



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: Mayor Zak and Homer City Council
FROM: Katie Koester, City Manager
DATE: May 23, 2018
SUBJECT: **May 29 City Manager's Report**

Update on Kachemak Bay Critical Habitat Area Plan

Deputy City Planner Engebretsen has been attending meetings on behalf of the City on updating the Kachemak Bay Critical Habitat Area Plan. To date, conversation has focused on docks, floats and permitting. Over the summer, there will be smaller topic specific working groups to work on Fox River Flats trail, Fox River Flats grazing, shore fishery leases, aquatic farms, on bottom mariculture and shellfish seeding, kelp harvesting, etc. Of interest to the City will be discussion on harbor dredging spoils (which is an important aspect of the Large Vessel Harbor project) and Homer Spit specific issues such as erosion control. Harbormaster Hawkins will also participate in these conversations. In the fall, the main working group meetings will reconvene, and review the work from the smaller working groups. The public can find information about Critical Habitat Area meetings here : <https://aws.state.ak.us/OnlinePublicNotices/Notices/Search.aspx>

Lot 3 Adjacent to Jack Gist Lot Sold

In 2016 Resolution 16-133 approved the City Manager to enter into negotiations on the purchase of Jack Gist Subdivision lot 3 to enhance Jack Gist Park. I worked with the City's broker, Angie Newby of Homer Real Estate, on negotiating with the sellers to purchase the lot. In the May 30, 2017 City Manager report I reported that after multiple offers and counters, I believed both parties were still quite a ways apart and requested guidance from Council. The parcel is 2.33 acres on the uphill side of Jack Gist Park and was at the time listed for \$69,500. The 2017 assessed value was \$40,600. The lot has value to the City as property adjacent to Jack Gist Park, however there were no immediate plans to develop the park in that direction. This prompted Memo 17-090 from Councilmember Smith through the Homer City Council directing the Parks Art Culture and Recreation Advisor Commission (PARCAC) to provide development plans for the lot if acquired by the City of Homer. The Commission responded with a number of ideas for the expansion of Jack Gist Park. They also were cognizant of the cost of land and the impact the purchase would have on Parks and Recreation reserve funds and recommended pursuing the lot only if the price fell within 10% of assessed value (\$44,600). The lot recently sold for significantly more, though competitive with some of the previous offers the City had made. The cumbersome nature of our process can be a stumbling block in negotiation. All this means that if Council is very hot on a piece of property in the future, authorization to negotiate and purchase can be given in advance. On the up side, the party who purchase the lot may be interested in bringing water and sewer to

their property and closer to Jack Gist, which would be beneficial to the park as this is a major cost barrier in getting additional amenities at the park.

Homer Elks Plans to Freshen Up Skate Park

The Homer Elks Club has applied for and received a grant from Elks National Foundation to improve the skate park at the HERC. Local Elks will work with Park Coordinator Steffy to spruce up the park with paint, materials and sweat equity. The park definitely needs some TLC and it is great to see a local organization working on improving youth recreation opportunities.

Homer Airport Busy for 2018 Season

The next time you fly in-out of the Homer Airport you may observe some changes in the terminal.

- Flying Whale Coffee and Gifts has doubled their square footage offering gifts and coffee. (Resolution 18-030)
- RAVN Airlines has increased their lease area to include more cargo space in the west end of the airport. (Resolution 18-022)
- Alaska Ultimate Safaris helicopter tours will be leasing a ticket counter as a check-in location for bear and glacier tours. This is a short term lease, Alaska Ultimate Safaris will be sharing **the space with Pen Air as they don't plan on initiating operations until September.**
- Kansas State University is leasing a booth next to Pioneer Car Rental to conduct a survey for the National Park Service regarding visitors experience at Lake Clark and Katmai National Parks and Preserve. This is also a short term lease.
- Pen Air is seeking approval to lease a ticket counter, office and baggage areas, the Resolution to approve entering into negotiations is included in this packet.

The burst of economic activity at the airport is great news for the sustainability of the airport, and has been a major goal of my office. The economic benefit of having a variety of tenants is great for all the businesses and the residents of Homer. That being said, the City still has more space to sublet at the airport terminal. Interested parties can call 907-435-3102 to inquire or visit the City website for information regarding pricing and availability.

