**, A Resolution of the Homer City Council Awarding the Contract for the Homer Small Boat Harbor System 5 Electrical Improvements to the Lowest Responsible Bidder in the Amount of the Low Bid and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Resolution 13-082(S), A Resolution of the Homer City Council Awarding the Contract for the Homer Small Boat Harbor System 5 Electrical Improvements to the Firm of Puffin Electric, Inc. of Homer, Alaska, in the Amount of \$477,778.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Memorandum 13-108 from Public Works Director as backup.

Councilmember Burgess declared a conflict of interest as he is working with Puffin Electric as a sub-contractor on another city bid that will provide a monetary gain over \$5,000.

Mayor Wythe declared Councilmember Burgess had a conflict of interest. There was no objection from the Council.

Councilmember Burgess was excused from participation and left his seat.

Mayor Wythe called for a motion for the adoption of Resolution 13-082 by reading of title only.

LEWIS/ROBERTS – SO MOVED.

Mayor Wythe called for a motion to substitute Resolution 13-082(S) for Resolution 13-082.

LEWIS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

Councilmember Burgess returned to his seat.

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

Resolution 13-083(S), A Resolution of the Homer City Council Awarding the Contract for the Homer Spit Trail Shore Protection Project to the Firm of Alaska Marine Excavation, LLC of Anchor Point, Alaska, in the Amount of \$919,888.00 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Public Works Director.

Memorandum 13-109 from Public Works Director as backup.

Mayor Wythe called for a recess at 8:49 p.m. and reconvened the meeting at 8:54 p.m.

Mayor Wythe called for a motion for the adoption of Resolution 13-083 by reading of title only.

LEWIS/ROBERTS – SO MOVED.

Mayor Wythe called for a motion to substitute Resolution 13-083(S) for Resolution 13-083.

LEWIS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

Motion carried.

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

Memorandum 13-105 from Public Works Director as backup.

Memorandum 13-105(S) from Public Works Director as backup.

Resolution 13-084(S), A Resolution of the Homer City Council Awarding the Contract for the Meadow-Wood Place Subdivision Sanitary Sewer Manhole Repair Project to the Firm of Gregoire Construction of Homer, Alaska, in the Amount of \$9,200 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director.¹

Mayor Wythe called for a motion for the adoption of Resolution 13-084 by reading of title only.

LEWIS/ZAK – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

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

Mayor Wythe called for a motion for the adoption of Resolution 13-078 by reading of title only.

BURGESS/ROBERTS – SO MOVED.

Mayor Wythe called for a motion to substitute Resolution 13-078(S) for Resolution 13-078.

BURGESS/ROBERTS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

¹ Resolution 13-084(S) was not included in the Supplemental Packet along with Memorandum 13-105(S). Although Council did not formally make a motion to substitute Resolution 13-084(S) for Resolution 13-048 their intent was to make the contract award.

Motion carried.

BURGESS/LEWIS – MOVED TO AMEND TO SUBSTITUTE “MANDATING” BY “POLITELY DIRECTING”.

HOWARD/BURGESS - MOVED FOR A FRIENDLY AMENDMENT TO REMOVE “POLITELY”.

City Manager Wrede explained the resolution would not authorize any use of the funds the voters didn't already authorize. The voters voted on a list of roads the monies could be used for. Council subsequently amended the program by ordinance and election where the money could be used for trails and new roads not on the list.

Council would review what the approved methods of use for roads and trails are to ensure we are using them in accordance to what the community voted for. There is currently \$5M to \$6M in HART funds not earning much interest. Putting the funds to work for useful projects would be beneficial. There is a list of projects that need to be funded to increase public safety and stimulate the economy and improve traffic flow.

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

Motion carried.

BURGESS/ROBERTS - MOVED TO POSTPONE TO THE NEXT MEETING AS A PUBLIC HEARING AND NOTICE APPROPRIATELY.

There was no discussion.

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

Motion carried.

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

Resolution 13-080(S), A Resolution of the City Council of Homer, Alaska, Requiring Invitations to Bid (ITB) and Request for Proposals (RFP) Plans and Specifications with Searchable Text and Plan Holder's Lists to be Posted on the City of Homer Website **in a System Similar to That Utilized by the Kenai Peninsula Borough**. Roberts/Burgess.

Mayor Wythe called for a motion for the adoption of Resolution 13-080 by reading of title only.

BURGESS/ROBERTS - SO MOVED.

ROBERTS/BURGESS - MOVED TO ADOPT THE SUBSTITUTE RESOLUTION.

ROBERTS/ZAK – MOVED TO AMEND LINE 11 AND 12 TO ELIMINATE “IN A SYSTEM SIMILAR TO THAT UTILIZED BY THE KENAI PENINSULA BOROUGH”.

Councilmember Roberts noted the Borough’s system has an excellent way of advertising bids and RFPs, but it is costly. The Clerk has shown us a similar system utilized by the City of Soldotna that is not so costly.

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

Motion carried.

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

Motion carried.

COMMENTS OF THE AUDIENCE

Charles Davis, city resident, commented on the irony that where he lives it is beautified and calmed, but he still doesn’t have water and sewer service. He encouraged Council to get a sound, solid accounting philosophy to bill equitably. If adding speed bumps on Main Street it should be put to a public hearing.

Councilmember Burgess noted Council did not add the speed bumps to the ordinance.

Larry Slone, city resident, noted the comments criticizing Councilmember Burgess were a bit overstated. As to Resolution 13-048(S)(A), Mr. Burgess gave an excellent defense. He is surprised and amazed at the business representation. They don’t appreciate this is a closed system, with costs fixed at \$3.6M. It is like a game of musical chairs; every two years you are it. Last time it was him, as a multi-plex owner. We are trying to design enough chairs so everyone can have a seat. If you were underpaying before, someone else was footing the bill. He commented on the Enstar gas line that ran through his sewer line, backing it up. They have tried to accommodate him fairly.

Josh Garvey reiterated it is not just large businesses that will suffer from the rate increases; almost 50% of customers will see a rate increase. The claim that it a fair rate model is a complete farce. There are hidden costs, rampant system waste, and treatment of the water fund as a slush fund for covering big government expenses. This system doesn’t work; it is broken. He is disheartened to see Council disregard the testimony of so many voices. He urged Council to start listening.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner had no comment.

COMMENTS OF THE CITY CLERK

City Clerk Johnson announced an opportunity for adventure with the candidacy filing period for two 3-year term council seats. The filing period opens August 1st and ends on August 15th.

COMMENTS OF THE CITY MANAGER

City Manager Wrede expressed sentiments to Land's End for putting the ad out because it did get people's attention. He hopes people will look and search for the truth. There was some false stuff in there: \$1M to process water bills: that is not even close to true. The committee determined 40% of the Finance Department's budget was devoted to water and sewer issues and that was \$300,000. That includes sending the bills out, collecting the money, providing customer service, and all the other things the Finance Department does. There is one recurring theme; that we have to cut costs. We are always looking to cut costs and have done so with energy saving methods we have taken. This budget cycle we will really focus on costs on water and sewer. We will take a serious look at every cost and justify each one. If we can reduce costs we will do that.

COMMENTS OF THE MAYOR

Mayor Wythe appreciates the small businesses coming out. She has been trying to get small businesses to get involved. She believes small businesses hurt themselves more by not becoming involved. Every time they are not here, planning and zoning and water/sewer rate decisions are made that may impact them. She encouraged the people on the list (of the ad) in the Homer News to contact Finance Director John Li to see what their water/sewer rates would be. Many consumers' rates will be going down. There are winners and losers every time the rates are juggled. The commodity based rate means the high volume user is the one that will be impacted. Right now low volume users are impacted because we have a substantial per user fee and the multi-plex or per apartment fee. Those people are carrying the burden and it will shift so people using water will pay the costs. There were several comments about the windfall to the Port and Harbor. Port and Harbor is an enterprise fund just like the water/sewer fund. Those monies are not available to the general fund or water/sewer fund. If you have two businesses owned by separate companies they are totally independent of one another and responsible for maintaining their own expenses without subsidy from other sources. She has heard about the belt tightening and understands it. In eight years of her term on the Council they have reduced the budget by over \$3M. We have reduced property tax by .5 mill and eliminated the winter sales tax on food. We have reduced the budget repeatedly for eight years. People at the table are continually looking for ways to cut costs. Council is working hard to make decisions for the best of Homer.

COMMENTS OF THE CITY COUNCIL

Councilmember Roberts commented she feels like we are getting closer on the water/sewer rates. She appreciates the input from all the people. She would hate to say we discard all this and start over; it is not the right thing to do. UTI has been in her neighborhood installing gas lines. She concurs with Walt. They are nice people, ask you things, and try to make it right. She appreciates their care about the neighborhood. In the City Manager's report there are three pages of Public Works Department projects. It is amazing and lots of nice things are going on in the city.

Councilmember Zak is against the existing water and sewer proposal. It is the general policy and the hypothesis behind the policies of the City. He is outnumbered here. He encouraged anyone out for an adventure (City Council candidates) to come on; we could use some help. It is good to have a separate voice as someone is listening and hears what you are saying. He asked people to email him. Although we have reduced the budget we have hurt the local economy. We have got the gas line, a wonderful thing, and have reduced our costs of doing business. There is a whole lot more policy wise that can be done.

Councilmember Dolma said for the 50% of folks that have a rate increase, 50% of the rates will go down. Someone is getting a better deal. It is a fair rate. More than the philosophy of it should be this way or that, consistency is important. If you can plan ahead for the next 10 to 20 years, that is important to businesses. If you are a big user that will affect you more and big users should plan for change. For the twenty sewer users that do not use water, he apologized for the flip comment. He doesn't know how to address that in this model. Just because someone tells you something doesn't mean it is true and doesn't mean it is in your best interests. Challenge folks and listen to more than one person. There was a lot of poor information tonight, some inadvertent, some intentional. Get out and talk to folks and get to the truth of the information.

Councilmember Burgess would like to see us put the water/sewer rate schedule behind us so we can tackle the real question of how we make our system cost effective. How do we infill and expand the system to make it economically viable? He cares what we will be doing 10, 20, 30 years from now. He wants his kids to live in an economically solvent city. Look around at the city. It's beautiful, it's sunny, your streets are getting paved, you are going to get gas at your front door, and most businesses are having the most profitable year they have had in half a decade. Most of it happened because this council built consensus and took bold steps when a few people said this was not the way to go. Council did what they thought was in the best interests of the majority of the people for the long term. We are all committed to doing that. If he has to continue under the precept that democracy depends on well informed citizens willing to participate, it concerns him when individuals specifically and intentionally rely on misinformation to advance their point. What goes around comes around. It is a dangerous path to follow and once any of us go down that road we risk disparaging our own community and good

name of our neighbors. The news media should also be aware of that when choosing their headlines or reporting their facts. We rely on you to be investigative and to do a good job at researching these things, not to just believe everything you are told. He doesn't know if he speaks for the rest of the council, but he supports the City Manager in finding a budget healthy solution for employee health costs. This is an important decision that affects the livelihood of the community. The City Manager is not out to get you. He has a tough issue to solve and the more we work together the better the outcome for everyone. Councilmember Burgess finds it interesting when small business owners come up and say they are too busy to participate in local government. As the owner of several local small businesses and somebody who sacrifices sleep in order to contribute to the success of those businesses, that is hard for him to swallow. He is on this council because he didn't want to be part of the landscape; he wanted to have a voice. There are two seats available on the council. Come join the party. The adventure awaits you. It's been a great summer. Go out and enjoy it!

Councilmember Lewis would have bought a bulls-eye shirt for Beau if he had known he was going to be picked on so much. When the committee was formed he called two of the largest water users and let them know to get a seat on the committee. Neither one applied. They need to step up and sit on those; it is in their best interest. It is expensive to live in Homer. You need a good job to make it here. As much as he would love to say we can make it cheaper and better you have to live with it.

Councilmember Howard thanked Katie and the City Manager for putting together the CIP status report. On so many projects you could see the word "cruise head tax" and how important that is to us. She thanked the Permanent Fund Committee for the work they did and the City Attorney for his valuable help to get this straightened out so we can stay focused on sewer and water.

Mayor Wythe reminded the public of the Governor's Picnic on Thursday, July 25th from 4:00 to 7:00 p.m. at Karen Hornaday Park.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 9:28 p.m. The next Regular Meeting is Monday, August 12, 2013 at 6:00 p.m., Committee of the Whole at 5:00 p.m., and a Worksession at 4:00 p.m. A Worksession is scheduled for Saturday, August 17, 2013 from 9:00 a.m. to 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

JO JOHNSON, CMC, CITY CLERK

HOMER CITY COUNCIL
REGULAR MEETING MINUTES
JULY 22, 2013

Approved: _____



City of Homer

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Memorandum 13-110

TO: HOMER CITY COUNCIL

FROM: MARY E. WYTHE, MAYOR

DATE: AUGUST 5, 2013

SUBJECT: APPOINTMENT OF MATTHEW STEFFY TO THE PARKS AND RECREATION ADVISORY COMMISSION; BOB HARTLEY, DAVID LEWIS, BARBARA HOWARD, BRYAN HAWKINS, AND LISA ELLINGTON TO THE PORT AND HARBOR BUILDING TASK FORCE

Matthew Steffy is appointed to the Parks and Recreation Advisory Commission for a term to expire October 31, 2015. He will replace outgoing commissioner Ingrid Harrauld.

Appointments to the Port and Harbor Building Task Force include Councilmembers David Lewis and Barbara Howard, Port and Harbor Advisory Commissioner Bob Hartley, and port staff members Bryan Hawkins and Lisa Ellington.

RECOMMENDATION:

Confirm the appointment of Matthew Steffy to the Parks and Recreation Advisory Commission and Bob Hartley, David Lewis, Barbara Howard, Bryan Hawkins, and Lisa Ellington to the Port and Harbor Building Task Force.

Fiscal Note: N/A



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Memorandum 13-112

TO: MAYOR WYTHE AND CITY COUNCIL
THROUGH:
FROM: JO JOHNSON, CITY CLERK
DATE: AUGUST 5, 2013
SUBJECT: NOVEMBER CITY COUNCIL MEETING SCHEDULE

It was brought to my attention the sole November meeting is scheduled for Monday of Thanksgiving week. Cognizant of Council, staff, and the community's holiday schedules, Council may consider rescheduling the meeting to November 18.

Traditionally there is only one meeting scheduled for November since the Alaska Municipal League Annual Conference is scheduled for the second week of the month.

RECOMMENDATION:

Amend the 2013 Meeting Schedule to reschedule the November City Council meeting to November 18th due to the Thanksgiving holiday.



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Memorandum 13-113

TO: MAYOR WYTHER AND CITY COUNCIL

THROUGH:

FROM: JO JOHNSON, CITY CLERK

DATE: AUGUST 5, 2013

SUBJECT: CORRECTION OF ACCOUNT NO. ON ORDINANCE 13-20(S)

Accounting Supervisor Laurie Moore has notified me the account number supplied for the Legislative Grant for Harbor Projects on Ordinance 13-20(S) is incorrect. The correct account number for the Municipal Harbor Matching Grant Projects is 415-920. The ordinance should be corrected to reflect the correct account number for accounting purposes.

RECOMMENDATION:

Approve the correction of Account No. 415-934 for Municipal Harbor Matching Grant Projects to Account No. 415-920.

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-32

An Ordinance of the City Council of Homer, Alaska, Amending HCC 21.41.030, Definitions, HCC 21.41.040, Basis for Establishing Flood Hazard Areas, HCC 21.41.200, Standards–All Flood Hazard Areas, and HCC 21.41.220, Standards–Where Base Flood Elevation Data is Provided, to Adopt the Flood Insurance Rate Maps Dated November 6, 2013, and Code Revisions Recommended by FEMA.

Sponsor: Planning

1. City Council Regular Meeting August 12, 2013 Introduction
 - a. Memorandum 13-111 from City Planner as backup
 - b. Planning Staff Report PL 13-55 with Memo 13-01 and Draft Ordinance
 - c. Excerpt of Planning Minutes of July 17, 2013

**CITY OF HOMER
HOMER, ALASKA**

Planning

ORDINANCE 13-32

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING HCC 21.41.030, DEFINITIONS, HCC 21.41.040, BASIS FOR ESTABLISHING FLOOD HAZARD AREAS, HCC 21.41.200, STANDARDS-ALL FLOOD HAZARD AREAS, AND HCC 21.41.220, STANDARDS-WHERE BASE FLOOD ELEVATION DATA IS PROVIDED, TO ADOPT THE FLOOD INSURANCE RATE MAPS DATED NOVEMBER 6, 2013, AND CODE REVISIONS RECOMMENDED BY FEMA.

WHEREAS, The City must participate in the National Flood Insurance Program to be eligible for emergency federal funding in case of disaster; and

WHEREAS, FEMA has conducted a national map modernization program to switch from paper flood insurance rate maps to digital maps; and

WHEREAS, As part of the program, the Homer maps have been updated; and

WHEREAS, The Flood Insurance Rate Maps dated November 6, 2013 must be adopted by the City in order for the City to continue to participate in the floodplain program; and

WHEREAS, The City's floodplain code was reviewed by FEMA and found to need minor adjustments to be compliant with the requirements of the National Flood Insurance Program; and

WHEREAS, It is in the City's best interest to require all structures to be elevated one foot above the base flood elevation; and

WHEREAS, The 2010 Homer Spit Comprehensive Plan within the City of Homer Comprehensive Plan of 2008, Section 3, Goal 1.4, states, "All development should recognize, value and complement the unique natural resources on the Homer Spit"; and

WHEREAS, The Homer Advisory Planning Commission conducted a public hearing on July 17, 2013, and recommend that the City Council adopt this ordinance.

THE CITY OF HOMER ORDAINS:

Section 1. The definitions of "Accessory Structures," "Coastal high hazard area" and "Substantial improvement" in HCC 21.41.030, Definitions, are amended to read as follows:

"Accessory structures" means ~~low-cost buildings~~ such as detached garages; and boat houses, ~~small poles,~~ that are not designed or intended ~~to be used~~ for human habitation; ~~shall be constructed and placed on the building site so as to offer minimum resistance to the flow of flood waters; shall be anchored to prevent flotation which may result in damage to other structures; and service utilities such as electrical and heating equipment shall be elevated or flood-proofed. No elevation certificate or variance is required for a development determined by the City to be an accessory structure.~~

"Coastal high hazard area" means an area of special flood hazard extending from offshore to the inland limit of a primary frontal dune along an open coast and any other area subject to high velocity wave action from storms or seismic sources. The area is designated on the FIRM as Zone V1-V30, VE, ~~or V~~ and LiMWA.

"Substantial improvement" means any repair, reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "substantial damage", regardless of the actual repair work performed. For the purposes of this definition "substantial improvement" is considered to occur when the first alteration of any wall, ceiling, floor, or other structural part of the building commences, whether or not that alteration affects the external dimensions of the structure. The term does not, however, include either:

a. Any project for improvement of a structure to correct ~~comply with existing~~ violations that have been previously cited based on ~~of~~ state or local health, sanitary, or safety code specifications which are the minimum necessary to assure safe living conditions, or

b. Any alteration of a "historic structure" listed on the National Register of Historic Places or a State Inventory of Historic Places, provided that the alteration will not preclude the structure's continued designation as a "historic structure."

Section 2. HCC 21.41.040, Basis for establishing flood hazard areas, is amended to read as follows:

21.41.040 Basis for establishing flood hazard areas. The areas of special flood hazard identified by the Federal Insurance Administration in a scientific and engineering report entitled "The Flood Insurance Study for the City of Homer, Alaska," dated ~~September 25, 2009~~ November 6, 2013, with accompanying Flood Insurance Rate Maps (FIRM), are hereby adopted by reference and declared to be a part of this ordinance. The Flood Insurance Study and FIRM are ~~is-on file in the Planning Department and Zoning office.~~

Section 3. HCC 21.41.200 Standards—all flood hazard areas, is amended by adding paragraph (b)(4) to read as follows:

4. Accessory structures shall be constructed and placed on the building site so as to offer minimum resistance to the flow of flood waters; shall be anchored to prevent flotation which may result in damage to other structures; shall have only service utilities such as electrical and heating equipment that are elevated or flood-proofed; and shall have openings as required by HCC 21.41.220(a)(2)(ii), (iii) and (iv). No elevation

certificate or variance is required for a development determined by the City to be an accessory structure

Section 4. Subsection (b) of HCC 21.41.220, Standards—where base flood elevation data is provided, is amended to read as follows:

b. Nonresidential Construction. New construction and substantial improvement of any commercial, industrial or other nonresidential structure shall either have the lowest floor, including basement, elevated to the level of the one foot above base flood elevation; or, together with attendant utility and sanitary facilities, shall:

1. Be flood proofed so that ~~below~~ one foot above the base flood level the structure is water tight with walls substantially impermeable to the passage of water;

2. Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy;

3. Be certified by a registered professional engineer or architect that the standards of this subsection are satisfied. Such certifications shall be provided to the official as set forth in HCC § 21.41.090(d)(2);

Section 5. This Ordinance is of a permanent and general character and shall be included in the City Code.

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

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

138 First Reading:
139 Public Hearing:
140 Second Reading:
141 Effective Date:

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146 Reviewed and approved as to form:

147

148

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150 _____
Walt Wrede, City Manager

151

152

153 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____



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Memorandum 13-111

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
FROM: RICK ABBOUD, CITY PLANNER
DATE: July 22, 2013
SUBJECT: Homer Flood Code

Introduction: The flood maps and accompanying code regarding regulation of the floodplain allow citizens of Homer to qualify for federally guaranteed flood insurance. Additionally, Homer's participation allows the city qualify for federal funds funds for disaster assistance and hazard mitigation. Dotti Harness-Foster worked on a longer staff report that explains some of the changes in detail. I will provide a general overview with as little of jargon as possible.

Maps: FEMA initiated a new study of the Homer Spit. As a result of the study (and some of my own analysis and input), new maps have been produced that more accurately portray the actual flood risks prevalent from the base of the spit till the end. The maps before you nearly always show a new risk that is less than that of the previous maps, which is an accurate measure of the current conditions.

Several notices of all the property owners in the areas subject to change have gone out with invitations to attend a workshop with FEMA and to attend subsequent meetings and a public hearing at the Planning Commission. All response we have had with land owners have been positive.

Code: Accessory structures did have the non-qualitative reference to "low cost" removed. Then the Attorney removed the standards from the definition as it is poor procedure for writing code. My further review shows that "accessory structures" are not referred to anyplace else in code and therefor would be regulated as any "residential" or "nonresidential" structure would and is probably not necessary to address. I will review this further as we adopt the next revised maps in the next year.

Amendments adding the term LiMWA (line 55) adds language recommended by FEMA as does the reference to "previously site" violations on lines 65-66.

The last changes amend the reference date of the new maps and bring the standard for nonresidential construction up to that of residential construction making the code consistent. The changes in code will help us prepare for admission to a program that can reduce the costs of flood insurance for the citizens of Homer.

The requirements for adopting title 21 have been addressed as follows.

Per HCC 21.95.040, the Planning Department shall review each amendment to title 21. This review is complete and addressed in memorandum 13-01 to the Planning Commission.

Additionally, Per HCC 21.95.060, the Planning Commission shall review each proposed amendment to title 21. This review is now complete. At the July 17th Regular Meeting, a motion was approved to forward the changes to the flood code to the City Council.

Recommendation:

The Homer Advisory Planning Commission and Planning Department recommends adoption of the amended Flood Prone Areas.

Attachments:

Staff Report 13-55

Memorandum 13-01

Ordinance

Planning Commission Minutes



City of Homer

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STAFF REPORT PL 13-55

TO: Homer Advisory Planning Commission (HAPC)
THROUGH: Rick Abboud, City Planner
FROM: Dotti Harness-Foster, Planning Technician
MEETING: July 17, 2013
SUBJECT: Draft Ordinance 13-xx adopting Flood Insurance Rate Maps (FIRM) dated November 6, 2013 and amending HCC 21.41 Flood Prone Areas.

Requested Action: Discuss and recommend approval to the City Council

Introduction: The Federal Emergency Management Agency (FEMA) has issued new floodplain maps for the Homer Spit which represents the 1% chance of a flood event happening in any given year.

The map adoption process is two-fold; the maps themselves must be adopted and the City's Floodplain code must be updated. FEMA backed flood insurance policies are only available to citizens in communities that participate in the National Flood Insurance Program (NFIP). Homer is a NFIP community so the City must adopt these new maps and the code amendments by November 6, 2013. The first step is for the HAPC to review the map and code amendments, and then forward a recommendation to the City Council for adoption.

