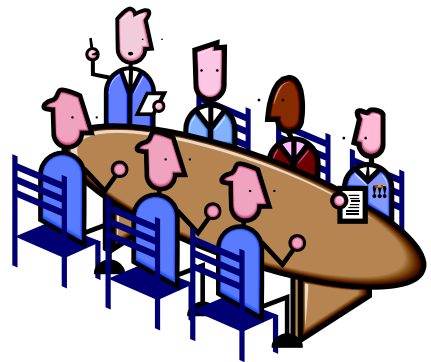
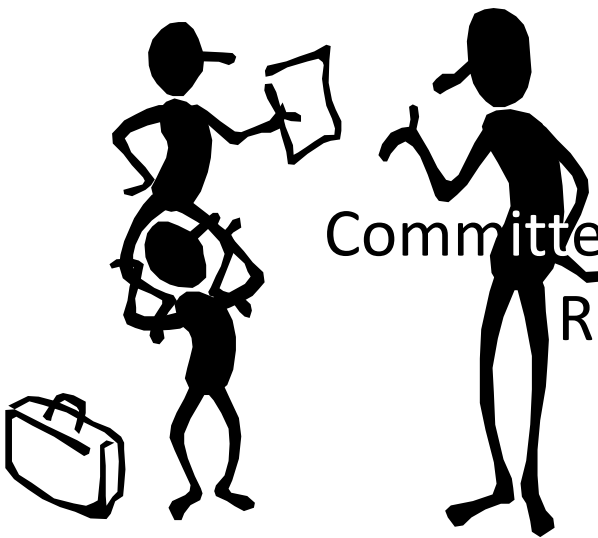


City Council  
January 13, 2014  
Monday



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



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

Produced and  
Distributed by the City Clerk's Office -1/7/2014-rk







## January 2014

**Monday 13<sup>th</sup>**

**CITY COUNCIL**

Worksession 4:00 p.m., Committee of the Whole 5:00 p.m., and Regular Meeting 6:00 p.m.

**Tuesday 14<sup>th</sup>**

**SPIT TRAIL INTERPRETIVE PLANNING COMMITTEE**

Meeting 1:00 – 2:30 p.m.

**ECONOMIC DEVELOPMENT ADVISORY COMMISSION**

Worksession 5:00 p.m. and Regular Meeting 6:00 p.m.

**Wednesday 15<sup>th</sup>**

**PLANNING COMMISSION**

Worksession 5:30 p.m. and Regular Meeting 6:30 p.m.

**Thursday 16<sup>th</sup>**

**PARKS AND RECREATION ADVISORY COMMISSION**

Regular Meeting 5:30 p.m.

**Wednesday 22<sup>nd</sup>**

**PORT AND HARBOR ADVISORY COMMISSION**

Regular Meeting 5:00 p.m.

**Monday 27<sup>th</sup>**

**CITY COUNCIL**

Worksession 4:00 p.m., Committee of the Whole 5:00 p.m., and Regular Meeting 6:00 p.m.

**Regular Meeting Schedule**

City Council 2<sup>nd</sup> and 4<sup>th</sup> Mondays 6:00 p.m.

Library Advisory Board 1<sup>st</sup> Tuesday 5:00 p.m.

Economic Development Advisory Commission 2<sup>nd</sup> Tuesday 6:00 p.m.

Parks and Recreation Advisory Commission 3<sup>rd</sup> Thursday of the month with exception of December 5:30 p.m.

Planning Commission 1<sup>st</sup> and 3<sup>rd</sup> Wednesday 6:30 p.m.

Port and Harbor Advisory Commission 4<sup>th</sup> Wednesday 5:00 p.m.

(May – August 6:00 p.m.)

Transportation Advisory Committee Quarterly 3<sup>rd</sup> Tuesday 5:30 p.m.

Public Arts Committee Quarterly 3<sup>rd</sup> Thursday 5:00 p.m.

Lease Committee Quarterly 2<sup>nd</sup> Thursday 3:00 p.m.

Permanent Fund Committee Quarterly 2<sup>nd</sup> 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 – 16

BEAUREGARD BURGESS, COUNCILMEMBER – 15

GUS VAN DYKE, COUNCILMEMBER – 16

**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](mailto:clerk@ci.homer.ak.us)  
Clerk's office phone number: direct line 235-3130, other number 435-3106.

HOMER CITY COUNCIL  
491 E. PIONEER AVENUE  
HOMER, ALASKA  
[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)



**WORKSESSION**  
**4:00 P.M. MONDAY**  
**JANUARY 13, 2014**  
**COWLES COUNCIL CHAMBERS**

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 GUS VAN DYKE  
CITY ATTORNEY THOMAS KLINKNER  
CITY MANAGER WALT WREDE  
CITY CLERK JO JOHNSON

### **WORKSESSION AGENDA**

**1. CALL TO ORDER, 4:00 P.M.**

Councilmember Burgess has requested telephonic participation.

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

**3. EMPLOYEE HEALTHCARE**

**A. Memorandum 14-010**, from Personnel Director, Re: Fully-Insured Health Plan Proposals. **Page 7**

**4. COMMENTS OF THE AUDIENCE**

**5. ADJOURNMENT NO LATER THAN 4:50 P.M.**

Next Regular Meeting is Monday, January 27, 2014 at 6:00 p.m., Worksession at 4:00 p.m., and Committee of the Whole 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.





## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the City Manager

491 East Pioneer Avenue  
Homer, Alaska 99603

[citymanager@cityofhomer-ak.gov](mailto:citymanager@cityofhomer-ak.gov)

(p) 907-235-8121 x2222

(f) 907-235-3148

### Memorandum 14-010

TO: MAYOR WYTHE AND COUNCIL  
THROUGH: WALT WREDE  
FROM: ANDREA PETERSEN  
ORIGINAL DATE: NOVEMBER 13, 2013  
AMENDED DATE: JANUARY 8, 2014  
SUBJECT: FULLY-INSURED HEALTH PLAN PROPOSALS

---

#### **Introduction**

Employers that offer health insurance benefits finance those benefits in one of two ways: they purchase health insurance from an insurance company (fully-insured plans), or they provide health benefits directly to employees (self-insured plans). Typically, these plans differ by who assumes the insurance risk, plan characteristics, employer size, and market share. Currently the City is self-insured, but evaluates the fully-insured plans on an annual basis. Here are some of the details that differentiate the two types of plans:

#### **Fully-Insured Plans**

**Risk:** In a fully-insured plan, the employer pays a per-employee premium to an insurance company, and the insurance company assumes the risk of providing health coverage for insured events.

**Plan characteristics:** In fully-insured arrangements, premiums vary across employers based on employer size, employee population characteristics, and health care use. Premiums can also change on an annual basis within the same employer because of changes in the demographics of the employed group, utilization and the overall health of the group. However, employers are charged the same premium for each employee.

**Employer size:** Small employers that offer health benefits are typically fully-insured; however, this trend is changing and smaller employers are switching to self-insured plans.

#### **Self-Insured Plans**

**Risk:** In a self-insured plan, instead of purchasing health insurance from an insurance company and paying the insurer a per-employee premium, the employer acts as its own insurer. In the simplest form, the employer uses the money that it would have paid the insurance company and instead directly pays health care claims to providers through the third party administrator. In addition, self-insured plans purchase a stop loss policy for protection from large claims. Stop

loss insurance is a policy that takes effect after a certain amount has been paid in claims. The stop loss premium is calculated for each employee for each month. The premium is based on the number of participants, age of the participants and other information. The stop loss premium is renewed on an annual basis.

**Plan characteristics:** Employers can often offer multiple self-insured health plans to employees. The plan can also be tailored to decrease utilization in a certain area of the benefit or to reduce the overall expenses.

**Employer size:** In 2011, 68.5 percent of workers in firms with 50 or more employees were in self-insured plans, whereas only 10.8 percent of workers in firms with fewer than 50 employees were in self-insured plans

### **Brief Overview of Fully-Insured Proposals for 2014 Plan Year**

The City reviewed proposals from three fully-insured companies (Aetna, Premera, and Aetna Alaska Political Subdivision). A brief summary of each proposal is attached, as well as a more detailed summary of each proposed plan.

There are many pros and cons to consider when evaluating full-insured plans. Some of the considerations include:

- Estimated premiums are only good for one year.
- At least a two year commitment may be required.
- Every eligible employee must enroll in the health benefits.
- The City will not receive performance reports regarding utilization and overall health of participants.
- Customer service needs may not meet current standards.

### **Allocating Money for Individual Medical Coverage**

If the City decides to offer employee a dollar allocation for procuring medical coverage individually there are several implications to consider:

- The allocation becomes taxable income. It may place an employee in a higher tax bracket.
- Each employee procuring coverage will have a completely different coverage and the cost will vary. If an individual obtains coverage from the federal exchange in Alaska, they will have a choice of either Moda Health or Premera, both offering different coverage levels. The costs vary by age. Consequently, a 25 year old male will have a substantially lower cost than a 55 year old male for the same plan. In essence, some employees will possibly receive a significant raise in pay, while others may have to pay more than the fixed dollar allocation for coverage.
- How will employees get information about individual health plans and know how to navigate this complex market. Yes, "consumerism" is increasing rapidly around healthcare, however, it would be a significant "leap" culturally to move from an employee program to nothing at all.
- Would the allocation be intended to provide for dental & vision as well as medical coverage? If so, there are very few if any individual alternatives for dental & vision.

“Are other employers doing this?” Rarely, has Mercer seen this type of a maneuver implemented. Mercer has had many discussions with employers on this topic. The topic quickly moves back to the why has the employer provided benefits historically. There has never been a requirement for providing benefits in the past. Consequently, there has been a business case for doing so. Usually, the business case is around retention and recruitment of staff.

More current thought is around private exchanges and defined contribution. The concept allows for employers to designate a contribution toward benefits and offers choice for the employees to select what may be more appropriate benefits for their specific situation. Private exchanges are relatively new and there has not been a lot of discussion regarding the success of the exchange.

### **Play or Pay Provision**

“What is the pay or play clause?” The pay or play notion under the Affordable Care Act (ACA) is part of the shared responsibility provision applicable to employers with 50 or more FTE’s. If the employer elects not to offer medical coverage, that employer will be subject to a penalty for not offering coverage. The amount is calculated on a monthly basis, but for general purposes is \$2000 per eligible employee per year minus the first 30 employees. This would cost the City approximately \$146,000 (103 employees – 30 = 73 x \$2,000). The penalty is far less costly than offering coverage, however, if the City makes an allocation for employees to procure their own health coverage, that amount would be subject to payroll taxes. The penalty for not offering escalates each year.

### **Employees’ Opting Out of Coverage**

“Can an employee opt out of coverage with an employer and not be covered at all?” Unfortunately the answer to this question depends on the situation. Generally, the answer is yes. However, there are many factors that determine if a particular program will allow employee waivers for opting out of coverage. For example, some carriers require 100% participation for their fully insured programs. That said, there are no regulations stipulating employees may not opt out of employer coverage. If an employee does opt out and not have any coverage, the ACA will impose a tax on that individual when they file their taxes for 2014.

### **Other Items to Consider**

The 2014 City of Homer self-insured health plans were compared to other municipalities within the Kenai Peninsula. The comparison found that the City of Homer is still competitive with the other municipalities. Transitioning to a fully-insured plan in 2014 would result in terminating contracts with Mercer (Jeff Paxton, Benefit Broker), Meritain (Third-Party Administrator, and Symetra (Stop-Loss Policy). The City would be expected to pay early contract termination fees.

Although the 2014 health care plan has changed significantly for employees, base wages and salaries are falling behind. Lower wages can make recruitment challenging for some positions and the City of Homer is not competitive with other municipalities and boroughs. It is recommended to review the total compensation package and create and implement a compensation strategic plan. In addition, there are several departments that are not staffed to the appropriate level such as parks maintenance, building maintenance, and many others. It is also recommended that Council considers conducting an organization wide employee full-time equivalent (FTE) analysis. By conducting an employee FTE analysis, the City and management will be able to strategically plan to meet the staffing needs in order to provide the services the City offers.

There is a copious amount of information in the attachments and this memo. Please let me know if you have any questions or concerns.

Enc:

2014 Health Plan Proposals

2014 Dental Plan Proposals

Premiera Medical/Vision Plan Proposals

Premiera Dental Plan Proposals

Aetna Medical/Vision Plan Proposals

Aetna Dental Plan Proposals

Alaska Political Subdivision Medical Plan Comparison Chart

Alaska Political Subdivision Health and Life Premiums

# 2014 Health Plan Proposals

The fully-insured estimates were presented to Mercer Administration and the City prior to fourth quarter claim expenses and stop-loss reimbursements. The 2013 total expenses including stop loss reimbursements could have potential to increase the proposals below.

In-Network Medical	Premiera	Aetna	Premiera	Aetna	Premiera
Deductible (Individual/Family)	\$100 / \$300	\$100 / \$300	\$500 / \$1,500	\$500 / \$1,500	\$1,000 / \$3,000
Out of Pocket Max (Individual/Family)	\$500 / \$1,500	\$700 / \$1,400	\$2,000 / \$6,000	\$2,000 / \$4,000	\$2,000 / \$6,000
Coinsurance	90% / 10%	90% / 10%	80% / 20%	80% / 20%	70% / 30%
Estimated Annual Premium	\$ 3,901,889.76	\$ 2,860,724.04	\$ 3,409,768.80	\$ 2,626,142.28	\$ 3,151,254.72

In-Network Medical	Aetna	Premiera	Aetna
Deductible (Individual/Family)	\$1,000 / \$3,000	\$1,250 / \$2,500	\$1,250 / \$2,500
Out of Pocket Max (Individual/Family)	\$3,000 / \$6,000	\$5,000 / \$10,000	\$3,000 / \$6,000
Coinsurance	70% / 30%	80% / 20%	70% / 30%
Estimated Annual Premium	\$ 2,483,109.36	\$ 2,472,846.72	\$ 2,317,186.92

The State of Alaska Political Subdivision Group Health and Life Plan is sponsored by the State of Alaska. A governmental unit (a municipality, school district or other political subdivision of the State) as defined within Alaska state statute may apply to participate in the State-sponsored Political Subdivision Group Health and Life Insurance plan. There are four plan options available for an eligible political subdivision to select from, for their employees and family members. The current insurance carrier for the medical, pharmacy, dental, vision and audio benefits is Aetna. The current premiums for the different plans are shown in the premium exhibit. Premiums are subject to change, generally in July of each year. **If the City participates, coverage is mandatory for all eligible employees and optional for their dependents.** The renewal rates increased by 12.2% for Fiscal Year 2014, compared to 3.1% in Fiscal Year 2013 and 39.9% in Fiscal Year 2012. According to the State of Alaska, administrator of the polysub plan, the increase would have been 23.1% for Fiscal Year 2014 had the State not decided to commit \$1.25 million to the Premium Stabilization Reserve in order to "pre-pay" a portion of the increase.

In-Network Medical	Aetna AK Political Subdivision	Aetna AK Political Subdivision	Aetna AK Political Subdivision	Aetna AK Political Subdivision
Deductible (Individual/Family)	\$250 / \$750	\$500 / \$1,500	\$750 / \$2,500	\$2,000 / \$4,000
Out of Pocket Max (Individual/Family)	\$500	\$1,000	\$2,000	\$3,000 / \$6,000
Coinsurance	90% / 10%	80% / 20%	80% / 20%	80% / 20%
Estimated Annual Premium	\$ 4,167,237.60	\$ 3,142,654.44	\$ 2,551,851.36	\$ 1,858,384.92

## 2014 Dental Plan Proposals

Dental	Premiera	Aetna	Aetna AK Political Subdivision
Deductible (Individual/Family)	\$50 / \$150	\$50 / \$150	\$50 per person
Annual Maximum	\$1,500	\$1,500	\$1,500
Preventive Services	100%	80%	80%
Basic Services	80%	80%	80%
Major Services	50%	60%	50%
Orthodontia Benefit (lifetime)	\$1,000	70% to \$750	0
Estimated Annual Premium	\$ 186,439.56	\$ 146,847.24	\$ 120,987.00



City of Homer  
Medical/Vision Plan Proposal  
Effective Date: January 1, 2014



Benefits		In Network	Out of Network
Lifetime/Annual Max Maximum		Unlimited	
Deductible			
Individual		\$100	\$300
Family		\$300	\$900
Coinurance (Plan Pays / Member Pays)		90 / 10%	40/60%: Hospital/CD Facility 90/10%: ARP/Other Facilities & Other Professionals
Out of Pocket Max			
Individual (includes deductible)		\$500	N/A
Family (includes deductible)		\$1,500	N/A
Office Visits (including Urgent Care)		90% after deductible	90% after deductible
Diagnostic Lab & X-Ray		90% after deductible	40% after deductible: Hospital/CD Facility 90% after deductible: ARP/Other Facilities & Other Professionals
Preventive Care			
Preventive Care Office Visits		Covered in full	Covered in full
Preventive Care DX&L		Covered in full	40% after deductible: Hospital/CD Facility 90% after deductible: ARP/Other Facilities & Other Professionals
Hospital Benefits			
Inpatient		90% after deductible - Preferred; 60% after deductible - Participating	40% after deductible: Hospital/CD Facility 90% after deductible: ARP/Other Facilities & Other Professionals
Outpatient Surgery		90% after deductible - Preferred; 60% after deductible - Participating	40% after deductible: Hospital/CD Facility 90% after deductible: ARP/Other Facilities & Other Professionals
Emergency Room (copay waived if admitted to inpatient facility)			
Prescription Drugs		90% after deductible	
Retail (90 day supply)		\$5/\$10	\$5/\$10
Mail Order (90 day supply)		\$10/\$30	Not Covered
Mental Health			
Inpatient (unlimited days)		90% after deductible - Preferred	40% after deductible: Hospital/CD Facility 90% after deductible: ARP/Other Facilities & Other Professionals
Outpatient (unlimited visits)		90% after deductible	90% after deductible
Manipulations (Spinal and other) (24 visits PCY)		90% after deductible	90% after deductible
Vision Exam (1 PCY; \$350 PCY; shared with Vision Hardware)		AK Mandate 90%	90% (deductible waived)
Vision Hardware (1 pair of frames every 2 years, combined \$90 dollars retail max. Contacts \$170 PCY max; Vision Exam/Test and Hardware annual max \$350)		Covered in full	Covered in full
Rates		Premera Proposal #1	
Employee	26		\$1,281.44
Employee Spouse	22		\$2,947.31
Employee Child(ren)	14		\$2,942.19
Employee Spouse Child(ren)	40		\$4,677.25
Estimated Monthly Premium	101		\$325,157.48
Estimated Annual Premium			\$3,901,889.76

This is a summary of benefits. This is not a contract.





City of Homer  
Medical/Vision Plan Proposal  
Effective Date: January 1, 2014



Benefits		In Network	Out of Network
Lifetime/Annual Max Maximum		Unlimited	
Deductible			
Individual		\$500	\$1,500
Family		\$1,500	\$4,500
Coinurance (Plan Pays / Member Pays)		80 / 20%	40/60%: Hospital/CD Facility 80/20%: ARP/Other Facilities & Other Professionals
Out of Pocket Max			
Individual (includes deductible)		\$2,000	N/A
Family (includes deductible)		\$6,000	N/A
Office Visits (including Urgent Care)		80% after deductible	80% after deductible
Diagnostic Lab & X-Ray		80% after deductible	40% after deductible: Hospital/CD Facility 80% after deductible: ARP/Other Facilities & Other Professionals
Preventive Care			
Preventive Care Office Visits		Covered in full	Covered in full
Preventive Care DX&L		Covered in full	40% after deductible: Hospital/CD Facility 80% after deductible: ARP/Other Facilities & Other Professionals
Hospital Benefits			
Inpatient		80% after deductible - Preferred; 60% after deductible - Participating	40% after deductible: Hospital/CD Facility
Outpatient Surgery		80% after deductible - Preferred; 60% after deductible - Participating	30% after deductible: ARP/Other Facilities & Other Professionals 40% after deductible: Hospital/CD Facility 80% after deductible: ARP/Other Facilities & Other Professionals
Emergency Room (copay waived if admitted to inpatient facility)			80% after deductible
Prescription Drugs			
Retail (90 day supply)		\$5/\$10	\$5/\$10
Mail Order (90 day supply)		\$10/\$30	Not Covered
Mental Health			
Inpatient (unlimited days)		80% after deductible - Preferred	40% after deductible: Hospital/CD Facility 80% after deductible: ARP/Other Facilities & Other Professionals
Outpatient (unlimited visits)		80% after deductible	80% after deductible
Manipulations (Spinal and other) (24 visits PCY)		80% after deductible	80% after deductible
Vision Exam (1 PCY; \$350 PCY, shared with Vision Hardware)		AK Mandate 90%	90% (deductible waived)
Vision Hardware (1 pair of frames every 2 years, combined \$90 dollars retail max. Contacts \$170 PCY max; Vision Exam/Test and Hardware annual max \$350)		Covered in full	Covered in full
Rates		Premiera Proposal #2	
Employee	25		\$1,119.82
Employee Spouse	22		\$2,575.58
Employee Child(ren)	14		\$2,571.11
Employee Spouse Child(ren)	40		\$4,087.34
Estimated Monthly Premium	101		\$284,147.40
Estimated Annual Premium			\$3,409,768.80

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City of Homer  
Medical/Vision Plan Proposal  
Effective Date: January 1, 2014



Benefits		In Network	Out of Network
Lifetime/Annual Max Maximum		Unlimited	
Deductible			
Individual		\$1,000	\$3,000
Family		\$3,000	\$9,000
Coinurance (Plan Pays / Member Pays)		70 / 30%	40/60%: Hospital/CD Facility 70/30%: ARP/Other Facilities & Other Professionals
Out of Pocket Max			
Individual (includes deductible)		\$2,000	N/A
Family (includes deductible)		\$6,000	N/A
Office Visits (including Urgent Care)		70% after deductible	70% after deductible
Diagnostic Lab & X-Ray		70% after deductible	40% after deductible: Hospital/CD Facility 70% after deductible: ARP/Other Facilities & Other Professionals
Preventive Care			
Preventive Care Office Visits		Covered in full	Covered in full
Preventive Care DX&L		Covered in full	40% after deductible: Hospital/CD Facility 70% after deductible: ARP/Other Facilities & Other Professionals
Hospital Benefits			
Inpatient		70% after deductible - Preferred; 60% after deductible - Participating	40% after deductible: Hospital/CD Facility 70% after deductible: ARP/Other Facilities & Other Professionals
Outpatient Surgery		70% after deductible - Preferred; 60% after deductible - Participating	40% after deductible: Hospital/CD Facility 70% after deductible: ARP/Other Facilities & Other Professionals
Emergency Room (copay waived if admitted to inpatient facility)			70% after deductible
Prescription Drugs			
Retail (90 day supply)		\$6/\$10	\$6/\$10
Mail Order (90 day supply)		\$10/\$30	Not Covered
Mental Health			
Inpatient (unlimited days)		70% after deductible - Preferred	40% after deductible: Hospital/CD Facility 70% after deductible: ARP/Other Facilities & Other Professionals
Outpatient (unlimited visits)		70% after deductible	70% after deductible
Manipulations (Spinal and other) (24 visits PCY)		70% after deductible	70% after deductible
Vision Exam (1 PCY; \$350 PCY, shared with Vision Hardware)		AK Mandate 90%	90% (deductible waived)
Vision Hardware (1 pair of frames every 2 years, combined \$90 dollars retail max. Contacts \$170 PCY max; Vision Exam/Test and Hardware annual max \$350)		Covered in full	Covered in full
Rates		Premiera Proposal #3	
Employee	25		\$1,034.92
Employee Spouse	22		\$2,380.32
Employee Child(ren)	14		\$2,376.18
Employee Spouse Child(ren)	40		\$3,777.46
Estimated Monthly Premium	101		\$262,604.66
Estimated Annual Premium			\$3,151,264.72

This is a summary of benefits. This is not a contract.





City of Homer  
Medical/Vision Plan Proposal  
Effective Date: January 1, 2014



Benefits		In Network	Out of Network
<b>Lifetime/Annual Max Maximum</b>			Unlimited
<b>Deductible</b>			
Individual			\$1,250
Family (aggregate deductible)			\$2,500
<b>Coinsurance (Plan Pays / Member Pays)</b>			
<b>Out of Pocket Max</b>			
Individual (includes deductible)		80 / 20%	40/60%: Hospital/CD Facility 80/20%: ARP/Other Facilities & Other Professionals
Family (includes aggregate deductible)		\$5,000	N/A
<b>Office Visits (including Urgent Care)</b>		\$10,000	N/A
		80% after deductible	80% after deductible
<b>Diagnostic Lab &amp; X-Ray</b>		80% after deductible	40% after deductible: Hospital/CD Facility 80% after deductible: ARP/Other Facilities & Other Professionals
<b>Preventive Care</b>			
Preventive Care Office Visits		Covered in full	Covered in full
Preventive Care DX&L		Covered in full	40% after deductible: Hospital/CD Facility 80% after deductible: ARP/Other Facilities & Other Professionals
<b>Hospital Benefits</b>			
Inpatient		80% after deductible - Preferred; 60% after deductible - Participating	40% after deductible: Hospital/CD Facility 80% after deductible: ARP/Other Facilities & Other Professionals
Outpatient Surgery		80% after deductible - Preferred; 60% after deductible - Participating	40% after deductible: Hospital/CD Facility 80% after deductible: ARP/Other Facilities & Other Professionals
Emergency Room (copay waived if admitted to inpatient facility)			80% after deductible
<b>Prescription Drugs</b>			
Retail (90 day supply)		80% after deductible	80% after deductible
Mail Order (90 day supply)		80% after deductible	Not Covered
<b>Mental Health</b>			
Inpatient (unlimited days)		80% after deductible - Preferred	40% after deductible: Hospital/CD Facility 80% after deductible: ARP/Other Facilities & Other Professionals
Outpatient (unlimited visits)		80% after deductible	80% after deductible
<b>Manipulations (Spinal and other) (12 visits PCY)</b>		80% after deductible	80% after deductible
<b>Vision Exam (1 PCY: \$350 PCY, shared with Vision Hardware)</b>		AK Mandate 90%	90% (deductible waived)
<b>Vision Hardware (1 pair of frames every 2 years, combined \$90 dollars retail max. Contacts \$170 PCY max; Vision Exam/Test and Hardware annual max \$350)</b>		Covered in full	Covered in full
<b>Rates</b>		Premiera Proposal #4	
<b>Employee</b>	26	\$812.12	
<b>Employee Spouse</b>	22	\$1,867.87	
<b>Employee Child(ren)</b>	14	\$1,864.63	
<b>Employee Spouse Child(ren)</b>	40	\$2,964.24	
<b>Estimated Monthly Premium</b>	101	\$206,070.66	
<b>Estimated Annual Premium</b>		\$2,472,846.72	

This is a summary of benefits. This is not a contract.





**City of Homer  
Dental Plan Proposal  
Effective Date: January 1, 2014**



Benefits		In / Out of Network
Annual Maximum		\$1,500 PCY
Deductible		
Individual		\$50
Family		\$150
Preventive Services		100%
Basic Services		80%
Major Services		50%
Orthodontia Benefit (Lifetime)		\$1,000
Rates		Premera
Employee	25	\$62.87
Employee + Spouse	22	\$135.17
Employee + Child(ren)	14	\$152.31
Employee + Family	<u>40</u>	\$221.47
Estimated Monthly Premium	101	\$15,536.63
Estimated Annual Premium		\$186,439.56

This is a summary of benefits. This is not a contract.



**City of Homer**  
**Medical/Vision Plan Proposal**  
**Effective Date: January 1, 2014**



Benefits		In Network	Out of Network
Lifetime/Annual Max Maximum		Unlimited	
Deductible			
Individual		\$100	\$100
Family		\$300	\$300
Coinsurance (Plan Pays / Member Pays)		90 / 10%	70 / 30%
Out of Pocket Max			
Individual (includes deductible)		\$700	\$700
Family (includes deductible)		\$1,400	\$1,400
Office Visits		Primary: 100% after deductible Specialists: 90% after deductible	70% after deductible
Diagnostic Lab & X-Ray		90% after deductible	70% after deductible
Hospital Benefits			
Inpatient		90% after deductible	70% after deductible
Outpatient Surgery		90% after deductible	70% after deductible
Emergency Room (copay waived if admitted)		90% after deductible	70% after deductible
Prescription Drugs		90% after deductible	
Retail (90 day supply)		\$5 / \$15	70% after deductible
Mail Order (90 day supply)		\$10 / \$30	Not Covered
Vision Exam		1 exam every 12 months	
Vision Hardware		\$200 allowance every 24 months	
Rates		Aetna Proposal #1	
Employee	25	\$1,070.95	
Employee Spouse	22	\$2,356.09	
Employee Child(ren)	14	\$1,927.71	
Employee Spouse Child(ren)	40	\$3,319.95	
Estimated Monthly Premium	101	\$238,393.67	
Estimated Annual Premium		\$2,860,724.04	

This is a summary of benefits. This is not a contract.





**City of Homer**  
**Medical/Vision Plan Proposal**  
**Effective Date: January 1, 2014**



Benefits		In Network	Out of Network
Lifetime/Annual Max Maximum		Unlimited	
Deductible			
Individual		\$500	\$500
Family		\$1,500	\$1,500
Coinsurance (Plan Pays / Member Pays)		80 / 20%	60 / 40%
Out of Pocket Max			
Individual (includes deductible)		\$2,000	\$2,000
Family (includes deductible)		\$4,000	\$4,000
Office Visits		Primary: 100% after deductible Specialists: 80% after deductible	60% after deductible
Diagnostic Lab & X-Ray		80% after deductible	60% after deductible
Hospital Benefits			
Inpatient		80% after deductible	60% after deductible
Outpatient Surgery		80% after deductible	60% after deductible
Emergency Room (copay waived if admitted)		80% after deductible	60% after deductible
Prescription Drugs			
Retail (90 day supply)		\$5 / \$15	60% after deductible
Mail Order (90 day supply)		\$10 / \$30	Not Covered
Vision Exam		1 exam every 12 months	
Vision Hardware		\$200 allowance every 24 months	
Rates		Aetna Proposal #2	
Employee	25	\$983.13	
Employee Spouse	22	\$2,162.89	
Employee Child(ren)	14	\$1,769.64	
Employee Spouse Child(ren)	40	\$3,047.71	
Estimated Monthly Premium	101	\$218,845.19	
Estimated Annual Premium		\$2,626,142.28	

This is a summary of benefits. This is not a contract.





**City of Homer  
Medical/Vision Plan Proposal  
Effective Date: January 1, 2014**



Benefits		In Network	Out of Network
Lifetime/Annual Max Maximum			
Deductible		Unlimited	
Individual			
Family		\$1,000	\$1,000
Coinsurance (Plan Pays / Member Pays)		\$3,000	\$3,000
Out of Pocket Max		70 / 30%	50 / 50%
Individual (includes deductible)			
Family (includes deductible)		\$3,000	\$3,000
Office Visits		\$6,000	\$6,000
Diagnostic Lab & X-Ray		Primary: 100% after deductible Specialists: 70% after deductible	50% after deductible
Hospital Benefits		70% after deductible	50% after deductible
Inpatient			
Outpatient Surgery		70% after deductible	50% after deductible
Emergency Room (copay waived if admitted)		70% after deductible	50% after deductible
Prescription Drugs		70% after deductible	
Retail (90 day supply)			
Mail Order (90 day supply)		\$5 / \$15	50% after deductible
Vision Exam		\$10 / \$30	Not Covered
Vision Hardware		1 exam every 12 months	
Vision Hardware		\$200 allowance every 24 months	
Rates		Aetna Proposal #3	
Employee	25	\$929.58	
Employee Spouse	22	\$2,045.09	
Employee Child(ren)	14	\$1,673.25	
Employee Spouse Child(ren)	40	\$2,881.72	
Estimated Monthly Premium	101	\$206,925.78	
Estimated Annual Premium		\$2,483,109.36	

This is a summary of benefits. This is not a contract.





**City of Homer**  
**Medical/Vision Plan Proposal**  
**Effective Date: January 1, 2014**



Benefits		In Network	Out of Network
Lifetime/Annual Max Maximum			
Deductible		Unlimited	
Individual			
Family		\$1,250	\$1,250
Coinsurance (Plan Pays / Member Pays)		\$2,500	\$2,500
Out of Pocket Max		70 / 30%	50 / 50%
Individual (includes deductible)			
Family (includes deductible)		\$3,000	\$3,000
Office Visits		\$6,000	\$6,000
Diagnostic Lab & X-Ray		70% after deductible	50% after deductible
Hospital Benefits		70% after deductible	50% after deductible
Inpatient			
Outpatient Surgery		70% after deductible	50% after deductible
Emergency Room (copay waived if admitted)		70% after deductible	50% after deductible
Prescription Drugs		70% after deductible	
Retail (90 day supply)			
Mail Order (90 day supply)		\$5 / \$15	50% after deductible
Vision Exam		\$10 / \$30	Not Covered
Vision Hardware		1 exam every 12 months	
Rates		\$200 allowance every 24 months	
		Aetna Proposal #4	
Employee	25	\$867.47	
Employee Spouse	22	\$1,908.43	
Employee Child(ren)	14	\$1,561.45	
Employee Spouse Child(ren)	40	\$2,689.16	
Estimated Monthly Premium	101	\$193,098.91	
Estimated Annual Premium		\$2,317,186.92	

This is a summary of benefits. This is not a contract.





**City of Homer  
Dental Plan Proposal  
Effective Date: January 1, 2014**



Benefits		In / Out of Network
Annual Maximum		\$1,500 PCY
Deductible		
Individual		\$50
Family		\$150
Preventive Services		80%
Basic Services		80%
Major Services		60%
Orthodontia Benefit (Lifetime)		70% to \$750
<b>Rates</b>		<b>Aetna</b>
Employee	25	\$54.41
Employee + Spouse	22	\$105.30
Employee + Child(ren)	14	\$120.83
Employee + Family	<u>40</u>	\$171.72
Estimated Monthly Premium	101	\$12,237.27
Estimated Annual Premium		\$146,847.24

This is a summary of benefits. This is not a contract.

**ALASKA POLITICAL SUBDIVISIONS**  
**Medical Plan Comparison Chart**  
**Effective July 1, 2013**

**Eligibility:** Full-Time Permanent Employees (30+ hours) on 31st day of pay; Part-Time Permanent Employees (15-30 hours) who elect coverage on 31st day of pay; Elected Officials who receive a salary - effective date when sworn into office.  
**Eligible Dependents:** Spouse or Domestic Partner (same sex) and Children up to age 26; Newborns automatically covered first 60 days (legislative).

Plan Provision	Plan I	Plan II	Plan III	Plan IV HDHP
<b>Calendar Year Deductible</b>	\$250/\$750	\$500/\$1,500	\$750/\$2,250	\$2,000 Individual Plan \$4,000 Family Plan
<b>Office Visit Deductible</b> (In addition to calendar year deductible)	\$10/Visit	\$10/Visit	\$10/Visit	N/A
<b>Out-of-Network Hospital Admission Deductible</b> (Additional)	\$500 per admission	\$500 per admission	\$500 per admission	\$500 per admission
<b>Deductible Carryover</b>	Does not apply			N/A
<b>Coinsurance - In-network</b>	90%	80%	80%	80%
<b>Coinsurance - Out of network</b>	70%	60%	60%	60%
<b>Emergency Room</b>	90%, 50% for non-emergency use	80%, 50% for non-emergency use	80%, 50% for non-emergency use	80%, 50% for non-emergency use
<b>In-Network Out of Pocket Limit</b>	\$500 (Doesn't include deductible)	\$1000 (Doesn't include deductible)	\$2000 (Doesn't include deductible)	\$3,000 Individual Plan \$6,000 Family Plan
<b>Out-of-Network Out of Pocket Limit - Additional</b>	N/A	N/A	N/A	\$1,000 individual Plan \$2,000 Family Plan
<b>Prescription Drugs - Retail</b> (30 day max supply)  <b>Medications obtained from a non-network pharmacy</b> are reimbursable at 80% after the separate pharmacy deductible (Plans I, II and III). For Plan IV, combined medical and pharmacy deductible must be met before reimbursement applies. <b>Member must pay up front.</b>	After separate \$50/\$150 annual deductible, the member's coinsurance is:  1) Generics - 0% 2) Brand Formulary - 20%* 3) Brand Non-Formulary 30% * * Minimum and Maximum copays apply	After separate \$50/\$150 annual deductible, the member's coinsurance is:  1) Generics - 0% 2) Brand Formulary - 20%* 3) Brand Non-Formulary 30% * * Minimum and Maximum copays apply	After separate \$50/\$150 annual deductible, the member's coinsurance is:  1) Generics - 0% 2) Brand Formulary - 20%* 3) Brand Non-Formulary 30% * * Minimum and Maximum copays apply	After deductible, the following copayments apply:  1) Generics -- \$10 2) Brand Formulary - \$20 3) Brand Non-Formulary - \$35
<b>Mail Order Pharmacy</b> (90 day max supply)	Generics - \$10 copay Brands - \$30 copay	Generics - \$10 copay Brands - \$30 copay	Generics - \$10 copay Brands - \$30 copay	After deductible, the following copayments apply:  1) Generics -- \$20 2) Brand Formulary - \$40 3) Brand Non-Formulary - \$60
<b>Mandatory Generics</b>	Applies	Applies	Applies	Applies

This chart is meant to be a summary only of the main features of the plan of benefits. Please refer to the Aetna Plan booklet certificates for the State of Alaska Political Subdivisions, including summary of changes, for additional details.

**ALASKA POLITICAL SUBDIVISIONS**  
**Medical Plan Comparison Chart**  
**Effective July 1, 2013**

Plan Provision	Plan I	Plan II	Plan III	Plan IV HDHP
<b>Preventive Care</b> including cancer screenings (Paps, PSA, Mammograms and Colorectal Cancer Screening)	100% coverage for adult/well child care  No deductible	100% coverage for adult/well child care  No deductible	100% coverage for adult/well child care  No deductible	100% coverage for adult/well child care  No deductible
<b>Spinal Disorders</b>	Subject to Medical Necessity			25 visits
<b>Durable Medical Equipment</b>	Unlimited	Unlimited	Unlimited	\$10,000 maximum per year
<b>Skilled Nursing - Convalescent Facility</b>	120 days per year	120 days per year	120 days per year	120 days per year
<b>Home Health Care</b>	Unlimited	Unlimited	Unlimited	60 Visits per year
<b>Private Duty Nursing</b>	Unlimited	Unlimited	Unlimited	70 8-hr shifts per year
<b>Hospice</b>	90% after deductible, no maximums	80% after deductible, no maximums	80% after deductible, no maximums	80% after deductible, no maximums
<b>Mental Health or Chemical Dependency Treatment -- Inpatient</b>	90% after deductible	80% after deductible	80% after deductible	80% after deductible
<b>Mental Health or Chemical Dependency Treatment -- Outpatient</b>	90% after deductible	80% after deductible	80% after deductible	80% after deductible
<b>Pre-Existing Conditions</b>	\$1000 first 12 months (Does not apply to children under the age of 19)			

This chart is meant to be a summary only of the main features of the plan of benefits. Please refer to the Aetna Plan booklet certificates for the State of Alaska Political Subdivisions, including summary of changes, for additional details.

# **POLITICAL SUBDIVISION HEALTH AND LIFE PREMIUMS - Effective July 1, 2013**

Plan is on Calendar Year, Premiums set on Fiscal year

<b>Traditional Plans</b>		<b>Medical Premium</b>	<b>DVA Premium</b>	<b>Total Monthly Premium</b>	<b>Combined Family Health Premium</b>	<b>Basic Life</b>	<b>Combined Family Life Premium</b>
<b>Plan I - Suffix 31</b>							
\$250 ded, 90% coinsurance, \$500 out of pocket limit							
Employee		\$ 1,523.23	+ Included	= \$ 1,523.23		\$0.59	
Child/Children		\$ 1,216.30	+ \$ 85.00	= \$ 1,301.30	\$ 2,824.53	\$0.09	\$0.68
Spouse		\$ 1,790.22	+ \$ 81.00	= \$ 1,871.22	\$ 3,394.45	\$0.19	\$0.78
Spouse and Children		\$ 3,024.92	+ \$ 165.75	= \$ 3,190.67	\$ 4,713.90	\$0.28	\$0.87
<b>Plan II - Suffix 32</b>							
\$500 ded, 80% coinsurance, \$1000 out of pocket limit							
Employee		\$ 1,157.35	+ Included	= \$ 1,157.35		\$0.59	
Child/Children		\$ 905.00	+ \$ 85.00	= \$ 990.00	\$ 2,147.35	\$0.09	\$0.68
Spouse		\$ 1,356.24	+ \$ 81.00	= \$ 1,437.24	\$ 2,594.59	\$0.19	\$0.78
Spouse and Children		\$ 2,260.77	+ \$ 165.75	= \$ 2,426.52	\$ 3,583.87	\$0.28	\$0.87
<b>Plan III - Suffix 33</b>							
\$750 ded, 80% coinsurance, \$2000 out of pocket limit							
Employee		\$ 915.39	+ Included	= \$ 915.39		\$0.59	
Child/Children		\$ 752.88	+ \$ 85.00	= \$ 837.88	\$ 1,753.27	\$0.09	\$0.68
Spouse		\$ 1,123.99	+ \$ 81.00	= \$ 1,204.99	\$ 2,120.38	\$0.19	\$0.78
Spouse and Children		\$ 1,876.78	+ \$ 165.75	= \$ 2,042.53	\$ 2,957.92	\$0.28	\$0.87

Employee coverage is mandatory for all permanent employees and includes medical and dental-vision-audio, Basic Life and AD&D coverage. Medical/Life insurance is optional for dependents and may be selected with or without the DVA portion of the package. The DVA coverage **CANNOT** be selected without the medical/life Health insurance premiums are paid directly to Aetna. Life insurance premiums are paid directly to Unum. You must pay life insurance premiums on all employees for whom you pay health premiums.

# **POLITICAL SUBDIVISION HEALTH AND LIFE PREMIUMS - Effective July 1, 2013**

Plan is on Calendar Year, Premiums set on Fiscal year

## **High Deductible Health Plan Option**

Plan IV - Suffix 34		Medical Premium	DVA Premium	Total Monthly Premium	Combined Family Health Premium	Basic Life	Combined Family Life Premium
Ind: \$2000 ded, 80% coinsurance, \$3000 out of pocket limit					Includes Medical & DVA for all Covered Family		Includes Life for all Covered Family
Fam: \$4000 ded, 80% coinsurance, \$6000 out of pocket limit			Dependent DVA Optional				
Employee		\$ 642.01	+ Included = \$ 642.01			\$0.59	
Child/Children		\$ 503.15	+ \$ 85.00 = \$ 588.15			\$0.09	\$0.68
Spouse		\$ 744.23	+ \$ 81.00 = \$ 825.23			\$0.19	\$0.78
Spouse and Children		\$ 1,247.28	+ \$ 165.75 = \$ 1,413.03			\$0.28	\$0.87

Employee coverage is mandatory for all permanent employees and includes medical and dental-vision-audio, Basic Life and AD&D coverage. Medical/Life insurance is optional for dependents and may be selected with or without the DVA portion of the package. The DVA coverage CANNOT be selected without the medical/life. Health insurance premiums are paid directly to Aetna. Life insurance premiums are paid directly to Unum. You must pay life insurance premiums on all employees for whom you pay health premiums.

HOMER CITY COUNCIL  
491 E. PIONEER AVENUE  
HOMER, ALASKA  
[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)



COMMITTEE OF THE WHOLE  
5:00 P.M. MONDAY  
JANUARY 13, 2014  
COWLES COUNCIL CHAMBERS

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 GUS VAN DYKE  
CITY ATTORNEY THOMAS KLINKNER  
CITY MANAGER WALT WREDE  
CITY CLERK JO JOHNSON

### COMMITTEE OF THE WHOLE AGENDA

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

Councilmember Burgess has requested telephonic participation.

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

**3. Michael Fisher**, Northern Economics, Port and Harbor Rate Study and the Economic Impacts Study: Drill Rig Endeavour, 10 minutes. ***Pages 271/83***

**4. Memorandum 14-007**, from City Clerk, Re: Recommendations for Reducing Meetings of Committees and Commissions. ***Page 323***

**5. CONSENT AGENDA**

**6. REGULAR MEETING AGENDA**

**7. COMMENTS OF THE AUDIENCE**

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

Next Regular Meeting is Monday, January 27, 2014 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.





## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

[clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov)

(p) 907-235-3130

(f) 907-235-3143

### Memorandum 14-007

TO: MAYOR WYTHE AND HOMER CITY COUNCIL

FROM: JO JOHNSON, CITY CLERK

THROUGH: WALT WREDE, CITY MANAGER

DATE: JANUARY 6, 2014

SUBJECT: RECOMMENDATIONS FOR REDUCING MEETINGS OF COMMITTEES AND COMMISSIONS

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In an effort to reduce staff time spent preparing for and attending meetings, Mayor Wythe requested that we look at the current commissions and committees to see if there were ways to reduce the number of meetings. Too many commissions and committees often result in inefficiency, lower staff productivity, overlapping jurisdictions, and increased bureaucracy.

These are the current boards/commissions provided for in code:

- **Library Advisory Board**
- **Advisory Planning Commission**
- **Economic Development Advisory Commission**
- **Parks and Recreation Advisory Commission**
- **Port and Harbor Advisory Commission**

Initial discussion among City staff indicates that some of the advisory Boards and Commissions could function as effectively with revised schedules that could be organized seasonally and the duties of other standing and special committees could be eliminated or absorbed by another group. Some of the initial suggestions are listed below for your review.

An example for a seasonal schedule is that the Parks and Recreation Advisory Commission could forego November – March meetings and complete business in the other seven months. Alternately, summer meetings could be canceled since this is the busiest time for parks staff. Meeting dates could be changed to the first Thursday of the month to allow more lead time before the summer season.

Other groups who participate in department development of policies and budget or don't have larger issues presently at hand could reduce to quarterly meetings, like the Library Advisory Board. The Board was established to assist with the fundraising, budget process, and policy making for the library.

Advisory bodies that don't have specific tasks defined and/or budgets to accomplish them could convene on an as needed basis at the request of the City Council, like the Economic Development Advisory Commission.

These are the current Standing Committees:

- **Lease Committee** (in code)
- **Permanent Fund Committee** (in code)
- **Public Arts Committee** (in code)
- **Transportation Advisory Committee** (by resolution)

The Transportation Advisory Committee was originally formed as the Road Standards Committee to make recommendations to Council relating to road standards. This was at a time when there were many road improvement districts underway. Most of the organizational items have been resolved through the Transportation Plan and Roads Design Standard adopted. It was suggested this committee could be dissolved and the Advisory Planning Commission could address road standards when needed.

The Lease Committee is another group suggested for dissolution. There is the potential for conflicts of interest on leases and special interest agendas with public members. Committee members receive limited information due to the confidential nature of the application and review of leases by a committee with public members tends to politicize the process. Fiduciary responsibility to manage public lands and assets rests with the Executive Branch. It is recommended we go back to the old method.

The Public Arts Committee and Permanent Fund Committee have a specific purpose as outlined in code and quarterly meetings allow those groups to conduct their business.

These are the current special subcommittees:

**Karen Hornaday Park**

**Port and Harbor Improvement Committee**

**Employee Committee**

**Port and Harbor Building Task Force**

The Karen Hornaday Park Committee is primarily comprised of Parks and Recreation Advisory Commissioners and their business could be conducted as needed in a Worksession prior to the Commission's meeting.

The Port and Harbor Improvement Committee and Port and Harbor Building Task Force were formed by resolution of the City Council and will terminate upon completion of the projects from which they were formed.

The Employee Committee is comprised of city staff and meets as needed.

Please consider the following recommendations:

Form no new committees, subcommittees, or task forces without Council approval.

Amend advisory bodies' bylaws to state that NO special meetings of boards, commissions, committees, or task forces can be scheduled without Council approval (with the exception of the Advisory Planning Commission due to time constraints within the code). This would encourage participation in the regularly scheduled meetings and alleviate a significant amount of staff time. Often we have a commission or committee that does not have a quorum for a regularly scheduled meeting so they schedule a special meeting. This results in added staff time notifying all parties to reach a consensus on meeting dates, increased advertising costs, and preparation of duplicate packets.

RECOMMENDATION: Discuss and direct staff to bring forward an ordinance or resolution to make the changes.

Fiscal Note: N/A



CALL TO ORDER  
PLEDGE OF ALLEGIANCE  
AGENDA APPROVAL



HOMER CITY COUNCIL  
491 E. PIONEER AVENUE  
HOMER, ALASKA  
[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)



REGULAR MEETING  
6:00 P.M. MONDAY  
JANUARY 13, 2014  
COWLES COUNCIL CHAMBERS

MAYOR BETH WYTHE  
COUNCIL MEMBER FRANCIE ROBERTS  
COUNCIL MEMBER BARBARA HOWARD  
COUNCIL MEMBER DAVID LEWIS  
COUNCIL MEMBER BRYAN ZAK  
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COUNCIL MEMBER GUS VAN DYKE  
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

Councilmember Burgess has requested telephonic participation.

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

### 2. AGENDA APPROVAL

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

### 3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

### 4. RECONSIDERATION

### 5. CONSENT AGENDA

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

- A. Homer City Council unapproved Special and Regular meeting minutes of December 9, 2013. City Clerk. Recommend adoption. **Pages 49/53**
- B. **Memorandum 14-001**, from Deputy City Clerk Re: Liquor License Renewals for Down East Saloon, Kharacters, Alibi, Harbor Grill, Grog Shop East End, Cosmic Kitchen, Pho & Thai Restaurant, and a New Liquor License for Little Mermaid. **Page 73**

- C. **Ordinance 14-01**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 1.78.010, Commission—Creation and Membership, to Make the Director of the Homer Chamber of Commerce an Ex Officio, Non-Voting Member of the Economic Development Advisory Commission. City Clerk/Economic Development Advisory Commission. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014. **Page 93**

- D. **Ordinance 14-02**, An Ordinance of the Homer City Council, Amending HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100, to Repeal the Exemption From City Sales Tax of Sales of Nonprepared Foods from September 1<sup>st</sup> Through May 31<sup>st</sup>. Lewis. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014. **Page 99**

Memorandum 14-004 from City Attorney as backup. **Page 105**

- E. **Ordinance 14-03**, An Ordinance of the Homer City Council, Amending HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100, to Repeal the Exemption From City Sales Tax of Sales of Nonprepared Foods From September 1<sup>st</sup> Through May 31<sup>st</sup>; Amending HCC 9.16.010 to Dedicate a Sales Tax of One-Quarter Percent (.25%) to Fund a Parks and Recreation Department; and Submitting the Question of Repealing Such Sales Tax Exemption and Such Sales Tax Dedication to the Qualified Voters of the City at the October 7, 2014 Regular City Election. Burgess. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

**Page 111**

Memorandum 14-004 from City Attorney as backup. **Page 105**

- F. **Ordinance 14-04**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$35,000 From the Port and Harbor Depreciation Reserves to Replace the Fish Grinder in the Fish Waste Grinding Facility. City Manager/Port and Harbor Director. Recommended dates: Introduction January 13, 2014, Public Hearing and Second Reading January 27, 2014.