New Police Station Public Education Campaign

Preparations for the public information campaign for the new police station and special election Tuesday, June 26 are in full swing. Thank you to all of you who are taking on parts of this campaign. Upcoming events include KBBI Coffee Table on June 6 at 9am with Chief Robl, Councilmembers Smith and Aderhold; weekly reports on Radio Realty with Tom Stroozas; and a presentation to the Homer-Kachemak Bay Rotary Club June 14th. In addition, you will be seeing ads in the local papers, updated articles on the City of Homer website, opinion pieces in the papers written by many of you (thank you!) and public service announcement/advertisements on local radio stations. A post card to all registered voters in City limits will go out just before early voting opens on June 11. I have included the most recent talking points and encourage the public who has taken a great interest in this project to use them when talking to their friends and neighbors. Many thanks go to Special Projects and Communication Coordinator Carroll who has been working with single minded focus on preparations since the passage of Ordinance 18-27(A).

Promoting the Large Vessel Harbor

Governor Walker was in Homer on Thursday, May 17th. Mayor Zak, Harbormaster Hawkins and myself had the opportunity to spend some time with him at the Port and Harbor Building

discussing the Large Vessel Harbor Project. He put us in touch with Commissioner of the Department of Commerce, Community and Economic Development, Mike Navarre. As former Mayor of the Kenai Peninsula Borough, Mayor Navarre is in a great position to have firsthand knowledge about the need for a large vessel harbor on the Peninsula. Getting this project on the administrations radar is important for inclusion in any future major infrastructure bill or bond bill. I also met with Senator **Murkowski's** State Director, Leila Kimbrel on Tuesday, May 23 and gave her an update on our Large Vessel Harbor project. She had some great advice on how the delegation can participate with the Army Corps of Engineers. As you are aware, our first step in reinitiating this project is the analysis of economic indicators by the Corps approved by Council in Ordinance 18-03. Tuesday the 29th the Mayor, Harbormaster and myself will be meeting with **Senator Sullivan's Chief of Staff on the same topic.**

First Quarter Financial Report

Attached is a first quarter financial report for all City of Homer funds. In the future, you can expect **quarterly reports in the manager's report** for Council review approximately 6 weeks after the end of each quarter (this gives time for expenditures to be properly entered, credit card transactions to appear in the accounting system, and bank reconciliation). One thing this report demonstrates is the nature of the cash flow at the City. For General Fund, we are on target with revenue at 21% and operating expenditures at 21%. However, the seasonal nature of business at the Port and Harbor is reflected in the gap between revenue (11% of budget) and operating expenditures (20% of budget). This document is an important way for the City to make sure we are on track **throughout the year, don't have painful** surprises, and can help forecast trends. Please let me know if you have specific questions regarding the report, as you become more comfortable with the format and the story that the numbers tell will be easier to read. Keep in mind the disclaimer I use whenever discussing unaudited numbers and that they are subject to change.

The treasurer's report is also a useful snapshot of where City of Homer money is invested. You will see that currently 28% is kept liquid in the Alaska Municipal League fund. This fund is accessed regularly when we need cash for regular expenditures (payroll, accounts payable). About 2% is in a money market waiting to be invested long term, and the remainder is distributed among low risk bonds and other investment that are backed by the Federal Government or FDIC. The Finance Director and I are taking a careful look at when bonds mature and holding more cash assets in order to have enough cash on hand to begin spending on the new police station project with passage of Proposition 1 in late June.

Enc:

October 12, 2017 Memo from PARCAC to Council on Land Acquisition North of Jack Gist Park
New Police Station Talking Points

First Quarter Financial Report and Treasurer's Report

Letter of Support for SBDC Grant

Non-Objection Letter to HSWCD Re: Invasive Weed Management in City Limits



City of Homer

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Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

To: Mayor Zak and Homer City Council
From: Parks, Art, Recreation and Culture Advisory Commission
Through: Julie Engebretsen, Deputy City Planner
Date: October 12, 2017
Subject: Lot 3 land acquisition north of Jack Gist Park

Via Memorandum 17-090, Council requested PARCAC review the acquisition of Lot 3, adjacent to Jack Gist Park. The Commission discussed the purchase in light of Council's questions at the August 17th meeting and September 21st meetings. The Commission's conclusions were:

1. The land purchase should only occur if the City can buy it at fair market or assessed value. It is not a usable enough piece of land for recreation to justify a high price tag.
2. The land could be used to relocate the disc golf facility.
3. Land acquisition would help avoid future conflicts with neighbors.
4. The Commission would like more greenspace.
5. Jack Gist Park does need additional park land.
6. The Commission recognizes the need for a long term Jack Gist Park Plan.