Background: In 1999, FEMA produced Flood Insurance Rate Maps (FIRM), but the City did not join the program. In 2003, after the declaration of disaster from the 2002 floods, the City of Homer joined the NFIP, and adopted flood maps and standards for development in flood zones. Since then engineers, surveyors and the City have disputed the flood elevations on the maps, particularly on the Spit. In 2008 FEMA agreed to resolve the inconsistencies with a new coastal study. In 2008-9 engineers performed 25 surveyed transects perpendicular to the Homer Spit. This elevation data combined with hydrologic (peak flood discharge and frequency) and hydraulic (water elevation) analysis, wave height analysis and storm-surge data. This work led to the creation of the maps now presented to the Commission. Although FEMA's study was focused on the Spit, they re-published maps for the entire City. All reference in code to the 2009 adopted maps will now be changed to the 2013 maps.

"Flood language" is full of acronyms; starting with the Base Flood Elevation or BFE which means the site has a 1% annual chance of a flood at a certain elevation. The FEMA maps also indicate type of flood zones. For example: the Spit has three flood zones:

Velocity Zone with Elevation determined (VE) wave height greater than 3 ft; and
AE Zone refers to "coastal AE zones" with stillwater Elevations determined (AE) with wave height less than 3.0 ft; Zone X which refers to the 0.2%, or 500yr annual chance of a flood event.

Both the zone and the elevation are noted in the Flood Insurance Study (FIS) and on the new flood maps. For example, **VE 25** means **V**elocity zone with a Base Flood **E**levation of **25** feet. These flood elevations are based on the North American Vertical Datum of 1988 (NAVD88) which is different from a tide elevation. To convert NAVD88 to Mean Lower Low Water (MLLW) add approximately 4 feet.

Map changes: The proposed maps illustrate both the zone and the elevation. For example the Land's End Condominium area goes from an AO 9999 (undetermined elevation) to AE 25 (AE Zone with a BFE of 25 ft). The land around the hockey rink will go from a VE24 (Velocity Zone at 24 ft) to an AE 22 (type of flooding at 22 ft).

SITE	CURRENT FLOOD ZONE & ELEVATION	PROPOSED FLOOD ZONE & ELEVATION
Land's End Condominiums	AO 9999 (undetermined elevation) & VE 24	AE 25
Land's End Hotel	VE 28	AE 25
East of Ice Dock Rd	AO 9999 (undetermined elevation)	VE 23
Chip pad area	AO 9999 (undetermined elevation)	0.2% or 500 yr. chance of flood event.
Fishing hole area	VE 24	AE 20, AE 22 and 0.2% or 500 yr.
Hockey rink area	VE 24	AE 22
Mariner Slough area	VE 32	VE 20

Flood insurance rates are dependent on how high the structure is elevated so to allow a 1% flood event to flow under/through or around a structure. In most part, Homer's Floodplain code requires structures to be elevated one foot above the BFE, also known as BFE +1 which reduces risks and flood insurance premiums.

Community Rating System (CRS) is a program in which participating communities gain Flood Insurance discounts based on activities identified by FEMA to reduce risks associated with flood events. Flood insurance costs for all city residents (whether or not they are in a mapped flood zone) are reduced according to the value assigned to the activities. Seward, Valdez and Anchorage are examples of CRS communities in Alaska. Communities are given CRS "credits" for adopting and maintaining high standards. Homer is already doing the following activities which would provide a 10-15 % discount on all flood insurance policies within the City including:

- Elevation Certificates (Planning Office)
- Flood map information (Planning Office)
- Flood and drainage outreach (Planning and Public Works)
- Open Space Preservation (The Spit has Conservation and Open Space Zones)
- Stormwater Management (Planning and Public Works)

The FEMA specialists had all indicated that with the new Flood Insurance Rate Maps (FIRM) it's time for Homer to apply for the CRS. The Planning staff has the training and background to apply and several of the recommendations in this report, would support a CRS application. The Planning staff has called CRS communities in Alaska to discuss the staff time needed to maintain a CRS designation. For a community of Homer's size, 1-3 hours of staff time per year is needed to submit the year-end report to FEMA.

Floodplain code amendments: One of FEMA's Floodplain Management Specialists, Karen Wood-McGuinness, reviewed Homer's Floodplain code and recommended several amendments. Some of the amendments are required; others should be discussed by the HAPC with recommendations forwarded to

City Council. These amendments will make Homer's Floodplain code more consistent, easier to administer and could make the City eligible for additional reduction in Flood Insurance Rates through the Community Rating System (CRS).

Staff recommends these five amendments, and provides an analysis:

1. Update the "Accessory structures" definition.
2. Require "Accessory structures" below the BFE to have openings to allow water flow.
3. Update the "Coastal High Hazard Area" definition to include Limited Wave Action zone.
4. Update the "Substantial improvement" definition.
5. Raise the "Base Flood Elevation" (BFE) and flood proofing for nonresidential structures, HCC 21.41.220(b) & 21.41.220(b)(1).

1. Recommended. Update the "Accessory structures" definition, HCC 21.41.030.

HCC 21.41.030: "Accessory structures" means ~~low-cost~~ buildings such as detached garages, boat houses, ~~small poles~~, not to be used for human habitation, shall be constructed and placed on the building site so as to offer minimum resistance to the flow of flood waters; shall be anchored to prevent flotation which may result in damage to other structures; and service utilities such as electrical and ~~hearting~~ equipment shall be elevated or flood-proofed; and shall have openings per HCC 21.41.220(a)(2)(ii, iii & iv). No elevation certificate or variance is required for a development determined by the City to be an accessory structure.

Analysis: The FEMA specialist and staff recommend an amendment to the "**Accessory structures**" definition, HCC 21.41.030. Our current "accessory structure" definition uses the term "low cost." What is "low cost" to one family may not be "low cost" to another. ~~Small poles~~ and hearting appear to be type errors in the existing code.

2. Required. FEMA requires that an "**Accessory structure**" below the Base Flood Elevation must have openings that allow the free movement of water. The requirements for the opening are outlined in HCC 21.41.220(a)(2)(ii, iii & iv).

Analysis: Staff recommends the above amendments to improve the consistency in Title 21, to correct a type error, and to improve safety by allowing the free movement of water.

3. Recommended. Update the "Coastal High Hazard Area" to include "Limit of Moderate Wave Action" the LiMWA zone.

The FEMA specialists recommend an update to the "Coastal high hazard area" definition to include the "Limit of Moderate Wave Action" (LiMWA) zone. Homer does not have any LiMWA flood zones, but adding it to the definitions will contribute to gaining CRS credits.

"Coastal high hazard area" means an area of special flood hazard extending from offshore to the inland limit of a primary frontal dune along an open coast and any other area subject to high velocity wave action from storms or seismic sources. The area is designated on the FIRM as Zone V1-V30, VE or V and LiMWA"

Analysis: The Homer Spit flood maps identify two flood zones: The AE zone is an area with a 1% chance of stillwater less than 3 feet. The VE zone is an area with a 1% chance of wave height **greater than 3 feet**. In response to significant coastal damage in the A zones caused by wave heights greater than 1.5 feet, FEMA implemented the LiMWA zone in 2009. The LiMWA zone is an “informational layer to assist in safe building practices” and is recommended by the 2006 International Building Code.

The Homer Spit remapping project began before 2009, so our maps do not show LiMWA zones. However, including the LiMWA designation within the “Costal high hazard area” definition helps Homer earn credits for the Community Rating System. For these reasons, the planning staff also recommends this amendment.

4. Required. FEMA requires an update to the “Substantial improvement” definition, HCC 21.41.030

“Substantial improvement” means any repair, reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the “start of construction” of the improvement. This term includes structures which have incurred “substantial damage”, regardless of the actual repair work performed. For the purposes of this definition “substantial improvement” is considered to occur when the first alteration of any wall, ceiling, floor, or other structural part of the building commences, whether or not that alteration affects the external dimensions of the structure.

The term does not, however, include either:

- a. Any project for improvement of a structure to comply with ~~existing~~ violations **that have been previously cited based on** state or local health, sanitary, or safety code specifications which are the minimum necessary to assure safe living conditions, or

Analysis: After a flood event, the community is inundated with decisions to rebuild, or not. FEMA has specific standards for determining if a structure can be repaired, known as “Substantial improvement” if the costs of the repair exceeds 50% of the market value of the structure. In the past, the term, “Substantial Improvements” included “existing violations.” FEMA now requires communities to amend the “Substantial Improvement” definition to include **“violations that have been previously cited.”**

5. Recommended. Raise the “Base Flood Elevation” (BFE) for nonresidential structures.

HCC 21.41.220(b). Nonresidential Construction. New construction and substantial improvement of any commercial, industrial or other nonresidential structure shall either have the lowest floor, including basement, elevated ~~to the level of the~~ **one foot above** base flood elevation; or, together with attendant utility and sanitary facilities, shall:

1. Be flood proofed so that ~~below~~ **one foot above** the base flood level the structure is water tight with walls substantially impermeable to the passage of water;
2. Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy;
3. Be certified by a registered professional engineer or architect that the standards of this subsection are satisfied. Such certifications shall be provided to the official as set forth in HCC § 21.41.090(d)(2);

Analysis: Homer's flood standards require that all structures to be built to BFE +1 with one exception. The exception allows 'non residential' structures in the AE zones to be built at BFE. Staff recommends amending to require all structures be built to BFE +1. This amendment would provide:

- Consistent elevation requirements with all the flood zones and types of structures
- Ease of administering
- Elimination of contradictory code
- Reduced flood insurance rates

Here are two examples of how the contradictory code language could be very costly:

A 'non residential' structure built at BFE, is then changed to a residence. A residence is supposed to be built to BFE +1. The property owner seeks to purchase flood insurance of the "noncompliant" residence. Ouch, that's an expensive policy because the home is too low.

A 'non residential' structure that is built at BFE and 'flood proofed' refers to building a structure that is impermeable to water. If the structure is flood proofed and not elevated, the flood insurance rate is calculated as if the structure is at BFE -1. 7 Despite the owner's due diligence in meeting the flood requirements, a flood insurance policy for a structure at a BFE **-1**, is a very expensive policy. (HCC 21.41.220(b)(5)).

Staff Recommendation: Discuss and recommend approval to the City Council

Att: Ordinance 13-xx
Memorandum 13-01

CITY OF HOMER
HOMER, ALASKA

Planning

ORDINANCE 13-

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING HCC 21.41.030, DEFINITIONS, HCC 21.41.040, BASIS FOR ESTABLISHING FLOOD HAZARD AREAS, HCC 21.41.200, STANDARDS— ALL FLOOD HAZARD AREAS, AND HCC 21.41.220, STANDARDS— WHERE BASE FLOOD ELEVATION DATA IS PROVIDED, TO ADOPT THE FLOOD INSURANCE RATE MAPS DATED NOVEMBER 6, 2013, AND CODE REVISIONS RECOMMENDED BY FEMA.

WHEREAS, The City must participate in the National Flood Insurance Program to be eligible for emergency federal funding in case of disaster; and

WHEREAS, FEMA has conducted a national map modernization program to switch from paper flood insurance rate maps to digital maps; and

WHEREAS, As part of the program the Homer maps have been updated; and

WHEREAS, The Flood Insurance Rate Maps dated November 6, 2013 must be adopted by the City in order for the City to continue to participate in the floodplain program; and

WHEREAS, The City's floodplain code was reviewed by FEMA and found to need minor adjustments to be compliant with the requirements of the National Flood Insurance Program; and

WHEREAS, It is in the City's best interest to require all structures to be elevated one foot above the base flood elevation; and

WHEREAS, The 2010 Homer Spit Comprehensive Plan within the City of Homer Comprehensive Plan of 2008, Section 3, Goal 1.4, states, "All development should recognize, value and complement the unique natural resources on the Homer Spit"; and

WHEREAS, The Homer Advisory Planning Commission conducted a public hearing on July 17, 2013, and recommend that the City Council adopt this ordinance.

THE CITY OF HOMER ORDAINS:

Section 1. The definitions of "Accessory Structures," "Coastal high hazard area" and "Substantial improvement" in HCC 21.41.030, Definitions, are amended to read as follows:

"Accessory structures" means ~~low-cost~~ buildings such as detached garages, and boat houses, ~~small poles,~~ that are not designed or intended ~~to be used~~ for human habitation, ~~shall be constructed and placed on the building site so as to offer minimum resistance to the flow of flood~~

~~waters; shall be anchored to prevent flotation which may result in damage to other structures; and service utilities such as electrical and heating equipment shall be elevated or flood proofed. No elevation certificate or variance is required for a development determined by the City to be an accessory structure.~~

"Coastal high hazard area" means an area of special flood hazard extending from offshore to the inland limit of a primary frontal dune along an open coast and any other area subject to high velocity wave action from storms or seismic sources. The area is designated on the FIRM as Zone V1-V30, VE, ~~or V~~ **and LiMWA.**

"Substantial improvement" means any repair, reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "substantial damage", regardless of the actual repair work performed. For the purposes of this definition "substantial improvement" is considered to occur when the first alteration of any wall, ceiling, floor, or other structural part of the building commences, whether or not that alteration affects the external dimensions of the structure. The term does not, however, include either:

a. Any project for improvement of a structure to **correct** ~~comply with existing~~ violations **that have been previously cited based on** ~~of~~ state or local health, sanitary, or safety code specifications which are the minimum necessary to assure safe living conditions, or

b. Any alteration of a "historic structure" listed on the National Register of Historic Places or a State Inventory of Historic Places, provided that the alteration will not preclude the structure's continued designation as a "historic structure."

Section 2. HCC 21.41.040, Basis for establishing flood hazard areas, is amended to read as follows:

21.41.040 Basis for establishing flood hazard areas. The areas of special flood hazard identified by the Federal Insurance Administration in a scientific and engineering report entitled "The Flood Insurance Study for the City of Homer, Alaska," dated ~~September 25, 2009~~ **November 6, 2013**, with accompanying Flood Insurance Rate Maps (FIRM), are hereby adopted by reference and declared to be a part of this ordinance. The Flood Insurance Study and FIRM ~~are~~ **is** on file in the Planning **Department** ~~and Zoning office.~~

Section 3. HCC 21.41.200 Standards—all flood hazard areas, is amended by adding paragraph (b)(4) to read as follows:

4. Accessory structures shall be constructed and placed on the building site so as to offer minimum resistance to the flow of flood waters; shall be anchored to prevent flotation which may result in damage to other structures; shall have only service utilities such as electrical and heating equipment that are elevated or flood-proofed; and shall have openings as required by HCC 21.41.220(a)(2)(ii), (iii) and (iv). No elevation certificate or variance is required for a development determined by the City to be an accessory structure

Section 4. Subsection (b) of HCC 21.41.220, Standards—where base flood elevation data is provided, is amended to read as follows:

b. Nonresidential Construction. New construction and substantial improvement of any commercial, industrial or other nonresidential structure shall either have the lowest floor, including basement, elevated to the level of the **one foot above** base flood elevation; or, together with attendant utility and sanitary facilities, shall:

1. Be flood proofed so that ~~below~~ **one foot above** the base flood level the structure is water tight with walls substantially impermeable to the passage of water;

2. Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy;

3. Be certified by a registered professional engineer or architect that the standards of this subsection are satisfied. Such certifications shall be provided to the official as set forth in HCC § 21.41.090(d)(2);

Section 5. This Ordinance is of a permanent and general character and shall be included in the City Code.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

137 Reviewed and approved as to form:

138

139

140

141 _____
Walt E. Wrede, City Manager

142 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____



City of Homer

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Planning

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Memorandum 13-01

TO: Homer Advisory Planning Commission
FROM: Rick Abboud
DATE: July 17, 2013
SUBJECT: Draft Ordinance 12-xx, adopting Flood Insurance Rate Maps (FIRM)
dated November 6, 2013 and amending HCC 21.41 Flood Prone Areas.

This memo contains the planning staff review of the zoning code amendment as required by HCC 21.95.040.

21.95.040 Planning Department review of code amendment. The Planning Department shall evaluate each amendment to this title that is initiated in accordance with HCC 21.95.010 and qualified under HCC 21.95.030, and may recommend approval of the amendment only if it finds that the amendment:

a. Is consistent with the comprehensive plan and will further specific goals and objectives of the plan.

Staff response: The proposed amendments are consistent with the Comprehensive Plan and support several objectives in the Land Use Chapter including; developing clear and well-defined land use regulations, requiring development practices that protect environmental functions, and encouraging high quality site design and buildings..

b. Will be reasonable to implement and enforce.

Staff response: The proposed amendment provide a clear direction to the delineation of lands for regulation and clear guidelines for the development of those lands as recommended by the Federal Emergency Management Agency (FEMA).

c. Will promote the present and future public health, safety and welfare.

Staff response: The proposed amendments have been crafted with the specific goal of protecting life and property in relation to scientifically identified and delineated hazards to the citizens of Homer Alaska.

d. Is consistent with the intent and wording of the other provisions of this title.

Staff response: The amendments have been reviewed by the City Attorney and are deemed consistent with the intent and wording of the other provision of this title.

21.95.010 Initiating a code amendment.

Staff response: The code amendment was initiated by the City Planner as permitted by HCC 21.95.010(d)

21.95.030 Restriction on repeating failed amendment proposals.

Staff response: This section of code is found to be not applicable.

HOMER ADVISORY PLANNING COMMISSION
JULY 17, 2013
REGULAR MEETING

Excerpt from Meeting Minutes:

C. Staff Report PL 13-55, Spit Flood Insurance Rate Maps (FIRM) and amend Floodplain Code

City Planner Abboud reviewed the staff report.

Chair Venuti opened the public hearing.

Donna Rae Faulkner commented that she thinks this is good news as it helps to lower insurance rates. She asked if it helps for disaster assistance. City Planner Abboud explained that this is an important step in being eligible to receive funds should a disaster occur.

There were no further comments and the hearing was closed.

SLONE/HIGHLAND MOVED FOR THE APPROVAL OF STAFF REPORT 13-55 WITH STAFF FINDINGS.

There was brief discussion about moving this to Council.

VOTE: YES: HIGHLAND, SONNEBORN, STEAD, VENUTI, SLONE

Motion carried.

HIGHLAND/SLONE VOTE: MOVED TO RECOMMEND THIS BE FORWARDED TO CITY COUNCIL FOR ADOPTION.

There was no further discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-33

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2013 Operating Budget to Provide for Necessary Mid-Year Adjustments by Appropriating and Transferring Funds From the General Fund, Water and Sewer, and Port and Harbor Reserve Funds to the Health Insurance Fund, and the Library, Fire Department, Information Technology, and Port and Harbor Budgets.

Sponsor: City Manager/Finance Director

1. City Council Regular Meeting August 12, 2013 Introduction
 - a. Memorandum 13-116 from Personnel Director as backup

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Finance Director

ORDINANCE 13-33

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FY 2013 OPERATING BUDGET TO PROVIDE FOR NECESSARY MID-YEAR ADJUSTMENTS BY APPROPRIATING AND TRANSFERRING FUNDS FROM THE GENERAL FUND, WATER AND SEWER, AND PORT AND HARBOR RESERVE FUNDS TO THE HEALTH INSURANCE FUND, AND THE LIBRARY, FIRE DEPARTMENT, INFORMATION TECHNOLOGY, AND PORT AND HARBOR BUDGETS.

WHEREAS, The City has experienced unanticipated and necessary expenditures during this fiscal year (FY 2013) which were not included in the adopted FY 2013 Operating Budget; and

WHEREAS, These expenditures include deficit spending in the Health Insurance Plan, capital improvements to leased property, emergency / health and safety equipment purchases, and projected cost overruns in operating budgets; and

WHEREAS, It is necessary and appropriate to adopt a mid-year budget amendment in order to fully fund City operations.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City Council hereby appropriates and transfers \$800,000 from the General Fund, Water and Sewer, and Port and Harbor Reserve Funds to the Health Insurance Fund to cover the FY 2012 deficit and the projected deficit in 2013 as follows:

Transfer From:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
100-100	General Fund Reserve	\$584,000
256-378/379	Water Reserve	\$ 44,000
256-379	Sewer Reserve	\$ 44,000
456-380	Port and Harbor Reserve	<u>\$128,000</u>
	Total	\$800,000

Transfer To:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
600-800	Health Insurance Plan	\$800,000

Section 2: The City Council hereby appropriates and transfers \$1,910 from the General Fund Reserve to the Library Reserves to fully fund an authorized software purchase and resolve a conflict between the amount needed and authorized in Ordinance 12-33 (A) (S) and Memorandum 12-115, as follows:

Transfer From:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-375	General Fund Reserve	\$1,910

Transfer To:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-390	Library Reserves	\$1,910

Section 3: The City Council hereby appropriates and transfers \$8,700.00 from the General Fund Reserve to the Fire Department Depreciation Reserve for emergency procurement of new fire hose to replace hose that must be taken out of service due to age and inspection failure as follows:

Transfer From:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-375	General Fund Reserve	\$8,700

Transfer to:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-393	Fire Department Depreciation	\$8,700

Section 4: The City Council hereby amends the FY 2013 Budget by de-obligating \$89,000 of the \$93,000 appropriated from the Fire Department Depreciation Reserve for acquisition of SCBA equipment upgrades to reflect that fact that a grant ultimately provided most of the funds needed as follows:

Amendment:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-393	SCBA Equipment Upgrades	\$4,000

Section 5. The City Council hereby amends the budget by appropriating \$5,137 from the Information Technology Reserves for emergency acquisition of network switches at City Hall as follows:

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
156-398	IT Reserves	\$5,137.62

Section 6. The City Council hereby appropriates \$19,000 from the Port and Harbor Depreciation Reserves for engineering and design work related to drainage improvements on leased property and purchase of OSHA required safety equipment on the docks as follows:

Expenditure:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
456-380	Design / Drainage Improvements	\$14,000
456-380	OSHA Safety Equipment	<u>\$ 5,000</u>
		\$19,000

Section 7. The City Council hereby appropriates / transfers \$17,500 from the Port and Harbor Reserves to the Port and Harbor Operating Budget for unanticipated cost overruns in advertising and credit card fees as follows:

Transfer From:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
456-380	Port & Harbor	
	Depreciation Reserves	\$17,500

Transfer To:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
400-600-5227	Advertising	\$ 2,500
400-600-5252	Credit Card Expense	<u>\$15,000</u>
		\$17,500

Section 8. This is a budget amendment ordinance only, is not permanent in nature, and shall not be codified.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____



City of Homer

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Memorandum 13-116

TO: MAYOR WYTHER AND CITY COUNCIL

THROUGH: Walt Wrede, City Manager

FROM: Andrea Petersen, Personnel Director
Zhiyong Li, Finance Director

DATE: August 6, 2013

SUBJECT: Health Insurance Mid-Year Budget Adjustment

The 2012 Health Insurance Fund went over budget by approximately \$641,000. This resulted in the Health Insurance Reserve Fund having a deficit of \$226,827. Additionally, the current 2013 funding level for the Health Insurance Fund will fall short of the total projected expenses by approximately \$530,000. It is the recommendation of the Personnel Director, Finance Director, and our benefits consultant to fund an additional \$800,000 to the Health Insurance Fund to cover the 2012 loss and the projected 2013 loss. Any balance at the end of 2013 will help rebuild the Health Insurance Reserve account. Administration is working with the City's benefits consultant, Jeff Paxton, to reduce the 2014 health insurance expenditures.

Recommendation: Transfer \$800,000 to the Health Insurance Account from the following:

General Fund	100-100	\$ 584,000.00
Water	256-378	\$ 44,000.00
Sewer	256-379	\$ 44,000.00
Port& Harbor	456-380	\$ 128,000.00
Health Reserve	600-800	\$ 800,000.00

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-34

An Ordinance of the City Council of Homer, Alaska, Authorizing the Purchase of Kenai Peninsula Borough Parcel No. 17702033 (Lot 18, Block 1, Barnett's South Slope Subdivision, Township 6S, Range 13W, Section 17, Seward Meridian), in the Amount of \$70,000 from the Water Reserve Fund for the Purpose of Providing a Site for a New Water Tank for the City Water Utility.