**Page 117**

Memorandum 14-005 from Port and Harbor Director as backup. **Page 121**

- G. **Resolution 14-001**, A Resolution of the Homer City Council Confirming the City Manager's Appointment of Jo Johnson as Acting City Manager for Calendar Year 2014. City Manager. Recommend adoption. **Page 123**

- H. **Resolution 14-002**, A Resolution of the Homer City Council Confirming the Appointments of Zhiyong Li as Treasurer and Laurie Moore as Deputy Treasurer for Calendar Year 2014. City Manager. Recommend adoption. **Page 125**
- I. **Resolution 14-003**, A Resolution of the Homer City Council Designating Signatories of City Accounts and Superseding Any Previous Resolution So Designating. City Manager. Recommend adoption. **Page 127**
- J. **Resolution 14-004**, A Resolution of the City Council of Homer, Alaska, Adopting an Alternative Allocation Method for the FY 14 Shared Fisheries Business Tax Program and Certifying That This Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in the Cook Inlet Fisheries Management Area. City Manager. Recommend adoption. **Page 129**
- K. **Resolution 14-005**, A Resolution of The City Council of Homer, Alaska, Requesting That the Alaska Legislature Amend Alaska Statute 16.20.590 Establishing the Kachemak Bay Critical Habitat Area by Changing the Critical Habitat Area Boundary to Exclude the City of Homer Port and Harbor and Municipal Lands Immediately Adjacent to Port Facilities Necessary for Port Operations, and Make the Statute Consistent With the Stated Intent of the Critical Habitat Area Management Plan. Mayor/Council. Recommend adoption. **Page 149**
- L. **Resolution 14-006**, A Resolution of the City Council of Homer, Alaska, Approving a Memorandum of Understanding Between the City of Homer and Kachemak City Regarding the Canyon Trails Subdivision and Road Maintenance on Stellers Jay Drive and Golden Plover Avenue. City Manager. Recommend adoption. **Page 159**
- M. **Resolution 14-007**, A Resolution of the City Council of Homer, Alaska, Approving an Intergovernmental Agreement for Emergency Services and a Vehicle Lease Agreement Between the City of Homer and Kachemak City. City Manager. Recommend adoption. **Page 167**
- N. **Resolution 14-008**, A Resolution of the City Council of Homer, Alaska, Approving a New Intergovernmental Wastewater Agreement Between the City of Homer and Kachemak City. City Manager. Recommend adoption. **Page 177**
- O. **Resolution 14-009**, A Resolution of the City Council of Homer, Alaska, Approving a Cost Sharing Agreement Between the City of Homer and Kachemak City Regarding

Construction of a Natural Gas Main/Distribution Line in Spencer Drive. City Manager. Recommend adoption. **Page 185**

- P. **Resolution 14-010**, A Resolution of the City Council of Homer, Alaska, Directing the City Manager to Produce on the Estimated Costs, Financing Options, Policy Considerations, and Feasibility of Constructing a “Loop” Water and Sewer Connection That Extends Up West Hill Road, Across Skyline Drive, and Down East Hill Road; to Be Presented and Discussed at a Future Worksession Scheduled by the City Council. Burgess. Recommend adoption. **Page 189**

- Q. **Resolution 14-011**, A Resolution of the City Council of Homer, Alaska, Expressing the Future Intention to Create Deferred Assessments on Property Benefitting From the Future Construction of the Shellfish Avenue/South Slope Drive Water Main Extension. City Manager/Public Works Director. Recommend adoption. **Page 191**

Memorandum 14-008 from Public Works Director as backup. **Page 193**

- R. **Resolution 14-012**, A Resolution of the City Council of Homer, Alaska, Expressing the Future Intention to Create Deferred Assessments on Property Benefitting From the Future Construction of the Kachemak Drive (Phase III) Water Main Extension Project. City Manager/Public Works Director. Recommend adoption. **Page 199**

Memorandum 14-009 from Public Works Director as backup. **Page 201**

- S. **Resolution 14-013**, A Resolution of the City Council of Homer, Alaska, Expressing Support for the City of Soldotna’s Proposed Renovation and Expansion of the Soldotna Regional Sports Complex. Mayor/Lewis. Recommend adoption. **Page 207**

- T. **Resolution 14-014**, A Resolution of the City Council of Homer, Alaska, Expressing Strong Support for Governor Parnell’s Proposal to Appropriate \$3 Billion from the Constitutional Budget Reserve into the Alaska Retirement Trust Funds in 2015. Mayor/City Council. Recommend adoption. **Page 211**

- U. **Resolution 14-015**, A Resolution of the Homer City Council Appointing a Task Force to Review and Make Recommendations on a Large Vessel Haul-Out and Repair Facility at the Port. City Manager/Port and Harbor Advisory Commission. Recommend adoption. **Page 213**

- V. **Resolution 14-016**, A Resolution of the City Council of Homer, Alaska, Awarding the Contract for the Refurbishment Services of Three Pedestal Cranes on Homer Fish Dock to the Firm of Oil & Gas Supply Company of Kenai, Alaska, in an Amount Not to Exceed \$82,625 Per Crane and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk/Port and Harbor Director. Recommend adoption.

**Page 225**

Memorandum 14-006 from Port and Harbor Director as backup. **Page 227**

- W. **Resolution 14-017**, A Resolution of the Homer City Council Directing the City Administration to Prepare a Preliminary Report for Council Consideration on the Costs, Feasibility, Potential Payback, and Other Community or Economic Benefits of Converting the City's Vehicle Fleet to Natural Gas. Burgess. Recommend adoption.

**Page 235**

- X. **Resolution 14-018**, A Resolution of the Homer City Council Affirming the City Manager's Decision to Offer Additional Reward Money for Information Leading to the Arrest and Indictment of the Person or Persons Responsible for the Murder of Mark Matthews. City Manager. Recommend adoption.

**Page 237**

- Y. **Resolution 14-019**, A Resolution of the City Council of Homer, Alaska, Opposing Alaska Board of Fisheries Proposals 138, 139, 140, 142, and 143 That Close or Restrict Waters of Cook Inlet Near Homer to Commercial Drift Fishing. Lewis. Recommend adoption.

**Page 239**

- Z. **Resolution 14-020**, A Resolution of the Homer City Council Creating a Public Safety Building Review Committee and Establishing the Scope of Work and Parameters Under Which the Committee Will Conduct Its Work. City Manager/Public Works Director. Recommend adoption.

**Page 255**

## 6. VISITORS

- A. **Jenny Martin**, Big Brothers Big Sisters, 10 minutes.

**Page 259**

- B. **Paul Seaton & Kris Holderied**, Tidal Incubator Project, 10 minutes.

**Page 263**

- C. **Michael Fisher**, Northern Economics, Port and Harbor Rate Study and the Economic Impacts Study: Drill Rig Endeavour, 10 minutes.

**Page 271/283**

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

A. Borough Report

B. Commissions/Board Reports:

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

**8. PUBLIC HEARING(S)**

**9. ORDINANCE(S)**

**10. CITY MANAGER'S REPORT**

A. City Manager's Report

1. January Employee Anniversaries **Page 299**
2. Memorandum 14-002 from Community and Economic Development Coordinator, Re: Citizen's Academy. **Page 301**

B. Bid Report **Page 303**

C. Games Report **Page 305**

1. Homer Hockey Association, Inc.

D. Records Inventory Report **Page 309**

**11. CITY ATTORNEY REPORT**

A. December 2013 Report **Page 313**

**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
- G. Port and Harbor Building Task Force

- 1. Memorandum 14-003 from Project Manager, Re: Project Budget: New Harbormaster's Building. **Page 317**

**13. PENDING BUSINESS**

**14. NEW BUSINESS**

- A. **Memorandum 14-007**, from City Clerk, Re: Recommendations for Reducing Meetings of Committees and Commissions. **Page 323**

**15. RESOLUTIONS**

**16. COMMENTS OF THE AUDIENCE**

**17. COMMENTS OF THE CITY ATTORNEY**

**18. COMMENTS OF THE CITY CLERK**

**19. COMMENTS OF THE CITY MANAGER**

**20. COMMENTS OF THE MAYOR**

**21. COMMENTS OF THE CITY COUNCIL**

**22. ADJOURNMENT**

Next Regular Meeting is Monday, January 27, 2014 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



PUBLIC COMMENTS  
UPON MATTERS  
ALREADY ON THE AGENDA



# RECONSIDERATION



# CONSENT AGENDA



Session 13-24 a Special Meeting of the Homer City Council was called to order on December 9, 2013 at 4:00 p.m. by Mayor Pro Tempore Francie Roberts at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

**PRESENT:** COUNCILMEMBERS: BURGESS, HOWARD, LEWIS, ROBERTS, VAN DYKE, ZAK

STAFF: CITY MANAGER WREDE  
CITY CLERK JOHNSON  
CITY ATTORNEY KLINKNER

Councilmembers Burgess and Howard have requested excusal.

Mayor Pro Tempore Roberts declared both absences as excused. There was no objection from the Council.

Mayor Wythe was delayed due to a work commitment.

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

Mayor Pro Tempore Roberts called for a motion for the approval of the agenda.

LEWIS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

There were no public comments.

**PENDING BUSINESS**

**NEW BUSINESS**

- A. **Memorandum 13-160**, From City Clerk Re: Request for Executive Session Pursuant to AS 44.62.310 (a-c)(2), Matters, Subjects that Tend to Prejudice the Reputation and Character of any Person, Provided the Person May Request a Public Discussion (City Manager Wrede Annual Performance Evaluation/Employment Contract).

Mayor Pro Tempore Roberts asked City Manager if he wished the discussion on his evaluation/contract to be public. City Manager Wrede stated he preferred the meet in Executive Session so they can be frank with each other.

Mayor Pro Tempore Roberts called for a motion for the approval of the recommendations of Memorandum 13-160 to meet in Executive Session to discuss City Manager Wrede annual performance evaluation/employment contract.

LEWIS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Pro Tempore Roberts called for a motion to adjourn to Executive Session.

LEWIS/ZAK - SO MOVED.

There was no discussion.

VOTE: YES. LEWIS, ROBERTS, ZAK, VAN DYKE

Motion carried.

HOMER CITY COUNCIL  
SPECIAL MEETING MINUTES  
DECEMBER 9, 2013

Council adjourned to Executive Session at 4:04 p.m. and reconvened the Special Meeting at 4:54 p.m.

Mayor Wythe joined the Executive Session at 4:20 p.m.

Mayor Pro Tempore Roberts reported Council met over the City Manager's job performance and determined a salary adjustment is appropriate.

**COMMENTS OF THE AUDIENCE**

There were no comments of the audience.

**ADJOURNMENT**

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 4:55 p.m. The next Regular Meeting is scheduled for Monday, January 13, 2014 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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JO JOHNSON, MMC, CITY CLERK

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



Session 13-25 a Regular Meeting of the Homer City Council was called to order on December 9, 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:	HOWARD, LEWIS, ROBERTS, VAN DYKE, ZAK
	ABSENT:	BURGESS (excused)
	STAFF:	CITY MANAGER WREDE CITY CLERK JOHNSON CITY ATTORNEY KLINKNER CITY PLANNER ABOUD COMMUNITY & ECONOMIC DEVELOPMENT COORDINATOR KOESTER FIRE CHIEF PAINTER IT DIRECTOR POOLOS LIBRARY DIRECTOR DIXON POLICE CHIEF ROBL PORT AND HARBOR DIRECTOR HAWKINS PUBLIC WORKS DIRECTOR MEYER

Councilmember Burgess has requested excusal or telephonic participation if possible.

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

Council conducted a Special Meeting in Executive Session from 4:00 p.m. until 4:55 p.m. to discuss City Manager Wrede's Annual Performance Evaluation/Employment Contract. Council met as a Committee of the Whole from 5:00 p.m. until 5:33 p.m. to discuss 2014 Budget and 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: **CONSENT AGENDA - Resolution 13-114**, A Resolution of the City Council of Homer, Alaska, Establishing the 2014 Regular Meeting Schedule for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks

and Recreation Advisory Commission, Advisory Planning Commission, Port and Harbor Advisory Commission, Lease Committee, Permanent Fund Committee, Public Arts Committee and Transportation Advisory Committee. City Clerk. Memorandum 13-167 from Port and Harbor Advisory Commission as backup. **PUBLIC HEARINGS - Ordinance 13-44(A)**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2014 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional Expenditures). City Manager. Proposed budget amendments. Written public comments. **CITY ATTORNEY REPORT** - City Attorney Report for November 2013. **PENDING BUSINESS - Ordinance 13-42(A)**, An Ordinance of the City Council of Homer, Alaska, Amending the Definition of "Discontinued" in Homer City Code 21.61.015, Definitions, to Extend the Time Required to Discontinue a Nonconforming Use from 12 Months to 24 Months. Zak. Staff Report 13-98 from City Planner, Re: Ordinance 13-42(A).

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

ROBERTS/LEWIS - SO MOVED.

Mayor Wythe called for a motion to amend to remove the visitor presentation and pull Resolution 13-116 from the agenda.

ZAK/ROBERTS – SO MOVED.

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.

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

Christina Anderson, Buccaneer Energy, asked Council to support Resolution 13-118. Buccaneer mobilized the glacier onshore rig from Kenai to the Eagle Site at East End Road. Camp buildings and water have been hauled to the site. Progress can be followed on Twitter and Facebook or [www.buccaneerenergy.com](http://www.buccaneerenergy.com)

Larry Slone, city resident, expressed support for Memorandum 13-161 to appoint Jack Polster to the Library Advisory Board. He will bring a lot of energy and enthusiasm and rational thought to the LAB.

Charles Davis, city resident, commented on Ordinance 13-42(A). The redefined definition has not helped the people at Bay View Inn.

## RECONSIDERATION

## CONSENT AGENDA

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

- A. Homer City Council unapproved Special and Regular meeting minutes of November 25, 2013. City Clerk. Recommend adoption.
- B. **Memorandum 13-161**, from Mayor, Re: Reappointment of Tricia Lillibridge to the Parks and Recreation Advisory Commission and the Appointments of Nancy Porter and Jack Polster to the Library Advisory Board.
- C. **Resolution 13-114**, A Resolution of the City Council of Homer, Alaska, Establishing the 2014 Regular Meeting Schedule for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks and Recreation Advisory Commission, Advisory Planning Commission, Port and Harbor Advisory Commission, Lease Committee, Permanent Fund Committee, Public Arts Committee and Transportation Advisory Committee. City Clerk. Recommend adoption.

Memorandum 13-162 from Public Arts Committee as backup.

Memorandum 13-163 from Deputy City Clerk as backup.

Memorandum 13-164 from Parks and Recreation Advisory Commission as backup.

Moved to Resolutions.

- D. **Resolution 13-115**, A Resolution of the City Council of Homer, Alaska, Acknowledging the November 2013 Surplus Equipment Bid Results. City Clerk. Recommend adoption.
- E. **Resolution 13-116**, A Resolution of the City Council of Homer, Alaska, Amending the Economic Development Advisory Commission Bylaws to Include that the Director of the Homer Chamber of Commerce May Serve as a Non-Voting, Ex-Officio Member of the Commission. City Clerk/Economic Development Advisory Commission. Recommend adoption.

Memorandum 13-165 from Deputy City Clerk as backup.

Pulled.

- F. **Resolution 13-117**, A Resolution of the City Council of Homer, Alaska, Repealing the City of Homer Retention Schedule and Adopting an Updated City of Homer Records Classification and Procedures Manual and Retention Schedule. City Clerk. Recommend adoption.
- G. **Resolution 13-118**, A Resolution of the City Council of Homer, Alaska, Expressing and Formalizing its Position and Policy that Oil and Gas Drilling Rigs and Support Vessels Operated by Buccaneer Energy or Other Companies are Welcome and Encouraged to Use the City of Homer Port and Harbor Facilities. Mayor. Recommend adoption.

Report from Northern Economics, Buccaneer Economic Impact Analysis.

Item C – Resolution 13-114 was moved to Resolutions. Item E – Resolution 13-116 was pulled.

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

LEWIS/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **VISITORS**

- A. **Lisa Roberts**, Executive Director, United Way

Removed and rescheduled to January 27, 2014.

## **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS**

- A. **Mayor's Proclamation**, January as National Mentoring Month

Mayor Wythe read and presented the proclamation to Jenny Martin, Big Brothers Big Sisters.

Jenny Martin announced Big Brother Big Sisters upcoming events including a presentation to City Council on January 13<sup>th</sup>, a fundraising event on December 18<sup>th</sup> with Council on the Arts 5:00 – 7:00 p.m. at the high school, and free movie night on December 30<sup>th</sup> at the Homer Theatre.

B. Borough Report

C. Commissions/Board Reports:

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

Memorandum 13-166 from Economic Development Advisory Commission, Re: Status Update on Resolution 12-041.

Lindianne Sarno, Chair of the Economic Development Advisory Commissioner, reported on recent tours of the water and sewer treatment plants. She commended Todd Cook on running a state of the art system, maintaining the vast population of microbes to eat the sewage. She cautioned the public to be careful what you put down the drains since any chemicals can affect the hardworking microbes. Homer's water system generates hundreds of thousands of gallons of excess water that could be profitably marketed. Todd Cook encourages the City to give the green light for that. There is also a light fluffy fertilizer at the waste water treatment plant that could be marketed. She thanked Katie Koester for her amazing research and tremendous help to the EDC.

4. Parks and Recreation Advisory Commission

Matt Steffy, Parks and Recreation Advisory Commissioner, thanked Council for their support for the recreation needs assessment. He thanked the city staff that make their volunteer work easier. Mike Illg, Angie Otteson, Julie Engebretsen, and Renee Krause are phenomenal assets to the city.

5. Port and Harbor Advisory Commission

Cathy Ulmer, Chair of the Port and Harbor Advisory Commission, hopes Council will support forming a committee to do research on large vessel haul out. The commission hopes to get financial help with the parking lot on the west side of the Spit.

**PUBLIC HEARING(S)**

- A. **Ordinance 13-44(A)**, An Ordinance of the City Council of Homer, Alaska, Appropriating Funds for the Calendar Year 2014 for the General Fund, the Water-Sewer Fund, the Port/Harbor Fund, Debt Funds, and Capital Reserve Funds (Conditional

Expenditures). City Manager. Introduction October 28, 2013, Public Hearings November 25 and December 9, 2013, and Second Reading December 9, 2013.

Memorandum 13-137 from City Manager, Re: Amendments to Employee Health Insurance Plan.

Memorandum 13-138 from Fire Chief, Re: Fire Department Budget Requests.

Memorandum 13-157 from Personnel Director, Re: Fully-Insured Health Plan Proposals.

- B. **Resolution 13-107**, A Resolution of the City Council of Homer, Alaska, Maintaining the City of Homer Fee Schedule at Current Rates. City Clerk. Recommended to follow Budget Ordinance 13-44 schedule.
- C. **Resolution 13-108**, A Resolution of the City Council of Homer, Alaska, Maintaining the Port and Harbor Terminal Tariff No. 600 at the Current Rates. City Clerk. Recommended to follow Budget Ordinance 13-44 schedule.

Mayor Wythe opened the public hearing.

Tom Stroozos, Homer resident and Homer Voice for Business, commented on the 2014 budget. Although revenues have only increased by 4%, expenses are up 16%.

Jim Hornaday, city resident, advocated for the Pratt Museum and The Homer Foundation. He asked Council to seriously consider a full year sales tax, explore health care exchanges, and a borough-wide service area for recreation. He hopes we don't spend time on the home rule issue as it will result in increased taxes.

Paul Hueper, city resident and Homer Voice for Business, commented since 2011 revenues have increased 4% and expenditures are up 16%. Employees are getting 7-10 weeks paid leave and paid birthdays. It is unsustainable and increasing food taxes is not a solution. Start cutting the budget.

Joy Steward, Director of Homer Foundation, advocated for funding for the foundation. The grants program was developed to fund non profits, offering general operating support. The Foundation has provided review, oversight, and accountability for the grants with no fees or charges to the City. Windfall monies received go to the endowment fund and are not available for the current grant year.

Rika Mouw, city resident, asked for support for The Homer Foundation and Pratt Museum. It is leverage for the entities, 1% of the City's budget, and contributes to Homer's economic development. The focus should be on much larger city spending. She suggested a bed tax since visitors expect it and several Alaska communities have a bed tax.

Rylyn Todd supports the recreation needs assessment. We need a place for the old and young to recreate.

Barb Brodowski, city resident, commented on the 2014 budget, specifically wages fringe benefits, and pensions for full-time employees. Employee costs are 46% of Homer's total expenditures.

Millie Martin, Homer resident, asked for support for the Pratt Museum who has a longstanding history of support since 1955. The Pratt receives 13% of their operating budget from the City; a \$20,000 shortfall means serious decisions for the Pratt. She asked to restore funding to both the Pratt and The Homer Foundation.

Wendy Todd, Homer resident, teacher, and coach, supports the recreation needs assessment for youth and everybody to recreate. It is sad to see the Boys and Girls Club not have a place since kids really benefit from that program.

Kevin Hogan, city resident, commented on the recreation needs assessment. He doesn't want to see it used as an excuse to implement more revenue through taxes. Homer's budget is 8% larger than the City of Kenai, while Kenai has a 33% larger population. Soldotna has 66 full-time employees; Homer has 113 full-time employees. We have a management and spending problem.

Jessica Marx, city resident and Homer Softball Association, supports the recreational needs assessment. There are 150-200 folks involved in softball and they need a new field, bleachers, and drainage. Recreation is good for our health and brings people together.

Larry Slone, city resident, commented on the infinite demand on city resources, yet city residents made it evident they don't want to pay more taxes to continue to provide services. Many people don't benefit from the non-profits that the City funds; they are not for the community at large.

Ken Castner, city resident, commented to do away with funding non-profits you will have a lot of people irritated at you. Over \$25M has gone breezing by in the City's budget. The City is built around the needs of the community and has always supported non-profits. A lot can be solved by doing some better listening. He questioned why the City spends so much on litigation, design, and construction of facilities that have no value behind them and have never been approved by the citizenry. The bathrooms are symbolic; they are not wanted or needed.

Charles Davis, city resident since 1978, commented we argue over the same \$100,000 each year. Water and sewer design is not designed for infill. If all subdivisions used the services we could fund the enterprise fund. He is low income without any city services and pays the same

taxes as everyone else. Homer is not a government of the people; it is of the city employees. We need to find a way to lower expenses and get our share of natural resources from the State of Alaska.

Jim Lavrakas, Executive Director Homer Chamber of Commerce, thanked Council for the allocation to the Chamber. The funds will double marketing efforts to create a presence on 4<sup>th</sup> Avenue in Anchorage, a webcam at the harbor, and a TV advertising plan. He is working with Katie to create a vibrant and exciting relocation program for people to move here and develop their own business. He supports the reallocation to the Pratt and to Economic Development for advertising to promote Homer marine trades.

Carol Shuler, city resident and representative of Special Olympics, supports the recreation needs assessment. It will provide support for people with intellectual difficulties who have a hard time finding venues for recreational activities.

Ina Jones, Homer resident, supports funding for the Pratt Museum. It helps safeguard the history of this area and cultures across the bay. The money that is given to the Pratt brings more back to the community.

Asia Freeman, city resident and business owner, supports the full allocation to the Pratt Museum and The Homer Foundation. She supports the recreation needs assessment for arts and culture. They are collaborative efforts to strengthen the health and well-being of the community. Students who participate in health and recreation are less likely to drink and be arrested.

Deb Lowney, Homer resident, supports the recreation needs assessment. Arts and culture have a huge direct impact on the community and attract more tourists. We must invest in parks, recreation, arts, and culture for quality of life. If we must add employees, the City must educate the public on the need to expand revenues.

Ryjil Christianson, city resident, commented the Pratt Museum is important for working professionals. She has a wonderful career here in the community in which she was raised. The Pratt boasts award winning programs and exhibits, and is a great source of career jobs that bring young families to our community.

Mike Dye, city resident, told Council they need leadership and he fears Council is losing it. He understands why the charter is coming up. He is tired of getting pitted against each other with more fees. Bed taxes will decrease revenues further. Visitors look at their total costs here compared to other communities.

Sierra Smith, city resident, supports the recreation needs assessment. It is a small part of the budget that will provide youth with opportunities through arts, education, and recreation.

Gail Edgerly, Homer resident and Homer Council on the Arts, commented that art, recreation, and culture are not non essentials anymore. They need to be included into the budget just as road and emergency services are. The City can partner with a new multi-purpose facility in downtown Homer.

Carol Swartz, Homer Arts and Cultural Alliance, is a 33-year active member of numerous non profits and volunteer work. She echoes everything she has heard. Council has a strategic plan and blueprint for guidance, the Comprehensive plan.

Diane Converse, city resident and Director of Pratt Museum, commented the funding cut seriously impacts the Pratt. They leverage grant funds from city contributions. Private foundations such as Rasmuson Foundation look at other funders and a city line item. The Pratt has amazing programs for residents and markets to visitors outside Homer.

Mike Hawfield, former director of the Pratt, is a member of boards of several organizations within the city. He agreed with Diane's comments; it is so important to receive city funding to get the grants. We need to follow the Comprehensive Plan. It is all about community wellness, the emotional, physical, and expressive health to keep the funds in the budget.

Ken Landfield, city resident and Board Member of Pier One Theatre and Homer Cultural Arts and Alliance, supports the recreation needs assessment. He asked Council to reconsider cuts to the Pratt and The Homer Foundation. While he understands the frustration and empathizes with Council, the arts and culture of Homer are not frills. It is more to Homer than the view and fish. Arts bring visitors to Homer, attract new residents, and keep young people engaged.

Deb Cox, city resident and Co-Chair of HoPP (Homer Playground Project), commented they came to the City and asked for 5,000 at first and then asked for \$50,000. That amount given to the project went so much further. The playground turned out really well and there are lots of kids there all the time. Without The Homer Foundation they could not have done it. She asked Council to support the recreation needs assessment that will tie it all together.

Robert Archibald, city resident, has seen a lot of non-profits grow. Members have heart in each organization. There have been several occasions where the hotels were full, due to non-profits putting on competitions. He supports the recreation needs assessment as it will provide statistics to understand what the community needs.

Dave Brann, city resident, is involved in a variety of organizations that have benefited from The Homer Foundation and the Pratt Museum. The recreation needs assessment is beneficial. He is willing to pay increased sales tax and a bed tax.

Dan Miotke, city resident and city employee, commented we have to support buildings and departments that are community buildings. The recreation department and library are community buildings that serve all. If Council could look at making the community entities supported by the community there may be more money left over to support the vital parts of the city like fire. Soldotna does not have a fire department; they contract with the troopers. Community recreation needs to be embraced by the community at the borough level.

Keri Syth, P.E. teacher at West Homer Elementary, supports a recreational facility. It is a good place to start with massive city support like HoPP did.

Karin Marks, city resident, commented people are very interested in education, public safety, arts, culture, and kids. It is not about caring, but rather a lack of money. We need a larger tax base. People want to move to places that have quality of life, but they need jobs and need incentives. If we don't grow we can't support much of this even if it is well planned and needed. An outside facilitator may do a better job. She is concerned that we do new things and don't have the money to take care of the stuff we have. We are a small town with a small tax base and have to recognize that until we can grow the tax base.

Kate Crowley, city resident and Recreate Rec, commented is a money argument; every household has this problem. Recreate Rec raised \$5,975 in pledges to go along with the \$35,000 Council allotted. She supports the Pratt Museum and The Homer Foundation. They are cornerstone organizations that spread funds to the community.

Mayor Wythe closed the public hearing.

Mayor Wythe called for a recess at 7:48 p.m. and reconvened the meeting at 8:00 p.m.

Mayor Wythe called for a motion for the adoption of Ordinance 13-44(A) by reading of title only for second and final reading.

LEWIS/ROBERTS – SO MOVED.

LEWIS/ROBERTS - MOVED TO AMEND BY ADDING \$19,000 TO REFUND THE HOMER FOUNDATION.

Councilmembers Lewis and Roberts expressed support to provide The Homer Foundation funds that could be granted. The other allotments made this year went to The Foundation's endowment fund .

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

Motion carried.

Mayor Wythe noted at the Committee of the Whole Council reviewed the 2014 budget. We started the budget process with a projected \$112,000 of additional funding. Of those funds, \$70,000 was allotted to police dispatch with a decrease of \$20,000 in police patrol overtime. Two part-time EMT positions were funded at \$54,000; those funds were derived from the Pratt Museum and The Homer Foundation reduction. An additional \$10,000 was funded to the Chamber of Commerce. Those amendments left \$37,000 unallocated, minus this \$19,000 for The Home Foundation just approved.

LEWIS/ROBERTS - MOVED TO AMEND TO RESTORE THE PRATT'S \$20,000 WITH \$18,000 FROM THE FINAL SURPLUS FUNDS AND \$2,000 FROM GENERAL FUND RESERVES.

There was brief discussion on the accounts and amounts.

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

Motion carried.

ZAK/ROBERTS – MOVED TO AMEND TO ADD \$10,000 FOR ECONOMIC DEVELOPMENT ADVERTISING FROM PAGE 47, LINE 5210, THE LEGAL BUDGET.

The funds will go to Economic Development for advertising and they can address how to best spend it in the community. The primary intent is the marine trade, but it is open for other types of support as needed.

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

Motion carried.

ZAK/VAN DYKE - MOVED TO AMEND TO FUND THE CHILDREN'S LIBRARIAN, TO MAKE IT FULL TIME; \$18,453 FROM PAGE 47, LINE 5210, THE LEGAL FUND.

Councilmember Zak noted this year there were more attorney fees. We are not anticipating as many legal fees next year. The funds are better placed in the community.

City Manager Wrede reported the legal fund contains funding for the city attorney contract and to pay for lawsuits. It is always a risk to remove funds; predicting the legal budget is always risky. Last year was abnormally high and we hope it won't be that high again.

City Attorney Klinkner commented one can never predict what litigation may come along. He is aware of only one significant litigation item pending. That one is drawing to a close, but there may be appeals. We are expecting a decision at the next stage before the end of the year which may conclude the case.

The \$18,453 amount will cover the full time librarian's salary and benefits.

Asked about the regulation of adding a position and not deleting it, City Manager referenced the termination studies which refer to a class of employees. This position could be created and if the need arises eliminated five years later without paying a penalty.

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

Motion carried.

Mayor Wythe called for a recess at 8:16 p.m. and reconvened the meeting at 8:21 p.m.

HOWARD/LEWIS - MOVED TO AMEND TO TAKE \$4,000 FROM THE GENERAL FUND RESERVE FOR THE PURPOSE OF ESTABLISHING AN ANNUAL CITIZEN'S ACADEMY.

Councilmember Howard explained a citizen's academy is a six-week program once or twice a year where we would invite 20 citizens to come and learn about their government, how their town works. The goal would be that they would be well informed about how their government works, where funding comes from, how taxation rules work, and how police and fire works. It is similar to what the Alaska troopers run as well as many cities in the Lower 48.

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

Motion carried.

LEWIS/ROBERTS - MOVED TO AMEND TO ALLOCATE \$15,000 FROM THE HART (HOMER ACCELERATED ROADS AND TRAILS) FUND FOR THE PURPOSE OF ENGINEERING, DESIGN, AND PERMITTING FOR A PARKING LOT AT THE SEAFARER'S MEMORIAL.

There was no discussion.

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

Motion carried.

VOTE: (main motion as amended) YES. LEWIS, ROBERTS, HOWARD, ZAK, VAN DYKE

Motion carried.

Mayor Wythe called for a motion for the adoption of Resolution 13-107 by reading of title only.

LEWIS/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Wythe called for a motion for the adoption of Resolution 13-108 by reading of title only.

LEWIS/ROBERTS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **ORDINANCE(S)**

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

#### **A. City Manager's Report**

1. Deep Water Dock and Pioneer Dock Tidelands: The Department of Natural Resources has completed the public comment period and issued a Final Finding and Decision on the conveyance to the City of tide and submerged lands adjacent to the Deep Water Dock and the Pioneer Dock. A copy of the decisional document is attached for your information. The maps attached to the decisional document clearly illustrate why our next conversation should be expanding the municipal boundaries in the port area.
2. Economic Impacts Analysis / Drill Rig Endeavor. The economic impacts study the Council commissioned regarding the Drill Rig has arrived. At the time this report was written, we were reviewing the draft document to see if we had any comments or concerns that needed to be addressed with the draft before it goes to the Council. (We saw the impacts of releasing the rate study report too soon). If it needs revisions, we may not have it to you by packet time or even by meeting time. But we can certainly summarize it for you at the meeting. This report is timely because there is a resolution on the agenda which references the study and states the City's position going forward regarding drill rigs at the dock.
3. Pedestrian Cross-Walk Signs. We have been engaged in a discussion with Representative Seaton about adding cross walk signs on the backside of already

existing cross walk sign posts. The effect of this would be that approaching drivers would see two crosswalk signs on either side of the roadway. Rep. Seaton would like the City to conduct a pilot project on Pioneer Ave. and the Sterling Highway, both state roads, and on some of the City's own roads, including those in Old Town. The City would assume the cost of purchase and maintenance. Rep. Seaton believes this would improve pedestrian safety. The State traffic engineer counters that there is no evidence that doing this would improve safety and that the state cannot afford the extra labor and expense or to set a precedent that would apply statewide. The City administration has taken the same position so far, however, this issue would likely benefit from a public discussion. We can provide you with more details at the meeting if you like or the issue could be referred to the Planning Commission and/or the Transportation Committee who are both already working on traffic calming issues.

4. Request for Support from Soldotna: At the AML meeting in Anchorage, I spent some time with Soldotna City Manager Mark Dixon. One of the things we talked about was Soldotna's efforts to expand its Sports Center and specifically, to include indoor soccer fields. This is a priority CIP project for Soldotna and they are attempting to obtain funding from the governor and the legislature. Mark reminded me that there are many Homer families that drive all the way to Anchorage several times a year to get time on a soccer field. This situation is apparently much like the situation we once had with hockey. He said if Soldotna was able to build these fields, Homer residents could just drive to Soldotna rather than all the way to Anchorage. He asked if I would consider writing a letter of support. I told him that I would want to discuss this with the Council first, since actively supporting a CIP project in another City is really a policy/political matter. Please let me know what you think. We could follow with a resolution later if Council is interested.
5. A New Budget Amendment: The packet contains a new budget amendment proposal from the administration. We bring this forward at the request of the Port and Harbor Commission. The project is basically to use \$15,000 of HART Funds for survey, engineering, design, and permitting on expanding the parking lot between the Seafarers memorial and the Boardwalk to the North. A memorandum on the project was included in your last packet and is attached to the budget amendment for reference. This project has been talked about for many years and the Commission believes it would relieve parking congestion and improve pedestrian safety. It would be a big part of our MOU with the State to create a pedestrian zone in that area. I considered waiting until January to bring this up (and not hit you with it at the last minute) but Council has next year's Budget before it right now. It seemed silly to adopt a new budget for next year and then immediately bring you a budget amendment ordinance in January. However, we can definitely postpone this if Council thinks it needs more discussion. Using HART funds for this purpose is one thing that Council should weigh in on. We can discuss this in detail at the meeting, or simply postpone and we'll come back with an ordinance early next year.

6. Proposed New Legislation: The Alaska Department of Fish and Game has permitting authority in the Kachemak Bay and Fox River Critical Habitat Area. You will recall that there is a conflict between this plan and relevant state statutes regarding whether a drill rig can moor at the Deep Water Dock and put its legs down. ADF&G has strongly recommended that legislation is needed to address this problem. We are taking this issue on and Katie will be working with ADF&G and our legislators to craft legislation for introduction this session. Linda Anderson is already working on this and contacting legislators.
7. Scheduling Issues: It might be a good idea to have a short discussion about scheduling for the upcoming year in order to get everyone on the same page and start planning. First, at the last meeting, Council members seemed to agree that a workshop in January to discuss expanding the municipal boundaries in the port area was a good idea. The Mayor also discussed her desire to reserve all of the 4 PM timeslots as needed for workshops on employee health insurance. We have already changed a possible meeting with legislators from the 4 PM timeslot for that reason. So, just be advised that unless something changes, other arrangements would have to be made for the boundary issue. Also, last fall, during the CIP discussions, the Council talked about conducting some strategic planning this winter. The budget also includes, at Councilmember Howard's, request, funding for the Citizen's Academy. Council would certainly want to discuss the program goals, objectives, process and hoped for outcomes before we launch into it. Maybe we need a workshop to discuss workshops!!
8. Kachemak City Agreements. I am working with Kachemak City Mayor Phil Morris on a number of new and/or updated agreements between the two Cities. These agreements include a cost sharing agreement for installation of the natural gas line on Spencer Drive, a fire and emergency services agreement and associated tanker truck lease agreement, Steller's Jay and Golden Plover road maintenance agreement, and a sewer operations agreement. Expect to see at least some of these agreements for review and approval at the first meeting in January.
9. New Port and Harbor Building: The most recent committee meeting was very productive. Based upon the meeting, the staff has given new direction to the architects. Cost savings and budget cuts were requested in some key areas and other possible sources of money were identified to fund some features of the proposed design. The consultants were asked to prepare new costs estimates for the Committee meeting on December 20.
10. Police Department Statistics: The Police Department has been extremely busy this year. The departmental statistical reports through October will be placed in your mailboxes in about a week. When you get a chance, please take a minute to review the Police Report because it is very informative about the types of incidents and arrests the Police have been involved in. There has been a large spike in drug arrests and drug investigations. At the end of October, the Police had already broken the all- time yearly record for arrests and prisoner days at the jail. This is a story that the community needs to be aware of and try to address. We are fortunate that we already

have the MAPP group and other non-profits working on the causes of these problems and proposing solutions. But this is something we should all be concerned about as a community.

City Manager Wrede reported on an exciting project of a donation of a bronze statue of Brother Asaiah to be placed at WKFL Park. The donor is working through the application process.

The public comment period is open for the proposed road in the airport master plan. It aims to get airplanes from the base without having to haul them across the causeway. It is in the scoping process with several routes in the general area. Rick Abboud is formulating comments for the city. There are some wetlands involved and a permit is needed for fill. The new road will improve public safety.

Council discussed supporting the City of Soldotna's request to expand their Sports Center. Soldotna wants to update the center to a regional sports center with indoor soccer fields and other activities. People in Homer would benefit. The City of Soldotna would like a letter or resolution of support from Council. City Manager Wrede has received a little pushback since we can't fund our own parks and recreation and get our own community center together. Councilmember Lewis requested a resolution of support at the January 13<sup>th</sup> meeting. Mayor Wythe agreed to co-sponsor the resolution.

Mayor Wythe recognized seven city employees celebrating 76 years of combined service to the community.

B. Bid Report

C. Games Report

1. Alaska State Elks Association for Homer Elks Lodge #2127

## **CITY ATTORNEY REPORT**

There were no questions for City Attorney Tom Klinkner.

## **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
- G. Port and Harbor Building Task Force

### **PENDING BUSINESS**

- A. **Ordinance 13-42(A)**, An Ordinance of the City Council of Homer, Alaska, Amending the Definition of “Discontinued” in Homer City Code 21.61.015, Definitions, to Extend the Time Required to Discontinue a Nonconforming Use from 12 Months to 24 Months. Zak. Introduction October 28, 2013, Refer to Planning Commission, Public Hearing and Second Reading November 25.

Memorandum 13-168 from City Planner as backup.

Mayor Wythe called for a motion for second and final reading of Ordinance 13-42(A).

ZAK/ROBERTS – SO MOVED.

Councilmember Lewis commented the Planning Commission recommended passing the ordinance. Other amendments to discontinued nonconforming use can be brought forward separately.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **NEW BUSINESS**

### **RESOLUTIONS**

- C. **Resolution 13-114**, A Resolution of the City Council of Homer, Alaska, Establishing the 2014 Regular Meeting Schedule for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks and Recreation Advisory Commission, Advisory Planning Commission, Port and Harbor Advisory Commission, Lease

Committee, Permanent Fund Committee, Public Arts Committee and Transportation Advisory Committee. City Clerk. Recommend adoption.

Memorandum 13-162 from Public Arts Committee as backup.

Memorandum 13-163 from Deputy City Clerk as backup.

Memorandum 13-164 from Parks and Recreation Advisory Commission as backup.

Memorandum 13-167 from Port and Harbor Advisory Commission as backup.

ROBERTS/LEWIS - MOVED TO ADOPT RESOLUTION 13-114.

For the January 13<sup>th</sup> meeting Mayor Wythe asked staff to conduct a thorough review of commissions and committees. Are there committees with an established purpose that have exhausted their work and not closed the committee? Can we look at staff time and budget reductions? Can we try to structure their meeting times, or eliminate meetings during prime staff work time? Staff will review commissions and committees to see if there is an alternative schedule plan to reduce staff time spent on them. Staff will recommend any reduction of committees that are no longer functional.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **COMMENTS OF THE AUDIENCE**

Jenny Miller, Homer resident, spoke on the events for the Winter Carnival in February. Events from past years will be brought back to mark the city's 50<sup>th</sup> anniversary. The theme will be "Dancing in the Streets." She encouraged everyone to participate and have a good time.

Ken Castner, city resident, is not trying to tear down the city; he just wants it to be a little bit better and more responsive. His petition for a charter commission is now collecting signatures; the next phase is for people to become commissioners. He would like a peaceful democratic ballot box process.

Millie Martin, Homer resident, commented the City Council did respond tonight to the Pratt Museum and The Homer Foundation. She thanked them for listening to the people.

Charles Davis, city resident, commented it is ironic we are the richest state in the union yet we are giving all the money to the oil companies. We should be going after the money the State has. We better get money back from the oil companies so we have money to support the things we have.

Robert Archibald, city resident, commented on Resolution 13-118. Welcoming jackup rigs is going to put a new burden upon the Harbormaster. Kachemak Bay deserves a little protection as a critical habitat. The collection of oil boats and jackup rigs presents a problem. Although there are a lot of entities that make regulations, the failure of human beings is still out there. There is a discussion about critical habitats tomorrow at Islands and Ocean Visitor Center from 4:00 p.m. to 8:00 p.m.

#### **COMMENTS OF THE CITY ATTORNEY**

City Attorney Klinkner wished Barbara and Beau a speedy recovery and happy holidays to all.

#### **COMMENTS OF THE CITY CLERK**

City Clerk Johnson wished everyone happy holidays.

#### **COMMENTS OF THE CITY MANAGER**

City Manager Wrede wish everyone peace and goodwill.

#### **COMMENTS OF THE MAYOR**

Mayor Wythe thanked Council for their work on the budget. Mr. Slone and Mr. Castner back to back was as good as it can get to address two different sides. Although we would like to have everything, we have to pay taxes to support it. When the needs are not met Council has to allocate funds. It is easy to look at the funds and be critical of management, and say get rid of employees and services, but see what happened today with non profit funding. She apologized to the non profits if she made them feel unappreciated. There is not a person at the table that does not realize the benefits of non profits. As to jackup rigs at the dock, people say the city needs to be open for business, provide sustainable jobs, and provide arts and recreation. It is not the end of the world to have the jackup rig here. The Homer Foundation derived substantial benefit. We have the port and harbor to make money to support and sustain itself; we can't shirk every opportunity that promotes commerce. We need to be open for business to generate and support funds to grow the community. Port and harbor spends a ton of time with regulations and they are doing a great job. She thanked all people that stuck it out to the end of the meeting. The Council is here to support you, their job being to represent the community as best they can. She wished everyone the best Christmas and Happy New Year.

#### **COMMENTS OF THE CITY COUNCIL**

Councilmember Howard wished everyone happy holidays.

Councilmember Lewis reflected on spending many a day hot mopping the ice rink with Kevin Bell. People keep bringing up the bathrooms and it is not a big deal to those who drive. If you spend a lot of time walking they come in handy since trees to hide behind are harder to find. In hearing about Soldotna's budget, we have a port and harbor, a more sophisticated water and sewer system, and more parks than Soldotna has. Soldotna has the non prepared food sales tax. Homer is the only city on the peninsula that took that away. He wished all a Merry Christmas.

Councilmember Van Dyke wished everyone a Merry Christmas. He is glad everyone showed up. Homer is open for business.

Councilmember Zak thanked the citizens for coming out tonight. Council worked on a tough budget. We have not forgotten about healthcare and will continue to address it. He urged folks to participate in the spaghetti feed at the Elks Lodge tomorrow and wished all a Merry Christmas.

Councilmember Roberts commented on the testimony earlier about the city being poorly managed with a budget higher than Kenai and Soldotna. It is not fair to compare Homer to the other communities. Our port and harbor is 20% to 25% of the budget. People need to be careful when they say something that is not true. She thanked everyone that came out tonight and is glad to listen to people's opinions. She reminded the community about the spaghetti feed tomorrow and House Bill 77 at Islands and Ocean Visitor Center from 4:00 p.m. to 8:00 p.m. She wished all a Merry Christmas.

## **ADJOURNMENT**

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 8:55 p.m. The next Regular Meeting is Monday, January 13, 2014 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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JO JOHNSON, MMC, CITY CLERK

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



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

[clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov)

(p) 907-235-3130

(f) 907-235-3143

## Memorandum 14-001

TO: MAYOR WYTHE AND HOMER CITY COUNCIL

FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

DATE: JANUARY 6, 2014

SUBJECT: LIQUOR LICENSE RENEWALS FOR DOWN EAST SALOON, KHARACTERS, ALIBI, HARBOR GRILL, GROG SHOP EAST END, COSMIC KITCHEN, PHO & THAI RESTAURANT AND A NEW LIQUOR LICENSE FOR LITTLE MERMAID

---

We have been notified by the ABC Board of liquor license renewals and a new liquor license within the City of Homer for the following:

Type: Beverage Dispensary  
Lic #: 2300  
DBA Name: Down East Saloon  
Premise Address: 3125 E End Road  
Owner: Down East, Inc.  
Mailing Address: 3125 E End Road, Homer, AK 99603

Type: Beverage Dispensary  
Lic #: 1085  
DBA Name: Kharacters  
Premise Address: 3851 Shelford  
Owner: L & S Inc.  
Mailing Address: 3851 Shelford, Homer, AK 99603

Type: Beverage Dispensary  
Lic #: 98  
DBA Name: The Alibi  
Premise Address: 453 E Pioneer Ave.  
Owner: Mix Rocks, LLC  
Mailing Address: 4525 Heidi Court, Homer, AK 99603

Type: Beverage Dispensary - Seasonal  
Lic #: 3174  
DBA Name: Harbor Grill  
Premise Address: 4262 Spit Road  
Owner: Don Jose's LLC  
Mailing Address: 2052 E Northern Lights Blvd., Anchorage, AK 99508

Type: Package Store  
Lic #: 2301  
DBA Name: Grog Shop East End  
Premise Address: 3125 E End Road  
Owner: MSA Inc.  
Mailing Address: 369 E Pioneer Ave., Homer, AK 99603

Type: Restaurant Eating Place  
Lic #: 4359  
DBA Name: Cosmic Kitchen  
Premise Address: 510 E Pioneer Ave.  
Owner: Cosmic Kitchen Inc.  
Mailing Address: 510 E Pioneer Ave., Homer, AK 99603

Type: Restaurant Eating Place – Public Convenience  
Lic #: 5173  
DBA Name: Pho & Thai Restaurant  
Premise Address: 345 Sterling Hwy. Ste. 101  
Owner: Bunloeun Chin  
Mailing Address: 345 Sterling Hwy., Ste. 101, Homer, AK 99603

Type: Restaurant/Eating Place – Public Convenience  
Lic #: 5256  
DBA Name: Little Mermaid  
Premise Address: 4246 Homer Spit Road #4 & 6  
Owner: Mary K. & Evan Vogl  
Mailing Address: PO Box 3350, Homer, AK 99603

RECOMMENDATION: Voice non objection and approval for the liquor license renewals and new liquor license application.

Fiscal Note: Revenues.



# CITY OF HOMER

## POLICE DEPARTMENT

4060 HEATH STREET HOMER, AK 99603-7609

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

### MEMORANDUM

DATE: December 19, 2013

TO: Melissa Jacobsen, CMC, Deputy City Clerk

FROM: Mark Robl, Chief of Police *MR*

SUBJECT: Liquor License Renewal

DEC 19 2013  
*JR*

The Homer Police Department has no objection to the liquor license for the following business:

Type: Beverage Dispensary  
Lic #: 2300  
DBA Name: Down East Saloon  
Premise Address: 3125 East End Rd  
Owner: Down East Inc  
Mailing Address: 3125 East End Rd, Homer. AK 99603

Type: Beverage Dispensary  
Lic #: 1085  
DBA Name: Kharacters  
Premise Address: 3851 Shelford  
Owner: L&S Inc  
Mailing Address: 3851 Shelford, Homer, AK 99603

Type: Beverage Dispensary  
Lic #: 98  
DBA Name: Alibi  
Premise Address: 453 E Pioneer Ave  
Owner: Mix Rocks, LLC  
Mailing Address: 4525 Heidi Court, Homer, AK 99603

Type: Beverage Dispensary-Seasonal  
Lic #: 3174  
DBA Name: Harbor Grill  
Premise Address: 4262 Spit Rd  
Owner: Don Jose's LLC  
Mailing Address: 2052 E Northern Lights Blvd., Anchorage, AK 99508

Type: Package Store  
Lic #: 2301  
DBA Name: Grog Shop East End  
Premise Address: 3125 East End Rd  
Owner: MSA Inc.  
Mailing Address: 369 E Pioneer Ave., Homer, AK 99603

Type: Restaurant Eating Place  
Lic #: 4359  
DBA Name: Cosmic Kitchen  
Premise Address: 501 E Pioneer Ave  
Owner: Cosmic Kitchen Inc.  
Mailing Address: 510 E Pioneer Ave., Homer, AK 99603

Type: Restaurant Eating Place- Public convenience  
Lic #: 5173  
DBA Name: Pho & Thai Restaurant  
Premise Address: 345 Sterling Hwy. Ste 101  
Owner: Bunloeun Chin  
Mailing Address: 345 Sterling Hwy., Ste 101, Homer, AK 99603



## City of Homer

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(f) 907-235-3143

## Memorandum

TO: MARK ROBL, POLICE CHIEF

FROM: MELISSA JACOBSEN, DEPUTY CITY CLERK

DATE: DECEMBER 18, 2013

SUBJECT: LIQUOR LICENSE RENEWALS FOR DOWN EAST SALOON, KHARACTERS, ALIBI, HARBOR GRILL, GROG SHOP EAST END, COSMIC KITCHEN, PHO & THAI RESTAURANT

---

We have been notified by the ABC Board of liquor license renewals within the City of Homer for the following:

Type: Beverage Dispensary  
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Premise Address: 3125 E End Road  
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Type: Package Store  
Lic #: 2301  
DBA Name: Grog Shop East End  
Premise Address: 3125 E End Road  
Owner: MSA Inc.  
Mailing Address: 369 E Pioneer Ave., Homer, AK 99603

Type: Restaurant Eating Place  
Lic #: 4359  
DBA Name: Cosmic Kitchen  
Premise Address: 510 E Pioneer Ave.  
Owner: Cosmic Kitchen Inc.  
Mailing Address: 510 E Pioneer Ave., Homer, AK 99603

Type: Restaurant Eating Place ~ Public Convenience  
Lic #: 5173  
DBA Name: Pho & Thai Restaurant  
Premise Address: 345 Sterling Hwy. Ste. 101  
Owner: Bunloeun Chin  
Mailing Address: 345 Sterling Hwy., Ste. 101, Homer, AK 99603

This matter is scheduled for the January 16, 2014 City Council meeting. Please respond with objections/non-objections to these liquor license renewals by **Wednesday, January 8, 2014**.

Thank you for your assistance.



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Commerce, Community,  
and Economic Development

ALCOHOLIC BEVERAGE CONTROL BOARD

2400 Viking Drive  
Anchorage, Alaska 99501  
Main: 907.263.5900  
TDD: 907.465.5437  
Fax: 907.263.5930

December 18, 2013

RE: Liquor License Renewal Notice

Attn: Homer City Clerk                      Kenai City Clerk  
Seward City Clerk                      Soldotna City Clerk  
Kenai Peninsula Borough Clerk

**HOMER**

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Type: Restaurant Eating Place - Public Convenience  
Lic #: 5173  
DBA Name: Pho & Thai Restaurant  
Premise Address: 345 Sterling Hwy. Ste. 101  
Owner: Bunlocun Chin  
Mailing Address: 345 Sterling Hwy., Ste. 101, Homer, AK 99603

#### KENAI

Type: Beverage Dispensary-Tourism  
Lic #: 1859  
DBA Name: Uptown Motel/Louie's  
Premise Address: 18021 Kenai Spur Hwy.  
Owner: Schilling Alaska Inc.  
Mailing Address: 47 Spur View Drive, Kenai, AK 99611

Type: Beverage Dispensary-Tourism  
Lic #: 2993  
DBA Name: The Upper Deck  
Premise Address: 305 N Willow Street  
Owner: Upper Deck LLC  
Mailing Address: PO Box 11, Kenai, AK 99611

Type: Beverage Dispensary-Tourism - Duplicate  
Lic #: 2237  
DBA Name: Uptown Motel/Back Door Lounge  
Premise Address: 18021 Kenai Spur Hwy.  
Owner: Schilling Alaska Inc.  
Mailing Address: 47 Spur View Drive, Kenai, AK 99611

Type: Club  
Lic #: 337  
DBA Name: Frat. Order of Eagles #3525  
Premise Address: 5765 Spur Hwy.  
Owner: Frat. Order of Eagles #3525  
Mailing Address: 5765 Spur Hwy., Kenai, AK 99611



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Commerce, Community,  
and Economic Development

ALCOHOLIC BEVERAGE CONTROL BOARD

2400 Viking Drive  
Anchorage, Alaska 99501  
Main: 907.263.5900  
Fax: 907.263.5930

December 23, 2013

City of Homer

Attn: City Clerk

VIA Email: [clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov)

Cc: [jjohnson@ci.homer.ak.us](mailto:jjohnson@ci.homer.ak.us)  
[joanne@borough.kenai.ak.us](mailto:joanne@borough.kenai.ak.us)  
[jblankenship@borough.kenai.ak.us](mailto:jblankenship@borough.kenai.ak.us)  
[kring@borough.kenai.ak.us](mailto:kring@borough.kenai.ak.us)

**Mary K. & Evan Vogl: Restaurant / Eating Place – Public Convenience License #5256  
DBA Little Mermaid**

- ☒ New Application      ☐ Transfer of Ownership      ☐ Transfer of Location  
☒ Restaurant Designation Permit      ☐ DBA Name Change

We have received an application for the above listed licenses (see attached application documents) within your jurisdiction. This is the notice as required under AS 04.11.520. Additional information concerning filing a "protest" by a local governing body under AS 04.11.480 is included in this letter.