In conclusion, if the opportunity arises in the future to purchase this land at no more than 10% over the assessed value, the purchase should be considered.

Vote  *yes* Prop 1 for a
NEW POLICE STATION

AFTER 39 YEARS
IT'S
TIME!

**SPECIAL
ELECTION
JUNE 26**

MORE INFO AT
WWW.
CITYOFHOMER.AK.US

ABSENTEE VOTING
STARTS JUNE 11

POLLS OPEN JUNE 26
7 AM TO 8 PM

1. Public safety is one of the City's most important obligations.

- Police officers take on great responsibility and face unpredictable, often dangerous circumstances as part of their daily job to serve and protect.
- Our police station provides critical support for their work and public safety.
- Our 39 year old police station is not up to the task. The need is great and has been a top priority for years.

2. For the past year, Council has dedicated themselves to listening to the public's concerns and carefully crafting a new plan to bring before the voters. The new plan:

- Keeps costs down by building a smaller facility than the one proposed before, while also meeting essential public safety needs. Cost of the proposed 12,800 square foot building is \$7.5 million.
- Uses a design that allows for future expansion.
- Doesn't displace other uses – location is a vacant, City owned lot at corner of Grubstake and Heath
- Maximizes City investment to keep costs to the public as low as possible. We have set aside \$2.5 million (a third of the cost) as an upfront investment, bringing the total amount of construction financing down to \$5 million.

3. Council is asking voters for their support of this plan at a Special Election on June 26th. Vote yes on Prop 1.

- Prop 1 asks residents to authorize the City to issue \$5 million in general obligation bonds to finance the remainder.
 - It proposes a year-round 0.35% increase in City sales tax to pay off the bond debt. (35¢ on every \$100 spent.)
 - After the bond debt is paid, most of the tax goes away. 0.05% will remain on the books to fund ongoing maintenance costs of the building. (5¢ in sales tax for every \$100 paid.) These funds are important to adequately maintain the building, protect the public's investment and insure the building will serve us far into the future.

4. Reasons why the need is critical.

- **Antiquated design creates serious health and safety issues for staff and visiting public.**
 - HVAC system routes air from jail cells to rest of the station, passing airborne communicable disease.
 - Prisoners have access to staff areas when being transported; visitors at lobby window can hear patrol office conversations; visitors walk by jailer area creating safety and confidentiality concerns.
 - Prisoners being transported to the visitor area can freely access the exit door, prompting escape attempts.
- **Police department has outgrown the current station:**
 - Over time, call volume and arrests have more than quadrupled. Police personnel has doubled to handle the workload. Staff has been creative at maximizing the space and has adapted to get the most out of the facility, significantly extending the life of the building. But it is overcrowded; areas for expansion have been used up.
 - Electrical and mechanical systems we rely on for dispatch and coordinating emergency response have exceeded their capacity and fail to meet the demands of today's technology. Cramped and non-ventilated storage causes premature and costly equipment failures.
 - Requirements for processing and properly storing evidence has evolved over the past 40 years too. Evidence processing and storage rooms have been filled beyond capacity for many years; we now store evidence in Conex trailers on the back of the lot.
- **Police station does not meet some basic construction/accessibility standards:**
 - Not ADA accessible.
 - Jail does not meet state and federal standards for separating juvenile and female prisoners.
 - Building does not meet today's seismic standards designed to insure our public safety building is up and running when our community will need it most – during a major earthquake.