Sponsor: City Manager/Public Works Director

1. City Council Regular Meeting August 12, 2013 Introduction
 - a. Memorandum 13-117 from Public Works Director as backup

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

3 City Manager/
4 Public Works Director

5 **ORDINANCE 13-34**
6

7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER,
8 ALASKA, AUTHORIZING THE PURCHASE OF KENAI
9 PENINSULA BOROUGH PARCEL NO. 17702033 (LOT 18,
10 BLOCK 1, BARNETT'S SOUTH SLOPE SUBDIVISION,
11 TOWNSHIP 6S, RANGE 13W, SECTION 17, SEWARD
12 MERIDIAN), IN THE AMOUNT OF \$70,000 FROM THE
13 WATER RESERVE FUND FOR THE PURPOSE OF
14 PROVIDING A SITE FOR A NEW WATER TANK FOR THE
15 CITY WATER UTILITY.
16

17 WHEREAS, The Council has appropriated funds for the design of an new water tank for
18 the City water utility; and
19

20 WHEREAS, The City may not expend the grant funds until a site for the water tank has
21 been identified; and
22

23 WHEREAS, After examining several potential sites that are at the right elevation and in
24 the area suggested by the City's Water/Sewer Master Plan, the City identified Lot 18, Block 1,
25 Barnett's South Slope Subdivision as an appropriate site with a willing seller.
26

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

29 Section 1. The Homer City Council hereby authorizes the purchase of Kenai Peninsula
30 Borough Parcel No. 17702033 (Lot 18, Block 1, Barnett's South Slope Subdivision, Township
31 6S, Range 13W, Section 17, Seward Meridian) with funds from the Water Reserve Fund for the
32 purpose of providing a site for a new water tank for the City water utility as follows:
33

34 Expenditure:
35

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
256-378	Purchase Lot for New Water Tank	\$70,000

36
37
38

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

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Thomas F. Klinkner, City Attorney

Date: _____

Date: _____



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

MEMORANDUM 13-117

TO: WALT WREDE, CITY MANAGER
FROM: CAREY MEYER, PUBLIC WORKS DIRECTOR
DATE: AUGUST 7, 2013
SUBJECT: **PURCHASE OF LOT FOR NEW WATER TANK
FUNDING AUTHORIZATION**

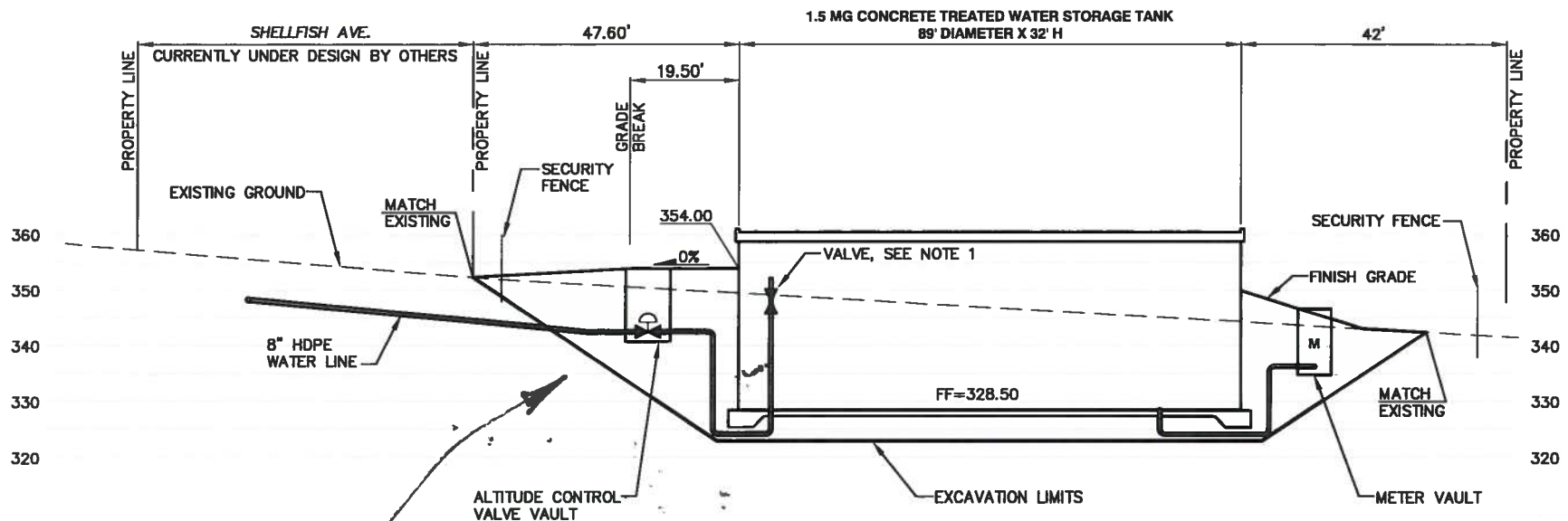
The 2005 Water and Sewer Master Plan recommended the construction of a water tank near the South Slope Drive/Shellfish Avenue intersection. The City Council authorized acceptance of an EPA grant to design this tank. A design firm has been contracted to design this tank. Construction of this tank would increase the efficiency of the transmission mains and improve the dependability of delivering fire flows below the bluff (core area).

The engineering firm has made recommendations and Public Works has contacted three property owners near this intersection to determine which of the three potential sites could be purchased. The property owner of the lot at the southwest corner of the South Slope Drive/Shellfish Avenue intersection has indicated a willingness to sell. Negotiations are underway.

Attached are drawings showing the potential tank improvement.

RECOMMENDATION: The City Council pass an ordinance amending the 2013 operating budget authorizing funds for the purchase of property using Water Reserve Fund monies in the amount of \$70,000.

Fiscal Note: 256-378 (Water Reserve Fund)



**PREFERED
 UNGROUND
 CONSTRUCTION**

NOTES:

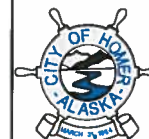
1. FLOAT VALVE OR SOLENOID VALVE TO PROVIDE REDUNDANT OVERFLOW PROTECTION.
2. TANK UNDERDRAIN SYSTEM NOT SHOWN.

OPTION A



CONCEPTUAL

CITY OF HOMER
 PUBLIC WORKS DEPARTMENT
 NEW WATER STORAGE TANK
 SECTION A



DATE	07/18/13	SHEET	3
DWN.	SJW	of	
SCALE	SHOWN		
APPRVD.	FJV		4

VISITORS

ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS

**CITY OF HOMER
HOMER, ALASKA**

MAYOR'S RECOGNITION

Homer Kachemak Bay Rotary Club

WHEREAS, Tony Neal gifted the property known as Ben Walters Park to the City of Homer for a park in 1983; and

WHEREAS, In service to the community, the Homer Kachemak Bay Rotary Club adopted Ben Walters Park in accordance with the City of Homer's Adopt-A-Park program and Rotarian Dave Brann has been a driving force in the maintenance and improvements to the park; and

WHEREAS, To date work that has been done includes:

- Scraping and painting public bathroom facilities, including individual window screens with Rust-Oleum primer and a finish coat.
- Regular litter pick-up.
- Purchased and installed a bench for the floating dock.
- Rented equipment to pull posts along the driveway and parking lot perimeter, re-drilled the holes, plumbed the posts, and back filled with washed drain rock (non-Rotary volunteer Robert Archibald donated his time and tractor to re-drill the holes).
- Four wine barrel planters were donated by a Rotarian, and Rotary purchased liners and potting soil, then placed the barrels and planted them with flowers provided by the City of Homer.
- Purchased D-1 gravel and rented equipment to rehabilitate the trail from the parking area to the floating dock. Rotarians raked, smoothed, and compacted the trail (non-Rotary volunteer Bill Strutz donated time to ditch and drain flooded areas along the trail).
- Performed weekly inspections up to July 6th and will again in August in accordance with the Adopt-A-Park agreement.

NOW, THEREFORE, I, Mary E. Wythe, Mayor, do hereby recognize Homer Kachemak Bay Rotary Club for their efforts in maintaining and improving the Ben Walters Park.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Homer, Alaska, to be affixed this 12th day of August, 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

PUBLIC HEARING(S)

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

**Ordinances 13-25, 13-26, 13-27, 13-28(A), 13-29, 13-30, and 13-31
Resolutions 13-048(S-2)(A-2) and 13-078(S)(A)
2014 Budget Priorities**

A **public hearing** is scheduled for **Monday, August 12, 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 13-25, 13-26, 13-27, 13-28(A), 13,29, 13-30 and 13-31 internet address:

<http://www.cityofhomer-ak.gov/ordinances>

Resolutions 13-048(S-2)(A-2) and 13-078(S)(A) internet address:

<http://www.cityofhomer-ak.gov/resolutions>

Resolution 13-048(S-2)(A-2), A Resolution of Homer City Council Amending the City of Homer Fee Schedule Under Water and Sewer Fees. City Clerk.

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

2014 BUDGET PRIORITIES

Ordinance 13-25, An Ordinance of the Homer City Council, Amending HCC 3.10.130, Governance of Homer Permanent Fund Assets, HCC 3.12.020, Contributions, HCC 3.12.030 Allocation to Sub-Funds, HCC 3.12.060 Expenditures of Income and HCC 3.12.080, Expenditure of Principal; Enacting HCC 3.12.015, Definitions; and Repealing HCC 3.12.070, Loans from Income Sub-Fund; Regarding the Homer Permanent Fund. City Clerk/Permanent Fund Committee.

Ordinance 13-26, An Ordinance of the Homer City Council, Appropriating \$67,310.08 from the Homer Permanent Fund to the Homer Foundation City of Homer Endowment Fund. City Clerk/Permanent Fund Committee.

Ordinance 13-27, An Ordinance of the City Council of Homer, Alaska, Making Technical Corrections to Title 21 of the Homer City Code for its Republication by Code Publishing, Inc. Planning.

Ordinance 13-28(A), An Ordinance of the City of Homer, Amending Homer City Code Chapter 11.12, Street and House Numbering, to Establish Standards and Procedures for the Naming and Renaming of Streets. Burgess.

Ordinance 13-29, An Ordinance of the City Council of Homer, Alaska, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2014 in the Amount of \$6,600, with a Local Match of \$7,000 for Books and Library Materials, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Library Director.

Ordinance 13-30, An Ordinance of the Homer City Council, Amending HCC 14.04.040, Sewer Rate Schedule, and HCC 14.08.080, Schedule of Rates--Rules and Regulations; to Provide that Sewer and Water Rate Schedule Changes Shall Take Effect as of the Date Set Forth by Resolution. City Manager.

Ordinance 13-31, An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget By Appropriating an Additional \$69,000 from the Water Reserve Fund for the Demolition of the Redwood Tank at the Water Treatment Plant. City Manager/Public Works Director.



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

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

Jo Johnson, CMC, City Clerk

Publish: Homer Tribune: August 7, 2013

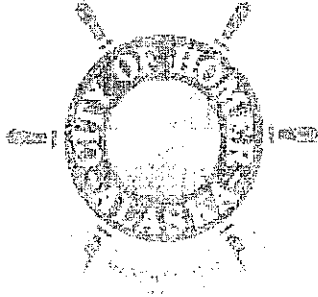
A handwritten signature in black ink, appearing to read "Jo Johnson", written over the printed name.

CLERK'S AFFIDAVIT OF POSTING

I, Renee Krause, CMC, Deputy City Clerk I for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for Resolution 13-048(S-2)(A-2), Amending the City of Homer Fee Schedule Under Water and Sewer Fees; Resolution 13-078(S)(A), the City Manager to Propose Projects that Utilize the Funds in Excess of \$3 Million Dollars in the HART Funds and In Excess of \$3 Million Dollars in HAWSP Fund for Consideration of the Homer City Council; 2014 BUDGET PRIORITIES; Amending HCC 3.10.130, Governance of Homer Permanent Fund Assets, HCC 3.12.020, Contributions, HCC 3.12.030 Allocation to Sub-Funds, HCC 3.12.060 Expenditures of Income and HCC 3.12.080, Expenditure of Principal; Enacting HCC 3.12.015, Definitions; and Repealing HCC 3.12.070, Loans from Income Sub-Fund; Regarding the Homer Permanent Fund; Ordinance 13-26, Appropriating \$67,310.08 from the Homer Permanent Fund to the Homer Foundation City of Homer Endowment Fund; Ordinance 13-27, Making Technical Corrections to Title 21 of the Homer City Code for its Republication by Code Publishing, Inc.; Ordinance 13-28(A), Amending Homer City Code Chapter 11.12, Street and House Numbering, to Establish Standards and Procedures for the Naming and Renaming of Streets; Ordinance 13-29, Accepting and Appropriating a State of Alaska Public Library Assistance Grant for FY 2014 in the Amount of \$6,600, with a Local Match of \$7,000 for Books and Library Materials; Ordinance 13-30, Amending HCC14.04.040, Sewer Rate Schedule, and HCC 14.08.080, Schedule of Rates--Rules and Regulations; to Provide that Sewer and Water Rate Schedule Changes Shall Take Effect as of the Date Set Forth by Resolution; Ordinance 13-31, the 2013 Operating Budget By Appropriating an Additional \$69,000 from the Water Reserve Fund for the Demolition of the Redwood Tank at the Water Treatment Plant the City of Homer kiosks located at City Clerk's Office, Captain's Coffee Roasting Co., Harbormaster's Office and Redden Marine on August 2, 2013 and that the City Clerk posted same on City of Homer Homepage on Thursday, August 1st, 2013.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 2nd day of August, 2013.

Renee Krause
Renee Krause, CMC, Deputy City Clerk I



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

City Clerk

3
4 **RESOLUTION 13-048(S-2)(A-2)**

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

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

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

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

20 **WATER AND SEWER FEES:**
21

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

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

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

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

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

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

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

SEWER FEES:

Sewer Connection and Extension Permit Fee

Single Family/~~Duplex~~ \$255

Multi-Family/Commercial/Industrial \$330

Customer classification definitions for determining sewer connection and extension permit fees:

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 includes 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 Rate Schedule.

All sewer utility services shall be billed according to the following schedule (Table I, II). 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.

Proposed Rates	Table I	
	Sewer	
Customer Classification	Monthly Service	Usage Charge/Gallon
Lift -Station Customer	\$ -	\$0.0167 \$0.0218
Non-Lift -Station Customer	\$ -	\$0.01280 \$0.0147
Multi-units (additional per unit, Commercial & Residential)	\$ 5.00	N/A
BOD (additional)	\$ 10.00	N/A

Proposed Rates		Table II	
Kachemak City Sewer ONLY Customers		Sewer	
	Fees/Rate/Usage	Per Customer Per Month	
Lift-Station Customer	\$0.01670/Gal \$0.0218/Gal	\$58.45	<u>\$76.30</u>
Non-Lift-Station Customer	\$0.01280/Gal \$0.0147/Gal	\$44.80	<u>\$51.45</u>
Monthly Service	\$5.00/customer/mo.	\$5.00	
Pumping Fee (If Applicable)	\$7.75/customer/mo.	\$ 7.75	
Assumption: Avg. Sewer Usage	3500 Gal/Mo.		
Total Charges/customer/Mo		\$71.20 <u>\$89.05</u>	

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

Customer classification definitions for determining sewer rates:

Lift Station Zone Customer: There are eleven sewage lift/pump stations that are used for pumping wastewater or sewage from areas with lower elevation than the treatment plant. Customers who are located in these areas shall be charged additional fees for the cost added to the services (see Table I & II).

Non-Lift Station Zone Customer: Customers who are located in the zone that do not need lift/pump station services.

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

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

~~**Commercial** — Any user not defined as Residential.~~

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

~~**Sewer System Dischargers (Sewer ONLY customers): Who Are Members of Kachemak City LID:**
Customers who use sewer service only shall be charged a monthly fee of \$5 plus sewer usage fee based on assessed volume of 3,500 gallons per month multiplied by the applicable sewage rate (see Table II). Kachemak City Local Improvement District (LID) members have contributed to the initial cost of the sewer treatment plant and the collection system. For Kachemak City LID dischargers connected within the LID, the City of Homer shall bill Kachemak City in one lump sum **single bill** at the **Lift-Station Zone** Rate of **\$89.05 (\$76.30 + \$5 + \$7.75) per month per customer.** Variable rate \$58.45 based on 3,500 gallons per month plus monthly customer charge of \$5 plus septage cost \$7.75 per month for each residential or residential equivalent discharger. Kachemak City shall be responsible for payment to the City of Homer.~~

Domestic sewer service customers who use large quantities of City water in addition to their domestic use shall be allowed, with the Public Works Director's approval, to install an additional 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~~ **\$251.75**.

WATER FEES:

Water Connection Fee

Single Family/~~Duplex~~ \$300

Multi-Family/Commercial/Industrial \$375

Customer classification definitions for determining sewer connection and extension permit fees:

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 includes 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.

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.

Proposed Rates	Water Table III	
Customer Classification	Monthly Service	Usage Charge/Gallon
Lift-Station Customer	\$ 19.00	\$0.0111 <u>\$0.0109</u>
Non-Lift-Station Customer	\$ 19.00	\$0.0111 <u>\$0.0109</u>
Sprinkler (additional)	\$ 5.00	N/A
<u>Multi-units (additional per unit)</u>	<u>\$ 5.00</u>	
Bulk Water	\$ 19.00	\$0.0151 <u>\$0.0149</u>

Customer classification definitions for determining water rates:

Bulk Water Customers: The bulk water customers are the resellers of water or water users who purchase water from the water plant directly and are not in the metered water distribution system.

Non-Bulk Customers: All customers who receive water from the metered water distribution system.

~~**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 includes 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.~~

Multi-Units: An additional \$5 (see table III) monthly charge shall apply to each of the units of a building or lot occupied by more than one household contained within one building or several buildings 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, and B&B's seasonal rooms/cabins (where units are routinely rented or occupied for less than one month at a time.)

~~**Customer/Tenant Fee** – This fee applies to commercial and residential customers. Fee is all multi-unit structures defined in the sewer section of this for apartments, rental units or multi-unit buildings where each unit would have one or more restrooms and are intended to be rented on a monthly basis where there is only one meter installed, excluding a rental building restroom used for shared or public use.~~

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

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.

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

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Revenue amounts not defined in CY2013 budget.



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

MEMORANDUM 13-073

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

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

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

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

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

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

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

Low	Satisfactory	High
-----	--------------	------

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		
Page A-1			

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

Page A-2a

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								✓
<div> <div>* Includes:</div> <div> 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 </div> </div> <div> <div>** Includes:</div> <div> Apartment/Housing Complexes Malls & Other Multi-unit Commercial Trailer Parks on Shared Meter(s) </div> </div>								

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

Expenditure Detail

	Ord #	2010 Actual	2011 Budget	2012 Actual	2012 Budget	2013 Actual	2013 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	6,126	4.76%
Debt Service								
5607	Debt Payment	(909)	-	-	-	-	-	0.00%
5608	Interest Expense	1,354	523	-	-	-	-	0.00%
Total Debt Service		445	523	-	-	-	-	0.00%
Other Charges								
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 Actual	FY 2011 Actual	FY 2012 Adopted Budget	FY 2012 Amended Budget	FY 2013 Adopted Budget	Difference Between 2012 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%
	493,246.56	493,246.56	1,967,285.00	1,474,038.44	25.0%
<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%
	478,748.69	478,748.69	1,647,332.00	1,168,583.31	29.0%
	971,995.25	971,995.25	3,614,617.00	2,642,621.75	27.0%
<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%
	782,409.81	782,409.81	1,891,969.00	1,109,559.19	41.0%
<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%
	862,192.09	862,192.09	1,704,325.00	842,132.91	51.0%

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

Expenditure Detail

	Ord #	2010 Actual	2011 Budget	2012 Actual	2012 Budget	2013 Actual	2013 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 stongly 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,

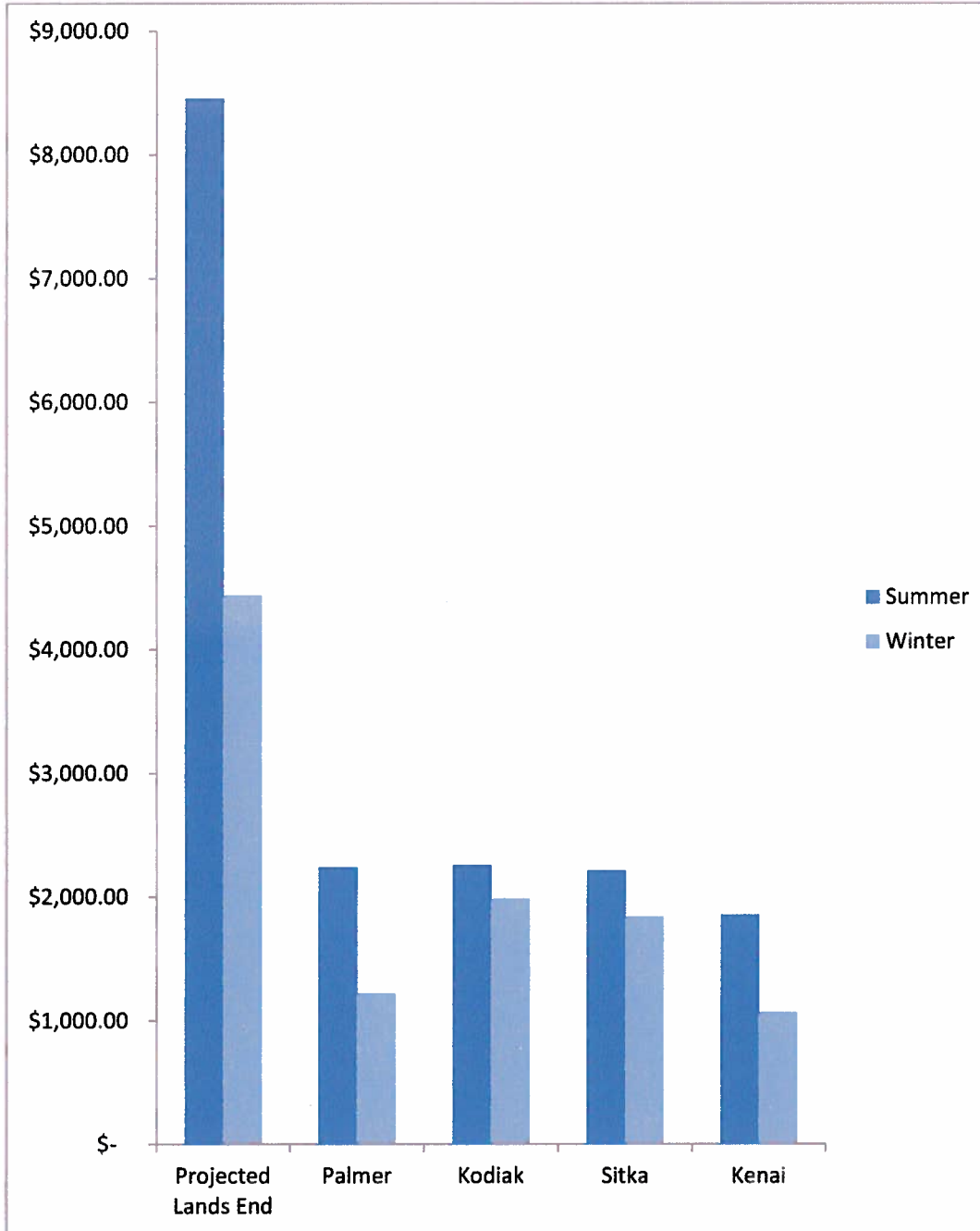
A handwritten signature in black ink that reads "Josh Garvey". The signature is fluid and cursive, with the first name "Josh" and last name "Garvey" clearly distinguishable.