A local governing body as defined under AS 04.21.080(11) may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the board **and** the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is "arbitrary, capricious and unreasonable". Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

Under AS 04.11.420(a), the board may not issue a license or permit for premises in a municipality where a zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages, unless a variance of the regulation or ordinance has been approved. Under AS 04.11.420(b) municipalities must inform the board of zoning regulations or ordinances which prohibit the sale or consumption of alcoholic beverages. If a municipal zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages at the proposed premises and no variance of the regulation or ordinance has been approved, please notify us and provide a certified copy of the regulation or ordinance if you have not previously done so.

Protest under AS 04.11.480 and the prohibition of sale or consumption of alcoholic beverages as required by zoning regulation or ordinance under AS 04.11.420(a) are two separate and distinct subjects. Please bear that in mind in responding to this notice.

AS 04.21.010(d), if applicable, requires the municipality to provide written notice to the appropriate community council(s).

If you wish to protest the application referenced above, please do so in the prescribed manner and within the prescribed time. Please show proof of service upon the applicant. For additional information please refer to 3 AAC 304.145, Local Governing Body Protest.

**Note:** Applications applied for under AS 04.11.400(g), 3 AAC 304.335(a)(3), AS 04.11.090(e), and 3 AAC 304.660(e) must be approved by the governing body.

Sincerely,

SHIRLEY A. COTÉ  
Director



***Sarah D. Oates***

Business Registration Examiner  
sarah.oates@alaska.gov  
(907)263-5921

State of Alaska  
Alcoholic Beverage Control Board

Date of Notice: December 23, 2013

Application Type: **NEW** X

       **TRANSFER**  
       Ownership  
       Location  
       Name Change

Governing Body: **City of Homer**  
 Community Councils: None

License #: 5256  
 License Type: Restaurant / Eating Place – Public Convenience  
 D.B.A.: Little Mermaid  
 Licensee/Applicant: Mary K. & Evan Vogl  
 Physical Location: 4246 Homer Spit Road #4 & 6, Homer, AK 99603  
 Mail Address: PO Box 3350, Homer, AK 99603  
 Telephone #: 907-399-9900  
 EIN: 27-5554123

Corp/LLC Agent:	Address	Phone	Date and State of Incorporation	Good standing?
N/A				

*Please note: the Members/Officers/Directors/Shareholders (principals) listed below are the principal members. There may be additional members that we are not aware of because they are not primary members. We have listed all principal members and those who hold at least 10% shares.*

Member/Officer/Director:	DOB	Address	Phone	Title/Shares (%)
N/A				

If **transfer** application, current license information:

License #:  
 Current D.B.A.:  
 Current Licensee:  
 Current Location:

Additional comments: Restaurant Designation Permit Application attached.

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**Note:** Applications applied for under AS 04.11.400(g), 3 AAC 304.335(a)(3), AS 04.11.090(e), and 3 AAC 304.660(e) must be approved by the governing body.

Sincerely,

SHIRLEY A. COTÉ  
Director



***Sarah D. Oates***

Business Registration Examiner  
sarah.oates@alaska.gov  
(907)263-5921

## New Liquor License

License is: ☐ Full Year OR ☒ Seasonal List Dates of Operation: May 1 - Sept 15

SECTION A - LICENSE INFORMATION			FEES <u>1029.7</u>
Office Use: License Year: <u>2014/2015</u>	License Type: <u>Restaurant Eating Place</u> <u>Public Convenience</u>	Statute Reference Sec. 04.11. <u>400</u>	License Fee: \$ <u>300</u>
Office Use: License #: <u>5254</u>			Filing Fee: \$100.00
Local Governing Body: (City, Borough or Unorganized) <u>City of Homer</u>			Rest. Desig. Permit Fee: \$ <u>50</u>
Community Council Name(s) & Mailing Address:			Fingerprint: \$ <u>103</u> (\$51.50 per person)
Name of Applicant (Corp/LLC/LP/LLP/Individual/Partnership): <u>Evan</u> <u>Mary K. Vogl</u>			TOTAL <u>553</u>
Doing Business As (Business Name): <u>Little Mermaid</u>			Business Telephone Number: <u>907-399-9900</u>
Mailing Address: <u>P O Box 3350</u>			Fax Number:
City, State, Zip: <u>Homer, AK 99603</u>			Email Address: <u>Kathyvogl@yahoo.com</u>
Street Address or Location of Premises: <u>4246 Homer Spit Rd</u> <u>#446</u>			
SECTION B - PREMISES TO BE LICENSED			
Distance to closest school grounds: <u>5.5 miles</u>	Distance measured under: <input checked="" type="checkbox"/> AS 04.11.410 OR <input type="checkbox"/> Local ordinance No. _____	<input type="checkbox"/> Premises is GREATER than 50 miles from the boundaries of an incorporated city, borough, or unified municipality.	
Distance to closest church: <u>4.25 miles</u>	Distance measured under: <input checked="" type="checkbox"/> AS 04.11.410 OR <input type="checkbox"/> Local ordinance No. _____	<input checked="" type="checkbox"/> Premises is LESS than 50 miles from the boundaries of an incorporated city, borough, or unified municipality.	
Premises to be licensed is: <input type="checkbox"/> Proposed building <input checked="" type="checkbox"/> Existing facility <input type="checkbox"/> New building		<input checked="" type="checkbox"/> Not applicable	
		<input type="checkbox"/> Plans submitted to Fire Marshall (required for new & proposed buildings) <input checked="" type="checkbox"/> Diagram of premises attached	

## New Liquor License

### SECTION E – OWNERSHIP INFORMATION – SOLE PROPRIETORSHIP (INDIVIDUAL OWNER & SPOUSE)

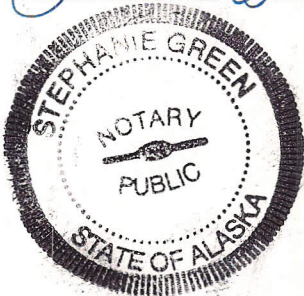
Individual Licensees/Affiliates (The ABC Board defines an "Affiliate" as the spouse or significant other of a licensee. Each Affiliate must be listed.)

Name: <b>MARY K. VOGL</b> Address: <b>PO Box 3350</b> <b>Homer, AK 99603</b> Home Phone: <b>907-435-7142</b> Work Phone: <b>907-399-9900</b>	Applicant <input checked="" type="checkbox"/> Affiliate <input type="checkbox"/>  Date of Birth: <b>7-12-74</b>	Name: Address:  Home Phone: Work Phone:	Applicant <input type="checkbox"/> Affiliate <input type="checkbox"/>  Date of Birth:
Name: <b>EVAN J. VOGL</b> Address: <b>PO Box 3350</b> <b>Homer, AK 99603</b> Home Phone: <b>907-435-7142</b> Work Phone: <b>907-399-9900</b>	Applicant <input checked="" type="checkbox"/> Affiliate <input type="checkbox"/>  Date of Birth: <b>2-19-70</b>	Name: Address:  Home Phone: Work Phone:	Applicant <input type="checkbox"/> Affiliate <input type="checkbox"/>  Date of Birth:

#### Declaration

- I declare under penalty of perjury that I have examined this application, including the accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete, and this application is not in violation of any security interest or other contracted obligations.
- I hereby certify that there have been no changes in officers or stockholders that have not been reported to the Alcoholic Beverage Control Board. The undersigned certifies on behalf of the organized entity, it is understood that a misrepresentation of fact is cause for rejection of this application or revocation of any license issued.
- I further certify that I have read and am familiar with Title 4 of the Alaska statutes and its regulations, and that in accordance with AS 04.11.450, no person other than the licensee(s) has any direct or indirect financial interest in the licensed business.
- I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

Signature of Licensee(s) Signature <b>Mary K. Vogl</b> Signature <b>Stephanie Green</b> Name & Title (Please Print) <b>STEPHANIE GREEN</b> Subscribed and sworn to before me this <b>16<sup>th</sup></b> day of <b>July</b> , <b>2013</b> Notary Public in and for the State of Alaska <b>Stephanie Green</b> My commission expires: <b>June 9, 2015</b>	Signature of Licensee(s) Signature Signature Name & Title (Please Print) Subscribed and sworn to before me this day of Notary Public in and for the State of Alaska My commission expires:
---	---



STATE OF ALASKA  
ALCOHOLIC BEVERAGE CONTROL BOARD  
APPLICATION FOR RESTAURANT DESIGNATION PERMIT - AS 04.16.049 & 3 AAC 304.715-794  
FEE: \$50.00

The granting of this permit allows access of persons under 21 years of age to designated licensed premises for purposes of dining, and persons under the age of 20 for employment. If for employment, please state in detail, how the person will be employed, duties, etc.

This application is for designation of premises where : (please mark desired items).

- 1 ☒ Under 3 AAC 304.305 Bona fide restaurant/eating place.  
2 ☒ Persons age 16 to 20 may dine unaccompanied.  
3 ☒ Persons under 16 may dine accompanied by a person 21 years or older.  
4 ☒ Persons between 16 and 20 years of age may be employed. \*(See note below).

R/E  
License Number 5256

LICENSEE: Mary & Evan Vogl

D/B/A: Little Mermaid

ADDRESS: 4246 Homer Spit Road

1. Hours of Operation: 11 am to 11 pm Telephone # 907-399-9900

2. Have police ever been called to your premises by you or anyone else for any reason: [ ] Yes [X] No  
If yes, date(s) and explanation(s).

3. \* Duties of employment: taking food orders, bringing food, clearing dishes, greeting people, Answer Phone

4. Are video games available to the public on your premises? NO

5. Do you provide entertainment: [ ] Yes [X] No If yes, describe.

6. How is food served? ☒ Table Service \_\_\_\_\_ Buffet Service \_\_\_\_\_ Counter Service \_\_\_\_\_ Other\*

7. Is the owner, manager, or assistant manager always present during business hours? [X] Yes [ ] No

\*\*\* A MENU AND A DETAILED LICENSED PREMISE DIAGRAM MUST ACCOMPANY THIS APPLICATION \*\*\*

I have read and am familiar with Title 4 of the Alaska statutes and its regulations.

Mary & Evan Vogl  
Applicant signature

\_\_\_\_\_  
Local Governing Body Approval

Subscribed and sworn to before me this

25th day of September, 2013

Date: \_\_\_\_\_

Bobbie R Krause  
Notary Public in and for Alaska

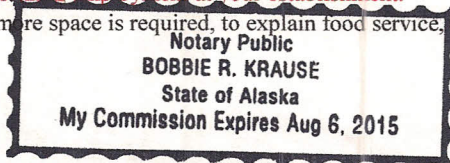
My Commission expires 08/06/15

\_\_\_\_\_  
Director, ABC Board

Date: \_\_\_\_\_

\*Employees 16 and 17 years of age must have a valid work permit and a letter maintained in your files from a parent or guardian authorizing employment at your establishment.

\*\* If more space is required, to explain food service, entertainment, etc., please add on back or attach additional page(s).



Update: 6/19/2013

ABC Board  
2400 Viking Drive  
Anchorage AK 99507

Phone: 907-263-5900  
Fax: 907-263-5930

STATE OF ALASKA  
ALCOHOL BEVERAGE CONTROL BOARD  
Licensed Premises Diagram

INSTRUCTIONS: Draw a detailed floor plan of your present or proposed licensed premises on the graph below; show all entrances and exits, and all fixtures such as tables, booths, games, counters, bars, coolers, stages, etc.

DBA: Little Mermaid

PREMISES LOCATION: 4246 Homer Spit Rd 4th

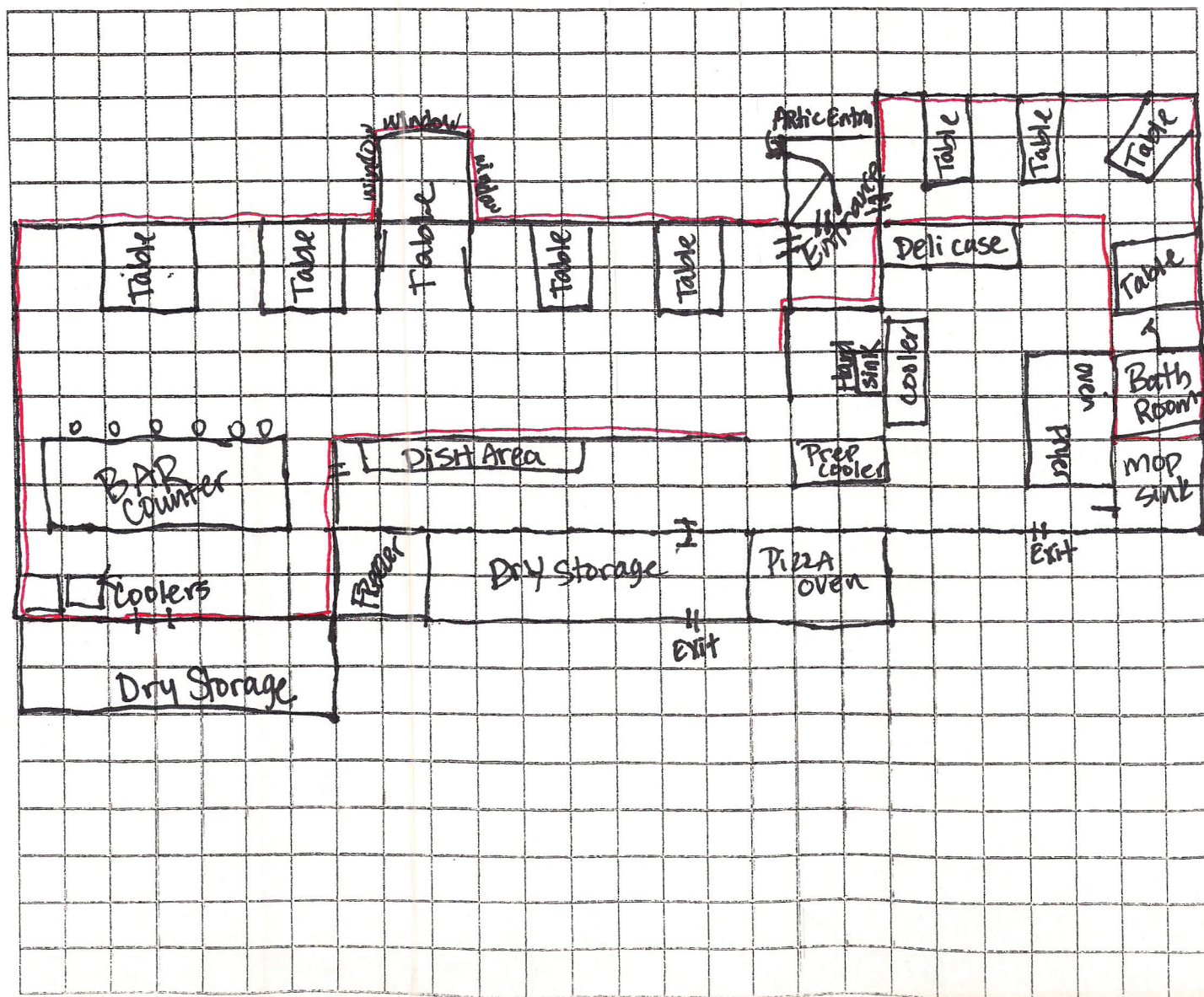
Indicate scale by x after appropriate statement or show length and width of premises.

SCALE A: \_\_\_\_\_ 1 SQ. = 4 FT.

SCALE B: X 1 SQ. = 1 FT.

Length and width of premises in feet: 21<sup>ft</sup> x 10<sup>ft</sup>

Outline the area to be designated for sale service storage and consumption of alcoholic beverages in red.  
DO NOT USE BLUE INK OR PENCIL ON THIS DIAGRAM.



5/1/2014 Will add Selection of  
Pizzas.

**907-399-9900**

Ankle

**FISH AND CHIPS 16.50**

Local Rockfish & Hand cut Spuds

**RICE BOWLS WITH GRILLED VEGETABLES &  
SEASALAD**

Org Chicken (\$14) Wild Prawns (\$18)

Rockfish (\$17)

Teriyaki- Grilled- Peanut Satay

**FISH CHOWDER 5**

Prepared with Local Fin Fish

**AHI POKI 16**

with Jasmine Rice, crispy noodles, wakame

**BEEF CHILI 5.00**

Made with Grass-fed all natural Beef

**HOMER, ALASKA**

Harborview Boardwalk Homer Spit Road

Overnight Accommodations Available!!

## Little Mermaid

**ALASKAN SALMON BURGER 9.00**

house made on Ciabatta with fresh greens and  
tomato

**LOCAL ROCKFISH 9.50**

seared on Ciabatta with fresh greens and  
tomato

**FALAFEL BURGER 8.00**

House made with garbanzo beans on pretzel roll

**BBQ PORK SANDWICH 8.50**

Slow roasted topped with slaw

**BEEF SLIDERS SINGLE 2.25**

Grass Fed All Natural on Brioche, Double? Triple?  
Cheese?

**HEBREW NATIONAL DOGS 5.50**

with house chili, cheese, onion.

**HAND CUT FRIES 3.50 / 5.50**



# CITY OF HOMER

## POLICE DEPARTMENT

4060 HEATH STREET HOMER, AK 99603-7609

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

### MEMORANDUM

**DATE:** January 6, 2014  
**TO:** Melissa Jacobsen, Deputy City Clerk  
**FROM:** Mark Robl, Police Chief *[Signature]*  
**SUBJECT:** NEW LIQUOR LICENSE FOR LITTLE MERMAID

---

We do not object to the following new liquor license:

**Type:** Restaurant/Eating Place – Public Convenience

Lic #: 5256  
DBA Name: Little Mermaid  
Premise Address: 4246 Homer Spit Road #4 & 6  
Owner: Mary K. & Evan Vogl  
Mailing Address: PO Box 3350, Homer, AK 99603



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

[clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov)

(p) 907-235-3130

(f) 907-235-3143

### Memorandum

TO: MARK ROBL, POLICE CHIEF  
FROM: MELISSA JACOBSEN, DEPUTY CITY CLERK  
DATE: JANUARY 6, 2014  
SUBJECT: REQUEST FOR A NEW LIQUOR LICENSE FOR LITTLE MERMAID

---

We have been notified by the ABC Board of a new liquor license in the City of Homer for the following:

Type: Restaurant/Eating Place – Public Convenience  
Lic #: 5256  
DBA Name: Little Mermaid  
Premise Address: 4246 Homer Spit Road #4 & 6  
Owner: Mary K. & Evan Vogl  
Mailing Address: PO Box 3350, Homer, AK 99603

This matter is scheduled for the January 16, 2014 City Council meeting. Please respond with objections/non-objections to these liquor license renewals by **Wednesday, January 8, 2014**.

Thank you for your assistance.



## **KENAI PENINSULA BOROUGH**

144 North Binkley Street • Soldotna, Alaska 99669-7520

**PHONE:** (907) 714-2160 • **FAX:** (907) 714-2388

Toll-free within the Borough: 1-800-478-4441 Ext. 2160

Email: [assemblyclerk@borough.kenai.ak.us](mailto:assemblyclerk@borough.kenai.ak.us)

**JOHNI BLANKENSHIP, MMC  
BOROUGH CLERK**

January 6, 2014

Ms. Christine Lambert  
Records & Licensing Supervisor  
Alcoholic Beverage Control Board  
2400 Viking Drive  
Anchorage, AK 99501-1768

**RE: Non-Objection of New License Application**

Business Name	:	Little Mermaid
License Type	:	Restaurant / Eating Place Public Convenience
License Location	:	City of Homer
License No.	:	5256

Dear Ms. Lambert,

This serves to advise that the Finance Department has reviewed the above referenced application and has no objection to the issuance of this license.

Should you have any questions, or need additional information, please don't hesitate to let us know.

Sincerely,

Johni Blankenship, MMC  
Borough Clerk

JB/klr

cc: City of Homer  
Applicant  
KPB Finance Department  
File

**ORDINANCE REFERENCE SHEET**  
**2014 ORDINANCE**  
**ORDINANCE 14-01**

An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 1.78.010, Commission—Creation and Membership, to Make the Director of the Homer Chamber of Commerce an Ex Officio, Non-Voting Member of the Economic Development Advisory Commission.

Sponsor: City Clerk/Economic Development Advisory Commission

1. City Council Regular Meeting January 13, 2014 Introduction



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

3 City Clerk/Economic Development  
4 Advisory Commission

5 **ORDINANCE 14-01**

6  
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
8 AMENDING HOMER CITY CODE 1.78.010, COMMISSION—  
9 CREATION AND MEMBERSHIP, TO MAKE THE DIRECTOR OF THE  
10 HOMER CHAMBER OF COMMERCE AN EX OFFICIO, NON-VOTING  
11 MEMBER OF THE ECONOMIC DEVELOPMENT ADVISORY  
12 COMMISSION.

13  
14 WHEREAS, Resolution 11-007(S)(A) adopted the Community Economic Development  
15 Strategy (CEDS); and

16  
17 WHEREAS, The implementation table in the CEDS identifies the Homer Chamber of  
18 Commerce as one of the groups responsible for carrying out its implementation strategies;  
19 and

20  
21 WHEREAS, The Economic Development Advisory Commission and Director of the  
22 Homer Chamber of Commerce have acknowledged the importance of communication  
23 between the City and Chamber to successfully carrying out the CEDS implementation  
24 strategies, as well as the two entities' cooperation in other areas to promote economic  
25 development for the community; and

26  
27 WHEREAS, At its July 9, 2013 regular meeting the Commission introduced an  
28 amendment to its bylaws to make the Director of the Homer Chamber of Commerce an ex  
29 officio, non-voting member of the Commission, and approved the amendment at its  
30 November 12, 2013 regular meeting.

31  
32 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

33  
34 Section 1. Homer City Code 1.78.010, Commission—Creation and membership, is  
35 amended to read as follows:

36  
37 1.78.010 Commission--Creation and membership. a. There is created the City of  
38 Homer Economic Development Advisory Commission, referred to in this chapter as the  
39 Commission. Such Commission will be made up of seven members, who shall be nominated  
40 by the Mayor and confirmed by the City Council. A minimum of five commissioners shall  
41 reside within the corporate limits of the City of Homer and shall be registered voters in the

[Added language underlined. Deleted language stricken through.]

Kenai Peninsula Borough or the City of Homer.

b. A Chairman and Vice-Chairman of the Commission shall be selected annually and shall be appointed from and by the appointive members.

c. The Mayor, the City Manager, ~~and one Councilmember~~ and the Director of the Homer Chamber of Commerce shall serve as consulting members of the Commission in addition to the seven appointive members, and may attend and participate in all meetings as consultants, but shall have no vote.

Section 2. 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 \_\_\_\_\_ 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

[Added language underlined. Deleted language stricken through.]

81 Reviewed and approved as to form.

82

83

84 \_\_\_\_\_  
Walt Wrede, City Manager

85

86 Date: \_\_\_\_\_

87

88

89 Fiscal Note: N/A

\_\_\_\_\_  
Thomas F. Klinkner, City Attorney

Date: \_\_\_\_\_

[Added language underlined.] ~~Deleted language stricken through.~~



**ORDINANCE REFERENCE SHEET**  
**2014 ORDINANCE**  
**ORDINANCE 14-02**

An Ordinance of the Homer City Council, Amending HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100, to Repeal the Exemption From City Sales Tax of Sales of Nonprepared Foods from September 1<sup>st</sup> Through May 31<sup>st</sup>.

Sponsor: Lewis

1. City Council Regular Meeting January 13, 2014 Introduction
  - a. Memorandum 14-004 from City Attorney as backup



CITY OF HOMER  
HOMER, ALASKA

Lewis

ORDINANCE 14-02

AN ORDINANCE OF THE HOMER CITY COUNCIL, AMENDING HCC 9.16.040, AND REPEALING AND REENACTING HCC 9.16.100, TO REPEAL THE EXEMPTION FROM CITY SALES TAX OF SALES OF NONPREPARED FOODS FROM SEPTEMBER 1<sup>ST</sup> THROUGH MAY 31<sup>ST</sup>.

WHEREAS, The voters of the Kenai Peninsula Borough ("Borough") approved Initiative Ordinance 2008-01 exempting sales of nonprepared foods from Borough sales tax from September 1<sup>st</sup> through May 31<sup>st</sup>; and

WHEREAS, The Borough adopted Ordinance 2008-28 authorizing cities within the Borough, including the City of Homer ("City"), to continue taxing sales of nonprepared foods during the period from September 1<sup>st</sup> through May 31<sup>st</sup> despite the exemption of sales of nonprepared foods from Borough sales tax during those months; and

WHEREAS, The City enacted Ordinance 08-32(S)(A-2) on December 8, 2008 exempting sales of nonprepared foods from City sales tax from September 1<sup>st</sup> through May 31<sup>st</sup> of each year; and

WHEREAS, The loss of sales tax revenues on the sale of nonprepared foods has had a substantial negative impact on funding for essential City services and has required the almost complete elimination of all non-essential City services; and

WHEREAS, It is in the best interest of the City and its residents to reinstate the sales tax on nonprepared foods at the full 4.5% rate on a year-round basis to provide funding for City services.

THE CITY OF HOMER HEREBY ORDAINS:

Section 1. The City of Homer exercises the authority granted it under Kenai Peninsula Borough Ordinance 2008-28 to levy and collect sales taxes on nonprepared food items on a year-round basis notwithstanding Kenai Peninsula Borough Initiative Ordinance 2008-01.

Section 2. Homer City Code 9.16.040 is amended to read as follows:

9.16.040 Borough Provisions Adopted by Reference. **Except for provisions regarding**

[Bold and underlined added. Deleted language stricken through.]

**exemption from sales tax, which are addressed in Section 9.16.100 of this chapter,**  
Those sections of the Kenai Peninsula Borough Code of Ordinances applicable to the levy  
and collection of the sales tax described in this chapter are incorporated by this reference  
and made a part of this chapter as though fully set forth in this chapter.

Section 3. Homer City Code 9.16.100 is repealed and reenacted to read as follows:

9.16.100 Exemptions. a. Except as provided in (b) of this section, all sales, rentals, and  
services that are exempted from sales tax under the Kenai Peninsula Borough Code as  
amended from time to time shall be exempt from the sales tax levied by HCC 9.16.010.

b. Notwithstanding their exemption from Kenai Peninsula Borough sales tax, the  
following sales are subject to the sales tax levied by HCC 9.16.010:

1. Sales of nonprepared food items.

2. Sales exempted from Kenai Peninsula Borough sales tax that the Kenai  
Peninsula Borough by ordinance expressly authorizes the city to tax, and on which the city  
imposes a sales tax.

Section 4. This ordinance is of a permanent and general character and shall be  
included in the city code.

Section 5. This ordinance shall take effect April 1, 2014.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this \_\_\_\_ day of  
\_\_\_\_\_, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

AYES:

NOES:

ABSTAIN:

ABSENT:

**[Bold and underlined added. Deleted language stricken through.]**

85 First Reading:  
86 Public Reading:  
87 Second Reading:  
88 Effective Date:  
89  
90  
91

92 Reviewed and approved as to form:  
93  
94

95 \_\_\_\_\_  
96 Walt Wrede, City Manager  
97

97 Date: \_\_\_\_\_

\_\_\_\_\_  
Thomas F. Klinkner, City Attorney

Date: \_\_\_\_\_



**MEMORANDUM** 14-004

TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: THOMAS F. KLINKNER

RE: REPEAL OF SALES TAX EXEMPTION FOR SALES OF  
NONPREPARED FOODS

FILE NO.: 506,742.101

DATE: DECEMBER 17, 2013

CC: WALT WREDE, JO JOHNSON

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**1. Introduction.**

Two ordinances repealing the current City sales tax exemption for sales of nonprepared foods from September 1 through May 31 have been proposed for the January 13, 2014 Council meeting agenda. One would repeal the exemption unconditionally. The other would repeal the exemption, dedicate part of the entire City sales tax to fund a parks and recreation department, and make both the repeal and the dedication subject to voter approval at the October 7, 2014 regular City election.<sup>1</sup>

This memorandum describes the history of the sales tax exemption for sales of nonprepared foods, and then answers two legal questions raised by the proposed ordinances. First, the Council may repeal the sales tax exemption for sales of nonprepared foods without voter approval. Second, any dedication of sales tax revenue for a particular purpose, with or without voter ratification, will not restrict the legislative power of future Councils to determine the purposes for which sales tax revenue may be spent.

**2. History of the Sales Tax Exemption for Sales of Nonprepared Foods.**

Before January 1, 2009, the City levied a sales tax at an aggregate rate of 4.5% "on all sales, rents and services within the City."<sup>2</sup> The City Code did not identify transactions that were exempt from the tax; instead it levied the tax on transactions

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<sup>1</sup> The following analysis assumes that this dedication of sales tax revenue would not result in any increase in the City's present aggregate sales tax rate of 4.5%.

<sup>2</sup> HCC 9.16.010.

“except as the same may be otherwise exempted by law.”<sup>3</sup> AS 29.45.700(a) makes the City sales tax subject to all exemptions from the sales tax levied by the Kenai Peninsula Borough (“Borough”), subject to the authority of the “assembly...by ordinance [to] authorize a city to levy and collect sales and use taxes on other sources.”<sup>4</sup> Thus, sales were exempt from City sales tax if, and only if, exempt from the sales tax levied by the Borough, or exempt under other federal or state law.

An initiative proposition to exempt sales of nonprepared food from September 1 to May 31 from Borough sales tax was placed on the ballot at the October 7, 2008 regular Borough election (“Borough Proposition”).<sup>5</sup> Under AS 29.45.700(a), voter approval of this initiative would have precluded the City from taxing the sales that the initiative exempted from Borough sales tax unless the Borough Assembly by ordinance authorized the City to tax them.

Anticipating this effect of the initiative on the levy of sales taxes by general law cities in the Borough, the Borough Assembly adopted Ordinance 2008-28, authorizing “the general law cities in the Kenai Peninsula Borough ... to levy and collect sales taxes on nonprepared food items on a year-round basis except for sales that are required to be exempted by AS 29.45.700 as now enacted or may be hereinafter (sic).”<sup>6</sup> Ordinance 2008-28 became effective upon voter approval of the Borough Proposition at the October 7, 2008 regular Borough election. The exemption enacted by the Borough Proposition became effective on January 1, 2009.

Because Borough Ordinance 2008-28 authorized the City’s existing sales taxation of sales of nonprepared foods, voter approval of the Borough Proposition had no effect on the City’s taxation of those sales. However, on December 8, 2008, the City Council adopted Ordinance 08-32(S)(A-2). This ordinance enacted HCC 9.16.100(a), exempting sales of nonprepared foods from City sales tax from September 1 through May 31 of each year, commencing January 1, 2009. Section 3 of Ordinance 08-

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<sup>3</sup> *Id.*

<sup>4</sup> See, *City of Homer v. Gangl*, 650 P.2d 396, 399-400 (Alaska 1982), rejecting a bed tax enacted by the City because it did not conform to the Borough’s sales tax structure. However, this requirement does not apply to home rule cities, because AS 29.45.700(a) is not among the provisions of Title 29 that AS 29.10.200 designates as “apply[ing] to home rule municipalities as prohibitions on acting otherwise than as provided.”

<sup>5</sup> The initiative proposed enacting Kenai Peninsula Borough Code 5.18.200(15)(d) as follows:

(d) Sales of nonprepared food items. Sales tax is prohibited on all sales of nonprepared food items from September 1 until May 31 of each year. These food items exempted from sales tax include those which have been previously granted exemption in KPB 5.18.200(14) for food purchased with coupons issued under the federal food stamp program.

<sup>6</sup> AS 29.45.700(d) prohibits the City from levying a sales tax on food purchases made with food stamps or with certain other government subsidies.

32(S)(A-2) also stated, "The Council intends to bring forward a proposition for an advisory vote regarding the sales tax structure for nonprepared food items as soon as administratively practical."

On January 26, 2009, the Council adopted Ordinance 09-02, providing for the levy of a sales tax on nonprepared foods from September 1 through May 31 at a rate of 3.0%, effective January 1, 2010, but only if the City voters approved a proposition to that effect at the October 6, 2009 regular City election. At the October 6, 2009 regular City election, a majority of those voting on the question voted against this proposition.

Since 2009, the Council has considered, but not enacted, three ordinances repealing in whole or in part the exemption from City sales tax for sales of nonprepared foods. None of these ordinances made repeal of the sales tax exemption subject to voter approval. Ordinance 10-46, which would have repealed the exemption completely, was rejected on September 27, 2010. Ordinance 12-54(S), which would have repealed the exemption for specified categories of nonprepared foods, was rejected on December 10, 2012. Ordinance 12-53(S), which would have repealed the exemption completely, was rejected on January 14, 2013.

### **3. *The Council May Repeal the Sales Tax Exemption for Sales of Nonprepared Foods without Voter Approval.***

AS 29.35.250(a) authorizes the City to "exercise any power not otherwise prohibited by law." AS 29.20.050(a) vests the legislative power of the City in the Council. Thus, the Council may exercise its legislative power without voter approval, except where prohibited by law from doing so. One prohibition on the exercise of legislative power by the Council is the requirement in AS 29.45.670 that "[a] new sales and use tax or an increase in the rate of levy of a sales tax approved by ordinance does not take effect until ratified by a majority of the voters at an election." In contrast, the power to grant sales tax exemptions is not so limited: "[sales tax] exemptions may be granted by ordinance."<sup>7</sup>

*City of St. Mary's v. St. Mary's Native Corporation*<sup>8</sup> addressed the question whether a city council's repeal of a sales tax exemption adopted by ordinance was subject to voter approval. A taxpayer challenged the council's repeal by ordinance of an exemption from sales tax of the part of a sale in excess of \$1,000. The court held that repealing a sales tax exemption neither increases the rate of levy of a sales tax, nor imposes a new sales tax—the two actions that AS 29.45.670 makes subject to voter approval.<sup>9</sup> Thus, the city council could repeal the sales tax exemption under its implicit authority to repeal any ordinance that it had the power to enact:

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<sup>7</sup> AS 29.45.650(a).

<sup>8</sup> 9 P.3d 1002 (Alaska 2000).

<sup>9</sup> 9 P.3d at 1006-1008.

Alaska Statute 29.45.650(a) grants a municipality the power to grant an exemption to a sales tax by ordinance without voter approval. We conclude that this grant of power implies the power to repeal such an exemption by ordinance. As one commentator has observed:

Specific grant of power to repeal ordinances, however, ordinarily is not necessary since it is the general rule that power to enact ordinances implies power, unless otherwise provided in the grant, to repeal them. It is patently obvious that the effectiveness of any legislative body would be entirely destroyed if the power to amend or repeal its legislative acts were taken away from it.

Moreover, Alaska's constitution and our prior case law require us to interpret AS 29.45.650(a) in favor of the broad power of municipal governments. We have concluded that article X, section 1 of the Alaska Constitution restrains us from implying limitations "on the taxing authority of a municipality where none are expressed."<sup>10</sup>

The City having exempted sales of nonprepared foods from sales tax by ordinance, under *City of St. Mary's* the Council may repeal that exemption by ordinance without voter approval. Moreover, as discussed below, the City voters' prior rejection of Ordinance 09-02 partially repealing the exemption does not change this result.

Ordinance 09-02 made its partial repeal of the tax exemption for sales of nonprepared food items from September 1 through May 31 subject to voter approval. The voters' rejection of that partial repeal caused the failure of a condition to the effectiveness of Ordinance 09-02, but had no other legal effect. Nothing in the voters' rejection of Ordinance 09-02 restricts the Council's future authority to legislate regarding the sales tax exemption for sales of nonprepared foods. Moreover, such a restriction would not be permissible. It is a well established rule of municipal law that a city council may not limit the legislative power of future councils by prohibiting the repeal of an ordinance:

The power of repeal extends, generally speaking, to all ordinances. Indeed, a municipal corporation cannot abridge its own legislative powers by the passage of irrevocable ordinances. The members of its legislative body are trustees for the public, and the nature and limited tenure of their office impress the ordinances enacted by them with liability to change. One council may not by an ordinance bind itself or its successors so as to prevent free legislation in matters of municipal government. Accordingly, in the absence of a valid provision to the contrary, a municipal council or assembly, having the power to legislate on, or exercise discretionary or

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<sup>10</sup> 9 P.3d at 1007 (footnotes omitted).

regulatory authority over, any given subject, may exercise that power at will by enacting or repealing an ordinance in relation to that subject.<sup>11</sup>

Thus, the Council's adoption of Ordinance 09-02 could not "abridge its own legislative power" by either expressly or implicitly abdicating that power in favor of the voters' rejection of its partial repeal of the sales tax exemption for sales of nonprepared foods. Notwithstanding that voter rejection, the Council may repeal the sales tax exemption for sales of nonprepared foods without voter approval.

**4. *Voter Ratification of a Dedication of Sales Tax Revenue Will Not Bind Future City Councils.***

Even if the City voters ratify an ordinance that purports to dedicate sales tax revenues to a particular purpose, the City Council at any time still may enact an ordinance either amending or repealing that dedication, or appropriate funds by ordinance contrary to the dedication.

As discussed above, it is a well established rule of municipal law that a city council may not limit the legislative power of future councils by prohibiting the repeal of an ordinance. Thus, the Council cannot "abridge its own legislative power" by enacting an ordinance that dedicates sales tax revenue to fund a parks and recreation department. Moreover, voter ratification of the dedication has no effect on the power of a future Council to repeal it.

In addition to amending or repealing the dedication of sales tax revenue to fund a parks and recreation department, the Council may abrogate the dedication simply by appropriating sales tax revenue to any other City purpose. The Council makes appropriations by ordinance,<sup>12</sup> and the subsequent legislative act of such an appropriation would release the City from the prior legislative constraints of the dedication of sales tax revenue.<sup>13</sup>

Please let me know whether we may be of further assistance in this matter.

TFK/TFK

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<sup>11</sup> 6 McQuillin, *The Law of Municipal Corporations* § 21.10, at 374 (rev. 3d ed. 2007) (footnotes omitted).

<sup>12</sup> AS 29.25.010(a)(4).

<sup>13</sup> See, *Miller v. Matanuska-Susitna Borough*, 54 P.3d 285, 292 (Alaska 2002), holding that a later-enacted ordinance superseded a contrary municipal code provision.



**ORDINANCE REFERENCE SHEET**  
**2014 ORDINANCE**  
**ORDINANCE 14-03**

An Ordinance of the Homer City Council, Amending HCC 9.16.040, and Repealing and Reenacting HCC 9.16.100, to Repeal the Exemption From City Sales Tax of Sales of Nonprepared Foods From September 1<sup>st</sup> Through May 31<sup>st</sup>; Amending HCC 9.16.010 to Dedicate a Sales Tax of One-Quarter Percent (.25%) to Fund a Parks and Recreation Department; and Submitting the Question of Repealing Such Sales Tax Exemption and Such Sales Tax Dedication to the Qualified Voters of the City at the October 7, 2014 Regular City Election.

Sponsor: Burgess

1. City Council Regular Meeting January 13, 2014 Introduction
  - a. Memorandum 14-004 from City Attorney as backup



**CITY OF HOMER  
HOMER, ALASKA**

Burgess

**ORDINANCE 14-03**

AN ORDINANCE OF THE HOMER CITY COUNCIL, AMENDING HCC 9.16.040, AND REPEALING AND REENACTING HCC 9.16.100, TO REPEAL THE EXEMPTION FROM CITY SALES TAX OF SALES OF NONPREPARED FOODS FROM SEPTEMBER 1<sup>ST</sup> THROUGH MAY 31<sup>ST</sup>; AMENDING HCC 9.16.010 TO DEDICATE A SALES TAX OF ONE-QUARTER PERCENT (.25%) TO FUND A PARKS AND RECREATION DEPARTMENT; AND SUBMITTING THE QUESTION OF REPEALING SUCH SALES TAX EXEMPTION AND SUCH SALES TAX DEDICATION TO THE QUALIFIED VOTERS OF THE CITY AT THE OCTOBER 7, 2014 REGULAR CITY ELECTION.

WHEREAS, The voters of the Kenai Peninsula Borough ("Borough") approved Initiative Ordinance 2008-01 exempting sales of nonprepared foods from Borough sales tax from September 1<sup>st</sup> through May 31<sup>st</sup>; and

WHEREAS, The Borough adopted Ordinance 2008-28 authorizing cities within the Borough, including the City of Homer ("City"), to continue taxing sales of nonprepared foods during the period from September 1<sup>st</sup> through May 31<sup>st</sup> despite the exemption of sales of nonprepared foods from Borough sales tax during those months; and

WHEREAS, The City enacted Ordinance 08-32(S)(A-2) on December 8, 2008 exempting sales of nonprepared foods from City sales tax from September 1<sup>st</sup> through May 31<sup>st</sup> of each year; and

WHEREAS, The loss of sales tax revenues on the sale of nonprepared foods has had a substantial negative impact on funding for essential City services and has required the almost complete elimination of all non-essential City services; and

WHEREAS, It is in the best interest of the City and its residents to reinstate the sales tax on nonprepared foods at the full 4.5% rate on a year-round basis to provide funding for City services, and to dedicate .25% of the City sales tax to fund a parks and recreation department.

NOW, THEREFORE, THE CITY OF HOMER HEREBY ORDAINS:

Section 1. The City of Homer exercises the authority granted it under Kenai Peninsula Borough Ordinance 2008-28 to levy and collect a sales tax on nonprepared food

**[Bold and underlined added.] Deleted language stricken through.**

items on a year-round basis notwithstanding Kenai Peninsula Borough Initiative Ordinance 2008-01.

Section 2. Homer City Code 9.16.010 is amended to read as follows:

9.16.010 Levied. a. A consumer's sales tax in the amount of two and three-quarters percent (2.75%) is levied by the City on all sales, rents and services within the City except the same may be otherwise exempted by law.

b. An additional consumer's sales tax in the amount of three-quarters percent (3/4%) is hereby levied by the City of Homer on all sales, rents and services within the City except the same may be otherwise exempted by law, for the purpose of funding debt retirement of the sewer treatment plant improvements, and to the extent revenues from such tax exceed such debt retirement obligations, for the purpose of funding water and sewer systems.

c. An additional consumer's sales tax in the amount of three-quarters percent (3/4%) is hereby levied by the City of Homer on all sales, rents and services within the City except the same may be otherwise exempted by law, for the purpose of funding of street reconstruction improvements and related utilities, construction of new local roads, and construction of new local trails.

**d. An additional consumer's sales tax in the amount of one-quarter percent (.25%) is hereby levied by the City of Homer on all sales, rents and services within the City except the same may be otherwise exempted by law, for the purpose of funding of a parks and recreation department.**

Section 3. Homer City Code 9.16.040 is amended to read as follows:

9.16.040 Borough Provisions Adopted by Reference. **Except for provisions regarding exemption from sales tax, which are addressed in Section 9.16.100 of this chapter,** ~~Those~~ those sections of the Kenai Peninsula Borough Code of Ordinances applicable to the levy and collection of the sales tax described in this chapter are incorporated by this reference and made a part of this chapter as though fully set forth in this chapter.

Section 4. Homer City Code 9.16.100 is repealed and reenacted to read as follows:

9.16.100 Exemptions. a. Except as provided in (b) of this section, all sales, rentals, and services that are exempted from sales tax under the Kenai Peninsula Borough Code as amended from time to time shall be exempt from the sales tax levied by HCC 9.16.010.

b. Notwithstanding their exemption from Kenai Peninsula Borough sales tax, the following sales are subject to the sales tax levied by HCC 9.16.010:

1. Sales of nonprepared food items.

2. Sales exempted from Kenai Peninsula Borough sales tax that the Kenai Peninsula Borough by ordinance expressly authorizes the city to tax, and on which the city imposes a sales tax.

**[Bold and underlined added. Deleted language stricken through.]**

Section 5. The City shall submit the following proposition to the qualified voters of the City at the October 7, 2014, regular City election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

**PROPOSITION NO. \_\_\_\_**  
**REPEAL OF SALES TAX EXEMPTION FOR NONPREPARED FOODS, AND**  
**DEDICATION OF .25% SALES TAX TO FUND A CITY PARKS AND RECREATION**  
**DEPARTMENT**

Shall the exemption from City of Homer tax of sales of nonprepared food items at from September 1 through May 31 be repealed, and shall one-quarter percent (.25%) of the City sales tax be dedicated to fund a parks and recreation department?

Section 6. The proposition shall be printed on paper ballots and machine ballots, and the following words shall be added as appropriate next to an oval provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. \_\_\_\_

O     Yes  
O     No

Section 7. Sections 2, 3 and 4 of this ordinance are of a permanent and general character and shall be included in the city code.

Section 8. Sections 1 through 4 and 7 of this ordinance shall become effective on January 1, 2015, but only if the proposition described in Section 5 is approved by a majority of the qualified voters voting on the proposition at the October 7, 2014, regular City election. The remaining sections of this ordinance shall become effective upon adoption.

ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this \_\_\_\_ day of \_\_\_\_\_, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

**[Bold and underlined added. Deleted language stricken through.]**

126 ATTEST:

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130 JO JOHNSON, MMC, CITY CLERK

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133 AYES:

134 NOES:

135 ABSTAIN:

136 ABSENT:

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138 First Reading:

139 Public Reading:

140 Second Reading:

141 Effective Date:

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144 Reviewed and approved as to form:

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148 Walt Wrede, City Manager

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150 Date: \_\_\_\_\_

\_\_\_\_\_  
Thomas F. Klinkner, City Attorney

Date: \_\_\_\_\_

**ORDINANCE REFERENCE SHEET**  
**2014 ORDINANCE**  
**ORDINANCE 14-04**

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2014 Operating Budget by Appropriating \$35,000 from the Port and Harbor Depreciation Reserves to Replace the Fish Grinder in the Fish Waste Grinding Facility.

Sponsor: City Manager/Port and Harbor Director

1. City Council Regular Meeting January 13, 2014 Introduction
  - a. Memorandum 14-005 from Port and Harbor Director as backup



**CITY OF HOMER  
HOMER, ALASKA**

City Manager/  
Port and Harbor Director

**ORDINANCE 14-04**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
AMENDING THE FY 2014 OPERATING BUDGET BY  
APPROPRIATING \$35,000 FROM THE PORT AND HARBOR  
DEPRECIATION RESERVES TO REPLACE THE FISH GRINDER IN  
THE FISH WASTE GRINDING FACILITY.

WHEREAS, The City owns and manages a fish waste grinding facility on Fish Dock Road  
that processes and pumps approximately two million pounds of fish waste annually back into  
the bay; and

WHEREAS, The fish grinder is an essential piece of equipment at the facility, and after  
14 years of service is in need of replacement; and

WHEREAS, A replacement fish grinder and installation of a new hydraulic-driven Autio  
grinder will cost \$35,000.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City Council hereby appropriates and transfers \$35,000 from the  
Port and Harbor Depreciation Reserve Funds for the purchase and installation of a new fish  
grinder as follows:

Transfer From:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
456-380	Port and Harbor Depreciation Reserve Funds	\$35,000

Section 2. 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  
\_\_\_\_\_ 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, 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](http://www.cityofhomer-ak.gov)

Port and Harbor

4350 Homer Spit Road  
Homer, AK 99603

[port@cityofhomer-ak.gov](mailto:port@cityofhomer-ak.gov)

(p) 907-235-3160

(f) 907-235-3152

### Memorandum 14-005

TO: MAYOR BETH WYTHE & HOMER CITY COUNCIL  
THROUGH: WALT WREDE, CITY MANAGER  
FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER *BH*  
DATE: JANUARY 2, 2014  
SUBJECT: REPLACEMENT OF THE CITY-OWNED FISH WASTE GRINDER

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The City owns and manages a fish waste grinding facility, located on Fish Dock Road directly across from the Ice Plant. The fish grinder is connected to the City's fish waste outfall line facility, which picks up the waste from the grinder and pumps the effluent out into the bay at the terminus by the Pioneer Dock. Approximately 2 million pounds of fish waste, comprising of sport and commercial fish carcasses, is ground and pumped through the system annually.

All the grinder and outfall activities are permitted through ADEC. This permit outlines strict criteria for these activities, such as particulate size, sampling/ recording, and required annual dive surveys. The City is responsible for all reporting and compliance in order to maintain our outfall permit. The Fish Factory and Auction Block both have outfall use agreements with the City, which allows them to discharge into the City's outfall system under our permit. The City has managed the fish grinder facility in the past under a memorandum of agreement with the Fish Factory, who supplies the trained personnel to operate and perform some of the required maintenance on the machinery.

The fish grinder is an essential piece of equipment to our sport, commercial, and charter fish operations on the Spit. This equipment gets heavy use, and after 14 years of service my staff and I recommend that it is time to replace the grinder unit. In truth, there is no backup plan for handling the volume of fish carcasses we receive if the fish grinder were to break down for an extended period of time. It is our fear that the unit will not withstand another busy season and should be replaced during the slow season before it becomes an emergency.

Harbor Staff researched a multitude of price and availability options and determined that, from a cost/benefit standpoint, purchasing a direct replacement unit is the best option that we can recommend. Staff estimates the project cost to purchase and install a new hydraulic-driven Autio grinder in the fish grinder shed is \$35,000.00.

#### Recommendation

Staff recommends appropriating monies from the Port and Harbor Reserves for the purchase and installation of a new hydraulic-driven Autio grinder.

Fiscal Note: \$35,000.00 from Port and Harbor Reserves 456-380



**CITY OF HOMER  
HOMER, ALASKA**

City Manager

**RESOLUTION 14-001**

A RESOLUTION OF THE HOMER CITY COUNCIL CONFIRMING THE  
CITY MANAGER'S APPOINTMENT OF JO JOHNSON AS THE  
ACTING CITY MANAGER FOR CALENDAR YEAR 2014.

WHEREAS, Homer City Code 1.20.010(b) states that the City Manager shall annually  
appoint an Acting City Manager, subject to the City Council confirmation which is revocable  
at any time, by the Council; and

WHEREAS, Pursuant to Homer City Code Section 1.20.010(b) the Acting City Manager  
shall assume the duties and powers of the City Manager in his absence.

NOW, THEREFORE, BE IT RESOLVED by the Homer City Council that Jo Johnson is  
hereby appointed by City Manager Walt Wrede and confirmed by the Homer City Council as  
Acting City Manager for the Calendar Year 2014.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January,  
2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A



**CITY OF HOMER  
HOMER, ALASKA**

City Manager

**RESOLUTION 14-002**

A RESOLUTION OF THE HOMER CITY COUNCIL CONFIRMING THE  
APPOINTMENTS OF ZHIYONG LI AS TREASURER AND LAURIE  
MOORE AS DEPUTY TREASURER FOR CALENDAR YEAR 2014.

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

WHEREAS, Pursuant to HCC §1.34.010, City Manager Walt Wrede hereby provides notice of the appointment of Zhiyong Li as Treasurer and Laurie Moore as Deputy Treasurer for Calendar Year 2014.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, confirms the appointments of Zhiyong Li as Treasurer and Laurie Moore as Deputy Treasurer for the Calendar Year 2014.

PASSED AND ADOPTED by the Homer City Council this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

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MARY E. WYTHER, MAYOR

ATTEST:

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JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A



**CITY OF HOMER  
HOMER, ALASKA**

City Clerk

**RESOLUTION 14-003**

A RESOLUTION OF THE HOMER CITY COUNCIL DESIGNATING  
SIGNATORIES OF CITY ACCOUNTS AND SUPERSEDING ANY  
PREVIOUS RESOLUTION SO DESIGNATING.

WHEREAS, Councilmember Francie Roberts was voted Mayor Pro Tempore for 2014, Jo Johnson was appointed as Acting City Manager for 2014, and Zhiyong Li was appointed as Treasurer for 2014.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the designated signatories, effective January 13, 2014 are as follows with the number of signatories defined:

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

**MARY E. WYTHER, MAYOR  
FRANCES ROBERTS, MAYOR PRO TEMPORE  
WALT E. WREDE, CITY MANAGER  
JO JOHNSON, ACTING CITY MANAGER/CITY CLERK  
ZHIYONG LI, FINANCE DIRECTOR/TREASURER**

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

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MARY E. WYTHER, MAYOR

43 ATTEST:

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JO JOHNSON, MMC, CITY CLERK

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49 Fiscal Note: N/A

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**CITY OF HOMER  
HOMER, ALASKA**

City Manager

**RESOLUTION 14-004**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY 14  
SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING  
THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE  
DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS  
ACTIVITY IN THE COOK INLET FISHERIES MANAGEMENT AREA.