5. Find more info at the City of Homer website or contact one of your City Council members.

6. Remember to vote in the Special Election on Tuesday, June 26th.

- Polls will be open 7 am – 8 pm on June 26th. To vote you must be registered by Sunday, May 27th. Contact the Clerk's Office for assistance or you can register online at the Division of Elections website.
- Out of town? Prefer to vote early? Absentee Voting starts Monday, June 11 at City Hall.

Quarterly General Fund
Expenditure Report
For Quarter Ended March 31, 2018

	Adopted FY18 Budget	Acutal As of 3/31/18	Budget Remaining	% Budget Used
Revenues				
Property Taxes	\$ 3,264,974	\$ 67,596	\$ (3,197,378)	2.07%
Sales and Use Taxes	6,474,133	1,155,608	(5,318,525)	17.85%
Permits and Licenses	28,588	10,708	(17,881)	37.45%
Fines and Forfeitures	22,154	2,961	(19,193)	13.37%
Use of Money	36,851	2,750	(34,101)	7.46%
Intergovernmental	697,355	118,573	(578,783)	17.00%
Charges for Services	594,808	30,660	(564,147)	5.15%
Other Revenues	-	2,290	2,290	100%
Airport	146,869	48,265	(98,604)	32.86%
Operating Transfers	1,189,764	1,178,264	(11,500)	99.03%
Total Revenues	\$ 12,455,495	\$ 2,617,674	\$ (9,837,821)	21.02%
Expenditures & Transfers				
Administration	\$ 1,040,613	\$ 218,499	822,113	21.00%
Clerks	710,241	98,114	612,127	13.81%
Planning	364,987	82,122	282,865	22.50%
Library	887,710	191,765	695,945	21.60%
Finance	668,649	137,662	530,987	20.59%
Fire	1,061,339	231,542	829,796	21.82%
Police	3,267,428	748,190	2,519,237	22.90%
Public Works	2,558,787	473,075	2,085,711	18.49%
Airport	211,494	60,418	151,076	28.57%
City Hall, HERC	179,019	38,136	140,882	21.30%
Non-Departmental	94,000	69,000	25,000	73.40%
Total Operating Expenditures	\$ 11,043,364	\$ 2,348,525	\$ 8,695,740	21.27%
Transfer to Other Funds				
Leave Cash Out	\$ 161,373	\$ 161,373	\$ -	100%
Debt Repayment	-	-	-	-
Other	10,703	10,703	-	100%
Total Transfer to Other Funds	\$ 172,076	\$ 172,076	\$ -	100%
Total Transfer to Reserves	\$ 1,240,055	\$ 1,240,055	\$ -	100%
Total Expenditures & Transfers	\$ 12,455,495	\$ 3,760,656	\$ 8,695,740	30.19%
Net Revenues Over(Under) Expenditures	\$ 0	\$ (1,142,982)		

Quarterly Water and Sewer Fund
Expenditure Report
For Quarter Ended March 31, 2018

	Adopted FY18 Budget	Acutal As of 3/31/18	Budget Remaining	% Budget Used
<u>Revenues</u>				
Water Fund	\$ 2,037,962	\$ 481,839	\$ (1,556,122)	23.64%
Sewer Fund	1,797,681	363,745	(1,433,936)	20.23%
Total Revenues	\$ 3,835,643	\$ 845,584	\$ (2,990,059)	22.05%
<u>Expenditures & Transfers</u>				
<u>Water</u>				
Administration	\$ 181,131	\$ 38,116	\$ 143,015	21.04%
Treatment Plant	533,568	90,603	442,965	16.98%
System Testing	55,803	11,442	44,361	20.51%
Pump Stations	112,329	17,749	94,581	15.80%
Distribution System	286,169	71,631	214,537	25.03%
Reservoir	45,944	11,128	34,816	24.22%
Meters	184,333	24,095	160,238	13.07%
Hydrants	184,290	40,568	143,722	22.01%
<u>Sewer</u>				
Administration	\$ 161,679	\$ 32,464	129,215	20.08%
Plant Operations	572,039	110,869	461,170	19.38%
System Testing	66,006	15,230	50,776	23.07%
Lift Stations	186,021	38,439	147,582	20.66%
Collection System	238,471	55,478	182,994	23.26%
Total Operating Expenditures	\$ 2,807,784	\$ 557,812	\$ 1,619,631	19.87%
Transfer to Other Funds				
Leave Cash Out	\$ 19,960	\$ 19,960	-	100%
GF Admin Fees	484,119	484,119	-	100%
Other	43,398	44,410	(1,012)	102.33%
Total Transfer to Other Funds	\$ 547,476	\$ 548,489	\$ (1,012)	100.18%
Total Transfer to Reserves	\$ 480,382	\$ 480,382	\$ -	100%
Total Expenditures & Transfers	\$ 3,835,643	\$ 1,586,683	\$ 1,618,619	41.37%
Net Revenues Over(Under) Expendi	\$ 0	\$ (741,099)		