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

Exhibit A

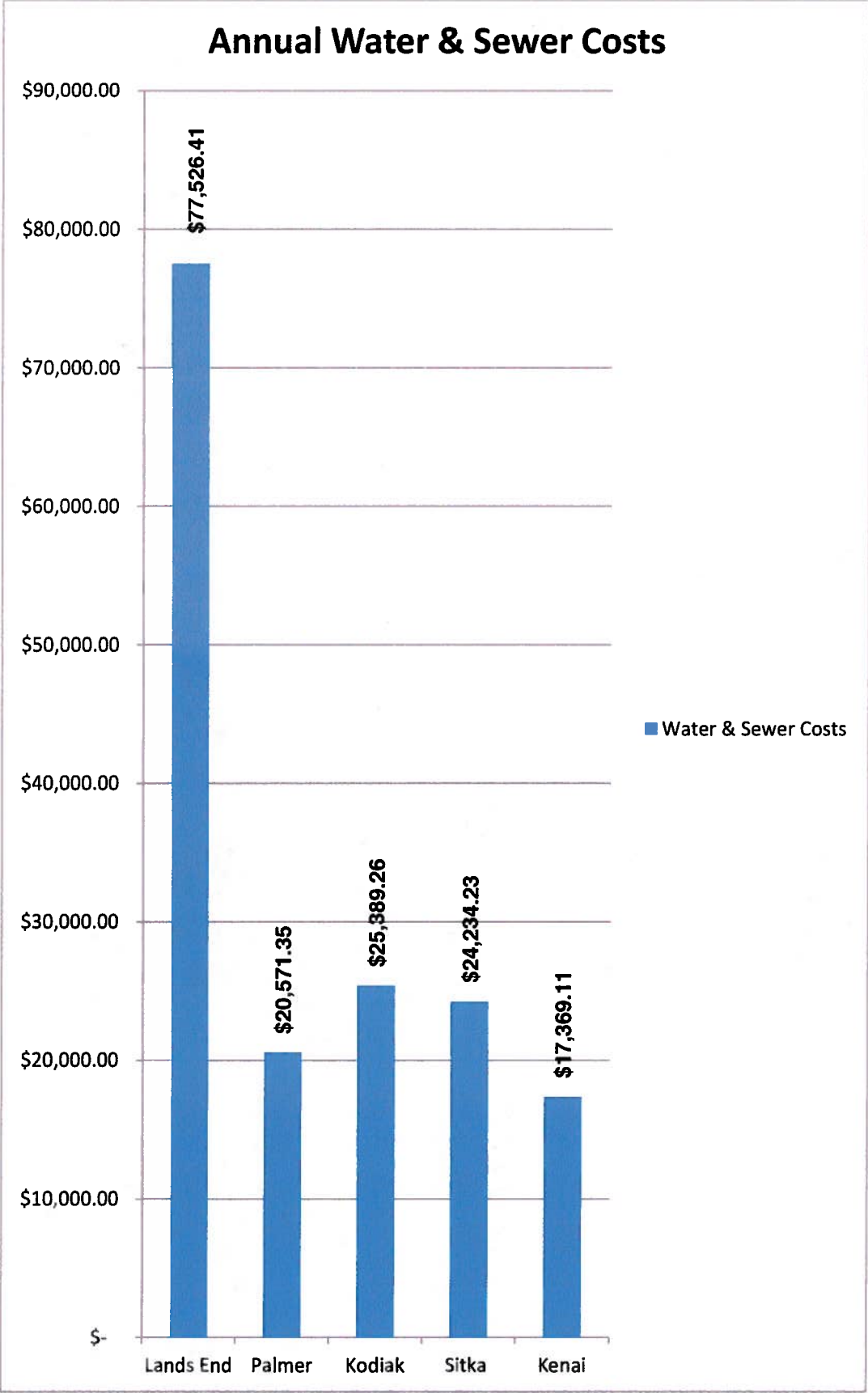
Water and Sewer Rates: A Comparative Study

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,

A handwritten signature in black ink, appearing to read 'Mike Dye', with a stylized flourish at the end.

Mike Dye,

Land's End Acquisition Corporation

907.399.8118

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

Dear City Council:

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

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

Executive Summary

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

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

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

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

History

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

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

Sustainability

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

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

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

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

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

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

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

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

More Time is Needed to Gather Facts:

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

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

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

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

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

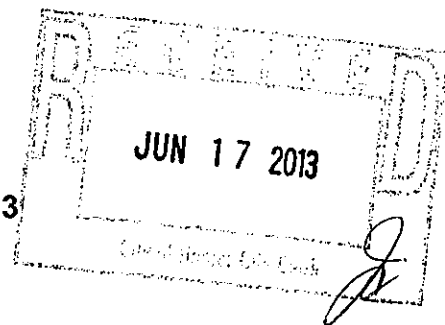
There is no public information on what constitutes “high BOD”, nor is there any documentation that costs are higher to process this waste within Homer’s Deep Shaft technology. If costs are higher, there is no documentation as to how much higher. Thus the rates associated with “High BOD” have no connection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

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

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

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

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



June 14, 2013

Dear Homer Council Members:

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

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

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

Sincerely,

Philemon D. Morris
Mayor

PDM: his

Enclosure

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

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

BACKGROUND

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

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

Consummation of an Intergovernmental Agreement will provide:

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

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

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

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

BASIS OF AGREEMENT

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

I. Allocation Method.

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

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

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

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

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

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

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

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

Final
9/14/87

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

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

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

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

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

From these values the following flow rates are calculated:

Incremental 2007 flow from Kachemak City:

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

Incremental 2007 flow from the City of Homer:

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

Total 2007 flow:

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

Total Incremental 2007 flow:

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

Consequently, the allocation factor to Kachemak City for Category (3) compliance improvements is:

$$\frac{78,000}{717,400} = 0.1087 \text{ (10.87\%)}$$

Similarly, the allocation factor to Kachemak City for additional capacity improvements for Category (4) is:

$$\frac{78,000}{434,400} = 0.1796 \text{ (17.96\%)}$$

III. The City of Homer's Equity in Existing System.

Kachemak City will make a capital contribution to the City of Homer in recognition of Homer's equity in the now existing wastewater treatment system including the new outfall and influent pumping station presently being constructed. This contribution will be based on the Category (3) allocation factor and the City of Homer's net equity defined as the depreciated book value of the existing wastewater treatment facility including land plus the final construction cost of the outfall and the influent pumping station, including design costs and the City of Homer's construction overhead costs of 11.5% of the total construction cost.

From 1986 detailed accounting records, the depreciated value of the existing wastewater treatment facility including land is \$1,389,977. The old influent pumping station, the old outfall line, and the existing aeration system will not be incorporated into the new wastewater treatment facility. Accordingly, the depreciated value of these items (\$112,436) will be deducted from the total depreciated value of the existing wastewater treatment facility. The bid price for the outfall was \$413,999 plus \$85,000 for the pipe and the bid price for the influent pumping station was \$209,786. In addition, \$78,600 in change orders for the two projects are currently being processed. The design costs for the outfall were \$35,000 and for the influent pumping facility, \$43,050.

Consequently, Homer's estimated total equity for existing facilities is:

Existing wastewater treatment facility including land	\$1,389,977
Less existing influent pumping station, outfall and aeration system	< 112,436 >
Outfall including pipe	498,999
Outfall design	35,000
Outfall Construction OH costs (11.5%)*	57,385
Influent pumping station	209,786
Influent pumping station design	43,050
Influent pumping station OH Costs (11.5%)*	24,125
Change Orders to date*	78,600
Construction OH costs on C.O.s (11.5%)*	<u>9,040</u>
Total Equity	\$2,233,526

- * The total value of change orders and the City of Homer's construction overhead costs shall be based on final construction costs and will be determined by the City of Homer on or before December 31, 1987.

Kachemak City's estimated capital contribution for the City of Homer's equity is:

$$\text{Contribution} = 0.1087 \times \$2,233,526 = \$242,784$$

Payment of the value established as Kachemak's capital contribution will become due upon the initial connection of a sewer system developed in Kachemak that connects to the Cooper Subdivision trunk. Further, at the discretion of Kachemak City, payment of the equity buy-in may be financed over a twenty (20) year period at the prevailing interest rate for tax exempt general obligation bonds available through the State Municipal Bond Bank at the time of connection or eight percent (8%) per annum which ever is greater.

IV Deposit.

Upon execution of the Intergovernmental Agreement, Kachemak City will place on deposit with the City of Homer \$50,000 as a good faith statement of Kachemak's intention to implement the Agreement. The deposit shall be refunded at such time that Kachemak City makes its initial payment for Category (3) or (4) improvements or upon connection to the Homer Sewer System. In the event that Kachemak City does not connect to the Homer sewer system within five years, the deposit shall be refunded if Kachemak is not able to connect to the Homer sewer system for reasons beyond Kachemak City's control. "Beyond Kachemak City's control" includes the inability to obtain sufficient capital funding to meet the obligations outlined in this MOU, including the rejection of indebtedness by the voters of Kachemak. However, if Kachemak is able to connect to the Homer sewer system but elects not to, then the deposit will be forfeited.

V. Responsibilities.

Each city will have definitive responsibilities throughout the life of the Intergovernmental Agreement. The responsibilities of each are discussed as follows:

Responsibilities of Kachemak City

1. General planning including, the sequence of development of all wastewater collection system improvements within the corporate boundaries of Kachemak.
2. Securing of funding for Kachemak's capital contribution for Category (1) through (4) improvements.

3. Securing all easements and rights-of-way necessary to build, operate and maintain the wastewater collection system within Kachemak's corporate limits.
4. Cooperation with the City of Homer in all efforts to secure funding for the improvement and expansion of Homer's Wastewater Treatment Facilities.
5. The billing and collection of user charges for customers connected to the system within Kachemak's corporate boundaries.

Responsibilities of the City of Homer

1. Provide for the engineering, design, construction and construction surveillance of all system improvements, including those constructed within the corporate limits of Kachemak.
2. Securing of funding for Homer's capital contributions for Category (1) through (4) improvements.
3. The ownership, operation, maintenance, repair, replacement and general management of all existing and future wastewater facilities including those located within the corporate limits of Kachemak.
4. The provision of sufficient capacity to accept and treat wastewater flow from Kachemak City for an equivalent population of 650 persons.

POINTS OF AGREEMENT

The following general agreement is made by and between Kachemak City and the City of Homer in consideration of the points discussed in this Memorandum of Understanding.

Kachemak City Agrees To:

1. Continue negotiations in good faith with the City of Homer for the development of a comprehensive Intergovernmental Agreement providing for a joint wastewater collection and treatment system serving both communities.
2. Pay to the City of Homer, upon execution of this Memorandum of Understanding, twenty thousand dollars (\$20,000) as the initial payment of Kachemak's share of the 201 Facilities Plan currently under development. Additionally, pay to the City of Homer twenty-one thousand seven hundred dollars (\$21,700) as the final payment of Kachemak's share of the Plan upon execution of the Intergovernmental Agreement.
3. Provide capital funding for one hundred percent (100%) of the cost of all Category (1) improvements in Kachemak City.
4. Pay to the City of Homer one hundred forty-five thousand, eight hundred thirty-three (\$145,833) for the prorated Zone Connection Fee representing Kachemak's total Category (2) costs. Payment will become due upon the initial connection of the Kachemak Sewer System into the Cooper Subdivision sewer. At the discretion of Kachemak City, the payment may be financed over a twenty (20) year period at eight percent (8%) per annum or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, whichever is greater, at the time of connection.
5. Provide capital funding for ten and eighty-seventh one hundredths percent (10.87%) of the local share cost of all Category (3) improvements. Kachemak will transfer

the capital funding to Homer on or before the award of the construction contract implementing the improvement. Should Kachemak be unable to provide it's prorated share of Category (3) improvement costs and Homer elects to proceed with the project, Kachemak's prorated cost, not paid, shall increase at the rate of eight percent (8%) per annum, or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater at the time of construction contract award, until such time that Kachemak does pay their prorata costs including the additional surcharge. The surcharge shall start the day following the construction contract award and shall be computed on a monthly basis.

6. Provide capital funding for seventeen and ninty-sixth one hundreds percent (17.96%) of the local share costs of all Category (4) improvements. Kachemak will transfer the capital funding to Homer on or before the award of the construction contract implementing the improvement. Should Kachemak be unable to provide it's prorated share of Category (4) improvement costs and Homer elects to proceed with the project, Kachemak's prorated costs, not paid, shall increase at the rate of eight percent (8%) per annum, or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, at the time of construction contract award until such time that Kachemak does pay their prorata costs including the additional surcharge. The surcharge shall start the day following the construction contract award and shall be computed on a monthly basis.
7. Pay to the City of Homer an amount yet to be determined, based on completion of work currently in progress, as Kachemak's prorated share of Homer's

equity in the existing wastewater system. The current estimate of this amount is two hundred forty-two thousand seven hundred eighty-four dollars (\$242,784). Payment will become due upon the initial connection of the Kachemak sewer system into the Cooper Subdivision sewer. At the discretion of Kachemak City, the payment may be financed over a twenty (20) year period at eight (8%) percent per annum or the prevailing general obligation tax exempt bond rate available from the Alaska Municipal Bond Bank, which ever is greater, at the time of connection.

8. Provide as a good faith deposit fifty thousand dollars (\$50,000) upon execution of the Intergovernmental Agreement.
9. Adopt as City of Kachemak ordinances, the appropriate existing and future rules and regulations relating to sewer operations and use constraints that are contained in Title 14 of the City of Homer codes or ordinances.
10. Provide all easements and rights-of-way required to construct, operate and maintain sewer improvements within Kachemak's corporate boundaries.
11. Collect all user fees due to Homer from sewer utility customers within Kachemak's corporate boundaries.
12. Pay to Homer, monthly, user fees due to Homer collected from Kachemak customers.
13. Charge to Kachemak customers any additional fees necessary to cover administrative costs and debt service associated with Kachemak City's participation in installation and operation of the wastewater system.

14. Pay all debt service on funds borrowed by Kachemak to finance sewer improvements.
15. Prepare and provide to Homer annually a five-year capital improvement plan delineating all sewer improvements within Kachemak corporate boundaries which are to be financed with public funds.
16. Coordinate all privately funded sewer improvements within Kachemak City with the City of Homer and the developer.
17. Serve as a clearing house for all service connection requests, collecting all appropriate fees from customers requesting service and pay all fees due to Homer.
18. Seek appropriate legal remedies against any customer or user of the system residing in Kachemak that fails to pay for services provided or to comply with rules and conditions of service.

The City of Homer Agrees To:

1. Continue negotiations in good faith with Kachemak City for the development of a comprehensive Intergovernmental Agreement providing for a joint wastewater collection and treatment system serving both communities.
2. Support and assist Kachemak City in the development of any Innovative Alternative collection system that may be applicable to Kachemak. Further receive on behalf of Kachemak, if necessary, any state or federal grants that may be applicable for an innovative alternative system.

3. Plan, design and construct adequate capacity in the currently proposed wastewater treatment plant expansion and outfall improvements to accommodate the needs of Kachemak City.
4. Provide capacity in any future improvements to Homer's collection, transportation and treatment facilities to provide continued service for the existing and future needs of Kachemak, for an equivalent population of 650 persons.
5. Refund to the City of Kachemak the fifty thousand dollars (\$50,000) good faith deposit upon the initial payment of any monies for implementation required by the Intergovernmental Agreement or after five years from the date of the Intergovernmental Agreement (provided that Kachemak meets the test of beyond Kachemak's control) which ever comes first.
6. Charge to Kachemak City for any customer classification user fees that are equal to or less than the same fee charged to a Homer customer of the same class.
7. Reduce all user charges for Kachemak City customers to adjust for any debt service, sinking funds or any other means of financing capital improvements. (The result of this action is to charge Kachemak customers: for the administration, operation, maintenance and depreciation expense of the utility only.)
8. Provide the planning, engineering, design, contract for construction, construction administration and construction surveillance for all necessary improvements including those within Kachemak's corporate boundaries.

9. Own, operate, maintain, repair, replace and keep whole all improvements required to serve Kachemak including those located within Kachemak's corporate boundaries.

These points of agreement are established as a basis to develop an Intergovernmental Agreement and generally will become effective upon the completion and execution of such a document.

Approved by the City of Kachemak 14th of September 1987.

City of Kachemak

Philemon D. Morris
Philemon D. Morris, Mayor

Approved by the City of Homer 14th of September 1987.

City of Homer

John P. Calhoun
John Calhoun, Mayor

Revenue & Customer Impact

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

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

Current Model vs. Commodity Model

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

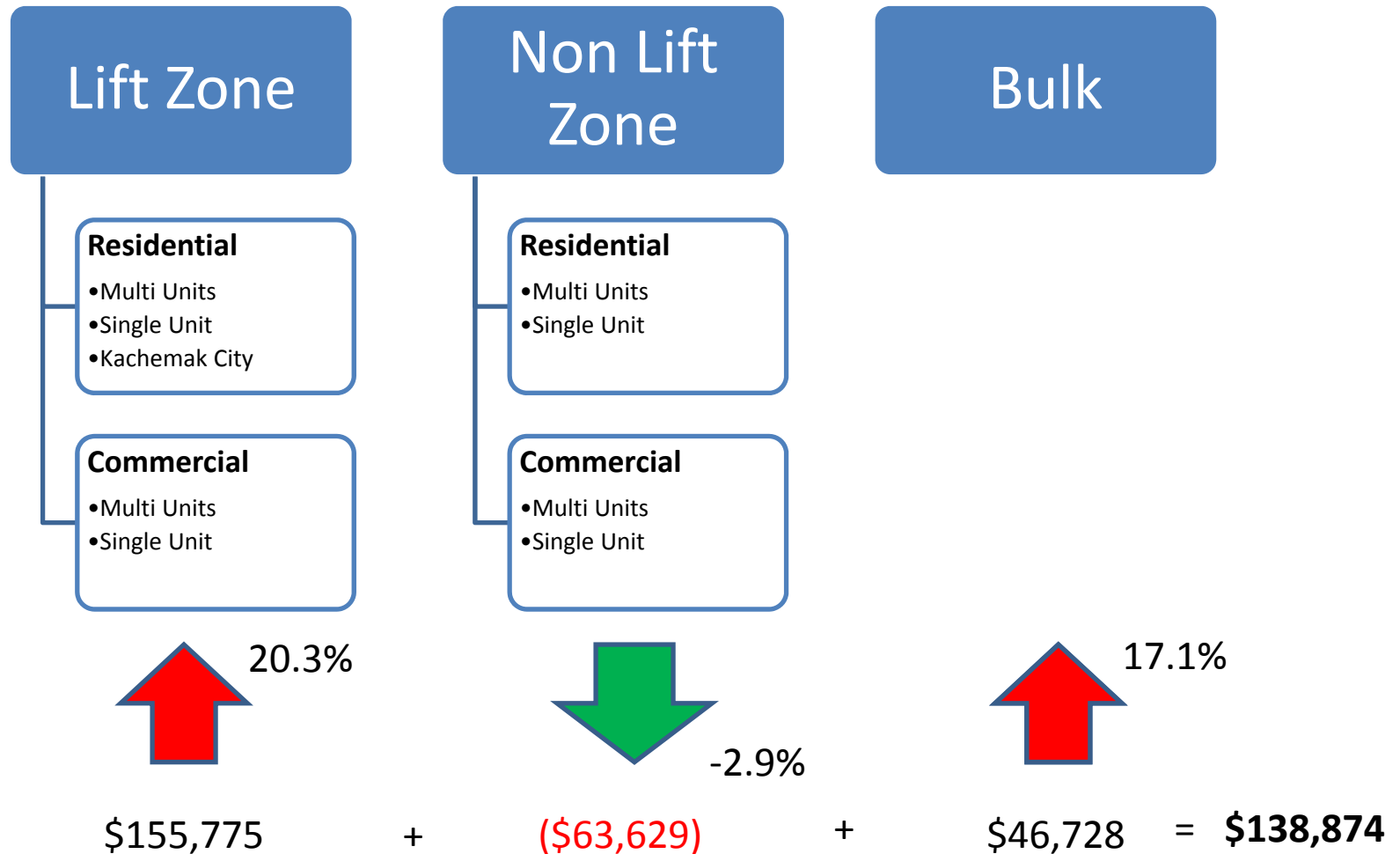
Revenue & Customer Impact

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







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

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

Revenue & Customer Impact



Revenue & Customer Impact

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

Revenue & Customer Impact

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

City Facilities \$9,575

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

“Water & Sewer” Users

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

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

Break Even Analysis -volume

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

Break Even Analysis – \$ Amount

“Water & Sewer” Users

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

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

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

Rate Considerations

[illegible]

Rate Calculations

[illegible]

Jo Johnson

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

From: Donna Rae and Don [mailto:surfshack@acsalaska.net]
Sent: Monday, June 24, 2013 10:17 AM
To: Department Clerk; Department Clerk; James Dolma; Francie Roberts; David Lewis; Bryan Zak; Beauregard Burgess; Barbara Howard
Cc: Walt Wrede; Jo Johnson
Subject: Requesting allowing citizens with small businesses to have a 2nd water/sewer meter read by the City for duplexes as part of your water/sewer ordinance

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

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

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

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

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

Thank you for your consideration.

Sincerely,

Donna Rae Faulkner and Don McNamara


811 Ocean Drive Loop

Homer, AK 99603

235-7873/299-0423

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

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

	pays?!? 	Aarrgghh!!!	ends their lease). Everyone is happy! 😊😊😊😊
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**CITY OF KACHEMAK
SPECIAL MEETING
UNAPPROVED MINUTES
JULY 18, 2013**

1. CALL TO ORDER--PLEDGE OF ALLEGIANCE

Meeting called to order at 7:02 PM by Mayor Phil Morris. Pledge of Allegiance.

2. ROLL CALL

Council Members Present: Phil Morris, Dave Weber, Bill Fry, Tammy Ackerman, Ted Heuer, Bill Overway.

Council member Absent: Tammy Hopkins (excused as she notified Clerk of her absence prior to meeting.

Also present: Helyn Schoepke, City Clerk.

3. APPROVE AGENDA

Motion: Bill Overway/Bill Fry moved to approve the agenda as submitted.

Vote. Motion passed. Unanimous.

4. ANNOUNCEMENTS/VISITORS

Homer City Manager Walt Wrede, Finance Director Zhiyong Li, Homer Mayor Beth Wythe.

Kachemak residents: Shirley Forquer, David Raskin, Will Files, Bill Smith (arrived 7:40)

Mayor Phil Morris introduced Homer Mayor Beth Wythe, Homer City Manager Walt Wrede, and Homer Finance Director to the Kachemak Council and thanked the Homer visitors for taking the time to attend our Council meeting. He then asked Mayor Beth Wythe, who was on the Water/Sewer Rate Study Task Force, to give some of the background and reasoning on the proposed rate structure.

Mayor Wythe said that the sewer and water utility is not currently in self-sustaining order so a rate task force was set up with council members and community members to come up with a rate model. The task force met for about 10 months and then sent their proposal to the Homer City Council.

The task force strived to make all the expenses of the system equitable and recommended a "cost causer/cost payer model." They made the water rate in Homer a standard rate where everyone, whether commercial or residential, pays the same commodity rate per gallon plus an \$18 administrative overhead fee. In Homer, the sewer charges are based on the water usage and then two commodity rates were set up for the sewer--one for those on pump stations and one for gravity users, as it costs more to run pump stations.

Homer City Manager Walt Wrede said 3 "lift zones" were created, where the sewer has to go through a lift station and incurs extra cost before it hits the treatment plant. The lift zones are proposed to pay a higher fee per gallon of sewage. The proposed resolution did not pass at the last Homer Council meeting and it is up for reconsideration at the July 22, 2013 meeting.

Mayor Phil Morris said that Kachemak doesn't have a problem with the lift zone sur-charge but rather how it is charged. There is additional Infiltration and Inflow (I & I) going into the sewer system and it is immeasurable and the cost of treating the I & I is included into the system wide costs, except that the lift zones are being charged for 100% of the costs of pumping, so they are bearing the cost of the measureable sewage and the I & I. We think a portion of the lift zone charges need to be allocated to the whole system, like those that are on gravity lines.

Homer Finance Director Zhiyong Li presented a chart with the various scenarios of rate calculations for the City of Kachemak. There were 8 different scenarios starting with the proposed rate structure with no changes. The next 3 were scenarios for "socializing" the \$5 fee charged to multi- units and Kachemak, "socializing" lift station costs, and "socializing" both the \$5 fee and lift station costs all based on the currently billed fixed quantity of 3,500 gallons of water. The next four scenarios were all based on a reduced amount of 3,000 gallons of water.

Kachemak Mayor Phil Morris thanked Mr. Li for the colourful rate calculation that made this much easier to understand. He said Kachemak had several points they would like to discuss. First of all, Kachemak voluntarily increased the monthly septage charge effective October, 2012 from \$6 month per sewer to \$7.75 per sewer after Dan Gardener brought up that the \$6 charge was not enough. We want to pay our fair share of the costs. Also, by our calculations the Kachemak sewer rate is going up over 50% compared to the highest Homer increase of 20.3%--that is more than double the increase that anyone in Homer is paying.

Every sewer user in Kachemak is being charged for 3,500 gallons of sewage. We believe this is almost double the actual use. Most people have water hauled and pay over 5 cents a gallon so they are very frugal with their water usage. Kachemak did an informal sample of almost 20% of sewer users and the average was between 1,820 and 2,300 gallons a month. Homer's average is about 3,000 gallons per month and Kachemak's usage is much lower.

Mayor next addressed the \$5 per month charge that is proposed to be charged to each Kachemak customer and Homer multi-plexes. Kachemak cannot understand how that charge can be substantiated as Homer is not proposing to charge the customers in Homer that have sewer but no water that fee. Homer sends Kachemak one bill monthly and receives one check for all 132 customers. Homer does not incur the postage, costs

of billing, bad debt expense--those are all covered by Kachemak and we think the \$5 cost is unreasonable and should go away.