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 14 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community and Economic Development that the municipality suffered significant effects during calendar year 2012 from fisheries business activities; and

WHEREAS, 3AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community and Economic Development; and

WHEREAS, 3AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS, The Homer City Council proposes to use an alternative allocation method for allocation of FY 14 funding available within the Cook Inlet Fisheries Management Area in agreement with all other municipalities in this area participating in the FY 14 Shared Fisheries Business Tax Program.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, by this Resolution, certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2012 of fisheries business activity in the Cook Inlet Fisheries Management Area:

50% divided equally and 50% divided on a per capita basis.

PASSED and ADOPTED by the City Council of Homer, Alaska this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Previous year's Acct. No. 400-603-4206 and budgeted for previous years.



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Commerce, Community,  
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

P.O. Box 110809  
Juneau, Alaska 99811-0809  
Main: 907.465.4751/907.465.4733  
Programs fax: 907.465.4761

November 15, 2013

Dear Municipal Official:

The purpose of the ***Shared Fisheries Business Tax Program*** is to provide for a sharing of state fish tax collected outside municipal boundaries with municipalities that have been affected by fishing industry activities. Municipalities around the state will share approximately \$2.72 million based on 2012 fisheries activity as reported by fish processors on their fish tax returns. Details of how the program works are presented in the application under *Program Description*.

Historically, your municipality along with the other communities in your fisheries management area (FMA) has filed using the alternative method. I have attached a separate sheet that details the communities that are in your FMA, as well as the anticipated payment based on your agreed upon allocation method from last year. If this agreement is still in place with your FMA, you will only need to have your Council/Assembly pass the enclosed sample resolution (pink) in order to participate in the program.

If your FMA intends to change the alternative method of allocation, the new proposal must be submitted to our office no later than January 15, 2014. If an agreement cannot be made with all communities in your FMA, you will need to file using the standard method and claim your significant effects. Instructions on both of these methods are detailed in the application packet.

We encourage your municipality to complete the FY 14 Shared Fisheries Business Tax Application as soon as possible. **FINAL DEADLINE for submission of applications/resolutions is February 15, 2014.**

If you have any questions about the program, or require assistance in completing the application, please call me at 465-4733.

Sincerely,

A handwritten signature in cursive script that reads "Danielle Lindoff".

Danielle Lindoff  
Local Government Specialist IV

**FY 14 Shared Fisheries Business Tax Program**

**FMA 14: Cook Inlet Area**

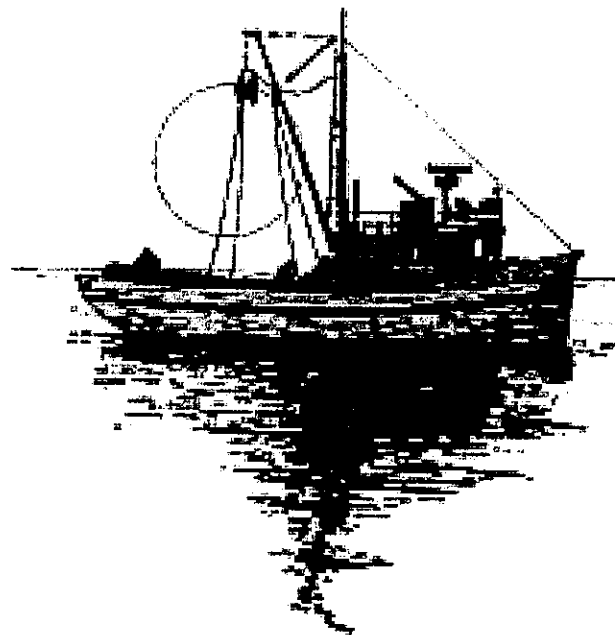
<i>Alternative Method*</i>	Total allocation: \$57,902.68	50% Divided \$28,951.34	50% per capita \$28,951.34	
Community	Population	50% divided share	50% per capita share	Calculated Allocation
Anchorage	298,842	\$3,618.92	\$23,032.05	\$26,650.97
Homer	5,153	\$3,618.92	\$397.15	\$4,016.06
Kachemak	467	\$3,618.92	\$35.99	\$3,654.91
Kenai	7,132	\$3,618.92	\$549.67	\$4,168.59
Kenai Pen Boro	56,756	\$3,618.92	\$4,374.24	\$7,993.16
Seldovia	242	\$3,618.92	\$18.65	\$3,637.57
Seward	2,754	\$3,618.92	\$212.25	\$3,831.17
Soldotna	4,299	\$3,618.92	\$331.33	\$3,950.25
<b>Totals</b>	<b>375,645</b>	<b>\$28,951.34</b>	<b>\$28,951.34</b>	<b>\$57,902.68</b>
<b>Community Count</b>	<b>8</b>			

\* All municipalities share 50% of allocation equally; share remaining 50% on a per capita basis.

FY 14 Landing Tax Allocation	\$4,642.75
Calculated Allocation	\$2,136.93
	\$322.02
	\$293.06
	\$334.25
	\$640.91
	\$291.67
	\$307.19
	\$316.74
	\$4,642.75

**DCCED  
SHARED FISHERIES BUSINESS  
TAX PROGRAM  
FY 14 LONG-FORM APPLICATION  
FOR**

**FMA 14: COOK INLET**



**APPLICATION MUST BE SUBMITTED TO DCCED  
NO LATER THAN FEBRUARY 15, 2014**

**State of Alaska  
Sean Parnell, Governor**

**Department of Commerce, Community, and  
Economic Development  
Susan K. Bell, Commissioner**

**Division of Community and Regional Affairs  
Scott Ruby, Director**

# **FY 14 SHARED FISHERIES BUSINESS TAX PROGRAM**

## **PROGRAM DESCRIPTION**

The purpose of the Shared Fisheries Business Tax Program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from fisheries business activities. This program is administered separately from the state fish tax sharing program administered by the Department of Revenue which shares fish tax revenues collected inside municipal boundaries.

### **Program Eligibility**

To be eligible for an allocation under this program, applicants must:

1. Be a municipality (city or borough); and
2. Demonstrate the municipality suffered significant effects as a result of fisheries business activity that occurred within its respective fisheries management area(s).

### **Program Funding**

The funding available for the program this year is equal to half the amount of state fisheries business tax revenues collected outside of municipal boundaries during calendar year 2012.

Program funding is allocated in two stages:

**1st Stage:** Nineteen Fisheries Management Areas (FMAs) were established using existing commercial fishing area boundaries. The available funding is allocated among these 19 FMAs based on the pounds of fish and shellfish processed in the whole state during the 2012 calendar year. For example, if an area processed 10% of all the fish and shellfish processed in the whole state during 2012, then that area would receive 10% of the funding available for the program this year. These allocations are calculated based on Fisheries Business Tax Return information for calendar year 2012.

**2nd Stage:** The funding available within each FMA will be allocated among the municipalities in that area based on the level of fishing industry significant effects suffered by each municipality compared to the level of effects experienced by the other municipalities in that FMA.

Some boroughs, because of their extensive area, are included in more than one fisheries management area. In these cases, the borough must submit a separate program application for each area.

# FY 14 SHARED FISHERIES BUSINESS TAX PROGRAM

## PROGRAM DESCRIPTION

### There are Two Application Methods Possible: Standard and Alternative

**Standard Method:** In the Standard Method, established by the department, each municipality in the FMA must determine and document the cost of fisheries business impacts experienced by the community in 2012. These impacts are submitted by each municipality in their applications. The department will review the applications and determine if the impacts submitted are valid. Once the impacts have been established for each of the municipalities in the FMA, the department will calculate the allocation for each municipality using the following formula:

One half of the funding available within a FMA is divided up among participating municipalities on the basis of the relative dollar amount of impact in each municipality. The other half of the funding available to that area is divided equally among all eligible municipalities.

**Alternative Method:** Alternative allocation methods may be proposed by the municipalities within the FMA. The department will consider approving the use of a proposed alternative method only if all the municipalities in the area agree to use the method, and if the method includes some measure of the relative effects of the fishing industry on the respective municipalities in the area.

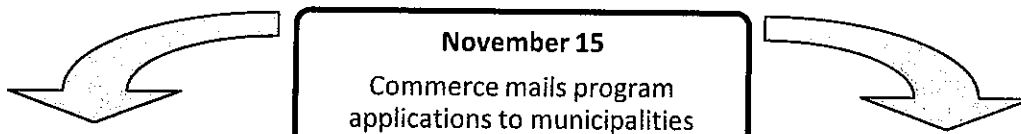
This application packet contains the instructions and forms for applying under either of these methods.

- The **yellow pages** are for applications using the standard method.
- The **pink pages** are to be used for alternative method applications.

The chart on the following page summarizes the process for these two methods.

# FY 14 SHARED FISHERIES BUSINESS TAX PROGRAM

## PROGRAM DESCRIPTION



### STANDARD METHOD

**By no later than February 15**

Each municipality determines and documents the cost of fisheries impacts on the community and submits this information with their application.



**By no later than April 15**

Commerce reviews applications, makes a determination as to the validity of the submitted impacts, and notifies the municipalities of this determination.



**Within 30 days**

Municipalities have 30 days in which to appeal Commerce's determinations regarding submitted impacts.



**Within 20 days**

Commerce will respond to appeals within 20 days after receiving them.



**After all appeals are resolved**

Commerce will perform the formula calculations for each FMA based on the relative impacts approved for each municipality in the FMA, and distribute the funding allocations.

### ALTERNATE METHOD

**By no later than January 15**

All municipalities in an FMA work together to develop an alternate allocation formula and submit their proposal to Commerce. Municipalities are encouraged to consult with Commerce during this effort regarding the acceptability of alternative methods.



**By no later than February 1**

Commerce reviews alternate proposals, determines if proposals are acceptable, and notifies the municipalities of this determination. If the proposal is accepted, municipalities may then use the Alternative Method application. If the proposal is not acceptable to Commerce, the department will work with municipalities in an area to resolve problems. If the problems cannot be resolved, the municipalities in that FMA must apply using the Standard Method application.



**By no later than February 15**

Each municipality must submit an Alternative Method application. Commerce will distribute allocations after all applications within that FMA have been received and verified.

# **FY 14 Shared Fisheries Business Tax Program Application Instructions**

## **STANDARD METHOD**

### **The Process**

- In the standard method application process each municipality determines and documents the cost to the municipality of fisheries industry significant effects suffered by the community in 2012.
- Details for each of these effects are submitted by municipalities using the Declaration of Significant Effects application forms on the following pages.
- The municipality must also submit an approved resolution by the governing body certifying that the information submitted in the application is correct and complete. A sample resolution is included in this packet.
- The department will review the applications and determine if the significant effects submitted are valid.
- Once the effects have been established for each of the municipalities in a Fisheries Management Area, the department will calculate the funding allocation for each municipality using the following formula:

**One half** of the funding available within a FMA is divided up among participating municipalities on the basis of the relative **dollar amount of impact** in each municipality. The **other half** of the funding available to that area is divided equally among all eligible municipalities.

### **Guidelines for Completing the Declaration of Significant Effects Forms**

**Some important definitions:** The Shared Fisheries Business Tax Program provides for a sharing of State Fisheries Business Tax with municipalities that can demonstrate they suffered *significant effects* during the *program base year* from *fisheries business activity* in their respective fisheries management area.

For the purposes of this program, "fisheries business activity" means:

- activity related to fishing, including but not limited to the catching and sale of fisheries resources;
- activity related to commercial vessel moorage and commercial vessel and gear maintenance;
- activity related to preparing fisheries resources for transportation; and,
- activity related to processing fisheries resources for sale by freezing, icing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants.

And, "significant effects" means:

- municipal expenditures during the program base year demonstrated by the municipality to the department to be reasonable and necessary that are the result of fisheries business activities on the municipality's:
  - population;
  - employment;
  - finances;
  - air and water quality;
  - fish and wildlife habitats; and,
  - ability to provide essential public services, including health care, public safety, education, transportation, marine garbage collection and disposal, solid waste disposal, utilities, and government administration.

And, "program base year" means:

- calendar year 2012.

**A municipality does not need to have actually made expenditures in 2012 in order to include them as significant effects in the application.** If a fishing business activity impacts a municipality in a manner that will result in a cost to the municipality, then the municipality can claim that impact as a significant effect. For example, a city's pier might have been damaged by an improperly docked fish processing vessel. The city might not have the funds to repair the pier during 2012, but the city has obtained final engineering estimates for the cost of repairs. In this case, the city could declare the repair cost estimates as significant effects on their application. However, **these costs may not be claimed again** if the city subsequently expended the monies to repair the pier at a later date (this would result in a double counting of significant effects).

If a significant effect claimed in the application reflects expenditures that were determined by the municipality to be necessary, but for which the municipality was unable to make an expenditure during the program base year, the application must include a finding by the municipal governing body which documents and clearly describes the procedures and methods by which the need and the estimated cost of such expenditures were determined.

**Only that part of overall community impacts which are directly attributable to fishing business activity should be included as significant effects in the application.** For example, a city water supply system may be impacted by the fresh water needs of the local fishing fleet and fish processing facilities. However, a city in this situation should not claim the entire cost of operating or maintaining the water system as a "significant effect" for the purposes of this program. In this case, the city must determine and document its estimate of the share of the use, and "wear and tear," of the water system that can reasonably be attributed to fisheries business activity. A place is provided on the *Declaration of Significant Effects* forms for municipalities to explain how they arrived at such estimates.

**Examples of eligible significant effects.** The kinds of negative effects which a municipality might possibly claim to have suffered are many. It is the responsibility of each municipality to describe, document and justify its particular claims of negative impacts during 2012 resulting from fisheries business activities. For the purposes of this program, all significant effects must be presented in terms of expenditures of municipal funds, either actual or determined necessary. For example, a sudden population increase of 1,000 people is not in itself a negative effect. It is the demonstrable impacts on the city budget of dealing with these extra people that

may be considered as significant effects for this program. The following examples represent the kinds of community impacts which are clearly eligible for inclusion in a city's *Declaration of Significant Effects* forms.

- a municipality's expenses during 2012 in repairing a dock damaged by a fishing vessel;
- a municipality's costs of hiring extra police, teachers or medical staff to cover periods during 2012 when fish processing workers or fishing crew and their families expanded the municipality's population;
- a city 2012 loan which was used to improve the city's water system to meet increased demands for fresh water by local fish processors. Only that part of the debt service which can be directly attributable to supporting the fishing industry may be counted as a significant effect.
- special expenditures made by a city during 2012 to assist or help re-train workers who lost their jobs in the fishing industry because of a downturn in fishing activity;
- a borough's expenditures for operating and maintaining harbor facilities during 2012;
- that part of operating and maintaining a city's water and sewer system or landfill during 2012 that is directly attributable to the fishing industry.

**Examples of events which are not eligible to be significant effects**

The following are examples of municipal expenditures or events which are **not eligible** for inclusion in a *municipality's Declaration of Significant Effects* forms:

- Municipal expenditures that occurred before or after 2012 which are the result of fishing business activities;
- Revenues which a city did not receive during 2012 because of a downturn in local fishing business activity.

**If you're not sure whether an event is a valid "significant effect" or not, contact DCCED.**

## **Specific Instructions for Completing the Standard Method Application**

The completed standard method application submitted by each municipality will contain three elements:

- a set of *Declaration of Significant Effects* forms (one separate form for each significant effect claimed by the municipality). **Three copies of this form are included in the application- please make as many additional copies of this form as you need.**
- a *Cover Page* that provides the total number and cost of the significant effects claimed by the municipality.
- an *approved resolution* by the governing body adopting the application as true and correct. A sample resolution is included in the application.

## **Instructions for the Cover Page/Summary**

The *Cover Page* must be completed and submitted as part of the application. This form summarizes the information found in the application. The number of significant effects claimed should be equal to the number of *Declarations of Significant Effects* forms submitted with the application and the total dollar amount should equal the sum of all the dollar amounts stated in Part 2 on the *Declarations of Significant Effects* forms.

## **Instruction for the *Resolution* form**

Municipalities may use this form, or a similar form, to comply with the requirement that the submitted application be certified by the municipality's governing body.

**Submit your completed application by no later than  
February 15, 2014, to:**

**Department of Commerce, Community,  
and Economic Development  
Division of Community and Regional Affairs  
Shared Fisheries Business Tax Program  
P.O. Box 110809  
Juneau, AK 99811-0809**

**If you have any questions regarding this program, please call  
Lawrence Blood at 465-4751**

**FY 14 SHARED FISHERIES BUSINESS  
TAX PROGRAM**

**STANDARD METHOD APPLICATION  
for FMA 14: COOK INLET**

Name of Municipality: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Total # of Significant Effects Claimed: \_\_\_\_\_

Total \$ of Significant Effects Claimed: \$ \_\_\_\_\_

Return this cover page along with  
Declaration of Significant Effects forms and resolution to:

Department of Commerce, Community, and  
Economic Development  
Division of Community and Regional Affairs  
Shared Fisheries Business Tax Program  
P.O. Box 110809  
Juneau, AK 99811-0809

**FY 14 Shared Fisheries Business Tax Program  
DECLARATION OF  
SIGNIFICANT EFFECTS FORM**

(One Separate Form for Each Significant Effect Claimed)

1. Description of the fisheries business activity which resulted in the significant effect:

2. Significant effect (municipal expenditure) made necessary during 2012 by the fisheries business activity listed in #1: \$ \_\_\_\_\_

3. Municipal expenditure is ☐ actual ☐ determined necessary

4. Describe how the municipal expenditure figure listed under Part 2 was determined: (Every municipal expenditure marked "determined necessary" must be supported by a resolution that documents and clearly demonstrates the procedures and methods by which the needs and estimates were determined).

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?

☐ yes ☐ no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

**FY 14 Shared Fisheries Business Tax Program  
DECLARATION OF  
SIGNIFICANT EFFECTS FORM**

(One Separate Form for Each Significant Effect Claimed)

1. Description of the fisheries business activity which resulted in the significant effect:

2. Significant effect (municipal expenditure) made necessary during 2012 by the fisheries business activity listed in #1: \$ \_\_\_\_\_

3. Municipal expenditure is ☐ actual ☐ determined necessary

4. Describe how the municipal expenditure figure listed under Part 2 was determined: (Every municipal expenditure marked "determined necessary" must be supported by a resolution that documents and clearly demonstrates the procedures and methods by which the needs and estimates were determined).

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?

☐ yes ☐ no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

**FY 14 Shared Fisheries Business Tax Program  
DECLARATION OF  
SIGNIFICANT EFFECTS FORM**

(One Separate Form for Each Significant Effect Claimed)

1. Description of the fisheries business activity which resulted in the significant effect:

2. Significant effect (municipal expenditure) made necessary during 2012 by the fisheries business activity listed in #1: \$ \_\_\_\_\_

3. Municipal expenditure is ☐ actual ☐ determined necessary

4. Describe how the municipal expenditure figure listed under Part 2 was determined: (Every municipal expenditure marked "determined necessary" must be supported by a resolution that documents and clearly demonstrates the procedures and methods by which the needs and estimates were determined).

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?

☐ yes ☐ no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

FY 14 Shared Fisheries Business Tax Program  
Standard Method Resolution

\_\_\_\_\_  
(City or Borough)

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION CERTIFYING THE FY 14 SHARED FISHERIES BUSINESS TAX  
PROGRAM APPLICATION TO BE TRUE AND CORRECT

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 14 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2012 from fisheries business activities; and

WHEREAS, the Department of Commerce, Community, and Economic Development has prepared specific application forms for the purpose of presenting the municipality's claims as to the significant effects suffered by the municipality during calendar year 2012; and

WHEREAS, 3 AAC 134.100 requires the governing body of the municipality to include with the municipality's FY 14 program application an approved resolution certifying the information contained in the application to be true and correct;

NOW THEREFORE BE IT RESOLVED THAT:

The \_\_\_\_\_ by this resolution certifies  
(Governing Body)

the information contained in the \_\_\_\_\_  
(City or Borough)

FY14 Shared Fisheries Business Tax Program Application to be true and correct to the best of our knowledge.

PASSED AND APPROVED by a duly constituted quorum of the

\_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_  
(Governing Body)

SIGNED \_\_\_\_\_  
Mayor

ATTEST \_\_\_\_\_  
Clerk

## **FY 14 Shared Fisheries Business Tax Program Application Instructions**

### **ALTERNATE METHOD The Process**

- In the alternate method application process all municipalities in a fisheries management area may work together to develop an alternative allocation formula for distributing the available program funding among municipalities in the area. It is advised that the department be consulted during this process if the municipalities have questions or concerns about what constitutes an acceptable alternative to the standard allocation method.
- All the municipalities in an area must reach an agreement in writing on an alternative allocation formula.
- By January 15, the department must receive the proposed alternative method. If the alternative method is not acceptable, the department will work with the municipalities to resolve the problems.
- If the municipalities in an area fail to satisfy the department regarding the acceptability of the alternative allocation method proposed, then each municipality in the region must return to the standard application process and submit separate applications as required by that process.
- If the department finds the alternative allocation method satisfactory, each municipality must then complete an alternative method application consisting of a cover page and resolution. The resolution must be adopted by the governing body and it must clearly describe the approved alternative allocation method within that area. After all alternative method applications within an area have been received and approved; the department will perform the allocations and distribute program funds.

### **General Guidelines for Developing an Alternative Allocation Method**

**All municipalities in a fisheries management area must agree on the alternative method:** There must be unanimous agreement among all eligible municipalities in a fisheries management area with regard to alternative allocation methods. It is the responsibility of community leaders in the area to work together to negotiate an alternative which is acceptable to all municipalities. The department may be consulted at any time regarding what kinds of formula approaches are considered acceptable by the department.

**Alternative methods must incorporate some measure of the relative significant effects experienced by the respective municipalities in the area.** The measure of significant effects

may take many forms. One area might agree to use the number of commercial fishing boat visits-per-year per community as a measure of significant effects. Another area might use the linear foot-length of public docks as a measure. Another area might use community population figures as an indication of the significant effects of fisheries business activity. Another area might share one half of the funding equally between the respective municipalities and share the other half based upon community population figures. Areas may decide to use one measure, or may use a combination of measures.

### **Specific Instructions for an Alternative Method Application**

In the alternative method application, an approved resolution constitutes the application. No other forms need to be submitted. A sample resolution has been attached for your use.

**Submit your completed application  
by no later than February 15, 2014 to:**

**Department of Commerce, Community,  
and Economic Development  
Division of Community and Regional Affairs  
Shared Fisheries Business Tax Program  
P.O. Box 110809  
Juneau, AK 99811-0809**

**If you require assistance in completing this application,  
please call Lawrence Blood at 465-4751.**

FY 14 Shared Fisheries Business Tax Program  
Alternative Method Resolution

\_\_\_\_\_  
(City or Borough)

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY14  
SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS  
ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT  
EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 14: COOK INLET

**WHEREAS**, AS 29.60.450 requires that for a municipality to participate in the FY 14 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2012 from fisheries business activities; and,

**WHEREAS**, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and,

**WHEREAS**, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and,

**WHEREAS**, The \_\_\_\_\_ proposes to use an alternative allocation  
(Governing Body)

method for allocation of FY14 funding available within the FMA 14: COOK INLET in agreement with all other municipalities in this area participating in the FY14 Shared Fisheries Business Tax Program;

**NOW THEREFORE BE IT RESOLVED THAT:** The \_\_\_\_\_ by this resolution  
(Governing Body)

certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2012 of fisheries business activity in FMA 14: COOK INLET:

**All municipalities share equally 50% of allocation; all municipalities share remaining 50% on a per capita basis.**

PASSED and APPROVED by a duly constituted quorum of the \_\_\_\_\_ this  
\_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

SIGNED \_\_\_\_\_  
Mayor

ATTEST \_\_\_\_\_  
Clerk

**CITY OF HOMER  
HOMER, ALASKA**

Mayor/Council

**RESOLUTION 14-005**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
REQUESTING THAT THE ALASKA LEGISLATURE AMEND ALASKA  
STATUTE 16.20.590 ESTABLISHING THE KACHEMAK BAY  
CRITICAL HABITAT AREA BY CHANGING THE CRITICAL HABITAT  
AREA BOUNDARY TO EXCLUDE THE CITY OF HOMER PORT AND  
HARBOR AND MUNICIPAL LANDS IMMEDIATELY ADJACENT TO  
PORT FACILITIES NECESSARY FOR PORT OPERATIONS, AND  
MAKE THE STATUTE CONSISTENT WITH THE STATED INTENT OF  
THE CRITICAL HABITAT AREA MANAGEMENT PLAN.

WHEREAS, AS 16.20.590 creates the Kachemak Bay Critical Habitat Area and establishes its boundaries; and

WHEREAS, The established boundaries include and encompass the City of Homer Port and Harbor including municipal tide and submerged lands within the harbor basin and adjacent to the dock and port facilities; and

WHEREAS, The introduction chapter of the Kachemak Bay and Fox River Critical Habitat Areas Management Plan specifically states that “the plan does not apply to federal or municipal lands within the critical habitat areas”; and

WHEREAS, There is additional correspondence available in the record which indicates that the drafters of the Critical Habitat Management Plan did not intend to include the Homer Port and Harbor within the Critical Habitat Area Boundaries; and

WHEREAS, The apparent conflict between the Statute and the Critical Habitat Management Plan with respect to the Homer Port and Harbor has created legal ambiguity about both the enforceability of the municipal lands exemption provision in the Plan and the Department of Fish and Game’s ability to permit certain legitimate activities at the port; most notably oil and gas drill rigs attempting to dock for the purpose of maintenance and repair; and

37 WHEREAS, The Critical Habitat Management Plan states that any vessel that drops an  
38 anchor or moors at a dock for more than 14 days, must obtain a permit from the Alaska  
39 Department of Fish and Game; a requirement that is inefficient and clearly impractical for a  
40 large municipal port and harbor facility; and

41  
42 WHEREAS, Because the port and harbor is within the Critical Habitat Area boundaries,  
43 the City has experienced costly and time consuming permitting hurdles for construction  
44 projects, even when those projects comprised replacing and repairing existing infrastructure;  
45 and

46  
47 WHEREAS, There is a compelling public interest in bringing the statute into alignment  
48 with the Critical Habitat Area Management Plan and the intent of its drafters because it will  
49 eliminate legal uncertainty, clarify the permitting process, stimulate the local economy, and  
50 enhance marine safety and environmental protection; and

51  
52 WHEREAS, The proposed boundary change would serve to improve environmental  
53 protection in Kachemak Bay and the Lower Cook Inlet because oil and gas drilling rigs in  
54 particular would have a safe and secure place to dock for maintenance, repair, and  
55 emergencies services; and

56  
57 WHEREAS, Homer has the only year-around ice free, deep water port on Cook Inlet,  
58 has been designated as a Port of Refuge by the U.S. Coast Guard, and has the resources and  
59 assets required to improve marine safety, enhance environmental protection, and respond to  
60 emergencies at sea; and

61  
62 WHEREAS, The City of Homer has a deep appreciation for the Kachemak Bay Critical  
63 Habitat Area designation and the adopted Management Plan because it protects the  
64 resources which provide the very foundation of the local economy, lifestyle, and quality of  
65 life; and

66  
67 WHEREAS, The Amendments to the Critical Habitat Area boundary proposed by the  
68 City are very limited and intended solely to remove the port and harbor and municipal lands  
69 immediately adjacent from the Critical Habitat Area; and

70  
71 WHEREAS, If the Homer Port and Harbor is removed from the Critical Habitat Area,  
72 activities there remain subject to all applicable state and federal statutes and regulations  
73 governing ports and activities in marine waters; and

WHEREAS, The City stipulates that it does not propose or support any other amendments to the Kachemak Bay Critical Habitat Area or Plan as part of this request.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby requests that the Alaska Legislature amend Alaska Statute 16.20.590 establishing the Kachemak Bay Critical Habitat Area by changing the critical habitat area boundaries to exclude the City of Homer Port and Harbor and municipal lands immediately adjacent to port facilities necessary for port operations, and make the statute consistent with the stated intent of the Critical Habitat Area Management Plan.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A



**From:** [Carey Meyer](#)  
**To:** [Katie Koester](#)  
**Subject:** Harbor Critical Wildlife Habitat issues  
**Date:** Friday, December 13, 2013 4:27:26 PM

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Since the Homer Port/Harbor is considered to be in Critical Wildlife Habitat (CWH); all of our projects within the this facility are required to secure a Special Area Permit from the AKF&G prior to construction. This SAP permit normally includes permit conditions related to fish/endangered wildlife windows (example: no pile driving when salmon are migrating; eider watching after October; evaluation of potential impacts to other wildlife like seals, whales, etc.).

I believe that projects in the operating portions of the harbor deserve less scrutiny regarding these issues than projects outside the area, especially when the project consists of replacing existing facilities. Normal operations at the docks, along the shoreline and in the Small Boat harbor can be just as noisy and disruptive as construction activities.

If the harbor area was removed from the CWH area, concerns regarding potential impacts to wildlife would still be considered through the Corps of Engineer's permitting effort.

Previous Harbor projects that the City has acquired permits specific to the CWH area include:

Small Boat Harbor – Replacement/Expansion of the SBH Float System (TORA) 2004

System 5 Electrical Improvements 2013

Harbor Entrance Shoe Protection 2013

Ramp 3 Replacement 2014

Harbor Float Replacement Project 2014

Fishing Hole Fishing Hole Dredging 2012

Entrance Gravel Removal 2011

Handicap Ramp Riprap Installation 2010

Beach Replenishment

Other Harbor Projects – Pioneer Dock Expansion 2008

Deep Water Dock Cathodic Protection 2009

## Deep Water Dock Dolphin Repairs

### Deep Water Dock Fender Replacement 2012

Securing Special Area Permits for these project does cost money and permit conditions do increase costs of construction by limiting construction periods. Again, construction activities in the Harbor area are just as noisy and disruptive to wildlife as normal operations at the docks, along the shoreline and in the Small Boat Harbor.

#### **Carey S. Meyer, P.E., MPA**

Public Works Director/City Engineer

City of Homer, Alaska

3575 Heath Street

Homer, AK 99603

[cmeyer@ci.homer.ak.us](mailto:cmeyer@ci.homer.ak.us)

(p) 907-435-3124

(f) 907-235-3145

(c) 907-399-7232

**KACHEMAK BAY  
AND  
FOX RIVER FLATS  
CRITICAL HABITAT AREAS  
MANAGEMENT PLAN**

**DECEMBER 1993**

**Prepared by the Divisions of  
Habitat and Restoration  
and  
Wildlife Conservation**

**Alaska Department of Fish and Game  
333 Raspberry Road  
Anchorage, AK 99518-1599**

**Carl L. Rosier, Commissioner**



## STATUTES

Alaska Statutes which pertain specifically to the establishment and management of Kachemak Bay Critical Habitat Area and Fox River Flats Critical Habitat Area are as follows:

**AS 16.20.500. Purpose.** The purpose of AS 16.20.500 - 16.20.690 is to protect and preserve habitat areas especially crucial to the perpetuation of fish and wildlife, and to restrict all other uses not compatible with that primary purpose.

**AS 16.20.580. Fox River Flats Critical Habitat Areas established.** The following described area is established as the Fox River Flats Critical Habitat Area:

- (1) Township 4 South, Range 10 West, Seward Meridian  
Section 20 SE1/4 (not tide or submerged land)  
Section 21 S1/2 (not tide or submerged land)  
Section 22 S1/2  
Section 23 S1/2 (not tide or submerged land)  
Sections 25 - 29  
Sections 33 - 36
- (2) Township 4 South, Range 9 West, Seward Meridian  
Section 30 W1/2 (not tide or submerged land)

**AS 16.20.590. Kachemak Bay Critical Habitat Area established.** The following described area is established as the Kachemak Bay Critical Habitat Area:

- (1) Township 4 South, Range 10 West, Seward Meridian (only tide and submerged land and waters)
- (2) Township 5 South, Range 10 West, Seward Meridian (only tide and submerged land and waters)
- (3) Township 5 South, Range 11, West, Seward Meridian (only tide and submerged land and waters)
- (4) Township 5 South, Range 12 West, Seward Meridian (only tide and submerged land and waters)
- (5) Township 6 South, Range 11 West, Seward Meridian (only tide and submerged land and waters)
- (6) Township 6 South, Range 12 West, Seward Meridian (only tide and submerged land and waters)
- (7) Township 6 South, Range 13 West, Seward Meridian (only tide and submerged land and waters)
- (8) Township 6 South, Range 14 West, Seward Meridian (only tide and submerged land and waters)
- (9) Township 7 South, Range 11 West, Seward Meridian (only tide and submerged land and waters)
- (10) Township 7 South, Range 12 West, Seward Meridian (only tide and submerged land and waters)
- (11) Township 7 South, Range 13 West, Seward Meridian (only tide and submerged land and waters)

waters)

(12) Township 7 South, Range 14 West, Seward Meridian (only tide and submerged land and waters)

(13) Township 8 South, Range 12 West, Seward Meridian (only tide and submerged land and waters)

(14) Township 8 South, Range 13 West, Seward Meridian (only tide and submerged land and waters)

(15) Township 8 South, Range 14 West, Seward Meridian (only tide and submerged land and waters)

(16) Township 9 South, Range 14 West, Seward Meridian (only tide and submerged land and waters)

(17) Township 9 South, Range 15 West, Seward Meridian (including all tide and submerged land and waters east of a line from Anchor Point to Point Pogibshi)

(18) Township 5 South, Range 15 West, Seward Meridian (including all tide and submerged land and waters east of a line from Anchor Point to Point Pogibshi)

(19) Township 6 South, Range 15 West, Seward Meridian (including all tide and submerged land and waters east of a line from Anchor Point to Point Pogibshi)

(20) Township 7 South, Range 15 West, Seward Meridian (including all tide and submerged land and waters east of a line from Anchor Point to Point Pogibshi)

(21) Township 8 South, Range 15 West, Seward Meridian (including all tide and submerged land and waters east of a line from Anchor Point to Point Pogibshi)

(22) Township 9 South, Range 12 West, Seward Meridian (only tide and submerged land and waters)

## INTRODUCTION

The tide and submerged lands of Kachemak Bay were established as a critical habitat area by the Alaska Legislature in 1974 and the Fox River Flats was established by the Alaska Legislature as a critical habitat area in 1972 to protect and preserve habitat areas especially crucial to the perpetuation of fish and wildlife, and to restrict all other uses not compatible with that primary purpose.

The purpose of the Kachemak Bay and Fox River Flats Critical Habitat Areas Management plan is to provide consistent long-range guidance to the Alaska Department of Fish and Game and other agencies involved in managing the critical habitat areas.

The plan presents management goals for the critical habitat areas and resources and identifies policies to be used in determining whether proposed activities within the critical habitat areas are compatible with the protection of fish and wildlife, their habitats and public use of the critical habitat areas. The plan will be reviewed every five years and, if appropriate, updated as funding permits. Public participation will be solicited during the update process. The plan affects state and private lands within the critical habitat areas. The plan does not apply to federal or municipal lands within the critical habitat areas. The plan does not address hunting or fishing regulations which are the authority of the Boards of Fish and Game.

This document is the result of a public planning process led by the Alaska Department of Fish and Game. The plan has been developed by the planning team representing state, federal and municipal agencies including: The Alaska Departments of Fish and Game, Natural Resources, Environmental Conservation, Transportation and Public Facilities, Alaska Energy Authority, and Division of Parks and Outdoor Recreation; the United States Fish and Wildlife Service, Coast Guard, National Marine Fisheries Service and Environmental Protection Agency; the City of Homer, the City of Seldovia, and the Kenai Peninsula Borough.

At the beginning of the public planning process, public meetings were held in Homer, Seldovia, and Anchorage to explain the planning process and solicit citizens' opinions regarding the issues, interests and concerns pertinent to critical habitat area management. The meeting results and written comments received were used by the planning team to identify a list of issues to be addressed in the plan. At the same time, resource information on critical habitats and their fish and wildlife populations, other natural resources, existing land use, and land ownership was being collected and synthesized. This information, presented in both map and narrative form, comprises the plan's resource inventory.

Management goals and policies for the critical habitat areas were developed by the planning team to address the identified issues. All policies were developed with consideration of their ability to meet the plan's management goals. In addition, other applicable laws and the Public Trust Doctrine were considered.

The draft plan was distributed for public review, and comments received during the public review process were used to develop the final plan. The goals and policies were then adopted by the Commissioner of Fish and Game.

**CITY OF HOMER  
HOMER, ALASKA**

City Manager

**RESOLUTION 14-006**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF HOMER AND KACHEMAK CITY REGARDING THE  
CANYON TRAILS SUBDIVISION AND ROAD MAINTENANCE ON  
STELLERS JAY DRIVE AND GOLDEN PLOVER AVENUE.

WHEREAS, The Canyon Trails Subdivision contains approximately 30 lots and is located within the City of Homer municipal boundaries; and

WHEREAS, The only access to the Canyon Trails Subdivision is via Stellers Jay Drive and Golden Plover Avenue; both of which are located within the municipal boundaries of Kachemak City; and

WHEREAS, The City of Homer will benefit by development of this subdivision because the result will be increased population, new water and sewer customers, and an expanded property tax base; and

WHEREAS, Kachemak City will benefit from the proposed Memorandum of Understanding through more consistent and higher quality road maintenance and better access for emergency vehicles; and

WHEREAS, The City of Homer is obligated to provide road maintenance within the subdivision but its equipment must pass through Kachemak City in order to do so; and

WHEREAS, Stellers Jay Drive and Golden Plover Avenue are approximately 2,000 linear feet in length and it would be mutually beneficial for the Homer Public Works Department crews to provide limited maintenance to that section of road as they pass through to provide service to Canyon Trails Subdivision; and

WHEREAS, The developer of the Canyon Trails Subdivision and the City of Kachemak have made improvements to Stellers Jay Drive and Golden Plover Avenue to bring these roads up to acceptable City of Homer rural road standards; and

WHEREAS, The City of Homer and Kachemak City have worked together cooperatively in order to upgrade Stellers Jay Drive and Golden Plover Avenue to minimum road standards, improve traffic flow and public safety, mitigate the impacts of increased development and traffic, and promote the general welfare of the residents of both communities; and

WHEREAS, The proposed Memorandum of Understanding provides that the two Cities will share the cost of providing routine rural road maintenance based upon a negotiation process and average maintenance costs per mile for rural road maintenance.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council finds that working cooperatively and sharing the cost of routine maintenance on Stellers Jay Drive and Golden Plover Avenue is mutually beneficial and in the best interest of the public.

BE IT FURTHER RESOLVED that the Homer City Council hereby approves the Memorandum of Understanding between the City of Homer and Kachemak City regarding Canyon Trails Subdivision and road maintenance on Stellers Jay Drive and Golden Plover Avenue; a copy of which is attached and incorporated herein.

PASSED AND ADOPTED by the Homer City Council this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

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MARY E. WYTHE, MAYOR

ATTEST:

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JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Estimated City of Homer costs < \$3,000 annually.

## **MEMORANDUM OF UNDERSTANDING**

**Between**  
**The City of Homer**  
**And**  
**Kachemak City**

WHEREAS, The Canyon Trails Subdivision contains approximately 30 lots and is located within the corporate boundaries of the City of Homer; and

WHEREAS, The only access to the Canyon Trails Subdivision is via Stellers Jay Drive and Golden Plover Avenue; both of which are located within the municipal boundaries of Kachemak City; and

WHEREAS, The City of Homer will benefit by development of this subdivision because the result will be increased population, an increase in water and sewer customers, and increased property tax revenues; and

WHEREAS, Kachemak City will benefit from this MOU through improved and more consistent road maintenance and better access for emergency vehicles; and

WHEREAS, The development of Canyon Trails Subdivision will result in increased traffic, dust, noise, and maintenance requirements on Stellers Jay Drive and Golden Plover Avenue; and

WHEREAS, Kachemak City residents will experience some negative impacts associated with development adjacent to their properties; and

WHEREAS; The City of Homer is obligated to provide road maintenance within the subdivision but City equipment must travel through Kachemak City in order to do so; and

WHEREAS, Stellers Jay Drive and Golden Plover Avenue are approximately 2,000 linear feet in length and it would be mutually beneficial for City of Homer Public Works crews to provide limited maintenance to that section of road as they pass through to provide service to Canyon Trails Subdivision; and

WHEREAS, The developer of the Canyon Trails Subdivision and Kachemak City have made improvements to Stellers Jay Drive and Golden Plover Avenue that has brought these roads up to acceptable City of Homer rural road standards; and

WHEREAS, Kachemak City currently provides a basic level of funding for road maintenance to its neighborhoods through its Roads Program and it proposes to use a portion to help pay for increased maintenance on Stellers Jay Drive and Golden Plover Avenue; and

WHEREAS, The City of Homer and Kachemak City have worked together cooperatively in order to upgrade Stellers Jay Drive and Golden Plover Avenue to minimum road standards, improve traffic flow and public safety, mitigate the impacts of increased development and traffic, and promote the general welfare of the residents of both communities.

THE PARTIES HEREBY AGREE:

General Terms:

1. **Term:** The term of this Memorandum of Understanding shall be five years commencing on January 1, 2014 and ending on December 31, 2019. The term may be extended or renewed by mutual consent of the parties. The parties agree that the City of Homer will not provide maintenance service until there are enough residences in the new subdivision to justify service pursuant to City of Homer Policy.
2. **Cost of Service:** The parties agree that enhancing road maintenance is mutually beneficial. The parties therefore agree to share the cost of maintaining Stellers Jay Drive and Golden Plover Avenue. The City of Homer will contribute to the cost of routine maintenance as provided below in Section 5. Kachemak City will contribute a negotiated amount consistent with Homer's existing rural road maintenance program, the average cost per foot, and Number 5 below. Inflation adjustments will be made each year and shall be based upon actual costs subject to review by Kachemak City. The City of Homer shall bill Kachemak City for the service on January 1<sup>st</sup> of each year. If service begins in the middle of the year, the bill shall be prorated.
3. **Amendments:** Amendments to this Memorandum of Understanding can be made by mutual consent of the parties. Amendments must be made in writing and signed by both parties.
4. **Termination:** This MOU may be terminated by either party with or without cause. The party wishing to terminate the agreement must provide 90 days notice of its intent to terminate.
5. **Routine Maintenance Defined:** The parties agree that Routine Maintenance includes activities such as grading, dust control, snow plowing, and sanding when the Public Works Department is also providing service to Canyon Trails Subdivision. Routine maintenance does not include fixing or cleaning culverts, fixing potholes, installing or maintaining signage, surface improvements, or drainage maintenance. Routine maintenance does not include capital improvements. Capital

Improvements remain the responsibility of Kachemak City and/ or its contiguous residents. The level of maintenance provided through this agreement will be similar to other roads maintained to rural road standards.

- 1) Plowing snow and sanding intersections (based on “rural” road standards) during winter months,
- 2) Complete summer road grading (approximately twice a summer; based on “rural” road standards subject to availability of resources),
- 3) Application of “dust control” (as needed, as available, based on the “rural” road standards schedule).

The City of Homer Agrees to:

1. Provide routine maintenance as described herein on approximately 2,000 linear feet of Stellers Jay Drive and Golden Plover Avenue that lead to the subdivision after there is enough development in the new subdivision to justify the service.
2. Share the cost with Kachemak City pursuant to Number 2 under General Conditions.

Kachemak City Agrees to:

1. Share the cost of providing this service and pay Homer a negotiated fee subject to Number 2 under general Conditions.
2. Be the point of contact for all inquiries, comments, questions, concerns, and complaints regarding maintenance on this section of road that originates from Kachemak City residents.

**NOTICES:**

All notices shall be sent to both parties as follows:

City Manager  
City of Homer  
491 East Pioneer Avenue  
Homer, Alaska 99603

City Mayor  
Kachemak City  
P.O. Box 958  
Homer, Alaska 99603

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates herein below set forth.

**CITY OF HOMER**

**DATE:**

\_\_\_\_\_  
WALT WREDE, City Manager

**CITY OF KACHEMAK**

**DATE:**

\_\_\_\_\_  
PHILEMON MORRIS, Mayor

**ACKNOWLEDGMENTS**

STATE OF ALASKA                    )  
  ) ss.  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2013, by WALT WREDE, City Manager of the City of Homer, on behalf of the City of Homer.

\_\_\_\_\_  
Notary Public in and for Alaska

My Commission Expires:\_\_\_\_\_

The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2013, by PHILEMON MORRIS, Mayor of the City of Kachemak, on behalf of the City of Kachemak.

My Commission Expires:\_\_\_\_\_



**CITY OF HOMER  
HOMER, ALASKA**

City Manager

**RESOLUTION 14-007**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
APPROVING AN INTERGOVERNMENTAL AGREEMENT FOR  
EMERGENCY SERVICES AND A VEHICLE LEASE AGREEMENT  
BETWEEN THE CITY OF HOMER AND KACHEMAK CITY.

WHEREAS, Kachemak City does not have a fire department and desires to obtain fire protection, emergency medical services, and allied services for the residents within the corporate limits of Kachemak City through an intergovernmental agreement; and

WHEREAS, The City of Homer has an established Fire Department organized and created for the purpose of providing fire protection, emergency medical services, and other related services, and has the ability to provide these services to both cities; and

WHEREAS, Kachemak City has in its possession and/or control certain facilities and equipment which can aid in the provision of fire protection and emergency medical services to both cities; and

WHEREAS, The City of Homer and Kachemak City understand and agree upon the need for, and desire for, mutual efforts and close cooperation with each other to provide efficient and effective fire protection and emergency medical services to the public at low cost; and

WHEREAS, Kachemak City has contracted with Homer for fire and emergency medical services for many years and the relationship has been successful and mutually beneficial; and

WHEREAS, Both cities wish to continue the relationship and enter into a new Intergovernmental Agreement for Emergency Services and a new Vehicle Lease Agreement; and

WHEREAS, The Homer City Council reviewed the new Intergovernmental Agreement and Vehicle Lease Agreement at its regular meeting on January 13, 2014.



## **INTERGOVERNMENTAL AGREEMENT FOR EMERGENCY SERVICES**

This Intergovernmental Agreement for Emergency Services is made and entered into this 1<sup>st</sup> day of January, 2014 between the City of Kachemak, Alaska, hereinafter referred to as Kachemak City, and the City of Homer, Alaska, hereinafter referred to as the City of Homer.

WITNESSETH:

WHEREAS, Kachemak City does not have a fire department and desires to obtain fire protection, emergency medical services, and allied services for the residents within the corporate limits of Kachemak City through an intergovernmental agreement, and has in its possession and/ or control certain facilities and equipment which can aid in the provision of fire protection services and emergency medical services to both cities, and;

WHEREAS, The City of Homer has an established Fire Department organized and created for the purpose of providing fire protection services. Emergency medical services, and other related services, and can provide these services to both cities, and;

WHEREAS, The City of Kachemak and the City of Homer, understand and agree upon the need for, and desire for, mutual efforts and close cooperation with each other to provide efficient and effective fire protection services and emergency medical services to the public at low cost;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

**TERM:** The rights, responsibilities, and obligations created by this Intergovernmental Agreement for Services shall commence on the 1<sup>st</sup> day of January, 2014, and shall continue in force and effect until and unless terminated as herein provided.

**TERMINATION:** This Agreement may be terminated by either party upon written notice served upon the other party not less than ninety (90) days prior to the effective date of termination.

**RELATIONSHIP:** Kachemak City and The City of Homer agree and understand that the relationship created by this Agreement is solely for providing fire protection services, emergency medical services, and other related services.

**INSURANCE:** Kachemak City shall be excluded from any and all liability resulting from the use of its vehicle(s) by the Homer Volunteer Fire Department and shall also be excluded from any responsibility for bodily injuries to members of the HVFD, which might result from such use. The City of Homer shall provide Vehicle Physical Damage Insurance, Automobile Liability, and General Liability Insurance, covering all members of Homer Volunteer Fire Department, and/ or vehicles leased or used by HVFD which are the property of Kachemak City. Such liability insurance coverage shall be in the amount of \$1,000,000.00 single limit coverage or such other limits as may be agreed upon by both parties. Vehicle Physical Damage Insurance coverage shall be for the "Actual Cash Value" of the vehicle(s). Kachemak City shall fully reimburse the City of Homer for the cost of such

liability and physical damage insurance within 30 days of receipt of a statement from the City of Homer.

**ADMINISTRATION OF THIS AGREEMENT:** Kachemak City shall appoint an Agreement Administrator who shall administer this Agreement on behalf of Kachemak City, and the City of Homer shall appoint an Agreement Administrator who shall administer this Agreement on behalf of the City of Homer.

**RESPONSIBILITIES OF THE CITY OF HOMER:** The City of Homer agrees to provide Kachemak City with fire protection services meeting at a minimum the requirements for a Class -8 ISO, emergency medical services at an Advanced Life Support level, and other allied services generally provided by the fire department. In addition the City of Homer will operate and maintain the leased vehicle in compliance with the Vehicle Lease Agreement.

**RESPONSIBILITIES OF KACHEMAK CITY:** So as to enable the City of Homer to provide the fire control and emergency medical services as established by this Intergovernmental Agreement for Services, Kachemak City agrees to provide the City of Homer with the use of the fire station in the Kachemak Community Center without charge, use of the fire truck and equipment in accordance with the vehicle lease agreement, and payment of a contract fee equal to 1 mil of taxable real property in Kachemak City as established by the Kenai Peninsula Borough Assessor's Office. The payment of the contract fee shall be made in two equal installments due by the 1<sup>st</sup> of August and the 1<sup>st</sup> of February of Kachemak City's fiscal year.

**AUTHORITY OF THE FIRE DEPARTMENT:** The Fire Chief or other fire department officers of the Homer Volunteer Fire Department shall have the exclusive authority, consistent with State Law and City Ordinances, to direct all firefighting or emergency operations and all emergency service personnel shall be subject to their orders. They shall have the use and control of all emergency service facilities, equipment, and resources.

**ALASKA LAW:** This Agreement shall be interpreted, administered, and executed in accordance with the laws of the State of Alaska and the ordinances of the City of Kachemak and the City of Homer, and such portions of this Agreement as may be found contrary to public policy shall be voided.

**ENTIRE AGREEMENT:** This Intergovernmental Agreement for Services and the Vehicle Lease Agreement constitute the entire agreement and understanding between the parties. This Intergovernmental Agreement for Services cannot be amended, modified, or changed by attachment, except by written instrument signed by both parties.

**NOTICES:**

All notices shall be sent to both parties as follows:

City Manager  
City of Homer  
491 East Pioneer Avenue  
Homer, Alaska 99603

City Mayor  
Kachemak City  
P.O. Box 958  
Homer, Alaska 99603

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates hereinbelow set forth.

**CITY OF HOMER**

**DATE:**

\_\_\_\_\_  
WALT WREDE, City Manager

\_\_\_\_\_

**CITY OF KACHEMAK**

**DATE:**

\_\_\_\_\_  
PHILEMON MORRIS, Mayor

\_\_\_\_\_

## ACKNOWLEDGMENTS

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014, by WALT WREDE, City Manager of the City of Homer, on behalf of the City of Homer.

Notary Public in and for Alaska

My Commission Expires: \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014, by PHILEMON MORRIS, Mayor of the City of Kachemak, on behalf of the City of Kachemak.

Notary Public in and for Alaska

My Commission Expires:\_\_\_\_\_

## VEHICLE LEASE AGREEMENT

This Lease, effective the 1<sup>st</sup> day of January, 2014, by and between the City of Homer, hereinafter referred to as “Lessee” or “City of Homer,” and the City of Kachemak, hereinafter referred to as “Lessor,” or “Kachemak City.”

WITNESSETH:

Lessor does hereby let and demise to the Lessee, and the Lessee does hereby lease from Lessor, the following described personal property:

**1986 Tanker -1            ID Number: 1F9DBAA84G1037601**

Tanker-1 was refurbished in 2006 and has an additional 15 year life, bringing its life expectancy to the year 2020.

The term of this lease shall run concurrently with the term of the Intergovernmental Agreement for Emergency Services dated January 1, 2014, or the balance of the useful life of the vehicle as noted above, whichever is less, unless terminated as hereinafter provided.

The following terms and conditions shall govern the issuance of this lease:

**RENTAL:** The consideration for this lease shall be the sum of One Dollar (\$1.00) per year payable by Lessee to Lessor on or before the first day of July each year.

**USE AND PRESERVATION OF PROPERTY:** The Lessee shall have the full use and control of the vehicle to provide emergency services and related activities for the term of the lease to the City of Homer, Kachemak City, and the surrounding area. The Lessee shall use the vehicle in a careful and proper manner, shall comply with all applicable laws and regulations, and generally preserve the vehicle for its intended use and purpose. The use of this vehicle shall be in a manner consistent with standards of good practice for the provision of fire protection services and emergency services.

**TERMINATION:** This lease may be terminated by either party upon written notice served upon the other party not less than ninety (90) days prior to the effective date of termination.