Quarterly Port and Harbor Fund
Expenditure Report
For Quarter Ended March 31, 2018

	Adopted FY18 Budget	Actual As of 3/31/18	Budget Remaining	% Budget Used
<u>Revenues</u>				
Administration	\$ 527,240	\$ 112,654	\$ (414,586)	21.37%
Harbor	2,753,486	285,833	(2,467,653)	10.38%
Pioneer Dock	364,326	57,449	(306,877)	15.77%
Fish Dock	549,740	46,898	(502,842)	8.53%
Deep Water Dock	258,000	19,850	(238,150)	7.69%
Outfall Line	4,800	4,800	-	100.00%
Fish Grinder	12,000	-	(12,000)	0.00%
Load and Launch Ramp	135,000	3,422	(131,578)	2.54%
Total Revenues	\$ 4,604,592	\$ 530,906	\$ (4,073,686)	11.53%
<u>Expenditures & Transfers</u>				
Administration	\$ 640,498	\$ 151,330	\$ 489,167	23.63%
Harbor	1,275,184	250,522	1,024,661	19.65%
Pioneer Dock	63,635	11,367	52,268	17.86%
Fish Dock	568,602	101,560	467,043	17.86%
Deep Water Dock	75,341	16,129	59,212	21.41%
Outfall Line	3,000	2,475	525	82.50%
Fish Grinder	22,000	5,456	16,544	24.80%
Harbor Maintenance	406,102	73,619	332,483	18.13%
Main Dock Maintenance	39,589	7,727	31,862	19.52%
Deep Water Dock Maintenance	50,089	7,392	42,696	14.76%
Load and Launch Ramp	85,482	9,590	75,892	11.22%
Total Operating Expenditures	\$ 3,229,520	\$ 637,167	\$ 2,592,353	19.73%
Transfer to Other Funds				
Leave Cash Out	\$ 57,636	\$ 57,636	\$ 0	100%
Debt Service	-	-	-	0%
GF Admin Fees	556,836	556,836	-	100%
Other	402,628	402,628	-	100%
Total Transfer to Other Funds	\$ 1,017,100	\$ 1,017,100	\$ 0	100.00%
Total Transfer to Reserves	\$ 356,471	\$ 356,471	\$ -	100%
Total Expenditures & Transfers	\$ 4,604,592	\$ 2,010,738	\$ 2,592,353	43.67%
Net Revenues Over(Under) Expenditures	\$ 0	\$ (1,479,833)		