The extra I & I costs that are incurred for lift station customers were discussed previously, so Mayor Morris just wanted to reiterate that they need to be more fairly allocated. He again thanked the Homer Mayor, City Manager, and Finance Director for attending the meeting and listening to us. He was very disappointed that the Homer City Council would not consent to a joint work session as these are items that cannot be discussed in the 3 minutes he was allowed at the Homer Council meeting.

Mayor asked the Kachemak Council for their input.

Dave Weber said he thinks the pump station premium needs revisited to take into account the extra I & I and that the \$5 monthly charge for Kachemak should be thrown away.

Ted Heuer said he thought the Mayor covered everything very well, but was wondering if there were any comments about the ad that was in the Homer News today.

Homer City Manager Walt Wrede said he thought the ad might raise awareness of the changes. He and Zhiyong Li questioned some of numbers that were used. He also said that many of the small businesses would be paying less for water and sewer with the new proposed model.

Bill Overway said Kachemak residents with hauled water were spending over 5 cents a gallon for water and he thinks 3,000 gallons a month for estimated usage is still very high. He also thinks the I & I needs to be looked into on the pump station charges.

Walt Wrede said he thought it was very reasonable to reduce the monthly gallon charge, but that would have to be done by the Homer City Council, not him.

Bill Fry said he would like Kachemak to do a study so we can prove to Homer our usage is way less than charged. He has been involved in HEA rate studies and he thinks a 50% rate increase is huge and if it had to go to a utility commission it would probably not be allowed.

Tammy Ackerman said she is not opposed to a rate increase, but would like to pay our fair share. She thinks the \$5 monthly fee needs to go away and from Kachemak's 20% sample that shows the average about 2,300 gallons per month, she thinks an average gallon study should be done.

City Clerk Helyn Schoepke said she is glad that a new model is being developed, but feels it still needs some work in the areas we have covered. Kachemak is a community with many retired people and many residents take extended vacations or only live here

part of the year so they are not using 3,500 gallons of water a month. There is no mechanism in the Kachemak rate structure to pay less--it is fixed whether you are living in your house or on vacation. She thanked the Homer officials for attending the meeting.

Mayor Phil Morris said we will send Homer a copy of the minutes from this meeting. He was disappointed that we couldn't get a joint meeting together to discuss these issues and asked Homer Mayor Beth Wythe if she thought that was a possibility. Mayor Wythe said the Homer Council did not act favorably to the offer of having a joint meeting. This rate resolution will be up for reconsideration at the July 22 meeting.

Mayor Phil Morris asked the public for their opinions.

Will Files said he would like to use the word "equalization" instead of "socialization." He also is in favor of more costs being equalized such as the pump station costs. He said he is familiar with road groups and some want to only pay for the section of road that they drive on, and you cannot make that work.

David Raskin said he didn't agree that all costs should be equalized and he thought a 40-58% increase was absurd. He said people with hauled water are much more conservative when turning on the tap.

Shirley Forquer said when we first got sewer about 22 years ago the monthly bill started out at \$12 and immediately went up to \$25 and now it's proposed to be over \$90.

Bill Smith said he was late, but he was concerned on how the pump volume was measured and how to account for I & I in the lift zones.

5. **ORDINANCE::**
ORDINANCE 2013-08: AN ORDINANCE OF THE CITY OF KACHEMAK, SETTING NEW SEWER RATES.
No action taken.

6. **ADJOURNMENT**
Motion: Bill Overway/Tammy Ackerman moved to adjourn meeting.
Vote. Motion passed. Unanimous. Meeting adjourned at 826 PM.

Respectfully submitted,

Helyn Schoepke
City Clerk

Jo Johnson

From: Larry Slone <larryslone222@yahoo.com>
Sent: Monday, August 05, 2013 5:58 PM
To: Jo Johnson
Subject: water/sewer, cc packet

Please insert this in the packet for next Monday's cc meeting
Thx

To: Homer City Council
From: Larry Slone
Ref: Resolution 13-048(S)(A) Water/Sewer Rates

Although I think that the resolution in its' present form is a vast improvement over the current water/sewer rate schedule, there's still room and time for smoothing- out the remaining rough edges. The benefit would be increased stability due to rate-model simplicity, to transparency, and also moderation of the transition to the new rate for those consumers most effected, such as large-quantity consumers. Therefore I propose several more modifications. With the possible exception of the 20 sewer-only users (they may already be paying a substantial service fee. But if my sewer-only proposal would delay implementation of res 13-048, then I suggest you drop this aspect of the proposal) none of these apply significant additional burdens on elements of the user group as a whole, so I suspect that additional public hearings would not be necessary.

WATER

1. 3% conservation (117 million gallons) of billable water for year one. If that's not adequate to maintain necessary revenue, then do another 3% conservation for year two. If, however, the 3% conservation from the first year is adequate, then automatically remove the second year conservation, and credit any excess revenue from that first year back to the meter subscribers.
2. Remove the \$5 per unit apartment fee.
3. Reduce the admin Service Fee to \$17 per meter.

SEWER

1. Apply the standard admin Service Fee to sewer-only subscribers (about 20 users).

DISCUSSION:

For the WATER side

Assumptions: 117 million gallons billable; 1642 active meters.

1. Conservation. The assumed conservation of water due to its' increased cost. Instead of the proposed 6% conservation I propose the 3 by 3 solution, 3% the first year and then 3% the second year, if needed. The first six months of 2013 water billed (59 million gallons) are currently on track for the full, non-conserved, quantity of 121 million/year.

As Councilman Lewis said at the last council meeting, "I'll pay whatever I have to for sewer and water!" So it

is with everyone else; they'll pay whatever it costs, up to the breaking point because - as Councilmember Howard has stated - good water is an essential quality component of civilized life, and it doesn't come without a cost. Everyone, it seems, including businesses, have already adjusted to their minimum level of water usage for washing, bathing, drinking, etc. When they can no longer afford good water then they pull up stakes and leave town. So, don't expect much conservation impact from users, including businesses. Therefore the proposed 6% solution will be an additional burden placed upon users, especially pernicious for the large-quantity users who will also have substantial (but justified) increases in their water/sewer commodity rate. That double-whammy could be enough to force some large users to shut-down or substantially reduce their business, thus creating the very evil we're trying to avoid - a reduction in billable water.

I don't think a double-whammy is necessary. In conjunction with substantive evidence of minimal conservation over the last year from those most impacted by the current rate schedule, the multiplex units (they actually increased consumption, overall), we now have more meter users (1642) than ever before, having increased user numbers from the added segment of Kachemak Drive as well as from increased construction of residences and multiplexes within town. I believe that modifying the conservation aspect would help mitigate unnecessary financial pain for all water/sewer consumers. Accordingly, I propose a 3 by 3 solution: Start with an assumed 3% conservation (117 million gallons) of billable water for year one. If that's not adequate to maintain necessary revenue, then do another 3% conservation for year two. If, however, the 3% conservation from the first year is adequate, then automatically remove the second year conservation, and credit any excess revenue from that first year back to the meter subscribers.

2. \$5 multiplex apartment fee. I really think that this issue should also be revisited.

I'm certain that the Rate Task Force members were not aware of the potential administrative burden imposed by the \$5 apartment fee. John Li, the finance director, has indicated that administering it could incur a significant amount of effort and cost. If the end result in revenue is insignificant then why bother adding to the complexity of the rate model, and why needlessly incur the resentment of that segment of users. If this income of \$5 per apartment (\$36,000/year) goes away then at least some of it, about \$1 (\$7,000/year) will be recaptured through their water commodity fee, anyway, (Note 1) without the inconvenience of the admin expense. So, if it costs about \$4/month per apartment (\$29,000/yr) for admin costs, then its not worth applying the fee.

If the \$5 apartment fee were rescinded, then, other than bulk, the water side will have only two major components for virtually all meter users: The meter service fee (currently at \$19/month) and the water commodity fee. Very simple and transparent.

3. The Service Fee. Needs updating. If, as everyone seems to agree, the purpose of the monthly fee is to service the water/sewer admin costs then it seems evident that as more users connect to the system the efficiency of scale should become effective. With 1662 active water and sewer meters/users (Note2) the service cost might well be less than \$19/month per meter. For this purpose I suggest that the finance director be consulted about the efficacy of reducing the service fee to \$17/meter (\$340,000/year).

For the SEWER side

1. For the 20 sewer-only users within the city I suggest that they also pay the standard (\$19) admin service fee. That should suffice to pay their city admin costs, and to encourage them to join the water system.

Larry Slone

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

AUG - 6 2013

August 6, 2013

Homer City Council Members
491 E Pioneer Avenue
Homer, AK 99603

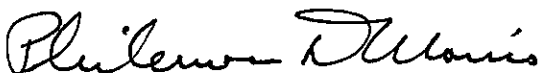
Dear Homer Council Members:

The City of Kachemak has spent the last 20 some years patiently working to cooperate with the City of Homer in numerous policies from a joint sewer project, road access to a Homer Subdivision (Golden Plover), emergency services and equipment, construction assistance on the East Road sewer extension, and gas line advocacy. So far we have been treated as a partner and not an adversary or a beggar with no skin on the game.

It has become clear in the current discussion about sewer rates, that some current Homer City Council members have chosen to ignore this successful history in a dogmatic attempt to "Get on with it" and let the chips fall where they may. Please do us the common courtesy we deserve by stepping back from the heated rhetoric for a moment and consider the fairness of estimating 3,500 gallons per month usage when Homer's average is 3,000 and our water cost is over three times as much. The additional \$5.00 per month just because you can is merely an added disservice. At a time when Homer is hoping for increased usage of its sewer and water, such actions are counter productive and should be seriously considered in the light of our long and productive relationship.

I will not bore you with long winded pontification at this point. I only request that before you act, step back far enough to consider the big picture. Hopefully you will realize that we are not now, nor have we ever been the enemy or a freeloader.

Sincerely,



Philemon D. Morris
Mayor

PDM: his

Aug - 8 2013

CITY OF HOMER
HOMER, ALASKA

Burgess/Roberts

RESOLUTION 13-078(S)(A)

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

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, ~~mandates~~ **directs** the City Manager to propose projects that utilize the funds in excess of \$3 million dollars in the HART fund and funds in excess of \$3 million dollars in the HAWSP fund for consideration of the Homer City Council **at least once per fiscal year, or more often as the City Manager may see fit.**

BE IT FURTHER RESOLVED that project proposals for use of HART or HAWSP funds must include at least two alternative projects meeting some or all of the City's guidelines for merit of projects outlined in the Homer City Code.

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-25

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

Sponsor: City Clerk/Permanent Fund Committee

1. City Council Regular Meeting July 22, 2013 Introduction
 - a. Memorandum 13-098 from Permanent Fund Committee as backup
 - b. Letter from The Homer Foundation dated January 19, 2010, re: Overview of the city of Homer Grants Program and City of Homer Endowment Fund
 - c. Letter from The Homer Foundation dated January 25, 2013 with fund holder reports
2. City Council Regular Meeting August 12, 2013 Public Hearing and Second Reading
 - a. Memorandum 13-098 from Permanent Fund Committee as backup
 - b. Letter from The Homer Foundation dated January 19, 2010, re: Overview of the city of Homer Grants Program and City of Homer Endowment Fund
 - c. Letter from The Homer Foundation dated January 25, 2013 with fund holder reports

City Clerk/
Permanent Fund Committee

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

THE CITY OF HOMER HEREBY ORDAINS:

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

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

3.12.015 Definitions. As used in this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a.b. 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.

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

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

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

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

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

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

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

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

103
104 CITY OF HOMER

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

110 ATTEST:

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

115
116
117
118 AYES:

119 NOES:

120 ABSTAIN:

121 ABSENT:

122
123
124
125 First Reading:

126 Public Reading:

127 Second Reading:

128 Effective Date:

129
130
131 Reviewed and approved as to form:

132
133
134 _____
135 Walt Wrede, City Manager

136
137 _____
Thomas F. Klinkner, City Attorney

Date: _____

Date: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum 13-098

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

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

Chapter 3.10 – Investment and Collateralization of Public Funds

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

Chapter 3.12 – Permanent Fund

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

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

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

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

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

the HOMER FOUNDATION

PO Box 2600
Homer, AK 99603

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

January 19, 2010

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

Dear Mayor and City Council,

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

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

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

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

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

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

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

Sincerely,

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

Joy Steward, Director
The Homer Foundation

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-26

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

Sponsor: City Clerk/Permanent Fund Committee

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

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

3 City Clerk/
4 Permanent Fund Committee

5 **ORDINANCE 13-26**
6

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

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

15 WHEREAS, Ordinance 05-14(S) required that 95% of monies from the distribution of
16 the Exxon Valdez settlement or other forms of windfall monies that become available to the City
17 be deposited in the Permanent Fund, with the remaining five percent of such monies being
18 available to be appropriated by the City Council for grants to the Homer Foundation or other
19 local non-profit organizations for the benefit of the community; and
20

21 WHEREAS, In fact, 100% of monies from the distribution of the Exxon Valdez
22 settlement and other forms of windfall monies were deposited in the Permanent Fund, and 5% of
23 such monies were not reserved for appropriation by the Council as required by Ordinance 05-
24 14(S); and
25

26 WHEREAS, As a result of this error, \$70,864.87 was deposited in the Permanent Fund
27 that should have been reserved for appropriation by the Council as required by Ordinance 05-
28 14(S); and
29

30 WHEREAS, The Council partially corrected this error by adopting Ordinance 12-58
31 approving the disbursement of \$3,554.79 from the Permanent Fund to local non-profit
32 organizations for the benefit of the community, and allocating the same amount by Resolution
33 13-016 for the purpose of implementing the Green Dot program in Homer; and
34

35 WHEREAS, To complete the correction of this error, an additional sum of \$67,310.08
36 now should be appropriated from the Permanent Fund to the Homer Foundation City of Homer
37 Endowment Fund for the benefit of the community.
38

39 NOW, THEREFORE, THE CITY OF HOMER HEREBY ORDAINS:
40

41 Section 1. The sum of \$67,310.08 is appropriated from the Homer Permanent Fund to
42 the Homer Foundation City of Homer Endowment Fund as follows:
43
44
45
46

Transfer From:

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

Deposit/Transfer To:

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

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

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

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:

93 Reviewed and approved as to form:

94

95

96

97 _____
Walt Wrede, City Manager

98

99 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

CITY OF HOMER
HOMER, ALASKA

City Clerk/
Permanent Fund Committee

ORDINANCE 12-58

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

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

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

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

THE CITY OF HOMER HEREBY ORDAINS:

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

Expenditure:

From Account:

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

To Account:

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


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

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

CITY OF HOMER


MARY E. WYTHE, MAYOR

ATTEST:


JO JOHNSON, CMC, CITY CLERK

AYES: 5

NOES: 0

ABSTAIN: 0

ABSENT: 1

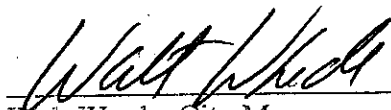
First Reading: 12/10/12

Public Reading: 1/14/13

Second Reading: 1/14/13

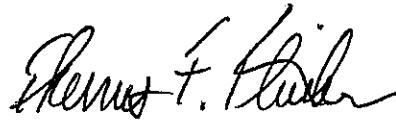
Effective Date: 1/15/13

Reviewed and approved as to form:



Walt Wrede, City Manager

Date: 1/21/13



Thomas F. Klinkner, City Attorney

Date: 1/25/13

**CITY OF HOMER
HOMER, ALASKA**

Mayor

RESOLUTION 13-016

A RESOLUTION OF THE CITY COUNCIL OF HOMER,
ALASKA, AUTHORIZING THE ALLOCATION OF \$3,554.79
FOR THE PURPOSES OF IMPLEMENTING GREEN DOT IN
HOMER.

WHEREAS, The City of Homer has an interest in reducing sexual assault and domestic violence in Homer; and

WHEREAS, Green Dot is strategy that is being implemented in communities across the globe that recognizes bystanders can be important agents in preventing violent acts; and

WHEREAS A group consisting of representatives from organizations across the community, including the City of Homer, has been meeting to address how to implement elements of Green Dot and bystander violence prevention training in Homer; and

WHEREAS, The community of Homer has been selected by the State of Alaska as a Green Dot pilot project community; and

WHEREAS, Implementing Green Dot is a community wide effort that will require the continued cooperation of many organizations and individuals in Homer; and

WHEREAS, Selection as a Green Dot community includes five training visits from Green Dot Etcetera over two years with associated support; and

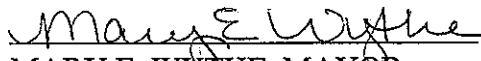
WHEREAS, The State of Alaska asks that each community selected as a pilot community come up with \$7,000 as a local match to bring Green Dot trainers to their community; and

WHEREAS, The Homer City Council appropriated and made available for dispersal to an eligible non-profit the amount of \$3,554.79 from the net earnings of five percent (5%) of the Permanent Fund through the adoption of Ordinance 12-58.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council authorizes the allocation of \$3,554.79 to help with the local match to implement Green Dot in Homer.

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

CITY OF HOMER


MARY E. WYTHE, MAYOR

ATTEST:


JO JOHNSON, CMC, CITY CLERK

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

January 25, 2013

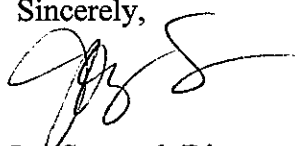
Dear Field of Interest Fund Holder,

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

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

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

Sincerely,



Joy Steward, Director
The Homer Foundation

HOMER FOUNDATION

Report of Fund Activity for the Month of December 2012

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

HOMER FOUNDATION
Quarterly Report to Fund Holders
July - Sept 2012

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

Fund Type: Field of Interest
Fund Code: 1305

PORTFOLIO SHARE (Corpus)

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

AVAILABLE FOR DISTRIBUTION (Earnings)

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

HOMER FOUNDATION
Quarterly Report to Fund Holders
Oct - Dec 2012

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

Fund Type: Field of Interest
Fund Code: 1305

PORTFOLIO SHARE (Corpus)

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

AVAILABLE FOR DISTRIBUTION (Earnings)

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

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-27

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

Sponsor: Planning

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

2. City Council Regular Meeting August 12, 2013 Public Hearing and Second Reading
 - a. Memorandum 13-106 from City Attorney as backup
 - b. Code Publishing, Inc. Legal Review

CITY OF HOMER
HOMER, ALASKA

Planning

ORDINANCE 13-27

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

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

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

NOW, THEREFORE, THE CITY OF HOMER HEREBY ORDAINS:

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

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

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

21.16.060 Traffic Requirements. A conditional use permit is required for every use that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

74
75 e. Building Area and Dimensions – Retail

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

229 1. The PUD site shall have direct access to an arterial or collector street.

230 2. Utilities, roads and other essential services must be constructed, installed and
231 available for the immediate use of occupants of the PUD.

232 3. The PUD shall be developed with a unified architectural treatment in exterior
233 building materials, colors and design features.

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

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

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

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

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

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

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

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

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

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

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

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

MEMORANDUM 13-106

TO: RICK ABBOUD
CITY PLANNER
CITY OF HOMER

FROM: THOMAS F. KLINKNER

RE: TECHNICAL CORRECTIONS TO HCC TITLE 21

FILE NO.: 506,742.563

DATE: JUNE 4, 2013

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

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

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

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

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

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

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

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

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

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

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

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

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

TFK/TFK

cc: Walt Wrede
Jo Johnson



City of Homer
Planning & Zoning
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Web Site www.ci.homer.ak.us

MEMORANDUM 13-107

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
FROM: RICK ABBODD, CITY PLANNER
DATE: JULY 18, 2013
SUBJECT: TECHNICAL REVISIONS TO TITLE 21

The requirements for adopting title 21 code amendments are addressed as follows.

Per HCC 21.95.040, the Planning Department shall review each amendment to title 21. This review is complete and addressed in memorandum 13-02 to the Planning Commission.

Additionally, Per HCC 21.95.060, the Planning Commission shall review each proposed amendment to title 21. This review is now complete. At the July 17th Regular Meeting, a motion was approved to forward the technical revisions to title 21 to the City Council.

Recommendation:

The Homer Advisory Planning Commission and Planning Department recommends adoption of the technical revisions to title 21.

Attachments:

Staff Report 13-53
Memorandum 13-02

March 13, 2013

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

Dear Ms. Johnson:

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

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

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

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

Sincerely,



Josh Clarridge, Editor
Code Publishing, Inc.

Enclosure: legal analysis



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Homer, AK Legal Review

General Comments

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

Animals and the Infraction System

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

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

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

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

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

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

Zoning Code and Level One Site Development Standards

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

Adoption by Reference

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

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

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

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

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

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

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

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

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

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

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

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

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

Penalty Reference Guide

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

Violation: \$1,000

Civil Penalties: \$1,000

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

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

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

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

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

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



City of Homer

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Planning

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STAFF REPORT PL 13-53

TO: Homer Advisory Planning Commission

FROM: Rick Abboud, City Planner

MEETING: July 17, 2013

SUBJECT: Technical Revisions to Title 21

Requested Action: Hold hearing on revisions and forward to City Council with recommendation.

GENERAL INFORMATION

The City is in the process of having the City code hosted on-line by a private company. This company will also update the code as the Council adopts new ordinances, rather than City staff. This is a common practice among municipalities nationwide (Homer is unusual in that we don't already do this). The result will be a searchable city code on line, with much better formatting.

The Attorney together with the new code publishing service has made recommendations to better clarify the identified sections of code. The recommendations do not introduce any substantial changes in code. The Attorney and Code Publishing report are included. The changes include things like specifying which version of a technical handbook will be used, removing duplicate information, and adding language to sections, rather than requiring the reader to flip between city code sections. The zoning map reference will be updated to the current version of the zoning map, which includes the recent rezoning on the Spit.

STAFF COMMENTS/RECOMMENDATIONS:

Planning staff has reviewed the ordinance per 21.95.040 and recommends the Planning Commission conduct a public hearing, and recommend approval to the City Council.

ATTACHMENTS

1. Memorandum 13-02
2. Draft ordinance
3. Excerpt of Code Publishing Inc comments

4. Memo dated June 4, 2013 from City Attorney Klinkner to City Planner Abboud



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Memorandum 13-02

TO: Homer Advisory Planning Commission

THROUGH: Rick Abboud, City Planner

FROM: Julie Engebretsen, Planning Technician

DATE: July 17, 2013

SUBJECT: Draft Ordinance 13-xx Technical Revisions to Title 21

This memo contains the planning staff review of the zoning code amendment as required by HCC 21.95.040.

21.95.040 Planning Department review of code amendment. The Planning Department shall evaluate each amendment to this title that is initiated in accordance with HCC 21.95.010 and qualified under HCC 21.95.030, and may recommend approval of the amendment only if it finds that the amendment:

a. Is consistent with the comprehensive plan and will further specific goals and objectives of the plan.

Staff response: The proposed amendments are consistent with the Comprehensive Plan.

b. Will be reasonable to implement and enforce.

Staff response: The proposed amendments do not substantially change city code or policies.

c. Will promote the present and future public health, safety and welfare.

Staff response: The proposed amendments will improve the usability of the zoning code and increase the ability to promote public health, safety and welfare.

d. Is consistent with the intent and wording of the other provisions of this title.

Staff response: The amendments have been reviewed by the City Attorney and are deemed consistent with the intent and wording of the other provision of this title.

21.95.010 Initiating a code amendment.

Staff response: The code amendment was initiated by the City Planner as permitted by HCC 21.95.010(d)

21.95.030 Restriction on repeating failed amendment proposals.

Staff response: This section of code is found to be not applicable.

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-28

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

Sponsor: Burgess

1. City Council Regular Meeting July 22, 2013 Introduction
2. City Council Regular Meeting August 12, 2013 Public Hearing and Second Reading
 - a. Ordinance 13-28(A)

CITY OF HOMER
HOMER, ALASKA

Burgess

ORDINANCE 13-28(A)

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

WHEREAS, Homer is a First Class city and has a plan for adopting street addresses; and

WHEREAS, The Planning Department coordinates the addressing of properties in the City of Homer; and

WHEREAS, Street names and addresses shall comply with the National Emergency Number Association; and

WHEREAS, There is a need and benefit to improving the process of naming streets.

THE CITY OF HOMER HEREBY ORDAINS:

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

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

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

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

11.12.020 Assignment of street addresses numbers. It shall be the responsibility of the **City Planner** ~~Director of Public works to assign street addresses issue specific numbers to specific locations buildings,~~ in accordance with the plan adopted by reference in this chapter. Upon **the assignment of a street address, the City Planner shall notify the owner of the property to which the address has been assigned of the address designating such building numbers the property owner shall be notified of that number and the requirements in HCC 11.12.030 for the posting of the address on the property** ~~date by which the number shall be~~

~~placed on the building. Property owners shall be given sixty days in which to place numbers on buildings.~~ **The City shall keep a record of such street address assignments which may include a map.**

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

11.12.030 Duty of property owner. It is the duty of **each property owner within 60 days after notice of the assignment of a street address to the property** all owners to **post the street address or addresses assigned to the property in** ~~number their properties by posting address numbers that are~~ Arabic numerals; a minimum of 4 inches (102 mm) high with a minimum stroke of 0.5 inch (12.7 mm) in a color contrasting with the background in such manner and location as to be plainly visible from the street.