**REPAIRS AND MAINTENANCE:** Lessee shall at all times during the lease, at its own cost and expense, repair and maintain the above described vehicle in good working condition pursuant to current maintenance schedules.

**INSURANCE:** Lessee shall provide Physical Damage Insurance for the leased vehicle equal to the actual cash value of the vehicle. Lessor shall fully reimburse the Lessee for the cost of the insurance within 30 days of receipt of a statement.

**MODIFICATIONS:** It is mutually understood and agreed that this lease document and the contract for services between the parties incorporated herein by reference constitute the entire agreement between the City of Homer and Kachemak City, and no modification of this lease shall be binding unless in writing and duly executed by the parties hereto.

**NOTICES:**

All notices shall be sent to both parties as follows:

City Manager  
City of Homer  
491 East Pioneer Avenue  
Homer, Alaska 99603

City Mayor  
Kachemak City  
P.O. Box 958  
Homer, Alaska 99603

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates herein below set forth.

**CITY OF HOMER**

**DATE:**

\_\_\_\_\_  
WALT WREDE, City Manager

\_\_\_\_\_

**CITY OF KACHEMAK**

**DATE:**

\_\_\_\_\_  
PHILEMON MORRIS, Mayor

\_\_\_\_\_

**ACKNOWLEDGMENTS**





**CITY OF HOMER  
HOMER, ALASKA**

City Manager

**RESOLUTION 14-008**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
APPROVING A NEW INTERGOVERNMENTAL WASTEWATER  
AGREEMENT BETWEEN THE CITY OF HOMER AND KACHEMAK  
CITY.

WHEREAS, The City of Homer owns, operates, and maintains the sewer treatment plant and all of the wastewater collection infrastructure, including pipes and related equipment within Kachemak City; and

WHEREAS, Kachemak City desires to continue to partner with Homer for wastewater collection and treatment to maintain the public health and safety of the greater Homer area; and

WHEREAS, The City of Homer wishes to continue this cooperative relationship because it is in the best interest of the utility and the community at large; and

WHEREAS, Homer has the staff, equipment, and management capability to operate and maintain the waste water collection system in the area, including service to Kachemak City; and

WHEREAS, The existing Intergovernmental Agreement, adopted by the parties in 1988, needs to be updated to reflect current conditions; and

WHEREAS, The two Cities have finalized a draft of a new Intergovernmental Agreement on wastewater and the draft was reviewed by the Homer City Council at its regular meeting on January 13, 2014.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council finds that continued cooperation and partnership with Kachemak City on wastewater collection and treatment is in the best interest of the greater Homer area.

BE IT FURTHER RESOLVED that the Homer City Council hereby approves the new Intergovernmental Wastewater Agreement between the City of Homer and Kachemak City; a copy of which is attached and incorporated herein.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>h</sup> day of January, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

**INTERGOVERNMENTAL AGREEMENT**  
**WASTEWATER UTILITY**  
**BETWEEN THE CITY OF HOMER AND KACHEMAK CITY**  
**JANUARY 1, 2014**

WHEREAS, Kachemak City (“Kachemak”) desires to continue to partner with the City of Homer (“Homer”) for wastewater collection and treatment to maintain the public health and safety of the greater Homer area; and

WHEREAS, Homer operates the public wastewater collection and treatment system and owns and maintains the pipes and related facilities; and

WHEREAS, Homer has the staff, equipment, and management capability to operate and maintain the wastewater collection and treatment system, involving service to Kachemak;

WHEREAS, The existing Intergovernmental Agreement, adopted by the parties in 1988, needs to be updated to reflect current conditions.

NOW THEREFORE, in consideration of the mutual covenants to be kept and performed, and other good and valuable considerations, the sufficiency of which is acknowledged, the following is agreed to between parties.

**ARTICLE 1 – DEFINITIONS**

- 1.1 Category (1) Improvements – Any improvements to the Wastewater Collection and Transportation System other than normal maintenance and replacement which benefit only either Kachemak or Homer. The prorata share of the local share capital costs is one hundred percent (100%) allocated to the community that receives the benefit.
- 1.2 Category (2) Improvements – Those improvements to the wastewater collection and transportation system other than normal maintenance and replacement which benefit both Kachemak and Homer such as existing and future trunk sewers in the East End area servicing both communities. The allocation of costs to Kachemak will be based on the Zone Connect Fee method (zones that are added will be paid for by the benefited community).
- 1.3 Category (3) Improvements – Those improvements to Homer’s wastewater treatment facilities required by regulatory authorities. The allocation of the local share of these

costs is based on the estimated total wastewater contributions to the facility by each community in the year the improvement is made plus a calculation of projected growth and increase in utility customers in each community for the next 20 years, prepared by a qualified third party consultant.

- 1.4 Category (4) Improvements – Those improvements to Homer’s treatment facilities required to provide additional capacity. The allocation of the local share of these costs is based on a calculation of projected growth and increase in utility customers in each community for the next 20 years, prepared by a qualified third party consultant
- 1.5 Local Share – That portion of capital costs specifically assigned to one zone or to one municipality.
- 1.6 Capital Costs – The costs associated with the installation or acquisition of improvements, equipment and property including planning, engineering and design, construction, purchase of equipment and materials, supervision of construction, reasonable administration and interest on borrowed money during construction.
- 1.7 Payments by Kachemak City – Payment of Kachemak’s prorata capital costs, as called for in this Agreement, may be either direct transactions between Kachemak and Homer or funds made available to Homer on behalf of Kachemak from third party agencies, including the Environmental Protection Agency and the State of Alaska Department of Environmental Conservation in the form of matching grants or legislative appropriations.

## ARTICLE II – OBLIGATIONS OF KACHEMAK CITY

- 2.1 Kachemak shall provide capital funding for one hundred percent (100%) of the cost of all Category (1) Improvements within Kachemak.
- 2.2 Kachemak shall pay to Homer its share of the costs determined in 1.2, 1.3 and 1.4 above. These improvements should become part of the overall capital rate structure, i.e. depreciation.
- 2.3 Kachemak shall 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 code of ordinances.
- 2.4 Kachemak shall provide all easements and rights of way required to construct, operate, and maintain sewer improvements within Kachemak’s corporate boundaries.
- 2.5 Kachemak City will collect user fees from utility customers within its boundaries and remit payments to the City of Homer in one lump sum each month. Payment of user fees due

Homer shall be paid monthly on or before the fifteenth day of the month following the month for which service was rendered. Payment of the full amount due Homer will be made by Kachemak regardless of the fact that Kachemak may or may not have collected user fees from individual users residing within Kachemak.

2.6 At Homer's request, Kachemak shall serve as a clearinghouse for all service connection requests, collecting all appropriate fees from requesting customers and pay all fees due to Homer.

2.7 Kachemak shall coordinate all privately funded sewer improvements within Kachemak with Homer and the owner/ developer.

### ARTICLE III – OBLIGATIONS OF HOMER

3.1 Homer shall 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. Future needs of Kachemak City will be projected by a qualified third party consultant and be based upon a 20 year window, or expected life of the improvement.

3.2 Homer will continue to assume responsibility for ownership, maintenance, and repair of the wastewater collection system in Kachemak City and for the pumping of private septic tanks on properties connected to the wastewater system.

3.3 Homer shall conduct periodic rate studies, at the Wastewater Utility's expense, to establish fair and equitable rates for all users of Homer's Wastewater Utility. The rate study shall be performed under contract to Homer by an independent consultant that is well qualified and recognized in the field of utility rate analysis. Further, management of the consultant's engagement shall be by a management team that includes at least one representative appointed by the Kachemak City Council and no more than two individuals appointed by the Homer City Council. The group membership can be expanded by mutual consent of the parties. Included in the rate study will be an evaluation of costs for the operation and maintenance of Kachemak's Wastewater Collection System, taken as a whole. This evaluation will include, but not be limited to, in consideration of:

- 1) the periodic pumping and treatment of septage from the receiver tanks,
- 2) the routine discharge of pretreated wastewater from the system,
- 3) reduced operations and maintenance resulting from the type and nature of the Kachemak system, and
- 4) the lower than average per capita flow from Kachemak users.

3.4 The City of Homer shall establish wastewater fees for Kachemak City as part of its regular, annual, water and wastewater fee schedule approval process. The fee associated with septic tank pumping shall be based upon the bidding process provided in Homer's procurement code. The wastewater commodity charge shall be based upon an estimated average of 2,500 gallons per month for residential use. This baseline estimated average can be adjusted as new information becomes available.

3.5 Homer shall charge to Kachemak for any customer classification user fees that are equal to the same fee charge to a Homer customer of the same class. Further, Homer shall reduce all user charges for Kachemak customers to adjust for debt service, sinking funds or any other means of financing capital improvements. The result of this requirement is to charge Kachemak customers for the administration, operation, maintenance and depreciation expense of the utility only. Kachemak will be responsible for its own capital costs as in 1.3 and 1.4.

3.6 Homer shall provide the planning, engineering, design, contract for construction, construction administration and construction surveillance for all necessary current and further improvements including those within Kachemak's corporate boundaries.

3.7 Homer shall own, operate, maintain, repair, replace and keep whole all improvements required to service Kachemak including those located within Kachemak's corporate boundaries.

#### **NOTICES:**

All notices shall be sent to both parties as follows:

City Manager  
City of Homer  
491 East Pioneer Avenue  
Homer, Alaska 99603

City Mayor  
Kachemak City  
P.O. Box 958  
Homer, Alaska 99603

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates hereinbelow set forth.

**CITY OF HOMER**

**DATE:**

\_\_\_\_\_  
WALT WREDE, City Manager

\_\_\_\_\_

**CITY OF KACHEMAK**

**DATE:**

\_\_\_\_\_  
PHILEMON MORRIS, Mayor

\_\_\_\_\_

## ACKNOWLEDGMENTS

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014, by WALT WREDE, City Manager of the City of Homer, on behalf of the City of Homer.

Notary Public in and for Alaska

My Commission Expires: \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014, by PHILEMON MORRIS, Mayor of the City of Kachemak, on behalf of the City of Kachemak.

Notary Public in and for Alaska

My Commission Expires:\_\_\_\_\_

**CITY OF HOMER  
HOMER, ALASKA**

City Manager

**RESOLUTION 14-009**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
APPROVING A COST SHARING AGREEMENT BETWEEN THE CITY  
OF HOMER AND KACHEMAK CITY REGARDING CONSTRUCTION  
OF A NATURAL GAS MAIN/DISTRIBUTION LINE IN SPENCER  
DRIVE.

WHEREAS, Spencer Drive is the municipal boundary between the City of Homer and  
Kachemak City; and

WHEREAS, The City of Homer and Kachemak City are both financing the construction  
of a natural gas distribution system within their boundaries; and

WHEREAS, Both cities wish to cooperate, coordinate construction, and reduce costs  
where feasible and prudent; and

WHEREAS, Kachemak City plans to complete the entire build-out within its boundaries  
in 2013 and serving all of its residents and properties requires that a distribution main be  
constructed in Spencer Drive on a schedule consistent with that objective; and

WHEREAS, To that end, the Homer City Administration and the Mayor of Kachemak  
City have agreed that Kachemak City should construct the gas main in Spencer Drive as part  
of its construction contract with Enstar Natural Gas Company; and

WHEREAS, It was agreed further that the Cities should share the cost of the  
distribution line 50% each and that a final accounting of the construction costs will be  
conducted after construction is complete; and

WHEREAS, Homer property owners who are contiguous to the distribution line on  
Spencer Drive and are served by it will remain part of the City of Homer Special Assessment  
District and may connect without any consideration for the City of Kachemak; and

WHEREAS, It is important for the Homer City Council to give final approval of the cost sharing agreement.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves a cost sharing agreement between the City of Homer and Kachemak City whereby the cost of constructing a gas main in Spencer Drive shall be shared evenly at 50% each.

BE IT FURTHER RESOLVED that property owners within the City of Homer who are served by the distribution line in Spencer Driver remain subject to the Homer Natural Gas Special Assessment District and may connect without consideration or obligation to Kachemak City.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January, 2014.

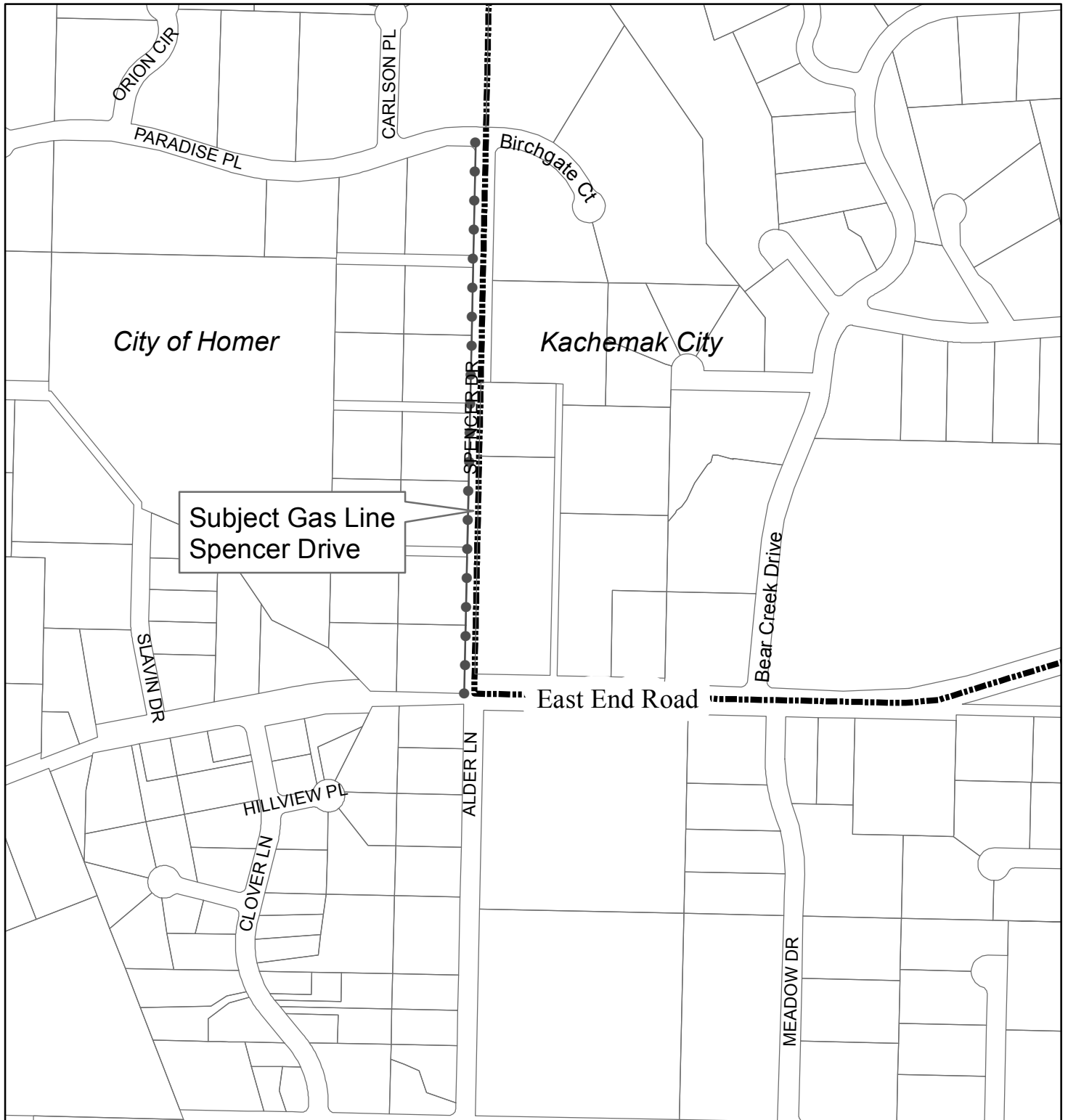
CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Estimated Homer share is \$25,000.



## Legend

- Spencer Drive Gas Line
- ▬ City Limits

This map is for illustrative purposes only  
and does not show the true location of the gas line.  
Contact Enstar for construction drawings. 12/17/2013

## Attachment



0 500 1,000 Feet



**CITY OF HOMER  
HOMER, ALASKA**

Burgess

**RESOLUTION 14-010**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
DIRECTING THE CITY MANAGER TO PRODUCE A REPORT ON THE  
ESTIMATED COSTS, FINANCING OPTIONS, POLICY  
CONSIDERATIONS, AND FEASIBILITY OF CONSTRUCTING A  
“LOOP” WATER AND SEWER CONNECTION THAT EXTENDS UP  
WEST HILL ROAD, ACROSS SKYLINE DRIVE, AND DOWN EAST HILL  
ROAD; TO BE PRESENTED AND DISCUSSED AT A FUTURE  
WORKSESSION SCHEDULED BY THE CITY COUNCIL.

WHEREAS, The City of Homer maintains and operates state of the art water and sewer treatment plants and an extensive distribution and collection system; all of which is very expensive; and

WHEREAS, The Water and Sewer Special Revenue Fund is operated like an Enterprise Fund in the sense that the costs of maintaining and operating the system is supported entirely by user fees; and

WHEREAS, Less than one half of all structures within the Homer City limits are connected to the piped water and sewer system resulting in public safety and environmental concerns; and

WHEREAS, Many Homer residents would like to be served by the water and sewer utility for a variety of reasons, including, but not limited to, failed septic systems, tainted wells, erosion issues, reduced property values, and the inability to get financing; and

WHEREAS, Even though the City of Homer will subsidize 25 percent of the cost and offer attractive financing under the Water and Sewer Special Assessment District program, it remains prohibitively expensive to extend water and sewer into some of the rural residential neighborhoods; and

WHEREAS, Fixed costs that continue to rise combined with a stagnate customer base that is not growing is a business model that is destined to fail; and

WHEREAS, The City Council has discussed the need to promote “in-filling”, expand the system, and find other ways to increase the customer base; and

WHEREAS, It is important for the Council to address this issue and thoroughly explore all options available to it to expand the system and the utility customer base; and

WHEREAS, One option for expanding service which deserves discussion is to construct water and sewer main lines in a loop which goes up West Hill Road, extends across Skyline Drive, and returns to downtown via East Hill Road; an idea that might make neighborhood Special Assessment Districts more attractive and stimulate development.

NOW, THEREFORE, BE IT RESOLVED that the City Manager is directed to produce a report on the estimated costs, financing options, policy considerations, and feasibility of constructing a “loop” water and sewer connection that extends up West Hill Road, across Skyline Drive, and down East Hill Road.

BE IT FURTHER RESOLVED that the report shall be presented and discussed at a future worksession to be scheduled by the City Council.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

---

MARY E. WYTHE, MAYOR

ATTEST:

---

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Staff time, estimated to be 6 to 8 hours.

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

3 City Manager/  
4 Public Works Director

5 **RESOLUTION 14-011**

6  
7 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
8 EXPRESSING THE FUTURE INTENTION TO CREATE DEFERRED  
9 ASSESSMENTS ON PROPERTY BENEFITTING FROM THE FUTURE  
10 CONSTRUCTION OF THE SHELLFISH AVENUE/SOUTH SLOPE  
11 DRIVE WATER MAIN EXTENSION.  
12

13 WHEREAS, The Water/Sewer Master Plan for the City of Homer calls for improvements  
14 to the City's water system that would improve water service to the community; and  
15

16 WHEREAS, The City Council has approved the acceptance of an EPA grant for the  
17 design of several water system improvements, including the extension of a water main along  
18 Anderson Street, Shellfish Avenue and South Slope Drive between Mountain View Drive and  
19 East Hill Road (see Memorandum 14-XXX with map prepared by Public Works); and  
20

21 WHEREAS, The Public Works Department is coordinating the design of this  
22 improvement; and  
23

24 WHEREAS, Although no construction funds have been identified, Public Works will be  
25 communicating with potentially affected and benefitted property owners regarding how the  
26 project may impact them; may coordinate the acquisition of easements and  
27 regulatory/environmental permits; and make applications to state and federal agencies for  
28 construction financing; and  
29

30 WHEREAS, The proposed water main extension will benefit adjacent property owners  
31 (who are not currently served by the water system); and  
32

33 WHEREAS, Normally, these types of improvements are construction through the  
34 formation of a Special Assessment District (SAD) where benefitted property owners are  
35 assessed for their fair share; and  
36

37 WHEREAS, No SAD has been initiated in this neighborhood; and  
38

39 WHEREAS, Precedence has been set that deferred assessments can be established on  
40 benefitting properties to provide a mechanism for fairly assessing the cost of the water  
41 improvements to benefitted property owners ; and

WHEREAS, These deferred assessment are not created without the opportunity for the affected property owners to comment and if created do not become due until the property owner connects to the new water main; and

WHEREAS, Connection to the water main may be contingent upon the installation of sewer service to the property before water service connections to the water main are approved.

NOW, THEREFORE, BE IT RESOLVED that if construction funding becomes available for this project and a Special Assessment District has not been established to assess benefited property owners for their fair share, the intent of the City Council would be to consider creating deferred assessments on benefitting property owners after each property owner has been given the opportunity to comment.

BE IT FURTHER RESOLVED that the City Council encourages the Public Works Director to initiate a SAD in this neighborhood to determine whether there is support for providing water and sewer service to the project area.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Public Works

3575 Heath Street  
Homer, AK 99603

[publicworks@cityofhomer-ak.gov](mailto:publicworks@cityofhomer-ak.gov)

(p) 907- 235-3170

(f) 907-235-3145

### Memorandum 14-008

TO: Walt Wrede, City Manager  
FROM: Carey Meyer, Public Works Director  
DATE: January 6, 2014  
SUBJECT: **Future Intention to Create Deferred Assessments  
Shellfish Avenue/South Slope Drive Water Main Extension Project**

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*The property owners impacted by this project will want to know how construction of the Shellfish Avenue/South Slope Drive Water Main Extension Project may affect them financially.*

The Water/Sewer Master Plan for the City of Homer calls for improvements to the City's water system that would improve the reliability of the water service to the community. The City Council has approved the acceptance of an EPA grant for the design of several water system improvements, including the extension of a water main along Shellfish Avenue/South Slope Drive (see attached map and letter sent to affected property owners).

The proposed water main extension will benefit adjacent property owners (who are not currently served by the water system). Normally, these types of improvements are construction through the formation of a Special Assessment District (SAD) where benefitted property owners are assessed for their fair share. No SAD has been successfully initiated in this neighborhood.

The Public Works Department is currently coordinating the design of this improvement. Although no construction funds have been identified, Public Works is communicating with potentially affected and benefitted property owners regarding how the project may impact them. Public Works will be coordinating the acquisition of easements and regulatory/environmental permits and preparing applications to state and federal agencies for construction financing.

There is precedence for creating deferred assessments on benefitting properties to provide a mechanism for fairly charging the cost of water improvements to benefitted property owners. These deferred assessments are not created without the opportunity for the affected property owners to comment and if created do not become due until the property owner connects to the new water main. Connection to the water main may be contingent upon the installation of sewer service to the property before water service connections to the water main are approved.

**Recommendation:** The City Council pass a resolution stating that if construction funding becomes available for this project and a Special Assessment District has not been established to assess benefited property owners for their fair share, the intent of the City Council would be to consider creating deferred assessments on benefitting property owners after each property owner has been given the opportunity to comment. The City Council encourages the Public Works Director to initiate a SAD in this neighborhood to determine whether there is support for providing water and sewer service to the project area.



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Public Works

3575 Heath Street  
Homer, AK 99603

[publicworks@cityofhomer-ak.gov](mailto:publicworks@cityofhomer-ak.gov)

(p) 907-235-3170

(f) 907-235-3145

December 31, 2013

Shellfish Avenue/South Slope Drive Area Property Owner:

The City Council, on January 13, 2014, will be reviewing a Resolution (attached in draft form) that if approved could express the Council's intentions regarding the potential future creation of deferred assessments on properties benefitted by the proposed Shellfish Avenue/South Slope Drive Water Main project. See the attached map showing the location of this main and the potentially benefitted properties.

This letter is being sent to you because we believe that you own one of these potentially benefitted properties.

Should you be interested in this issue, your comments or concerns can be addressed to the Council in writing or during the public comment period at the Monday, 6:00 PM City Council Meeting scheduled for January 13, 2014 at City Hall.

No assessments will be created by this Resolution. Deferred assessments will not be created without the opportunity for the affected property owners to comment at a future date. No deferred assessment will be created until construction funding has been identified.

The draft Resolution language concludes with the following:

NOW THEREFORE BE IT RESOLVED that if construction funding becomes available for this project and a Special Assessment District has not been established to assess benefited property owners for their fair share, the intent of the City Council would be to consider creating deferred assessments on benefitting property owners after each property owner has been given the opportunity to comment; and

BE IT FURTHER RESOLVED that the City Council encourages the Public Works Director to initiate a SAD in this neighborhood to determine whether there is support for providing water and sewer service to the project area.

Should you have questions, please feel free to call me directly at 435-3124.

Yours very truly,

Carey Meyer, P.E., MPA  
Public Works Director

Enc. Draft Resolution; Map

**CITY OF HOMER  
HOMER, ALASKA**

City Manager/  
Public Works Director

**DRAFT RESOLUTION 14-\_\_\_\_\_**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
EXPRESSING THE FUTURE INTENTION TO CREATE DEFERRED  
ASSESSMENTS ON PROPERTY BENEFITTING FROM THE FUTURE  
CONSTRUCTION OF THE SHELLFISH AVENUE/SOUTH SLOPE  
DRIVE WATER MAIN EXTENSION.

WHEREAS, The Water/Sewer Master Plan for the City of Homer calls for improvements to the City's water system that would improve water service to the community; and

WHEREAS, The City Council has approved the acceptance of an EPA grant for the design of several water system improvements, including the extension of a water main along Anderson Street, Shellfish Avenue and South Slope Drive between Mountain View Drive and East Hill Road (see Memorandum 14-XXX with map prepared by Public Works); and

WHEREAS, The Public Works Department is coordinating the design of this improvement; and

WHEREAS, Although no construction funds have been identified, Public Works will be communicating with potentially affected and benefitted property owners regarding how the project may impact them; may coordinate the acquisition of easements and regulatory/environmental permits; and make applications to state and federal agencies for construction financing; and

WHEREAS, The proposed water main extension will benefit adjacent property owners (who are not currently served by the water system); and

WHEREAS, Normally, these types of improvements are construction through the formation of a Special Assessment District (SAD) where benefitted property owners are assessed for their fair share; and

WHEREAS, No SAD has been initiated in this neighborhood; and

WHEREAS, Precedence has been set that deferred assessments can be established on benefitting properties to provide a mechanism for fairly assessing the cost of the water improvements to benefitted property owners ; and

WHEREAS, These deferred assessment are not created without the opportunity for the affected property owners to comment and if created do not become due until the property owner connects to the new water main; and

WHEREAS, Connection to the water main may be contingent upon the installation of sewer service to the property before water service connections to the water main are approved.

NOW, THEREFORE, BE IT RESOLVED that if construction funding becomes available for this project and a Special Assessment District has not been established to assess benefited property owners for their fair share, the intent of the City Council would be to consider creating deferred assessments on benefitting property owners after each property owner has been given the opportunity to comment.

BE IT FURTHER RESOLVED that the City Council encourages the Public Works Director to initiate a SAD in this neighborhood to determine whether there is support for providing water and sewer service to the project area.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this \_\_\_\_ day of January, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

**PROPOSED SHELLFISH / SOUTH SLOPE WATER**



1 inch = 300 feet

**CITY OF HOMER  
HOMER, ALASKA**

City Manager/  
Public Works Director

**RESOLUTION 14-012**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
EXPRESSING THE FUTURE INTENTION TO CREATE DEFERRED  
ASSESSMENTS ON PROPERTY BENEFITTING FROM THE FUTURE  
CONSTRUCTION OF THE KACHEMAK DRIVE (PHASE III) WATER MAIN  
EXTENSION PROJECT.

WHEREAS, The Water/Sewer Master Plan for the City of Homer calls for improvements to the City's water system that would improve water service to the community; and

WHEREAS, The City Council has approved the acceptance of an EPA grant for the design of several water system improvements, including the extension of a water main along Kachemak Drive from Campbell Lane to 1500 feet south of Knapp Circle (see Memorandum 14-XXX with map prepared by Public Works); and

WHEREAS, The Public Works Department is coordinating the design of this improvement; and

WHEREAS, Although no construction funds have been identified, Public Works will be communicating with potentially affected and benefitted property owners regarding how the project may impact them; may coordinate the acquisition of easements and regulatory/environmental permits; and make applications to state and federal agencies for construction financing; and

WHEREAS, The proposed water main extension will benefit adjacent property owners (who are not currently served by the water system); and

WHEREAS, Normally these types of improvements are construction through the formation of a Special Assessment District (SAD) where benefitted property owners are assessed for their fair share; and

WHEREAS, No SAD has been successfully initiated in this neighborhood; and

WHEREAS, Precedence has been set that deferred assessments can be established on benefitting properties to provide a mechanism for fairly assessing the cost of the water improvements to benefitted property owners ; and

WHEREAS, These deferred assessment are not created without the opportunity for the affected property owners to comment and if created do not become due until the property owner connects to the new water main; and

WHEREAS, Connection to the water main may be contingent upon the installation of sewer service to the property before water service connections to the water main are approved.

NOW, THEREFORE, BE IT RESOLVED that if construction funding becomes available for this project and a Special Assessment District has not been established to assess benefited property owners for their fair share, the intent of the City Council would be to consider creating deferred assessments on benefitting property owners after each property owner has been given the opportunity to comment.

BE IT FURTHER RESOLVED that the City Council encourages the Public Works Director to initiate a SAD in this neighborhood to determine whether there is support for providing water and sewer service to the project area.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

---

MARY E. WYTHER, MAYOR

ATTEST:

---

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Public Works

3575 Heath Street  
Homer, AK 99603

[publicworks@cityofhomer-ak.gov](mailto:publicworks@cityofhomer-ak.gov)

(p) 907- 235-3170

(f) 907-235-3145

### Memorandum 14-009

TO: Walt Wrede, City Manager  
FROM: Carey Meyer, Public Works Director  
DATE: January 6, 2014  
SUBJECT: **Future Intention to Create Deferred Assessments  
Kachemak Drive (Phase III) Water Main Extension Project**

---

*The property owners impacted by this project will want to know how construction of the Kachemak Drive (Phase III) Water Main Improvement may affect them financially.*

The Water/Sewer Master Plan for the City of Homer calls for improvements to the City's water system that would improve the reliability of the water service to the community. The City Council has approved the acceptance of an EPA grant for the design of several water system improvements, including the extension of a water main along Kachemak Drive from Campbell Lane to 1500 feet south of Knapp Circle (see attached map and letter sent to affected property owners).

The proposed water main extension will benefit adjacent property owners (who are not currently served by the water system). Normally, these types of improvements are construction through the formation of a Special Assessment District (SAD) where benefitted property owners are assessed for their fair share. No SAD has been successfully initiated in this neighborhood.

The Public Works Department is currently coordinating the design of this improvement. Although no construction funds have been identified, Public Works is communicating with potentially affected and benefitted property owners regarding how the project may impact them. Public Works will be coordinating the acquisition of easements and regulatory/environmental permits and preparing applications to state and federal agencies for construction financing.

There is precedence for creating deferred assessments on benefitting properties to provide a mechanism for fairly charging the cost of water improvements to benefitted property owners. These deferred assessments are not created without the opportunity for the affected property owners to comment and if created do not become due until the property owner connects to the new water main. Connection to the water main may be contingent upon the installation of sewer service to the property before water service connections to the water main are approved.

**Recommendation:** The City Council pass a resolution stating that if construction funding becomes available for this project and a Special Assessment District has not been established to assess benefited property owners for their fair share, the intent of the City Council would be to consider creating deferred assessments on benefitting property owners after each property owner has been given the opportunity to comment. The City Council encourages the Public Works Director to initiate a SAD in this neighborhood to determine whether there is support for providing water and sewer service to the project area.



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Public Works

3575 Heath Street  
Homer, AK 99603

[publicworks@cityofhomer-ak.gov](mailto:publicworks@cityofhomer-ak.gov)

(p) 907-235-3170

(f) 907-235-3145

December 31, 2013

Kachemak Drive Area Property Owner:

The City Council, on January 13, 2014, will be reviewing a Resolution (attached in draft form) that if approved could express the Council's intentions regarding the potential future creation of deferred assessments on properties benefitted by the proposed Kachemak Drive Water Main project (known as Phase III) . See the attached map showing the location of this main and the potentially benefitted properties.

This letter is being sent to you because we believe that you own one of these potentially benefitted properties.

Should you be interested in this issue, your comments or concerns can be addressed to the Council in writing or during the public comment period at the Monday, 6:00 PM City Council Meeting scheduled for January 13, 2014 at City Hall.

No assessments will be created by this Resolution. Deferred assessments will not be created without the opportunity for the affected property owners to comment at a future date. No deferred assessment will be created until construction funding has been identified.

The draft Resolution language concludes with the following:

NOW THEREFORE BE IT RESOLVED that if construction funding becomes available for this project and a Special Assessment District has not been established to assess benefitted property owners for their fair share, the intent of the City Council would be to consider creating deferred assessments on benefitting property owners after each property owner has been given the opportunity to comment; and

BE IT FURTHER RESOLVED that the City Council encourages the Public Works Director to initiate a SAD in this neighborhood to determine whether there is support for providing water and sewer service to the project area.

Should you have questions, please feel free to call me directly at 435-3124.

Yours very truly,

Carey Meyer, P.E., MPA  
Public Works Director

Enc. Draft Resolution; Map



WHEREAS, These deferred assessment are not created without the opportunity for the affected property owners to comment and if created do not become due until the property owner connects to the new water main; and

WHEREAS, Connection to the water main may be contingent upon the installation of sewer service to the property before water service connections to the water main are approved.

NOW, THEREFORE, BE IT RESOLVED that if construction funding becomes available for this project and a Special Assessment District has not been established to assess benefited property owners for their fair share, the intent of the City Council would be to consider creating deferred assessments on benefitting property owners after each property owner has been given the opportunity to comment.

BE IT FURTHER RESOLVED that the City Council encourages the Public Works Director to initiate a SAD in this neighborhood to determine whether there is support for providing water and sewer service to the project area.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this \_\_ day of January, 2014.

CITY OF HOMER

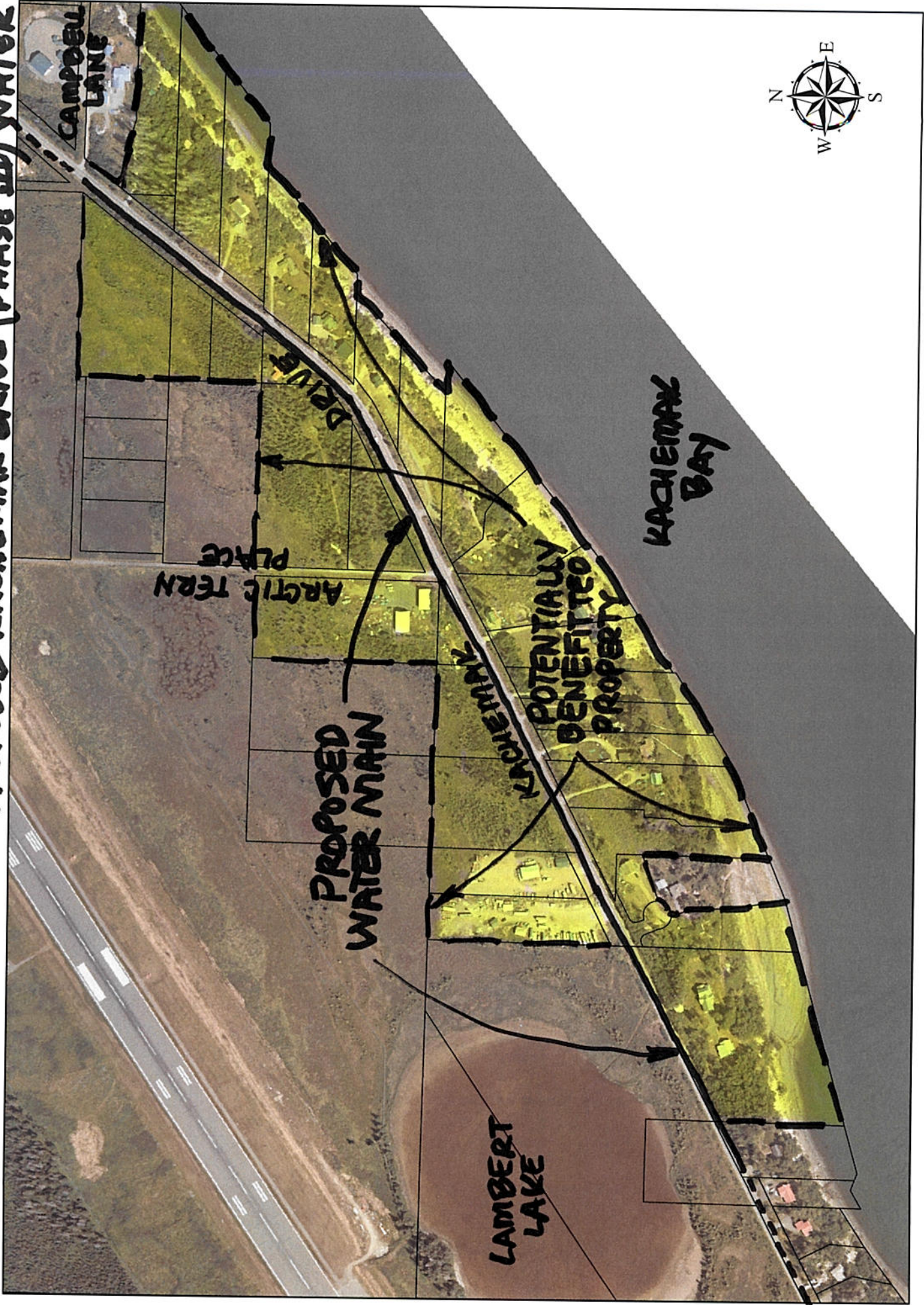
\_\_\_\_\_  
MARY E. WYTHER, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

# PROPOSED KACHEMAK DRNE (PHASE III) WATER



**CITY OF HOMER  
HOMER, ALASKA**

Mayor/Lewis

**RESOLUTION 14-013**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
EXPRESSING SUPPORT FOR THE CITY OF SOLDOTNA'S  
PROPOSED RENOVATION AND EXPANSION OF THE SOLDOTNA  
REGIONAL SPORTS COMPLEX.

WHEREAS, The City of Soldotna is proposing a major upgrade and expansion of the Soldotna Regional Sports Complex and has identified the project as a top Capital Improvement Plan (CIP) priority; and

WHEREAS, The City of Soldotna has requested support for the project from the City of Homer because the benefits are regional in scope and many Homer residents, including soccer participants, will enjoy those benefits directly; and

WHEREAS, The project will benefit all age groups and allow sports teams on the Kenai Peninsula to be more competitive with teams from other areas that have indoor facilities; and

WHEREAS, The project includes new conference facilities and upgrades to the existing ice arena that improve safety and function; and

WHEREAS, The project also includes a new field house with removable turf that can be used for a wide variety of recreation, practice, and league activities; and

WHEREAS, The estimated cost is \$17 to \$22 million with \$6 million pledged by the City of Soldotna and approximately \$1 million coming from private, local sources.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council recognizes the multiple benefits associated with a renovated and expanded Soldotna Regional Sports Center for Homer and the entire Kenai Peninsula.

BE IT FURTHER RESOLVED that the Homer City Council hereby expresses its support for an upgraded and expanded Sports Center in Soldotna and urges the Governor and Legislature to provide the funding needed to match local sources.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

# Soldotna Regional Sports Complex

*The City of Soldotna is seeking funding support to expand the Soldotna Regional Sports Complex and improve the health, safety and economic stability of central peninsula communities.*

## Project Goals & Description

### Identified Community Needs

- The existing 30 year old facility is in need of major renovations and repairs, including a new roof and a new boiler system.
- Indoor community recreation space is lacking for recreational and conference needs;
  - Families are traveling to Anchorage 2-3 times per week, from as far away as Homer, during winter months for indoor soccer and other turf-related sports.
  - Youth who cannot travel to Anchorage are limited in their ability to compete with those with the resources to travel.
  - A limiting factor for community fundraisers is not a shortage of contributors, but a lack space to accommodate the larger attendance needed to raise sufficient funds for community needs.
- Indoor recreational space is needed, especially for youth and seniors, who need to exercise in the winter and during periods of inclement weather.

### Project Amenities

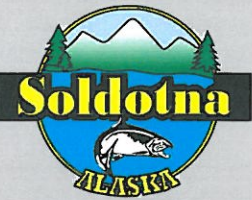
- Upgrades and additions to existing ice arena for enhanced function and safety .
- New conference area for improved function.
- New Field House with removable turf for indoor field oriented recreation, sports practice, league activities, community events, and other recreational needs.

### Healthy Community = Strong Economic Community

- Quality of Life needs are important to attract new businesses, individuals and families to the central peninsula region.
- Changing demographics show an increase in youth and senior populations in the central peninsula region.
- Recreation as a culture is a growing trend of our community and our economy.

### Expected Project Costs & Funding Sources

- Estimated Cost: \$17M to \$22M.
- City of Soldotna's commitment: \$6M in cash and general obligation bonds.
- Local contributions: ~ 1M
- State of Alaska grants: Remaining balance

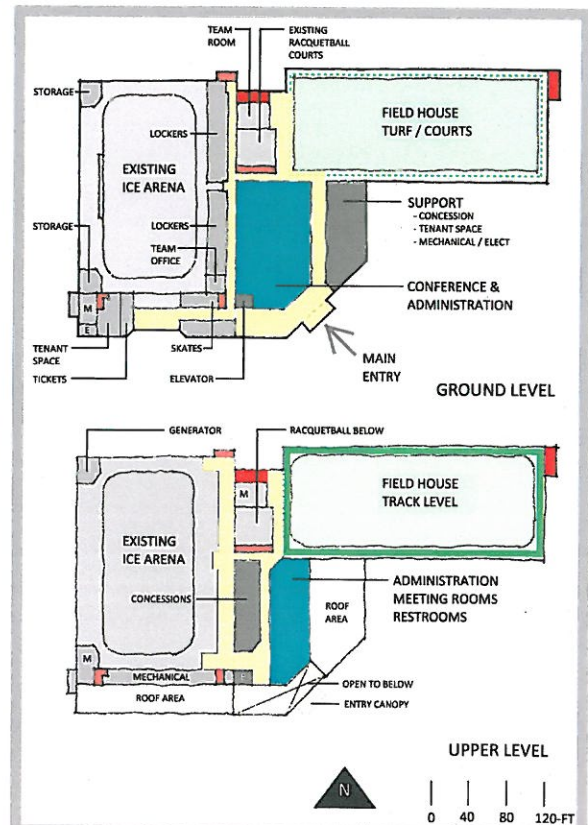


### Benefitted Organizations

Kenai Peninsula Borough  
 Kenai Peninsula College  
 KPBSD  
 Kenai Peninsula Hockey Association  
 Central Peninsula Hospital  
 Soldotna Little League  
 The Tribe  
 Pop Warner Football  
 Kenai Peninsula Soccer Club  
 Soldotna Chamber of Commerce  
 Tsalteshi Trails Association  
 Peninsula Winter Games  
 Alaska Christian College  
 Native Youth Olympics  
 Twins American Legion Baseball  
 ASAA  
 Kenai River Brown Bears Junior A Hockey  
 Soldotna Senior Center  
 Boys & Girls Club



Site overview for the proposed expansion of the Soldotna Regional Sports Center



Conceptual Design for Soldotna Regional Sports Complex



**CITY OF HOMER  
HOMER, ALASKA**

Mayor/City Council

**RESOLUTION 14-014**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
EXPRESSING STRONG SUPPORT FOR GOVERNOR PARNELL'S  
PROPOSAL TO APPROPRIATE \$3 BILLION FROM THE  
CONSTITUTIONAL BUDGET RESERVE INTO THE ALASKA  
RETIREMENT TRUST FUNDS IN 2015.

WHEREAS, The combined unfunded liability of Alaska's Public Employee's Retirement System (PERS) and Teacher's Retirement System (TRS) is \$11.8 Billion at June 30, 2012; and

WHEREAS, The funded ratio of PERS is 61.3% and TRS is 52.1% at June 30, 2012; and

WHEREAS, The Governor has identified the State's unfunded pension liability as Alaska's biggest budget driver, with annual State Assistance payments expected to exceed \$1 Billion per year without a substantial cash infusion directly into the retirement trust funds; and

WHEREAS, State Assistance payments on behalf of municipalities provide significant rate relief to local taxpayers, provide budget predictability and stability to local governments, and are crucial to the financial health of Alaska's municipalities and school districts; and

WHEREAS, Governor Parnell's plan is in the best interests of the retirement systems, the State of Alaska and its municipalities by honoring Alaska's constitutional obligations, reducing annual state assistance contributions to a more predictable and sustainable \$500 Million per year, increasing the funded status of the PERS and TRS by 10%, honoring the State's previous commitment to pay employer contribution rates in excess of 22%, allowing for future interest earnings to offset future contribution requirements, reducing pressure on future State and local government budgets, strengthening the credit rating of the State of Alaska and its municipalities, increasing future flexibility at a time when oil production is anticipated to decline, and solving the problem now when reserves are available rather than passing the problem to future generations of Alaskans.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that:

Section 1. The City Council of the Homer, Alaska, expresses strong support for Governor Parnell's proposed transfer of \$3 Billion from the State's Constitutional Budget Reserve directly into the retirement trust funds.

Section 2. The City Council expresses concern for any proposal to place the proposed \$3 Billion into a Reserve Fund rather than directly into the retirement trust funds. The purpose of a Reserve Fund is to provide future flexibility to allow monies to be used for purposes other than the provision of pension benefits. The existence of the Reserve Fund gives a potentially false assurance that funded levels of the retirement trust funds are adequate to pay pension benefits, thereby reducing required employer contributions into the system. Future tapping of the Reserve Fund however, would significantly exacerbate the unfunded liability at a time when Alaska has diminished flexibility to address the problem due to lower oil production and likely lower reserves.

Section 3. The City Council further expresses strong support for the Governor's proposal to continue to provide \$500 Million per year in State Assistance payments on behalf of municipalities and school districts. State Assistance payments should not be further diminished. Any further reduction in State Assistance necessarily extends the amortization of the unfunded liability resulting in local governments and school districts having to pay the 22% (PERS) and 12.56% (TRS) employer contribution rate for many more years than they otherwise would, and significantly shifting costs from the State to its municipalities.

Section 4. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Homer City Council this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

City Manager/Port and Harbor  
Advisory Commission

A RESOLUTION OF THE HOMER CITY COUNCIL APPOINTING A TASK FORCE TO REVIEW AND MAKE RECOMMENDATIONS ON A LARGE VESSEL HAUL-OUT AND REPAIR FACILITY AT THE PORT.

WHEREAS, There are options of building a vessel haul-out and repair facility that is either privately owned or enterprise-owned; and

WHEREAS, The benefits and challenges of building such a facility can be explored in more detail by a task force; and

WHEREAS, A task force can review and discuss all facets of a vessel haul-out and repair facility and provide recommendations to Council.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council supports the establishment of a task force to review and make recommendations on a large vessel haul-out and repair facility.

BE IT FURTHER RESOLVED that the committee will consist of seven members, two representatives from the Homer City Council (to be appointed by the Mayor and approved by the Council), the Harbormaster, two members from the Port and Harbor Advisory Commission (to be selected by the Port and Harbor Advisory Commission), and two members of the marine trades. Other staff members will provide administrative and consultative support as requested by the task force or directed by the City Manager.

BE IT FURTHER RESOLVED that the task force will establish its own work schedule, provide a recommendation to Council no later than October 1, 2014, and shall be disbanded when the scope of work is complete.

BE IT FURTHER RESOLVED that the City Clerk is authorized to advertise for parties interested in serving as representatives of the marine trades.

PASSED AND ADOPTED by the Homer City Council this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

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MARY E. WYTHE, MAYOR

ATTEST:

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JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Staff time and advertising costs.



# City of Homer

www.cityofhomer-ak.gov

Port and Harbor

4350 Homer Spit Road

Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

## Memorandum

TO: PORT & HARBOR ADVISORY COMMISSION  
FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER  
DATE: NOVEMBER 26, 2013  
SUBJECT: POTENTIAL PORT OF HOMER HAUL-OUT & REPAIR FACILITY

At their meeting on October 30, 2013, the Port and Harbor Commission asked to discuss the future possibility of a vessel haul-out and repair facility at the Homer Port and Harbor. Over past few weeks, I have had many discussions with various harbor user groups and other harbor entities/businesses about such a facility. The feedback I have received has been very informative and positive. There has been a substantial amount of support from Homer Marine Trades Association for such a facility, as well as vessel owners that represent the large 70+ ton vessel class.

Here are a few pros/cons of the Homer Harbor building a vessel haul-out and repair facility:

<u>Pros/Benefits</u>	<u>Cons/Challenges</u>
<ul style="list-style-type: none"><li>• Large benefit to the community. Benefits are well documented by looking at other harbors that have haul-out/repair facilities.</li><li>• Provides a new tax base for the City.</li><li>• Creates a new revenue stream for the Harbor Enterprise.</li><li>• Offers a facility for larger vessels to haul out for repairs that currently have to travel outside of Homer for this service.</li><li>• Will be capitalizing on the Chip pad, which is a harbor asset that is currently being underused.</li></ul>	<ul style="list-style-type: none"><li>• Looking at other harbors that operate their haul-out/repair facility, their fee structure does not fully support the facility, causing a financial burden on their harbor enterprise.</li><li>• Environmental aspects such as permitting, cleaning vessels, treating water, etc.</li><li>• Organizing the logistics of who will be running the harbor enterprise-owned facility: the City or a privately-owned business.</li><li>• Seeking the funding needed to purchase a travel lift and build facility/dock infrastructure.</li></ul>

### Concerns and Suggested Options

Many harbors own, manage, run, and maintain their boat yard and haul out facilities. These communities have funded the construction of the facilities using direct appropriations and/or grants from federal and state sources. A main problem these harbors have experienced is the municipal government fees aren't enough to operate and maintain the facility on their own, creating a financial burden on the enterprise and all other harbor users. Even though we know there will be large financial benefits to the community and to select vessel owners, we need to be mindful that this haul-out and repair facility will really only serve a small portion of our overall harbor users. Other vessel owners who use private haul-out facilities could object to having any cost burdens passed on to them.

**Option A: Enterprise-owned and operated shipyard and haul out:** At this time, our harbor is not staffed or trained to run or manage our own facility. If we were to move ahead and run it ourselves, we would need to create another harbor department requiring additional staffing, training, and a full maintenance program. Organizing the creation of a new department is doable, but I would like to be up front and stress the fact that if we choose to operate and maintain the facility using harbor staff, my priority would be to set it up as an independent enterprise that would account for true

operations, maintenance, and replacement costs. Our primary goal for this endeavor should be to ensure that the vessel haul-out and repair facility is financially self-supportive and does not become a burden on the harbor enterprise, while at the same time supporting a much-needed facility for our large vessel fleet. In turn, it will generate jobs and commerce here in town.

**Option B: Privately-owned and operated shipyard and haul out:** Another possibility would be to create a public-private partnership (PPP) wherein the City dedicates the use of Lot 20 for travel lift access and provides a favorable lease for part or all of the Chip Pad (Lot 12) to a company that would make the investment into building the infrastructure needed to haul, move, and oversee all shipyard activities. The benefits of this option are, because it is a privately-owned business, the company providing the service would be responsible for the, training, maintenance, billing, operation costs. This option would be another stand alone business provided needed services to the Homer fleet and a very low financial risk to the harbor enterprise. An industry need, supplied by industry, facilitated by the enterprise.

#### **Recommendation**

Staff requests the commission's feedback on this potential vessel haul-out and repair facility.

Session 13-11, a Special Meeting of the Port and Harbor Advisory Commission was called to order at 5:03 p.m. by Chair Ulmer on December 4, 2013 at the City Hall Upstairs Conference Room located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER ZIMMERMAN, ULMER, DONITCH, HARTLEY, CARROLL, HOWARD AND STOCKBURGER

STAFF: HARBORMASTER HAWKINS  
CITY MANAGER WREDE  
DEPUTY CITY CLERK KRAUSE

Chair Ulmer recognized and welcomed Commissioner Donitch

### **APPROVAL OF THE AGENDA**

HOWARD/HARTLEY – MOVED TO APPROVE THE AGENDA.

There were no discussions.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA** *(3 Minute Time Limit)*

There were no comments from the public at this time.

### **RECONSIDERATION**

There were no items for reconsideration.

### **APPROVAL OF MINUTES**

A. Special Meeting Minutes for October 30, 2013

HOWARD/STOCKBURGER - MOVED FOR APPROVAL OF THE MINUTES AS WRITTEN.