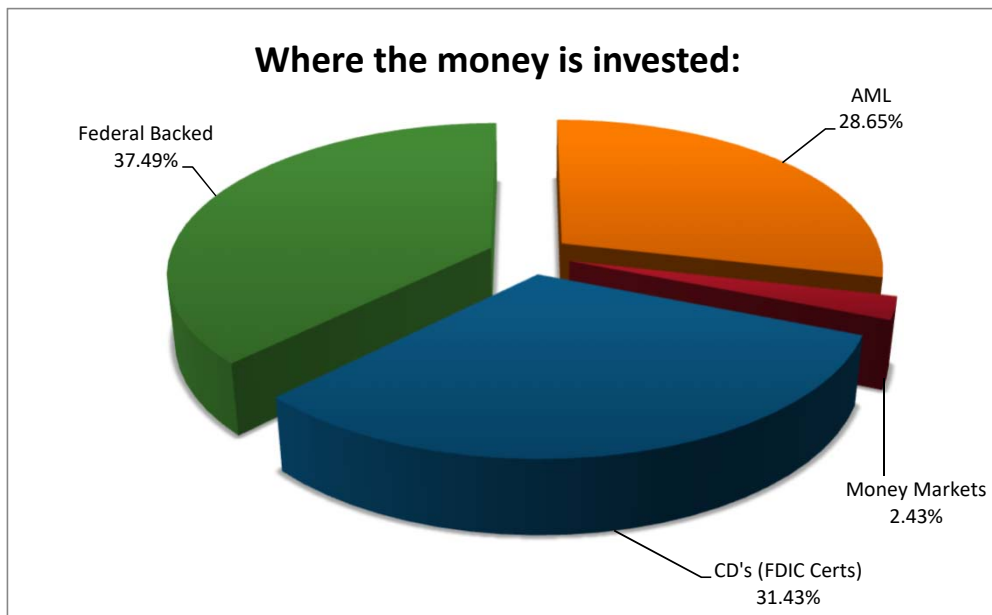
CITY OF HOMER Treasurer's Report

As of:

March 31, 2018

INVESTMENT BY INSTITUTION:	\$ Invested	% Of \$ Invested
Alaska Municipal League	\$ 6,437,998	29%
Pro-Equities	\$ 16,034,405	71%
Total Cash and Investments	\$ 22,472,403	100%

MATURITY OF INVESTMENTS:		AMOUNT	% Of Investment by Maturity Date
1 to 30 Days	4/30/2018	\$ 6,983,643	35%
30 to 120 Days	7/29/2018	\$ 1,029,306	25%
120 to 180 Days	9/27/2018	\$ 347,667	7%
180 to 365 Days	3/31/2019	\$ 1,123,786	3%
Over 1 Year		\$ 12,988,001	29%
TOTAL		\$ 22,472,403	100%



These investments are made in accordance with the City of Homer's investment policy pursuant to Ordinance 93-14, Chapter 3.10. The balances reported are unaudited.



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Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

U.S. Small Business Administration
Office of Small Business Development Centers
Portable Assistance Program

May 30, 2018

Re: Funding Opportunity No. OSBDC-2018-06

To Whom It May Concern,

As the Mayor of the City of Homer I am pleased to provide a letter of support to the Alaska Small Business Development Center (Alaska SBDC) Alaska for their FY2019 SBA Portable Assistance grant proposal for their Rural Business Development Program.

The Alaska SBDC has a long history of working with businesses in Alaska, particularly in rural communities. As you may know, Alaska's economy is in the longest recession that the state has ever seen. Thousands of jobs have been lost over the last five years and rural communities are some of the hardest hit by the public and private sector cut backs that have resulted from the drop in oil prices.

The Alaska SBDC's proposal to conduct a comprehensive rural business development program is based on their 30+ year experience working in rural communities and with small businesses across the state. Their proposal which combines community level fact finding, on site workshops and advising, the deployment of rural business development kiosks, the launch of a new maritime industry incubator and Alaska's first Energy Innovation prize will have a measurable and tangible impact on Alaska's rural businesses.

The City of Homer looks forward to partnering with the Alaska SBDC on this program to help grow businesses and opportunities in rural Alaska.

Sincerely,

Bryan Zak, Mayor
City of Homer



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Office of the City Manager

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(p) 907-235-8121 x2222

(f) 907-235-3148

May 30, 2018

Homer Soil & Water Conservation District

4014 Lake Street, Suite 201A

delivered electronically

To Whom It May Concern,

The City of Homer is in support of Homer Soil & Water Conservation District's efforts to treat invasive species in the state right-of-way. The City of Homer appreciates that Homer Soil and Water will make every effort to limit the adverse effect of herbicides to the environment by working in conjunction with DOT and DEC utilizing the DOT Integrated Vegetation Management Plan. The City of Homer does not object to Homer Soil and Water applying a systemic broad-leaf selective herbicide to an area of less than 0.4 acres at the intersection of Skyline Drive and Katie Jean Circle. The target invasive is the plant *Vicia cracca* (bird vetch.) The City of Homer appreciates that this process will follow the proper guidelines including a 30 days public notice period, appropriate signage on site, and supervision by DEC and DOT staff.

Sincerely,

Katie Koester
City Manager