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

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

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

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

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

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

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

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

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

4. No street name may include a directional designation.

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 8. Homer City Code 11.12.050, Duties of subdividers, is enacted to read as follows:

11.12.050 Duties of subdividers. A subdivider of property in the city shall name the streets in the subdivision in accordance with the standards in HCC 11.12.040.

Section 9. Homer City Code 11.12.060, Future modification to plan, is repealed.

Section 10. Homer City Code 11.12.060, Renaming streets, is enacted to read as follows:

11.12.060 Renaming streets. a. An application to rename a street shall be submitted to the City Planner on a form provided by the City. The application shall include:

1. The existing street name;
2. The proposed street name;
3. Justification for changing the street name; and
4. A map showing the location of the street.

b. The City Planner will determine if the application is complete. If not complete, the City Planner will advise the applicant what corrective actions should be taken to complete the application.

c. The City Planner shall schedule a public hearing on the application before the City Council within 45 days after determining the application is complete, and provide notice of the application as specified in HCC Chapter 21.94.

d. Within 45 days after the close of the public hearing, The City Council shall approve or disapprove the application.

Section 11. This Ordinance is of a permanent and general character and shall be included in the City Code.

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

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

First Reading:

Public Reading:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Date: _____

Thomas F. Klinkner, City Attorney

Date: _____

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-29

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

Sponsor: City Manager/Library Director

1. City Council Regular Meeting July 22, 2013 Introduction
 - a. Memorandum 13-099 from Library Director as backup
 - b. Alaska Public Library Assistance Grant Agreement FY2014
 - c. Budget Revision
2. City Council Regular Meeting August 12, 2013 Public Hearing and Second Reading
 - a. Memorandum 13-099 from Library Director as backup
 - b. Alaska Public Library Assistance Grant Agreement FY2014
 - c. Budget Revision

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Library Director

ORDINANCE 13-29

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

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

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

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

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

Revenue:

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

Expenditure:

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

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

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

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

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSENT:

ABSTAIN:

First Reading:

Public Hearing:

Second reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Thomas F. Klinkner, City Attorney

Date:_____

Date:_____



City of Homer

www.cityofhomer-ak.gov

Homer Public Library

500 Hazel Avenue
Homer, AK 99603

library@cityofhomer-ak.gov

(p) (907)-235-3180

(f) (907)-235-3136

MEMORANDUM 13-099

TO: MAYOR AND COUNCIL

THROUGH: WALT WREDE, CITY MANAGER

FROM: ANN DIXON, LIBRARY DIRECTOR

DATE: JULY 9, 2013

SUBJECT: ALASKA PUBLIC LIBRARY ASSISTANCE GRANT AWARD AND
BUDGET REVISION

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

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

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

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

Alaska Public Library Assistance Grant Agreement FY2014

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

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

The Grantor will agree to:

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

The Grantee will agree to:

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

The source of funding for this agreement is as follows:

State Sources

\$6,600

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

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

For the Library

For the Legal Entity

Signature

Signature

Title

Date

Title

Date

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

PUBLIC LIBRARY ASSISTANCE GRANT FY2014
Budget Revision

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

As Amended for Library Name: HOMER PUBLIC LIBRARY

Ann Wilson

Signature

Date



Approved:

Date

For the Alaska State Library

Instructions:

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

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-30

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

Sponsor: City Manager

1. City Council Regular Meeting July 22, 2013 Introduction
 - a. Memorandum 13-102 from City Clerk as backup
1. City Council Regular Meeting August 12, 2013 Public Hearing and Second Reading
 - a. Memorandum 13-102 from City Clerk as backup

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

58
59
60 Reviewed and approved as to form:

61
62
63 _____
64 Walt Wrede, City Manager

65
66 Date: _____

Thomas F. Klinkner, City Attorney

Date: _____



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

MEMORANDUM 13-102

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

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

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

RECOMMENDATION:

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

ORDINANCE REFERENCE SHEET
2013 ORDINANCE
ORDINANCE 13-31

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

Sponsor: City Manager/Public Works Director

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

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 13-31

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

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

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

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

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

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

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

Expenditure (Previously Authorized):

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

Expenditure (Authorized This Ordinance):

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

Total Authorization for this Project: \$114,000

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

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

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Walt Wrede, City Manager

Thomas F. Klinkner, City Attorney

Date: _____

Date: _____



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

MEMORANDUM 13-101

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

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

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

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

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

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

Fiscal Note: 256-378 (Water Reserve Fund)

CITY OF HOMER
HOMER, ALASKA

City Manager/
Public Works Director

RESOLUTION 12-062

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

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

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

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

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

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

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

CITY OF HOMER


JAMES C. HORNADAY, MAYOR

ATTEST:


JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

CITY OF HOMER
HOMER, ALASKA

City Manager/Public
Works Director

ORDINANCE 13-10(S)

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

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

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

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

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

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

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


Expenditure:

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

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

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

CITY OF HOMER


MARY E. WYTHE, MAYOR

ATTEST:


JO JOHNSON, CMC, CITY CLERK

YES: 5

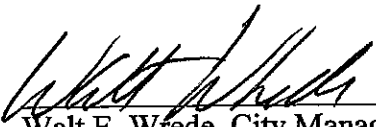
NO: 0

ABSTAIN: 0

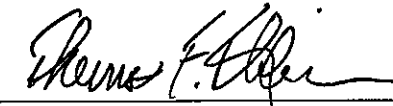
ABSENT: 1

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

Reviewed and approved as to form:


Walt E. Wrede, City Manager

Date: 4/24/13


Thomas F. Klinkner, City Attorney

Date: 4-26-13

ORDINANCE(S)

CITY MANAGER'S REPORT



City of Homer

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Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

MANAGERS REPORT

August 12, 2013

TO: MAYOR WYTHER / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

Capital Projects

On August 12, the Council will have a 4 PM work session on the City's CIP List. This work session will provide a foundation and good starting point for the larger CIP planning exercise that will occur on Saturday, August 17. As part of the preparation for these discussions, I thought it would be a good idea to devote this report to capital projects. Attached is a copy of the City Capital Project Update which you received at the last meeting. We did not have time to discuss it in any detail and I expect that you might have questions. I also attached project descriptions of DOT/PF projects for this year and next for your information. These handouts were available at the DOT/PF Open House which occurred on the 5th. Hopefully all of this will contribute to the broader discussion about future CIP priorities.

As you know, the DOT/PF Commissioner was here as part of the Governor's picnic. We took him on a tour of City infrastructure. The Commissioner needs to get his draft budget for next year to the Governor by the end of this month. Apparently, the Governor has moved his budget schedule up a bit. Therefore, in order to have a chance to have any projects in the Commissioner's draft budget, we must get our "asks" in almost immediately. We will do so by letter and we will emphasize Main Street upgrades, intersection improvements and including the Deep Water Dock in the bill if there is any talk about a statewide port and harbor bond sale. We can discuss all of this in more detail at the meeting.

ATTACHMENTS

1. August Employee Anniversaries
2. Current City Capital Projects
3. DOT/PF Capital Projects



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: MAYOR WYTHE AND CITY COUNCIL
FROM: Walt Wrede
DATE: August 7, 2013
SUBJECT: August 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.

Rusty Cheney,	Public Works	30 Years
Dan Gardner,	Public Works	22 Years
Carey Meyer,	Public Works	14 Years
Bob Kosiorek,	Public Works	11 Years
Dotti Harness,	Planning	8 Years
Dale Bothell,	Public Works	3 Years
Joe Inglis,	Public Works	2 Years
Eve Dickmann,	Police	1 Year

STATUS REPORT - CAPITAL PROJECTS

City of Homer - Public Works Department - July 2013

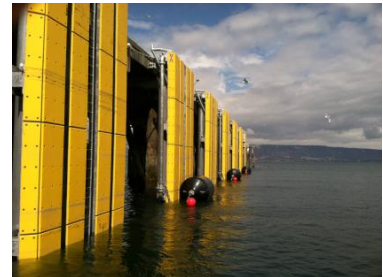
The following projects have been completed this year or are under construction:

Homer Natural Gas Trunk Line Extension – The gas trunk line from Anchor Point through Homer is more than 50% complete. The trunk line is expected to be complete this year.

Homer Natural Gas Main Extensions – The first year's construction of the gas mains in the "core" area has begun. The work is progressing generally from west to east, with service lines being install as mains are being completed. All core area gas main are expected to be complete this year.

City Building Conversions to Natural Gas – Cost estimates and funding has been established by the City Council to convert key City facilities that will have access to natural gas this year. These facilities include the sewer treatment plant, public works, animal shelter, library, city hall, and airport terminal. Conversion should be completed this winter.

Deep Water Dock Fender Replacement – New heavy-duty fenders and floating camels were installed on the face of the Deep Water Dock by Jay-Brant General Contractors. This work is funded by cruise ship passenger head tax revenues.



Downtown Restrooms – Foundation work has begun on the restroom at the intersection of Pioneer Avenue and Bartlett Street. Construction on the restroom planned for WKFL Park will begin in the next few weeks. This work is funded by cruise ship passenger head tax revenues. The work is being competed by Steiner's North Star Construction.

Spit Restrooms – The restroom at the approach to the Deep Water Dock has begun with the foundation and utility services complete. This facility will also include a guard shack and a shelter for cruise ship passengers. The foundation for a second restroom at the End of the Road Park is also underway. This work is funded by cruise ship passenger head tax revenues. The work is being competed by Steiner's North Star Construction.



DWD Trail/Cruise Ship Bus Staging Area – The construction contract for this project has been awarded to North Star Paving and Construction. Work will start after Labor Day to minimize impacts to summer activities on the Spit. The Staging area will be paved this summer, with the trail being completed early next summer. This work is funded by cruise ship passenger head tax revenues.

Spit Trail Extension – The construction contract for this project has also been awarded to North Star Paving and Construction. Work will start after Labor Day to minimize impacts to summer activities on the Spit. The paving of the End of the Road Park parking improvements will be completed this summer, with the trail being completed early next summer. This work is funded by cruise ship passenger head tax revenues provided through ADOT.

Spit Trail Boardwalk Replacement Project – The construction contract for this project has been awarded to Puffin Electric. Work will start after Labor Day to minimize impacts to summer activities on the Spit. The improvements will be completed this summer. This work is funded by cruise ship passenger head tax revenues provided through ADOT.

STATUS REPORT - CAPITAL PROJECTS

Harbor Entrance Shore Protection Improvements – Bids for the construction of this project will be opened this month. Work will start after Labor Day to minimize impacts to summer activities on the Spit. This shore protection will solve shore erosion problem and allow for the Coal Point Trail to be constructed (providing access from the proposed Spit Trail to Coal Point Park. This work is funded by cruise ship passenger head tax revenues provided through ADOT.



City Beautification Project – The Parks and Recreation Department has again provided thousands of plants for City flower beds and local business barrels and planting areas. The crews at Parks and Recreation will also be planting 200 peony bushes around town - donated by a local commercial grower. Weeding and watering of these beds will continue throughout the summer.

2013 Street Repaving Project – Due to very wet weather at the end of the 2012 construction season, this project was postponed until this year. Various local streets were repaved, including portions of Soundview, Fish Dock Road, Ice Dock Road, Smokey Bay Way, Klondike Avenue, W. Fairview, town Heights Lane, Greatland Street, and FAA Drive.

Karen Hornaday Park Picnic Shelter Improvement – The last item of Phase I of the Karen Hornaday Park Improvements is the construction of a new picnic shelter. With the Help of the Karen Hornaday Park Committee, Public Works is bidding the construction of this facility. The shelter will be constructed after Labor Day.

Beluga Slough Trail Improvement – This project was constructed in 2012, the only remaining work is to install interpretive signing. The U.S. Fish and Wildlife Service is assisting in the design this signage and they should be installed before the end of the summer.



Small Boat Harbor System 5 Electrical Improvements – This project will be constructed this Fall. The project is funded 50% by State grant; 50% by City bond proceeds. The work will provide improved water and electrical service to the large commercial vessels that moor at this facility.

Small Boat Harbor Float Replacement – This project will be constructed next year. Design is almost complete; bidding will be initiated in August. The project is funded 50% by State grant; 50% by City bond proceeds. The work will provide improved floats in the Small Boat Harbor, including A, J, R, and S float replacement; and utility improvements.

Small Boat Harbor Ramp 3 Replacement – This project will be constructed next year. Design is almost complete; bidding will be initiated in August. The project is funded 50% by State grant; 50% by City bond proceeds. The work will consist of the removal of the existing approach trestle and ramp and construction of a new shorted trestle and longer covered ramp.

Crittenden Road/Waddell Street Paving Project – This project was approved by a majority of benefiting property owners. The work consists of improving road and drainage to Urban road standards. The project is funded by property owner assessments and contributions from the Homer Accelerated Road and Trail Program (HART)

STATUS REPORT - CAPITAL PROJECTS

Redwood Tank Demolition – Although the identification of asbestos in the roof of this facility has complicated its removal, this 40 year old wood tank is scheduled for demolition this year.

Sewer Treatment Plant Headworks Intake Screen Replacement – The original treatment plant headworks (screening and solids removal at the beginning of the sewer treatment process) is being upgraded to facilitate better treatment.

Library Vestibule Improvements – Improvements have been made to the library vestibule to reduce noise and increase energy efficiency at the library. The improvements included sealing the partition between the hallway and the arctic entry and creating soffits over the beams that extended through the partition.

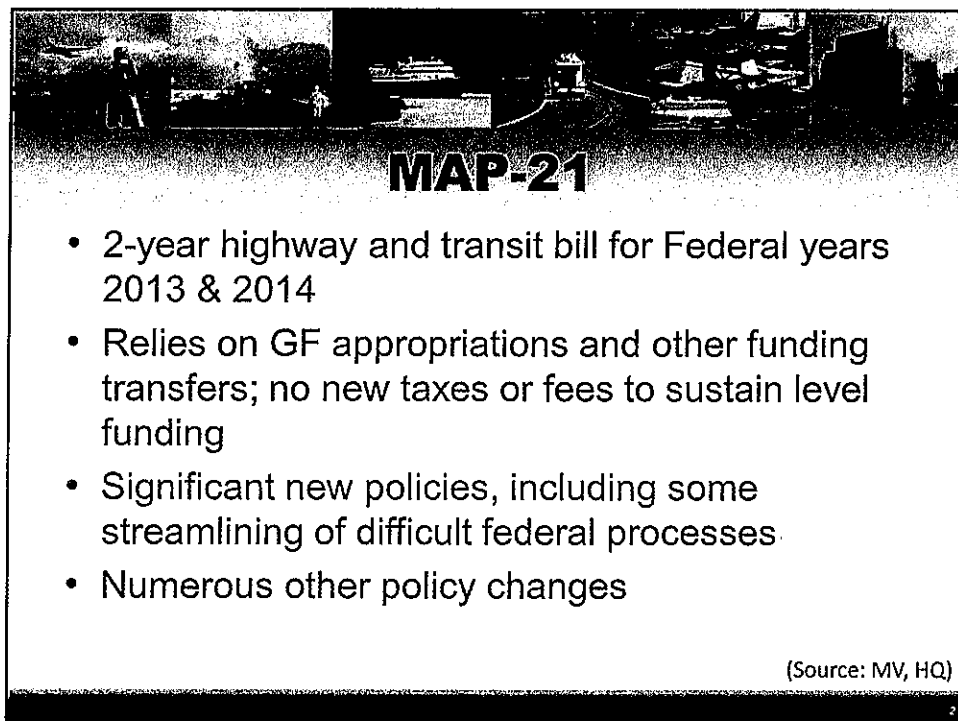
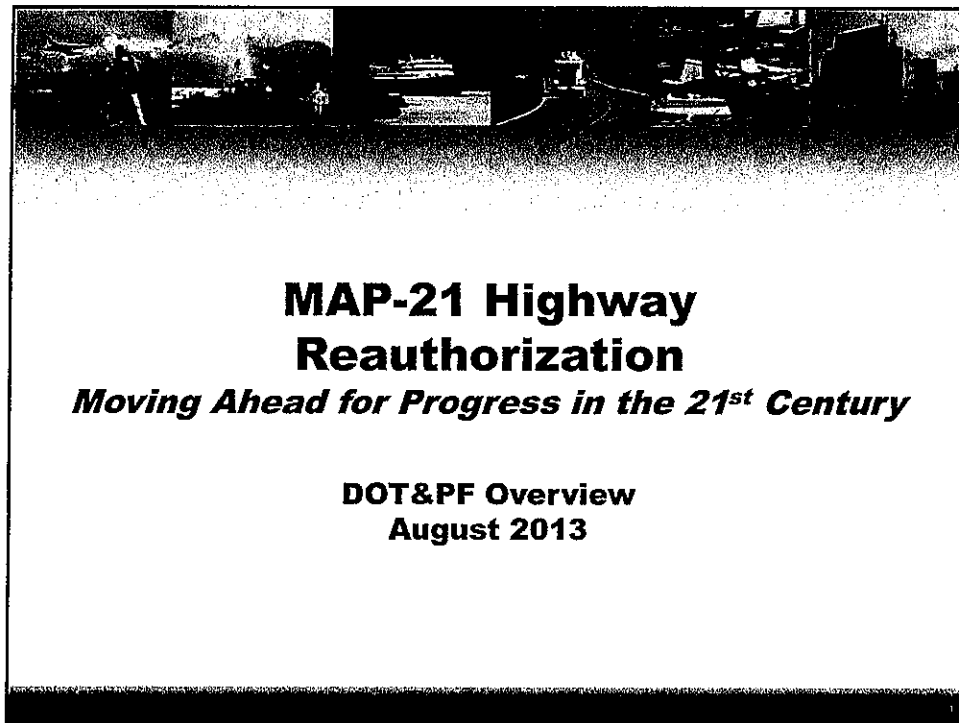



The following projects are in the process of being designed:

- New Water Storage Tank
- Shellfish Water Main Extension
- Kachemak Drive (Phase III) Water Main Extension
- Homer Spit Cast Iron Water Main Replacement

The design of the following projects is anticipated to begin soon:


- New Harbormaster's Office Building
- New Satellite Fire Station at the Water Treatment Plant
- Feasibility Study – Deep Water Dock Expansion
- Homer Spit Barge Haul Out Facility
- Chip Pad Runoff Water Quality Improvements
- Old Town Pedestrian Improvements





MAP-21 – National Goals

- Safety
- Infrastructure Condition
- Congestion Reduction on NHS
- System Reliability
- Freight Movement and Economic Vitality
- Environmental Sustainability
- Reduced Project Delivery Delays



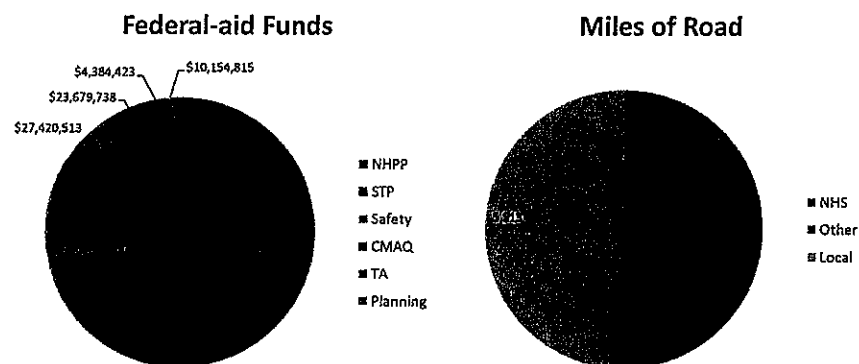
MAP-21 Redefines Federal Interest

- Federal-Aid System narrowed to just the Interstate and Nat'l Highway routes.
 - NHS broadened to include all Principal Arterials.
 - Added 90 miles (~4%) to Alaska NHS
- 57% of funding focused on the NHS (49% pre-MAP-21)
- 27% of funding focused on lower-tier roads (39% pre-MAP-21)
- 7% of funding directed to safety (+5% sanctions)
- 9% to several other minor categories

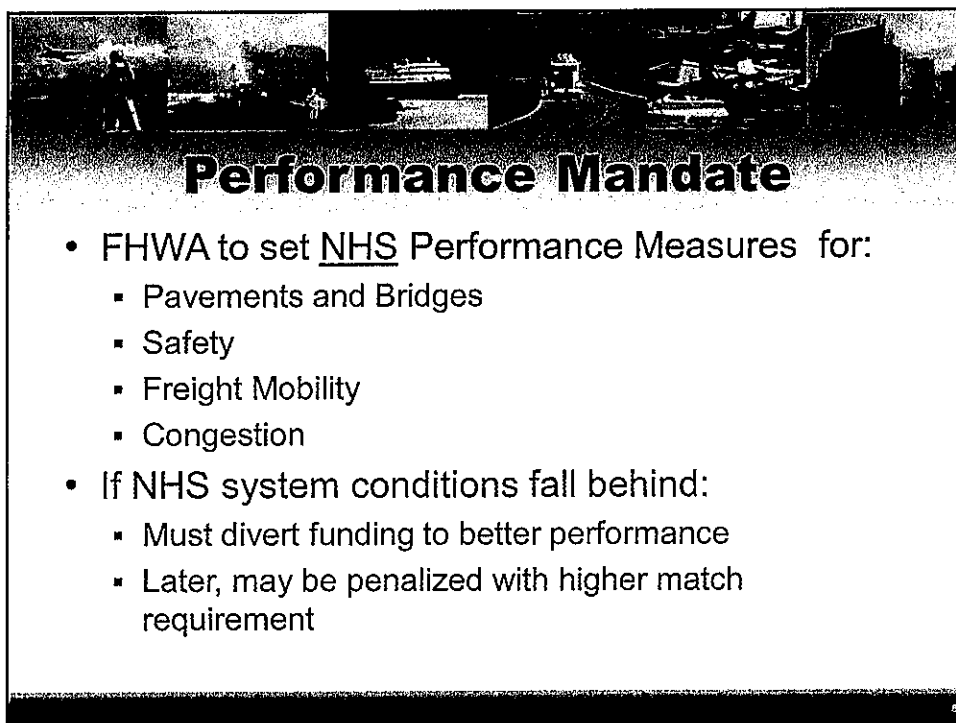
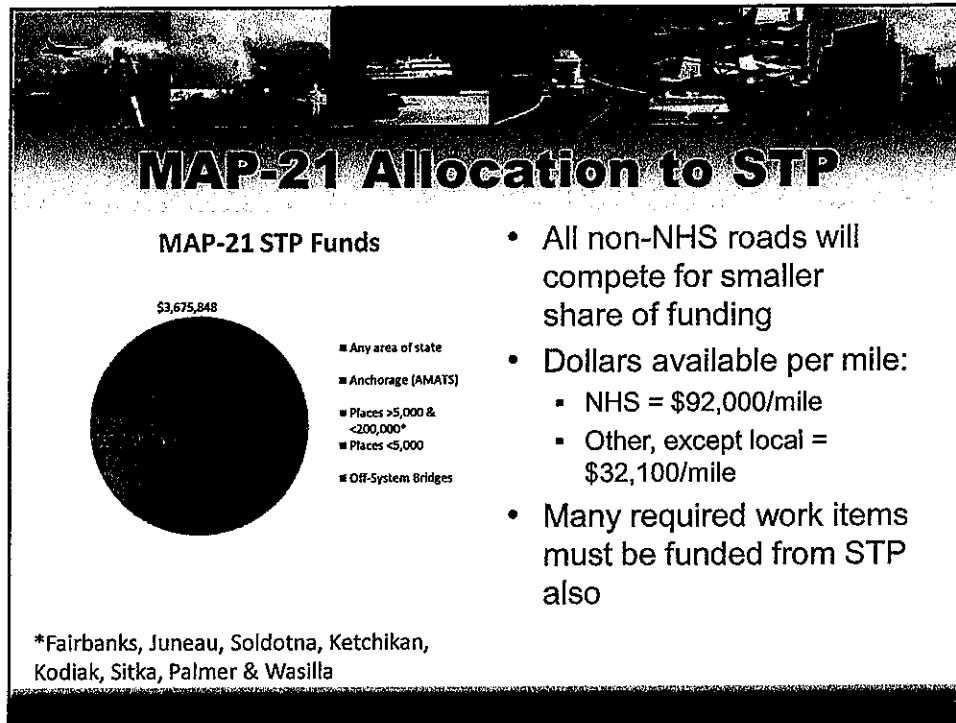
MAP-21 Funding


- Highway funding down from \$520 M to \$485 M
 - Similar reduction felt in all other states
- Significant streamlining of funding categories
- New federal priorities:
 - National Highway System (expanded)
 - Highway Safety
 - Meeting performance standards on NHS
 - Urban areas > 200,000 population (Anchorage Only)

MAP-21 Emphasis is to NHS




18% of Road Miles Garners 57% of Federal-aid Funding





MAP-21 Redefines Federal Interest

- Federal-Aid System narrowed to just the Interstate and Nat'l Highway routes.
 - NHS broadened to include all Principal Arterials
 - Added 90 miles (~4%) to Alaska NHS
- 57% of funding focused on the NHS
- 27% of funding focused on lower-tier roads
- 7% of funding directed to safety (+5% sanctions)
- 9% to several other minor categories



Performance Mandate

- FHWA to set NHS Performance Measures for:
 - Pavement and Bridges
 - Safety
 - Freight Mobility
 - Congestion
- If NHS system conditions fall behind:
 - Must divert funding to better performance
 - Later, penalized with higher match requirement

Road projects in the Kenai Peninsula

July 2013

Homer: East End Road MP 3.75-5.5

Federal Funds

DOT&PF Project Manager: Cynthia Ferguson 269-0589

Scope: Rehab East End Road from Kachemak to Waterman. Work includes horizontal and vertical curve modification, slope correction, guardrail, striping and signage. Project will also construct pedestrian pathway

Status: Appraisal and acquisition 90% complete. Some condemnations anticipated. Construction expected 2014

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	Construction and Utilities	\$8100	STIP 2013-2015

Homer: East End Road MP 12.5-19.6

Federal Funds

DOT&PF Project Manager: Cynthia Ferguson 269-0589

Scope: Resurface East End road approx. 7.1 miles. Resurface Old East End road approx. 1.9 miles. Project includes guardrail, digouts, drainage, striping and signage

Status: In design. Construction expected 2014

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	All Phases	\$8030	STIP 2013-2015

Homer: Lake Street Rehab

Federal Funds

DOT&PF Project Manager: Sean Baski 269-0547

Scope: Rehabilitate pavement of approximately 2,599 feet, construct sidewalks on both sides and provide drainage improvements

Status: In design. Public meeting planned August 5, 2013

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2014	ROW	\$331	STIP 2013-2015
FFY 2015	Construction and Utilities	\$5500	STIP 2013-2015

Kalifornsky Beach Road: MP 16-22.2 Resurfacing/Signalization

Federal Funds

DOT&PF Project Manager: Cynthia Ferguson 269-0589

Scope: Repave Kalifornsky Beach road with signals installed at Gaswell and Ciechanski . Improve or replace guardrail, signage, striping and provide upgrades to ADA pedestrian facilities to ensure compliance.