There was one correction noted.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **VISITORS**

There were no visitors scheduled.

**STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS**

*(Chair set time limit not to exceed 5 minutes)*

**A. Staff Report for November 2013**

Harbormaster Hawkins provided a summary on his report included in the packet. He additionally provided some details on the following:

- A meeting with contractors on the System 5 project
- The weekly meeting on the Deep Water Dock and Spit Trails Project
- Tidal Incubator Teleconference
- Details regarding creating a Vessel of Concern Contract
  - have denied access to unwanted vessels
  - established a security bond level that a firm can be hired
  - The State is pretty defenseless regarding derelict vessels
  - A Task Force is being created by the State to address the problem and create a plan of action
- Attended Car Rental Training – very informative provided some industry do and don't and what to watch out for on the contracts that are signed
- Meeting of the Harbor Office Task Force
  - Participated in a teleconference with Nelson Engineering & Public Works
  - Determine a more appropriate location for the communication towers used by Fire & Police
  - Issues with the tower being on the building under the high mast lights
  - Consideration is being given to locating the tower at the load and launch ramp
  - will increase the cost of the building if included
- Met the new plant manager for Pacific Star Seafoods interested in short term lease as a fish buyer
- Attended a Marine Trades Association meeting
  - There is a meeting tomorrow evening at 6:00 p.m. Northern Enterprises, Bulletproof Nets Shop
- participated in a teleconference with Katie Koester and Buccaneer Alaska on the Endeavor Rig returning to the Harbor.
  - It is the intent to go straight from Port Graham to the Stariski job site.

Mr. Hawkins commented on the recent Expo in Seattle he attended and the AAHPA conference in Valdez. The partnership at the Expo with the Marine Trades Association has been beneficial for both the vendors and the Port. The Docks continue to be very busy with business from the oil trades.

There was a brief discussion on changing over to LED lighting for the harbor. There is a cost up front but maintenance and cost is where the savings will be. There will be a 3 year period to recoup the costs. A brief statement on the winter power usage and number plugged in to the meters.

**PUBLIC HEARING** *(3 minute time limit)*

There were no public hearings scheduled.

**PENDING BUSINESS**

There were no items to address under Pending Business.

**NEW BUSINESS**

- A. Memorandum from Port Director/Harbormaster Re: Potential Port of Homer Haul-out and Repair Facility dated November 26, 2013

Chair Ulmer introduced to item and invited Mr. Hawkins to open discussion on it.

Mr. Hawkins reviewed the memorandum and discussion was entertained on the pros and cons for building a Haul-out and Repair Facility. The commissioners entertained comments from the audience members in an open discussion format.

Mr. Hawkins stated that there is a real economic and market for the creation of the business. It would benefit the entire community. It was noted that it would create justification for a larger harbor.

Some points discussed or noted were:

- Ability to offer full service facility for the larger vessels
- Creates a new revenue stream for the Port
- How to best operate a facility
  - Cooperatives
  - City
  - Private enterprise
- Travel lifts are extremely expensive
- Barge fleet, tug fleet, crab boats
- On the road system, climate, services are local
- Types of systems that could be employed
- Beneficial for the entire community bringing additional year round employment

Chair Ulmer after numerous comments stated she would like to see a committee formed to address this idea and to work on the details and bring their recommendations back to the commission.

Mr. Hawkins commented that he has talked with the City Manager regarding redefining the Capital Improvement Project. He then commented on the use of bags for servicing barges.

Further comments were offered on the use of different methods to lift or move vessels, also what value the City will bring to the table and if the city should manage and operate it. He requested some direction and expression of support for the project from the commission. It was noted that Council would have to approve making a project out of this idea.

City Manager Wrede confirmed that council would have to approve the project but until it was ready for that having another sub-group formed to look into the options would be important to answer what would be the city's investment in this project. They could answer some economic questions related to the operation. He agreed that it was an exciting project and that the interest and market was there. He further noted that if the commission did the research then submit the recommendation to council to change the project on the CIP and then a strategic plan could be addressed which would include the economic advantages, etc.

Further discussion ensued regarding the pros and cons of having a Haul Out and Repair Facility and whether the city does this or it is provided by a private business or a cooperative is formed. It was noted that this was big business for the city and the Chamber should be involved. The CIP project for a railway could be changed to Haul-out Facility was confirmed by the City Manager and Mr. Hawkins. Conversations must be held with the larger vessel owners to see if they would provide a commitment to get this project going.

Chair Ulmer further added that it would be great to see the Harbormaster involved or one of his staff and members of the community plus someone from the Marine Trades Association. She believed that the number should be around 5 but no greater than 7 members to be effective.

CARROLL/HARTLEY – MOVED TO FORM A COMMITTEE TO LOOK INTO THE DETAILS OF HAVING A HAUL-OUT AND REPAIR FACILITY.

There was a brief discussion and comments from Billy Squires. The committee should be comprised of at minimum five members with the harbormaster involved. Additional discussion on getting the word out there that there is a committee being formed and allowing participation to represent the Marine Trades. The committee should also report back to the commission. Commissioner Stockburger and Carroll will be on the committee. It was requested to send notice to the public.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. 2014 Port and Harbor Budget

Chair Ulmer read the title into the record. She asked who would be guiding the commission through the document. Mr. Hawkins would do his best to explain the document.

The commissioners disseminated the proposed budget inquiring about items related to the following:

- Projected revenue for 2014
- Projected revenue from the Deep Water Dock
  - Mark Up the Water Sold
- Pioneer Dock and Fishdock are being subsidized
  - the Ice Plant and Cranes raise the costs
  - both would be costly to replace
  - there is a huge depreciation
- Berth rent
- Other Charges (Administrative Fees)
  - why the \$130,000 increase in fees
  - this was explained as services provided by other departments that would otherwise be contracted out by the enterprise.
  - represent 33% of labor costs
  - Cost Allocation Sheet showed that the following percentages are allocated as follows:
    - 11.3% Mayor & Council - Example of classic overhead costs
    - 26% to City Clerk
    - 26% to City Manager
    - 16% to Personnel – Harbor personnel issues or concern
    - 16% to IT
    - 10% to Finance
    - 15% to Janitorial
    - 9% to Public Works
  - if there were steps that could be implemented to reduce this cost to the enterprise fund

Mr. Hawkins understood the concerns expressed by the commission and explained that it takes the whole organization to properly run the Enterprise. He provided an example regarding the Project Manager for the Construction Projects.

A brief discussion on the inclusion of administrative fees in construction projects and including increases for health care costs.

- What is the Advertising costs
  - this covers advertisements in publications
  - the Expo
- Credit Card Fees
  - recommended shopping again for lower fees
  - increase in usage
  - increase in fees
  - lower costs in collection services or fees
- Port & Harbor Administration maintenance
- Fish Dock revenue is down
- Reserves are increased
  - will make another contribution to reserves in the Spring

Upgrades to Bike Path were funded by the \$6 Million dollar Cruise Ship Passenger Improvement Grant for Emerging Ports. It was based on the efforts of the lobbyist who jumped on an opportunity.

C. Memorandum from City Clerk Re: 2014 Meeting Schedule

Chair Ulmer read the title into the record and inquired if everyone was able to attend the dates as written. There was no objection presented.

Ms. Krause requested a motion to approve the schedule.

HOWARD/STOCKBURGER – MOVED TO APPROVE THE 2014 MEETING SCHEDULE AS PRESENTED.

There was no discussion.

VOTE. YES. UNANIMOUS CONSENT.

Motion carried.

D. Memorandum from Deputy City Clerk Re: Consideration of December 18<sup>th</sup> Regular Meeting

Chair Ulmer requested comment from the commission on the need for another meeting.

Commissioner Howard will be out of town for the meeting.

A brief discussion on the need for a meeting and if there would be enough materials for a meeting.

HOWARD/DONATCH – MOVED TO CANCEL THE DECEMBER 18, 2013 MEETING OF THE PORT & HARBOR COMMISSION.

There was no further discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **INFORMATIONAL MATERIALS**

- A. Monthly Statistical & Performance Report October 2013
- B. Weekly Crane and Ice Report
- C. Deep Water Dock Report
- D. Pioneer Dock Report and Ferry Landings Report
- E. Water Usage Report
- F. 2013 AAHPA Resolutions
- G. 2013 Council Meeting Attendance Schedule

Chair Ulmer commented on the purpose of the Attendance Schedule and requested the commissioners to attend the Monday Council meeting. Ms. Krause inquired if there was a volunteer to attend the January Council meetings since the commission will not be meeting again this year to update the schedule. Chair Ulmer stated she would attend the meeting on January 13<sup>th</sup> and encourage other commissioners to attend the second council meeting. This will be on the January agenda to update.

There was no further discussion.

- H. 2013 Strategic Plan

Chair Ulmer requested that the Clerk update all the dates on the strategic plan and add the Haul-out and Repair Facility to the plan. The Clerk noted that it can be added to the January agenda for the Commission to take action on updating the Strategic Plan.

Commissioner Zimmerman inquired about the status of the parking lot between the Seafarer's Memorial and the boardwalk. This project will be using funds from the HART which is a long shot. It is understood that the commission believes the funding should come from the General Fund. A resolution is going before Council at the next meeting.

Commissioner Stockburger commented on a vendor at the Expo promoting an epoxy that can solidify gravel parking lots at a greatly reduced cost. The product is water based too.

### **COMMENTS OF THE AUDIENCE**

Todd Hoppe, resident, running boats and now operating a boat. We are in the Banana Belt and have great weather. There was a lot of excited when Herndon dug that hole. He stated that Kodiak was destined to fail from the get go since they based their business on the big trawl fleet which of course then sails south for whiting. He further commented that the air bladder system can handle deep draft vessels such as he has although he would have to be sedated the first time his boat is hauled out. In Asia and Europe that is all they use. He felt that the travel lift would be too expensive but the bag system would work. A concrete pad and step wall is all that is needed. He has tried working in Seward but it rains so much there and hard you can't weld there. Here it doesn't rain that hard and you can.

There is never a perfect yard but if you can offer both then you can have constant revenue. You have to either bring everything over with you plus have the cost of a hotel stay. Seward has become very complicated and Kodiak has some pluses too. Here he could go home at night.

Gary Squire commented that he recalled losing only 12 days due to weather, he further noted that he has been out on the spit sand blasting in April. Our weather is the best. You can't find anything in Seward. In Homer they will discount rates in the hotels and you find cheap lodging.

Billy Greenstreet, Jr. employed by In Demand Marine stated that the services they have here and accessibility to the highway and the airport we definitely have a better harbor and area here to the work and even Anchorage can't offer anything. He was really amazed that Juneau hard to find anything. We have a lot here to offer if you haul out here.

Kate Mitchell, city resident & owner of Nomar Manufacturing, stated that the Marine Trade Association is a 501c6 organization and is comprised of 168 members. They have been meeting on a monthly schedule. She commented that they must thank Northern Enterprises for having the facilities that they do, she recounted how it was when they arrived here in the 1970's from Ketchikan. She commended the work done on the Harbor. Anything the Marine Trades can do to make this happen let them know. They are extremely happy to see this on the agenda and that there are several motivated people in this town. The strength and the community is the harbor. Having the haul out and repair facility in Homer would keep those big boats here. She recommended that the air bags may be a start but with all the regulations that come down they need to plan for a facility because those regulations are heading this way. She went on to state that even if it is a private enterprise it would mean more revenue for the city. Ms. Mitchell noted that it is a progressive thing and it is good to see some progress on it.

Matt Alward, fisherman, owner of Bulletproof Nets, Vice President of the Marine Trade Association he commented that there is a need and is pretty confident that if they have a facility here it will be used. There is a lot of work to do to figure it out but he knows there are a lot of people willing to do the work.

## **COMMENTS OF THE CITY STAFF**

Ms. Krause commented that as always it was pleasure to work with the commission.

Mr. Hawkins stated that the No Wake Buoy has been ordered and will be placed in the spring; he suggested attendance at the next Council meeting on Monday to speak in favor of the parking lot improvements. Mr. Hawkins noted that Homer has worked hard to provide and keep an open facility for everyone. His goal is to make sure that it would be open access but that there may be a preferred contractors list. He wanted to make sure that there was competitive pricing from the contractors because that benefits the customers and the Harbor is representing the customers. Mr. Hawkins did state that on the chip pad there is an engineering project now to treat the water runoff from that parcel. This will also fit nicely with the future use as far as the Haul out goes.

Mr. Wrede appreciated the conversation, it was good to hear. The Chip Pad is the long term project but reinforces for him that they are doing the right thing on the Pier One parcel and it is generating more and more business not inconceivable that they can do some improvements there in fact Brian has suggested installation of mooring buoys, making it easier to haul vessels up and it is not out of the

question that a building could be constructed in that location within a shorter time period. Mr. Wrede commented that it was nice to see Marine Industrial being conducted on that parcel reclaiming the area. Mr. Wrede noted that there was support from the Mayor to include a member of the Marine Trades Association on the Economic Development Commission.

### **COMMENTS OF THE CHAIR**

Chair Ulmer commented that she appreciates all the comments and the public for coming to the meeting. She welcomed Commissioner Donatch. She also appreciated all the efforts from the staff to help them understand all this stuff.

### **COMMENTS OF THE COMMISSION**

Commissioners Zimmerman commented that they should rename the Chip pad the Haul-Out Pad or something more appropriate.

Commissioner Hartley appreciated the folks coming and commenting on the project and offering their assistance and support.

Commissioner Howard asked if there was anything in the budget to help out the Marine Trades Association. It was noted that the general fund supports the Chamber and he wondered if the City should support this organization. He noted that he did know a Councilmember that would possibly support that recommendation and he will talk to them about that possibility.

Commissioner Donatch had no comments.

Commissioner Stockburger is really excited to see this coming together.

Commissioner Carroll echoed Mr. Stockburger sentiments on the project and committee and looked forward to seeing all the "what ifs" and funding possibilities come together.

### **ADJOURN**

There being no more business to come before the Commission Chair Ulmer adjourned the meeting at 7:28 p.m. The next regular meeting is scheduled for January 22, 2014 at 5:00 p.m. in the City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

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RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

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

**CITY OF HOMER  
HOMER, ALASKA**

City Clerk/  
Port and Harbor Director

**RESOLUTION 14-016**

A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING THE CONTRACT FOR THE REFURBISHMENT SERVICES OF THREE PEDESTAL CRANES ON HOMER FISH DOCK TO THE FIRM OF OIL & GAS SUPPLY COMPANY OF KENAI, ALASKA, IN AN AMOUNT NOT TO EXCEED \$82,625 PER CRANE AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the Procurement Policy, Request for Proposals were advertised in the Homer News on January 17 and 24, 2013 and again on September 11 and 18, 2013 in the Homer Tribune, and sent to two in-state plans rooms, and posted on the Clerk's home page; and

WHEREAS, Proposals were due on January 31 and September 26, 2013 and one proposal was received; that proposal was studied by a review team that concluded the proposal did not address all the key points in the RFP, therefore, was rejected; and

WHEREAS, In December 2013 Port and Harbor solicited eight companies for proposals for the refurbishment of the Fish Dock cranes; and

WHEREAS, Two complete proposals were received and after review the firm of Oil & Gas Supply Company of Kenai, Alaska, was determined to be the lowest responsive bidder and found to be qualified to complete the work; and

WHEREAS, This award is not final until written notification is received by Oil & Gas Supply Company from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves the contract award for the Refurbishment Services of Three Pedestal Cranes on Homer Fish Dock to the firm of Oil & Gas Supply Company of Kenai, Alaska, in an amount not to exceed \$82,625 per crane and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Refurbishment Services of Three Pedestal Cranes on Homer Fish Dock Project  
Acct. No. 456-380 - not to exceed \$82,625 per crane.



## City of Homer

www.cityofhomer-ak.gov

### Port and Harbor

4350 Homer Spit Road  
Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

## Memorandum 14-006

TO: MAYOR BETH WYTHER & HOMER CITY COUNCIL  
CC: WALT WREDE, CITY MANAGER  
FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER *BH*  
DATE: JANUARY 6, 2014  
SUBJECT: RESULTS OF THE PORT AND HARBOR FISH DOCK 5, 6, & 8 CRANE REFURBISHMENT SOLICITATION TO BID

---

Port and Harbor solicited to eight companies capable of refurbishing the Port and Harbor's Fish Dock cranes. The procurement process was followed and staff hosted a mandatory, pre-bid meeting and optional site visit. The bid closed on Friday, December 27 at 4:30 pm. Two complete bids were received:

1. North Pacific Crane Company located in Seattle, WA for \$111,840.00 per crane
2. Oil & Gas Supply Co. located in Kenai, AK for \$82,625.00 per crane

These bid estimates depict a rough order of magnitude (worst case scenario). More will be learned on the actual condition of the cranes once the units have been disassembled. At the onset of this project, our goal was to be able to refurbish three cranes, budgeting \$180,000 in the Port and Harbor Reserves for the project. However, bid estimates came in higher than expected and we will likely only be able to fund the refurbishment of two cranes. The severity of each crane's condition will determine whether we will be able to proceed with refurbishing two cranes or three.

After careful review of both bids, staff conducted a facilities inspection of Oil & Gas Supply's shop in Kenai. As this company is also the lowest bidder, staff is in favor of awarding the bid to Oil & Gas Supply Co., 43150 Kenai Spur Hwy., Kenai, Alaska 99611 in the amount of \$82,625.00 per crane.

### Recommendation

Staff recommends awarding the contract for the refurbishment of two to three pedestal cranes on the Homer Fish Dock to Oil & Gas Supply Co. in an amount not to exceed \$82,625.00 per crane.

Fiscal Note: Port and Harbor Reserves 456-380 "Fish Dock Cranes"

Attached: Solicitation to Bid Requirements for the Refurbishment of Three Pedestal Cranes on the Homer Fish Dock  
~~Winning Bid from Oil & Gas Supply Co.~~  
2013 Year-End Ice & Crane Report



**SOLICITATION TO BID REQUIREMENTS**  
**By the City of Homer, Alaska**  
**For the Refurbishment of Three Pedestal Cranes on the Homer Fish Dock**

City of Homer's Port and Harbor is soliciting for bids from qualified firms to rebuild/refurbish Cranes #5, #6 and #8, three 29 year old pedestal mounted cranes located on the City of Homer's Fish Dock. **The cranes will be removed from the Fish Dock, have a complete overhaul on all components performed, be re-coated to factory specifications, and re-installed on the Fish Dock for service.** The City reserves the right to accept or reject any or all bids, to waive irregularities or informalities in the bids, and to award a contract to the respondent that best meets the selection criteria and the City's needs. Also, the City shall not be liable for any costs incurred by any Bidder in response to this request, or for any work done prior to the issuance of a Notice to Proceed.

**General:** The City's goals for this project are to improve the overall safety and reliability of Cranes #5, #6 and #8, and lower energy/operation overhead costs. It is important to note that these cranes are in good working condition; we expect that proposed work will ensure continued service long into the future. Bidders are encouraged to consider all advances in related technologies in their proposals and will provide a detailed plan and timeline for the removal and reinstallation of each individual crane. Each crane will be treated as a standalone agreement in that they will be removed from the dock one at a time and returned to public use before the next crane is removed from the dock. The purpose of this requirement is to ensure the Fish Dock never has less than seven cranes available for customer use, and that quality work is maintained throughout the entire project.

**Scope of Work:** Remove Cranes #5, #6, and #8 to a climate-controlled environment, performing a complete tear-down in which each component and moving part will be inspected for wear, rebuilt or replaced. A parts list (Attachment A) will be referenced to ensure all components are inspected. The crane and pedestal will be sandblasted to white metal by a qualified professional coating specialist and re-coated to withstand the harsh marine environment on the Homer Spit. Be sure to include the types of coatings and process for application in the bids. Bidder will then re-install the completely refurbished crane and pedestal back on the Fish Dock. For planning purposes, it is important that the bidder includes a timeline for each of these steps. The City's preferred timeline would have all work completed within the 2014 year. Staff will work to keep Fish Dock customers informed and to minimize the impact of having one less crane available for use.

**Functional Requirements**

- Materials used shall be corrosion-resistant as to withstand the harsh weather and marine environment on the Homer Spit.
- Cranes currently operate on petroleum based hydraulic fluid. The City is interested in converting the cranes away from petroleum-based and to a product better suited for the location, environmentally and food-wise. Bidders should include product options and associated costs they believe are best suited for the Fish Dock.
- Electric control/joy sticks for crane controls shall be wired, NOT remote operated. These controls must have an I.P. rating of 64 or better.
- Provide hydraulic pump and electric drive motor options in bid, as the City is interested in upgrading for energy efficiency.
- Provide crane cable winch replacement options in bid. The existing winch is no longer in production and the City would like to upgrade to a modern winch model that carries the same load rating as the original. All cable fairleads, pulleys, and guides will be inspected, rebuilt, and or replaced during this refurbishment project.

#### **Other Requirements**

- For new and replaced components only: provide manufacturer operating and maintenance manuals, including overall outline drawings, wiring diagrams, materials list of equipment, and cut sheets. These will be used for updating the City's equipment diagrams and files.
- Equipment will be installed in a clean and professional manner.
- Any and all electrical connections must be completed by, or signed off by, a qualified electrician.
- Test, verify, and demonstrate correct operation of all systems and functions.
- Train all relevant City personnel in the operation and maintenance of the systems.
- Maintenance agreement: winning bid will show a maintenance contract for possible future site visits and/or consultation and troubleshooting for any repairs.
- Port Director and Fish Dock Supervisor will meet with project foreman for a final inspection and will designate the project complete in writing by signing the final invoice.
- City reserves the right to inspect work in progress on a periodic schedule and to keep any of the used components that are replaced in the refurbishment project.

**Warranty:** Winning bid will supply two warranties; both based on Crane #5, #6, and #8's hour meter:

1. Warranty on mechanical installation and materials
2. Warranty on coatings (rust protection and adhesion), materials and installation.

Bids will establish how the quality of workmanship and materials are warranted in number of crane hours of operation.

**Insurance:** The Bidder shall be required to provide proof of insurance prior to commencement of work. Minimum insurance requirements are \$1,000,000 General Liability, and Workman's Comp.

**SFB General Requirements:** Interested firms should submit their completed bid to the Port and Harbor Office, 4350 Homer Spit Road, Homer, Alaska 99603 using either of the following options:

1. Drop off completed bid in an opaque envelope marked as follows:
  - a. Solicitation for Bids, Port of Homer Crane #5, #6 and #8 Refurbishment
2. Fax completed bid with cover sheet to (907) 235-3152. Be sure to specify on cover sheet the following:
  - a. Attn: Bryan Hawkins, Solicitation for Bids, Port of Homer Crane #5, #6 and #8 Refurbishment
3. Email the completed bid in PDF format to the Port Director/Harbormaster at [bhawkins@ci.homer.ak.us](mailto:bhawkins@ci.homer.ak.us).

Bids shall be received at the Port and Harbor Office **no later than 4:30 pm, Friday, December 27, 2013.** Please direct all technical and bid submission questions regarding this proposal to Bryan Hawkins, City of Homer, Port Director/Harbormaster, (907)235-3160.

The City understands that there is no way to know the total scope of work until after the crane unit has been completely tore down and each component inspected. Therefore, we realize the need to have bidders arrange their bid prices into two parts:

1. **Part A:** A detailed cost estimate to perform a complete overhaul of each individual crane per this STB. This estimate should include an itemized list of the crane components that the bidders believe will need to be replaced, components that will need rebuilding, and the associated costs for each. **The City is looking for detail in this part.** Details will also include the three specified bid options requested under the Functional Requirements section.
2. **Part B:** A quote for shop time costs. This price will be used to cover unanticipated costs associated with the crane rebuild process over and above any costs in Part A.

**Evaluation Criteria & Selection Process:** Bids must, at a minimum, address the following criteria and will be evaluated on such:

- **Experience:** Experience with similar jobs in Alaska **20 points**
- **Quality of Repair Facility:** Information that shows the ability of your facility to perform this contract in a clean, safe, professional environment **20 points**
- **Warranty:** Details on how proposed work will be warranted **20 points**
- **Price:** A cost breakdown including Part A and B, and other bid options **20 points**
- **Approach/Work Plan:** Details on project timeline and how work will be performed **10 points**
- **References:** Names, titles, and phone numbers of at least three clients who obtained similar services from your firm **10 points**

**Proposed Term Contract Award Schedule**

City Solicitation Dates	December 4 – 6, 2013
Mandatory Pre-Bid Teleconference Meeting	Tuesday, December 17, 2013
Non-Mandatory Pre-Bid Site Visit	Thursday, December 19, 2013
Proposals Due	December 27, 2013
Review of Bids & Choosing of Firm	December 30, 2013 – January 6, 2014
City Council Award	January 13, 2014
Initial Overview Meeting/Notice to Proceed	January 2014

# ATTACHMENT A – Parts List for Inspection

	Part Name & Description	Inspected?
1.	1-PN 236 Main Hinge Pin	
2.	1-PN 030-1 Lift Cylinder Pin (Turret)	
3.	1-PN 1427-4 Swing Motor	
4.	1-PN 1428-2 Swing Brake	
5.	1-PN 1429-4 Swing Drive	
6.	1-PN 1251-9 Nine (9) Port Roto Seal	
7.	1-PN 568 Lift Cylinder (8"x45")	
8.	1-PN 1440-4 Rotational Bearing	
9.	M-002-1 Drive Pinion Gear	
10.	1-PN 1300 Sheave Pin Lock	
11.	1-PN 1352 Sheave Pin	
12.	1-PN 1353-3 Sheave Wheel	
13.	1-PN 1553-4 Sheave Wheel	
14.	5118-2 Adjusting Screw	
15.	1-PN 1785 Bottom Bearing	
16.	1-5116-2 Diamond Covers	
17.	1-PN 1411 Side Bearings	
18.	7-PN 1625-2 Squirt Tube Assembly	
19.	3-PN 810 Squirt Cylinder (4"x11'-5")	
20.	1-PN 1576-9 Squirt Cylinder Pin (M.B. End)	
21.	1-PN 1712-1 Squirt Cylinder Pin (Sheave End)	
22.	1-PN 1786 Squirt Tube Bearings	
23.	Winch – Gearmatic 25-11-10-11-00	
24.	1-PN 1447-6 Lift Cylinder Pin (Main)	
25.	Electric Motor – Toshiba E0304FLFIUC (30 H.P.)	
26.	Pump – Vickers	
27.	Temperature Control – Mercoid Series "D"	
28.	Filter – Cross 10 Micron	
29.	Coupling – Lovejoy	
30.	Suction Screen – 2" Nut Style	

**WEEKLY CRANE TIME / TONS OF ICE**  
**City of Homer - Fish Dock 2013**

Date From	Date To	Crane Hours (Weekly)	YTD Crane	Tons of Ice (Weekly)	YTD Ice
12/31/2012	1/6/2013	15.7	15.7	shut down for maintenance	
1/7/2013	1/13/2013	15.5	31.2	shut down for maintenance	
1/14/2013	1/20/2013	9.8	41	shut down for maintenance	
1/21/2013	1/27/2013	12.5	53.5	shut down for maintenance	
1/28/2013	2/3/2013	17	70.5	shut down for maintenance	
2/4/2013	2/10/2013	19.8	90.3	shut down for maintenance	
2/11/2013	2/17/2013	11.1	101.4	shut down for maintenance	
2/18/2013	2/24/2013	30.6	132	shut down for maintenance	
2/25/2013	3/3/2013	41.5	173.5	shut down for maintenance	
3/4/2013	3/10/2013	40.2	213.7	shut down for maintenance	
3/11/2013	3/17/2013	52.8	266.5	shut down for maintenance	
3/18/2013	3/24/2013	32.7	299.2	9	9
3/25/2013	3/31/2013	35.5	334.7	28	37
4/1/2013	4/7/2013	41.4	376.1	38	75
4/8/2013	4/14/2013	32.5	408.6	93	168
4/15/2013	4/21/2013	46.5	455.1	47	215
4/22/2013	4/28/2013	72.1	527.2	27	242
4/29/2013	5/5/2013	71.4	598.6	92	334
5/6/2013	5/12/2013	57	655.6	72	406
5/13/2013	5/19/2013	31.5	687.1	71	477
5/20/2013	5/26/2013	76.2	763.3	54	531
5/27/2013	6/2/2013	63.6	826.9	102	633
6/3/2013	6/9/2013	100.1	927	140	773
6/10/2013	6/16/2013	115.5	1042.5	79	852
6/17/2013	6/23/2013	106.1	1148.6	87	939
6/24/2013	6/30/2013	76.2	1224.8	110	1049
7/1/2013	7/7/2013	104.3	1329.1	117	1166
7/8/2013	7/14/2013	150.2	1479.3	160	1326
7/15/2013	7/21/2013	116.9	1596.2	334	1660
7/22/2013	7/28/2013	84.9	1681.1	81	1741
7/29/2013	8/4/2013	149.5	1830.6	118	1859
8/5/2013	8/11/2013	100.2	1930.8	83	1942
8/12/2013	8/18/2013	124.3	2055.1	144	2086
8/19/2013	8/25/2013	102.1	2157.2	179	2265
8/26/2013	9/1/2013	80.5	2237.7	75	2340
9/2/2013	9/8/2013	47.5	2285.2	47	2387
9/9/2013	9/15/2013	52.4	2337.6	94	2481
9/16/2013	9/22/2013	42.1	2379.7	31	2512
9/23/2013	9/29/2013	22.2	2401.9	70	2582
9/30/2013	10/6/2013	35.9	2437.8	21	2603
10/7/2013	10/13/2013	30.6	2468.4	56	2659
10/14/2013	10/20/2013	10.7	2479.1	15	2674
10/21/2013	10/27/2013	4.2	2483.3	23	2697
10/28/2013	11/3/2013	11	2494.3	9	2706
11/4/2013	11/10/2013	28	2522.3	17	2723
11/11/2013	11/17/2013	11.1	2533.4	0	2723
11/18/2013	11/24/2013	5.9	2539.3	shut down for maintenance	
11/25/2013	12/1/2013	6.1	2545.4	shut down for maintenance	
12/2/2013	12/8/2013	23.3	2568.7	shut down for maintenance	
12/9/2013	12/15/2013	5.5	2574.2	shut down for maintenance	
12/16/2013	12/22/2013	16.1	2590.3	shut down for maintenance	
12/23/2013	12/29/2013	8.2	2598.5	shut down for maintenance	



**CITY OF HOMER  
HOMER, ALASKA**

Burgess

**RESOLUTION 14-017**

A RESOLUTION OF THE HOMER CITY COUNCIL DIRECTING THE CITY ADMINISTRATION TO PREPARE A PRELIMINARY REPORT FOR COUNCIL CONSIDERATION ON THE COSTS, FEASIBILITY, POTENTIAL PAYBACK, AND OTHER COMMUNITY OR ECONOMIC BENEFITS OF CONVERTING THE CITY'S VEHICLE FLEET TO NATURAL GAS.

WHEREAS, Natural gas is now widely available in the downtown Homer area and is expected to be available in the remainder of the community by next fall; and

WHEREAS, The City is in the process of converting many of its buildings to natural gas in order to save on energy costs and reduce greenhouse emissions consistent with its adopted Climate Action Plan; and

WHEREAS, The technology exists to convert the City's vehicle fleet to natural gas and other communities and businesses have done so for the same reasons the City is converting its buildings and facilities; and

WHEREAS, Converting the City's fleet to natural gas has the potential to save money in the long run and possibly stimulate new business activity in the community however, there are also significant economic , capital cost, structural, regulatory, and practical considerations which must be carefully evaluated as well; and

WHEREAS, It is in the public interest for the City Council to explore the costs, feasibility, payback, and other benefits that might be associated with converting the fleet to natural gas; and

WHEREAS, The City administration reports that it has already done some work on a literature review, is able and willing to take this project on, possibly in partnership with the University of Alaska, and that it is not necessary to spend money on consultants at this juncture.

37 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council finds that it is in the  
38 best interest of the community to explore the possibility of converting its fleet to natural gas.

39  
40 BE IT FURTHER RESOLVED that the Council hereby directs the City Administration to  
41 prepare a preliminary report for Council consideration on the costs, feasibility, potential  
42 payback, and other community or economic benefits of converting the City's fleet to natural  
43 gas.

44  
45 BE IT FURTHER RESOLVED that the report is due by the end of March and shall include  
46 recommendations regarding how the City should proceed.

47  
48 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January,  
49 2014.

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51 CITY OF HOMER

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56 MARY E. WYTHE, MAYOR

57 ATTEST:

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60 \_\_\_\_\_  
61 JO JOHNSON, MMC, CITY CLERK

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64 Fiscal Note: N/A  
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**CITY OF HOMER  
HOMER, ALASKA**

City Manager

**RESOLUTION 14-018**

A RESOLUTION OF THE CITY COUNCIL OF HOMER CITY COUNCIL  
AFFIRMING THE CITY MANAGER'S DECISION TO OFFER  
ADDITIONAL REWARD MONEY FOR INFORMATION LEADING TO  
THE ARREST AND INDICTMENT OF THE PERSON OR PERSONS  
RESPONSIBLE FOR THE MURDER OF MARK MATTHEWS.

WHEREAS, Mark Matthews was recently attacked and killed close to a footpath within  
the Homer city limits; and

WHEREAS, The person or persons responsible for the crime remain at large despite an  
intensive investigation and the best efforts of the Homer Police Department; and

WHEREAS, Crime Stoppers has offered a \$1,000 reward for information leading to the  
arrest and indictment of the person or persons responsible; and

WHEREAS, The Homer Police Department has reason to believe that there are  
individuals who possess important information about this case who might be encouraged to  
come forward if the reward were increased; and

WHEREAS, The Chief of Police recommended to the City Manager that the City  
increase the reward to \$10,000 given the seriousness of the case and the possible continuing  
threat to public safety; and

WHEREAS, The City Manager determined that there was a compelling public interest  
in solving this case and decided to add an additional \$9,000 to the reward, and so notified the  
Council by e-mail; and

WHEREAS, The City Manager used unexpended funds from the 2013 Police  
Department budget and transferred them to a new "Crime Stoppers Account" that can be  
used for rewards related to this and future cases; an account that will be permanent and can  
accept new transfers from the Council and donations from the public and other entities; and

WHEREAS, The City Manager was acting under the authority provided in HCC 3.16.020.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves and affirms the City Manager's decision to offer additional reward money for information leading to the arrest and indictment of the person or persons responsible for the murder of Mark Matthews.

BE IT FURTHER RESOLVED that the Council approves of establishing a "Crime Stoppers Account" as described herein and directs the Finance Department to formalize it and make it permanent.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

\_\_\_\_\_  
MARY E. WYTHE, MAYOR

ATTEST:

\_\_\_\_\_  
JO JOHNSON, MMC, CITY CLERK

Fiscal Note: \$9,000 to Crime Stoppers Account.

**CITY OF HOMER  
HOMER, ALASKA**

Lewis

**RESOLUTION 14-019**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
OPPOSING ALASKA BOARD OF FISHERIES PROPOSALS 138, 139,  
140, 142, AND 143 THAT CLOSE OR RESTRICT WATERS OF COOK  
INLET NEAR HOMER TO COMMERCIAL DRIFT FISHING.

WHEREAS, The waters of the Cook Inlet Commercial Drift Fishing District Area 1 are the  
closest drift fishing grounds to Homer encompassing approximately 600 square miles of Cook  
Inlet from Anchor Point north to Kalgin Island; and

WHEREAS, The waters of Area 1 have been part of the traditional fishing grounds of  
the Cook Inlet Commercial Drift Fishery since statehood; and

WHEREAS, Area 1 is integral to the Homer fishing economy; and

WHEREAS, Alaska Board of Fisheries Proposals 138, 139, 140, 142, and 143 close or  
restrict commercial drift fishing in Area 1; and

WHEREAS, Closing Area 1 to commercial drift fishing will result a tripling of travel time  
for Homer based vessels to reach fishing grounds; and

WHEREAS, Increased travel costs will force the over 100 vessels that represent the  
Homer based drift commercial fishing fleet to relocate to communities closer to open fishing  
grounds; and

WHEREAS, Businesses in Homer would lose the economic activity associated with  
provisioning the fleet in Homer including food, fuel, supplies, gear, and professional marine  
trades services; and

WHEREAS, Local jobs in seafood processing, marine trades, and trucking will be  
negatively impacted if fish is delivered to another port; and

WHEREAS, The Homer Port and Harbor identified 170 accounts comprised of fishing vessels, tenders, and seafood processors participating in the Upper Cook Inlet drift fishery in 2013; and

WHEREAS, Although it is impossible to discern the revenue generated from the commercial drift fishery exclusively because many vessels participate in multiple fisheries, the Homer Port and Harbor enterprise fund received combined revenues of \$849,742 in 2013 from these fishing vessels, tenders, and processors; and

WHEREAS, Adopting the proposed changes to Area 1 of the Cook Inlet Commercial Drift Fishing District will have a negative economic impact to Homer's Port and Harbor Enterprise in fish processing tax, wharfage, Fish Dock ice sales and crane usage, moorage and uplands leases, and gear storage; and

WHEREAS, Proposals to close or restrict commercial drift fishing in Area 1 disproportionately affects the economic health of one community.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council opposes Alaska Board of Fisheries Proposals 138, 139, 140, 142, and 143 that restrict or close commercial drift fishing in Area 1.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

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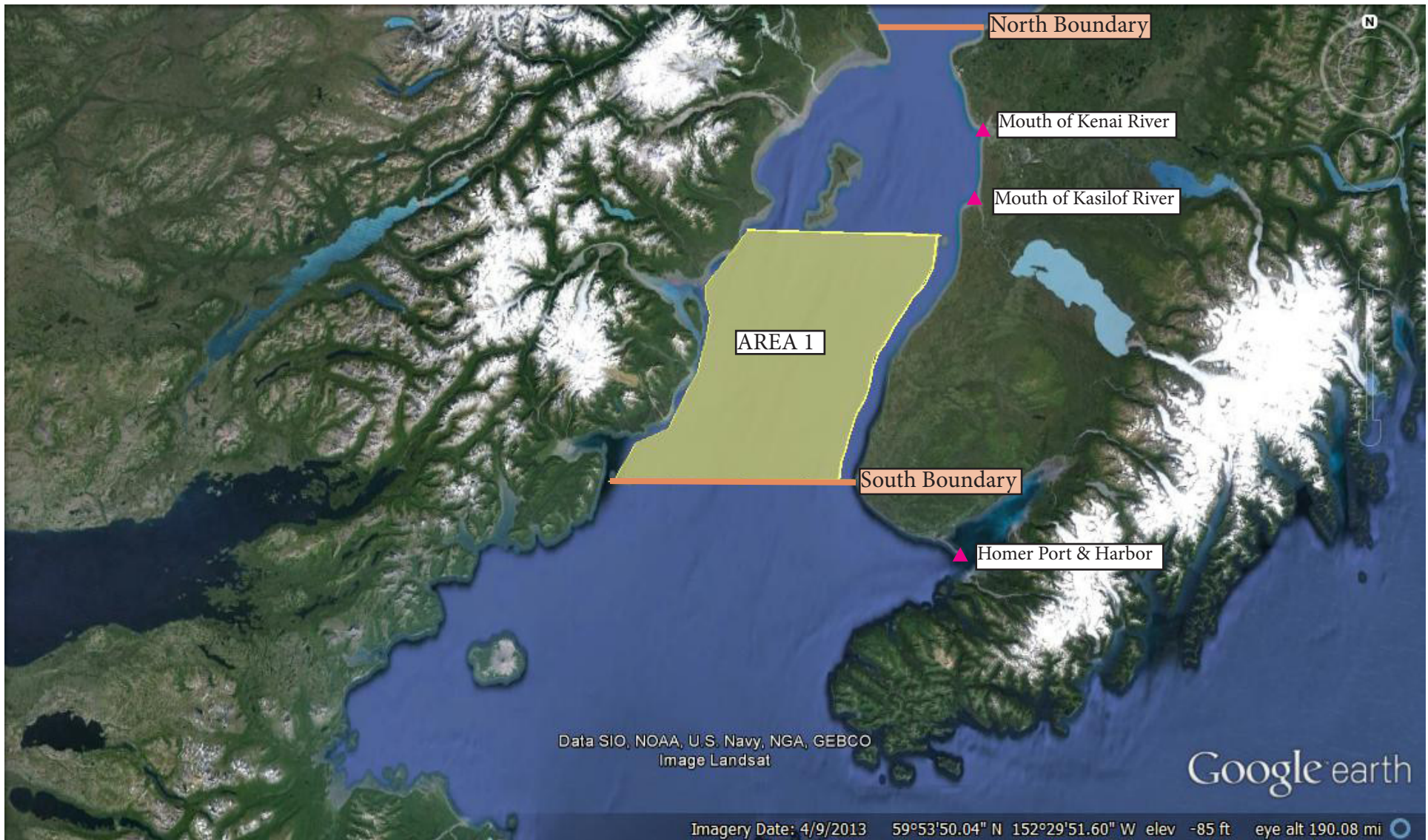
MARY E. WYTHE, MAYOR

ATTEST:

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JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A



Cook Inlet Drift Fishing Grounds (Northern and Southern Boundaries Indicated in Orange)

▲ Destination for fish landings/ fleet support



of actual fishing periods. Allows fishermen to achieve a higher level of compliance. Moving the Southwest corner of the Expanded Kasilof section from 151° 38.90' W to 151° 41.00' W to accommodate current patterns at this location. At the present SW corner, the flood tides will push a drifting vessel west out of the current western boundary of the expanded section. Moving the SW corner of the Expanded Kasilof section west about one nautical mile should account for the unusual tidal movements in this area.

**WHO IS LIKELY TO SUFFER?** None.

**OTHER SOLUTIONS CONSIDERED?** None.

**PROPOSED BY:** United Cook Inlet Drift Association

(HQ-FIS-128)

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**PROPOSAL 138 - 5 AAC 21.353. Central District Drift Gillnet Fishery Management Plan.**  
Restrict drift gillnet fishery to the Expanded Kenai and Expanded Kasilof sections from June 19–August 10.

From June 19–August 10 all drift fishing will be restricted to the Expanded Kenai and Expanded Kasilof Sections of the Upper Subdistrict. It is time for the board to try something that will fix the problem. Concerning the thought that enough Kenai sockeye salmon may not be harvested under such regulations -- If this type management works in Bristol Bay where there are less commercial permit holders per number of salmon harvested, then shouldn't it work in Cook Inlet? Fact: the 2012 season proved the drift fleet can harvest significant numbers of salmon in the Expanded Kenai and Expanded Kasilof Sections when the drift fishery harvested the vast majority of all commercially caught salmon in Upper Cook Inlet. Why not at least see what the results of such management would be during a time when the drifters have the benefit of nearly all the 2012 Upper Cook Inlet commercial salmon harvest to see them through if they, somehow, harvested less than their long-term average? Setnetters, personal use fishermen, and sport fishermen could all harvest a more equitable share of Kenai River sockeye salmon, if needed, for management purposes. Even without further regulation change, each of these user groups would harvest more Kenai sockeye salmon if more salmon were swimming by in the areas they were fishing.

If any management issue should arise, the department would still have the Commissioner's emergency order authority under which to make adjustments.

**ISSUE:** Stock of Concern Susitna River Sockeye Salmon, pending Stock of Concern Little Susitna River Coho Salmon, pending Stock of Concern Jim Creek Coho Salmon, loss of reasonable harvest opportunity for Northern Personal Use, sport, guided sport, and commercial users. Enough already.

**WHAT WILL HAPPEN IF NOTHING IS DONE?** Management by the Department of Fish and Game, that prioritizes resource harvest in the Central District drift fishery above reaching department established and board approved Sustainable Escapement Goals for Northern salmon stocks will continue. This is a detriment to the resource and long-term detriment to the majority of Alaskans who depend on that resource.

**WILL THE QUALITY OF THE RESOURCE HARVESTED OR PRODUCTS PRODUCED BE IMPROVED?** Yes. Smaller daily harvests on a more frequent basis should help improve salmon quality after harvest.

**WHO IS LIKELY TO BENEFIT?** Anyone who depends upon or harvests Northern District salmon stocks could benefit from their return to more robust spawning, population, and yield levels. All user groups would benefit from a lower likelihood of inseason restriction or closure based on escapement levels of Northern District salmon stocks. Other user groups would likely benefit by harvesting some of the salmon that were not caught by the drift fleet.

**WHO IS LIKELY TO SUFFER?** Drifters would catch less salmon bound for drainages other than those along the Kenai Peninsula, but any Kenai and Kasilof River sockeye salmon would still have to swim through the large Expanded Kenai or Kasilof Sections and be subject to drift harvest before reaching those rivers. Allocations of Kenai and Kasilof River sockeye salmon amongst user groups would change in a manner that may be unpredictable but that already happens, to some extent, on an annual basis.

**OTHER SOLUTIONS CONSIDERED?** Attempt some change closer to status quo. Rejected because this is a long-term festering problem, and the right thing needs to be done to resolve the issue. Time to move on.

**PROPOSED BY:** Matanuska Valley Fish and Game Advisory Committee (HQ-F13-079)  
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**PROPOSAL 139 - 5 AAC 21.353. Central District Drift Gillnet Fishery Management Plan.**  
Restrict drift gillnet fishery to the Expanded Kenai and Expanded Kasilof sections, as follows:

5 AAC 21.353. Central District Drift Gillnet Fishery Management Plan.

(B) from July 16 through July 31,

at run strengths of less than 2,300,000 sockeye salmon to the Kenai River, fishing during both regular 12-hour weekly fishing periods will be restricted to the Expanded Kenai and/or the Expanded Kasilof Sections of the Upper Subdistrict;

(i) at run strengths of 2,300,000–4,600,000 sockeye salmon to the Kenai River, fishing during one regular 12-hour weekly fishing period will be restricted to either or both the Expanded Kenai and Expanded Kasilof Sections of the Upper Subdistrict or Drift Area 1, and the other regular 12-hour weekly fishing period will be restricted to the Expanded Kenai and/or the Expanded Kasilof Sections of the Upper Subdistrict;

(ii) at run strengths great than 4,600,000 sockeye salmon to the Kenai River, fishing during one regular 12-hour fishing period will be restricted to the Expanded Kenai and/or Expanded Kasilof Sections of the Upper Subdistrict;

(iii) all additional fishing time in sections i, ii, and iii will be allowed only in the Expanded Kenai Section, Expanded Kasilof Section or both.

**ISSUE:** The sustainability of Northern Cook Inlet (NCI) salmon is at risk because of over-exploitation by mixed stock commercial fisheries targeting more robust salmon runs bound for the Kenai Peninsula. Most Upper Cook Inlet (UCI) commercial fisheries are currently managed

primarily to maximize the harvest from the dominant Kenai and Kasilof sockeye salmon stocks to the detriment of many smaller and often less productive stocks of NCI. Escapement goals are either non-existent or grossly inadequate for northern stocks. Rather than adjusting commercial harvests to meet established escapement goals (Susitna sockeye salmon); the goals have been reduced or redefined. Several sport fisheries affecting major NCI coho salmon stocks have been largely closed or restricted during recent years. Benefits of these sport closures have often not been sufficient to avoid falling below minimum escapement goals because harvest rates are generally not great enough to offset the downturn in natural productivity and/or commercial harvest impacts (Little Susitna River coho salmon escapement goal missed four consecutive years). Since Susitna River sockeye salmon were designated a stock of concern in 2008, fishery yields have not substantially improved; multiple indicators show a continuing decline in run size and escapement; historical escapement goals that were not being met were replaced with less-constraining standards (post-season value only) and new escapement goals are not being consistently met.

The very serious steady decline of NCI salmon as measured by escapement, harvest and inriver fishery closures and restrictions, demands the development of a regulatory based recovery program as defined by the Central District Drift Gillnet Fishery Management Plan. Elements of such a recovery/conservation plan must feature increased harvests within the Expanded Kenai and Kasilof Sections (initially adopted by the 2011 BOF) and significantly reduced deployment of the drift fleet on an area-wide mixed stock basis.

**WHAT WILL HAPPEN IF NOTHING IS DONE?** Management of the mixed stock Central District commercial fishery has long recognized that associated NCI stocks and species cannot consistently support exploitation rates that are appropriate for the more productive Kenai Peninsula sockeye. If meaningful stock specific harvest strategies are not applied to the Central District Drift Fishery, the conservation concerns identified above will likely worsen.

**WILL THE QUALITY OF THE RESOURCE HARVESTED OR PRODUCTS PRODUCED BE IMPROVED?** Harvesters, transporters and processors are often over taxed to maintain product quality while fishing two 12-hour area-wide weekly periods during modest to large Kenai River sockeye salmon runs. Smaller daily harvests over a longer period from the Expanded Kenai and Kasilof Sections will provide both harvesters and processors the opportunity to improve or maintain product quality.

**WHO IS LIKELY TO BENEFIT?** Management strategies that insure that NCI salmon remain healthy and provide sustainable yields will be benefit all users of these salmon.

**WHO IS LIKELY TO SUFFER?** The drift fishery would expect to be less efficient when fishing in the Expanded Kenai and Kasilof Sections versus fishing traditional area-wide mixed stock areas. Extra time (days) to harvest within the Expanded Sections, however, should more than offset differences in harvest rates between the respective areas. In 2012, the drift fishery enjoyed a banner harvest while fishing heavily in the Expanded Sections primarily because the eastside setnet fishery was closed to protect Kenai River Chinook salmon.

**OTHER SOLUTIONS CONSIDERED?** Confining the drift harvest totally within the Expanded Kenai and Kasilof Sections during July 16 through July 31 was considered a viable

option but rejected at this time. Greater use of the relatively new Expanded Sections should be implemented in a cautious incremental fashion to allow the drift fishery reasonable opportunities to harvest surplus Kenai sockeye while also assuring adequate protection to NCI runs.

**PROPOSED BY:** Matanuska-Susitna Borough Fish and Wildlife Commission (HQ-F13-094)  
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**PROPOSAL 140 - 5 AAC 21.353. Central District Drift Gillnet Fishery Management Plan.**  
Amend management plan to restrict drift gillnet fishery to the Expanded Kenai and Expanded Kasilof sections, as follows:

The following is suggested wording for the changes we would like to see made to 5 AAC 21.353  
(a)

(B) from July 16 through July 31,

**(i) at run strengths of less than 2,300,000 sockeye salmon to the Kenai River, fishing during both regular 12-hour weekly fishing periods and any additional fishing time shall be restricted to the Expanded Kenai and Expanded Kasilof Sections of the Upper Subdistrict;**

[(i) AT RUN STRENGTHS OF LESS THAN 2,300,000 SOCKEYE SALMON TO THE KENAI RIVER, FISHING DURING ONE REGULAR 12-HOUR FISHING PERIOD WILL BE RESTRICTED TO THE EXPANDED KENAI AND EXPANDED KASILOF SECTIONS OF THE UPPER SUBDISTRICT;]

**(ii) at run strengths of 2,300,000-4,600,000 sockeye salmon to the Kenai River, fishing during one regular 12-hour weekly fishing period shall be restricted to either or both the Expanded Kenai and Expanded Kasilof Sections of the Upper Subdistrict or Drift Gillnet Area 1, and the other regular 12-hour weekly fishing period and any additional fishing time shall be restricted to the Expanded Kenai and Expanded Kasilof Sections of the Upper Subdistrict;**

[(ii) AT RUN STRENGTHS OF 2,300,000 - 4,600,000 SOCKEYE SALMON TO THE KENAI RIVER, FISHING DURING ONE REGULAR 12-HOUR FISHING PERIOD PER WEEK WILL BE RESTRICTED TO EITHER OR BOTH THE EXPANDED KENAI AND EXPANDED KASILOF SECTIONS OF THE UPPER SUBDISTRICT OR DRIFT GILLNET AREA 1;]

**(iii) at run strengths greater than 4,600,000 sockeye salmon to the Kenai River, fishing during the two normal weekly 12-hour periods shall be restricted to either or both of the Expanded Kenai and Expanded Kasilof Sections of the Upper Subdistrict and/or Drift Gillnet Area 1, and any additional fishing time shall be restricted to the Expanded Kenai and Expanded Kasilof Sections of the Upper Subdistrict;**

[(iii) AT RUN STRENGTHS GREATER THAN 4,600,000 SOCKEYE SALMON TO THE KENAI RIVER, THERE WILL BE NO MANDATORY RESTRICTIONS DURING REGULAR FISHING PERIODS;]

**ISSUE:** The Northern District of Cook Inlet currently has seven (7) declared stocks of concern: six king salmon stocks and the Susitna/Yentna sockeye stocks. We have been told by Fish and Game that if 2013 returns are similar to those of 2012, perhaps another four king salmon stocks and at least one coho salmon (Little Susitna) stock would be eligible for declaration as stocks of

concern. Northern District king salmon stocks are not affected by this management plan, however, both sockeye and coho stocks are directly impacted by the way the Central District drift fleet is managed in their fishery.