Status: Surveying and traffic counts ongoing. In design. Construction expected in 2014

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2014	Design	\$366	STIP 2013-2015
Kalifornsky Beach Road Pedestrian Pathway			General Funds

DOT&PF Project Manager: Cynthia Ferguson 269-0589

Scope: Construct Pedestrian Pathway along the north side of Kalifornsky Beach Road from Cannery Road to the existing pathway, approx. 1.9 miles

Status: Project is advertised.

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	All Phases	\$2800	STIP 2013-2015
Kenai Spur Highway Rehabilitation			GO Bonds

DOT&PF Project Manager: Gerald Welsh 269-0550

Scope: Rehabilitate 6 miles of the Kenai Spur Highway from Soldotna to Kenai.

Status: Developing cost estimates and fact sheets for area legislators for each alternative. \$20,000,000 available for entire project

Kenai Spur Highway: MP 0-3			Federal Funds
DOT&PF Project Manager: Sean Baski 269-0547			

Scope: Preventative maintenance project for resurfacing Kenai Spur Highway from Soldotna Wye, 3 miles towards Kenai. Will also include some guardrail, drainage, curb ramps, traffic loops, signs and striping

Status: Advertised in June, Construction ongoing through summer 2013

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	Construction	\$4375.5	STIP 2013-2015
Ninilchik Village Bridge Replacement			Federal Funds

DOT&PF Project Manager: Sean Holland 269-0670

Scope: Construct new bridge and provide new approaches and embankment protection.

Status: ROW is acquiring parcels and easements

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	All Phases	\$2800	STIP 2013-2015

Seward Highway Corridor Plan

Federal TCSP Grant

DOT&PF Project Manager: David Post 269-0512

Scope: Develop a clear departmental vision for the corridor to guide capital project selection and scoping, aid in management decisions and preserve critical NHS corridor. MP 0-90 and will involve the entire corridor, its current use and likely development. The study will examine land use, alternatives, local and regional plans with significant public involvement.

Seward Highway : MP 90-117 Route Development Plan

Federal Grant

DOT&PF Project Manager: Thom Schmid 269-0543

Scope: Project will document DOT&PF long term vision for the Seward Highway from Girdwood to Anchorage. The final document will define improvements such as those that may be needed to address long term development , traffic growth, safety concerns and includes potential access management strategies.

Status: RFP for consultant services advertised in July. Approx 1.5 million available

Seward Highway: MP17.5-22.5 Pavement Preservation

Federal Funds

DOT&PF Project Manager: Sean Baski 269-0547

Scope: Resurface pavement as preventative maintenance project

Status: Construction Summer 2013

Seward Highway: MP17.5-22.5 Reconstruction

Federal Funds

DOT&PF Project Manager: Sean Baski 269-0547

Scope: Replace bridge at Victor Creek, rehabilitate 2 bridges over Snow River and will widen shoulders, construct passing lanes where feasible

Status: Preparing environmental document. \$20,800,000 needed after 2015 for construction and utilities. Construction anticipated 2017

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	Design	\$1500	STIP 2013-2015

FFY 2014 ROW \$500 STIP 2013-2015

Seward Hwy: Avalanche Detection Project MP 21 **Federal Funds**

DOT&PF Project Manager: Carla Smith 269-0544

Scope: Design, purchase and install infrasonic detection system near mile 21 of the Seward Highway where annual avalanches currently close the highway. This will improve response time and information.

Status: In Design. Working out MOA with Alaska Railroad regarding M&O. Construction anticipated 2015

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	Construction and Utilities	\$825	STIP 2013-2015

Seward Highway Bridges: Trail River, Falls Creek and Ptarmigan Creek **Federal Funds**

DOT&PF Project Manager: Tal Maxwell, Project Manager 288-2204

Scope: Replace 3 deficient bridges on the Seward Highway at Trail River, Ptarmigan Creek and Falls Creek.

Status: Construction for the replacement of the Seward Highway bridges will be complete July 2013. Live webcam links of the project available at <http://serviceelectric.workzonecam.com/>

Seward Hwy: MP 25.5-36 Moose Pass to Sterling Wye **Federal Funds**

DOT&PF Project Manager: Cynthia Ferguson 269-0589

Scope: Rehabilitate and upgrade as needed, to include passing lanes

Status: In Design Construction in 2017 for \$20,000,000, pending funding

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2014	Design	\$2000	STIP 2013-15
FFY 2015	ROW	\$731	STIP 2013-2015

Seward Hwy: MP 37-45 **Federal Funds**

DOT&PF Project Manager: Sean Combs, Project Manager, 269-0454

Scope: Mill and pave approx. 8 miles of Seward Highway as a pavement preservation project

Status: Construction Summer 2013

Soldotna: Funny River Road **Federal Funds**

DOT&PF Project Manager: Cynthia Ferguson 269-0589

Scope: Rehabilitate pavement of approx. 4000 feet. Provide shoulders and drainage improvements

Status: In design. Public meeting planned August 5, 2013

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	ROW	\$281	STIP 2013-2015

Soldotna: Beaver Loop Road and Ped Improvements

Federal Funds

DOT&PF Project Manager: Tom Schmid 269-0543

Scope: Resurface existing Beaver Loop Roadway, add paved 4 foot shoulders and separated pathway. Length is approx. 3.75 miles.

Status: In environmental phase, waiting on additional project information

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2014	Design	\$1400	STIP 2013-2015

Sterling Highway: MP 45-60 Sunrise to Skilak Lake Road

Federal Funds

DOT&PF Project Manager: Kelly Petersen 269-0546

Scope: Rehabilitate/reconstruct Sterling Highway from MP 45 to MP 60. Includes re-alignment of 11 miles to the new Juneau Creek alignment.

Status: Draft SEIS available for public review anticipated January 2014

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2015	Design	\$22,000	STIP 2013-2015
After 2015		\$237,000	

Sterling Highway: MP 45-58 Pavement Preservation

Federal Funds

DOT&PF Project Manager: Sean Combs, Project Manager, 269-0454

Scope: Resurface and repair a 13 mile stretch of Sterling Highway

Status: In Construction Summer 2013

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
-------------	--------------	------------------------	-----------------------

FFY 2013

Construction

\$9,957

STIP 2013-2015

Sterling Highway: MP 60-79, Skilak Lake-Sterling Rehab and Passing Lanes

Federal Funds

DOT&PF Project Manager: Cynthia Ferguson 269-0589

Scope: Rehabilitate Sterling Highway from MP 60 near Skilak Lake Road to MP 79 near Sterling. Improvements include resurfacing, widening shoulders and adding passing lanes where applicable.

Status: Construction anticipated summer 2015

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2015	Construction	\$2,300	STIP 2013-2015
FFY 2015	Utilities	\$100	STIP 2013-2015

Sterling Highway Safety Corridor Study : Sterling to Soldotna

General Funds

DOT&PF Project Manager: Cynthia Ferguson 269-0589

Scope: Study options to improve safety in designated safety corridor. A 4-lane divided highway provides the greatest safety benefit by physically separating opposing lanes of traffic and is the preferred solution, although other solutions will be considered.

Status: Contract award to HDL, study is underway

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	Planning	\$1,730	STIP 2013-2015

Sterling Highway: MP 79-82.5

Federal Funds

DOT&PF Project Manager: Cynthia Ferguson 269-0589

Scope: Mill and resurface Sterling Highway from MP 79 at Kenai Keys to MP 82.5 at Barbara Street

Status: In Design

Sterling Highway Erosion Response: MP 150-157

Federal Funds

DOT&PF Project Manager: Jim Amundsen 269-0595

Scope: Implement solution to bluff erosion feature located at Sterling Highway MP 153.5 Remove unstable material, place drainage material, construct embankment and re-establish vegetation at repair site.

Status: ROW acquisition underway with construction anticipated 2015

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	Design and ROW	\$800	STIP 2013-2015
FFY 2014	Construction	\$4,000	STIP 2013-2015

Sterling Highway : MP 150-173 Pavement Preservation

Federal Funds

DOT&PF Project Manager: Bob Lundell, 269-0448

Scope: Resurface Sterling Highway for approx. 23 miles

Status: In Construction Summer 2013

Sterling Highway Recon : MP 157-169

Federal Funds

DOT&PF Project Manager: Thom Schmid 269-0543

Scope: Reconstruct and upgrade 12 miles of Sterling Highway along existing alignment. Upgrades include widening, construction of passing lanes, resurfacing, scenic turnouts, drainage improvements and rehab/replace bridges at North Fork Anchor River and Anchor River Bridges,

Status: In Design Phase

\$ 23,000,000 needed for construction in 2017

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2014	Design	\$1,500	STIP 2013-2015
FFY 2015	ROW	\$2,531	STIP 2013-2015

Sterling Highway : MP 173-174 Pavement Preservation

Federal Funds

DOT&PF Project Manager: Sean Baski 269-0547

Scope: Resurface Sterling Highway from Pioneer Ave to Lake Street in Homer

Status: In Design Phase

\$ 2,000,000 for construction in 2014

Sterling Highway : MP 174-179 Pavement Preservation

Federal Funds

DOT&PF Project Manager: Sean Baski 269-0547

Scope: Resurface Sterling Highway from Lake Street to the end of the Homer Spit

Status: In Design Phase

\$ 5,000,000 for construction in 2014

Sterling Highway: Traffic Signal at Birch Street in Soldotna

Federal Funds

DOT&PF Project Manager: Carla Smith 269-0544

Scope: Add a traffic signal, including flashing yellow arrows and widen Birch Street for turn pockets.

Status: Construction and utilities in 2014

\$1,460,000 in Construction

Funding/Schedule:

<u>Year</u>	<u>Phase</u>	<u>Amount (1000's)</u>	<u>Funding Source</u>
FFY 2013	ROW	\$275	STIP 2013-2015
FFY 2014	Construction	\$1,545	STIP 2013-2015

HSIP: Sterling Highway: Overhead Beacon at North Fork Road

Federal Funds

DOT&PF Project Manager: Carla Smith 269-0544

Scope: Install overhead flashing beacon as part of a safety project

Status: Survey and design field work to be completed by end of June. DOWL is the contractor.
Construction expected 2014

Sterling Highway: Soldotna Homer Hill Slow Vehicle Turnouts

Federal Funds

DOT&PF Project Manager: Kevin Jackson 269-0641

Scope: Design and construct a safety project with slow vehicle turnouts from Soldotna to Homer Hill along the Sterling Highway

Status: Geotechnical survey underway; ROW phase and environmental permitting on-going.
Construction expected 2015

HSIP: Sterling Highway and Main Street Intersection Improvements (Homer)

Federal Funds

DOT&PF Project Manager: Carla Smith 269-0544

Scope: Intersection will be upgraded to a signal or roundabout

Status: In Design, anticipate ROW 2015 and construction 2015

Cooper Landing Walkable Community

General Funds

DOT&PF Project Manager: Bob Lundell 269 0448

Scope: Improve safety for non-motorized travelers within Cooper Landing area of Sterling Highway

Status: Refining scope with community. Bridge Pathway work will be top priority

GF \$550,000 available



ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

FACT SHEET

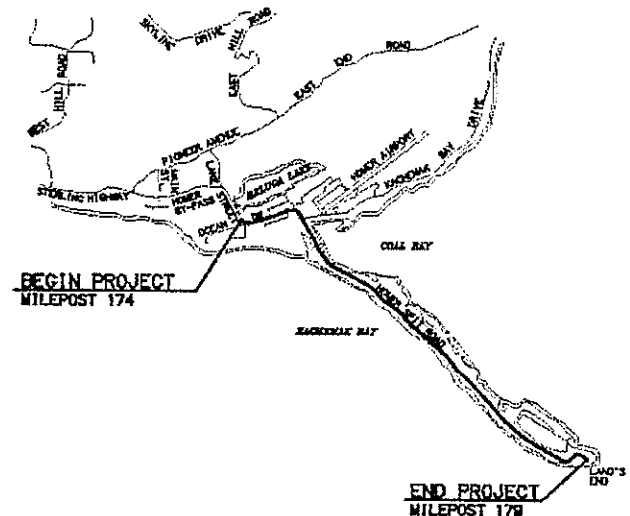
**Sterling Highway MP 174-179
Pavement Preservation
Project No: NH-0211 (059)/55260**



Project Scope

The Alaska Department of Transportation and Public Facilities (DOT&PF), in cooperation with the Federal Highway Administration (FHWA), is proposing to rehabilitate Sterling Highway between Beluga Lake and Land's End on the Homer Spit Road. The purpose of this proposed project is to rehabilitate the roadway pavement, improve pedestrian facilities, and improve drainage. Specific improvements may include:

- Rehabilitate 5-miles of pavement.
- Repair shoulder failures due to erosion.
- Add a pedestrian crossing near Lake Street and improve existing crossing at Kachemak Drive.
- Re-establish existing ditches.
- Improve drainage through existing culverts.
- Replace signing and guardrail ends



Current Status

Design is 98% complete and we are preparing to request funding from FHWA for construction.

Schedule

Construction is expected to begin in 2014 with the adjacent Sterling Highway MP 173-174 Pavement Preservation project.

For more information contact:

Sean Baski, P.E.
Project Manager
DOT&PF, CR Highway Design Section
Tel: 907-269-0547
E-mail: sean.baski@alaska.gov

Kathy Shea
Environmental Impact Analyst
DOT&PF, CR Environmental Section
Tel: 907-269-0530
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Individuals with hearing impairment can contact DOT&PF at our Telephone Device for the Deaf (TDD) at (907) 269-0473.

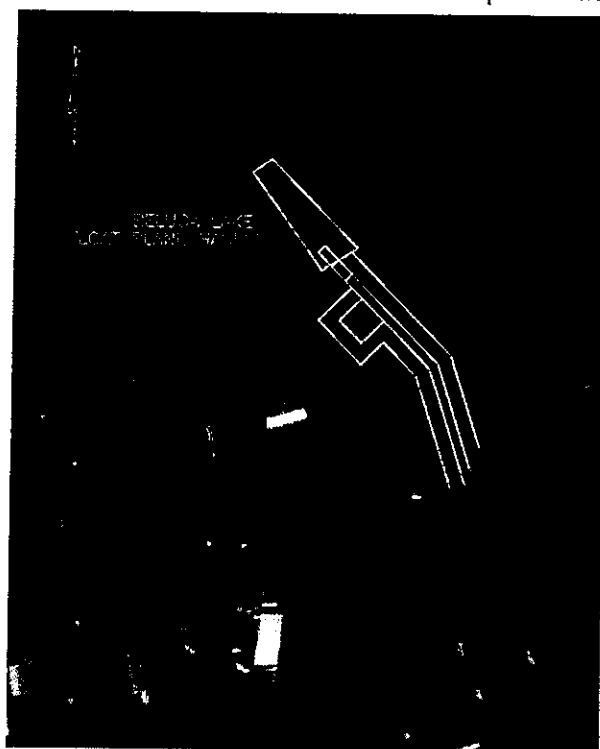
We can offer reasonable accommodations for special needs related to other disabilities.

FACT SHEET

Project Scope

Currently there is no public access from the Homer Airport directly to Beluga Lake. Operators haul their airplanes on trailers from Beluga Lake along Lake Street (Sterling Highway) to Ocean Drive, down Homer Spit Road, and along Kachemak Drive to the airport general aviation tie down and hangar areas. This requires a permit to close the highway using police to stop traffic on public roads when the airplanes are in transit between the lake and the airport.

The purpose of the project is to provide a more direct access between Beluga Lake and the Homer Airport to support float plane and emergency boat access between the two facilities. The project includes the design of a new access road between the airport and the lake, a turnaround area, and a ramp into the lake. An environmental document will also be completed as part of the project.



Schedule

Activity	Duration
Design	Aug 2013 – Sep 2014
Property Rights	Sep 2013 – Aug 2014
Construction	May 2015 – Sep 2015

For more information

Contact the Homer Beluga Improvements project team with questions, concerns, or comments.

Project Team

Aaron Hughes, P.E.
Project Manager
DOT&PF
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Email:
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Brian Hanson, P.E.
Design Project Manager
DOWL HKM
Tel: (907) 562-2000
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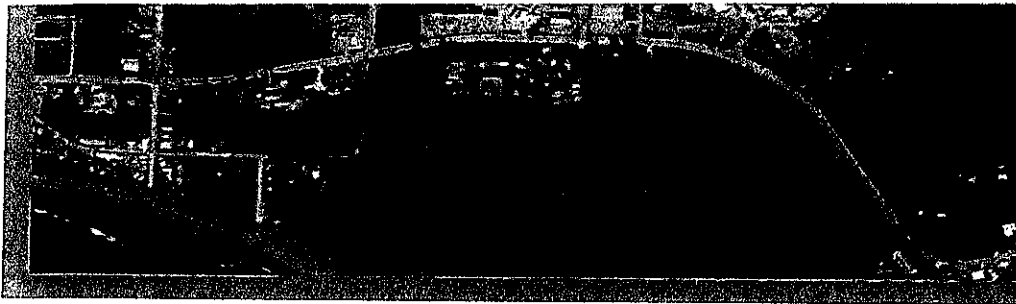
HSIP: STERLING HWY & MAIN ST (HOMER)
INTERSECTION IMPROVEMENTS
AKSAS 55984

Project Scope: The intersection will be upgraded to include a roundabout or signal.

Project Purpose: The purpose for this project is to increase intersection safety and reduce traffic congestion by installing a traffic roundabout or signal.

Project Schedule: Field studies are being conducted this fall. The environmental document is to be completed in 2014. Construction is anticipated for the summer 2015-2016 depending on impacts.

Project Contact: Carla Smith, P.E., ADOT&PF Traffic Project Manager, 269-0544, 4111 Aviation Avenue, Anchorage, AK 99502 or carla.smith@alaska.gov



Sterling Highway

MP 173-174

Pavement Preservation

The Alaska Department of Transportation and Public Facilities (DOT&PF), in cooperation with the Federal Highway Administration (FHWA), plans to repave the Sterling Highway from MP 173 to 174 in Homer, Alaska. This 1-mile long section of roadway has failing pavement and is in need of repairs.

Preventive maintenance, such as milling and repaving, is necessary to ensure proper performance of transportation infrastructure. When properly used, preventive maintenance is a cost-effective way of extending the service life of a roadway.

Project Schedule

Survey work is complete and the project team is preparing the environmental document and design plans. This project is anticipated to be constructed in 2014, but may extend to 2015.

This project may be constructed with the Sterling Hwy MP 174-179 Pavement Preservation project, which meets up with this project and extends to the end of the Homer Spit.

Frequently Asked Questions

Q: Will the road look any different after the project is complete?

A: The road corridor will essentially look the same. Preventive maintenance projects focus on improving the functional condition of the roadway. This work could include pavement reconditioning and guardrail, drainage, ADA improvements, signage, and striping upgrades. Preventive maintenance is a cost-effective way to extend and preserve the life of highway infrastructure by addressing the roadway corridor before a major rehabilitation or reconstruction is needed.

Q: Will you have to acquire private property to make these improvements?

A: No, all work is anticipated to occur within the existing right-of-way.

Q: Will there be changes to the traffic patterns during construction?

A: Most Alaskans are accustomed to summer road construction impacting their travel plans, and the same should be expected when we repave this segment of the Sterling Highway. The traveling public should anticipate minor delays and reduced speeds while the road improvements are being performed.

To learn more about the project, contact one of the team members:

Kelly Kilpatrick, P.E.
Project Manager
DOWL HKM
907-562-2000
kkilpatrick@dowlhkm.com

Lesley Lepley
Public Involvement Planner
DOWL HKM
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Sean Baski, P.E.
Project Manager
DOT&PF Central Region
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sean.baski@alaska.gov

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Sterling Hwy MP 150 to 173, Pavement Preservation

NH-0211(057)/54140 & NH-0211(058)/54130



Project Update

8.05.2013

The scope of the project is to resurface the Sterling Highway from Tall Tree Avenue (Milepost 150) to Pioneer Avenue (Milepost 173). The scope also includes installing ADA ramps, signs, and inlaid striping.



Echelon Paving

The Project is approximately 50% complete. So far this season, 251,000 Square Yards of existing roadway has been planed or pulverized and 28,750 tons of asphalt has been paved.

Homer Area

- Paving in Homer is complete.
- Striping is scheduled to begin the week of August 12TH.

Anchor Pt to Homer

- Pulverizing of the existing asphalt and grading are scheduled to be complete this week.
- Paving is scheduled to be complete mid next week.

North of Anchor Point

- Pulverizing and paving operations will begin here, once they are complete from Anchor Pt to Homer.



Pavement Planing



Mainline Paving

www.alaskanavigator.org

Contacts

Mike Fizette
QAP, Project Manager
522-2211, QAP Main Office

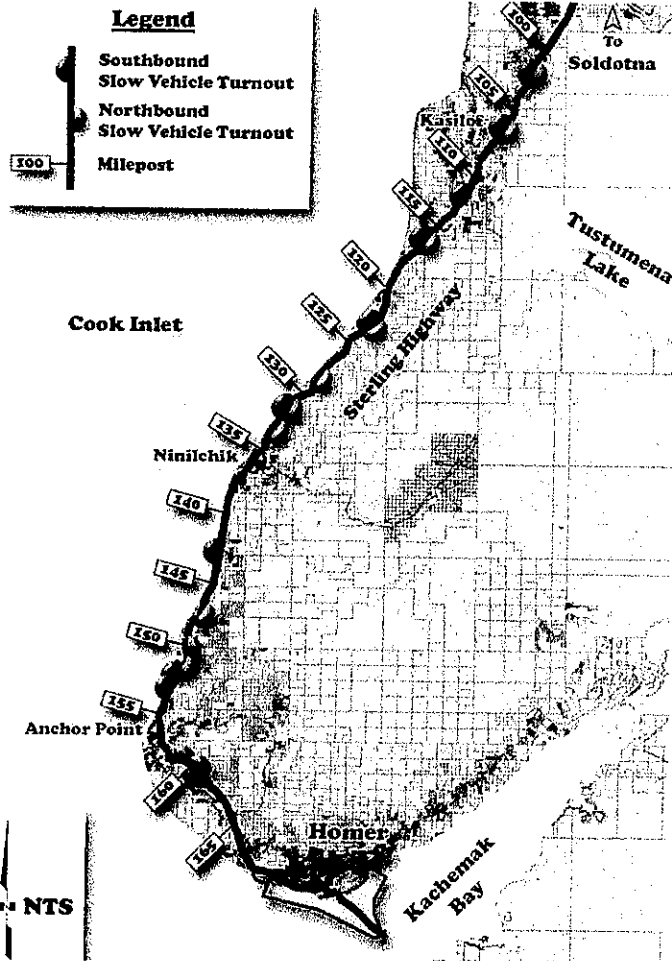
Jonathan Tague
AKDOT Project Engineer
226-2310, Project Office

Hours of operation are 24 hours per day, 2100 on Sunday to 1200 on Friday, and Friday night from 2200 to 0800 on Saturday.

While traveling through the project, be alert for flagger and pilot car operations, as well as the reduced speed limit. Expect delays.

The project is anticipated to be complete on September 15TH.

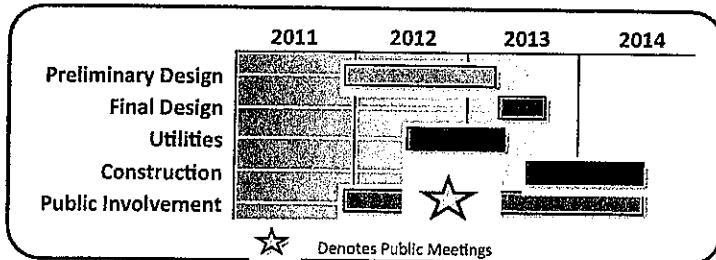
PROJECT FACT SHEET



The Alaska Department of Transportation and Public Facilities (DOT&PF), in cooperation with the Federal Highway Administration (FHWA), is planning to add 22 slow vehicle turnout (SVT) lanes on the Sterling Highway between Soldotna (near Milepost (MP) 102.7) and Homer (near MP 160.3). Slow vehicle turnouts are pull out areas designed for use by slow-moving vehicles, enabling them to pull over safely and allow faster traffic to pass. The purpose of the project is to mitigate the number of head-on and rear-end crashes that occur near the selected turnout sites.

Slow Vehicle Turnouts Proposed Locations	
Approx. Milepost	Direction
102.7	Northbound and Southbound
105.4/105.8	Northbound and Southbound
112.2	Southbound
116.5/116.4	Northbound and Southbound
123.5	Northbound and Southbound
128.3	Northbound
131.4	Northbound and Southbound
132.7	Northbound
142.6	Southbound
146.8	Northbound
149.6	Northbound
151.5	Northbound and Southbound
152.8	Southbound
159.0	Northbound
160.3	Northbound and Southbound

Project Schedule



CONTACT INFORMATION

Kevin Jackson, PE
DOT&PF Project Manager
kevin.jackson@alaska.gov
(907) 269-0641



Homer East End Road MP 12.5 to 19.6 and Old East End Road MP 0.0 to 1.9 Pavement Preservation

Alaska Department of
Transportation & Public
Facilities

August 2013

What is planned?

The Homer East End Road Pavement Preservation project proposes to repave East End Road from the intersection of Old East End Road and East End Road (MP 12.5) to the end of pavement (MP 19.5), and repave the entire length of Old East End Road. Minor structural repairs will be made to the roadway. Also included in the project are new signs and new pavement markings.

What is happening now?

Highway Design staff at the Alaska Department of Transportation & Public Facilities (the Department) have completed design of the Project and anticipate advertising the project for competitive construction bids in fall, 2013.

When will construction begin?

The construction date is anticipated to begin summer 2014.

For more information contact:

Cynthia Ferguson, PE
Cynthia.Ferguson@alaska.gov
(907) 269-0589

What is the estimated project cost?

The latest estimated costs are as follow:

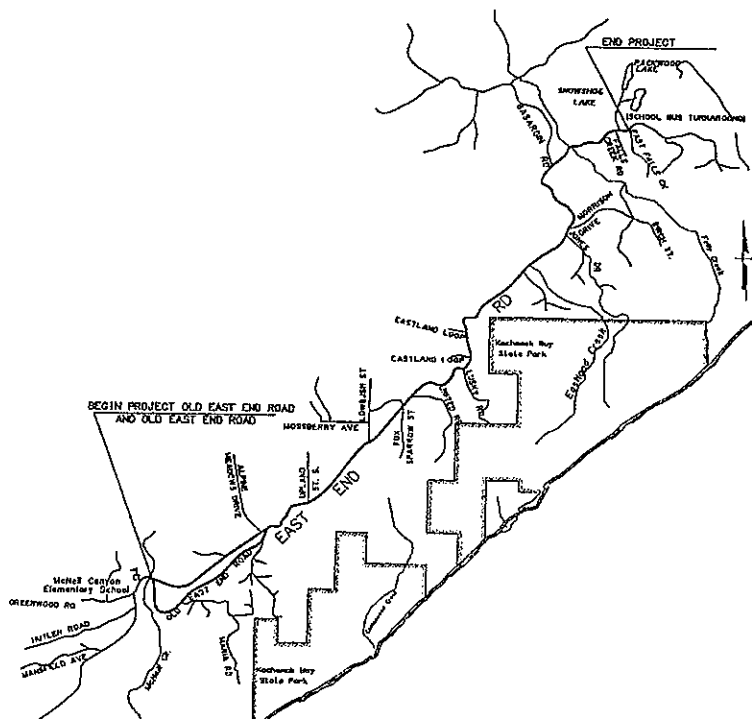
Utility Relocation	\$20,000
Construction	\$6,000,000
Total	\$6,020,000

Key Project Elements:

- New Pavement for East End Road MP 12.5 to 19.6
- New Pavement for Old East End Road

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Individuals with hearing impairment can contact DOT&PF at our Telephone Device for the Deaf (TDD) at (907) 269-0473.



(NOT TO SCALE)

Homer East End Road, MP 3.75-5.5

Kachemak Drive
to Waterman Road

August 2013

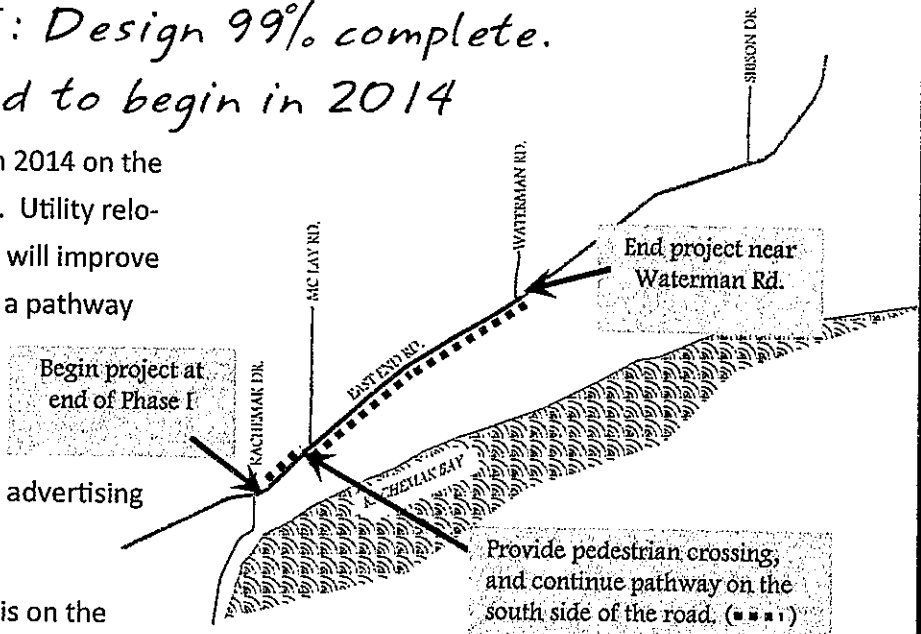
PROJECT UPDATE: Design 99% complete. Construction scheduled to begin in 2014

Road construction is anticipated to begin in 2014 on the Homer East End Road, MP 3.75-5.5 project. Utility relocation may begin in late 2013. This project will improve the road, add four-foot shoulders, and add a pathway from Kachemak Drive to Waterman Road. Right-of-Way acquisition is in the final stages, and project design documents are being finalized for project approval and advertising for construction.

As shown in the figure below, the pathway is on the north side of East End Road between Kachemak Drive and near McLay Road. At that point, a pedestrian crossing will be provided and the path will continue on the south side of East End Road to Waterman Road, where the current project will terminate.

Improving East End Road beyond this point will be dependent upon obtaining additional funding for the project.

Thank you for your interest in this project!



It is the policy of the Alaska Department of Transportation and Public Facilities (DOT&PF) that no person shall be excluded from participation in, or be denied benefits of any and all programs or activities we provide based on race, religion, color, gender, age, marital status, ability, or national origin, regardless of the funding source including Federal Transit Administration, Federal Aviation Administration, Federal Highway Administration and State of Alaska Funds. The DOT&PF complies with Title II of the Americans with Disabilities Act of 1990.

Individuals with hearing impairment can contact DOT&PF at our Telephone Device for the Deaf (TDD) at (907) 269-0473.

We can offer reasonable accommodations for special needs related to other disabilities.

Project Contacts

DOT&PF Project Manager:

Cynthia Ferguson, P.E.
DOT&PF Highway Design
P.O. Box 196900
Anchorage, Alaska 99519
P: 907-269-0589
F: 907-243-4409
cynthia.ferguson@alaska.gov

WHPacific Project Manager:

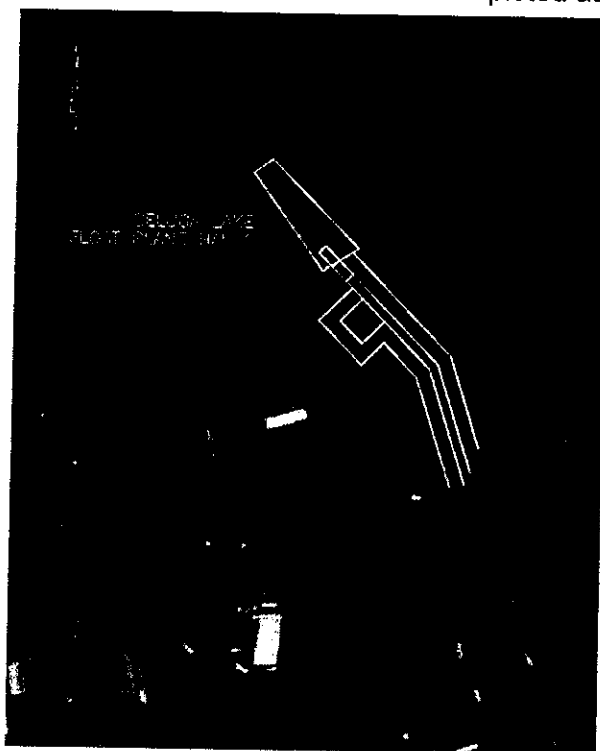
Louis Bassler, P.E.
WHPacific
300 W 31st Avenue
Anchorage, Alaska 99503
P: 800-478-4153 (toll-free)
F: 907-339-5327
lbassler@whpacific.com

FACT SHEET

Project Scope

Currently there is no public access from the Homer Airport directly to Beluga Lake. Operators haul their airplanes on trailers from Beluga Lake along Lake Street (Sterling Highway) to Ocean Drive, down Homer Spit Road, and along Kachemak Drive to the airport general aviation tie down and hangar areas. This requires a permit to close the highway using police to stop traffic on public roads when the airplanes are in transit between the lake and the airport.

The purpose of the project is to provide a more direct access between Beluga Lake and the Homer Airport to support float plane and emergency boat access between the two facilities. The project includes the design of a new access road between the airport and the lake, a turnaround area, and a ramp into the lake. An environmental document will also be completed as part of the project.



Schedule

Activity	Duration
Design	Aug 2013 – Sep 2014
Property Rights	Sep 2013 – Aug 2014
Construction	May 2015 – Sep 2015

For more information

Contact the Homer Beluga Improvements project team with questions, concerns, or comments.

Project Team

Aaron Hughes, P.E.
Project Manager
DOT&PF
Tel: (907) 269-0523
Email:
aaron.hughes@alaska.gov

Jon Knowles, P.E.
Consultant Coordinator
DOT&PF
Tel: (907) 269-0612
Email:
jon.knowles@alaska.gov

Brian Hanson, P.E.
Design Project Manager
DOWL HKM
Tel: (907) 562-2000
Email:
bhanson@dowlhkm.com



ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

FACT SHEET

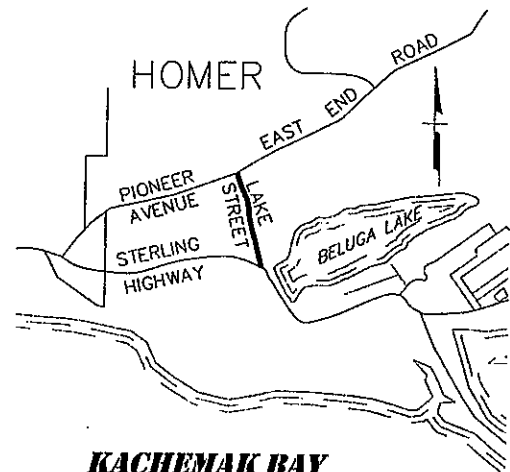


Homer Lake Street Rehabilitation Project No: EBL-MGS-MGE-0001 (422)/52461

Project Scope

The Alaska Department of Transportation and Public Facilities (DOT&PF), in cooperation with the Federal Highway Administration (FHWA), is proposing to rehabilitate Lake Street between the Sterling Highway and Pioneer Avenue/East End Road. The purpose of this proposed project is to rehabilitate the roadway pavement, improve pedestrian facilities on the west side of the road, and improve drainage. The proposed work may include:

- Rehabilitate 2,500 feet of failing pavement
- Add a bike lane to the west side. Impacts for a bike lane for the east side are being investigated.
- Re-establish existing ditches
- Improve drainage on the west side of Lake St.
- Replace existing cross-culverts, as needed
- Relocate utilities, as needed



Current Status

The geotechnical exploration, ground survey, and Right-of-Way survey are complete. The environmental document is underway, with an estimated completion of fall 2013. Once the environmental document is approved then final design efforts for the project will begin.

Schedule/Budget

Construction is expected to begin 2016, but is dependent upon completion of Right-of-Way Acquisition and other factors.

For more information contact:

Sean Baski, P.E., Project Manager
DOT&PF, Highway Design Section
Tel: 907-269-0547
E-mail: sean.baski@alaska.gov

Breanna Mahoney, Environmental Impact Analyst
DOT&PF, Environmental Section
Tel: 907-269-0536
E-mail: breanna.mahoney@alaska.gov

It is the policy of the Alaska Department of Transportation and Public Facilities (DOT&PF) that no person shall be excluded from participation in, or be denied benefits of any and all programs or activities we provide based on race, religion, color, gender, age, marital status, ability, or national origin, regardless of the funding source including Federal Transit Administration, Federal Aviation Administration, Federal Highway Administration and State of Alaska Funds. The DOT&PF complies with Title II of the Americans with Disabilities Act of 1990.

Individuals with hearing impairment can contact DOT&PF at our Telephone Device for the Deaf (TDD) at (907) 269-0473. We can offer reasonable accommodations for special needs related to other disabilities.

Updated 7/15/13

HSIP: PIONEER AVE & MAIN ST OH BEACON
AKSAS 55889

Project Scope: Install overhead all-way stop, flashing beacon at Pioneer Ave and Main Street intersection. This project will also upgrade stop control at the intersection.

Project Purpose:

- 1.) Beacons provide a strong visual cue to traffic when approaching an intersection.
- 2.) Overhead beacons reduce the overall crash rate by 30% based on historical studies.
- 3.) There is enough evidence that OH beacons reduce collisions and are a good interim step in comparison to doing nothing until a much larger project makes improvements.

Project Schedule: The combined plan review will occur in the fall 2013 and the project will be advertised in 2014. Construction is anticipated in 2014 or 2015.

Project Contact: Carla Smith, P.E., ADOT&PF Traffic Project Manager, 269-0544, 4111 Aviation Avenue, Anchorage, AK 99502 or carla.smith@alaska.gov



Alaska Department of

Transportation & Public Facilities

HSIP: STERLING HWY & MAIN ST (HOMER)
INTERSECTION IMPROVEMENTS
AKSAS 55984

Project Scope: The intersection will be upgraded to include a roundabout or signal.

Project Purpose: The purpose for this project is to increase intersection safety and reduce traffic congestion by installing a traffic roundabout or signal.

Project Schedule: Field studies are being conducted this fall. The environmental document is to be completed in 2014. Construction is anticipated for the summer 2015-2016 depending on impacts.

Project Contact: Carla Smith, P.E., ADOT&PF Traffic Project Manager, 269-0544, 4111 Aviation Avenue, Anchorage, AK 99502 or carla.smith@alaska.gov



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum

TO: MAYOR AND CITY COUNCIL

FROM: MELISSA JACOBSEN, DEPUTY CITY CLERK

DATE: AUGUST 5, 2013

SUBJECT: BID REPORT

REQUEST FOR PROPOSALS FOR THE OPERATION AND MANAGEMENT OF THE HOMER ANIMAL SHELTER- Sealed proposals for Operation and Management of the Homer Animal Shelter will be received at the Office of the City Clerk, City Hall, City of Homer, 491 E. Pioneer Avenue, Homer, Alaska 99603, until 5:00 p.m., August 22, 2013. The time of receipt will be determined by the City Clerk's time stamp. Proposals received after the time fixed for the receipt shall not be considered.

CITY ATTORNEY REPORT

MEMORANDUM

TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: THOMAS F. KLINKNER

RE: CITY ATTORNEY REPORT FOR JULY 2013

CLIENT: CITY OF HOMER

FILE NO.: 506,742.18

DATE: AUGUST 6, 2013

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

City Council. I attended the July 22, 2013 City Council meetings. I drafted an ordinance repealing the sales tax exemption for non-processed foods.

City Clerk. I reviewed code amendments regarding the operation of the Permanent Fund with the Permanent Fund Committee. I drafted an ordinance regarding the effective date of sewer and water rate changes, and advised the Clerk regarding ballot language for a referendum measure.

City Manager. I advised the City Manager regarding a public records request for information regarding unclaimed property held by the City. I drafted an opinion that is required for the City to receive a Land and Water Conservation Fund grant. We prepared a complaint to recover delinquent rent and other damages from Grant Aviation resulting from its abandonment of its lease at the City Airport terminal.

City of Homer v. Shadle. Holly Wells performed additional trial preparation work in this zoning enforcement action.

Planning Department. I drafted revisions to an ordinance amending the City's flood hazard regulations. Holly Wells advised the Planning Department regarding an application for conditional use for a heliport.

Public Works Department. I researched the City's title to land required for Homer Spit trail right-of-way.

Library. We researched regarding the City's obligations to preserve the confidentiality of records of library patrons who steal library materials or misuse library equipment.

Neal v. City of Homer. The court granted the City's motion for summary judgment dismissing Neal's complaint to compel the City to plow the ice on Beluga Lake for skating. I moved for entry of final judgment quieting the City's title to the Ben Walters Park property.

Water Utility. I drafted a contract for the City to purchase a site for a new water tank.

Harbor Revenue Bonds. I advised the City regarding post-issuance compliance requirements to maintain the tax exemption for the bonds.

The Auction Block Company v. City of Homer. Holly Wells researched and drafted the City's response to The Auction Block's exceptions to the Administrative Law Judge's decision in favor of the City.

Holly Wells will be available to answer questions regarding these matters at the August 12, 2013 Council meeting.

cc: Walt Wrede
Jo Johnson

COMMITTEE REPORTS

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

**CITY OF HOMER
HOMER, ALASKA**

City Clerk/
Public Works Director

RESOLUTION 13-085

A RESOLUTION OF THE HOMER CITY COUNCIL
AWARDING THE CONTRACT FOR THE REDWOOD WATER
STORAGE TANK DEMOLITION PROJECT TO THE LOWEST
RESPONSIBLE BIDDER IN THE AMOUNT OF THE LOW BID
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 July 17 and 24, 2013, the Peninsula Clarion on July 21,
2013, sent to two in-state plans rooms, and posted on the Clerk's home page; and

WHEREAS, Bids were due on August 8, 2013 and _____ bids were received; and

WHEREAS, Bids were opened and the firm of _____ 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 Redwood Water Storage Tank Demolition 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 12th day of August, 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Redwood Water Storage Tank Demolition Project Acct. No. 256-378 \$_____.

INVITATION TO BID
By the City of Homer, Alaska, for the
Homer Redwood Water Storage Tank Demolition

Sealed bids for the **Homer Redwood Water Storage Tank Demolition** 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, August 8, 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 the City of Homer Water Reserve Fund. The City's local bidder's 5% preference requirements will apply; state prevailing wage rates will also apply. The work includes, but is not limited to, the following:

To permanently cap off all incoming and outgoing water mains that are associated with the tank. Removal of all asbestos containing material from roof. Demo and remove the entire redwood tank structure and its foundations. Backfill, compact and grade the tank site.

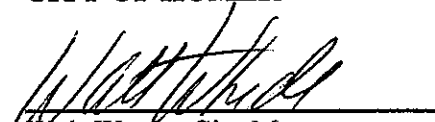
Please direct all technical questions regarding this project to: Dan Nelsen, City of Homer, Public Works Department, 3575 Heath Street, Homer, Alaska, 99603, (907) 435-3141

A mandatory pre-bid conference will be held on Tuesday, **July 30, 2013** at 2:00 PM at the Homer City Hall in the upstairs conference room to discuss the project and answer any questions bidders may have.

Contact the Office of the City Clerk to request an electronic copy of Plans and Specifications at no charge or obtain hard copies upon payment of \$190 per set (\$225 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 July 2013.

CITY OF HOMER


Walt Wrede, City Manager

Homer Tribune – July 17 and July 24, 2013
Peninsula Clarion – July 21, 2013
Fiscal Note: 256-378

**CITY OF HOMER
HOMER, ALASKA**

City Clerk/
Public Works Director

RESOLUTION 13-086

A RESOLUTION OF THE HOMER CITY COUNCIL
AWARDING THE CONTRACT FOR THE KAREN
HORNADAY PARK PICNIC SHELTER CONSTRUCTION
PROJECT TO THE LOWEST RESPONSIBLE BIDDER IN THE
AMOUNT OF THE LOW BID AND AUTHORIZING THE CITY
MANAGER TO EXECUTE THE APPROPRIATE
DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy the Invitation to Bid was
advertised in the Homer News on July 18 and 25, 2013, the Peninsula Clarion on July 21, 2013,
sent to two in-state plans rooms, and posted on the Clerk's home page; and

WHEREAS, Bids were due on August 8, 2013 and _____ bids were received; and

WHEREAS, Bids were opened and the firm of _____ 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 Karen Hornaday Park Picnic Shelter Construction 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 12th day of August, 2013.

CITY OF HOMER

MARY E. WYTHER, MAYOR

ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Karen Hornaday Park Picnic Shelter Construction Project Acct. No. 151-776
\$_____.

INVITATION TO BID
By the City of Homer, Alaska, for the
Karen Hornaday Park Picnic Shelter

Sealed bids for the **Karen Hornaday Park Picnic Shelter** will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until **2:30 PM, Thursday, August 8, 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 by a State Legislative Grant. The City's local bidder's 5% preference requirements will **not** apply; state prevailing wage rates will apply. The work includes, but is not limited to, the following:

To construct a new wood framed picnic shelter located at the Karen Hornaday Park. The shelter will consist of a glue lam beam structure resting on a poured in place concrete foundation along with exterior wind screen partitions for additional protection. Located within close proximity of the shelter there will be a fire ring with concrete benches for public usage.

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 pre-bid conference will be held on Wednesday, **July 31, 2013** at 2:00 PM at the Karen Hornaday Park to discuss the project and answer any questions bidders may have.

Contact the Office of the City Clerk to request an electronic copy of Plans and Specifications at no charge or obtain hard copies upon payment of \$190 per set (\$225 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 11th day of July 2013.

CITY OF HOMER


Walt Wrede, City Manager

Homer News – July 18 and July 25, 2013
Peninsula Clarion – July 21, 2013

Fiscal Note: 151-776

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