All Northern District sockeye and coho stocks are mixed in with the other sockeye and coho stocks moving through Cook Inlet, creating a major mixed stock fishery. The Northern District fish tend to move north through Cook Inlet by traveling up the center of the inlet. Whenever the drift fleet is allowed to fish in Drift Gillnet Area 1, as defined in the management plan, after July 15, significant numbers of northern-bound sockeye and coho are intercepted and harvested along with the targeted Kenai/Kasilof fish stocks.

We are asking the Board of Fisheries to more conservatively regulate the Central District drift fleet by restricting the areas open to drift fleet fishing after July 15. By reducing commercial fishing efforts in the areas where the northern-bound sockeye and coho stocks are moving, more fish will survive to spawn in Northern District river systems.

**WHAT WILL HAPPEN IF NOTHING IS DONE?** The Susitna/Yentna sockeye stock was originally declared a stock of concern at the 2008 Upper Cook Inlet Board of Fisheries meeting and currently remains a stock of concern. As required by regulation, an action plan was developed by ADF&G to address this concern and to bring the stocks back to a healthy status. Since that time, the Susitna/Yentna sockeye stocks have continued to show a significant downward trend in returns, even when using a modified enumeration plan ADF&G claimed would more accurately reflect the true numbers of returning sockeye.

Unfortunately, this new enumeration plan is not generally used for inseason management of this Northern District stock and the actual escapement numbers are not tabulated until after the season has closed. The index numbers ADF&G uses to establish Susitna/Yentna sockeye escapements were some of the lowest recorded in 2012.

The Central District Drift Gillnet Management Plan states, “(a) *The purpose of this management plan is to ensure adequate escapement of salmon into the Northern District drainages and to provide management guidelines to the department. The department shall manage the commercial drift gillnet fishery to minimize the harvest of Northern District and Kenai River coho salmon in order to provide sport and guided sport fishermen a reasonable opportunity to harvest these salmon stocks over the entire run, as measured by the frequency of inriver restrictions.*”

The Little Susitna coho returns have failed to make minimum escapements for the past four consecutive years. Up until about five to six years ago, this system supported the second largest coho sport fishery in Alaska. The sports fishing season on the Little Susitna River was closed early in 2011 and about halfway through the 2012 season in an effort to protect what few fish were making it into the river system, but failed to reach even the minimum escapement number by several thousand fish both years. Since this river has one of only three coho escapement goals in the Northern District, we feel it's fair to assume other systems are in jeopardy as well, with at least one of the other two systems with an escapement goal on the brink of qualifying as a stock of concern for coho.

If this trend of intercepting and overharvesting Northern District sockeye and coho in the Central District drift fishery is allowed to continue as it has, Northern District sockeye and coho stocks will crash and tens of millions of dollars in revenue will be lost each year by both the sport fishing industry in the Northern District and the commercial fishery in the Central District as well.

**WILL THE QUALITY OF THE RESOURCE HARVESTED OR PRODUCTS PRODUCED BE IMPROVED?** No.

**WHO IS LIKELY TO BENEFIT?** By protecting additional numbers of northern-bound sockeye and coho salmon and allowing the stocks to improve escapement and spawning numbers and rebuild to healthy and sustainable numbers, the resource itself will benefit significantly. With increased production from healthy Northern District sockeye and coho stocks, all user groups should also benefit from increased harvestable numbers of fish.

**WHO IS LIKELY TO SUFFER?** In the short term, the drift fleet will have to work a little harder to catch their fish in the expanded corridor, but should still catch adequate numbers of Kenai/Kasilof sockeye. Since these are the stocks most often mentioned by commercial fishers as potentially suffering from “overescapement,” concentrating the drift fleet’s efforts in a Bristol Bay-like terminal fishery should benefit those stocks while protecting northern-bound fish.

**OTHER SOLUTIONS CONSIDERED?** We considered additional time and area restrictions for the drift fleet but felt these additional restrictions would be too much. The proposed restrictions itemized above should allow adequate protection for the northern-bound stocks while also allowing the drift fleet reasonable fishing opportunity to harvest their targeted Kenai/Kasilof sockeye stocks.

**PROPOSED BY:** Howard Delo

(HQ-F13-313)

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**PROPOSAL 141 - 5 AAC 21.353. Central District Drift Gillnet Fishery Management Plan**  
Modify management plan to provide reasonable opportunity for Northern District set gillnetters to harvest all salmon stocks, as follows:

(a).... “...The department shall manage the commercial drift gillnet fishery to minimize the harvest of Northern District and Kenai River coho salmon in order to provide sport and guided sport fishermen a reasonable opportunity to harvest these salmon stocks over the entire run, as measure by the frequency of inriver restrictions and also to provide a reasonable opportunity for Northern District setnetters to harvest salmon of all stocks.”

**ISSUE:** Provide reasonable opportunity for Northern District setnetters to harvest salmon.

**WHAT WILL HAPPEN IF NOTHING IS DONE?** The Northern District setnetters will continue to be left out of consideration of the passage of salmon from the Central District to the Northern District.

**WILL THE QUALITY OF THE RESOURCE HARVESTED OR PRODUCTS PRODUCED BE IMPROVED?** Yes, by providing opportunity to Northern District setnetters to provide timely fresh salmon to niche markets.

**WHO IS LIKELY TO BENEFIT?** Northern District setnetters, all northern Cook Inlet fishers, and Northern District stocks.

**WHO IS LIKELY TO SUFFER?** Potentially, the Central District drift fishery.

**OTHER SOLUTIONS CONSIDERED?** This language is simply instructing the department to consider Northern District setnetters having a reasonable opportunity to harvest salmon when managing the Central District drift fishery.

**PROPOSED BY:** Northern District Setnetter's Association (HQ-F13-136)  
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**PROPOSAL 142 - 5 AAC 21.353. Central District Drift Gillnet Fishery Management Plan.**  
Amend management plan to provide Northern Cook Inlet Management Area subsistence users and personal use dipnetters a reasonable opportunity to harvest salmon by restricting commercial gillnet fishing to the Expanded Kenai and Expanded Kasilof sections of the Upper Subdistrict from June 19 through August 10, as follows:

5 AAC 21.353. Central District Drift Gillnet Fishery Management Plan. (a) The purpose of this management plan is to ensure adequate escapement of salmon into the Northern District drainages and to provide management guidelines to the department. The department shall manage the commercial drift gillnet fishery to minimize the harvest of Northern District and Kenai River coho salmon in order to provide sport and guided sport fishermen a reasonable opportunity to harvest these salmon stocks over the entire run, as measured by the frequency of inriver restrictions, **and to provide Northern Cook Inlet Management Area subsistence users and personal use dipnetters a reasonable opportunity to harvest the salmon resource.** The department shall manage the Central District commercial drift gillnet fishery as follows:  
**From June 19–August 10 all drift fishing will be restricted to the Expanded Kenai and Expanded Kasilof Sections of the Upper Subdistrict.**

Although the stated purpose of the management plan is to ensure adequate escapement of Northern District salmon and provide a reasonable opportunity for harvest by northern users, as currently configured, and managed by the Department of Fish and Game, during many years it accomplishes neither objective. This is especially obvious when various Northern District salmon escapement goals are missed on an annual basis, and when one user group (Northern Management Area dipnetters) is not allowed a single day of harvest opportunity on some years. Therefore, reasonable harvest opportunity for Northern dipnetters should be identified within the plan, and the area where commercial driftnet fishing is allowed should be adjusted to accomplish the stated purpose of the plan.

If a salmon management escapement issue should arise, the department could still adjust regulations using the commissioner's emergency order authority. However, stipulations need to be in place so department actions do not jeopardize meeting minimum escapement levels for any

northern salmon stock, or totally eliminate all salmon harvest opportunity for Northern Management Area dipnetters.

**ISSUE:** Lack of dipnetting opportunity in waters of the Northern Cook Inlet Management Area. During the 2012 season even though there was a Cook Inlet return of over five million sockeye salmon, the Fish Creek dip net fishery did not open for even one day, because of low Fish Creek sockeye salmon escapement. In addition, subsistence fishermen in the Yentna River fishery had difficulty catching adequate numbers of subsistence salmon. Not only was there insufficient fish to provide a reasonable harvest opportunity for each of these user groups, but even minimum sockeye salmon escapement goal numbers were not attained through the Fish Creek Weir and the Judd Lake Weir. In addition, ADF&G also failed to attain adequate coho salmon escapement numbers at Little Susitna River (for the fourth consecutive year) and at Jim Creek (for third consecutive year), and both coho salmon sport fishing opportunities and the Northern District commercial setnet fishery were closed inseason by emergency order.

**WHAT WILL HAPPEN IF NOTHING IS DONE?** Management by the Department of Fish and Game, that prioritizes excessive salmon harvest in the Central District drift fishery above reaching department-established and board approved Sustainable Escapement Goals for northern salmon stocks will continue. The chronic failure to attain adequate northern salmon spawning escapements will continue, and northern user groups will continue to be more severely restricted or more frequently closed for the remainder of the season by emergency order. This is a detriment to the salmon resource and long-term detriment to the majority of Alaskans who depend on that resource. Northern Dipnetters, in particular, have carried more than their fair share of the conservation burden, especially during years when Northern Dipnetters are prohibited from even a single day of participation, while all other user groups are allowed to harvest salmon.

**WILL THE QUALITY OF THE RESOURCE HARVESTED OR PRODUCTS PRODUCED BE IMPROVED?** Yes. Even the poorest quality dip net harvested salmon would have some level of quality, while under current regulations, during years with no harvest opportunity, there is zero quality of dip net harvested salmon from northern waters. Smaller daily commercial drift harvests from the Expanded Kenai and Kasilof Sections, on a more frequent basis, should help improve commercial salmon quality, as well.

**WHO IS LIKELY TO BENEFIT?** Northern Management Area dipnetters and subsistence users would be identified in the plan to provide a reasonable salmon harvest opportunity. Anyone who depends upon or harvests Northern District salmon stocks could benefit from management that provides more adequate salmon spawning escapement levels. Northern sport, guided sport, and commercial setnetters would be less likely to see restrictions and closures caused by excessive drift gillnet harvests of salmon bound to Northern District waters.

**WHO IS LIKELY TO SUFFER?** Drifters would catch less salmon bound for drainages other than those along the Kenai Peninsula, but ADF&G genetic and harvest data documents drifters would still have a reasonable opportunity to harvest a share of harvestable surplus salmon from these stocks in the Expanded Kenai and Kasilof Sections. In addition, all Kenai and Kasilof River sockeye salmon would still have to swim through the large Expanded Kenai or Expanded Kasilof Sections where these fish would be subject to drift gillnet harvest before any significant

harvest by all other user groups. Therefore, drifters could still have the most generous salmon harvest opportunity of all Upper Cook Inlet user groups.

#### **OTHER SOLUTIONS CONSIDERED?**

- (a) A proposal asking for adjustment of the Fish Creek sockeye salmon personal use fishery is also being submitted.
- (b) An additional proposal to allow harvest of Yentna River subsistence salmon by dip net will be submitted.

**PROPOSED BY:** South Central Alaska Dipnetters Association (HQ-F13-157)

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**PROPOSAL 143 - 5 AAC 21.353. Central District Gillnet Fishery Management Plan.**  
Require drift permit holders to register to fish one of the two specific Central District drift fisheries, as follows:

**Drift permit holders are required to register to fish in one of two specific Central District fisheries for the duration of a season as follows:**

- (A) **From July 19–August 10 drift permit holders who register to fish on an area-wide basis may fish up to one 12-hour period on Mondays. Additional fishing time is only allowed after July 15 at run strengths larger than 4,600,000 sockeye salmon to Kenai River, and is only allowed in Expanded Kenai and Expanded Kasilof Sections of the Upper Subdistrict.**
- (B) **From July 19–August 10 permit holders who register to fish within the Expanded Kenai and Expanded Kenai Sections of Upper Subdistrict will be restricted to fishing those waters during regular fishing periods. All additional fishing time is only allowed within the Expanded Kenai and Expanded Kasilof sections.**

**ISSUE:** A summary of the plan's purpose is to: ensure adequate salmon escapement into Northern District drainages, and to minimize harvest of Northern District and Kenai River Coho to provide a reasonable harvest opportunity for sport and guide sport fishers, see point (a). During years of average or large sockeye salmon returns to the Kenai River and this plan accomplishes neither purpose as evidenced by the Susitna River sockeye salmon stock of concern designation since 2008 (with no improvement) and possible pending stock of concern designations for Little Susitna River Coho salmon and Jim Creek Coho salmon. Under inadequate conservation provisions provided under this plan the Alaska Department of Fish and Game (ADF&G) has failed to attain the Little Susitna River Coho salmon escapement goal four consecutive years. Severe restriction and early closure of the Little Susitna River Coho salmon sport fishery occurred in 2011. Even more severe restriction and closure of the sport fishery followed in 2012, along with restriction of the Central District drift fishery and early closure of the Northern District setnet fishery. The Little Susitna River Coho goal was still not attained. Alaska Department of Fish and Game has failed to attain the Jim Creek Coho salmon goal for three consecutive years despite early closures of the sport fishery in both 2011 and 2012 along with restriction to the drift fishery, and early closure of the Northern District setnet fishery in 2012.

**WHAT WILL HAPPEN IF NOTHING IS DONE?** Stock of concern Susitna River Sockeye will likely not improve. Other Northern sockeye stocks (Fish Creek, Little Susitna River, Jim Creek) may continue to see sporadic attainment of an escapement goal or overall declines in escapement levels. Sixty-six percent of all Upper Cook Inlet Coho salmon stocks with established escapement goals could shortly be designated stocks of concern. Both commercial and sport users in Northern Cook Inlet waters and drainages will continue to shoulder an unreasonable amount of the conservation burden. The Northern District's only personal use fishery will likely never open during many years. While Northern subsistence users will be allowed to continue fishing, even subsistence harvests will be sub-par and/or require additional fishing time or opportunities to catch the same amount of depleted resource.

**WILL THE QUALITY OF THE RESOURCE HARVESTED OR PRODUCTS PRODUCED BE IMPROVED?** Yes, product quality should improve if the board were to adopt this proposal. While individual commercial catches in the Expanded Kenai and Kasilof catches may be smaller on a daily basis, this allows the crew more time to better care for the catch, and reduces fish crushing by large catches. Smaller more consistent catches over an increased number of days also provides a steadier workload for fish processors, and avoids infrequent large slugs of fish that cause processing delays and loss of freshness.

**WHO IS LIKELY TO BENEFIT?** All users would benefit from more consistent attainment of Northern District salmon spawning escapement goals and subsequent improved product from Northern district salmon stocks. As identified in the plan's purpose statement, sport and guided sport fishermen would benefit from a more reasonable opportunity to harvest Northern and Kenai River Coho salmon over the entire run with less frequent inseason restrictions. Northern District setnetters would likely have more reasonable commercial catches. Northern Cook Inlet personal use fishers would have a higher likelihood of having at least some harvest opportunity, rather than being closed the entire season. Northern Cook Inlet subsistence harvesters could likely catch traditional salmon numbers, with less need for additional fishing time or opportunity.

**WHO IS LIKELY TO SUFFER?** Drift permit holders would experience changes in their fishing pattern and lower catches of Northern bound salmon stocks (as purposed by the present plan) to provide for conservation and for more reasonable harvest opportunity of other users.

**OTHER SOLUTIONS CONSIDERED?** (a) A Central District Drift Gillnet Fishery Management Plan that allowed more drift gillnetting beyond the Expanded Kenai and Kasilof Sections was considered. Rejected, because the proposed change better ensures the likelihood of achieving the plan's stated purposes. Using the best available science, ADF&G's past history of managing the fishery, it is apparent that allowing more than one day per week of drift gillnetting on an area wide basis (or even with the plan's current restrictions) results in consecutive years of missed salmon escapements for Northern salmon stocks, and the stock of concern crisis situations currently before the board. The proposed option should also allow for a more steady pulse of salmon to migrate North through the duration of the season. Such a change would benefit ADF&G managers with more accurate run projections, and better distributed spawning of all stocks, some of which arrive at different time periods during the season.

(b) A plan that restricted all drift gillnetting to the Expanded Kenai and Expanded Kasilof Sections would have a higher likelihood of annually passing adequate salmon numbers North for

both conservation and reasonable fishing opportunities. Such a plan would more closely mirror successful management in the Bristol Bay fishery which has greatly reduced conservation problems mixed stock fishery issues. The proposed option would allow a less drastic change of the drift fishing pattern, while still ensuring an improved likelihood of attaining the plan's stated purpose.

(c) Drift permit holders and setnet permit holders may have other ideas of how to fish time within the Expanded Kenai and Expanded Kasilof Sections that may be agreeable.

**PROPOSED BY:** Tony Russ

(HQ-F13-047)

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**PROPOSAL 144 - 5 AAC 21.353. Central District Drift Gillnet Fishery Management Plan.**  
Amend management plan to provide reasonable subsistence, personal use, and commercial setnetting harvest opportunity and manage the drift gillnet fishery so that any commercial drift fishing opportunity outside the Expanded Kenai and Expanded Kasilof sections is based on abundance of Northern District sockeye and coho salmon, as follows:

(a) the purpose of this management plan is to ensure adequate escapement of salmon into Northern District ~~and West Cook Inlet~~ drainages and to provide management guidelines to the department. The department shall manage the commercial drift gillnet fishery to minimize the harvest of Upper Cook Inlet [NORTHERN DISTRICT AND KENAI RIVER] coho salmon in order to provide sport and guided sport fishermen a reasonable opportunity to harvest these salmon stocks over the entire run, as measured by frequency of inriver restrictions, and provide reasonable subsistence, personal use, and commercial set netting harvest opportunity during the months of July and August. The department shall manage the Central District commercial drift gillnet fishery as follows:

(2) the fishing season will open the third Monday in June or June 19, whichever is later, and the department shall manage drift gillnetting beyond the Expanded Kenai and Expanded Kasilof Sections of the Upper Subdistrict based on the abundance of Northern District sockeye and Coho salmon counted through the weirs on Fish Creek, Little Susitna River, Larson, Chelatna, and Judd Lakes, or other Northern District and West Cook Inlet salmon abundance indices as the department deems appropriate, and

(iii) at runs strengths greater than 4,600,000 sockeye salmon to the Kenai River, fishing time outside the Expanded Kenai and Expanded Kasilof Sections will be based on projection to achieve midpoints of at least four of the six Northern District escapement goals specified in point (2). [THERE WILL BE NO MANDATORY RESTRICTIONS DURING REGULAR FISHING PERIODS.]

**ISSUE:** The Central District Drift Gillnet Fishery Management Plan's salmon harvest options cause failures in attaining Northern District salmon escapement goals, and greatly contribute to the number of inseason restrictions and closures placed on Northern District user groups, who therefore, must shoulder a growing and unreasonable share of the conservation burden caused by excessive drift gillnet fishing in areas far beyond the Kasilof and Kenai Rivers.





- Review the proposed contract and provide input on the scope of work and deliverables
- Review work products and participate in regular briefing with the contractor
- Make recommendations and provide direction to staff and the contractors as the project proceeds
- Make recommendations to Council as to how to proceed as various benchmarks are achieved.

BE IT FURTHER RESOLVED that the Committee shall establish its own work schedule and shall be disbanded when the initial scope of work is complete and the Council appropriation is expended. The Council may extend the life of the Committee and expand its scope of work if the project proceeds beyond this initial phase and additional project revenues are secured.

BE IT FURTHER RESOLVED that the City Clerk is authorized to advertise for parties interested in serving as the public and business community representatives.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13<sup>th</sup> day of January, 2014.

CITY OF HOMER

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MARY E. WYTHE, MAYOR

ATTEST:

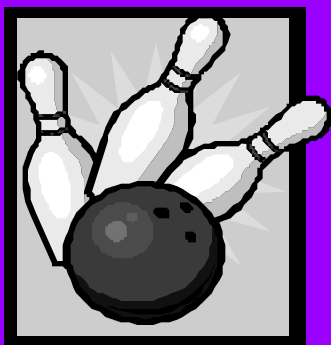
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JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Staff time and advertising costs.

# VISITORS





## Bowl for Kids Sake

*Annual Fundraiser*

**Saturday, March 29**

Lots of door prizes,  
food and fun!

## Bowling Teams Needed Now!

Bowling Ability Not Required!!

How it works: Each team member tries to collect at least \$150 in pledges & donations prior to the event. Then we bowl!!

*Great prizes for top fundraisers!*

## Can't make the Bowling Event?

**Be a "Virtual Bowler"!**  
Collect the most donations and you could win a prize!

**Call today to sign up for a Team!**

**235-8391**

*Jenny.Martin@bbbsak.org*



**Big Brothers Big Sisters Homer Newsletter**  
of Alaska

*Start something Big!*

**Winter 2014**

## January National Mentoring Month

Put a smile on a child's face and on yours! January is National Mentoring month and is a great time to **Start Something Big** by becoming a Big, volunteering at one of our events, or making a donation. Just a few hours or a few dollars a month can make a big difference in the life of a child.

We continue to have an average 45 matches in our local program. Of those, 13 are High School students volunteering this year as Bigs in our School Program. Its always a joy to watch these HS Bigs mature over the school years as they learn about child and relationship development through their match. One of my favorite comments from a HS Big has been "before I started this, I never thought I wanted to have kids of my own, but now I think it would be pretty cool some day." So when you support BBBS you are not only supporting the youth of our community—but also future parents!

Wishing you all the best for a happy and healthy New Year!

Sincerely,

*Jenny Martin, Community Director*

**City Council Presentation:** Mon. Jan. 13, 6p.

**Mentoring Month Fundraiser:**  
Sat. Jan 18 at Homer HS, 5-7p.  
Great food & entertainment. Silent auction, raffle, and fun!

**BBBS Movie Night & Writer Contest Readings:** Thur. Jan. 30th, 5:30pm, at the Homer Theater. Free family-friendly movie (title TBA).

## Activities Planned for Winter



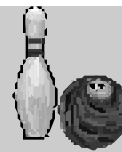
### Mentoring Month Fundraiser

**What:** Great food & entertainment. Silent auction, raffle, and fun!  
**Open to:** open to the public! Everyone is welcome! All children must be accompanied by an adult.  
**When:** Sat. Jan 18, 5-7p  
**Where:** Homer HS  
**Cost:** \$10/pp or \$20/family of 4. First 15 tickets sold will get a free ticket to the HCOA Stepping Out talent show following at 7:30p.



### Free Movie Night & Writers Contest Readings

**What:** In honor of January Mentoring Month—come celebrate with us and enjoy a free, family-friendly movie! (title TBA soon). Winners of our Mentor Writing Contest will also share some of their stories.  
**Open to:** open to the public! Everyone is welcome! All children must be accompanied by an adult.  
**When:** Thur., Jan. 30, 5:30p  
**Where:** Homer Movie Theater  
**Cost:** donations accepted & appreciated!



### Bowl for Kids Sake Fundraiser

**Teams needed now!**  
Sign up to host a team or be on a team  
**Bowling ability not required!**  
*BBBS does not charge for our services and relies on the support of our community to continue providing mentoring for children.*  
**If you can't make event, be a Virtual Bowler and you could win prizes for top fundraising!**  
More info on left side column.

**Thank you to our  
Business 2 for 1 &  
Special Deals  
Sponsors:**

**Cosmic Kitchen**  
**Fresh Sourdough  
Express**  
**Homestead Restaurant**  
**Land's End Resort**  
**Homer Theatre**  
**Pratt Museum**  
**Damselfly Salon**  
**Jelly Beans**  
**Shotokan Karate Club**  
**Homer Council on the  
Arts**  
**Two Sisters**  
**Homer Bookstore**  
**Boss Hoggz**  
**Boardwalk Bakery**  
**True North Kayaking**  
**Pier One**  
**Bay Club**  
**Ashore Water Taxi**  
**Tangles Hair Salon**  
**Kevin Bell Ice Arena**

**These 2 for 1 Specials &  
Deals are only available  
when Bigs & Littles meet  
together.**

Please check with BBBS office for  
specific deals at each business.

\*\*\*\*\*

**A "Big" Thank you to:**  
**Barb Brodowski & Jan**  
**O'Meara** for office supplies and  
fun stuff!

**Deb Rhoades** for her help with  
the Clothing Project!

**Everyone** who attended our  
*Dream Big* fundraiser last Oct. &  
all our wonderful donors!

***Congratulations to our Match Anniversaries & New Matches!***



(from left) Big Bro Brandon Grochow & Little Bro Xander 3 yrs Jan 11; Big Sis Angela Agosta & Teen Sis Elsie 3 yrs Jan 12; Big Sis Sue Wohlgemuth & Teen Sis Hannah 3 yrs Feb 10; Big Bro Roch Duz & Teen Bro Joresn 3 yrs March 8



(from left) Big Sis Teri Mach & Teen Sis Solstice 3 yrs March 29; Big Sis Sherry Stead & Little Sis Danielle 2 yrs Jan 18; Big Sis Jen Bando & Little Sis Audrey 2 yr Feb 15; Big Sis Rachel Allmendinger & Little Sis Alana 2 yr Feb 21;



(from left) Big Bro Wes Head & Little Bro Zion 2 yrs Feb 22; Big Sis Christi Griffard & Little Sis Iraisa 2 yrs March 2; Big Sis Shanley Kerls & Teen Sis Hailey 2 yrs March 7; HS Big Sis Jordan Raymond & Little Sis Buffy, 1 yr Jan 14;



(from left) Big Sis Polly Prindle-Hess & Little Sis Charity 1 yr Jan 15; Big Sis Gabriela Husman-Schaad & Little Sis Ryle 1 yr Jan 16; Big Sis Hannah Heimbuch & Little Sis Fiona 1 yr Feb 7; Big Bro Craig Rose & Little Bro Rhodes 1 yr March 7;

## Upcoming Events

### January

1st Happy New Year!!  
6th School starts again  
13th BBBS Presentation at City Council 6p  
18th BBBS Fundraiser 5-7p  
Homer HS. Stay for the HCOA Stepping Out talent show at 7:30p Mariner Theater.  
20th No school!  
23rd: Winter gear / ski swap, Homer HS 5:30p  
23rd & 25th Telluride Movie Fest 7p Homer HS  
30th BBBS Free Movie night! 5:30pm Homer Movie Theater.  
31st Jazzline 7p

### February

1st Jazzline 3p & 7p  
6-7th No school, Parent/Teacher conferences  
6-9th Homer Winter Carnival—parade Sat. 12p

*Teams needed for BBBS Bowl for Kids Sake Fundraiser! Sign up now!!*

### March

1st Marimba Madness HCOA fundraiser 7p  
7-16th Spring break!!  
29th Bowl for Kids Sake BBBS fundraiser

### On Going Activities

Ice Arena public skate Sundays 3p 299-4654  
Animal Shelter: T-F 12-5p  
Homer HS Pool: 235-7416  
Rec Room: 235-6736  
Trails inclusive activities for all abilities: 235-7911  
Community Rec: 235-6090  
Museum Fish Feedings: T & F 4-5p 235-8635  
Coastal Studies: 235-6667

## ***Congratulations to our Match Anniversaries & New Matches!***



(from left)- Anniversary Bis Sis Stacey Buckelew & Little Sis Hope 1 yr March 14; New Matches!! HS Big Sis Maggie LaRue & Little Sis McKenna; HS Big Bro Robert Hockema & Little Bro Alex



New Matches!! From left: HS Big Bro Wylie Donich & Little Bro Devon; HS Big Bro Mike Downing & Little Bro Tyler; HS Big Bro John Shank & Little Bro Keegan.



New Matches!! From left: HS Big Sis Irene Pellegrini & Little Sis Sierra; HS Big Sis Iustina Kuznetsov & Little Sis Clavdia; Coast Guard Big Bro Casey Whitehead & Little Bro Ethan



New Matches: from left: Big Sis Suzanne Bishop & Little Sis Ann; Current match Big Sis Teri Mach & Teen Sis Solstice show off their catch this summer! not pictured new match: HS Big Sis Hailey Nelsen & Little Sis Jasmine.



**Weekly Kid-Friendly Event List—every Wednesday!** Sign up for our “Big Brothers Big Sisters of Homer Alaska” facebook group page!



**Big Brothers Big Sisters  
of Alaska**

*Little Moments. Big Magic.™*

## Homer Office

### Community Director

Jenny Martin

907-235-8391

Cell: 435-7101

Jenny.Martin@bbbsak.org

### Mailing address:

PO Box 1034

Homer AK 99603

### Physical address:

3691 Ben Walters Lane

Unit 3 / Office 4

**Fax:** 907-235-8392

**Website:** [www.bbbsak.org](http://www.bbbsak.org)

### Leadership Council

Sue Alexander, Chair

Colleen Carroll

Leona Alexander

Lisa Rich

Ken Bergman

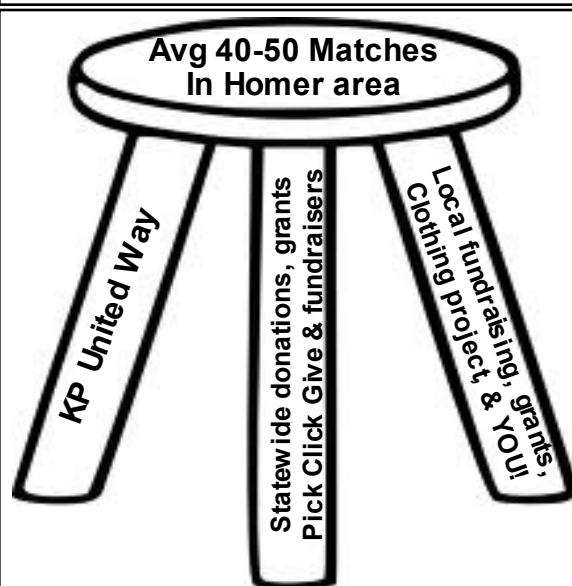
*The Homer Leadership Council provides guidance and support to the Homer BBBS program in addition to assisting with coordination of fundraising events.*

*BBBS Homer is supported by*



## BBBS is a Community Backed Program !

*Thank you for your support!*



### Support Spotlight:

#### ***Mentoring Month Fundraiser Jan 18***

Volunteer or attend the event to support our local BBBS program!

#### ***Bowl for Kids Sake***

Jan-March. Help raise \$\$ through donations & pledges. Start a team or be a virtual bowler!

***Start something  
Big today!***

*Big Brothers Big Sisters does not charge for its services. Therefore, we appreciate everyone's support in keeping this vital mentoring program running!*

### Make a Donation

- Locally—send to PO Box 1034, Homer AK 99603 or call 235-8391
- KP United Way—choose BBBS Homer #5527; 283-9500
- Pick Click Give—choose BBBS of AK
- On line: [www.BBBSAK.org](http://www.BBBSAK.org)

*NOTE: \$ donated via our statewide program benefit us locally! 1/3 of our local funding comes from statewide efforts like raffles, Pick Click Give, corporate & individual donations.*

### Fundraising Events

- Dream Big Lunch (Fall): Be a Table Host and invite people to lunch!
- Bowl for Kids Sake (Spring): Start a Bowling team or be a “virtual bowler”! Donate a prize for our raffles!
- Clothing Project (year round): organize clothing drives, collect donations.
- Raffle Tickets & Prizes (summer): Sell tickets or donate a prize!
- January Mentoring Month Events: help organize or volunteer at events. Donate a prize for our auctions and raffles!

**Join our Leadership Council!** More info on left.

### Help Lower our Overhead Costs

- Office Supplies: biggest needs are printer Ink HP 564 & HP Lazer cartridges HP-CE278A and white printer/copy paper.
- Copy Card to make Xerox copies at local businesses
- Fuel Cards for staff
- Advertising support with the local media outlets
- Office space? Anyone have a rent free office space in town?

### Help our matches:

- Donate tickets for upcoming performances, events, classes
- “2 for 1” discounts at your business for services, workshops, meals / snacks.
- Fuel cards for our Bigs meeting with Littles outside of the Homer area.

***Have other ideas? Give us a call!!***

## Homer Tidal Energy Incubator Project

Testing tidal technology for Alaska  
Renewable energy & jobs for Homer

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## Partners

- City of Homer
- Kenai Peninsula Borough
- State of Alaska
  - University of Alaska
  - Office of Representative Paul Seaton
  - Office of Senator Peter Micciche
  - Alaska Industrial Development and Export Authority
  - Alaska Department of Fish & Game
- Homer Electric Association
- NOAA Kasitsna Bay Laboratory
- National Renewable Energy Laboratory
- Kachemak Bay Research Reserve (KBRR)
- Ocean Renewable Power Company (ORPC)
- Renewable Energy Alaska Project (REAP)

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## Workgroup progress

- 2012-13 – regular meetings in Homer with representation from City, Borough, State, and Federal agencies, industry & individuals.
- 2012 – \$100,000 economic development grant from City of Homer to support testing and marketing
- 2012 – University of Alaska graduate students present report on senior engineering design project
- 2013 – Phase One testing begins
- 2013 – Work continues on site characterization

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### Homer Deep Water Dock

**Why Kachemak Bay?**

- Strong tidal currents
- Dock infrastructure
- Existing data
- Partners




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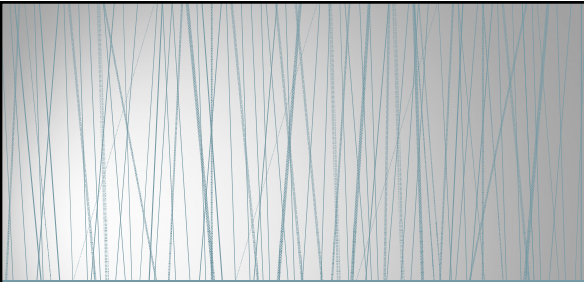
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### Site Characterization

What makes Kachemak Bay an ideal place for a test station.

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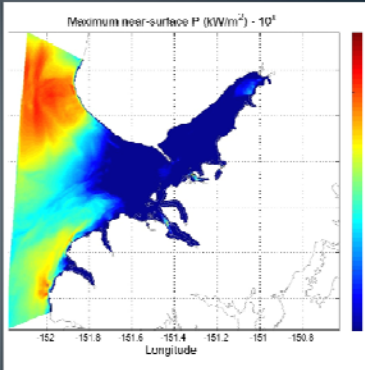
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### Strong Tidal Currents

Tidal power density from near-surface currents.  
July 2012 simulation from NOAA circulation model




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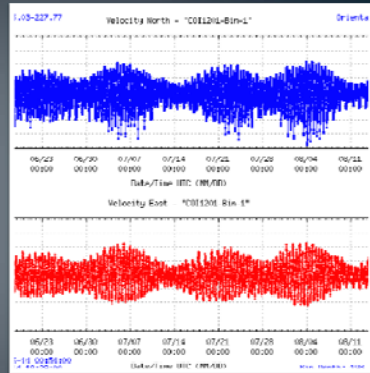
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### Current Measurements

Jun-Aug 2012 NOAA current measurements near end of Homer Spit. North-south (blue) and East-west (red) velocity.




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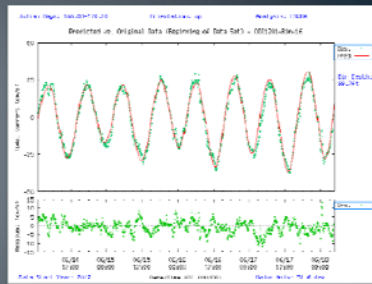
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### Current Measurements

Predicted (red line) vs observed (green dots) tidal currents in Jun 2013. At NOAA current meter station near Homer Spit.




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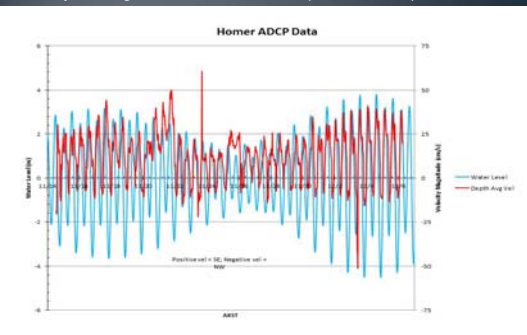
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Homer ADCP data collected November-December 2013 by University of Alaska

Peak depth-averaged velocities are about 0.5 m/s or about 1.6 ft/sec.




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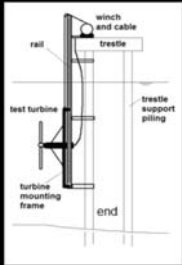

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**Existing Infrastructure**

Deep water dock  
Road system  
Access to grid



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**Existing expertise**

Science agencies  
Marine trades  
University



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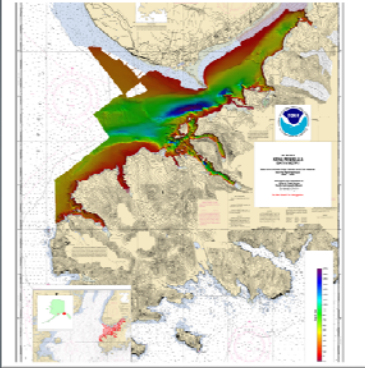
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**Data already collected**

Currents  
Current Model  
Biology  
Habitat



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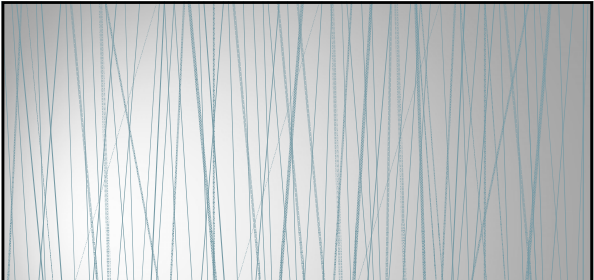
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### Homer Tidal Energy Incubator Project

Assessing feasibility of a testing site for tidal industry and research.

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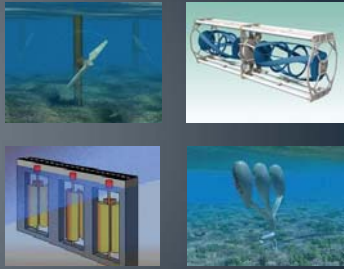
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### Test Bed

- Turbine Designs
- Camera systems
- Fish interaction
- Icing/Siltation
- Anchoring systems



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### Community Benefit

- Economic Development
- Education
- Power
- Hi-tech industry



Support the growth of the high tech sector in Homer

Model for coastal communities

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**Community  
Economic  
Development  
Strategy (CEDS)**

On mission with City's goal to support the growth of the high tech sector in Homer as well as Education and Marine Trades goals.

**GOAL: Support Growth of High Tech/Internet Businesses**

Market Homer's quality of life factors and suitability for high-tech/Internet-based operations.

**GOAL: Promote growth and vitality of the marine trades as an economic cluster in Homer.**

**GOAL: Enhance economic development in Homer through the education sector.**

Support expansion of educational programs to take advantage of emerging economic opportunities and/or to capitalize on Homer's existing strengths and assets, such as interest in sustainability, proximity to ocean resources, and arts/culture.

February 2011 Homer Comprehensive Economic Development Strategy

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**Education**

UAA Senior engineering design project  
Outreach facility  
Partner programs  
Contests




Photo credit: Michael Armstrong, Homer News

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**Partners**

City, Borough, State,  
Federal, Industry,  
Nonprofit, Individuals



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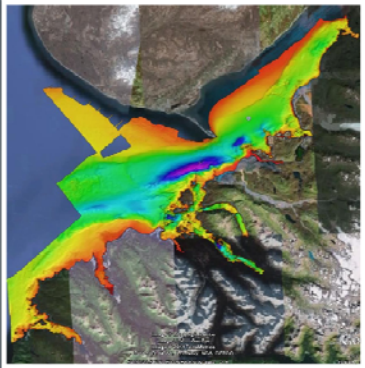
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**Next steps**

- Finish site characterization
- Begin market analysis



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# Memorandum

**Date:** November 7, 2013

**To:** Bryan Hawkins, City of Homer

**From:** Mike Fisher, Northern Economics, Inc.

**Re:** Port of Homer Rate Study

This **revised draft** memorandum presents the findings of a rate study Northern Economics, Inc. conducted for the Port of Homer. Findings of the rate study are presented first, followed by discussions about the life cycle costing approach used, assumptions, benefits of the port to the city, and sensitivity of the results to changes in the assumptions. The memorandum then discusses other factors that can affect rates, including funding considerations, changes in vessel sizes over time, and alternative moorage rate structures, followed by documentation from R&M Consultants about the cost estimating approach used.

## **Findings and Recommendations**

Our life cycle cost approach to calculating rates suggests that an overall rate increase of 58.3 percent is required for the port and harbor to cover all operations, maintenance, and replacement costs.

The recommended rate increases vary by facility. After allocating shared and overhead costs to each facility, required rate increases range from 32 percent for the Pioneer Dock to nearly 162 percent for the Fish Dock. Of the six facilities split out in this analysis, only one currently generates revenues in excess of its life cycle costs: the Load and Launch Ramp.

Table 1 shows the annualized cost for each facility, the annualized cost for each revenue-generating facility once overhead costs are allocated, and the recommended rate increase for each facility.

**Table 1. Annualized Costs and Recommended Rate Increases by Facility**

Facility	Annualized Cost (\$)	Annualized Cost with Allocated Overhead (\$)	Required Rate Increase (%)
Port-Harbor Administration and Other Facilities	1,668,946	-	-
Harbor	2,514,023	3,431,943	31.85
Pioneer Dock	836,562	1,066,042	135.96
Fish Dock	1,481,508	1,773,573	125.96
Deep Water Dock	752,139	919,033	40.90
Load and Launch Ramp	51,573	51,573	-51.01
Fish Grinder	26,928	89,513	161.78
<b>Total</b>	<b>7,331,678</b>	<b>7,331,678</b>	<b>58.30</b>

Source: Northern Economics, Inc. analysis

Based on these findings, Northern Economics recommends the Port of Homer aim to increase its rates an average of 58 percent across the board, in addition to regular inflation-based increases each year thereafter, if it wishes to fully fund its facilities. In lieu of an immediate and full increase, it might consider a series of smaller increases spread over the next several years. While this will not necessarily raise funds sufficient for major maintenance and repair projects in the near term, it will make passage of these rate increases less burdensome on users.

### **Life Cycle Costing Approach**

The life cycle cost of a facility combines its acquisition or construction, operations, maintenance, and replacement costs over its useful life. This forward-looking approach uses the time value of money concept to “discount” future life cycle costs over a set period of time (2013–2062 in this case) to a single net present value in 2013 dollars.<sup>1</sup> That cost is then annualized to arrive at an annual portion of the facility’s life cycle cost that needs to be covered by revenues.<sup>2</sup>

In many ways, this approach can be compared to a mortgage payment, except that the life cycle cost analysis looks forward at expenses rather than backward at the purchase price of an asset. The annual portion of a facility’s or business’ life cycle cost includes operations and maintenance expenses, monies set aside for periodic major maintenance work, and monies set aside for eventual replacement or refurbishment of an asset. This approach assumes that the Port of Homer is a going concern and intends to continue operating in perpetuity.

Planned capital projects for the Port of Homer over the next 50 years total \$147.6 million. The amounts planned for each facility are shown in Table 2.

**Table 2. Capital Costs and Anticipated Grants by Facility**

<b>Facility</b>	<b>Estimated Capital Cost (\$)</b>	<b>Anticipated Grant Funding (\$)</b>	<b>Anticipated Capital Cost After Grant Funding (\$)</b>	<b>NPV of Anticipated Capital Cost After Grant Funding (\$)</b>
Port-Harbor Administration and Other Facilities	14,680,000	0	14,680,000	11,816,022
Harbor	42,000,000	21,000,000	21,000,000	17,879,997
Pioneer Dock	37,030,000	156,250	36,873,750	24,979,057
Fish Dock	25,700,000	0	25,700,000	22,187,288
Deep Water Dock	24,550,000	0	24,550,000	23,544,500
Load and Launch Ramp	3,500,000	2,650,000	850,000	840,752
Fish Grinder	105,000	0	105,000	73,022
<b>Total</b>	<b>147,565,000</b>	<b>23,806,250</b>	<b>123,758,750</b>	<b>101,320,637</b>

Source: R&M Consultants (2013) and Northern Economics, Inc. analysis

<sup>1</sup> The life cycle cost model assumes a real discount rate of 1.1 percent per U.S. Office of Management and Budget guidance (OMB 2012).

<sup>2</sup> For more information about life cycle cost analysis and rate setting, please see “Rate Setting for Port and Harbor Facilities” (Fisher 2011) and “Setting Sustainable Harbor Rates” (Fisher 2009). The location of the white paper and presentation, respectively, are shown in the references section.

Capital costs vary each year based on the projects the Port of Homer undertakes; on average, the projects included in the model account for about \$2.5 million annually, though the timing of those projects results in no anticipated capital costs in some years and as much as \$30 million in other years. Service life varies by the type of infrastructure and ranges from 20 to 50 years.

The Port of Homer's average annual operations and maintenance costs, based on 2008–2012 expenditures, are approximately \$3.4 million, based on our analysis of the harbor system's financial data. Transfers back to the general fund add another \$0.4 million for total annual costs of \$3.8 million.

Our analysis finds that the net present value of Port of Homer facilities' life cycle cost is \$280.8 million. When expressed on an annualized basis over a 50-year period, annual costs of about \$7.3 million need to be covered each year. Based on the assumptions used in the model about funding of capital improvements and maintenance spending, operations and maintenance costs account for 64 percent of the annual total and capital costs account for the other 36 percent. This annualized cost is expressed in real terms, in 2013 dollars. Going forward, regular rate increases will be needed on an annual basis to account for inflation.

### **Model Assumptions**

The life cycle cost model is built with several assumptions that allow for adjustment of the results. Assumptions used in the model<sup>3</sup> are shown below, arranged by worksheet:

#### ***Interface***

- **Discount Rate:** A real discount rate of 1.10 percent is used, based on the 30-year real rate in the current version of OMB Circular A-94.
- **Percentage of Capital Costs to Include in LCCA:** The base assumption is that the analysis includes 100 percent of capital costs, not including grants identified for specific projects.<sup>4</sup>
- **Include Transfers in Life Cycle Cost Analysis:** By default, the analysis assumes that the Port of Homer will continue to make transfers to the City of Homer.
- **Life Cycle Cost Analysis Period (Years):** The model uses a 50-year period for analysis.
- **Maintenance Cost (Percentage of Capital Cost):** The analysis assumes an annual maintenance cost of 3 percent of capital costs, which covers both replacement of facilities and their annual maintenance.

<sup>3</sup> The model uses blue highlighted cells to indicate assumptions that the user can change in the "Interface" and "Allocation Matrix" worksheets. Most other cells are protected (without a password) to protect model fidelity.

<sup>4</sup> Based on discussions with Port of Homer staff, the model assumes that harbor-related projects will be timed so that they can take advantage of the State of Alaska's 50/50 matching harbor grants. The model also assumes that funding from NOAA or another agency will cover 25 percent of the cost of removing of the inner timber dock from the Pioneer Dock, and that all but \$850,000 of the Load and Launch Ramp's replacement cost will be covered by the Alaska Department of Fish and Game.

### *Allocation Matrix*

- Costs generated by the Homer Harbor, Pioneer Dock, Fish Dock, Deep Water Dock, Ramp, and Fish Grinder are allocated to those facilities. Costs generated by administration and other activities would be allocated to the six main facilities according to the following schedule:
  - 55.00 percent to Homer Harbor (48.75 percent operations, 6.25 percent maintenance)
  - 13.75 percent to Pioneer Dock
  - 17.50 percent to Fish Dock
  - 10.00 percent to Deep Water Dock
  - 0.00 percent to Load and Launch Ramp
  - 3.75 percent to Fish Grinder

### *Rate Adjustment*

- The rate adjustment sheet uses the rate from one service offered at each facility as a proxy for rate inflation at that facility. Revenues from each facility over the 2008–2012 period are adjusted according to this rate inflation in order to determine how use has varied over time and to determine a rate-inflation-adjusted average of revenues generated at each facility. The rates used to account for rate inflation are moorage rates for Homer Harbor, dockage rates for Pioneer Dock, seafood wharfage for Fish Dock, dockage rates for Deep Water Dock, and the per-day launch fee for the Ramp.

### *Inflation Adjustment*

- The U.S. Bureau of Labor Statistics produces the Consumer Price Index (CPI), which reflects changes in the cost of living based on a market basket of goods. Anchorage is the only community in Alaska for which a CPI is calculated. Homer and other communities use the Anchorage CPI as a basis for rate changes and other cost of living adjustments. As with the adjustment of revenues in the “Rate Adjustment” worksheet, on this worksheet the model uses inflation to adjust expenditures to a 2013 equivalent for purposes of understanding how expenses have changed over time other than through inflation.

### *Capital Cost Data*

- R&M Consultants and Port of Homer staff collaborated on an infrastructure replacement schedule. R&M Consultants provided replacement cost estimates and replacement years as shown on this worksheet. Development of capital costs was done as a desk study and did not include a physical inspection of the facilities.
- Based on input from Port of Homer staff, the model assumes that all of the harbor-related capital projects will be funded 50 percent by some kind of a grant, such as the State of Alaska’s Harbor Facility Grant Program. It is assumed that such funds will be available and that the timing of these projects can be varied as needed to meet grant requirements.

### *Moorage SF and LF*

- Port of Homer staff provided estimates of the square footage of moorage space in Homer Harbor (Hawkins 2013). Northern Economics also used this information to develop estimates of total linear footage. This was used to evaluate required rates under different arrangements.

### **Benefits to the City of Homer**

In addition to revenues generated within the port, the Port of Homer provides other financial and economic benefits to the City of Homer.

The Port of Homer makes transfer payments each year to the general fund to support other city functions. Table 2 shows the transfer payments made each year for 2008–2012.

**Table 3. Transfer Payments from Port of Homer to City of Homer, 2008–2012**

Year	Transfer Payments (\$)
2008	354,530.00
2009	354,530.00
2010	354,530.00
2011	500,000.00
2012	484,252.25

Source: Tussey (2013) and Northern Economics, Inc. analysis

The Port of Homer also generates sales tax revenues that flow to the City of Homer's general fund. Table 3 summarizes the sales tax revenues generated each year for 2008–2012.

**Table 4. City of Homer Sales Tax Revenues Generated by the Port of Homer, 2008–2012**

Year	Sales Tax Revenues (\$)
2008	111,608.39
2009	123,035.51
2010	120,851.11
2011	127,548.29
2012	132,580.52

Source: Moore (2013)

Historically, vessels in Homer Harbor were assessed a personal property tax in the form of a flat tax based on vessel length. Research done by the City of Homer's Accounting Supervisor found that the city had tax revenues through the partial year 2005, but that at some point at 2004 there was a change to the city code to exempt vessels from personal property taxation. At present, the Port of Homer attracts personal property with a substantial value, but the city does not capture any of that value through taxation. Table 5 summarizes vessel tax revenues for 2002 through 2005.

**Table 5. Personal Property Tax Revenues Generated from Vessels at the Port of Homer 2002–2005**

Year	Personal Property Tax Revenues (\$)
2002	30,553
2003	26,062
2004	37,162
2005	18,581

Source: Moore (2013)

Port of Homer users also generate additional spending and economic activity elsewhere in the community. This activity is generated from a wide variety of users, from charter operators whose customers stay and eat out in Homer, to recreational vessels restocking on groceries, to commercial vessels undergoing repairs and stocking ship stores. Though these broader economic impacts are outside the scope of this rate study, another Northern Economics study underway concurrently looks at the economic impacts of spending on dockage, goods, and services in Homer by Buccaneer Energy's jack-up rig Endeavor.

For additional discussion of how ports and harbors can contribute to the local economy, please see "Ports and Harbors Create Economic Activity" (Fisher 2010), as noted in the references section.

### **Sensitivity Analysis**

After completing our analysis of life cycle costs and the implications for rates at facilities within the Port of Homer, we evaluated the sensitivity of those rates to changes in the assumptions outlined above. The following tables and discussion demonstrate the effect of changes in assumptions about capital costs, transfers, and maintenance costs on the facilities' life cycle costs and required rate increases.

Table 4 shows the sensitivity of the life cycle cost of each facility to the percentage of capital costs included in the analysis. As seen in the table, as the capital costs go from the full amount (less grants, as discussed in the assumptions) to 0, the total life cycle cost drops from \$7.3 million to \$3.9 million. The change in life cycle costs varies by facility, depending on the mix of capital and operating costs that feed into each facility. The Pioneer Dock and Deep Water Dock have the most sensitivity to capital costs.

**Table 6. Annualized Cost of Each Facility Based on Percentage of Capital Cost to Include in LCCA**

Facility	Percentage of Capital Cost to Include in LCCA				
	0	25	50	75	100
Port-Harbor Administration and Other Facilities	1,288,282	1,365,408	1,458,821	1,563,884	1,668,946
Harbor	1,443,492	1,560,198	1,813,171	2,163,597	2,514,023
Pioneer Dock	127,113	290,155	466,127	651,345	836,562
Fish Dock	841,853	986,674	1,145,121	1,313,314	1,481,508
Deep Water Dock	137,422	291,101	444,780	598,460	752,139
Ramp	29,622	35,110	40,598	46,086	51,573
Fish Grinder	25,021	25,498	25,974	26,451	26,928
<b>Total</b>	<b>3,892,806</b>	<b>4,554,144</b>	<b>5,394,594</b>	<b>6,363,136</b>	<b>7,331,678</b>

Source: Northern Economics, Inc. analysis

Table 5 shows the sensitivity of the required rate increase to coverage of capital costs, as discussed above (Table 4), and the inclusion of transfers in the analysis. As the table shows, current rates cover somewhere north of 25 percent of capital costs; if only 25 percent of capital costs are covered, then the required rate increases are negative. Also of note in the table is that about 9 percent of the required rate increase is due to transfers; stated differently, about 9 percent of revenues end up feeding back to the City of Homer for use in providing other services.

**Table 7. Sensitivity of Required Rate Increase to Coverage of Capital Costs and Transfers**

Percentage of Capital Costs Covered	Coverage of Transfers	
	Included	Not Included
	Required Rate Increase (Percent)	
0	-15.95	-24.90
25	-1.67	-10.63
50	16.48	7.52
75	37.39	28.43
100	58.30	49.35

Source: Northern Economics, Inc. analysis

As noted in this memorandum, the analysis assumes that all harbor facilities would be partially funded by grants. Table 8 shows the required rate increase for the harbor facilities based on grants covering a range of the total capital costs from 0 to 50 percent. As seen in the table, the harbor's required rate increase would go up by another 21 percent if there were no grant funds available, more than half again of the increase required with 50 percent coverage.

**Table 8. Sensitivity of Required Rate Increase to Grant Funding of Harbor Facility Capital Costs**

Grant Coverage of Harbor Facility Capital Costs (%)	Required Rate Increase for Harbor (%)
0.0	52.55
12.5	47.37
25.0	42.20
37.5	37.02
50.0	31.85

Source: Northern Economics, Inc. analysis

Table 9 shows the effect on the required rate of return for the three dock facilities based on grant coverage or other subsidies on their capital costs. As shown by the table, the portion of capital costs covered by user fees has a dramatic impact on the required rate increase. If fully funded by user fees, the Pioneer Dock and Fish Dock would need to have their rates increased by more than 125 percent. However, if user fees are only required to cover 50 percent of the capital costs, the rate increases are cut nearly in half, with the Pioneer Dock requiring a 71 percent increase, the Fish Dock requiring an 89 percent increase, and the Deep Water Dock not requiring any increase.

**Table 9. Sensitivity of Required Rate Increase to Cover of Dock Facilities' Capital Costs**

Percentage of Docks' Capital Cost Included in LCCA (%)	Required Rate Increase (%)		
	Pioneer Dock	Fish Dock	Deep Water Dock
0	9.16	53.87	-40.26
25	38.46	70.40	-20.15
50	70.96	88.92	0.20
75	103.46	107.44	20.55
100	135.96	125.96	40.90

Source: Northern Economics, Inc. analysis

Table 6 shows the sensitivity of the required rate increase to coverage of maintenance and capital costs. The maintenance cost amount shown in the table includes both facility replacement as well as regular and periodic major maintenance. A rule of thumb is that port and harbor facilities should aim to set aside 3 percent of the capital cost of facilities each year to cover these expenses. Measured this way, current maintenance spending at the Port of Homer is 1.98 percent. As seen in the table, reading across the columns, as the coverage of capital costs increases, the effect of maintenance targets has a greater effect on the required rate of return. There is no noticeable effect at the 0 percent and 25 percent coverage levels for capital costs, since this is under the threshold of what the Port of Homer already covers; once 50 percent or more of capital costs are covered, increasing the maintenance target from 1.75 percent to 3 percent results in an increasing required rate of return. With capital costs fully covered, the current level of maintenance warrants a 41 percent rate increase. This amount grows to the recommended 58 percent increase as the maintenance target moves up to 3 percent.

**Table 10. Sensitivity of Required Rate Increase to Coverage of Maintenance and Capital Costs**

Percentage of Capital Cost Covered	Target Percentage of Maintenance Costs Covered (Percent)					
	1.75	2.00	2.25	2.50	2.75	3.00
	Required Rate Increase (Percent)					
0	-15.95	-15.95	-15.95	-15.95	-15.95	-15.95
25	-1.67	-1.67	-1.67	-1.67	-1.67	-1.67
50	12.61	12.61	12.61	12.61	13.10	16.48
75	26.89	26.89	26.89	27.26	32.32	37.39
100	41.17	41.17	41.17	44.79	51.55	58.30

Source: Northern Economics, Inc. analysis

### **Funding Considerations**

The analysis has assumed that all costs will be covered by funds on hand and other sources of “free” money. In reality, many port and harbor projects are funded by debt. It is important to recognize that the use of debt will change the required rate of increase specified in the model.

A recent study done for the City and Borough of Sitka found that using debt to fund some portion of a capital project will result in an increase in the required rates for that facility. This held true even when the interest rate on the debt was lower than the discount rate assumed in the model.

There are three primary factors that cause this result:

- First, the amount of debt issued will exceed the proceeds from the debt issue. This gap is due to financing costs—typically covered by the proceeds—that reduce the amount of money that can be spent from the issue.
- Second, using debt creates an obligation for regular repayment, and therefore places constraints on cash flows. This reduces flexibility in the timing of cash disbursements.
- Third, using debt will often result in debt coverage requirements. The requirements specify how much operating cash flow must be generated relative to the debt payment amount. This increases the burden on the debt issuer, because it increases the revenue that must be generated in order to satisfy the requirement.

While these factors make it undesirable to use debt to fund port and harbor facilities, the reality is that “free” money is difficult to obtain. While the state’s harbor grant program has benefitted many

communities, the Port of Homer will not necessarily be able to get a second round of funding for work on a particular facility. Funding of the program must also be appropriated annually, so there may be political impediments to receiving these funds.

### **Discussion about Vessel Size Changes and Alternative Moorage Structures**

Homer, like many other ports, has seen a growth in vessel widths (beams) over time. As vessels have become wider, in particular 58-foot limit seiners, it has been a challenge to fit them side-by-side in the appropriate length of stalls. To alleviate some of the problems of mooring limit seiners, Homer has placed them in 75-foot stalls, but the seiners are still overly wide for those longer stalls.

One hypothetical approach to addressing abnormally wide vessels is to charge area-based moorage rates. Under this approach, the moorage fee would be calculated based on some dollar amount per foot of length and per foot of beam. The City of Kodiak is the only community with which Northern Economics has worked that has considered a square-footage-based rate publicly, but it has not implemented such a rate structure.

An alternative approach is to use tiered or graduated moorage rates. Though this does not directly address abnormally wide vessels, it does take into account the increased space and physical requirements of longer vessels.<sup>5</sup> For this reason, tiered rates that increase for larger vessels can be seen as providing the benefits of a more equitable sharing of facility costs and a better match between moorage revenues and the costs associated with constructing and maintaining facilities for vessels of different sizes. Under this approach, the per-foot moorage rate increases as vessels become longer.

Based on moorage rate information we have collected, the only community in Southcentral Alaska that uses some kind of non-linear or graduated rates in its harbor is Kodiak. Other harbors elsewhere in the state charge graduated rates as well, perhaps amounting to one-third to one-half of all harbors.

Port of Homer staff provided information about the square footage of its moorage facilities. Using this information, Table 7 presents hypothetical rates for a square-footage-based moorage rate. The total linear footage and corresponding rate is shown as well, for comparison.

Using these rates as an example, if a 58-foot long, 20-foot wide vessel were to moor under these rates, including allocated costs, the square-footage-based moorage cost would be \$5,265.40, while the linear-footage-based moorage cost would only be \$3,815.02. If the vessel were 28 feet wide, the linear rate would still be \$3,815.02 but the square-footage rate would increase to \$7,371.56.

**Table 11. Comparison of Moorage Rates Based on Linear Feet and Square Feet of Facilities**

	Harbor Only	With Allocated Costs
Harbor Annualized Cost (\$)	2,514,023	3,431,943
Annual Moorage Rate, Per Square Foot (\$/sf)	3.33	4.54
Annual Moorage Rate, Per Linear Foot (\$/lf)	48.18	65.78
Required Rate Increase based on linear footage rate (%)	20	64

Note: Homer moorage facilities encompass 756,079 square feet (Hawkins 2013) and 52,176 linear feet.

Source: Northern Economics, Inc. analysis

<sup>5</sup> Longer vessels requiring a large turning basin than smaller vessels, in addition to the float length required. In addition, longer vessels create more physical stresses on harbor infrastructure, especially when it is windy, requiring stronger structures. For additional discussion about the impact of vessel size on harbor configuration, please see "Float Layout and Economic Modeling Program" (Fisher 2005), as noted in the references section.

### **Cost Estimating Approach (Provided by R&M Consultants)**

R&M Consultants provided cost estimating support for this project. The following documentation was provided by Kim Nielsen, PE, of R&M Consultants along with their cost estimates.

This memo provides a narrative to describe our approach to estimating replacement and maintenance costs for this project. It is understood that this is a generalized study to provide input to NEI's model to assist the City of Homer (City) with assessing a revised rate schedule for the port and harbor facilities. The cost estimates provided herein are based on today's dollars and the estimated cost to replace the facilities with modern facilities that meet today's codes and standards. For example, floats that currently are too narrow or gangways that are too short to meet ADA standards were valued as being replaced with larger structures and include all water, fire protection, and power/lighting utilities whether or not the existing structures are equipped with these items. Our replacement cost estimates do not include provisions for expansion or for accommodating new or differing uses. For example, they do not include modifications to the float system arrangement for a fleet of larger vessels.

The enclosed spreadsheet provides an itemized list of each facility, the estimated replacement cost, the typical service life, an estimated extension of service life based on the fact that the City has a relatively good maintenance program for most facilities, and the corresponding date when the replacement would occur.

In order to estimate a structure's remaining service life, it is important to obtain information on the original design, any previous maintenance, the current and anticipated loads on the structure, and most importantly, the existing condition of the structure. As with any assessment, the better the information gathered, the closer the estimated service life will be to that actually determined. The better the estimate of the remaining service life, the more feasible the decisions made concerning short- and long-term planning, maintenance, repair, and possible replacement of the facility.

The service life and extension of service life based on maintenance included in this evaluation are estimates based solely on engineering judgment and averages for well-maintained facilities in Alaska. A detailed condition assessment has not been performed as part of this effort. The most recent condition assessment report provided by the City is from 2002 and covers a portion of the float system facility. The City of Homer Harbor Office has been consulted to verify the estimate of the remaining service life of the individual facilities.

Although the service life estimates provided here are probably sufficient to obtain a general understanding of the relative priority and expected replacement costs for the City's waterfront facilities, we recommend that the City incorporate a program to conduct routine inspections of all of its facilities, which would include assessing the overall condition of each facility, assigning an assessment rating, and recommending specific actions for future maintenance activities, including a timeline and order of magnitude costs for rehabilitation work. Routine Inspections generally should be performed no less than every 5 years and more frequently for facilities in less than satisfactory condition. This represents a proactive, rather than reactive, approach to maintenance and allows planners to properly plan and budget for major maintenance and renovation projects—thereby extending the life of facilities.

The owner should not rely solely on expected service life to estimate replacement of a facility. Functional suitability is also an important factor. For example, many 50 year old bridges and docks are in serviceable condition but are functionally obsolete in that they don't handle current highway or berthing loads or have proper lane width, turning area, or crane capacities, etc. Similarly, float systems built 30 years ago do not comply with current codes or

modern standards/expectations for marinas with respect to fire suppression systems, steel restraint piling, potable water, power and lighting systems, corrosion protection, proper float widths, and adequate ADA access. The replacement cost estimates provided herein address this by assuming that the facilities will not be replaced with in-kind facilities (i.e., insurance values), but will be replaced with facilities of the same basic size and type but upgraded to modern standards. In addition, we have included an estimate of mobilization cost and engineering and permitting, which were distributed to each individual facility. In the case of the float systems, which have been broken down by main float rows, the expectation is that several main float systems will be replaced as part of a single contract. Approximately 20 estimate contingency was added to each item to account for inaccuracies associated with this budgetary level cost estimate. Estimates do not include costs for any initial field investigations (i.e., geotechnical investigation, survey), project management, bidding support, or construction administration. NEI has included an estimate for inflation.

In addition to the capital cost for replacing facilities, maintenance costs must be considered. There are several ways to estimate maintenance costs:

- As an annual cost based on a percentage of initial capital costs, typically 1 to 5 of the capital cost per year. Items like machinery typically have higher maintenance. This would include the items such as the restroom facilities, ice plant and cranes.
- As periodic major maintenance/renovations at specific milestones (i.e., every 5 or 15 years).
- As an estimate based on historical maintenance budgets for similar facilities.

We recommend that NEI use a percentage of capital cost to estimate annual and periodic maintenance that should be expected. An average percentage of 3 is a reasonable amount that could be used for the current purposes. The specific percentage budgeted for maintenance should be verified against the City's historical maintenance expenditures and adjusted accordingly.

Another way to estimate maintenance is a scheduled renovation project at certain milestones. This is a more specific approach that may be incorporated into the City's routine inspection program. For example, periodic renewal maintenance such as painting every 5-10 years and major remodel or renovation projects such as re-siding or re-roofing every 20 years. For floats and docks, for example, it may include routine condition inspections and minor repair/renewal projects such as removing marine growth, re-lamping light fixtures, or tightening thru-rods in floats every 1 to 5 years and re-coating, replacing corrosion protection and/or re-decking projects every 15 years. This would provide a more specific approach to planning for maintenance. However, the percentage estimate may be sufficient to program funding over the lifetime of the facilities. For example, if the dollars budgeted for a facility are not spent in Years 1-4, then the cumulative amount saved may be spent on a renovation project in Year 5. This may or may not work well depending on the City's fiscal planning approach.

It should be noted that in order to properly prioritize budgeting for facility replacements and plan for future demand, the City should consider factors such as future expectations for the functionality of the facilities. For example, the number and arrangement of harbor float slips are currently geared toward a smaller vessel fleet, whereas the current trend is leaning toward a higher demand for larger vessels. For example, this may mean that planning may not be straightforward for Float System X with 40ft stalls and Float System Y with 24ft stalls, which are reaching the end of their expected service life in 2015 and 2020, respectively. Instead of

replacing these facilities at the end of their service life dates, planning may instead prioritize Facility Y for replacement in 2016 in order to convert the facility to accommodate larger vessels, whereas Float System X may instead receive a major refurbishment in 2015 in order to extend its service life a few more years.

Similarly, the City Dock was recently upgraded with a more robust fender system to allow cruise ship berthing to meet that demand and we understand that the City is interested in expanding the City Dock to increase the wharf face and its load capacity in order to accommodate increased demand for barge landings and offloading. These types of upgrades are not accounted for in the following cost estimates. A more detailed Master Planning effort is recommended to properly prioritize and budget for these kind of future projects. However, the cost estimates and projections provided in the attached spreadsheet should provide a general overview and rough order of magnitude of what will be required to maintain and ensure continued properly functioning port and harbor facilities, similar to those that exist now.

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# Buccaneer Economic Impact Analysis

*Prepared for*

**City of Homer**

**December 2013**

*Prepared by*



**Northern  
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# 1 Introduction

Buccaneer Alaska (Buccaneer) is an independent oil and gas firm operating in Alaska's Cook Inlet. In 2012, Buccaneer mobilized a jack-up rig to support its Alaskan exploration and drilling activities. The rig, named Endeavour – the Spirit of Independence (Endeavour), arrived in Cook Inlet in August of last year, where it docked at the City of Homer for several months while it underwent repairs (Buccaneer Energy 2013; Armstrong 2013).

**Figure 1. Buccaneer's 'Endeavour – Spirit of Independence' Jack-Up Drill Rig**



Source: City of Homer, 2013

Buccaneer's Endeavour docked in Homer for just over 200 days, from August 29, 2012 to March 29, 2013 (City of Homer 2013). During this time, Buccaneer generated economic activity within the Kenai Peninsula Borough through its expenditures on local goods and services, as well as payments to the local governments for property taxes assessed on the Endeavour. The table below (Table 1) summarizes Buccaneer's spending within the local economy.

**Table 1. Buccaneer's Direct Spending in the Kenai Peninsula Borough, 2012-2013**

Source of Spending	Amount (\$)
Shipyards Work and Operations	3,330,778
Property Taxes	454,730
Total	3,785,508

Source: Anderson 2013; City of Homer 2013

The shipyard work and operations spending shown in Table 1 includes approximately \$577,000 spent on port fees for dockage, moorage, and water, as well as assorted services such as stevedoring and tug assistance.

Buccaneer's \$3.79 million in total spending generated direct, indirect and induced economic impacts within the local community, as summarized in Table 2. The study team estimates that the money spent by Buccaneer generated a total of 50 jobs, \$1.8 million worth of labor income (wages), and \$4.8 million in total output within the Kenai Peninsula Borough.

**Table 2. Direct, Indirect and Induced Economic Output Effects of Endeavour-Related Spending**

Impact Type	Direct	Indirect + Induced	Total
Employment	37	13	50
Labor Income (\$)	1,300,970	531,771	1,832,742
Total Output (\$)	3,325,449	1,478,983	4,804,432

Note: Labor Income and Output presented in 2013 dollars; Labor Income is a subset of Total Output

Source: NEI estimates based on Anderson (2013), City of Homer (2013), and IMPLAN software and database

The following two tables (Table 3 and Table 4) breakdown the economic impacts of Buccaneer's shipyard and operations spending separately from those generated by property tax payments.

**Table 3. Direct, Indirect and Induced Economic Output Effects (Shipyard and Operations)**

Impact Type	Direct	Indirect + Induced	Total
Employment	37	10	47
Labor Income (\$)	1,300,970	345,585	\$1,646,556
Total Output (\$)	3,325,449	1,136,209	\$4,461,658

Note: Labor Income and Output presented in 2013 dollars; Labor Income is a subset of Total Output

Source: NEI estimates based on Anderson (2013) and IMPLAN software and database

**Table 4. Direct, Indirect and Induced Economic Output Effects (Property Taxes)**

Impact Type	Direct	Induced	Total
Employment	-	3	3
Labor Income (\$)	-	186,186	186,186
Total Output (\$)	-	342,774	342,774

Note: Property tax payments, by definition, produce induced effects only; Labor Income and Output presented in 2013 dollars; Labor Income is a subset of Total Output

Source: NEI estimates based on City of Homer (2013), and IMPLAN software and database

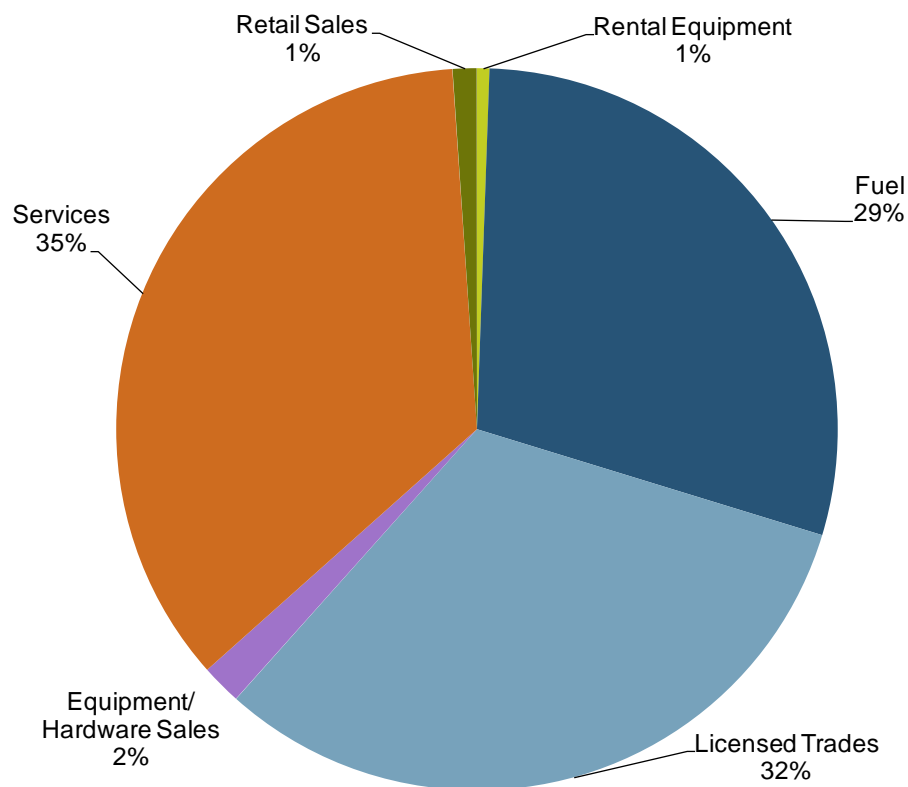
In the following sections we describe the data and analysis that produced these results.

## 2 Expenditure Data

The expenditure data used to calculate the impacts of the non-tax spending within the Kenai Peninsula Borough were provided by Buccaneer Alaska. Buccaneer provided a spreadsheet summarizing its Endeavour-related spending within the local community. As noted on the data, “Only payment(s) to vendors that have a local office or employ members of the local Homer community were included in the listing,” (Anderson 2013).

Buccaneer’s expenditure data were split into two categories, payments made by Buccaneer Alaska Drilling (BAD) and those made by Buccaneer Alaska Operations (BAO). BAD expenditures are for shipyard activities and reflect one-time, non-recurring expenditures. BAO expenditures are for operational activities and reflect one-time payments for recurring expenses. Both BAD and BAO expenditures were broken-down by identical spending categories; Figure 2 illustrates the combined breakdown of spending by category.

**Figure 2 . Buccaneer Alaska’s Endeavour-Related Spending in Homer (2012-2013)**



Source: Anderson, 2013

The City of Homer estimates that Buccaneer paid approximately \$577,000 to the Port in the form of fees for dockage, moorage, and water, as well as assorted services such as stevedoring and tug assistance. Communications with Buccaneer revealed that spending on these port fees is included within the BAD and BAO expenditure categories shown in Figure 2. To avoid double-counting, the study team did not calculate the economic impact of spending on port fees separately from the categories shown above.

In contrast to port fees, the expenditure data provided by Buccaneer did not include the Endeavour property taxes paid to the city and borough. The City of Homer provided the property tax breakdown show in Table 3; the drill rig's \$40 million dollar assessed value generated \$454,730 in property tax payments in 2013.

**Table 5. Property Tax Invoice Summary, Buccaneer Alaska (2013)**

<b>Charge Description</b>	<b>Total Value (\$)</b>	<b>Rate/1000</b>	<b>Total (\$)</b>
Kenai Peninsula Borough	40,241,590	4.5	181,087
City of Homer	40,241,590	4.5	181,087
South Hospital	40,241,590	2.3	92,556
<b>Total</b>		<b>11.3</b>	<b>454,730</b>

Note: Borough code allows the tax revenues for the South Peninsula Hospital Service Area to be used for payment of debt service, purchase of capital equipment, operational expenses of the hospital, and other health care related items within the Service Area.

Source: City of Homer, 2013

### 3 Input Output Analysis

The economic benefits of Buccaneer’s spending were estimated by quantifying the direct, indirect, and induced effects of local spending on goods and services. The expenditure data described in Section 2 were used as the inputs to an Input-Output (I-O) model used to quantify the multiplier effects of Buccaneer’s activities.

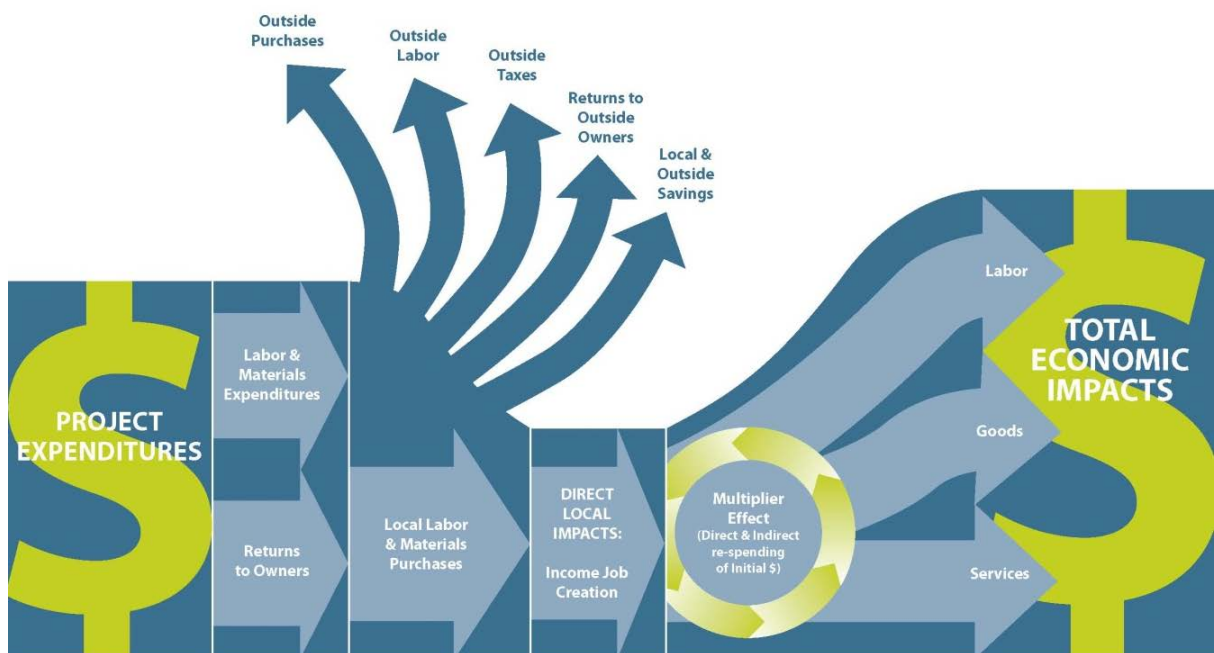
I-O models are economic tools used to measure the effects of an economic activity on a region; using expenditure patterns, tax payments, labor requirements and other economic data they aim to replicate the inter-industry transactions within a community, tracking the flow of money between the industries within a specified economic region of interest. An I-O model can measure how many times a dollar is re-spent in, or “ripples” through, the economic region before it leaks out.

The I-O model yields multipliers that are used to calculate the indirect and induced effects on jobs, income, and business sales/output generated per dollar of spending on various types of goods and services in the study area. To evaluate the economic effects to the state or a particular region, only the “local” (i.e., within the state or within the region) expenditures are used in the model; the rest are considered leakages. More leakages mean smaller multipliers; and the larger the local expenditures, the greater the multiplier effects. The multipliers for any given industry in any given location are unique, based on industry composition and geographic area. In this case, the IMPLAN™ software was used to model the Kenai Peninsula Borough economy, which in turn allowed the study team to estimate the local impacts of Buccaneer’s Endeavour-related spending.

IMPLAN uses specific data on what inputs are needed to produce the goods or services for over 400 industries, and borough-specific data on what industries are available locally from which to purchase those inputs. The most recent (2011) IMPLAN data on multipliers for the Kenai Peninsula Borough were applied for this analysis

Figure 1 illustrates conceptually how the total economic impacts or benefits are determined.

**Figure 3. Framework in Evaluating the Total Economic Effects or Impacts of Local Spending**



## 4 References

- Anderson, Christina. Environmental Permitting and Stakeholder Relations Lead. Buccaneer Alaska Operations Expenditures prepared at request of Northern Economics, Inc. October 2, 2013.
- Armstrong, Michael. Homer News. Buccaneer still exploring winter moorage plans. Available at <http://homernews.com/homer-news/local-news/2013-10-02/buccaneer-still-exploring-winter-moorage-plans>. October 2, 2013.
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- Kenai Peninsula Borough. *FY 2013 Annual Budget (July 1, 2012 to June 30, 2013)*. June 6, 2012.

ANNOUNCEMENTS  
PRESENTATIONS  
BOROUGH REPORT  
COMMISSION REPORTS



## PUBLIC HEARING(S)



## ORDINANCE(S)



# CITY MANAGER'S REPORT





# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the City Manager

491 East Pioneer Avenue  
Homer, Alaska 99603

[citymanager@cityofhomer-ak.gov](mailto:citymanager@cityofhomer-ak.gov)

(p) 907-235-8121 x2222

(f) 907-235-3148

## Memorandum

TO: MAYOR WYTHER AND CITY COUNCIL  
FROM: Walt Wrede  
DATE: January 8, 2014  
SUBJECT: January Employee Anniversaries

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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.

Richard Gibson,	Public Works	14	Years
Stacy Luck,	Police	12	Years
Jo Johnson,	Clerk's Office	10	Years
Teresa Sundmark,	Library	7	Years
Amy Gordon,	Library	7	Years
Tomasz Sulczynski,	IT	6	Years
Larry Baxter,	Police	5	Years
Ken Lewandowski,	Public Works	2	Years
Mike Parish,	Public Works	2	Years
Paul McBride,	Public Works	2	Years
Andrea Browning,	Administration	2	Years





## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Administration

491 East Pioneer Avenue  
Homer, Alaska 99603

(p) 907-235-8121 x2222

(f) 907-235-3148

### Memorandum 14-002

TO: Honorable Mayor Wythe and Homer City Council  
THROUGH: Walt Wrede, City Manager  
FROM: Katie Koester, Community and Economic Development Coordinator  
DATE: December 27, 2013  
SUBJECT: Citizen's Academy

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The purpose of the memo is to explore some of the questions surrounding the concept of the Citizen's Academy that was included in the 2014 budget (\$4,000).

If the Council would like to host an academy before summer 2014, planning and preparation needs to take place soon. There are many elements to consider such as how to structure an academy, scheduling, depth of instruction, etc. Coordinating, scheduling, developing a curriculum and preparing the first Academy will take staff time. I suggest a minimum of 6 weeks lead time before the first class.

I have researched citizen academies in other states and they vary in the formality of the instruction, length of the course work, and cost. Some things they have in common are an attendance requirement, residency requirement, certification and ceremony at the end of the course, and food served at evening classes.

#### **Things to consider:**

**Goal of the City of Homer Citizen's Academy:** Provide an opportunity for residents to increase their knowledge about the workings of local government and have a desire to become involved in the shaping and development of their community.

*Question - Council direction on the goal of the Citizen's academy will help staff produce a work product that is meaningful to the community and the Council.*

**Scheduling:** In order to give all departments at least one hour to share with the public, I recommend a minimum of 6 2-3 hour sessions. Scheduling options include: one class every night over the course of a week, a class one evening a week for 6 weeks, or 2 classes a month for 12 weeks. Dates must also take into consideration staff will need 6 weeks to prepare curriculum and advertise before the start of the course.

*Question - Should the course run one week straight, one day a week, or two days a month? Should the City try and host the Academy on an accelerated schedule this winter/early spring?*

**Advertising:** Community participation in the Academy is crucial and may be difficult. I would suggest an advertising campaign to include the traditional advertising through newspapers, brochures, radio and postings in addition to individual outreach to citizens by Council members and staff. The initial class will be able to provide important feedback on the course and generate interest for subsequent courses if the Academy becomes an annual event. Your participation in spreading the word will be crucial.

*Question - Are Council members willing to make an effort to reach out to friends, colleagues and community members and recruit for the Academy?*

**Attendance Requirements:** All of the examples of citizen academies I researched included a minimum attendance requirement for participants and a maximum class size. The amount of effort involved in hosting the academy and expectation that citizens will be well versed in local government require that people show up. A class size maximum, 20 for example, will allow for better instruction, predictability for catering snacks and meals, and ability to bring the group to locations outside of City Hall for meetings. In the examples I researched citizens had to apply and be selected to participate, however these were for cities with greater populations. All required participants own a business or live in City limits.

*Question - What are the residency requirements? What is the minimum attendance requirement to certificate? What is the maximum class size?*

**Preparing a Curriculum:** Though there are many great examples of Citizen Academies across the nation, I did not find an example for a City in Alaska (with the exception of citizen police/trooper academies) or for a town of Homer's small size. The departments will have to spend some time preparing a curriculum that is meaningful and succinct for the Academy. Departments should have 4-6 weeks to prepare.

*Question - Council could provide some valuable direction on the Academy and any particular goals they want to see accomplished or focus of the Academy.*

**Budget:** I would strongly recommend feeding participants for long evening meetings. I believe this can be done for less than \$15 a participant (including staff) with simple fare like sandwiches and pizza. Many examples I researched included take homes from different departments or from the City.

*Question - Can we feed participants? Do we have an interesting or meaningful take home?*

**Graduation:** A ceremony at a City Council meeting with a certificate of completion and some recognition (invitation to family members, cake, and social opportunity with Council members to share their experiences) would be an appropriate way to recognize the time commitment and accomplishment of attendees.

These are just some of the variables that will need to be considered for creating a City of Homer Citizen's Academy. I am sure more will arise as preparations begin and can be easily handled with clear direction from Council on your intentions and goals for the Academy.



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

[clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov)

(p) 907-235-3130

(f) 907-235-3143

## Memorandum

TO: MAYOR AND CITY COUNCIL

FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

DATE: JANUARY 6, 2014

SUBJECT: BID REPORT

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**ITB HOMER HARBOR FACILITIES IMPROVEMENTS 2014** - Sealed bids for the construction of the Homer Harbor Facilities Improvements - 2014 will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until 2:00 p.m. ~~Friday, December 20, 2013,~~ **Thursday, January 16, 2014** 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. All bidders must submit a City of Homer Plan Holders Registration form to be on the Plan Holders List and to be considered responsive. Plan holder registration forms, and Plans and Specifications are available on line at <http://www.cityofhomer-ak.gov/rfps>

**RFP INCORPORATING ART INTO THE HOMER SPIT PHASE II TRAIL PROJECT** - Proposals to incorporate art in the "gateway area" intersection of Freightdock Road and Homer Spit Road on the Homer Spit Trail Project, Phase II on the Homer Spit, will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska, until **Thursday, January 23, 2014 at 4:00 p.m.** The time of receipt will be determined by the City Clerk's time stamp. Proposals received after the time fixed for the receipt of the bids shall not be considered. Requests for Proposal/Instructions for Proposers containing proposal format and evaluation criteria are available on the City's website. **All bidders must submit a City of Homer Plan Holders Registration form to be on the Plan Holders List and to be considered responsive.** Plan holder registration forms, and Plans and Specifications are available on line at <http://www.cityofhomer-ak.gov/rfps>

**RFP FOR GC/CM DESIGN AND CONSTRUCTION SERVICES PUBLIC SAFETY BUILDING PROJECT** - Proposals to provide a General Contractor/Construction Manager (GC/CM) design and construction services team for a proposed new Public Safety Building (Police and Fire Departments) will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska until 4:00 p.m., ~~Tuesday, January 7, 2014~~ **2:00 p.m. Tuesday, January 21, 2014.** The time of receipt will be determined by the City Clerk's time stamp. Proposals received after the time fixed for the receipt of the bids shall not be considered. Requests for Proposal/Instructions for Proposers containing Proposal format and evaluation criteria are available on the City's website. All bidders must submit a City of Homer Plan Holders Registration form to be on the Plan Holders List and to be considered responsive. Plan holder registration forms, and Plans and specifications are available on line at <http://www.cityofhomer-ak.gov/rfps>





## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the Mayor

491 East Pioneer Avenue  
Homer, Alaska 99603

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

### Memorandum

TO: MAYOR WYTHER AND CITY COUNCIL

FROM: JO JOHNSON, MMC, CITY CLERK

DATE: JANUARY 7, 2013

SUBJECT: GAMES REPORT

We have received notification of a 2014 Gaming Permit Application by the following entities:

Homer Hockey Association, Inc.

#### RECOMMENDATION:

Informational only.

Fiscal Note: Revenues.

# Alaska

## 2014 Gaming Permit Application



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### Organization Information

Federal EIN 92-0143117	If renewing, enter gaming permit # 2122	Phone Number (907) 235-2647	Fax Number (907) 235-2647
Organization Name Homer Hockey Association, Inc.		Website Address www.homerhockey.org	
Mailing Address PO Box 2703		City Homer	State AK
		Zip Code 99603	
<b>Entity Type</b> (check one)		<b>Organization Type</b> (check one) for definitions see AS 05.15.690 and 15 AAC 160.995.	
<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Association		<input type="checkbox"/> Charitable <input type="checkbox"/> Civic or service <input type="checkbox"/> Dog mushers' association <input checked="" type="checkbox"/> Educational <input type="checkbox"/> Fishing derby association <input type="checkbox"/> Fraternal <input type="checkbox"/> Labor <input type="checkbox"/> Municipality <input type="checkbox"/> Nonprofit trade association <input type="checkbox"/> Outboard motor association <input type="checkbox"/> Police or fire department <input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Veterans <input type="checkbox"/> IRA/Native Village	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Does the organization have 25 or more members, as defined in your articles of incorporation or bylaws, who are Alaska residents?			

### Members in Charge of Games

Members in charge must be natural persons and active members of the organization or employees of the municipality and designated by the organization. Members in charge may not be licensed as an operator, be a registered pull-tab vendor or an employee of a vendor for this organization. If more than one alternate, attach a separate sheet.

Primary Member First Name Tracey	M.I. A	Primary Member Last Name Tillion	Alternate Member First Name David	M.I. G	Alternate Member Last Name Lewis
Social Security Number		Email tillion@alaska.net	Social Security Number		Email davelyn@gci.net
Daytime Phone Number (907) 226-3211		Mobile Number (907) 399-3211	Daytime Phone Number (907) 235-2245		Mobile Number (907) 399-6073
Home Mailing Address 791 Ocean Loop Drive			Home Mailing Address PO Box 468		
City Homer	State AK	Zip Code 99603	City Homer	State AK	Zip Code 99603
Has the primary member passed the test? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Permit # under which test was taken: 2122	Has the alternate member passed the test? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Permit # under which test was taken: 2122

### Legal Questions

These questions must be answered. If you answer Yes to either question, see instructions.

<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Does any member of management or any person who is responsible for gaming activities have a prohibited conflict of interest as defined by 15 AAC 160.954?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Has any member of management or any person who is responsible for gaming activities ever been convicted of a felony, extortion, or a violation of a law or ordinance of this state, or another jurisdiction, that is a crime involving theft or dishonesty, or a violation of gambling laws?
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*We declare, under penalty of unsworn falsification, that we have examined this application, including any attachments, and that, to the best of our knowledge and belief, it is true and complete. We understand that any false statement made on the application or any attachments is punishable by law. By our signatures below we, the primary member, the alternate member, and if applicable, the manager of games, agree to allow the Department of Revenue to review any criminal history we may have, in accordance with 15 AAC 160.934.*

Primary Member In Charge's Signature 	Printed Name Tracey A. Tillion	Date 11-24-13
President or Other Officer's Signature (see instructions) 	Printed Name Timothy T. Stage	Date 11-25-13
Alternate Member In Charge's Signature 	Printed Name David G. Lewis	Date 11-24-13
Manager of Games Signature	Printed Name	Date

DEPARTMENT USE ONLY
Validation #
Date Stamp

**One copy of the completed application must be sent to the nearest municipality or borough.** See instructions for mandatory attachments.

Pay online with OTIS at [www.tax.alaska.gov](http://www.tax.alaska.gov) or make check payable to State of Alaska. New applicants must pay by check.

### Permit Fee

The permit fee is based on the 2013 estimated gross receipts. Check the appropriate box.

<input type="checkbox"/> New applicant	\$20
<input type="checkbox"/> \$0 - \$20,000	\$20
<input checked="" type="checkbox"/> \$20,001 - \$100,000	\$50
<input type="checkbox"/> \$100,001 or more	\$100

826

Mail to: Alaska Department of Revenue, PO Box 110420, Juneau AK 99811-0420

0405-826 Rev 08/30/13 - page 1

# 2014 Alaska Gaming Permit Application

826

Gaming Permit # 2122	Organization Name Homer Hockey Association, Inc.
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## Facility-Based Games (self-directed) If more than two facilities, attach a separate sheet.

Facility Name Kevin Bell Arena	Physical Address 3150 Homer Spit Road	City Homer	State AK	Zip Code 99603
Facility Type (check one) <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased <input type="checkbox"/> Donated	Game Type (check all that apply) <input type="checkbox"/> Bingo <input checked="" type="checkbox"/> Raffle <input checked="" type="checkbox"/> Pull-tabs <input type="checkbox"/> Animal classic (chicken)* <input type="checkbox"/> Animal classic (rat race)* <input checked="" type="checkbox"/> Special draw raffle ** <input type="checkbox"/> Calcutta pool**			

Facility Name	Physical Address	City	State AK	Zip Code
Facility Type (check one) <input type="checkbox"/> Owned <input type="checkbox"/> Leased <input type="checkbox"/> Donated	Game Type (check all that apply) <input type="checkbox"/> Bingo <input type="checkbox"/> Raffle <input type="checkbox"/> Pull-tabs <input type="checkbox"/> Animal classic (chicken)* <input type="checkbox"/> Animal classic (rat race)* <input type="checkbox"/> Special draw raffle ** <input type="checkbox"/> Calcutta pool**			

## Area-Based Games If more than two areas, attach a separate sheet. \* restricted game type \*\*see instructions for mandatory attachments

Area Homer	Game type (check all that apply) <input checked="" type="checkbox"/> Raffle <input type="checkbox"/> Contest of skill <input type="checkbox"/> Fish derby <input type="checkbox"/> Dog musher' contest <input type="checkbox"/> Classic/ <input type="checkbox"/> Other (specify) _____
Area	Game type (check all that apply) <input type="checkbox"/> Raffle <input type="checkbox"/> Contest of skill <input type="checkbox"/> Fish derby <input type="checkbox"/> Dog musher' contest <input type="checkbox"/> Classic/ <input type="checkbox"/> Other (specify) _____

## Manager of Games Required only for self-directed pull-tabs and bingo.

Manager First Name	MI	Manager Last Name	Social Security Number	Daytime Phone Number
Home Mailing Address			Email	Mobile Phone
City	State	Zip Coded	Has the manager of games passed the test? <input type="checkbox"/> Yes <input type="checkbox"/> No	Permit # under which test taken

## Vendor Information Attach 2013 vendor registration form(s) and fee(s) for each vendor listed below.

Bar or Liquor Store Name Down East Saloon	Physical Address 3125 East End Road	City Homer	State AK	Zip Code 99603
Bar or Liquor Store Name Beluga Lake Lodge	Physical Address 204 Ocean Drive Loop	City Homer	State AK	Zip Code 99603
Bar or Liquor Store Name Best Western Bidarka Inn	Physical Address 575 Sterling Highway	City Homer	State AK	Zip Code 99603
Bar or Liquor Store Name AJ's Old Town Steakhouse	Physical Address 120 W. Bunnell Street	City Homer	State AK	Zip Code 99603
Bar or Liquor Store Name Alice's Champagne Palace	Physical Address 195 E. Pioneer Avenue	City Homer	State AK	Zip Code 99603

## Operator Information

Designate operator who will conduct activities on the organization's behalf. Attach signed operating contract(s). If more than one operator, attach a separate sheet.

Operator License #	Operator	Facility Name	Game Type(s)
Physical Address		City	State Zip Code

## Multiple-Beneficiary Permittee Information (MBP)

Designate the MBP with which the organization has signed a partnership or joint venture agreement.

MBP Permit #	MBP Name	Facility Name	Game Type(s)
Physical Address		City	State Zip Code

## Dedication of Net Proceeds Describe in detail how the organization will use the net proceeds from gaming activities.

The net proceeds from all gaming activities go towards benefiting the youth of Homer and the surrounding communities by providing a skating facility. Net proceeds will be used for new equipment, scholarships, prizes, supplies, banquet, travel and other miscellaneous facility expenses necessary to maintain operation.

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## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

[clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov)

(p) 907-235-3130

(f) 907-235-3143

### Memorandum

TO: MAYOR WYTHE AND HOMER CITY COUNCIL  
FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK  
DATE: JANUARY 8, 2014  
SUBJECT: ANNUAL CITY DEPARTMENT/OFFICE INVENTORY

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Advising the Council pursuant to Homer City Code Section 2.08.010, Management of Public Records, Subsection c. Records Inventory. The City Clerk shall take and maintain an inventory of the City records. The inventory shall be reviewed and revised annually, and shall set forth each record series being developed, used, stored, or scheduled for disposal by the City.

Department and Office inventories through December 2013 have been received by the Office of the City Clerk, with the exception of the Finance Department.



# CITY ATTORNEY REPORT



## MEMORANDUM

**TO: MAYOR AND CITY COUNCIL MEMBERS**

**FROM: THOMAS F. KLINKNER**

**RE: CITY ATTORNEY REPORT FOR DECEMBER 2013**

**CLIENT: CITY OF HOMER**

**FILE NO.: 506,742.18**

**DATE: JANUARY 7, 2014**

---

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

City Council. I attended the December 9, 2013 City Council meeting. I prepared memoranda for the Council regarding the effects of adopting a home rule charter and the repeal of the sales tax exemption for nonprepared foods.

City Clerk. Holly worked with the Clerk's office to create a new retention schedule for City records.

Planning. We advised the Planning Department regarding the application of the 1996 Telecom Act to a radio tower application. We researched and drafted a memorandum to the Planning Department regarding requirements for Planning Commission visits to the sites of applications.

Port and Harbor. I drafted revised language for the Harbor's moorage agreements.

City of Homer v. Shadle. We continued with our effort to negotiate a settlement of this case, but without success. We now are preparing for a final court hearing on the imposition of penalties for Mr. Shadle's zoning violation.

City of Homer v. Reidel. We prepared to prosecute a new set of citations issued to Mr. Reidel for failing to keep his goats confined to his property.

Auction Block Company v. City of Homer. Holly received an order from the Federal Maritime Commission scheduling oral argument in this case. Holly worked with opposing counsel to establish a briefing and hearing schedule.

Holly will be available to answer questions regarding these matters at the January 13, 2014 Council meeting.

cc: Walt Wrede  
Jo Johnson

## COMMITTEE REPORTS





# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Public Works

3575 Heath Street  
Homer, AK 99603

[publicworks@cityofhomer-ak.gov](mailto:publicworks@cityofhomer-ak.gov)

(p) 907- 235-3170

(f) 907-235-3145

## Memorandum 14-003

TO: Port and Harbor Building Task Force (PHBTF)  
THROUGH: Bryan Hawkins - Harbormaster  
FROM: Dan Nelsen – Project Manager  
DATE: December 20, 2013  
SUBJECT: Project Budget – New Harbormaster's Building

In December 2012, the design team looked at three alternatives regarding a new Harbormaster's building. The preferred alternative was the construction of a new facility (project cost is shown below as 2012 budget). In November 2013, a 25% design and budget was presented to the PHBTF (project cost is shown below as 2013 budget).

Recently, the design team has made significant progress in limiting the scope of the project and reducing the cost (project cost is shown below as 2014 budget). Attached are revised site plan, floor plan and building elevations.

	2014 Budget	2013 Budget	2012 Budget
Design	\$180,000	\$285,000	\$214,000
Construction	\$1,788,883	\$3,040,925	\$1,848,805
Inspection	\$75,000	\$90,000	\$75,000
Furnishings	\$30,000	\$30,000	\$30,000
City Admin	\$24,000	\$26,000	\$24,000
1% for Art	\$20,000	\$30,000	\$21,000
Contingency	\$178,888	\$410,525	\$292,578

Total Cost	\$2,296,772	\$3,912,450	\$2,505,383
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Bldg Square Footage	4778	4778	5077
Bldg Cost/SF	\$416	\$722	\$422
Bldg Const Only	\$1,967,772	\$3,451,450	\$2,141,383

Total Project Cost	\$2,296,772	\$3,912,450	\$2,505,383
Current Budget Authority	\$2,000,000	\$2,000,000	\$2,000,000

Addn Funding Needed	\$296,772	\$1,912,450	\$505,383
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The new 2014 budget reflects a decrease in square footage from the original 2012 project; a decrease in the per square footage cost, a reduction in the overall project cost and a reduction in the need for additional funding beyond that currently authorized. This project will need additional funding above that currently authorized (\$350,500).

The current project includes over-slope development, but the second floor has been removed, the maintenance shop size was reduced, and the administrative areas were decreased.

Further reductions in the cost of this project would most likely include elimination of over-slope development and building square footage reductions that would negatively impact current and future building functionality.

**Recommendation:** The Port and Harbor Building Task Force approve the budget for this project in the amount of \$2,297,000 (as shown above), approve proceeding with 65% design based on this budget, and support the acquisition of the additional required funding.

PENDING BUSINESS



# NEW BUSINESS





## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

[clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov)

(p) 907-235-3130

(f) 907-235-3143

### Memorandum 14-007

TO: MAYOR WYTHE AND HOMER CITY COUNCIL

FROM: JO JOHNSON, CITY CLERK

THROUGH: WALT WREDE, CITY MANAGER

DATE: JANUARY 6, 2014

SUBJECT: RECOMMENDATIONS FOR REDUCING MEETINGS OF COMMITTEES AND COMMISSIONS

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In an effort to reduce staff time spent preparing for and attending meetings, Mayor Wythe requested that we look at the current commissions and committees to see if there were ways to reduce the number of meetings. Too many commissions and committees often result in inefficiency, lower staff productivity, overlapping jurisdictions, and increased bureaucracy.

These are the current boards/commissions provided for in code:

- **Library Advisory Board**
- **Advisory Planning Commission**
- **Economic Development Advisory Commission**
- **Parks and Recreation Advisory Commission**
- **Port and Harbor Advisory Commission**

Initial discussion among City staff indicates that some of the advisory Boards and Commissions could function as effectively with revised schedules that could be organized seasonally and the duties of other standing and special committees could be eliminated or absorbed by another group. Some of the initial suggestions are listed below for your review.

An example for a seasonal schedule is that the Parks and Recreation Advisory Commission could forego November – March meetings and complete business in the other seven months. Alternately, summer meetings could be canceled since this is the busiest time for parks staff. Meeting dates could be changed to the first Thursday of the month to allow more lead time before the summer season.

Other groups who participate in department development of policies and budget or don't have larger issues presently at hand could reduce to quarterly meetings, like the Library Advisory Board. The Board was established to assist with the fundraising, budget process, and policy making for the library.

Advisory bodies that don't have specific tasks defined and/or budgets to accomplish them could convene on an as needed basis at the request of the City Council, like the Economic Development Advisory Commission.

These are the current Standing Committees:

- **Lease Committee** (in code)
- **Permanent Fund Committee** (in code)
- **Public Arts Committee** (in code)
- **Transportation Advisory Committee** (by resolution)

The Transportation Advisory Committee was originally formed as the Road Standards Committee to make recommendations to Council relating to road standards. This was at a time when there were many road improvement districts underway. Most of the organizational items have been resolved through the Transportation Plan and Roads Design Standard adopted. It was suggested this committee could be dissolved and the Advisory Planning Commission could address road standards when needed.

The Lease Committee is another group suggested for dissolution. There is the potential for conflicts of interest on leases and special interest agendas with public members. Committee members receive limited information due to the confidential nature of the application and review of leases by a committee with public members tends to politicize the process. Fiduciary responsibility to manage public lands and assets rests with the Executive Branch. It is recommended we go back to the old method.

The Public Arts Committee and Permanent Fund Committee have a specific purpose as outlined in code and quarterly meetings allow those groups to conduct their business.

These are the current special subcommittees:

**Karen Hornaday Park**

**Port and Harbor Improvement Committee**

**Employee Committee**

**Port and Harbor Building Task Force**

The Karen Hornaday Park Committee is primarily comprised of Parks and Recreation Advisory Commissioners and their business could be conducted as needed in a Worksession prior to the Commission's meeting.

The Port and Harbor Improvement Committee and Port and Harbor Building Task Force were formed by resolution of the City Council and will terminate upon completion of the projects from which they were formed.

The Employee Committee is comprised of city staff and meets as needed.

Please consider the following recommendations:

Form no new committees, subcommittees, or task forces without Council approval.

Amend advisory bodies' bylaws to state that NO special meetings of boards, commissions, committees, or task forces can be scheduled without Council approval (with the exception of the Advisory Planning Commission due to time constraints within the code). This would encourage participation in the regularly scheduled meetings and alleviate a significant amount of staff time. Often we have a commission or committee that does not have a quorum for a regularly scheduled meeting so they schedule a special meeting. This results in added staff time notifying all parties to reach a consensus on meeting dates, increased advertising costs, and preparation of duplicate packets.

RECOMMENDATION: Discuss and direct staff to bring forward an ordinance or resolution to make the changes.

Fiscal Note: N/A



# RESOLUTIONS



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

